FDIC FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE PR-12-87 (1-23-87)

FDIC TRANSFERS INSURED DEPOSITS OF THE FIRST NATIONAL BANK OF MARLBORO, MARLBOROUGH, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of The First National Bank of Marlboro, Marlborough, Massachusetts, to Worcester County Institution for Savings, Worcester, Massachusetts. The failed bank's two branches will reopen on Saturday. January 24, 1987, as branches of Worcester County Institution for Savings. The main office will reopen Monday, January 26, 1987, as a branch.

The Board of Directors decided to arrange an insured deposit transfer because of an inability to determine the quality of the bank's loan portfolio.

The First National Bank of Marlboro, with total assets of $55.6 million, was closed on Friday, January 23, 1987, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

At the time the bank closed, its deposits totalled about $47.2 million in 13,000 deposit accounts including about $1.5 million in 24 accounts that exceeded the federal insurance limit of $100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship with the new

-morebank. From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of $7.7 million for the right to receive the transferred deposits, and will purchase other assets of the failed bank for about $12.0 million.

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