



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
WOBURN FIVE CENTS SAVINGS BANK, WOUBURN, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Woburn Five Cents Savings Bank, Woburn, Massachusetts, by Sterling Bank, Waltham, Massachusetts.

The failed bank's five offices will reopen on Monday, June 10, 1991, as branches of Sterling Bank, and its depositors automatically will become depositors of the assuming bank.

Woburn Five Cents Savings Bank, with total assets of \$250.0 million, was closed on Friday, June 7, 1991, by Michael C. Hanson, Massachusetts Commissioner of Banks, and the FDIC was named liquidating agent.

Sterling Bank will assume about \$235.4 million in 38,800 deposit accounts, including approximately \$8.7 million in 184 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 \$1.3 million to facilitate the assumption of the \$8.7 million in uninsured deposits.

The assuming bank has agreed to pay the FDIC a purchase premium of \$1,838,614 for the right to receive the deposits of Woburn Five Cents Savings Bank and to purchase approximately \$18.0 million of the failed bank's assets, including \$10.7 million of the bank's loans. To facilitate the transaction, the FDIC will advance about \$215.6 million to the assuming bank and will retain assets of about \$232.0 million. In addition, the FDIC as receiver will retain \$11.5 million in secured borrowings.

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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. The FDIC will recover a portion of its outlay through the liquidation of assets not transferred to the assuming bank.

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