FEDERAL DEPOSIT INSURANCE CORPORATION

Independence Savings Bank New York, Kings County, New York

Application for Consent to Merge to facilitate a conversion from a Mutual Holding Company to a Stock Holding Company

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act ("FDI Act"), an application has been filed on behalf of Independence Savings Bank, New York, New York ("ISB"), a New York-chartered stock institution for the FDIC's consent to merge with Independence Community Bank Corp., its parent mutual holding company, and become a wholly-owned subsidiary of a newly formed Delaware-chartered stock thrift holding company, Independence Community Bank Corp. ("ICBC"). ISB is currently a Bank Insurance Fund ("BIF") member, with total resources of $3,810,086,000 and total deposits of $3,437,108,000 as of September 30, 1997.

This transaction is the result of the Plan of Conversion of Independence Community Bank Corp. And Independence Savings Bank" ("Plan") which includes the formation of ICBC. An application for the establishment of ICBC as a thrift holding company has been filed with the Office of Thrift Supervision. A Notice of Mutual Holding Company Reorganization has been filed with the New York State Banking Department. The Plan describes the structure of the proposed transaction as follows: Independence Community Bank Corp., the current mutual holding company will merge with ISB simultaneously with the conversion of the mutual holding company to stock form. The newly formed Delaware stock corporation, ICBC, will then become the holding company of ISB. Shares of stock of ICBC will be offered in a Subscription Offering to eligible account holders, tax-qualified employee stock benefit plans, and supplemental eligible account holders. ICBC is expected to retain up to 50 percent of the net conversion proceeds. In connection with the conversion, ISB and ICBC will establish Independence Community Foundation ("Foundation"), a private charitable foundation, which will be incorporated under Delaware law as a non-stock corporation. Concurrently with the conversion, ICBS will contribute to the Foundation 8% of the shares of common stock issued in the offering. The Foundation's stated purpose is to provide funding to support charitable causes and community development activities. Following consummation of the merger, ISB will operate the same banking business with the same management at the same locations it currently serves. The proposed transaction, per se, will not alter the competitive structure of banking in the market currently served by ISB. ISB's principal office will remain at 130 Court Street, New York City, New York. Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act.

A protest of the proposal was filed by Inner City Press/Community on the Move ("ICP"), which raised negative issues related to the Community Reinvestment Act ("CRA"). ICP withdrew its comments, on December 22, 1997, after reaching an agreement with ISB. The agreement includes commitments by ISB towards the availability of loans and banking services for minority and other low- and moderate-income communities.

ISB was assigned an Outstanding rating at its last CRA examination conducted by the FDIC as of July 10, 1995. Available information concerning performance since that examination, however, indicates declining patterns of lending to low- and moderate-income areas and individuals. Further, the bank's assessment area no longer conforms with the CRA regulations. To address these issues, ISB has committed to the State of New York Banking Department ("NYSBD") and the FDIC to revise its assessment area and to meet certain lending targets in its assessment area. Having reviewed and relied upon these commitments and other available information, the FDIC has concluded that the bank's record of helping to meet the credit needs of its community, including low- and moderate-income neighborhoods, and its continuing efforts in this regard, are consistent with approval.
In connection with the application, the FDIC has taken into consideration the financial and managerial resources and future prospects of the resultant Bank, and the convenience and needs of the community to be served. Having considered these statutory factors and other relevant information, including any reports on the competitive factors furnished by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, or the Attorney General of the United States, the FDIC finds favorably and hereby approves the application, subject to the following conditions:

(1) That the Foundation’s organizers commit to the following oversight provisions:

(a) Common stock of ICBC held by the Foundation shall be voted by the Foundation at the same ratio as all other shares voted on each and every proposal considered by the stockholders of ICBC;

(b) The Foundation shall be subject to examination by the FDIC;

(c) The Foundation shall comply, with all supervisory directives imposed by the FDIC;

(d) The Foundation shall operate in accordance with written policies adopted by the Foundation’s board of directors, including adopting a conflict of interest policy acceptable to the FDIC;

(e) The Foundation shall provide a proposed operating plan prior to conversion and annual reports there after describing grants made and grant recipients;

(2) That the proposed transaction may not be consummated unless the Plan receives prior approval by an affirmative vote of at least a majority of the amount of votes entitled to be cast;

(3) That the proposed transaction may not be consummated unless and until the FDIC issues a nonobjection letter to the Notice filed on behalf of the applicant pursuant to section 303.15 of the FDIC’s Rules and Regulations concerning the mutual-to-stock conversion portion of this transaction;

(4) That the proposed transaction may not be consummated unless and until the resultant Bank has authority to conduct a banking business, and that its establishment and operation as a stock savings bank have been fully approved by the New York State Banking Department, and that ICBC is granted approval to become a thrift holding company by the Office of Thrift Supervision;

(5) That any changes in proposed management, including the board of directors or proposed ownership (10% or more of the stock and new acquisitions of or subscriptions to 10% or more of the stock) will render this approval null and void unless such proposal is approved by the Regional Director (Supervision) of the FDIC’s New York Regional Office prior to the consummation of the proposed transaction;

(6) That the transaction shall not be consummated less than fifteen calendar days after the date of this Order or later than six months after the date of this Order, unless such period is extended for good cause by the FDIC; and

(7) That until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should an interim development be deemed to warrant such action.

Pursuant to delegated authority.

Dated at Washington, D.C., this 30th day of December, 1997.

Cary H. Hiner
Associate Director
Division of Bank Supervision