

Federal Reserve Bank of Boston BANK NOTES

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TD Banknorth to Acquire Interchange Financial Services Corporation

On April 13, TD Banknorth, Portland, ME, said it agreed to acquire Interchange Financial Services Corp., Saddle Brook, NJ, in an all cash transaction valued at approximately \$481 million.

TD Banknorth Chairman, President, and CEO William Ryan said, "We are pleased to continue our expansion in the wealthy and dynamic market of northern New Jersey. This is an excellent compliment to our recent acquisition of Hudson United."

TD Banknorth, which completed the acquisition of Hudson United Bancorp on January 31, currently operates 102 branches in New Jersey. Upon completion of the Interchange acquisition, TD Banknorth is expected to be New Jersey's ninth-largest bank based on total deposits. TD Banknorth will rank fifth among commercial banks and thrift institutions in Bergen County, an increase from the previous rank of 12th, with a 6.3 percent share of about \$33.2 billion in market deposits. The bank will also move up three spots to number 13 from 16 in Essex County, NJ, with a 2.1 percent share of the county's \$14.9 billion in market deposits.

"We are pleased to become part of the TD Banknorth family. This transaction is the logical next step in providing continued significant gain and value to our shareholders over these many years," Interchange President and CEO Anthony Abbate said in a news release. "In addition, TD Banknorth will bring our customers and communities a greater array of products and services."

The definitive agreement has been approved by the Boards of Directors of both TD Banknorth and Interchange. The transaction is subject to approval by shareholders of Interchange, as well as customary regulatory approvals. It is expected to close early in the first quarter of 2007 with a systems conversion shortly thereafter.

As of June 30, 2005, TD Banknorth ranked third in New England among all commercial bank and thrift institutions, with a 5.8 percent share of deposits. (SNL Bank & Thrift Daily 4/17/06; TD Banknorth PR 4/13/06)

Empire State Regional Council of Carpenters Purchases Stake in First Trade Union Bank

Empire State Regional Council of Carpenters, Long Island, NY, acquired a 45 percent stake in First Trade Union Bank, Boston, MA, on April 14, 2006.

First Trade Union plans to use the approximately \$25 million in proceeds to expand its branch network in New York, and possibly New Jersey and Pennsylvania.

First Trade Union Bank ranks 149th among commercial bank and thrift institutions in New England, with a 0.08 percent share of deposits as of June 30, 2005. (SNL Bank & Thrift Daily 4/18/06)

Camden National Corporation Receives Regulatory Approval

On April 19, Camden National Corporation, Camden, ME, received approval from the Office of the Comptroller of the Currency (OCC) to combine its two banking subsidiaries, Camden National Bank and UnitedKingfield Bank, under the Camden National Bank name.

On January 12, 2006, Camden National Corporation had announced its plan to combine these two banking subsidiaries as part of an effort to streamline its regulatory process and enhance customer service.

"We are pleased that we were able to gain regulatory approval this early in the process," noted Gregory A. Dufour, president and CEO of Camden National Bank, "which will allow us to focus on the many different project tasks that will culminate in the official combination of the two banks on or about October 1, 2006."

Dufour continued, "We expect to change our signs and begin operating as one combined bank in early October 2006, when all of our customers will be able to enjoy banking at any of our 27 locations."

As of June 30, 2005, Camden National Corp. ranked fifth among commercial bank and thrift institutions in Maine, with a six percent share of deposits. (Camden PR 4/19/06; SNL Bank & Thrift Daily 4/20/06)

Brookline Bancorp Increases Ownership in Eastern Funding

On April 13, Brookline Bancorp Inc., Brookline, MA, said that its unit Brookline Bank completed a merger agreement increasing its ownership interest in Eastern Funding LLC from approximately 28 percent to 87 percent through a cash payment of approximately \$16 million, excluding transaction costs.

Eastern Funding specializes primarily in the financing of coin-operated laundry, dry cleaning, and grocery store equipment in the greater metropolitan New York area and selected other locations in the Northeast. As of March 31, 2006, Eastern had total assets of \$112 million, including net loans of approximately \$105 million.

Richard P. Chapman Jr., Brookline Bank's chairman and CEO, said, "We have been pleased to be part-owner of Eastern since 1999 and are enthusiastic about the potential for growth and profitability that can be accomplished through the merger and acquisition. We have the highest regard for Michael Fanger [CEO of Eastern] and what he has achieved since founding Eastern. His continued leadership and involvement were essential to our decision to enhance our ownership interest."

As of June 30, 2005, Brookline Bank ranked 18th among commercial bank and thrift institutions in Massachusetts, with a 0.67 percent share of deposits. (Brookline Bank PR 4/13/06; SNL Bank & Thrift Daily 4/17/06)

Bank Conversions

On March 10, 2006, Butler Bank announced its plans to form a mutual holding company to be named Butler Bancorp MHC.

By becoming a mutual holding company, the bank says it will be able to accomplish its growth objectives and expand its services, as well as increase its lending limits.

Butler Bank CEO John Pearson Jr. said, "This move will prove to be a major milestone as we move forward with plans to increase market share and penetration in construction lending, mortgages and high-interest bearing deposit accounts." He added, "The bank plans to continue to provide its unique formula for personalized service in lending, with a higher degree of flexibility that will benefit both new and existing customers."

(Butler PR 3/10/06; SNL Bank & Thrift Daily 3/27/06)

Branch Openings

On March 15, Middlesex Savings Bank, Natick, MA, opened a branch located at 235 Old Connecticut Path, Framingham, MA.

Union Bank, Morrisville, VT, opened a branch at 263 Dells Road, Littleton, NH, on March 20, 2006.

Also on March 20, The First National Bank of Ipswich, Ipswich, MA, opened a branch located at 77 Hanover Street, Portsmouth, NH.

Newtown Savings Bank, Newtown, CT, opened a branch at 99 Federal Road, Brookfield, CT, on March 27.

On April 3, 2006, BankFive, Fall River, MA, opened a branch located at 174 Union Street, New Bedford, MA.

PeoplesBank, Holyoke, MA, opened a branch at 281 East Main Street, Westfield, MA, on April 7.

Milford National Bank & Trust, Milford, MA, opened a branch at 74 South Street, Hopkinton, MA, on April 18.

(CT DOB 3/24/06; Internal Notices 3/31/06, 4/10/06; SNL Bank & Thrift Daily 4/24/06)

Branch Purchases

On March 25, Bridgewater Savings Bank, Raynham, MA, assumed certain deposits and other liabilities of the office of South Coastal Bank, Rockland, MA. The branch is located at 100 Main Street, Carver, MA.

(Internal Notice 3/31/06)

On April 8, Northway Bank, Berlin, NH, purchased certain assets and assumed certain liabilities of two branches from Washington Mutual Bank, Henderson, NV. The branches are located at 295 Main Street, Tilton, NH, and 154 Main Street, Belmont, NH.

(Internal Notice 4/14/06)

Branch Closings

On March 24, The First National Bank of Ipswich, Ipswich, MA, closed its branch located at Woodbury Ave, Newton, NH.

Citizens Bank of Massachusetts, Boston, MA, closed two branches in recent months. On March 16, the bank closed its branch at 40 Mall Road, Burlington, MA. The second branch, located at 475 Hancock Street, North Quincy, MA, was closed on April 10, 2006.

(Internal Notice 3/24/06, 4/14/06)

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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