



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF BOSSIER BANK AND TRUST COMPANY, BOSSIER CITY, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Bossier Bank and Trust Company, Bossier City, Louisiana, by The First National Bank of Shreveport, Shreveport, Louisiana.

The failed bank's offices will reopen on Monday, June 16, 1986, as branches of The First National Bank of Shreveport, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bossier Bank and Trust Company, which had total assets of \$204.4 million, was closed on Friday, June 13, 1986, by Kenneth Pickering, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver. Mr. Pickering said: "The failure was due to a large number of problem loans." He noted that the failure was not related to the failure of the Bank of Commerce in Shreveport, Louisiana, which also closed today.

The First National Bank of Shreveport will assume about \$199.7 million in 31,800 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,673,000. It also will purchase certain of the failed bank's loans and other assets for \$110.0 million. To facilitate the transaction, the FDIC will advance \$91.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$94.4 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

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potential loss to the FDIC. The Board made such a finding in this case because of the premium paid by The First National Bank of Shreveport.

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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