



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF BOUNDARY WATERS STATE BANK, ELY, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Boundary Waters State Bank, Ely, Minnesota, by Stearns County National Bank, Albany, Minnesota.

The failed bank's sole office will reopen on Monday, December 3, 1990, as a branch of Stearns County National Bank, and its depositors automatically will become depositors of the assuming bank.

Boundary Waters State Bank, with total assets of \$13.6 million, was closed on Friday, November 30, 1990, by Thomas H. Borman, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

Stearns County National Bank will assume about \$13.4 million in 3,100 deposit accounts and will purchase approximately \$12.7 million of the failed bank's assets at a discount of \$1,749,000.

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 Stearns County National Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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