FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF TEXAS BANK,
AND TEXAS BANK NORTH, NATIONAL ASSOCIATION, BOTH OF SAN ANTONIO, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the failures of Texas Bank and Texas Bank North, National Association, both of San Antonio, Texas.

Concurrent with the granting of FDIC assistance, the two banks were merged and will operate under the name Texas Bank, N.A. Also completed at the same time was the merger of Texas Bancorp, the parent holding company of the two banks, into a newly-formed bank holding company. The new parent holding company will operate under the name Texas Bancorp Shares, Inc. The investors in the new holding company, headed by John W. Wright, an El Paso banker, have contributed $5 million to the capital structure of Texas Bank, N.A.

As a result of this transaction, all deposit and loan customers of Texas Bank and Texas Bank North, National Association will be afforded uninterrupted service. Texas Bank, which operates one office in San Antonio, has total assets of approximately $68.6 million. Texas Bank North, National Association also operates one office in San Antonio and has total assets of approximately $7.8 million.

The FDIC's financial assistance consists of $14.4 million to offset losses in the banks. The FDIC will share in recoveries on covered losses of the banks and in any claims against bonding and insurance companies, accountants, attorneys, directors and officers. The responsibility for pursuing collections and claims will remain with Texas Bank, N.A. Additionally, the FDIC will receive a share of net earnings of the bank which exceed a

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predetermined return and will be entitled to receive one-third of any gain on the sale of the banks' stock occurring within five years of the date of the transaction.

The FDIC Board of Directors determined that this transaction will be less costly to the FDIC than alternative methods of addressing the banks' problems.

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