

Press Releases

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OTS 98-60 - OTS West Region Approves CalFed Acquisition of Glendale Federal

Office of Thrift Supervision

NEWS

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OTS West Region Approves CalFed Acquisition Of Glendale Federal

WASHINGTON, D.C., Aug. 13, 1998 - Mafco Holdings, Inc., of New York, has received approval to acquire Glendale Federal Bank, FSB, Glendale, Calif., and to merge it into its San Francisco-based thrift, California Federal Bank, the Office of Thrift Supervision (OTS) announced today. OTS' West Region, under delegated authority, issued the approval order.

Once consummated, the merger of the two big California thrifts will result in an institution with assets of \$53.1 billion. That will make it the second largest thrift institution in California and the nation, behind Washington Mutual, based in Stockton, Calif., with \$70.6 billion in assets, and just ahead of Home Savings of America, a \$52.7 billion thrift located in Irwindale, Calif. Washington Mutual has an application pending with OTS to acquire Home Savings.

At present, CalFed has 225 branches in California, Nevada and Florida, while Glendale operates 181 branches and 26 lending offices in California. CalFed is the former First Nationwide Bank, whose headquarters moved from Dallas to San Francisco in late 1995. Mafco Holdings is wholly owned by Ronald O. Perelman.

Other than standard conditions, such as setting a 120-day deadline for consummation of the merger, OTS' West Region imposed only one other condition, which is becoming common in a number of OTS application approvals. The condition pertains to Year 2000 preparedness and requires CalFed's Year 2000 project management program to adhere to the terms, deadlines, requirements and conditions contained in the Year 2000 guidance issued by OTS and/or the Federal Financial Institutions Examination Council (FFIEC). CalFed also must abide by any subsequent guidance, regulations or other requirements issued by either OTS or FFIEC.

The West Region noted that CalFed had extensive discussions with the two largest community umbrella organizations in the region after the proposed merger was announced. As a result, CalFed has committed \$25 billion over the next 10 years in loans to minority and low- and moderate-income areas and individuals, as well as small businesses. In response to CalFed's commitment, the two community activist groups submitted letters supporting the merger.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS' mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases and other documents call PubliFax at 202/906-5660, or visit the OTS web page at www.ots.treas.gov.