



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF REPUBLIC BANK, BLANCHARD, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Republic Bank, Blanchard, Louisiana, by American Bank & Trust Company in Monroe, Monroe, Louisiana.

The failed bank's six offices will reopen on Monday, November 3, 1986, as branches of American Bank & Trust Company in Monroe, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Republic Bank, with total assets of \$40.5 million, was closed on Friday, October 31, 1986, by Louisiana Commissioner of Financial Institutions Kenneth Pickering and the FDIC was named receiver. Mr. Pickering said: "The bank failed because of loan problems that have accumulated over a number of years. It also has had problems involving several management groups."

American Bank & Trust Company in Monroe will assume about \$39.3 million in 11,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$607,007.77. It also will purchase certain of the failed bank's loans and other assets for \$23.8 million. To facilitate the transaction, the FDIC will advance \$14.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$16.7 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 Board made such a finding in this case because of the premium paid by American Bank & Trust Company in Monroe.

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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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