



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF PONTCHARTRAIN STATE BANK, METAIRIE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Pontchartrain State Bank, Metairie, Louisiana, by First National Bank of Commerce, New Orleans, Louisiana.

Pontchartrain State Bank, with total assets of \$136.8 million, was closed on Friday, July 19, 1991, by Larry L. Murray, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

Seven of the failed bank's ten offices will reopen on Saturday, July 20, 1991, as branches of First National Bank of Commerce. Three branches of the failed bank in Gretna, Harahan and at 321 Veteran's Boulevard in Metairie will not be reopening. All depositors of the failed bank automatically will become depositors of the assuming bank. Until notified by First National Bank of Commerce, however, all depositors of the failed bank should continue to transact their banking business at the seven former Pontchartrain State Bank offices being assumed by First National Bank of Commerce.

First National Bank of Commerce will assume about \$134.0 million in 22,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$100,000. It also will purchase \$22.6 million of the failed bank's assets and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$111.3 million to the assuming bank and will retain assets of the failed bank with a book value of \$114.2 million.

(more)

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 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 nondepositor creditors and shareholders of the closed bank.

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