



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-245-89 (12-20-89)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF UNITED COMMUNITY BANK, WESTLAKE VILLAGE, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of United Community Bank, Westlake Village, California, by Olympic National Bank, Los Angeles, California. The failed bank's two offices will reopen on Thursday, December 21, 1989, as branches of Olympic National Bank, and its depositors automatically will become depositors of the assuming bank.

United Community Bank, with total assets of about \$27.9 million, was closed on Wednesday, December 20, 1989, by James Gilleran, California Superintendent of Banks, and the FDIC was named receiver.

Olympic National Bank will assume about \$27.4 million in 1,700 deposit accounts. It also will purchase approximately \$24.6 million of the failed bank's assets, including \$1,525,000 of the bank's small loans at a discount of \$160,000.

To facilitate the transaction the FDIC will advance \$3.0 million to the assuming bank and will retain assets of the failed bank with a book value of \$3.3 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. In this respect, the FDIC notes that its claim will have priority over the claims of nondepositor creditors and shareholders of the closed bank.

###