



NEWS RELEASE

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PR-185-91 (12-12-91)

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FDIC TRANSFERS INSURED DEPOSITS OF GRANITE CO-OPERATIVE BANK, QUINCY, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of Granite Co-operative Bank, Quincy, Massachusetts, to South Boston Savings Bank, Boston, Massachusetts. The failed bank's three offices will reopen on Friday, December 13, 1991 as branches of South Boston Savings Bank.

The Board of Directors decided to arrange an insured deposit transfer because no bids for a purchase and assumption transaction were received.

Granite Co-operative Bank, with total assets of about \$103.8 million, was closed on Thursday, December 12, 1991, by Michael C. Hanson, Massachusetts Banking Commissioner, and the FDIC was named receiver.

At the time the bank closed, its deposits totaled about \$84.3 million in 14,100 deposit accounts, including approximately \$7.4 million in 75 accounts that exceeded the federal insurance limit of \$100,000. The Co-operative Central Bank, a corporation set up to provide financial assistance and deposit insurance to Massachusetts' cooperative banks, provided the FDIC with \$2,287,000 to cover the \$7.4 million in non-FDIC-insured deposits. Therefore, all depositors in the failed bank are covered in full and can continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship.

The acquiring bank is paying the FDIC a premium of \$50,000 for the right

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to receive the transferred deposits. It also will purchase \$6.7 million of the failed bank's assets, including \$378,000 in loans. The FDIC will retain assets of the failed bank with a book value of \$99.2 million.

The Board of Directors approved the deposit transfer 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.

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