



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF THE FIRST NATIONAL BANK OF BLOOMING PRAIRIE, BLOOMING PRAIRIE, MINNESOTA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and other liabilities of The First National Bank of Blooming Prairie, Blooming Prairie, Minnesota, by First American Bank of Blooming Prairie, a newly-chartered subsidiary of First American Bancshares of Blooming Prairie, Blooming Prairie, Minnesota.

The failed bank's sole office will reopen on Friday, July 22, 1988, as First American Bank of Blooming Prairie and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

The First National Bank of Blooming Prairie, with total assets of about \$19.4 million, was closed on Thursday, July 21, 1988, by Dean S. Marriott, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

First American Bank of Blooming Prairie will assume about \$19.5 million in 3,700 deposit accounts and will purchase all of the failed bank's assets at a discount of \$1,609,000.

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 First American Bank of Blooming Prairie, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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