



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-86-90 (5-31-91)

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FDIC TRANSFERS INSURED DEPOSITS OF UNIVERSITY BANK, N.A., NEWTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits and fully secured liabilities of University Bank, National Association, Newton, Massachusetts to Sterling Bank, Waltham, Massachusetts, a wholly-owned subsidiary of Sterling Bancshares Corporation, Waltham, Massachusetts. The failed bank's seven offices will reopen on Monday, June 3, 1991 as branches of Sterling Bank. Under an agreement with the FDIC, the failed bank's branches in East Cambridge and Allston, Massachusetts, will close June 28, 1991.

The Board of Directors decided to arrange an insured deposit transfer because no purchase and assumption bids were received by the FDIC.

University Bank, N.A., with total assets of about \$337.1 million, was closed on Friday, May 31, 1991 by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The bank's deposits totaled about \$316.6 million in 18,150 deposit accounts, including approximately \$1.3 million in 34 accounts that exceeded the federal insurance limit of \$100,000. Uninsured depositors and non depositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets, after costs have been met.

Deposits in the failed bank up to the statutory insurance limit of \$100,000 will be available to their owners on Monday, June 3, 1991. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit,

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will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of \$11,614 for the right to receive the transferred deposits. It also will purchase certain assets of the failed bank for \$12.0 million and will have options to purchase certain loans of the failed bank. The FDIC will retain assets of the failed bank with a book value of \$325.1 million.

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