



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-166-91 (10-30-91)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF BANK OF THE SOUTH, BATON ROUGE, LOUISIANA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Bank of the South, Baton Rouge, Louisiana, by The First National Bank in St. Mary Parish, Morgan City, Louisiana.

The failed bank's two offices will reopen on Thursday, October 31, 1991, as branches of The First National Bank, and its depositors automatically will become depositors of the assuming bank.

Bank of the South, with total assets of \$38.6 million, was closed on Wednesday, October 30, 1991, by Larry L. Murray, Louisiana Commissioner of Financial Institutions, and the FDIC was named receiver.

The First National Bank will assume about \$37.3 million in 3,400 deposit accounts and will purchase approximately \$36.8 million of the failed bank's assets at a discount of \$3,060,000.

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 transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by The First National Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

###