



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF NATIONAL FIDELITY BANK OF SHREVEPORT, SHREVEPORT, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of National Fidelity Bank of Shreveport, Shreveport, Louisiana, by Hibernia National Bank, New Orleans, Louisiana.

The failed bank's sole office will reopen on Friday, July 29, 1988, as a branch of Hibernia National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

National Fidelity Bank of Shreveport, with total assets of \$10.6 million, was closed on Thursday, July 28, 1988, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Hibernia National Bank will assume about \$10.5 million in 750 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,000. It will initially purchase \$1.2 million of the failed bank's assets and will have an option to purchase other assets and loans of the bank. To facilitate the transaction, the FDIC will advance about \$9.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$9.4 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 shareholders of the closed bank.

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