



NEWS RELEASE

FOR IMMEDIATE RELEASE
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF BANK OF EAST HARTFORD, EAST HARTFORD, CONNECTICUT

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Bank of East Hartford, East Hartford, Connecticut, by the Bank of South Windsor, South Windsor, Connecticut.

The failed bank's sole office will reopen on Saturday, December 14, 1991, as a branch of the Bank of South Windsor, and its depositors automatically will become depositors of the assuming bank.

Bank of East Hartford, with total assets of \$36.6 million, was closed on Friday, December 13, 1991, by Ralph M. Shulansky, Connecticut Bank Commissioner, and the FDIC was named receiver.

Bank of South Windsor will assume about \$38.4 million in 3,900 deposit accounts. It will purchase \$20.8 million of the failed bank's assets, including \$6.5 million in loans at a premium of \$66,450. To facilitate the transaction, the FDIC will advance about \$23.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$15.8 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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