



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF IONA SAVINGS BANK, TILTON, NEW HAMPSHIRE

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Iona Savings Bank, Tilton, New Hampshire, by First Savings and Loan Association of New Hampshire, Exeter, New Hampshire.

The failed bank's sole office will reopen on Saturday, October 12, 1991, as a branch of First Savings and Loan, and its depositors automatically will become depositors of the assuming bank.

Iona Savings Bank, with total assets of \$30.6 million, was closed on Friday, October 11, 1991, by A. Roland Roberge, New Hampshire Bank Commissioner, and the FDIC was named receiver.

First Savings and Loan will assume about \$28.3 million in 3,400 deposit accounts. It also will purchase \$19.8 million of the failed bank's loans and other assets, including \$17.0 million in loans at a discount of \$347,940, and will have options to purchase loans and other assets. To facilitate the transaction, the FDIC will advance about \$11.2 million to the assuming bank and will retain assets of the failed bank with a book value of about \$10.7 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 non depositor creditors and shareholders of the closed bank.

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