



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC PURCHASES SUBORDINATED NOTE
FROM FIRST NATIONAL BANK OF MIDLAND

The Federal Deposit Insurance Corporation today purchased a \$100 million subordinated note from First National Bank of Midland, Midland, Texas. First National has assets of \$1.4 billion.

Officials of the Federal Reserve System have advised the FDIC that the Federal Reserve is unable to further support the bank's liquidity needs. The FDIC funds will maintain stability until a merger or other permanent solution to the bank's problem can be arranged. Bank management and the FDIC agree that this injection is necessary to maintain public confidence in First National.

The FDIC Board of Directors voted to grant assistance pursuant to Section 13(c)(2) of the FDI Act, which authorizes the FDIC to make loans or contributions to an insured bank in danger of closing in order to facilitate the bank's merger with a sound institution. The subordinated note purchased by the FDIC bears interest at a rate equal to the one-year Treasury bill rate plus 50 basis points. Although the note is payable on demand, it will remain outstanding until a satisfactory permanent resolution of the bank's problems is arranged.

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