



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-51-86 (4-10-86)

FDIC APPROVES DEPOSIT ASSUMPTION OF THE FIRST NATIONAL BANK OF RUSTON, RUSTON, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the assumption of the deposit liabilities of The First National Bank of Ruston, Ruston, Louisiana, by Security First National Bank, Alexandria, Louisiana.

The failed bank's two offices will reopen on Friday, April 11, 1986, as branches of Security First National Bank and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Ruston, which had total assets of \$30.9 million, was closed on Thursday, April 10, 1986, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver. Mr. Marriott said: "Over the past several years the bank experienced significant problems and several changes in ownership and management. Substantial deterioration in the quality of the loan portfolio began in 1984 and eventually resulted in the bank's insolvency."

Security First National Bank will assume about \$29.8 million in 10,000 deposit accounts and has agreed to pay the FDIC a purchase premium of \$1,677,777.77. It also will purchase certain of the failed bank's loans and other assets for \$25.6 million. To facilitate the transaction, the FDIC will advance \$2.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$5.3 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

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

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 shareholders of the closed bank.

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