



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES ASSUMPTION OF DEPOSITS OF ELIOT SAVINGS BANK, BOSTON, MASSACHUSETTS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits of Eliot Savings Bank, Boston, Massachusetts, by South Boston Savings Bank, Boston, Massachusetts.

The failed bank's three offices will reopen on Monday, July 2, 1990, as branches of South Boston Savings Bank, and its depositors automatically will become depositors of the assuming bank.

Eliot Savings Bank, with total assets of \$450.0 million, was closed on Friday, June 29, 1990, by Andrew J. Calamare, Commissioner of Banks, and the FDIC was named liquidating agent.

South Boston Savings Bank will assume about \$420.0 million in 26,000 deposit accounts, including approximately \$27 million in 500 accounts that exceeded the FDIC insurance limit of \$100,000. The Mutual Savings Central Fund, Inc., a corporation established to provide financial assistance and deposit insurance to Massachusetts' savings banks, through its Deposit Insurance Fund provided the FDIC \$9.5 million to facilitate the assumption of the \$27 million in uninsured deposits.

The assuming bank has agreed to pay the FDIC a purchase premium of \$250,000 for the right to receive the deposits of Eliot Savings Bank. It also will purchase certain of the failed bank's assets and will have options to purchase loans and other assets.

To facilitate the transaction, the FDIC will advance about \$363.0 million to the assuming bank and payoff secured borrowings of about \$37.0 million. The FDIC will retain assets of the failed bank with a book value of about \$391.0 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.

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