



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF THE AMERICAN STATE BANK, YANKTON, SOUTH DAKOTA

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the failure of The American State Bank, Yankton, South Dakota. The transaction is effective May 18, 1988. The FDIC acted following notification by Richard A. Duncan, South Dakota Director of Banking and Finance, that The American State Bank was in danger of failing.

Concurrent with the granting of assistance, The American State Bank will be merged with First Dakota National Bank, Yankton, South Dakota, and its four offices will become branches of First Dakota National Bank. As a result of this transaction, all deposit and loan customers of The American State Bank will be afforded uninterrupted service. The American State Bank had total assets of about \$67 million and total deposits of about \$63 million.

The FDIC's financial assistance consists of a contribution of \$4,275,000 to offset losses in the bank. An additional \$3,250,000 capital injection will be provided by shareholders of First Dakota National Bank. The FDIC will share in recoveries of covered losses of the bank. The responsibility for pursuing collections and claims will remain with the bank.

The FDIC Board of Directors determined that this transaction will be less costly to the FDIC than alternative methods of addressing the bank's problems.

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