



## NEWS RELEASE

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### FDIC TRANSFERS INSURED DEPOSITS OF YANKEE BANK FOR FINANCE & SAVINGS, FSB, BOSTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured or preferred deposits of Yankee Bank for Finance & Savings, FSB, Boston, Massachusetts to The Boston Five Cents Savings Bank, FSB, Boston, Massachusetts. The failed bank's two offices will reopen on Monday, October 19, 1987, as branches of The Boston Five Cents Savings Bank, FSB.

The Board of Directors decided to arrange an insured deposit transfer because of an excessive volume of high cost volatile funds and possible losses in contingencies which precluded attempting a purchase and assumption transaction.

On October 16, 1987, the Federal Home Loan Bank Board declared Yankee Bank for Finance and Savings, FSB, insolvent and appointed the FDIC as its receiver for liquidation purposes. Yankee Bank for Finance & Savings, FSB had total assets of \$521.7 million.

At the time the bank closed, its deposits totalled about \$474.8 million in 32,000 deposit accounts including approximately \$20.7 million in 423 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.

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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 acquiring bank. 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 transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$7.5 million for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$370.6 million.

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