



NOV 22 1988

NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-215-88 (11-18-88)

**FDIC TRANSFERS INSURED DEPOSITS OF
FIRST NATIONAL BANK, COVINGTON, LOUISIANA**

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and secured liabilities of First National Bank, Covington, Louisiana, to Hibernia National Bank, New Orleans, Louisiana, subject to approval by the appropriate court. All of the failed bank's offices will reopen on Monday, November 21, 1988, as branches of Hibernia National Bank.

The Board of Directors decided to arrange an insured deposit transfer because of the existence of a substantial number of contingencies in the bank.

First National Bank, with total assets of \$271.6 million, was closed on Friday, November 18, 1988, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$248.3 million in 59,000 deposit accounts including approximately \$839,000 in 125 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Monday, November 21, 1988. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank will purchase about \$252.6 million of the failed bank's assets at a discount of \$92.5 million. The FDIC will retain assets of the failed bank with a book value of about \$19 million.

###