

Bank *notes*\$

A LETTER FROM THE CHAIRMAN

To All Employees:

A lot of people ask me these days how things are going in the banking business. In fact, they have been asking me that question ever since I arrived in Austin almost three years ago. Throughout most of that period and still today the answer is a mixed report. Some parts of the business are going very well, and others continue to be a struggle. Certainly the recovery of the Texas economy has been slower than we had expected. However, the recovery is well under way and has created an environment in which the business of the state is likely to grow at a better rate than that of the country as a whole. That is in part a function of how bad things were, and of the problems now invading other parts of the country. Nevertheless, Texas will benefit during the next year or two and perhaps longer from a real competitive advantage.

The continuing challenges in our own company and in our Austin bank have been well publicized. We can take comfort from the fact that our capital position has allowed us to absorb the costs of adjusting our real estate and loan portfolio to a difficult marketplace. We have prepared ourselves with substantial loan loss reserves. These will cushion us from additional charge-offs and help us to earn a profit in our ongoing operations. We

(continued on page 2)



ANNIVERSARIES

Submitted by Mary Ann Kridler

Congratulations to the following individuals who celebrate anniversaries this month:

<i>Cindy Branch</i>	Private Banking	10 years
<i>Bea Good</i>	Safekeeping	15 years
<i>Tim Harvey</i>	Bank Cards	5 years

(continued from page 1)

will need that help as we face the challenges of a real estate and business marketplace which won't be as healthy as we want for some time to come.

As we take on that task, I want you all to know how much I appreciate the hard work you are devoting to it. The most valuable assets in this company are its talented banking professionals. From Beaumont to El Paso, with a significant cluster right here in Austin, they are the strength of First City, Texas. Whatever our degree of profitability and whatever our amount of capital, the talent of our First City bankers remains undiluted.

With all of the negative press our company has received recently, it's important for us to remember and communicate all the good things happening. Our customers are staying with us, and we are opening new accounts every day. And we are delivering high quality service to our friends and neighbors and to businesses throughout the city. Let's stand tall and proud as we do. It is not time for withdrawal, but for visibility and resolve. It is not time for optimism, but for quiet confidence. It is not time for prediction, but for performance.

As we continue our consolidation and the other changes which will be necessary in order to accommodate the realities of the marketplace, and our available capital and resources, I know I can count on your understanding and support. We will do whatever it takes to continue our vital role as an independent Texas-based banking franchise serving the people of our great state. We can't let Texas become a banking colony controlled by institutions thousands of miles from here. And we won't.

Let's continue to proudly wear the yellow ribbons with our First City pins. The ribbons demonstrate our fervent wish that our troops will soon finish their jobs in the Middle East and come home. While they are there, on duty for us and our country, we will remember them, and pray for them and for peace in the world.

Dan VanStone

TAKE HEART

Submitted by Dawn Liesmann



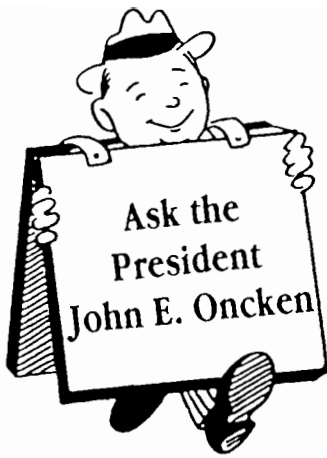
The American Heart Association will be sponsoring "Heart Month" which runs through the month of February. Their mission is "to educate people on the warning signs of a heart attack and to inform them how to respond," Dr. Richard DeBehnke, Travis County president, said.

To make this possible, the Heart Association will be holding various activities throughout the month. These include the state Employee Campaign kick-off, February 7; Women and Heart Disease luncheon at the Stouffer Austin Hotel from 11:30 to 1:00 p.m. on February 13; the Neighbor to Neighbor campaign February 15-24; and Jump Rope for Heart at Palmer Auditorium February 17.

If you are interested in any of these activities and would like more information, call 346-6880 and say, "I want Clued in!"



Thursday, January 24, The American Heart Association presented the Corporate Plaque to **John Oncken**, **Tim Harvey** (Bank Card Services), and **Zane Hudson** (Special Assets) for FCT - Austin's participation in the 1990 TurkeyWalk. Stacy Shomsky, event director, and Sherry Snooks, development director, presented the plaque to FCT for raising the most funds in the corporate category. FCT - Austin also had the highest individual fund raiser - Zane Hudson.



Why is the ice machine in the second floor break room not going to be fixed? Surely it wouldn't cost that much money that the benefit would be negated?

The ice machine will be repaired. Required parts have been ordered and the machine should be back in operation soon.

I miss the old "Account Analysis by Officer Report." It was the primary tool to track customer deposit trends, and I have seen no other comparable report available under the new system. Is there a way, short of manually compiling information from individual analysis statements, to determine net investable balance levels for our customers? Are the "Good Ol' Days" gone for good, or is there any hope that a comparable report may some day be available?

Good news! Our old account analysis system reported only on deposit accounts on the demand deposit system (checking, NOW, money market, etc.). Our new Profitability System includes all deposits, including CDs, as well as loans. The report you are looking for is ER 9001, "Relationship Analysis by Officer," that is produced monthly.

The Profitability System does not report on all relationships automatically due to extensive time and report printing that would be required. The system requires that we identify the specific relationships that we want reported. In order to add a relationship to your report, complete form #IM 1502, "Relationship Maintenance (Account Analysis and Customer Profitability)." Plans are presently under way to produce a list of relationships by officer to allow officers to designate which relationships should be reported by marking the report rather than completing a form for each relationship. You should be hearing about this soon.

There is one problem with the system. Presently it is necessary to add accounts to relationships manually (by completing a maintenance form) if your customer opens a new account. A technology change request has been approved to make this an automatic feature in the future.

If you have additional questions, or need assistance adding relationships to your report, contact **Cindy Katch** at extension 4486.

Your "Ask the President" questions and ideas/suggestions for **Banknote\$** can be submitted through the drop boxes located in the employee lounges on the second floor of the main bank building and ninth and tenth floors of First City Centre or through the mail addressed to **Dawn Liesmann**, 13th floor. You may remain anonymous, or sign your name if you would like a personal response.



SCHOOL SAVINGS UPDATE

Submitted by Christi Davidson

We're pleased to announce that the following people have recently joined the School Savings Program team:

Steve Scott - State Operations Officer
Joycelyn Kurtz - Product Assistant
Melanie Freeman - Processing Operator
Kathryn Sutton - Secretary

Jeanne Vizzone, Austin coordinator, is in the process of adding two additional schools to the program. Reed Elementary and Sims Elementary bring the number of schools to 13. To date, over 3,000 Austin students have enrolled in and are banking through the program.

The statewide School Savings Program backroom operations will soon be centralized to FCT - Austin. Consolidation should be completed by year-end.

AUSTIN FREE TREE TRUST

Submitted by Tad Curtis



On January 11, 1991, President **John Oncken**, on behalf of FCT - Austin, presented a \$500 check to **Stanley Biderman**, founder, Austin Free Tree Trust. This donation was in conjunction with the Releaf Week recycling contest that FCT won in October.

All money raised for Austin Free Tree Trust will go towards planting trees in Austin. Donations can be made to:

Austin Free Tree Trust
P.O. Box 5883
Austin, TX 78763

If you have any questions about the program, contact Stanley Biderman at 477-7676.

AUSTIN CHILDREN'S MUSEUM

Submitted by Bobbie Collins

FCT - Austin is a sponsor of the Adopt-A-Day program. To thank FCT for its participation and support, the Austin Children's Museum will be offering to all employees and their families half-price admission to the museum on March 13. Admission on that day will be \$1.25 for adults and 75 cents for children.

EMPLOYEES IN THE NEWS

Submitted by Dawn Liesmann

Bobbie Collins recently served on a panel for the Economic Development Division of the Greater Austin Chamber of Commerce. The panel served as recruiters for a California Company considering a move to the Austin area. Bobbie discussed banking and the various cultural opportunities that Austin has to offer.

Christi Davidson, state director, School Savings Program, participated on a panel in Houston last month for the Danforth Foundation. Serving on the panel with Christi were Henry L. McHenry, regional vice president, National Alliance of Business, and Bob Martin, education director, U.S. Chamber of Commerce. The School Savings Program was featured as an excellent way businesses can contribute to the education of children and youth in Texas communities.



SEA WORLD

Submitted by Dawn Liesmann

Springtime is almost upon us and the time for outdoor events is here. Sea World is opening its doors for the 1991 season and has some new shows and entertainment to offer.

The doors will open March 2, operating only on weekends through May, with the exception of Spring Break. The entertainment will vary from performers such as Wayne Newton (March 16), Chubby Checker (May 25 & 26), and Garth Brooks (April 14) to George Strait (July 12 & 13).

For more information on rates and events call 1-800-422-7989.

BUSINESS DEVELOPMENT UPDATE

TOP SALESPeOPLE -- DECEMBER 1990

BUSINESS DEVELOPMENT SYSTEM

CUSTOMER CALLS

CASSANDRA FALK,
Corporate Services (56)

PROSPECT CALLS

JERRY SHOOK,
Trust (28)

DDA DEPOSITS

BRENT STANDEFER,
Correspondent Banking (\$265,000)

INTEREST-BEARING DEPOSITS

GARY PEESE,
Investments (\$4,825,000)

LINES OF CREDIT

DAN KLINE, NWH
(\$100,000)

OTHER LOANS

WILEY HOPKINS,
Mortgage Lending (\$608,000)

FEE INCOME (Annualized)

ED PINER,
Corporate Services (\$264,000)

RETAIL TRACKING SYSTEM

LOAN OFFICERS

-- Sales --

DOUG DANFORTH, Downtown (86)

-- Cross-sell Ratio --

DARRELL SANDER, NWH (4.11)

NEW ACCOUNT REPRESENTATIVES

-- Sales --

TONYA SAMUELS, NWH (211)

-- Cross-sell Ratio --

CRISTAL CARTER, Downtown (4.21)

TELLERS

-- Referrals Made--

CONNIE PIETZ, Downtown (13)

-- Referrals Matched --

CONNIE PIETZ, Downtown (3)



TELLERS OF THE MONTH . . .

Submitted by Dawn Liesmann



Merzy Shiraze, East Drive-thru, has been chosen *Teller of the Month* at our downtown location. Merzy has been with FCT - Austin since September of 1990. Although you will generally find her at the East Drive-thru, Merzy is a floater and can sometimes be found in the West Drive-thru or the lobby.

Merzy is from Pakistan and has been in the United States since 1978. She is a senior at The University of Texas majoring in design. After graduation she would like to work in the publications field.

Merzy enjoys reading, painting, swimming, and walking. She is also engaged and plans to be married sometime this year.



Northwest Hills' February *Teller of the Month* is **Colleen Capen**. Colleen has been with FCT - Northwest Hills for only a year and a half, but she has been in banking for 12 years.

Colleen got her start in banking in the Odessa area. Although her time to spend on hobbies is limited, she enjoys plants, sewing, and horses. She does get to spend time regularly with her horses as they are kept at her home north of Austin.



Marianne Jackson (Trust) and her husband David have a new son, Philip Anderson Jackson. Philip was born December 29 and weighed 7 lbs., 12 ozs. Due to complications, the Jackson family is in Philadelphia, Pennsylvania, where Philip is undergoing treatment.

Anyone who would like to share their encouragement and prayers with the family can send cards and letters to:

David and Marianne Jackson
c/o Ronald McDonald House
3925 Chestnut
Philadelphia, PA 19104-3110

CALENDAR UPDATE

- Feb. 3- Feb. 8 **"Hacienda De Cocoyoc" - Great Expectations Trip**
- Feb. 6 **Budget - 2nd Pass**
- Feb. 12 **Lincoln's Birthday**
- Feb. 13 **Ash Wednesday**
- Feb. 14 **Valentine's Day**
- Feb. 18 **President's Day - Bank Closed**
- Feb. 22 **Washington's Birthday**

CHRISTMAS IN THE HILLS

Submitted by Wanda Burnette

The Christmas Party held at NWH December 18 was a big success. The mood was festive as 500 guests gathered to mingle and enjoy the Anderson High School choir, as well as various scenes from the Nutcracker Suite performed by the Ballet Austin Academy students. Five ginger bread houses and two pairs of tickets to Great Expectations "Don Giovanni" were given away as door prizes.



Christi Davidson, Wanda Burnette, and Bobbie Collins



John Oncken and his wife Linda greeting guests

BUDGET TIME

Submitted by Dawn Liesmann

Completion of the budget process is coming on strong. Wednesday, February 6, is the deadline for the second pass. All forms need to be turned in to Finance by 1 p.m.



The budgeting process is time-consuming. Just ask *Christi Davidson* who found *Kit Haley* at her desk at 6 p.m. Saturday!



"Let me tell you about the lousy day I had at work!"



Ben Frishman was recently promoted to lending officer in High Technology. Ben graduated from The University of Texas with a BBA in finance.

Ben began his career at FCT - Austin in January 1989 as a credit analyst. He transferred to High Tech in July of 1990. Ben is active in our community and is involved with Big Brothers/Big Sisters, KLRU Young Associates, Gulf Coast Conservation Association, and Boy Scouts - Capital Area Council.

Ben is married and his wife's name is Mary Ann. In his spare time, Ben enjoys hunting, fishing, tennis, and basketball.



Lyn Scott, Retail Banking, was recently named teller services officer. Lyn has been with FCT - Austin since 1989. She also worked at FCT - Arlington from 1982-1984 in the Bookkeeping Department.

Lyn attended The University of Texas at Austin where she majored in business. She is active in our community and helps at the Settlement Home Garage Sale, Travis County Livestock Show and Rodeo, and Meals on Wheels Charity Auction.

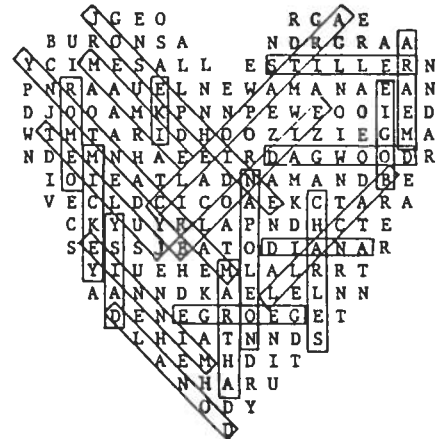
Lyn's husband's name is Jeff, and when she is not working, she enjoys boating, reading, and traveling.

Please notify **Bobbie Collins** by memo if you have made a speech, led a discussion, or participated in a forum or round table discussion for community organizations, church groups, and/or civic organizations.

Did we get your attention?

SPEAKERS BUREAU

Solution to Famous pairs match-up and word find:



DESERT STORM

Submitted by Dawn Liesmann

"Every day here in Saudi Arabia these giant Air Force C-5s come in with cargo from the States. Some of it is vital to Operation Desert Storm...and some is vital to the men and women who serve in the desert. It is the mail. The military says without it, soldiers lose their cutting edge." (Reporter on "Good Morning America")

Many of us would like to help our soldiers in the Middle East, but do not know what to do. FCT - Austin would like employees to start a letter writing campaign.

If you would like to participate, but do not have the name or address of a soldier, you may write to:

Troops at Sea Any Servicemember
 Operation Desert Storm
 FPO New York 09866-0006

or

Troops on Land Any Servicemember
 Operation Desert Storm
 APO New York 09848-0006

All letters can be taken to the Mail Room were FCT will pay the postage. Since August, more than 25 million pieces of mail have been sent to Operation Desert Storm servicemen and women.

In our next issue of *Banknotes*, we would like to pay tribute to those who have loved ones involved in Operation Desert Storm. All employees are encouraged to contact *Dawn Liesmann* at extension 4515 with the name of anyone whom they would like supported during this time. If you would like to supply their address, FCT will send them a card of encouragement. We will also print, in our next issue, their addresses for other employees participating in the letter writing campaign.



Fred Russ (Mail Room) delivering yellow ribbons in support of U.S. troops to **Sheila Slagel** (Bank Support Systems).

Famous pairs matchup and word find



Can you match the males on the left with their women on the right? Each name is listed in the grid, and, as an additional help, each name shares at least one letter with its partner.

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      J G E O           R G A E
    B U R O N S A       N D R G R A A
  Y C I M E S A L L   E S T I L L E R N
  P N R A A U E L N E W A M A N A E A N
  D J O O A M K P N N P E W E O O I E D
  W T M T A R I D H O O Z I Z I E G M A
  N D E M N H A E E I R D A G W O O D R
  I O I E A T L A D N A M A N D B E
  V E C L D C I C O A E K C T A R A
  C K Y U Y R L A P N D H C T E
  S E S S J B A T O D I A N A R
  Y I U E H E M L A L R R T
  A A N N D K A E L E L N N
  D E N E G R O E G E T
  L H I A T N N D S
  A E M H D I T
  N H A R U
  O D Y
  D
  
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BOGIE	BACALL
CHARLES	BLONDIE
DAGWOOD	CLEOPATRA
DONALD	DAISY
GEORGE	DIANA
IKE	JOSEPHINE
MARC ANTHONY	JULIET
MICKEY	MAMIE
NAPOLEON	MARTHA
ROMEO	MEARA
STILLER	MINNIE



HAPPY BIRTHDAY

Submitted by Mary Ann Kridler



The following employees will be celebrating their birthdays between February 1 and March 8.



02/01 Diane Hervol
02/04 Lee Doughtie
02/04 Marilyn Faust
02/04 Eugene Sepulveda
02/05 George Wallace
02/06 Alan Walker
02/07 Lou Euresti
02/07 Charlene Grigas
02/07 Linda Witter
02/08 David Fisher
02/08 Jennifer Smith
02/13 Maria Birmingham
02/14 Alan Bullock
02/14 Ann Fisher
02/16 Leah Ricketts
02/16 Lela Williams
02/17 Carol Belvin
02/17 Bill Mellon
02/19 Terri Orton
02/20 Paula Thomas
02/20 Sara Trevino
02/21 Catherine Thomas
02/24 Susan Moore
02/25 Janice Ootsey
02/25 Rebekah Sanchez
02/26 Jeanette Hrin
02/26 Adriane Daniel
02/26 Tommy King
02/26 Kathy Wenzel
02/27 June Lujan
02/28 Bobby Campbell
03/03 Mary Ann Ates
03/04 Terri Silva
03/07 Misty Johnson
03/08 Del Wells



HAPPY

BIRTHDAY!!



REMINDERS . . .



Mail bills and correspondence early! On February 3 the postage will increase will take effect, raising the price of mailing a standard letter to 29 cents. The price of mailing a postcard will raise from 15 to 19 cents.

As everyone is probably aware, yellow ribbons have been distributed to all employees in support of our troops in the Middle East and their families at home. Please wear your ribbon daily with your First City pin. We will also have a supply of ribbons for our customers in the lobby, both downtown and at NWH.

This month new service charges and fees for both personal and commercial accounts go into effect. If you need a supply of new fee schedules, please contact the New Accounts area.

Quote of the Month

"Absence makes the heart grow fonder, unless it's your supervisor's heart."

Banknote\$

Published by

Bank Support Systems

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First City, Texas - Austin
is an

Equal Opportunity Employer.