



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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January 23, 1997

FDIC SELLS WASHINGTON MUTUAL STOCK

FOR IMMEDIATE RELEASE

In an underwriting completed January 22, the FDIC sold its 14 million shares of Washington Mutual Inc. stock for \$47.50 a share, or \$665 million.

The FDIC received the stock on December 20 in exchange for warrants the agency held in N.A. Capital Holdings, parent company of the American Savings Bank, F.A., Irvine, California. Washington Mutual, a Seattle-based thrift holding company, acquired Keystone Holdings Inc., parent of N.A. Capital Holdings, on that same date.

Proceeds from the underwriting will go to the FSLIC Resolution Fund (FRF) and will reduce the cost of one of the largest thrift failures on record.

The price obtained this week represents a substantial increase over the \$30 a share the stock would have brought on July 22, when the FDIC agreed to exchange its warrants for stock.

The Federal Savings and Loan Insurance Corporation (FSLIC) received an interest in N.A. Capital Holdings following the failure of American Savings 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. acted as underwriters for the FDIC on the sale of the shares.

Last Updated 07/14/1999



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.

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