

Joint Release

Federal Deposit Insurance Corporation

Office of the Comptroller of the Currency

FOR IMMEDIATE RELEASE

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TEXAS COMMERCE BANK, — NEW BRAUNFELS, NATIONAL ASSOCIATION,
NEW BRAUNFELS, TEXAS, ASSUMES INSURED DEPOSITS OF
PLAZA BANK, NATIONAL ASSOCIATION OF NEW BRAUNFELS, NEW BRAUNFELS, TEXAS

Texas Commerce Bank — New Braunfels, National Association, New Braunfels, Texas, has assumed the insured deposits of Plaza Bank, National Association of New Braunfels, New Braunfels, Texas, after Plaza Bank was closed today by the Office of the Comptroller of the Currency (OCC) and the FDIC was named receiver.

Plaza Bank, National Association of New Braunfels, with assets of about \$61 million, was closed by the OCC because the bank had incurred losses that depleted all of its capital. The losses were related to MBank Dallas, N.A., Dallas, Texas, which failed in March 1989.

Plaza Bank, which was then known as MBank New Braunfels, N.A., had sold funds to MBank Dallas, N.A., in 1989. After MBank Dallas, N.A., failed and the FDIC was appointed receiver, Plaza Bank claimed that the FDIC owed them the funds it had sold to MBank Dallas. When it was determined that the FDIC was not required to give Plaza Bank those funds, Plaza Bank recorded the loss on its books. In light of these findings, the OCC determined that closure and appointment of the FDIC as receiver was necessary to protect the interests of the bank's insured depositors.

The failed bank's two offices will reopen on Friday, October 15, 1993, as offices of Texas Commerce Bank. The failed bank's depositors automatically will become depositors of the assuming bank.

Texas Commerce will assume about \$57.0 million in about 6,600 deposit

(more)

accounts. At the time the bank failed, about 77 accounts totaling \$665,000 exceeded the federal insurance limit of \$100,000 and will not be assumed by Texas Commerce.

The FDIC Board of Directors also voted to make a prompt advance payment to uninsured depositors equal to 70 percent of uninsured claims. Uninsured depositors can call an FDIC claims agent at the failed bank's main office beginning Friday, October 15, 1993, to arrange payment.

The assuming bank will pay a premium of \$3.0 million for the right to receive the failed bank's deposits and will purchase \$37.3 million of the failed bank's assets.

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 transaction will be the least costly resolution to the FDIC. Additionally, because the assets and deposits will be administered by Texas Commerce Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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