FDIC | NEWS RELEASE

FEDERAL DEPOSIT INSURANCE CORPORATION

FDIC TRANSFERS INSURED DEPOSITS OF
FIRST NATIONAL BANK IN WEST CONCORD, WEST CONCORD, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of First National Bank in West Concord, West Concord, Minnesota, to Farmers State Bank, West Concord, Minnesota. The deposits of the failed bank's only office will be transferred to the existing office of Farmers State Bank and will be available on Friday, March 6, 1987.

The Board of Directors decided to arrange an insured deposit transfer because no bids were received for a purchase and assumption transaction.

First National Bank in West Concord, with total assets of $9.1 million, was closed on Thursday, March 5, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about $8.8 million in 2,100 deposit accounts. All are believed to be within the federal insurance limit of $100,000. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new bank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

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Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of $12,500 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for $5.3 million.

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