



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC AND NCNB CONSUMMATE TRANSACTION INVOLVING SUBSIDIARIES OF FIRST REPUBLICBANK CORP.

The Federal Deposit Insurance Corporation today announced the consummation of a transaction with NCNB Corporation providing for the recapitalization of NCNB Texas National Bank, the FDIC bridge bank that previously acquired 40 subsidiary banks of First RepublicBank Corporation, Dallas, Texas.

The transaction providing for the acquisition of the First Republic subsidiaries by NCNB was announced by federal regulators on July 29, 1988. Under terms of the final agreement approved today, the FDIC has infused \$840 million in new equity capital into NCNB Texas National and NCNB Corporation has infused equity of \$210 million.

Commented FDIC Chairman L. William Seidman: "This completes the agreement to restructure Texas' largest banking organization. NCNB Texas National Bank is now a well-capitalized provider of banking services to its customers. This is an important step in the recovery of the Texas economy and the Texas banking system."

Under the agreement consummated today, the FDIC retains an 80 percent non-voting equity interest in NCNB Texas National Bank. NCNB Corporation has, during the next five years, an exclusive option to purchase the FDIC's 80 percent equity interest.

The FDIC's total assistance outlay at this point is approximately \$2.1 billion, including \$1 billion advanced to two of the former First Republic subsidiaries in March 1988. Additional outlays will be determined over the

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next 24 months, depending on the performance of existing loans and associated servicing costs.

Previous adverse circumstances involving the former First Republic Bank bank subsidiaries necessitated the FDIC last March to provide assurance to the depositors and certain creditors of those institutions until consummation of a transaction resolving the situation. Such a final resolution was accomplished today with the recapitalization; consequently, normal FDIC insurance limits are reinstated.

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