

# Federal Reserve Bank of Boston BANK NOTES

• Edited by Marcella Vencil •

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## **Boston Private Financial to Acquire Gibraltar Financial Corp.**

On April 19, 2005, Boston Private Financial, Boston, MA, entered into a definitive agreement to acquire Gibraltar Financial Corp., Coral Gables, FL, the parent of Gibraltar Bank FSB, in a cash or stock deal valued at approximately \$242.4 million.

With approximately \$970 million in total assets, Gibraltar Financial Corp. is a financial institution offering full private banking services and wealth management solutions to high net-worth individuals in Southeast Florida.

This agreement marks Boston Private's entry into the Florida market. Timothy L. Vaill, Boston Private chairman and CEO, said, "We regard Gibraltar as one of the premier private banks in America with a very strong foothold in one of the nation's fastest growing regions. Boston Private's strategy is to have a major presence in the most attractive geographic areas, and Gibraltar will join our similar platforms in New England, California, the Pacific Northwest, and New York to bring a full range of wealth management services to successful people, their families, and their businesses."

Steve Hayworth, president and CEO of Gibraltar, said, "When it came time to broaden our strategic reach and participate on a national scale, while at the same time continuing our independent operations, my colleagues and I knew that Boston Private would be the right partner for us. We are very enthusiastic about working together with them, both here in Florida as well as in other strategic markets in the Southeast."

The deal, still subject to shareholder and regulatory approval, is expected to close in the fourth quarter.

As of June 30, 2004, Boston Private ranked 22nd among commercial bank and thrift institutions in New England, with a 0.43 percent share of deposits.

(Boston Private and Gibraltar PR 4/19/05; SNL Bank & Thrift Daily 4/20/05)

## **NewAlliance Bancshares and Cornerstone Bancorp to Merge**

NewAlliance Bancshares, New Haven, CT, signed a definitive agreement to acquire Cornerstone Bancorp,

Stamford, CT, on April 13, 2005. The agreement is a cash and stock deal valued at approximately \$48.3 million.

Peyton R. Patterson, chairman, president, and CEO of NewAlliance said, "This transaction builds on our proven track record of several successful acquisitions and complements our strategy to be a dominant player in the region's community banking market. It is also our first step into Fairfield County and a great complement to our existing franchise. By entering Fairfield County, we see excellent potential for growth from our wealth management and trust services to our business and retail banking operations."

Merrill J. Forgotson, president and CEO of Cornerstone, also expressed enthusiasm for the merger: "This is a great partnership for Cornerstone Bancorp as it brings together two companies with the same commitment to community banking and personal service. We are pleased we will be able to provide our customers with a broader array of products and services."

The deal, subject to shareholder and regulatory approval, is expected to close in the first quarter of 2006.

This is NewAlliance's second acquisition in recent months. On March 9, the bank announced the acquisition of Trust Company of Connecticut, Hartford, CT.

As of June 30, 2004, NewAlliance ranked fifth with a 5.6 percent share of deposits among commercial bank and thrift institutions in Connecticut. Cornerstone ranked 40th with a 0.27 percent share of deposits.

(American Banker 4/14/05; NewAlliance PR 4/13/05; New York Times 4/14/05; SNL Bank & Thrift Daily 4/14/05)

## **LSB Financial to Acquire Village Financial Corp.**

On April 6, 2005, LSB Financial, Laconia, NH, executed a definitive merger agreement to acquire Village Financial Corp., Gilford, NH, and its unit, Village Bank & Trust Co., for approximately \$18.3 million in cash.

"We consider it a win-win situation for the customers of both banks," said Rod Dyer, chair of Laconia Savings Bank's Board of Directors. "Guilford [Village Bank & Trust] is a community bank; we're a community bank. It allows for the continuation of local control and local decision-making. Both banks take pride in their customers."

Following the completion of the merger, Laconia Savings Bank will have approximately \$835 million in total assets with 18 locations throughout New Hampshire.

Laconia Savings Bank President and CEO Linda Normandin said the merger will provide Village Bank & Trust customers with free checking, Internet banking, and electronic statements in their new accounts with Laconia Savings.

The deal is expected to close in the third quarter, pending shareholder and regulatory approval.  
(Citizen Online 4/7/05; SNL Bank & Thrift Daily 4/7/05)

## **Benjamin Franklin Bancorp and Chart Bank Complete Merger**

On April 5, Benjamin Franklin Bancorp, Franklin, MA, completed its previously announced acquisition of Chart Bank A Co-operative Bank, Waltham, MA.

In conjunction with the acquisition, Benjamin Franklin completed its mutual-to-stock conversion offering and began trading on the Nasdaq National Market, under the symbol BFBC.

Thomas R. Venables, president and CEO of Benjamin Franklin Bancorp and Benjamin Franklin Bank, stated, "The acquisition of Chart Bank and the completion of our conversion and stock offering make this a great day in the history of the company. With great excitement, we welcome Chart Bank's customers to Benjamin Franklin, and look forward to providing them diverse, competitive products and exceptional service that will meet all of their financial services needs."

The acquisition was originally announced on September 1, 2004, in a cash-and-stock deal valued at approximately \$48 million.  
(Benjamin Franklin PR 4/5/05; SNL Bank & Thrift Daily 4/6/05)

## **Berkshire Hills Bancorp and Woronoco Bancorp Receive Shareholder Approval**

On April 12, Berkshire Hills Bancorp and Woronoco Bancorp received shareholder approval to proceed with their merger.

The merger was first announced on December 20, 2004, in a deal valued at approximately \$144.5 million.  
(SNL Bank & Thrift Daily 4/13/05)

## **Bank Holding Company Formation**

On April 11, Commonwealth National Bank, Worcester, MA, announced plans to form a bank holding company to be named CNB Financial Corp.

Commonwealth's President and CEO Charles Valade said of the reorganization, "It will give the Bank additional means of raising capital to support continued growth, as well as giving us the flexibility to consider acquisitions and other lines of business that we currently

cannot undertake. We feel the time is right to position our company for the future."

The proposal is subject to shareholder and regulatory approval.

(Commonwealth PR 4/11/05; SNL Bank & Thrift Daily 4/12/05)

On April 19, Simsbury Bank & Trust Co, Simsbury, CT, announced plans to reorganize and form a holding company to be known as SBT Bancorp Inc.

The bank's board said the creation of the holding company will allow the company greater flexibility in raising capital and will allow the company to further expand its business through acquisitions and the establishment of new subsidiary banks in other markets. If created, the holding company will exist as a Connecticut-chartered bank.

(SNL Bank & Thrift Daily 4/20/05)

## **Branch Sale**

Webster Financial Corp., Waterbury, CT, completed the sale of two branches of State Bank of Howards Grove to National Exchange Bank & Trust, Fond Du Lac, WI, on April 18, 2005.

Webster retained the health-savings-account business of the branches and continues to operate State Bank of Howards Grove under the name HSA Bank. Terms of the deal were not disclosed.  
(SNL Bank & Thrift Daily 4/19/05)

## **Branch Openings**

On March 14, 2005, Banknorth, National Association, Portland, ME, opened a branch located at 191 Orange Street, New Haven, CT.

Slade's Ferry Bank, Somerset, MA, opened a branch located at 58 South Main Street, Assonet, MA, on March 18.

On March 21, People's Bank, Bridgeport, CT, opened a branch located at 125 Danbury Road, Ridgefield, CT.

On April 4, 2005, Newtown Savings Bank, Newtown, CT, opened a branch located at 815-819 Bridgeport Avenue, Shelton, CT.

Profile Bank FSB, Rochester, NH, opened a branch on Main Street in Alton, NH, on April 12.

On April 15, Centrix Bank & Trust, Bedford, NH, opened a branch located at 17 Armory Road, Milford, NH.  
(CT DOB 4/1/05; Internal Notice 3/28/05, 4/20/05; SNL Bank & Thrift Daily 3/23/05, 4/5/05)

## **Branch Closings**

On February 25, 2005, Rockland Trust Company, Rockland, MA, closed its branch located at 1123 Main Street, South Yarmouth, MA.

On March 9, People's Bank, Bridgeport, CT, closed its branch located at 59-63 Newtown Road, Danbury, CT.  
(CT DOB 3/9/05; Internal Notice 3/28/05)

Note: The June 2005 issue of *Bank Notes* will be released in conjunction with the July issue, and will be available after July 1, 2005.

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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