



NEWS RELEASE

FOR IMMEDIATE RELEASE
PR-14-93 (2-26-93)

Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF JEFFERSON NATIONAL BANK, WATERTOWN, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Jefferson National Bank, Watertown, New York, by Fleet Bank of New York, Albany, New York.

Of the failed bank's 15 offices, the following will reopen on Monday, March 1, 1993, as branches of Fleet Bank: Lowville, Washington Street, Massena, Clayton, Oriskany Falls, Arsenal Street and Gouverneur. The failed bank's depositors automatically will become depositors of the assuming bank.

Jefferson National Bank, with total assets of \$226.5 million, was closed on Friday, February 26, 1993, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Fleet Bank of New York will assume about \$219.0 million in about 32,500 deposit accounts. At the time the bank closed, about \$5.1 million in 53 accounts exceeded the federal deposit insurance limit of \$100,000. These funds will not be assumed by Fleet Bank.

The assuming bank will pay a premium of \$2.9 million for the right to receive the failed bank's deposits and will purchase \$37.3 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$160.7 million to the assuming bank and will retain assets of the failed bank with a book value of about \$199.2 million.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce

(more)

the potential loss to the FDIC. Uninsured depositors and non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

##