



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF HIGHLANDS COMMUNITY BANK, N.A., CLINTON TOWNSHIP, NEW JERSEY

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Highlands Community Bank, National Association, Clinton Township, New Jersey, by Somerset Trust Company, Bridgewater Township, New Jersey.

The failed bank's sole office will reopen on Monday, September 28, 1992, as a branch of Somerset Trust, and its depositors automatically will become depositors of the assuming bank.

Highlands Community Bank, with total assets of \$20.6 million, was closed on Friday, September 25, 1992, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Somerset Trust will assume about \$19.7 million in about 1,500 deposit accounts. It will pay a premium of \$297,000 for the right to receive the failed bank's deposits and will purchase \$7.8 million of the failed bank's assets. To facilitate the transaction, the FDIC will advance about \$11.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$12.8 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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