

FOR IMMEDIATE RELEASE

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FEDERAL REGULATORS ANNOUNCE DEPOSIT ASSUMPTION OF
THE FIRST NATIONAL BANK AND TRUST COMPANY OF OKLAHOMA CITY, OKLAHOMA

The Board of Directors of the Federal Deposit Insurance Corporation and the Comptroller of the Currency today announced the assumption of deposit and certain other liabilities of The First National Bank and Trust Company of Oklahoma City, Oklahoma City, Oklahoma, by First Interstate Bank of Oklahoma City, N.A., Oklahoma City, Oklahoma, a newly-chartered subsidiary of First Interstate Bancorp, Los Angeles, California.

The First National Bank and Trust Company of Oklahoma City, which had total assets of \$1.6 billion, was closed today by the Office of the Comptroller of the Currency and the FDIC was named receiver. The bank's office will reopen on Tuesday, July 15, 1986, as First Interstate Bank and its depositors automatically will become depositors of the assuming bank, subject to court approval. As a consequence of the transaction, all depositors of the bank will be protected and a substantial portion of the assets retained for the account of the FDIC will be serviced by First Interstate Bank.

In connection with this transaction, Oklahoma National Bank, Oklahoma City, Oklahoma, which was totally owned by First National Bank, was merged into the new institution.

The acquisition of First National Bank by First Interstate Bank followed a competitive bidding process which included both in-state and out-of-state potential acquirers. The transaction was approved by the FDIC Board under a provision of the Garn-St Germain Depository Institutions Act of 1982, which authorizes the FDIC to solicit bids from out-of-state banking organizations in cases involving failed banks with \$500 million or more in assets.

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Comptroller of the Currency Robert L. Clarke said: "Over the past several years the bank has experienced serious deterioration in the quality of its assets. This deterioration has resulted in heavy loan losses which have led to substantial operating losses and severely diminished capital levels. As a result of widespread and continuous adverse market publicity concerning the financial condition of the bank and its parent, market confidence in the bank has eroded, resulting in severe liquidity problems for the bank. Today the bank became unable to meet its obligations to its creditors necessitating that the bank be declared insolvent."

First Interstate Bank will assume about \$1.5 billion in 33,000 deposit accounts and other liabilities and will purchase certain of the failed bank's loans and other assets for \$1.2 billion. To facilitate the transaction, the FDIC has agreed to provide a negative premium of \$72 million to First Interstate Bank. In return, the FDIC will receive an issue of limited participating preferred stock, with dividends based on future operating results of the bank. The FDIC will retain assets of the failed bank with a book value of approximately \$418 million. As part of the deposit assumption agreement with the FDIC, First Interstate Bank has agreed to service a portion of the assets acquired by the FDIC for five years.

The FDIC will recover a portion of its outlay both through the liquidation of retained assets and through collections as a result of the servicing arrangement. 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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