



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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## FDIC APPROVES DEPOSIT ASSUMPTION OF METROPOLITAN BANK & TRUST COMPANY, BATON ROUGE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Metropolitan Bank & Trust Company, Baton Rouge, Louisiana, by The Whitney National Bank of New Orleans, New Orleans, Louisiana.

The failed bank's only office will reopen on Monday, November 10, 1986, as a branch of The Whitney National Bank of New Orleans and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Metropolitan Bank & Trust Company, with total assets of \$66.5 million, was closed on Friday, November 7, 1986, by Kenneth Pickering, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

The Whitney National Bank of New Orleans will assume about \$65.4 million in 6,700 deposit accounts and has agreed to pay the FDIC a purchase premium of \$500,000. It also will purchase certain of the failed bank's loans and other assets for \$38.2 million. To facilitate the transaction, the FDIC will advance \$27.3 million to the assuming bank and will retain assets of the failed bank with a book value of about \$28.3 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 The Whitney National Bank of New Orleans.

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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 non depositor creditors and shareholders of the closed bank.

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