



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF THE DAKOTA BANK, GRAND FORKS, NORTH DAKOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured liabilities of The Dakota Bank, Grand Forks, North Dakota, to First National Bank South, Grand Forks, North Dakota, a newly-chartered national bank subsidiary of First National Corporation, Grand Forks, North Dakota. The failed bank's sole office will reopen on Friday, August 25, 1989, as First National Bank South.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to quantify the value of the assets.

The Dakota Bank, with total assets of about \$30.3 million, was closed on Thursday, August 24, 1989, by Gary D. Preszler, North Dakota Commissioner of Banking and Financial Institutions, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$28.1 million in 7,100 deposit accounts, including approximately \$562,000 in 23 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Friday, August 25, 1989. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they

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should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$127,000 for the right to receive the transferred deposits. It also will purchase certain assets of the failed bank for \$14.8 million, including \$9.4 million in loans, and will have options to purchase other loans and assets of the failed bank. The FDIC will retain assets of the failed bank with a book value of \$15.5 million.

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