FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF BANK FIVE FOR SAVINGS, ARLINGTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank Five for Savings, Arlington, Massachusetts, by Cambridge Savings Bank, Cambridge, Massachusetts.

The failed bank's eight offices will reopen on Monday, September 23, 1991, as branches of Cambridge Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Bank Five for Savings, with total assets of $401.7 million, was closed on Friday, September 20, 1991, by Michael C. Hanson, Massachusetts Bank Commissioner, and the FDIC was named liquidating agent. Immediately upon closing, the FDIC, pursuant to federal law, appointed itself receiver.

Cambridge Savings Bank will assume about $406.6 million in 46,300 deposit accounts, including approximately $15.6 million in 389 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 $3,694,000 to facilitate the assumption of $15.6 million in uninsured deposits.

The assuming bank has agreed to pay the FDIC a purchase premium of $11,251,800 for the right to receive the deposits of Bank Five for Savings. It also will purchase $114.2 million of the failed bank's assets, including $51 million of loans. It will have options to purchase loans and other assets

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over a 30-day period. To facilitate the transaction, the FDIC will advance about $281.2 million to the assuming bank and will retain assets of the failed bank with a book value of about $287.5 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. Non-depositor creditors of the failed bank will share proportionately with the FDIC in the proceeds realized from the liquidation of assets not transferred to the assuming bank.

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