



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE SECURITY NATIONAL BANK AND TRUST COMPANY OF NORMAN, NORMAN, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of The Security National Bank and Trust Company of Norman, Norman, Oklahoma, by a newly-chartered national bank that will retain the name of the failed institution. The new bank is jointly owned by First Commercial Corporation, Little Rock, Arkansas, and Northwest Arkansas Bancshares, Inc., Bentonville, Arkansas. Each holding company will have a 50 percent ownership interest.

The failed bank's only office will reopen on Friday, January 9, 1987, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The Security National Bank and Trust Company of Norman, with total assets of \$204.5 million, was closed on Thursday, January 8, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

The new bank will assume about \$174.4 million in 31,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$811,002. It also will purchase certain of the failed bank's loans and other assets for \$113.8 million. To facilitate the transaction, the FDIC will advance \$80.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$90.7 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 Board made such a finding in this case because of the premium paid by The Security National Bank and Trust Company of Norman.

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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 shareholders of the closed bank.

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Revolving credit facility. The assuming bank will have a revolving credit facility available to it for the period of one year. The facility will be used to finance the assuming bank's acquisition of the closed bank's assets and to meet the assuming bank's working capital needs.

Capital contribution. The assuming bank will contribute \$100,000 to the closed bank's capital stock. This contribution will be used to meet the closed bank's capital requirements and to provide the assuming bank with a sufficient equity interest in the closed bank to give it the right to nominate the closed bank's Board of Directors.

Capital stock. The assuming bank will receive 100% of the closed bank's capital stock. The closed bank's capital stock will be converted into common stock.

Capital reserve. The assuming bank will receive 100% of the closed bank's capital reserve. The closed bank's capital reserve will be converted into common stock.

Capital surplus. The assuming bank will receive 100% of the closed bank's capital surplus. The closed bank's capital surplus will be converted into common stock.

Capitalization. The assuming bank will receive 100% of the closed bank's capitalization. The closed bank's capitalization will be converted into common stock.

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