



## NEWS RELEASE

FOR IMMEDIATE RELEASE

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### FDIC TRANSFERS INSURED DEPOSITS OF FIRST SERVICE BANK FOR SAVINGS, LEOMINSTER, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of First Service Bank for Savings, Leominster, Massachusetts, to Peoples Savings Bank, Worcester, Massachusetts. The failed bank's 12 offices will reopen on Monday, April 3, 1989, as branches of Peoples Savings Bank.

The Board of Directors decided to arrange an insured deposit transfer because of the existence of a substantial number of contingencies in the bank.

The First Service Bank for Savings, with total assets of \$854.9 million, was closed on Friday, March 31, 1989, by Thomas J. Curry, Acting Massachusetts Commissioner of Banks, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about \$678.6 million in 57,900 deposit accounts. The number and amount of accounts that exceeded the federal insurance limit of \$100,000 has yet to be determined.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Monday, April 3, 1989. In the interim, checks drawn on the failed bank's accounts, up to the federal insurance limit, will continue to be honored.

Deposits in excess of the federal insurance limit will be available to their owners from the Deposit Insurance Fund of Massachusetts. Owners of such deposits should contact the Deposit Insurance Fund of Massachusetts for information on how to seek reimbursement.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they

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should visit the acquiring bank during the next several weeks to discuss the continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$3 million for the right to receive the transferred deposits and will purchase assets of the failed bank totaling approximately \$301.7 million. The FDIC will retain assets of the failed bank with a book value of \$553.2 million.

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