



# NEWS RELEASE

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF SUBURBAN NATIONAL BANK, HILLSBOROUGH TOWNSHIP, NEW JERSEY

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Suburban National Bank, Hillsborough Township, New Jersey, by Provident Savings Bank, Jersey City, New Jersey.

The failed bank's sole office will reopen on Saturday, July 27, 1991, as a branch of Provident Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Suburban National Bank, with total assets of \$96.2 million, was closed on Friday, July 26, 1991, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Provident Savings Bank will assume about \$92.8 million in 7,300 deposit accounts and has agreed to pay the FDIC a purchase premium of \$251,000. It also will purchase \$8.7 million of the failed bank's loans and other assets and will have options to purchase other loans. To facilitate the transaction, the FDIC will advance about \$84.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$87.5 million.

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. Creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

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