



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF INSURED DEPOSITS OF GUARANTY-FIRST TRUST COMPANY, WALTHAM, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the insured deposits of Guaranty-First Trust Company, Waltham, Massachusetts, by Fleet Bank of Massachusetts, N.A., Boston, Massachusetts.

The failed bank's 13 offices will reopen on Saturday, November 14, 1992, as branches of Fleet Bank, and its depositors automatically will become depositors of the assuming bank.

Guaranty-First Trust, with total assets of \$325.5 million, was closed on Friday, November 13, 1992, by Alan. R. Morse, Jr., Massachusetts Commissioner of Banks, and the FDIC was named receiver.

Fleet Bank will assume about \$309.2 million in about 31,100 deposit accounts. It will purchase \$12.4 million of the failed bank's assets at a discount of \$9.7 million. To facilitate the transaction, the FDIC will advance about \$286.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$313.2 million. At the time the bank closed, it had approximately \$3.8 million in 270 accounts that exceeded the federal insurance limit of \$100,000 and will not be assumed by Fleet Bank.

The Board of Directors also voted to make a prompt advance payment to unsecured creditors, including uninsured depositors, equal to 66 percent of the uninsured claims. Uninsured depositors can submit their claims for advance payment at the bank beginning Monday, November 16, 1992. If actual

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collections from the sale of the failed bank's assets exceed this estimate, uninsured depositors ultimately will receive additional payments on their claim.

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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