FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

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FDIC ESTABLISHES THREE NEW BANKS TO ASSUME DEPOSITS OF
BANK OF NEW ENGLAND, N. A., BOSTON, MASSACHUSETTS,
CONNECTICUT BANK & TRUST COMPANY, N. A., HARTFORD, CONNECTICUT,
AND MAINE NATIONAL BANK, PORTLAND, MAINE

The FDIC Board of Directors today established three new, full service banks to assume all deposits and most other liabilities and assets of Bank of New England, N. A., Boston, Massachusetts; Connecticut Bank & Trust Company, N. A., Hartford, Connecticut; and Maine National Bank, Portland, Maine.

The new institutions -- New Bank of New England, N.A.; New Connecticut Bank & Trust Company, N.A.; and New Maine National Bank -- were chartered by the Comptroller of the Currency today and are owned entirely by the FDIC. The action took place after the Comptroller of the Currency had closed the banks and appointed the FDIC receiver. The FDIC has agreed to provide assistance to facilitate their acquisition in the near future by qualified institutions.

"We have two active bidders and other well qualified bidders might apply," FDIC Chairman L. William Seidman said. "We expect to announce a transaction soon. In the meantime, it's business as usual."

All offices of the three closed banks will open for business as usual on Monday, January 7, 1991, as offices of the new banks. Full banking services will continue to be available to all deposit and loan customers and at the same hours of operation as in the past. As part of the FDIC's program to maintain uninterrupted service to the closed banks' customers,

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depositors continue to have access to their funds by checks or automated teller machines. The Federal Reserve System is prepared, in accordance with customary arrangements, to meet any unusual liquidity needs of the banks.

All deposits of Bank of New England, N. A.; Connecticut Bank & Trust Company, N. A.; and Maine National Bank, including those in excess of the $100,000 insurance limit, were transferred to the new banks and thus are fully protected by these transactions. Federal funds sold to the banks, liabilities to trade creditors and employees, and foreign exchange, interest rate swap and other qualified financial contracts will be transferred to the bridge banks. Other nonsubordinated creditors will share "pro rata" with the FDIC in the receivership estates of the banks. The new banks did not assume any of the liabilities of the parent holding company, Bank of New England Corporation, or its creditors.

The Board decided it was necessary to protect all depositors because of financial conditions in the region. As part of the transaction, the FDIC infused $750 million of capital into the banks.

Bank of New England had total assets of approximately $13.9 billion and total deposits of approximately $9.1 billion. Connecticut Bank & Trust Company had total assets of approximately $7.1 billion and total deposits of approximately $6.8 billion. Maine National Bank had total assets of approximately $1 billion and deposits of $930 million.

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