FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE PR-104-89 (5-19-89)

FDIC AGREES TO PLAN TO
RESTRUCTURE BANCOKLAHOMA CORPORATION

The Board of Directors of the Federal Deposit Insurance Corporation today gave preliminary approval to a plan for restructuring BancOklahoma Corporation, Tulsa, Oklahoma. The agreement paves the way for the sale of the FDIC's interests in BancOklahoma Corporation and its lead bank, Bank of Oklahoma, N.A., Tulsa.

The restructuring plan, which is expected to receive final approval by August 30, 1989, will have no significant effect on the customers of BancOklahoma's subsidiary banks. Since 1986, when the FDIC provided approximately $130 million in financial assistance to BancOklahoma's Oklahoma City and Tulsa banks, the agency has held warrants equivalent to 55 percent of the holding company's stock and preferred stock convertible into 99.99 percent of the Tulsa bank's common stock.

The key elements of the restructuring plan are:

- All of BancOklahoma Corporation's outstanding preferred stock and subordinated debentures will be exchanged for approximately seven percent of the shares of BancOklahoma Corporation common stock.

- Banks owed approximately $76 million by BancOklahoma Corporation will exchange their debt obligation for the proceeds from the sale of collateral currently securing that debt, including (1) miscellaneous parent assets; (2) proceeds from the sale to independent parties of four of BancOklahoma's bank subsidiaries (Bank of Oklahoma, Claremore; Bank of Oklahoma, Pryor; Bank of Oklahoma, Sand Springs; and Bank of Oklahoma,

-more-

Mercantile Center); and (3) $3.5 million from the sale to Bank of Oklahoma, N.A., Tulsa, of four other banks that will be converted to branches.

- The four banks to be converted to branches are: Bank of Oklahoma, Lewis Center; Bank of Oklahoma, Southwest Tulsa; Bank of Oklahoma, Broken Arrow, N.A.; and Bank of Oklahoma, City Plaza. After the sale the banks will continue to provide full services to their customers but will be operated as branches of Bank of Oklahoma, N.A., Tulsa.

- The FDIC will receive warrants equivalent to five percent of the fully diluted common equity in BancOklahoma Corporation. This will increase the FDIC's warrants in the holding company to allow the agency to purchase 60 percent of BancOklahoma's outstanding common stock.

- The FDIC also will retain its $90 million of convertible preferred stock in the Tulsa bank. If converted, this stock would equal 99.99 percent of the bank's common stock.

- The FDIC will seek proposals, after the restructuring plan is consummated, for the acquisition of the agency's warrant and preferred stock interests in the holding company and the Tulsa bank.

The FDIC in 1986 agreed to provide $130 million in financial assistance to facilitate the merger of Bank of Oklahoma, Oklahoma City, N.A., and Bank of Oklahoma, Tulsa, N.A. The assistance consisted of the purchase of $90 million of nonvoting convertible preferred stock in the bank and repayment of $40 million of the Oklahoma City bank's existing debt to the Federal Reserve Bank of Kansas City. In return, the agency received warrants in the holding company.

-more-

Under the 1986 assistance transaction, creditor banks that were owed approximately $73 million by the troubled BancOklahoma Corporation agreed to modify interest rates and repayment terms. They also agreed to convert a portion of the debt obligation to primary capital and establish a new line of credit for the holding company.

The FDIC Board's approval of this restructuring is subject to the approval of final documentation, other regulatory approvals, and approvals by shareholders and creditors of BancOklahoma Corporation.

###