



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TRANSFERS DEPOSITS OF INDEPENDENCE BANK, ENCINO, CALIFORNIA, TO FIRST INTERSTATE BANK OF CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of all deposit accounts in Independence Bank, Encino, California, to First Interstate Bank of California, Los Angeles, California. Independence Bank, which was controlled by the Bank of Credit and Commerce International (BCCI), was closed today by James E. Gilleran, California Superintendent of Banks, due to insolvency. The FDIC was named receiver.

The FDIC Board determined that a payoff of depositors was required because no acceptable bids were received for the failed bank and a payoff was the least costly resolution alternative.

Under an agreement between the FDIC and First Interstate Bank, First Interstate will serve as the FDIC's "paying agent" in making Independence Bank's depositors' funds available to them. All deposit accounts in Independence Bank will be transferred to First Interstate and Independence Bank depositors will have access to their funds beginning at 4 p.m. on Friday, January 31st, at certain First Interstate branches. A list will be released shortly.

Independence Bank depositors have 60 days to visit one of those First Interstate branches either to withdraw their funds or convert to a First Interstate account. After that period, checks will be mailed to any customers who have not withdrawn their funds or converted accounts.

The FDIC Board acted to fully protect depositors of Independence Bank, including those with accounts exceeding the federal insurance limit, because the agency expects to be reimbursed for the full cost of this resolution out

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of a special fund established from BCCI assets in the United States. BCCI forfeited the assets under a recent plea agreement entered into in the U.S. District Court in Washington that features a fund to compensate victims of BCCI's crimes.

Under California law, the FDIC's claims on recoveries from the sale of the failed bank's assets will have priority over non-depositor creditors of the failed bank.

Independence Bank had total assets of about \$555 million and total deposits of approximately \$530.2 million.

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