

How safe is American Marine Bank?

During these challenging economic times many of our customers have expressed concerns about the safety of their money and the performance and stability of the bank. The following are a few important facts to consider about our bank:

FDIC Insured: Remember that the federal government insures funds held in an FDIC-insured community bank for up to \$100,000 and \$250,000 for certain retirement accounts. American Marine Bank is open for business and our customers can bank with confidence knowing their money is safe because it is insured by the FDIC. Since the FDIC was founded in the 1930s, no one has ever lost a penny of FDIC-insured funds.

Residential Mortgages: There is no mortgage lending crisis at American Marine Bank. The bank did not participate in the subprime lending market. We are well run and tightly regulated. American Marine Bank is a common sense lender focused on doing what is best for our customers and our communities.

Measures Taken: The Bank has taken significant steps as a result of this economic downturn, including realistically risk-rating our loan portfolio and dramatically increasing our provision for the Allowance for Loan Losses. We believe that maintaining ample capital plays a very important role in assuring the strength and stability of the Bank during this time of financial stress. The bank has also made a downward adjustment in the dividend rate for the first half of 2008 to preserve additional capital. Additionally, the bank maintains readily available sources of funds to secure its liquidity.

Regulatory Exam: In May, the bank successfully completed a regulatory exam, one of many required by our state and the FDIC.

Performance: As we reach the end of the second quarter, we see positive production numbers for the bank. Loans and deposits are up over last year at this same time. Despite the precautionary increase in Allowance for Loan Losses, expenses have stayed in check and total assets have grown over 2007. We believe that our current results are favorable considering the economic challenges that we are facing.

What's Next?: The bank continues to evaluate economic conditions, both locally and national and the potential impact on our markets and our customers. We will maintain an active review of our credit risks, our capital level and our performance.