



To our Business Customers:

On July 2, 2009, the California State Controller's Office began issuing negotiable instruments called Registered Warrants to pay for some of its obligations. A Registered Warrant is an IOU or "promise to pay" with interest, that is issued by the State of California when the State is unable to meet all of its payment obligations. The State's intention is to pay its Registered Warrants on October 2, 2009, provided the State has sufficient cash to do so. These Registered Warrants bear a prominent statement "This REGISTERED WARRANT will be honored on or after 10/02/2009."

Please be advised that American National Bank will not be accepting these Registered Warrants for deposit or encashment. Should a Registered Warrant not be noticed at the point of presentment, the Bank has monitoring systems in place to isolate the item prior to the transaction being finalized. The Bank will revoke the acceptance of the Registered Warrant and lower the amount of your deposit by the amount of the Registered Warrant. We will then return it to you with notification that it has not been credited to your account and ask you to adjust your records accordingly.

If you have received a Registered Warrant, please look at the maturity date when it may be honored. At the time the Warrant matures, to redeem the Warrant and avoid collection fees, you can mail it to the State of California's Treasurer's office. Or, should you choose, you can present the Registered Warrant to the Bank to be sent for collection to the State of California. Should you choose to present the item to the Bank, the funds will be deposited to your account only after the bank has received full payment from the State, and in addition, normal collection fees will apply.

The Bank will not be accepting these Registered Warrants for deposit at any time, prior to or after maturity.

For further information on these Registered Warrants, please visit the California State Controller's Office website at <http://www.sco.ca.gov/index.html>. In addition, we have posted FAQ's on our Bank's website at <http://www.anbbank.com>.

We appreciate your understanding of this situation. Please feel free to contact one of our personal bankers if you have more questions and as always, we thank you for your business.