



# NEWS RELEASE

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## FDIC TRANSFERS INSURED DEPOSITS OF GOLDEN PACIFIC NATIONAL BANK, NEW YORK CITY, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation today approved the transfer of approximately \$117 million in insured deposits and fully secured or preferred deposits of Golden Pacific National Bank, New York City, New York, to The Hongkong and Shanghai Banking Corporation, Hong Kong. The failed bank's four New York offices will reopen as FDIC-insured branches of Hongkong and Shanghai Banking Corporation. The FDIC is hopeful that all four offices will be able to reopen by Friday, June 28, 1985.

At the time the bank closed, its book liabilities amounted to approximately \$157.1 million. About \$9.8 million in approximately 170 deposit accounts exceed the federal insurance limit of \$100,000. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets. Funds amounting to approximately \$15.3 million placed through the bank's loan production offices, \$6.9 million of international banking facility funds, and \$17.0 million of unbooked transactions are not included in the transfer pending a determination whether such funds are eligible for deposit insurance coverage.

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 Hongkong and Shanghai for an 18-month period, they are encouraged to visit the bank during the next

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several weeks to discuss the continuation of their banking relationships with Hongkong and Shanghai. 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 for them to occur within the next week or so.

Administration of the insured deposits transferred to Hongkong and Shanghai will be funded by an equivalent cash payment from the FDIC. Hongkong and Shanghai is paying the FDIC a premium of \$6,351,276 for the right to receive the transferred deposits, and will purchase loans and other assets of the failed bank for approximately \$60 million.

FDIC Chairman William M. Isaac said: "The transfer of insured deposits to Hongkong and Shanghai will enable us to make available to depositors of the failed Golden Pacific National Bank the bulk of their funds with a minimum of delay and inconvenience. We are pleased that Hongkong and Shanghai will maintain a banking presence at all four locations of Golden Pacific.

"The FDIC is genuinely concerned about the approximately \$49 million in claims which are not being transferred to Hongkong and Shanghai due to the inability at this time to determine their insured status. We will process these claims as expeditiously and fairly as possible. We urge the holders of the claims to be patient and bear with us as we sort out the facts.

"I cannot express too strongly my deep appreciation for the extraordinary efforts by the FDIC personnel working on this assignment. Nearly 150 FDIC employees, many of whom were flown in from around the country, have been working around the clock since last Friday under extremely difficult circumstances. We also greatly appreciate the cooperation we have received from former employees of Golden Pacific, the Mayor's Office, the New York City Police Department, the security officers retained by the FDIC, the Comptroller of the Currency, the New York Congressional delegation and from representatives of IBM, who gave us emergency assistance with our data processing problems."

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