



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC APPROVES DEPOSIT ASSUMPTION OF LANESBORO STATE BANK, LANESBORO, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Lanesboro State Bank, Lanesboro, Minnesota, by The Goodhue County National Bank of Red Wing, Red Wing, Minnesota.

The failed bank's only office will reopen on Monday, June 29, 1987, as a branch of The Goodhue County National Bank of Red Wing, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Lanesboro State Bank, with total assets of \$11.0 million, was closed on Friday, June 26, 1987, by James G. Miller, Minnesota Deputy Commissioner of Commerce, and the FDIC was named receiver.

The Goodhue County National Bank of Red Wing will assume about \$10.7 million in 3,200 deposit accounts and has agreed to pay the FDIC a purchase premium of \$38,000. It also will purchase certain of the failed bank's loans and other assets for \$7.3 million. To facilitate the transaction, the FDIC will advance about \$3.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.7 million.

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 Board made such a finding in this case because of the premium paid by The Goodhue County National Bank of Red Wing.

The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank. In this respect, the FDIC notes that its claim will have priority over the claims of shareholders of the closed bank.

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