

Texas Department of Banking

Press Release

Sierra Blanca Bank Closed by Texas Banking Commissioner

Date: January 18, 2002

The Texas Banking Commissioner, Randall S. James, announced today the closing of the Bank of Sierra Blanca, Sierra Blanca, Texas. Sierra Blanca has a population of 800 and is located 80 miles east of El Paso. The bank had deposits totaling approximately \$10 million. The Commissioner stated that the bank had experienced significant loan problems and losses over the past two years. In response, the board of directors brought in new management and capital funds to the bank. However, James stated that "loan losses accelerated and the recent discovery of a large defalcation more than offset the Board's re-capitalization efforts." A subsequent effort to re-capitalize the bank failed and the bank was closed. The manner in which the bank will be liquidated is to be announced.