



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF HILLSBOROUGH BANK AND TRUST COMPANY, MILFORD, NEW HAMPSHIRE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Hillsborough Bank and Trust Company, Milford, New Hampshire, by Peterborough Savings Bank, Peterborough, New Hampshire.

The failed bank's two offices will reopen on Saturday, August 31, 1991, as branches of Peterborough Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Hillsborough Bank and Trust, with total assets of \$58.0 million, was closed on Friday, August 30, 1991, by A. Roland Roberge, New Hampshire Commissioner of Banks, and the FDIC was named receiver.

Peterborough Savings Bank will assume about \$59.4 million in about 3,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$268,128. It also will purchase approximately \$4.1 million of the failed bank's cash and cash equivalent assets. To facilitate the transaction, the FDIC will advance about \$55.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$53.9 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. In this respect, the FDIC notes that its claim will have priority over the claims of nondeposito creditors and shareholders of the closed bank.

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