

Federal Reserve Bank of Boston BANK NOTES

• Edited by Marcella Vencil •

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Banknorth Group Completes Acquisition of BostonFed Bancorp

On January 21, 2005, Banknorth Group Inc., Portland, ME, completed its previously announced acquisition of BostonFed Bancorp Inc., Burlington, MA.

Banknorth Chairman, President, and Chief Executive Officer William Ryan said, "We are excited to continue our growth in the Massachusetts market. The BostonFed acquisition significantly increases our presence in several important suburbs of Boston and we look forward to meeting the financial service needs of BostonFed's customers."

The acquisition was originally announced on June 21, 2004, in a cash-and-stock deal valued at approximately \$195.2 million.

As of June 30, 2004, Banknorth Group ranked third with a 5.7 percent share of deposits among all commercial bank and thrift institutions in New England. (Banknorth PR 1/21/05; SNL Bank & Thrift Daily 1/24/05)

Eastern Bank Completes Plymouth Savings Bank Acquisition

Eastern Bank Corp., Boston, MA, completed its acquisition of Plymouth Savings Bank MHC, Middleborough, MA, on January 3, 2005.

"We have been successful operating separately, but clearly we are better together. Consumers and businesses will have more products, more services and more convenience, which will be delivered with the same superior service that Eastern and Plymouth customers have come to expect," said Stanley J. Lukowski, chairman and chief executive officer of Eastern.

The combined company has \$6.4 billion in assets, \$4.9 billion in deposits, and 73 branches in eastern Massachusetts and Rhode Island. Eastern Bank and Plymouth will continue to operate as separate units of Eastern Bank Corp. until later this year, when they will be merged under the Eastern Bank name.

As of June 30, 2004, Eastern Bank ranked eighth with a 2.2 percent share of deposits among all commercial bank and thrift institutions in Massachusetts.

(Boston Globe 1/4/05; Eastern Bank PR 1/3/05; SNL Bank & Thrift Daily 1/4/05)

Brookline Bancorp Completes Mystic Financial Acquisition

On January 7, Brookline Bancorp, Brookline, MA, completed its acquisition of Mystic Financial Inc., Medford, MA.

The deal was first announced on July 7, 2004, and was estimated to value approximately \$66.7 million.

As a result of the merger, Brookline Bancorp has approximately \$2.1 billion in assets and 15 branches serving the greater Boston market.

As of June 30, 2004, Brookline Bancorp ranked 26th with a 0.4 percent share of deposits in Massachusetts. (Lycos.com 1/7/05; SNL Bank & Thrift Daily 1/10/05)

First National Lincoln Completes FNB Bankshares Acquisition

On January 14, 2005, First National Lincoln Corp., Damariscotta, ME, completed its acquisition of FNB Bankshares, Bar Harbor, ME.

The deal, previously announced in August 2004, was valued at approximately \$44.4 million in an all-stock transaction.

The company is now the fourth-largest bank headquartered in Maine, with 14 banking offices and four investment management offices.

As of June 30, 2004, First National Lincoln Corp. was ranked 10th with a 2.3 percent share of deposits in Maine.

(FNLN PR 1/11/05; SNL Bank & Thrift Daily 1/18/05)

First Ipswich Bancorp Completes Acquisition of de Burlo Group

First Ipswich Bancorp, Ipswich, MA, completed its previously announced acquisition of de Burlo Group Inc., Boston, MA, on January 6, 2005.

"In completing this acquisition, the bank has taken a significant step toward its goal of diversifying its revenue stream and broadening the array of services that we offer to our customers," said Donald P. Gill, chief executive officer of First Ipswich Bancorp and the First National Bank of Ipswich.

The de Burlo Group will retain its name and current location.

As of June 30, 2004, First Ipswich Bancorp ranked 99th with a 0.1 percent share of deposits in Massachusetts.

(First Ipswich PR 1/6/05; SNL Bank & Thrift Weekly 1/10/05)

Federal Reserve Approves TD Bank Financial Group Planned Acquisition of Banknorth Stake

On January 18, the Federal Reserve Board approved TD Bank Financial Group's planned acquisition of 51 percent of the voting shares of Banknorth Group, Portland, ME.

(SNL Bank & Thrift Daily 1/19/05)

Charter Conversion

Georgetown Savings Bank, Georgetown, MA, changed its charter from a state chartered savings bank to a federally chartered savings bank on January 6, 2005.

(Internal Notice 1/19/05)

Branch Openings

On December 29, 2004, Randolph Savings Bank, Randolph, MA, opened a branch located at 730 Centre of New England Boulevard in Coventry, RI.

(Internal Notice 1/10/05)

Citizens Bank of Connecticut, New London, CT, opened six branches on November 6, 2004. The bank opened branches located at 36 Fenn Road, Newington, CT; 354 Broad Street, Manchester; 1780 Silas Deane Highway, Rocky Hill; 410 Queen Street, Southington; 943 Wolcott Street, Waterbury; and 121 Farmington Avenue, Bristol.

(Internal Notice 1/27/05)

Branch Closings

Fleet National Bank, Providence, RI, closed two branches recently. On December 28, Fleet closed its branch located at 1058 Brighton Ave., Portland, ME. On January 5, 2005, the bank closed its branch located at 2010 Dune Drive, Avalon, NJ.

(Internal Notice 1/19/05)

Citizens Bank of Massachusetts, Boston, MA, closed its branch located at 235 Old Connecticut Path, Framingham, MA, effective December 23, 2004.

(MA DOB 12/31/04)

Boston Private Financial and KLS Professional Advisors Complete Acquisition

On January 3, 2005, Boston Private Financial Holdings Inc., Boston, MA, completed its acquisition of an 81 percent stake in KLS Professional Advisors Group Inc.,

New York, NY, for approximately \$30 million in cash and stock.

Boston Private has agreed to acquire the remaining 19 percent of KLS within the next five years.

The deal was originally announced on October 4, 2004.

As of June 30, 2004, Boston Private ranked 12th with a 0.8 percent share of deposits in Massachusetts.

(Boston Private PR 1/3/05; SNL Bank & Thrift Daily 1/4/05)

Agencies Announce Rules on Disposal of Consumer Information

On December 21, 2004, the Federal Reserve Board of Governors, Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) announced interagency final rules that require financial institutions to adopt measures for properly disposing of consumer information derived from credit reports.

The final rules require institutions to make modest adjustments to their information security programs to include measures for the proper disposal of consumer information. They also add a new definition of "consumer information."

The final rules will take effect on July 1, 2005.

(FRB, FDIC, OCC, and OTS PR 12/21/04)

Court Ruling Upholds Banks' Ability to Sell Insurance in Massachusetts

The Massachusetts Bankers Association (MBA) announced on January 13 that it received a favorable court opinion in its case seeking federal preemption over provisions of Massachusetts insurance laws that the MBA says interfere with a bank's ability to sell, solicit, and cross-market insurance products.

The state's commissioners of banks and insurance had filed suit in the U.S. Court of Appeals for the First Circuit to set aside the Office of the Comptroller of the Currency's March 2002 determination that federal law preempts the state's restrictions on banks engaging in insurance operations. However, the court dismissed the petition and suggested that the issue would be best resolved by a trial court.

The MBA said that roughly 70 banks are currently licensed to sell insurance in Massachusetts, and most have done so through independent subsidiaries. MBA President and Chief Executive Officer Daniel Forte said, "We now may have the opportunity to bring more banks into the business and remove some of the artificial walls that have been separating the two functions while leveraging the visibility and cross-selling capabilities of our bank branches – all the while making it more convenient for consumers."

(SNL Bank & Thrift Daily 1/14/05)

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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