



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
HARBOR NATIONAL BANK OF CONNECTICUT, BRANFORD, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Harbor National Bank of Connecticut, Branford, Connecticut, by The New Haven Savings Bank, New Haven, Connecticut.

The failed bank's sole office will reopen on Friday, October 4, 1991, as a branch of The New Haven Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Harbor National Bank, with total assets of \$23.5 million, was closed on Thursday, October 4, 1991, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

The New Haven Savings Bank will assume about \$22.3 million in 5,200 deposit accounts. It also will purchase \$12.6 million of the failed bank's assets, including \$6.5 million of the bank's loans at a discount of \$1,304,000. It will also have an option to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$11.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$10.9 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. 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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