FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

FOR IMMEDIATE RELEASE PR-14-86 (2-8-86)

FDIC TRANSFERS INSURED DEPOSITS OF VALENCIA BANK, PLACENTIA, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of insured deposits and fully secured or preferred deposits of the Valencia Bank, Placentia, California, to Barclays Bank of California, San Francisco, California. The insured deposits of the failed bank's six offices will be transferred on Monday, February 10, 1986, and will be available to customers of the insolvent institution at Barclays Bank of California, which has offices located in the vicinity of the former offices of the closed bank.

Valencia Bank, which had total assets of $96.7 million, was closed on Friday, February 7, 1986, by California Superintendent of Banks Louis Carter and the FDIC was named receiver.

At the time the bank closed, its deposits amounted to about $94.0 million in 10,600 deposit accounts. Of the total deposits, $2.1 million in 46 accounts exceeded the federal insurance limit of $100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners immediately. Checks drawn on the failed bank's accounts will continue to be honored.

Even though insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank for an 18-month period, they are encouraged to visit the bank during the next several weeks to discuss the continuation of their banking relationship.

-more-

From the standpoint of customer convenience and service, it would be preferable for these visits to be spread out over the next month or longer than to occur within the next week or so.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash payment from the FDIC. The new bank is paying the FDIC a premium of $251,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for $66.3 million.

The Board of Directors decided to arrange an insured deposit transfer because no acceptable bids were received for the failed bank.

###