

Texas Department of Banking

Press Release

New State Bank Charter — PNB Financial Bank, Lubbock, Texas

Date: September 2, 1999

Deputy Commissioner Randall S. James of the Texas Department of Banking today announced the addition of Plains National Bank, Lubbock, Texas, to the state banking system. The bank's Board of Directors decided to convert to a state charter, which took place effective September 1, 1999. The board is changing the bank's name to "PNB Financial Bank," and the bank will retain its "PNB" logos. PNB's home office location is at 5010 University Avenue in Lubbock, Texas.

PNB is a wholly-owned subsidiary of Plains Capital Corporation, Lubbock, Texas, which is now doing business as "PNB Financial Group." The bank, which was chartered in 1955, is active in numerous areas of finance, including mortgage lending, leasing, fiduciary activities, and the sale of non-deposit insurance and security products. PNB has branches in Lubbock, Amarillo, Canyon and Dallas, Texas. Its affiliate, McAfee Mortgage Company, has locations in 15 Texas cities. As of June 30, 1999, PNB reflected total assets of \$922 million and capital accounts in excess of \$64 million. Chairman and Chief Executive Officer Alan B. White has been with the bank since 1988.

The bank's application was received by the Department on July 13th, accepted for filing on July 28th, and approved effective September 1st. The Federal Reserve approved the related membership application on August 13th. The charter change allows the bank expanded authority and flexibility, and does not affect any of the bank's current activities.

According to Deputy Commissioner James, this is the third conversion of a national bank to a state charter in 1999. "We believe that PNB Financial Bank, Lubbock, its Board and its shareholders will benefit from the Texas charter and the bank's access to local decision makers. We welcome PNB into the state charter system." Chairman White stated, "PNB's Board of Directors unanimously decided this charter conversion will assist the bank to pursue additional avenues of enhancement for serving our customers."