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Ridgewood Savings Bank to Acquire City & Suburban Financial Corporation

RIDGEWOOD, N.Y.--(BUSINESS WIRE)--Ridgewood Savings Bank announced today the execution of a merger agreement to acquire City & Suburban Financial Corporation and its subsidiary City and Suburban FSB, based in Yonkers, New York for \$119.1 million in cash.

"This is the culmination of a long standing relationship between the management of our two companies and we are pleased to have reached a mutual agreement," said Bill McGarry, Ridgewood's Chairman, President and CEO. "Our two organizations share a common philosophy of long term dedication to our employees, a common vision of providing superior services to our customers and a full commitment to the communities we serve. Joining forces with City and Suburban will create a superior New York based financial institution and we are excited about the future."

Marty Berger, Chairman and CEO of City & Suburban, stated, "We are excited about pursuing a shared future with Ridgewood Savings Bank. Our two institutions are synonymous with family, neighborhood, and community. We share common beliefs and values about how to service our customers and help them make their dreams come true. We are delighted to become a part of Ridgewood's team."

Ridgewood Savings Bank has approximately \$3.3 billion in assets, \$2.0 billion in loans and \$2.6 billion in deposits and operated from 24 branches in five counties (Queens, Kings, Bronx, Suffolk and Nassau). The transaction will increase Ridgewood's presence in the greater New York area by adding 11 branches and will add approximately \$670 million in assets, \$508 million in loans and \$571 million in deposits based on year end financial data and excluding any merger related adjustments.

"This acquisition will significantly enhance our franchise and expand our presence in strategically important new markets," said Bill McGarry. "We are excited to increase our footprint in the Bronx and enter Westchester County and Manhattan. These markets represent a tremendous opportunity for growth on both the retail and lending side of our business and our presence there will serve as a platform for future growth." City and Suburban has six branches in the Bronx, three branches in Westchester County and two in Manhattan.

The transaction is subject to regulatory and City & Suburban shareholders' approval.

Keefe, Bruyette & Woods and The Kafafian Group served as Ridgewood Savings Bank's financial advisors and Cullen and Dykman LLP and Pryor Cashman Sherman & Flynn LLP served as Ridgewood Savings Bank's counsel. Sandler O'Neill & Partners, L.P. served as City & Suburban Financial Corporation's financial advisor and Muldoon Murphy & Aguggia LLP served as City & Suburban Financial Corporation's counsel.

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