



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC ANNOUNCES SALE OF NEW MERIDEN TRUST AND SAFE DEPOSIT COMPANY, N.A., MERIDEN, CONNECTICUT

FOR IMMEDIATE RELEASE

The FDIC today announced the sale of New Meriden Trust and Safe Deposit Company, N.A., Meriden, Connecticut (New Meriden), to The People's Savings Bank of New Britain, New Britain, Connecticut. New Meriden was established as a bridge bank to continue the trust activities of The Meriden Trust and Safe Deposit Company, which was closed July 7, 1994.

Trust customers of New Meriden will automatically become trust customers of The People's Savings Bank of New Britain. New Meriden had total assets of \$3.3 million and "managed assets" of \$179.1 million in 513 accounts for trust customers. It did not have any deposit accounts.

The FDIC established the bridge bank in July to assume the trust activities of The Meriden Trust and Safe Deposit Company, after the FDIC exercised its self-appointment authority and closed the institution. The trust company was closed as the direct result of the October 18, 1991, failure of an affiliated institution, Central Bank of Meriden. Both institutions were owned by Cenwest, Inc., Meriden. As a result of the failure of Central Bank, the FDIC exercised its "cross guaranty" authority to assess Central Bank's affiliated insured depository institution for potential losses to the Bank Insurance Fund. This action rendered the institution insolvent, which led to the FDIC's self-appointment as receiver.

The People's Savings Bank of New Britain will pay the FDIC as receiver \$7.8 million for the right to manage the trust accounts of New Meriden and acquire approximately \$3.3 million in total assets. Although the FDIC has accepted the bid for New Meriden, the bridge bank will not be transferred until required regulatory waiting periods have expired. The FDIC anticipates that the bridge bank will be transferred to The People's Savings Bank of New Britain in early November.



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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