

Federal Reserve Bank of Boston BANK NOTES

• Edited by Jason Wild •

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Enfield FSLA to Acquire Windsor Locks Community Bank

On January 22, 2003, Enfield Savings & Loan Association, a unit of New England Bancshares, Enfield, CT, announced it has agreed to acquire Windsor Locks Community Bank FSL, Windsor Locks, CT. Windsor Locks is a mutual thrift, and New England Bancshares is the publicly traded unit of a mutual holding company. David O'Connor, president and CEO of New England Bancshares, commented that "this is a precedent-setting transaction, but Office of Thrift Supervision regulations allow for the acquisition of a mutual institution by a mutual holding company."

Both banks see the deal as a way to strengthen the companies while maintaining their strong community roots. In a statement O'Connor said, "This merger is designed to improve services while maintaining the essence of traditional neighborhood banking that is provided by both institutions." Windsor Locks President and CEO, Frederick Stroiney called Enfield "a liked minded partner that can deliver state-of-the-art banking services while permitting us to remain true to our identity." Upon completion of the deal, Windsor Locks' borrower members and depositors will have the same rights and privileges as Enfield Federal's borrower members and depositors.

As of June 30, 2001, Enfield Federal had total deposits of \$110.3 million and ranked 59th among all commercial banking and thrift institutions in Connecticut. As of the same date, Windsor Locks had total deposits of \$30.4 million and ranked 72nd.

(SNL Bank & Thrift Weekly, 1/27/03;
Enfield Press Release, 1/22/03)

Merger Completion News

On January 13, Banknorth Group Inc, Portland, ME, announced that it expects to complete its acquisition of American Financial Holdings, New Britain, CT, on February 14. The Connecticut Department of Banking approved the transaction on January 10. Upon completion of the deal, Banknorth will acquire American's 34 branches in central Connecticut. The deal was announced in August 2002.

Citizens Financial Group, Providence, RI, a unit of Royal Bank of Scotland Group, Edinburgh, Scotland,

announced January 17 that it has completed its acquisition of Commonwealth Bancorp Inc, Norristown, PA. Through the deal, which was announced in September 2002, Citizens acquires Commonwealth's network of 60 branches, bolstering its presence in Philadelphia, PA, and surrounding counties.

On January 20, Boston Bank of Commerce, Boston, MA, announced that it has completed its acquisition of Family Savings Bank, Los Angeles, CA. The combined company is the largest Black-owned bank in the United States. In addition, BBOC will operate under a new name, OneUnited Bank. OneUnited also introduced several new products designed to attract business away from check cashers and payday lenders in predominately African-American neighborhoods of Boston, Los Angeles, and Miami. These are the latest undertakings in the company's mission to "empower urban communities by uniting Black banks on a national level and offering affordable financial services for all."

(SNL Bank & Thrift Weekly, 1/21/03;
State of CT DOB Notice, 1/10/03;
Citizens Press Release, 1/17/03; Boston Globe, 1/20/03, OneUnited Press Release, 1/20/03)

Branch Openings

The Edgartown National Bank, Edgartown, MA, opened a full service branch located at 257 Edgartown Road, Vineyard Haven, MA, on November 12, 2002.

Peoples Savings Bank, Holyoke, MA, opened a branch located at 56 Amity Street, Amherst, MA, on December 18, 2002.

On December 31, 2002, Banknorth N.A., Portland, ME, opened its Howard's Market branch located on Route 14, South Barre, VT.

Greenfield Co-operative Bank, Greenfield, MA, opened a branch located at 10-18 Amherst Road, Sunderland, MA, on January 13, 2003.

On January 15, 2003, The Milford Bank, Milford, CT, opened a branch located at 1455 Boston Post Road, Milford, CT.

(Internal Notice, 1/16/03, 1/23/03, 1/28/03;
Edgartown NB Notice, 1/27/03)

Branch Closing

At the close of business on September 13, 2002, Benjamin Franklin Savings Bank, Franklin, MA, closed its

Franklin High School branch located at 218 Oak Street, Franklin, MA.

(Internal Notice, 1/21/03)

Branch Address Change

Fleet National Bank, Providence, RI, relocated its Liberty Mall branch from 485 Georges Road to 24 Summersfield Boulevard, Building 200, Suite 7, Dayton, NJ on January 24. The location will be named the South Brunswick branch.

(Internal Notice, 1/28/03)

Franklin Becomes a Member Bank

On January 22, Franklin Savings Bank, Farmington, ME, became a member of the Federal Reserve System as a state member savings bank.

(Internal Notice, 1/23/03)

Name Change

Effective January 17, 2003, Brookline Savings Bank, Brookline, MA, changed its title to Brookline Bank. The change was made to more accurately reflect the wider range of services the bank offers. Brookline is introducing new banking products and plans to enter the indirect auto financing business and build a new branch.

As of June 30, 2001, Brookline Bancorp, the parent company of Brookline Bank, had total deposits of \$644.4 million and ranked 30th among all commercial banking and thrift institutions in Massachusetts.

(Internal Notice, 1/21/03;

SNL Bank & Thrift Weekly, 1/21/03)

MA DOB Approves Proposal

On December 23, 2002, the Massachusetts Division of Banks approved a proposal by Bridgewater Savings Bank, Bridgewater, MA, to reorganize into a mutual holding company.

(State of MA DOB Notice, 12/31/02)

State Street Completes Sale

State Street Corporation, Boston, MA, announced on December 31, 2002, that it has completed the sale of its corporate trust business to U.S. Bancorp, Minneapolis, MN. State Street will use the proceeds from the sale in its purchase of Deutsche Bank's global securities business, which was announced in November.

(American Banker, 1/6/03)

Webster Adds to Insurance Business

During January, Webster Financial Corporation, Waterbury, CT, announced two deals that will add to the company's growing insurance business. On January 6, Webster announced the acquisition of The Mathog & Moniello Companies, East Haven, CT, a commercial property and casualty insurance agency that specializes in providing risk management products. The addition of

Mathog & Moniello to Webster Insurance will put the company among the nation's top ten bank-owned insurance agencies by revenue.

On January 24, Webster announced that its subsidiary, Webster Bank, has agreed to acquire Budget Installment Corp, Rockville Centre, NY. Budget finances commercial property and casualty premiums for businesses that pay their premiums on a monthly basis and currently has close to 8,000 borrower accounts in New York and New Jersey. Webster Executive Vice President Nathaniel Brinn said, "Both deals broaden Webster's product array for our commercial customers. Webster views premium finance as a growth sector with attractive risk and return characteristics." Terms of both deals were not disclosed.

(SNL Bank & Thrift Weekly, 1/13/03, 1/27/03;

Webster Press Release, 1/6/03, 1/24/03)

Mellon in Non-banking Activity

Mellon Financial Corporation, Pittsburgh, PA, announce January 23, that it has agreed to acquire a financial planning platform from DirectAdvice Inc, Hartford, CT, in an all cash deal. DirectAdvice designed its Web-based platform to complement a corporation's existing benefits package by providing access to financial products and other personal services. The new platform will be offered through Mellon Investor Services, a unit that provides employee benefit products along with shareholder services, securities brokerage, and related securities products.

(SNL Bank & Thrift Weekly, 1/27/03;

Mellon Press Release, 1/23/03)

Regulatory News

Federal regulators issued joint decisions on two proposals early in January. On January 7, the Federal Reserve Board, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, and Office of Thrift Supervision said they have decided not to pursue a proposal that would have required banks and thrifts to submit data regarding their subprime lending programs in quarterly call reports. Citing the lack of a standard definition for "subprime" in the banking industry, the regulators concluded that the examination process would continue to be the main method of supervising subprime consumer lending activities.

On January 8, the agencies issued final guidance for account management and loss allowance practices for credit card lending. The guidance outlines the agencies' expectations for prudent risk management, income recognition, and loss allowance practices, and specifically addresses minimum monthly payment schedules for outstanding credit card balances. The rules were altered from the original draft guidance issued in July 2002, after considering comments from various groups and individuals.

(SNL Bank & Thrift Weekly, 1/13/03;

Federal Reserve Press Release, 1/8/03)

OTS Proposing New Disclosure Requirements

The Office of Thrift Supervision (OTS) is proposing changes to its Thrift Financial Report (TFR) that would require savings institutions to make more disclosures regarding their activities. In addition to expanding the scope of reporting requirements for thrift-holding companies, the plan calls for changes to the way thrifts report on categories such as mortgage- and asset-backed securities, credit cards, and minority interest. The agency is also seeking to shorten the TFR filing deadline from 30 days to 20 days, to provide for more timely information.

The proposal, which was published in the January 23 issue of the Federal Register, has requirements similar to those proposed by the OTS in August 2000. The agency feels the new requirements “will enhance the usefulness of the TFR from a supervisory perspective and will complement the federal banking agencies’ emphasis on risk-focused supervision.” Comments on the proposal are due March 24.

(SNL Bank & Thrift Daily, 1/28/03)

Items in this publication focus on developments affecting banking structure in New England. The items are condensations of articles from a selected group of daily newspapers and press releases of federal and state financial regulatory agencies. Their reproduction does not imply our endorsement of the accuracy, opinions or policies reflected in the subject matter.

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