



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-96-93 (8-12-93)

**FDIC APPROVES SALE OF CROSSLAND FEDERAL SAVINGS BANK, BROOKLYN,  
NEW YORK, TO INSTITUTIONAL INVESTORS**

The Board of Directors of the Federal Deposit Insurance Corporation today approved the sale of 12,000,000 shares of the common stock of CrossLand Federal Savings Bank, Brooklyn, New York ("CrossLand Federal") and the sale of \$50 million principal amount of subordinated debt of CrossLand Federal to institutional investors in a registered public offering. The aggregate purchase price of the sale is \$332 million.

The sale of CrossLand Federal securities has been managed by Keefe, Bruyette & Woods, Inc. and Friedman, Billings, Ramsey & Co., Inc. as lead and co-manager of this offering with the assistance of three additional placement agents: M.R. Beal & Company; Pryor, McClendon, Counts & Co., Inc.; and Utendahl Capital Partners, L.P.

CrossLand Federal was established as a new federal mutual savings bank by the FDIC on January 24, 1992, as a result of the transfer of substantially all of the assets and the deposit and certain other liabilities of the failed CrossLand Savings, FSB ("CrossLand Savings"). At that time, the FDIC made a capital contribution to the new institution of \$1.2 billion. At June 30, 1993, CrossLand Federal had \$5.3 billion in assets, \$4.7 billion in deposits and 40 branch offices.

In anticipation of the public offering transaction, the FDIC and CrossLand Federal entered into a five-year loss-sharing assistance agreement on approximately \$2.7 billion of commercial business and real estate assets. During the five-year period, the FDIC will reimburse CrossLand Federal for 80

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percent of net charge-offs in excess of \$179 million on these assets. If net charge-offs exceed \$179 million during the five-year period, the FDIC will receive 80 percent of all recoveries on charged-off shared-loss assets until July 1, 2001.

To effect the transaction, CrossLand Federal will be converted from a federal mutual savings bank to a federal stock savings bank. In the conversion, the FDIC will receive the convertible preferred stock of CrossLand Federal which will automatically convert into the 12 million shares of common stock to be sold to institutional investors for \$23.50 per share. CrossLand Federal also will issue to the FDIC \$50 million of subordinated debt which also will immediately be sold to institutional investors. The common stock cannot be traded in blocks of less than 40,000 shares until CrossLand Federal issues its annual report on form 10K, which should happen no later than March 31, 1994.

In the conversion, the FDIC will also receive warrants to purchase one million shares of the common stock of CrossLand Federal, or approximately 7.2 percent of the common stock of CrossLand Federal on a fully diluted basis, at the offering price of \$23.50 per share at any time during the next 10 years.

All deposits of CrossLand Federal continue to be FDIC-insured up to applicable insurance limits.

The public offering of the securities of CrossLand Federal is conditioned on the approval of the Office of Thrift Supervision of the conversion of CrossLand Federal and of the issuance by CrossLand Federal of the subordinated debt. The transaction is expected to close within the next 10 days.

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FDIC Chairman Andrew C. Hove, Jr., said: "We are pleased to announce the return of CrossLand Federal to the private sector and the successful completion of the resolution of the failed CrossLand Savings. In comparison to the alternatives presented to the FDIC in January, 1992, we believe the CrossLand Federal approach saved the Bank Insurance Fund approximately \$400 million over the alternatives then available."

The FDIC estimates the total cost of this resolution to be \$889 million.

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