



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-100-89 (5-18-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF THE FIRST NATIONAL BANK OF GORDON, GORDON, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of The First National Bank of Gordon, Gordon, Texas, by The First National Bank of Albany, Albany, Texas.

The failed bank's sole office will reopen on Friday, May 19, 1989, as a branch of The First National Bank of Albany and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Gordon, with total assets of \$12.8 million, was closed on Thursday, May 18, 1989, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

The First National Bank of Albany will assume about \$12.4 million in 1,800 deposit accounts and will purchase all of the failed bank's assets at a discount of \$1,489,000.

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 result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The First National Bank of Albany, the failed bank's customers will have the benefit of continuous uninterrupted service.

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