



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF COOLIDGE BANK AND TRUST COMPANY, BOSTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Coolidge Bank and Trust Company, Boston, Massachusetts by Pioneer Financial, A Cooperative Bank, Malden, Massachusetts.

The failed bank's 11 offices will reopen on Monday, October 28, 1991, as branches of Pioneer Financial, and its depositors automatically will become depositors of the assuming bank.

Coolidge Bank and Trust, with total assets of \$264.6 million, was closed on Friday, October 25, 1991, by Michael C. Hanson, Massachusetts Banking Commissioner, and the FDIC was named receiver.

Pioneer Financial will assume about \$260.5 million in 29,500 deposit accounts and will purchase \$19.1 million of the failed bank's assets. Pioneer will also purchase \$43.0 million in loans within 30 days at a net discount of \$3,629,300. To facilitate the transaction, the FDIC will advance about \$242.2 million to the assuming bank, repay secured borrowings totaling \$7.0 million and will retain assets of the failed bank with a book value of about \$245.5 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, including the proceeds from the sale of the \$43.0 million in loans.

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