



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-100-90 (5-24-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF MEMORIAL BANK, NATIONAL ASSOCIATION, HOUSTON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Memorial Bank, National Association, Houston, Texas, by Compass Bank Houston, Houston, Texas. The failed bank's two offices will reopen on Friday, May 25, 1990, as branches of Compass Bank, and its depositors automatically will become depositors of the assuming bank.

Memorial Bank, with total assets of about \$90.9 million, was closed on Thursday, May 24, 1990, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Compass Bank will assume about \$86.6 million in 4,400 deposit accounts. It also will purchase approximately \$64.8 million of the failed bank's assets, including \$7.3 million of the bank's small loans at a discount of \$1,414,000.

To facilitate the transaction the FDIC will advance \$23.3 million to the assuming bank and will retain assets of the failed bank with a book value of \$22.8 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondeposito r creditors and shareholders of the closed bank.

###