



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF
NEW ENGLAND SAVINGS BANK, NEW LONDON, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of New England Savings Bank, New London, Connecticut, by Citizens Savings Bank, Providence, Rhode Island.

The failed bank's 21 offices will reopen according to their regular business hours beginning Saturday, May 22, 1993, as branches of Citizens, and its depositors automatically will become depositors of the assuming bank.

New England Savings Bank, with total assets of \$915 million as of March 31, was closed on Friday, May 21, 1993, by Ralph M. Shulansky, Connecticut Bank Commissioner, and the FDIC was named receiver.

Citizens will assume about \$685 million in 92,000 deposit accounts. At the time the bank closed, approximately \$15 million in 1,000 accounts exceeded the federal insurance limit of \$100,000 and will not be assumed by Citizens.

The Board of Directors also voted to make a prompt advance payment to uninsured depositors which will equal 75 percent of the uninsured claims. Claims agents will be available at the failed bank's main office at 63 Eugene O'Neill Drive beginning Monday, May 24, 1993, to assist uninsured depositors with their claims. Uninsured depositors can call (203) 444-3400 or 1-(800) 944-1607 for further assistance.

The assuming bank will purchase approximately \$740 million of the failed bank's assets at a discount of \$48.9 million.

(more)

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 transaction will be the least costly resolution to the FDIC. Additionally, because the assets and deposits will be administered by Citizens Bank, the failed bank's customers will have the benefit of continuous uninterrupted service.

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