



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF CITIZENS STATE BANK OF EAGLE BEND, EAGLE BEND, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Citizens State Bank of Eagle Bend, Eagle Bend, Minnesota, by Lake Country State Bank, Long Prairie, Minnesota.

The failed bank's sole office will reopen on Monday, April 11, 1988, as a branch of Lake Country State Bank, and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Citizens State Bank of Eagle Bend, with total assets of about \$9.4 million, was closed on Friday, April 8, 1988, by Michael A. Hatch, Minnesota Commissioner of Commerce, and the FDIC was named receiver.

Lake Country State Bank will assume about \$9.3 million in 3,000 deposit accounts and will purchase \$9.2 million of the failed bank's assets at a discount of \$1,481,000.

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 Lake Country State Bank, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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