



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF LOUISIANA COMMERCIAL BANK, MADISONVILLE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Louisiana Commercial Bank, Madisonville, Louisiana, by Pontchartrain State Bank, Metairie, Louisiana.

The failed bank's two offices will reopen on Friday, January 22, 1988, as branches of Pontchartrain State Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Louisiana Commercial Bank, with total assets of about \$31.1 million, was closed on Thursday, January 21, 1988, by Fred C. Dent, Jr., Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

Pontchartrain State Bank will assume about \$28.7 million in 2,000 deposit accounts and will purchase all of the failed bank's assets at a discount of \$6,887,000.

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 substantially 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 Pontchartrain State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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