



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC GRANTS ASSISTANCE TO PREVENT FAILURE OF AMERICAN NATIONAL BANK, PARMA, OHIO

The Board of Directors of the Federal Deposit Insurance Corporation today announced it has granted financial assistance under Section 13(c) of the Federal Deposit Insurance Act to prevent the failure of American National Bank, Parma, Ohio, and to facilitate its recapitalization. The FDIC acted following notification by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, that American National Bank was in danger of failing.

As a result of this action, American National Bank has been strengthened and recapitalized, and uninterrupted service will be afforded all deposit and loan customers of the bank. The bank operates four offices and has assets of \$27.2 million and deposits of \$24.7 million.

The FDIC's financial assistance consists solely of an indemnification, which is limited to \$1 million, against unknown losses discovered within the next two years. At present, no known losses exist. To ensure financial strength and stability of American National Bank, \$2.225 million of new capital has been contributed by shareholders.

A request for assistance to prevent the failure of an insured bank will be considered if such an approach proves least costly to the insurance fund. Additionally, the FDIC's policy criteria for providing assistance to banks in danger of failing must be met. These criteria, in part, require sufficient capitalization, usually from sources other than the FDIC, to restore the bank to viability. The transaction also should have the same effect on shareholders as if the bank had actually failed.

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The FDIC Board voted to approve the indemnification based on the determination that it was in compliance with the mandatory cost test as well as the policy criteria.

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