



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES THE ASSUMPTION OF DEPOSITS OF SOUTHWEST BANK, JENNINGS, LOUISIANA

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation approved the assumption of all the deposits of Southwest Bank, Jennings, Louisiana, by First Southwest Bank, Jennings, a newly chartered bank.

Southwest Bank was closed today by the Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

The failed bank's sole banking office will reopen as First Southwest Bank on Monday, November 24. Southwest Bank's depositors will automatically become depositors of the assuming bank.

First Southwest Bank will assume \$26.8 million in about 2,000 deposit accounts and will pay the FDIC a premium of \$500,000 for the right to receive the failed bank's deposits and to purchase \$20.0 million in assets. Southwest Bank had total assets of \$27.4 million.

In a separate agreement, Gulf Coast Bank and Trust, New Orleans, will purchase \$2.3 million of the failed bank's assets from the FDIC.

The FDIC estimates the cost of this transaction to the Bank Insurance Fund (BIF) to be approximately \$3.5 million. The FDIC notes that its claims on recoveries from the sale of the failed bank's assets will have priority over non-deposit creditors.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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Southwest Bank is the first BIF-insured failure in the U.S. since August 1996 and the first in Louisiana since Investors Bank & Trust Company, Gretna, was closed November 13, 1992.

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