



NEWS RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF BANK OF DIXIE, LAKE PROVIDENCE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of Bank of Dixie, Lake Providence, Louisiana, by The Louisiana Delta Bank, a newly-chartered subsidiary of Central Louisiana Capital Corporation, Ferriday, Louisiana.

The failed bank's only office will reopen on Saturday, January 11, 1986, as The Louisiana Delta Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Dixie was closed on January 10, 1986, by Kenneth Pickering, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver. Commissioner Pickering said: "The bank failure was due to loan problems caused by the bad economic conditions for farms and farm products that have persisted for several years."

The Louisiana Delta Bank will assume about \$36.2 million in 1,100 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,557,777.77. It also will purchase certain of the failed bank's loans and other assets for \$25.7 million. To facilitate the transaction, the FDIC will advance \$8.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$12.6 million. Total assets of the failed bank amounted to \$38.3 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 Louisiana Delta Bank.

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The FDIC expects to recover a substantial 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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