FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION

NEWS RELEASE

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FDIC TRANSFERS INSURED DEPOSITS OF VALLEY COMMERCIAL BANK, STOCKTON, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the transfer of insured deposits of Valley Commercial Bank, Stockton, California, to Union Safe Deposit Bank, Stockton, California. The failed bank's main office and Thornton Road office will reopen on Monday, April 27, 1992, as branches of Union Safe Deposit Bank.

The Board of Directors decided to arrange an insured deposit transfer because the FDIC could not quantify a value for the failed bank's assets.

Valley Commercial Bank, with total assets of about $29.0 million, was closed on Friday, April 24, 1992, by James E. Gilleran, California Superintendent of Banks, and the FDIC was named receiver. At the time the bank closed, its deposits totaled about $27.5 million in 3,300 deposit accounts, including approximately $777,000 in 44 accounts that exceeded the federal insurance limit of $100,000.

Deposits in the failed bank up to the statutory insurance limit of $100,000 will be available to their owners on Monday, April 27, 1992. In the interim, checks drawn on the failed bank's accounts, up to the insurance limit, will continue to be honored.

Insured depositors in the failed bank can automatically continue to conduct their banking transactions with the acquiring bank. However, they should visit the acquiring bank during the next several weeks to discuss continuation of their banking relationship. Uninsured depositors will receive a letter containing instructions on filing their claims within a week.

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Administration of the transferred insured deposits will be funded by an equivalent cash payment from the FDIC. The acquiring bank is paying the FDIC a premium of $1,376,200 for the right to receive the transferred deposits. It also will purchase $7.2 million of the failed bank's assets. The FDIC will retain assets of the failed bank with a book value of $21.8 million. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from liquidation of the failed bank's assets.

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