



NEWS RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF
SAYBROOK BANK AND TRUST CO., OLD SAYBROOK, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Saybrook Bank and Trust Co., Old Saybrook, Connecticut, by The New Haven Savings Bank, New Haven, Connecticut.

The failed bank's five offices will reopen on Saturday, December 7, 1991, as branches of The New Haven Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Saybrook Bank and Trust, with total assets of \$81.9 million, was closed on Friday, December 6, 1991, by Ralph M. Shulansky, Connecticut Bank Commissioner, and the FDIC was named receiver.

The New Haven Savings Bank will assume about \$78.6 million in 7,800 deposit accounts. It will purchase \$34.4 million of the failed bank's assets, including \$24.7 million in loans at a discount of \$995,000, and will have options to purchase other assets. To facilitate the transaction, the FDIC will advance about \$47.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$47.5 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.

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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