



NEWS RELEASE

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Media Contact:
Andrew Porterfield (202) 898-6593

FDIC APPROVES ASSUMPTION OF DEPOSITS OF
SOUTHSTATE BANK FOR SAVINGS, BROCKTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Southstate Bank for Savings, Brockton, Massachusetts, by BayBank, Burlington, Massachusetts.

Of the failed bank's eight offices, the branches on 443 Belmont St., Brockton, and 695 Crescent St., Brockton, will reopen on Saturday, April 25, 1992, as branches of BayBank. Three offices, on 2071 Main St., Brockton, 360 Oak St., Brockton, and 86 South St., Hingham, will reopen on Monday, April 27, 1992. Depositors of the failed bank automatically will become depositors of the assuming bank.

Southstate Bank for Savings, with total assets of \$298.3 million, was closed on Friday, April 24, 1992, by Michael C. Hanson, Massachusetts Banking Commissioner, and the FDIC was named receiver.

BayBank will assume about \$265.2 million in about 34,700 deposit accounts, including approximately \$8.4 million in 202 accounts that exceeded the FDIC insurance limit of \$100,000. The Mutual Savings Central Fund, Inc., a corporation established to provide financial assistance and deposit insurance to Massachusetts' savings banks, through its Deposit Insurance Fund provided the FDIC \$521,000 to facilitate the assumption of the \$8.4 million in uninsured deposits.

The assuming bank will pay a premium of \$1,000 for the right to receive the failed bank's deposits and will purchase \$35.3 million of the failed

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bank's assets. To facilitate the transaction, the FDIC will advance about \$221.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$263.0 million.

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. Non-depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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