



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC TO RECEIVE STOCK ESTIMATED AT \$420 MILLION IN EXCHANGE FOR AMERICAN SAVINGS BANK WARRANTS

FOR IMMEDIATE RELEASE

The FDIC agreed today to exchange warrants held in N.A. Capital Holdings, parent company of American Savings Bank, F. A., Irvine, California, for 14 million shares of common stock in Washington Mutual, Inc., a thrift holding company headquartered in Seattle, Washington. The FDIC will be able to sell these shares in the market in order to achieve maximum recovery for the FSLIC Resolution Fund (FRF) and reduce financial assistance paid for one of the largest thrift failures in history.

Washington Mutual, Inc. announced today the signing of an agreement with Keystone Holdings, Inc. to acquire Keystone and its subsidiaries, N.A. Capital Holdings and American Savings Bank, F.A., through an all-stock merger. As a result, the FDIC will receive 14 million common shares in Washington Mutual when the merger is completed. The shares have an estimated market value of \$420 million, based on Friday's closing price of \$30.125 per share for Washington Mutual's common stock.

The FDIC obtained the warrants held in N.A. Capital Holdings as manager of the FSLIC Resolution Fund, which was created in 1989 to administer the residual financial matters of the former Federal Savings and Loan Insurance Corporation (FSLIC) after it was abolished. The FSLIC received an interest in N.A. Capital Holdings following the failure of American Savings, a FS&LA, Stockton, California, in December 1988. In May 1996, the FDIC was approached by Keystone to restructure its warrant agreement in N.A. Capital Holdings.

Merrill Lynch, Pierce, Fenner & Smith, Inc. and Friedman, Billings, Ramsey & Co., Inc. have been hired to advise on the sale of the shares. The latter provided the FDIC an opinion as to the fairness of the shares received in exchange for the warrants.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-54-96