



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES ASSUMPTION OF DEPOSITS OF FIRST EASTERN BANK & TRUST COMPANY, NEW ORLEANS, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of First Eastern Bank & Trust Company, New Orleans, Louisiana, by Peoples Bank & Trust Company of St. Bernard, Chalmette, Louisiana.

The failed bank's sole office will reopen on Thursday, May 25, 1989, as a branch of Peoples Bank & Trust Company of St. Bernard and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Eastern Bank & Trust Company, New Orleans, Louisiana, with total assets of about \$30.2 million, was closed on Wednesday, May 24, 1989, by Fred C. Dent, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

Peoples Bank & Trust Company of St. Bernard will assume about \$30.0 million in 1,900 deposit accounts. It also will purchase approximately \$6.7 million of the failed bank's assets, including \$1.8 million of the bank's small loans and fixed assets, at a discount of \$640,500. The bank will have options to purchase other loans and assets.

To facilitate the transaction the FDIC will advance \$24 million to the assuming bank and will retain assets of the failed bank with a book value of \$23.5 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.

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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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