



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST BANK, BALCH SPRINGS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of First Bank, Balch Springs, Texas, by Gateway National Bank, Dallas, Texas.

The failed bank's sole office will reopen on Friday, August 12, 1988, as a branch of Gateway National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Bank, with total assets of about \$47.0 million, was closed on Thursday, August 11, 1988, by Kenneth W. Littlefield, Texas Banking Commissioner, and the FDIC was named receiver.

Gateway National Bank will assume about \$46.6 million in 9,200 deposit accounts and will purchase \$39.2 million of the failed bank's assets at a discount of \$3.6 million.

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 Gateway National Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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