



# NEWS RELEASE

FOR IMMEDIATE RELEASE  
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FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
MERCHANTS NATIONAL BANK, LEOMINSTER, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Merchants National Bank, Leominster, Massachusetts, by Worcester County Institution for Savings, Worcester, Massachusetts.

The failed bank's seven offices will reopen on Monday, December 16, 1991, as branches of Worcester County Institution for Savings, and its depositors automatically will become depositors of the assuming bank.

Merchants National Bank, with total assets of \$160.3 million, was closed on Friday, December 13, 1991, by the Office of the Comptroller of the Currency, and the FDIC was named receiver.

Worcester County Institution will assume about \$147.5 million in 29,400 deposit accounts. It will purchase \$46.8 million of the failed bank's assets, including \$10.7 million in loans at a premium of \$2,710,000. The bank also has an option to purchase other assets. To facilitate the transaction, the FDIC will advance about \$107.1 million to the assuming bank and will retain assets of the failed bank with a book value of about \$113.5 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.

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