



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF LUDLOW SAVINGS BANK, LUDLOW, MASSACHUSETTS

FOR IMMEDIATE RELEASE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of insured deposits of Ludlow Savings Bank, Ludlow, Massachusetts, by Ludlow Savings, a Division of Albany Savings Bank, FSB, Albany, New York. Ludlow Savings Bank, with total assets of \$255.7 million, was closed today by Thomas Curry, Massachusetts Commissioner of Banks, and the FDIC was named receiver.

Ludlow Savings Bank's nine offices will reopen as new branches of Ludlow Savings, a Division of Albany Savings Bank, FSB, on Saturday, October 22. The failed bank's insured depositors will automatically become depositors of the assuming bank.

Ludlow Savings, a Division of Albany Savings Bank, FSB, will assume about \$236.1 million in about 41,800 deposit accounts, including about \$14.0 million in 813 accounts that exceeded the FDIC insurance limit of \$100,000. The Depositors Insurance Fund, a corporation established to provide financial assistance and deposit insurance to Massachusetts' savings banks, will provide the FDIC approximately \$900,000 to facilitate the assumption of the uninsured deposits.

The assuming bank will pay a premium of \$15.8 million for the right to receive the failed bank's deposits and will purchase \$18.5 million of the failed bank's assets.

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 notes that its claim on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.



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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