

Federal Reserve Bank of Boston BANK NOTES

• Edited by Marcella Vencil •

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NewAlliance Bancshares and Trust Company of Connecticut to Merge

On March 9, 2005, NewAlliance Bancshares, New Haven, CT, signed a definitive agreement to acquire Trust Company of Connecticut, Hartford, CT, for approximately \$19.3 million in cash and stock.

Trust Company of Connecticut is a private, state-chartered trust company providing investment management, trust services, and other fiduciary services to both individuals and institutions. Trust Company currently manages over \$700 million in assets.

Under the terms of the agreement, at least 51 percent of the consideration for the acquisition will be in NewAlliance stock. Trust Company of Connecticut will continue to be based in Hartford, CT, keep its name, and operate as a separate trust division of NewAlliance within the bank's wealth management group.

Peyton R. Patterson, chairman, president, and chief executive officer of NewAlliance, said, "We are so pleased to have Trust Company of Connecticut join us. They bring an excellent reputation for service that complements our own wealth management area and expands our client base in the greater Hartford area and throughout central Connecticut."

Nancy G. Dean, president of Trust Company, also expressed enthusiasm for the merger: "We see this combination as a wonderful opportunity for Trust Company of Connecticut. We have built our business on our expertise and with the personal relationship we have with each of our clients. We now have a chance to expand our geographic reach through the NewAlliance wealth management team that adheres to the same value of personal service that we do."

The acquisition is subject to regulatory and shareholder approval. It is expected to close early in the third quarter.

As of June 30, 2004, NewAlliance Bancshares ranked fifth among commercial bank and thrift institutions in Connecticut, with a 5.6 percent share of deposits.

(NewAlliance PR 3/9/05; SNL Bank & Thrift Daily 3/10/05)

Washington Trust Bancorp to Acquire Weston Financial Group

Washington Trust Bancorp, Westerly, RI, signed a definitive agreement to acquire Weston Financial Group, Wellesley, MA, on March 21.

Weston Financial is an investment adviser with over \$1.2 billion in assets under management. It provides services to high-net-worth individuals through wealth management products.

Washington Trust will acquire all of the outstanding shares of Weston Financial stock for approximately \$20 million in cash.

"This is a major acquisition for us. It significantly increases the size and capabilities for our wealth management group, and expands our presence in the New England marketplace," said Washington Trust Chairman and CEO John C. Warren.

After the acquisition is complete, Weston will become a unit of Washington Trust, which will increase its assets under administration by more than 50 percent to around \$3.1 billion.

The deal, still subject to regulatory approval, is expected to close in the third quarter.

As of June 30, 2004, Washington Trust Bancorp had total deposits of \$1.34 billion and ranked 23rd among commercial bank and thrift institutions in New England.

(SNL Bank & Thrift Daily 3/22/05)

TD Bank Financial Group Completes Banknorth Stake Acquisition

On March 1, TD Bank Financial Group, Toronto, Canada, completed its acquisition of 51 percent of Banknorth Group, Portland, ME.

The transaction, previously announced on August 26, 2004, received Federal Reserve approval on January 18, 2005, and Banknorth shareholder approval on February 18.

In connection with its acquisition, Banknorth changed its name to TD Banknorth Inc.

As of June 30, 2004, Banknorth ranked third in New England with a 5.7 percent share of deposits.

(SNL Bank & Thrift Weekly 3/7/05)

Webster Financial Corp. and Eastern Wisconsin Bancshares Complete Merger

Webster Financial Corp., Waterbury, CT, completed its previously announced acquisition of Eastern Wisconsin Bancshares Inc., Howards Grove, WI. Eastern Wisconsin Bancshares is the holding company of State Bank of Howards Grove, which operates under the trade name HSA Bank.

According to James C. Smith, Webster Financial chairman and chief executive officer, "The completion of our acquisition of HSA Bank represents a major deposit gathering opportunity, a key strategic objective. As the largest bank provider of health savings accounts in the country, HSA Bank has strong growth potential as employers increasingly turn to consumer-driven health plans to address the escalating problem of health care costs."

The deal was originally announced in September 2004.

As of June 30, 2004, Webster Financial ranked sixth with a 3.3 percent share of deposits in New England. (SNL Bank & Thrift Daily 3/2/05; Webster PR 3/2/05)

Bank Conversion

On March 2, Fall River Five Cents Savings Bank, Fall River, MA, announced its plans to reorganize as a mutual holding company, subject to FDIC and Federal Reserve approval.

The new mutual holding company will be known as BankFive MCH.

The company said the reorganization will allow it additional flexibility with regard to investments, acquisitions, and raising capital.

(SNL Bank & Thrift Daily 3/3/05)

Branch Purchase

On January 14, Androscoggin Savings Bank, Lewiston, ME, purchased the assets and liabilities only of a branch from Skowhegan Savings Bank, Skowhegan, ME.

The branch was located at 86 Main Street, Livermore Falls, ME.

(Internal Notice 3/14/05)

Branch Openings

On November 1, 2004, Fidelity Co-operative Bank, Fitchburg, MA, opened a branch located at 352 Belmont Street, Worcester, MA.

The Farmington Savings Bank, Farmington, CT, opened a branch at 962 Farmington Avenue, West Hartford, CT, effective November 29.

Also on November 29, Eastern Bank, Boston, MA, opened a branch located at 1833 Massachusetts Avenue, Lexington, MA.

Citizens Bank of Massachusetts, Boston, MA, opened three branches in recent months. On February 4, 2005, the bank opened a branch at 296 Cooley Street, Springfield, MA. On February 28, the bank opened a branch located at 541 Main Street, Medford, MA. Citizens also opened a branch at 209 North Main Street, Andover, MA, on March 7.

On March 1, The Savings Bank of Danbury, Danbury, CT, opened a branch located at 650 Wolcott Street, Waterbury, CT.

(Internal Notice 3/10/05, 3/16/05, 3/18/05, 3/24/05)

Branch Relocations

On October 25, 2004, Fall River Five Cents Savings Bank, Fall River, MA, relocated a branch from Route 118, Swansea, MA, to 497 Milford Road, Swansea, MA.

NewMil Bank, New Milford, CT, relocated two branches in November. On November 9, the bank relocated a branch from 301 Main Street, Danbury, CT, to One Padanaram Road, Danbury, CT. On November 19, NewMil Bank relocated a branch from Brush Hill Road, New Fairfield, CT, to state Routes 37 and 39, New Fairfield, CT.

On November 19, 2004, Citizens Bank of Massachusetts, Boston, MA, relocated a branch from 1290 Massachusetts Avenue, Cambridge, MA, to 6 John F. Kennedy Street, Cambridge, MA.

Banknorth, NA, Portland, ME, relocated a branch from 551 Main Street, Presque Isle, ME, to 680 Main Street, Presque Isle, ME, effective November 22. In addition, the bank relocated a branch from 845 Central Avenue, Dover, NH, to 28 Weeks Lane, Dover, NH, on February 22, 2005.

On November 22, Middlesex Savings Bank, Natick, MA, relocated a branch from 180 Linden Street, Wellesley, MA, to 200 Linden Street, Wellesley, MA.

Effective December 13, 2004, Citizens Bank of Connecticut, New London, CT, relocated its branch from 32 Boston Post Road, Waterford, CT, to 117 Boston Post Road, Waterford, CT.

(Internal Notice 3/16/05, 3/24/05)

Branch Closings

On November 1, 2004, OneUnited Bank, Boston, MA, closed its branch located at 1902 West Rosecrans Avenue, Compton, CA.

Rockland Trust Company, Rockland, MA, closed its branch in Rockland Plaza, Rockland, MA, on December 4.

On February 25, 2005, Citizens Bank of Massachusetts, Boston, MA, closed its branch located at 235 Old Connecticut Path, Framingham, MA.

People's Bank, Bridgeport, CT, closed its branch located at 1700 Park Street, Hartford, CT, on March 1.

(CT DOB 3/4/05; Internal Notice 3/18/05)

OTS to Allow Large Thrifts More Flexibility in Weighting Community Reinvestment

On February 28, the Office of Thrift Supervision (OTS) issued a final rule amending its Community Reinvestment Act (CRA) regulations to allow large institutions (thrifts with assets over \$1 billion) to determine the combination of lending, investments, and services that they use to meet the needs of their communities as required by the CRA.

Before the ruling, the OTS's CRA regulations required a 50 percent weight assigned to lending and 25 percent weights assigned to both services and investments for large institutions.

Pursuant to the final rule, large institutions may request modification of their rating weights to reflect community needs and their business strategies, or they may continue to operate under the existing 50/25/25 weight allocations.

The final rule is expected to become effective April 1.

(OTS PR 2/28/05; SNL Bank & Thrift Daily 3/1/05)

Federal Reserve, FDIC, and OCC Issue Proposal to Lessen CRA Burden for Community Banks

On March 11, the Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) released a proposal that would revise their current Community Reinvestment Act (CRA) regulations to lessen the requirements for community banks.

The proposal would raise the threshold for small bank testing under the CRA from \$250 million to \$1 billion. In addition, the definition of "community development" would be revised to make it more responsive to the needs of rural areas.

"The current proposal would deliver greater cost savings while maintaining scrutiny of banks' community development records, though on a more flexible basis," said the FRB in the release.

The comment period for the proposed rule-making closes on May 10, 2005.

(FRB, FDIC, OCC PR 3/11/05; SNL Bank & Thrift Daily 2/28/05; SNL Bank & Thrift Weekly 2/28/05)

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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