Pineville bank becomes 20th state bank to fail

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First Bank in Pineville failed on Friday after a rapid deterioration, becoming the 20th Louisiana bank to go under this year.

First Bank, with total assets of $80.7 million, was ordered closed at 5 p.m. by Fred C. Dent, state Commissioner of Financial Institutions.

The bank and its three branches were purchased by Rapides Bank & Trust Co. in Alexandria, Dent said. Rapides is owned by First Commerce Corp., a New Orleans-based holding company that also owns City National Bank in Baton Rouge.

Dent said First Bank’s failure was “a surprise.”

Some of the bank’s loans were stock loans, securitized with the stock of another institution that was insolvent, he said. That institution’s demise “affected substantially” the health of First Bank, Dent said.

First Bank had reported that primary capital was 6.89 percent of assets — above the regulatory minimum of 5.5 percent — as of June 30, 1989, according to data compiled by Sheshunoff Information Services, Inc., a Texas firm that tracks bank performance. Primary capital is stockholders’ equity plus loan loss reserve.

First Bank chairman Robert B. "Buddy" Tudor Jr. of Baton Rouge was in transit from Alexandria Friday evening and could not be reached for comment, according to his wife, Patricia. Tudor is president of Tudor Construction Co.

Rapides will assume $75.1 million in 11,500 deposit accounts and agreed to pay FDIC a purchase premium of $1.807 million, FDIC said. Also, Rapides will purchase certain of the failed bank’s assets for $8.9 million and will have the option to purchase loans and other assets, FDIC said.

To facilitate the transaction, FDIC said it will advance approximately $64.4 million to Rapides and retain assets of the failed bank with a book value of $71.8 million.

Rapides Bank officials could not be reached for comment Friday evening at their new bank in Pineville or at the Alexandria bank.


Louisiana has “ridden the crest of a second wave” of bank failures this year, Dent said. The nosedive of the oil and gas market brought the first wave. The resultant real estate foreclosures brought the second, he said.

Barring more surprises like Pineville, and with the steadily improving economy predicted for Louisiana, the state should see fewer failures next year, Dent said.