



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF BENTON, BENTON, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Bank of Benton, Benton, Louisiana, by Red River Valley Bank, Bossier City, Louisiana.

The failed bank's two offices will reopen on Friday, January 6, 1989, as branches of Red River Valley Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Benton, with total assets of about \$10.4 million, was closed on Thursday, January 5, 1989, by Fred C. Dent, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

Red River Valley Bank will assume about \$10.9 million in 2,000 deposit accounts and will purchase approximately \$6.6 million of the failed bank's assets, including \$1.9 million of the bank's small loans at a discount of \$170,650.

To facilitate the transaction the FDIC will advance \$4.5 million to the assuming bank and will retain assets of the failed bank with a book value of \$3.8 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 FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

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