



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF FIRST PROGRESSIVE BANK, METAIRIE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of First Progressive Bank, Metairie, Louisiana, by First Industrial Bank & Trust Company, Metairie, Louisiana, a newly-chartered subsidiary of First National Corporation, Covington, Louisiana.

The failed bank's sole office will reopen on Saturday, January 18, 1986, as First Industrial Bank & Trust Company and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

First Progressive Bank was closed on Friday, January 17, 1986, by Kenneth Pickering, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver. Mr. Pickering said: "The failure was due to loan problems that have accumulated over a number of years and involved several management groups."

First Industrial Bank & Trust Company will assume about \$37.2 million in 8,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$3,112,000. It also will purchase certain of the failed bank's loans and other assets for \$14.6 million. To facilitate the transaction, the FDIC will advance \$19.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$23.1 million. Total assets of the failed bank amounted to \$37.7 million.

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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 First Industrial Bank & Trust Company.

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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