

Federal Reserve Bank of Boston  
**BANK NOTES**

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## Camden National Corporation to Combine Subsidiaries

On January 12, 2006, Camden National Corp., Camden, ME, announced that it will combine Camden National Bank, also of Camden, ME, and UnitedKingfield Bank, Bangor, ME, under the Camden National Bank name.

The consolidation will allow the company to redirect resources from administrative efforts to areas that will improve customer satisfaction.

Robert W. Daigle, Camden National Corp.'s president and CEO, said, "To remain an independent Maine-based company in today's rapidly changing banking environment, as we have for more than 130 years, it is imperative to efficiently support our strategic growth objectives, while at the same time deepen our ties to our customers and the communities we serve."

Jeffery Smith, president and chief operating officer at UnitedKingfield Bank, explained: "The foundation for our decision to join UnitedKingfield Bank with Camden National Bank was simply the customer experience. The commitment to customer service, local decision making, and community involvement is identical at both institutions which will make this change virtually seamless."

Once the transition to the Camden National Bank name is complete, the Bank will consist of some 27 branches and 28 ATMs. The transition is expected to be complete in the second half of 2006, pending regulatory approval.

As of June 30, 2005, Camden National Corporation ranked fifth among commercial bank and thrift institutions in Maine, with a six percent share of deposits.

(Camden National PR 1/12/06; SNL Bank & Thrift Daily 1/13/06)

## Shareholders Approve Sovereign Bancorp's Planned Acquisition of Independence Community Bank

On January 25, shareholders of Independence Community Bank Corp., Brooklyn, NY, approved its pending merger with Sovereign Bancorp, Wyomissing, PA.

Independence Community Bank President and CEO Alan H. Fishman said, "We are pleased that our

stockholders have overwhelmingly approved the merger and look forward to serving our communities with the combined resources of Sovereign and Independence."

The deal, first announced in October, is expected to close during the second quarter of 2006.

As of June 30, 2005, Sovereign Bancorp ranked fourth among all commercial bank and thrift institutions in New England, with a 5.4 percent share of deposits.

(Independence PR 1/25/06; SNL Bank & Thrift Daily 1/26/06)

## NewAlliance Bank and Cornerstone Bank Complete Merger

Cornerstone Bank, Stamford, CT, completed its merger with NewAlliance Bank, New Haven, CT, on January 3, 2006.

Shareholders of Cornerstone Bank approved the merger in August, and the banks received regulatory approvals in September. The cash-and-stock transaction was valued at approximately \$48.7 million when first announced in April 2005.

"We are pleased to combine two great community banks," said Peyton R. Patterson, chairman, president, and CEO of NewAlliance Bank. "With Cornerstone's outstanding reputation for personal service, we see an excellent potential for growth in Fairfield County in the consumer and commercial lending market, as well as in our wealth management and trust services."

As of June 30, 2005, NewAlliance ranked fifth among commercial bank and thrift institutions in Connecticut, with a 5.4 percent share of deposits.

(Internal Notice 1/3/06; NewAlliance PR 1/3/06)

## Bank Holding Company Formations

Monson Financial Services Mutual Holding Company and Monson Financial Services Corporation, both of Monson, MA, were organized as a mutual bank holding company and stock bank holding company, respectively, and acquired Monson Savings Bank on December 31, 2005.

(Internal Notice 1/5/06)

On January 6, 2006, Florence Savings Bank, Florence, MA, completed the process of reorganizing into

a bank holding company named Florence Bancorp, MHC, with Florence Savings Bank becoming a wholly owned subsidiary.

(Internal Notice 1/13/06)

## Acquisition Approvals

On January 9, 2006, shareholders of Westcorp Inc., Irvine, CA, approved their acquisition by Wachovia Corporation, Charlotte, NC.

(SNL Bank & Thrift Daily 1/10/06)

TD Banknorth, Portland, ME, announced on January 17 that it received all the necessary regulatory approvals related to its acquisition of Hudson United Bancorp, Mahwah, NJ. The deal is expected to close in late January.

(SNL Bank & Thrift Daily 1/18/06)

## Branch Openings

On November 28, 2005, Milford National Bank & Trust, Milford, MA, opened a branch at 112 Turnpike Road, Westborough, MA.

On December 2, Citizens Bank of New Hampshire, Lincoln, RI, opened a branch at 43 Indian Rock Road, Windham, NH.

TD Banknorth opened a branch at 95 Washington Street, Canton, MA, on December 12.

Webster Bank, Waterbury, CT, opened several branches in December. On December 12, the bank opened two branches, one located at 144 Mamaroneck Avenue, White Plains, NY, and the other at 450 Barnum Avenue, Stratford, CT. On December 19, Webster opened a branch at 1376 Bald Hill Road, Warwick, RI. Finally, a fourth branch was opened at 50 Elm Street, West Springfield, MA, on December 27.

On January 9, 2006, Liberty Bank, Middletown, CT, opened a branch at 710 Main Street, Southington, CT.

(CT DOB 1/13/06; Internal Notice 1/3/06, 1/10/06, 1/19/06)

## Branch Relocation

On December 8, 2005, Citizens Bank of Massachusetts, Boston, MA, relocated its branch from 8-B Allstate Road, Dorchester, MA, to 1100 Massachusetts Avenue, Dorchester, MA.

(Internal Notice 1/11/06)

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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## Federal Regulators Propose Guidance for Commercial Real Estate Lending

On January 10, 2006, the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) issued proposed guidance for risk management practices concerning commercial real estate lending.

The regulators said they have become aware of high and increasing concentrations of commercial real estate loans where repayment is primarily dependent on rental income or on proceeds from the sale, refinancing, or permanent financing of the property. The agencies warned that such concentrations could result in unexpected volatility in earnings and capital in the event of a significant downturn in the commercial real estate market.

As a result, the regulators are reinforcing existing guidelines for safety and soundness in real estate lending, and proposing guidelines to include criteria for identifying institutions with concentrations of commercial real estate loans that may warrant greater scrutiny. These institutions are encouraged to have stringent risk-management systems in place and capital levels surpassing regulatory minimums.

The agencies are accepting comments on the proposal for 60 days after the publication in the Federal Register.

(FDIC, FRB, OCC, and OTS PR 1/10/06; SNL Bank & Thrift Daily 1/11/06)