PRESS RELEASE
Federal Deposit Insurance Corporation ● Each Depositor insured to at least $250,000

FOR IMMEDIATE RELEASE
July 2, 2009

Media Contact:
Andrew Gray (202) 898-7192
Cell: (202) 494-1049
Email: angray@fdic.gov

The PrivateBank and Trust Company, Chicago, Illinois, Assumes All of the Deposits of Founders Bank, Worth, Illinois

Founders Bank, Worth, Illinois, was closed today by the Illinois Department of Financial and Professional Regulation, Division of Banking, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with The PrivateBank and Trust Company, Chicago, Illinois, to assume all of the deposits of Founders Bank.

The eleven offices of Founders Bank will reopen on Monday as branches of The PrivateBank and Trust Company. Depositors of Founders Bank will automatically become depositors of The PrivateBank and Trust Company. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branches until The PrivateBank and Trust Company can fully integrate the deposit records of Founders Bank.

Over the weekend, depositors of Founders Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of April 30, 2009, Founders Bank had total assets of $962.5 million and total deposits of approximately $848.9 million. The PrivateBank and Trust Company paid a premium of 1.5 percent to acquire all of the deposits of the failed bank. In addition to assuming all of the deposits of the failed bank, The PrivateBank and Trust Company agreed to purchase approximately $888.4 million of assets. The FDIC will retain the remaining assets for later disposition.

The FDIC and The PrivateBank and Trust Company entered into a loss-share transaction on approximately $617 million of Founder's assets. The PrivateBank and Trust Company will share in the losses on the asset pools covered under the loss-share agreement. The loss-sharing arrangement is projected to maximize returns on the assets covered by keeping them in the private sector. The agreement also is expected to minimize disruptions for loan customers.

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-523-8177. The phone number will be operational this evening until 9:00 p.m., Central Daylight Time (CDT); on Friday and Saturday from 9:00 a.m. to 6:00 p.m., CDT; on Sunday from noon to 6:00 p.m., CDT; and thereafter from 8:00 a.m. to 8:00 p.m., CDT. Interested parties can also visit the FDIC's Web site at http://www.fdic.gov/bank/individual/failed/founders.html.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be $188.5 million. The PrivateBank and Trust Company's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. Founders Bank is the 52nd FDIC-insured institution to fail in the nation this year, and the twelfth in Illinois. The last FDIC-insured institution to be closed in the state was The First National Bank of Danville, earlier today.

The six failed Illinois banks are all controlled by one family and followed a similar business model that created concentrated exposure in each institution. The failure of these banks resulted primarily from losses related to the banks' investment in collateralized debt obligations and other loan losses.

# # #