



# NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC TO FORMULATE ASSISTANCE PLAN FOR  
SYRACUSE SAVINGS BANK, SYRACUSE, NEW YORK

The Board of Directors of the Federal Deposit Insurance Corporation has authorized final negotiations on a proposed financial assistance program to facilitate the acquisition of Syracuse Savings Bank, Syracuse, New York, by Norstar Bancorp Inc., Albany, New York.

The proposed assistance to be provided under Section 13(c) of the Federal Deposit Insurance Act was determined to be less costly than a payoff of insured depositors of the ailing Syracuse Savings Bank.

Under the assistance proposal, Norstar would establish a new state-chartered savings bank which will be operated as a savings institution for a minimum of 18 months. This new, stock-owned savings institution will purchase the assets and assume the name and liabilities of Syracuse Savings Bank. Uninterrupted service will be afforded all existing deposit and loan customers of Syracuse Savings Bank.

The FDIC Board's decision to authorize final negotiations followed notification by New York State Superintendent of Banks Jill M. Considine that Syracuse Savings Bank was in danger of failing.

FDIC assistance under the proposal would be limited to indemnification against certain of Syracuse Savings Bank's contingent liabilities.

Norstar has agreed to invest \$100 million in the new Syracuse Savings Bank and it will own all of the savings institution's stock. Syracuse Savings Bank has assets of about \$1.2 billion and deposits of approximately \$1.1 billion in 258,000 deposit accounts.

The proposed assistance transaction is subject to final approval by the FDIC, the Federal Reserve Board and the New York State Superintendent of Banks.

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