



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-95-91 (6-21-91)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF
BEACON CO-OPERATIVE BANK, BOSTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Beacon Co-operative Bank, Boston, Massachusetts, by Grove Bank, Boston, Massachusetts.

Beacon Co-operative Bank, with total assets of \$32.2 million, was closed on Friday, June 21, 1991, by Michael C. Hanson, Massachusetts Commissioner of Banks, and the FDIC was named liquidating agent.

The failed bank's two offices will reopen on Monday, June 24, 1991, as branches of Grove Bank, Boston, Massachusetts, and its depositors automatically will become depositors of the assuming bank.

Grove Bank will assume about \$30.1 million in 2,700 deposit accounts, including approximately \$1.1 million in about 11 accounts that exceeded the FDIC insurance limit of \$100,000. The Co-operative Central Bank, a corporation set up to provide financial assistance and deposit insurance to Massachusetts' cooperative banks, provided the FDIC with \$172,445 to facilitate the assumption of the \$1.1 million in uninsured deposits.

The assuming bank will purchase \$13.3 million of the failed bank's assets, including \$11.4 million in loans at a discount of \$97,801, and will have options to purchase other loans. To facilitate the transaction, the FDIC will advance about \$16.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$18.9 million.

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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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