



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-205-90 (10-19-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF
THE BROOKLYN SAVINGS BANK, DANIELSON, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The Brooklyn Savings Bank, Danielson, Connecticut, by Willimantic Savings Institute, Willimantic, Connecticut.

The failed bank's four offices will reopen on Monday, October 22, 1990, as branches of Willimantic Savings Institute, and its depositors automatically will become depositors of the assuming bank.

The Brooklyn Savings Bank, with total assets of \$118.7 million, was closed on Friday, October 19, 1990, by Howard B. Brown, Banking Commissioner, and the FDIC was named receiver.

Willimantic Savings Institute will assume \$91.3 million in about 19,600 deposit accounts and \$25.8 million in secured liabilities. It also will purchase \$100.4 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$16.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$18.3 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 FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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