PRESS RELEASE

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

FOR IMMEDIATE RELEASE
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State Bank of Lincoln, Lincoln, Illinois Assumes All of The Deposits of the John Warner Bank, Clinton, Illinois

The John Warner Bank, Clinton, 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 State Bank of Lincoln, Lincoln, Illinois, to assume all of the deposits of The John Warner Bank.

The three offices of The John Warner Bank will reopen on Friday as branches of State Bank of Lincoln. Depositors of The John Warner Bank will automatically become depositors of State Bank of Lincoln. 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 State Bank of Lincoln can fully integrate the deposit records of The John Warner Bank. Depositors of The John Warner 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, The John Warner Bank had total assets of $70 million and total deposits of approximately $64 million. State Bank of Lincoln paid a premium of 4.1 percent to acquire all of the deposits of the failed bank. In addition to assuming all of the deposits of the failed bank, State Bank of Lincoln agreed to purchase approximately $63 million of assets. The FDIC will retain the remaining assets for later disposition.

The FDIC and State Bank of Lincoln entered into a loss-share transaction on approximately $31 million of The John Warner Bank's assets. State Bank of Lincoln 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 1-800-837-0215. 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/warner.html.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be $10 million. State Bank of Lincoln's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. The John Warner Bank is the 46th FDIC-insured institution to fail in the nation this year, and the seventh in Illinois. The last FDIC-insured institution to be closed in the state was Bank of Lincolnwood, Lincolnwood, on June 5, 2009.

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.

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