



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC BOARD APPROVES ASSISTED MERGER OF ORANGE SAVINGS BANK INTO HUDSON CITY SAVINGS BANK

The Board of Directors of the Federal Deposit Insurance Corporation has approved an FDIC-assisted merger of Orange Savings Bank, Livingston, New Jersey, into Hudson City Savings Bank, Paramus, New Jersey. The merger will be effective as of the close of business September 28, 1984.

Deposit and loan customers of Orange Savings Bank automatically will become customers of Hudson City Savings Bank, which will acquire the assets and assume the liabilities of Orange Savings Bank. The nine offices of Orange Savings Bank will continue normal operation as offices of Hudson City Savings. Three trustees of Orange Savings Bank will join the trustees of Hudson City Savings, and all employees of Orange Savings Bank will become employees of Hudson City. The transaction was approved under the FDIC's "Voluntary Assisted Merger Program," which establishes criteria for granting assistance to a voluntarily arranged merger involving an FDIC-insured savings bank which is in a weakened financial condition.

Prior to the merger, Hudson City Savings had assets of approximately \$2 billion and Orange Savings had assets of approximately \$513 million. The merger does not affect Hudson City's ranking as the second largest savings bank in New Jersey.

To facilitate the merger, the FDIC will advance \$26 million in cash to Hudson City Savings. The agreement provides that \$16 million of the assistance is repayable out of a portion of the resultant bank's future income, but only if, after repayment, the bank's capital exceeds seven percent of deposits. A deposit payoff would have cost the FDIC an estimated \$72 million compared to the merger's \$26 million cost.

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