



# NEWS RELEASE

FOR IMMEDIATE RELEASE  
PR-152-91 (10-18-91)

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## FDIC APPROVES ASSUMPTION OF DEPOSITS OF CENTRAL BANK, MERIDEN, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of Central Bank, Meriden, Connecticut, by Centerbank, Waterbury, Connecticut.

Of the failed bank's 15 offices, five branches will reopen on Saturday, October 19, 1991, and all 15 branches will reopen on Monday, October 21, 1991, as branches of Centerbank, and its depositors automatically will become depositors of the assuming bank.

Central Bank, with total assets of \$675.2 million, was closed on Friday, October 18, 1991, by Ralph M. Shulansky, Connecticut Bank Commissioner, and the FDIC was named receiver.

CenterBank will assume about \$626.5 million in 66,800 deposit accounts and about \$77.2 million in secured borrowings. It also will purchase \$361.6 million of the failed bank's loans and other assets, including \$294.6 million in loans at a discount of \$31,500,000. To facilitate the transaction, the FDIC will advance about \$373.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$313.6 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 nondepositor creditors and shareholders of the closed bank.

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