



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC APPROVES DEPOSIT ASSUMPTION OF COMMONWEALTH BANK, TORRANCE, CALIFORNIA

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and fully secured liabilities of Commonwealth Bank, Torrance, California, by Capital Bank of California, Los Angeles, California.

The failed bank's five offices will reopen on Monday, September 28, 1987, as branches of Capital Bank of California and its depositors automatically will become depositors of the assuming bank, subject to approval by the appropriate court.

Commonwealth Bank, with total assets of about \$75.1 million, was closed on Friday, September 25, 1987, by Howard Gould, California Superintendent of Banks, and the FDIC was named receiver.

Capital Bank of California will assume about \$78.0 million in 7,900 deposit accounts and will purchase \$61.4 million of the failed bank's assets at a discount of \$9.3 million. The FDIC will retain approximately \$13.7 million of the failed bank's assets.

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 transaction will result in a substantially lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Capital Bank of California, the failed bank's customers will have the benefit of continuous, uninterrupted service.

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