



NEWS RELEASE

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FDIC SELLS REMAINING EQUITY INTEREST IN NCNB TEXAS NATIONAL BANK, DALLAS, TEXAS, TO NCNB CORP., CHARLOTTE, N.C.

The Federal Deposit Insurance Corporation today announced the sale of its remaining 51 percent equity interest in NCNB Texas National Bank, Dallas, Texas, to NCNB Corp., Charlotte, N.C. Upon consummation of the sale, NCNB Texas National will become a wholly owned subsidiary of NCNB Corp., which had increased its equity share in NCNB Texas National from 20 percent to 49 percent earlier this year.

NCNB Corp. has agreed to acquire the remaining FDIC-owned equity for a purchase price of \$800 million, \$320 million of which will be financed on a one-year term basis by the FDIC.

FDIC Chairman L. William Seidman said: "This sale returns to the private sector ownership of all of the FDIC's original 80 percent equity interest in NCNB Texas in a period of just over eight months. This is another important step in the recovery of the Texas banking system and was accomplished in good part due to options and alternatives provided to the FDIC in the bridge bank legislation enacted by Congress in 1987.

"Moreover, legislation enacted recently that permits bridge banks to recover surplus pension funds held by the parent holding company of a failed bank helped us lower our overall cost of this transaction."

Mr. Seidman also noted that the stock sale will result in a significant profit of \$270 million to the FDIC, further reducing the overall cost to the agency of handling the transactions that took place in 1988 involving First RepublicBank Corporation, Dallas, Texas.

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NCNB Texas National Bank, a bridge bank, was organized on July 29, 1988, to receive the assets and liabilities of the 40 failed Texas bank subsidiaries of First Republic Bank Corporation. NCNB Corporation managed the bridge bank under an interim management contract. In November 1988, the FDIC and NCNB Corp. completed the permanent recapitalization of the new bank by infusing \$1.05 billion of new equity, with 20 percent provided by NCNB Corp. and 80 percent provided by the FDIC. NCNB had an exclusive option to purchase the FDIC's 80 percent interest over a five-year period. The company on April 1 increased its equity interest from 20 percent to 49 percent.

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