

Texas Department of Banking

Press Release

Regulators Close North Houston Bank and Madisonville State Bank

Date: October 30, 2009

Texas Banking Commissioner, Charles G. Cooper, announced today that U.S. Bank National Association, Minneapolis, Minnesota, acquired all the deposits of North Houston Bank, Houston, Texas and Madisonville State Bank, Madisonville, Texas, in a series of failed bank transactions facilitated by the Federal Deposit Insurance Corporation. Both institutions will reopen according to their normal hours of operation and customers should have uninterrupted access to their funds. The North Houston location will reopen Saturday morning with Madisonville reopening Monday morning. Additional information can be found on the FDIC's website.

Both institutions were owned by FBOP Corporation, Oak Park, Illinois. As of September 30, 2009, North Houston Bank had deposits totaling approximately \$308 million, including \$68 million in brokered deposits and Madisonville State Bank had deposits totaling approximately \$225 million, including \$70 million in brokered deposits.

Commissioner Cooper stated that the banks experienced similar problems related to poor asset quality and insufficient liquidity. Losses resulting from the write-down of Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation) preferred stock and other investments depleted each bank's capital. These deficiencies were compounded by deterioration in the commercial loan portfolios and an over-reliance on brokered deposits.

Other banks owned by FBOP Corporation that also closed today include: California National Bank, Los Angeles, California; San Diego National Bank, San Diego, California; Pacific National Bank, San Francisco, California; Bank USA National Association, Phoenix, Arizona; Park National Bank, Chicago, Illinois; Community Bank of Lemont, Lemont, Illinois; and Citizens National Bank, Teague, Texas.

North Houston Bank and Madisonville State Bank were the second and third state-chartered banks in Texas to fail this year. The Texas Department of Banking supervises 320 state-chartered banks with total assets exceeding \$162 billion.

.