



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC APPROVES ASSUMPTION OF ALL THE DEPOSITS OF FIRST ALLIANCE BANK & TRUST COMPANY, MANCHESTER, NEW HAMPSHIRE

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) has approved the assumption of all the deposits of First Alliance Bank & Trust Company, Manchester, New Hampshire, by Southern New Hampshire Bank & Trust Company, Salem, New Hampshire.

First Alliance, with approximately \$18.4 million in assets, was closed today by the Bank Commissioner for the state of New Hampshire, and the FDIC was named receiver. First Alliance's sole office will reopen on Monday, February 5, as a branch of Southern New Hampshire Bank & Trust. Depositors of the failed bank will automatically become depositors of Southern New Hampshire Bank & Trust.

The failed bank had total deposits of approximately \$17.5 million in about 1,100 accounts. Southern New Hampshire Bank & Trust will pay the FDIC a premium of \$150,000 for the right to assume those deposits and to purchase \$17.1 million of the failed bank's assets. The FDIC will retain the remaining \$1.3 million in assets for later disposition. The FDIC estimates the cost of this transaction to the Bank Insurance Fund (BIF) to be \$119,000. First Alliance is the first BIF-insured bank to fail this year.

This failure marks the first time that the FDIC used the Internet to hold an information meeting for pre-approved bidders. The Internet meeting is part of a pilot program at the FDIC to use technology to reduce costs associated with bank failures. In the past, interested parties were required to attend a bidders' information meeting, typically in a town near the failing bank. In the case of First Alliance, there was no such meeting. Instead, bidders were provided a password and, from any computer, were able to log on to a secure Web site. Once on the site, interested parties could download key information on the bank and view the FDIC's presentation on the bidding process. A total of 47 parties logged on to the site. Use of the secure Web site reduces transaction



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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costs to interested parties, increases the efficiencies of sharing information and provides flexibility to potential purchasers.