

Federal Reserve Bank of Boston BANK NOTES

• Edited by Marcella Vencil Wiegand •

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NewAlliance Bancshares to Acquire Westbank Corporation

On July 18, NewAlliance Bancshares, New Haven, CT, said that it reached a definitive agreement to acquire Westbank Corporation, West Springfield, MA, for about \$116 million in cash and stock.

This transaction marks NewAlliance's entry into Massachusetts and gives the combined company approximately \$8 billion in assets and 87 branches in Connecticut and Massachusetts.

NewAlliance Chairman, President, and CEO Peyton Patterson said, "This is a perfect strategic fit as NewAlliance seeks to grow its community banking footprint in contiguous markets. We make our first entry into Massachusetts just across the border from some of our Connecticut branches." He continued, "Together, we can better serve the personal and business needs of Westbank's customers with our greater financial resources and lending capacity, but with the same community banking approach."

Donald R. Chase, Westbank's president and CEO, agreed: "NewAlliance is committed to continuing our tradition of community based banking in the markets we serve. We believe that a combination with NewAlliance will positively benefit both our shareholders and our customers."

The companies expect to close the deal just after the end of the year, subject to shareholder and regulatory approval.

As of June 30, 2005, NewAlliance ranked fifth with a 5.6 percent share of deposits among all commercial banks and thrift institutions in Connecticut. Westbank Corporation ranked 44th in Massachusetts, with a 0.27 percent share of deposits.

(NewAlliance PR 7/18/06; SNL Bank & Thrift Daily 7/19/06)

First Marblehead Corporation Applies to Acquire Union Federal Savings Bank

On July 17, First Marblehead Corporation, Boston, MA, said that it had applied to the Office of Thrift Supervision (OTS) for approval to acquire Union Federal Savings Bank, North Providence, RI. Terms of the deal were not disclosed.

First Marblehead Corporation, a provider of outsourcing services for private, non-governmental, and education lending in the United States, said that the acquisition of a federal savings bank will allow First Marblehead to provide a greater range of services to its current and prospective clients.

(First Marblehead PR 7/17/06; SNL Bank & Thrift Daily 7/18/06)

Bank Charter Changes

On June 21, Westfield Financial Inc., Westfield, MA, said that its board approved a second-stage conversion to a stock holding company from a two-tier mutual holding company structure.

The company expects the transaction, subject to the approval of shareholders, members of the mutual holding company, and the OTS, will be completed in the fourth quarter.

(SNL Bank & Thrift Daily 6/26/06)

Monadnock Community Bancorp, Peterborough, NH, said on June 26 that it has received conditional regulatory approval to complete the mutual-to-stock conversion of Monadnock MHC and the related stock offering. Shareholders and members of the holding company also approved the plan of conversion and reorganization.

(SNL Bank & Thrift Daily 6/27/06)

On July 1, Auburn Savings & Loan Association, Auburn, ME, converted from a state to a federal charter. Along with the conversion, Auburn Savings & Loan changed its name to Auburn Savings Bank, FSB.

(Internal Notice 7/7/06)

People's Bank, Bridgeport, CT, announced that on July 6, the OTS approved the conversion of People's Bank and its parent, People's Mutual Holdings, to a federally chartered institution from a state-chartered institution.

Additional regulatory and shareholder approvals are required before the conversion will become effective.

(SNL Bank & Thrift Daily 7/18/06)

Also on July 6, Newport Bancorp Inc, Newport, RI, said that it completed its initial stock offering in connection with Newport Federal Savings Bank's conversion from mutual to stock ownership.
(SNL Bank & Thrift Daily 7/7/06)

Mayflower Cooperative Bank, Middleboro, MA, announced on July 12 that its board adopted a plan of reorganization and acquisition pursuant to which the bank would reorganize into a holding company structure.

The plan is still subject to regulatory and stockholder approval.
(SNL Bank & Thrift Daily 7/13/06)

On July 18, Chicopee Bancorp Inc., Chicopee, MA, the proposed holding company for Chicopee Savings Bank, announced that it had received regulatory approval to complete the conversion of Chicopee Savings Bank from mutual to stock ownership and to consummate the related stock offering.
(SNL Bank & Thrift Daily 7/19/06)

Bank Name Change

On July 7, Lyndonville Savings Bank and Trust Company, Lyndonville, VT, changed its name to LyndonBank.
(Internal Notice 7/7/06)

Branch Purchases

On June 23, American Financial Realty Trust, Jenkintown, PA, said that it entered into agreements with Citizens Bank NA and Charter One Bank NA, two bank subsidiaries of Citizens Financial Group Inc., Providence, RI, to acquire 241 fully occupied bank branches for approximately \$323 million before acquisition costs.

American Financial Realty Trust is a real estate investment trust focused on acquiring and leasing properties occupied by financial institutions.

Citizens Bank and Charter One will continue to operate in the locations. The transaction is expected to close in late June and early July.

(American Financial Realty PR 6/23/06; SNL Bank & Thrift Daily 6/26/06)

Patriot National Bank, Stamford, CT, said on July 6 that it signed an agreement to acquire a branch office in New York from Banco Comercial Portugues SA.

Patriot will assume the outstanding lease at the branch. The transaction is expected to close before year-end and is subject to all necessary regulatory approvals.

Charles Howell, president and CEO of Patriot National Bank, said, "This acquisition is consistent with

our strategic plan of building an independent banking franchise in Southern Connecticut and New York State."
(SNL Bank & Thrift Daily 7/6/06)

Branch Openings

On June 10, Webster Bank, Waterbury, CT, opened a branch at 760 Mclean Avenue, Yonkers, NY.

First Community Bank, Woodstock, VT, opened a branch at 100 Woodstock Avenue, Rutland, VT, on June 12.

Citizens Bank of Massachusetts, Boston, MA, opened two branches on June 15. The first is located at 251 Washington Street, Attleboro, MA, and the second, at 109 Taunton Street, Plainville, MA.

On June 19, SBT Bancorp Inc. unit Simsbury Bank & Trust Co. Inc., Simsbury, CT, opened a branch at 864 Cottage Grove Road, Bloomfield, CT.

United Bank, West Springfield, MA, opened a branch at 180 Main Street, Northampton, MA, on June 26.
(Internal Notice 6/23/06; SNL Bank & Thrift Daily 6/28/06, 7/7/06, 7/11/06)

Branch Closings

TD Banknorth, Portland, ME, closed several branches in June. On June 2, the Bank closed branches located at Route 12, Walpole, NH; Route 4, Quechee, VT; and Route 101, Marlboro, NH. The Bank also closed its branch at 1030 Hamilton Avenue, Waterbury, CT, on June 9.

(Internal Notice 6/30/06)

NCUA Issues Proposed Rules for Credit Union Conversions

On June 22, the National Credit Union Association (NCUA) issued proposed changes to its rules governing the conversion of a credit union to a mutual savings association.

Provisions contained in the proposal include the establishment of procedures for credit union members to communicate with directors before adopting a conversion proposal. In addition, the proposal grants credit union members access to the converting institution's books and records and requires that after a board approves a conversion proposal, a credit union must issue information to its membership at the request of members.

The NCUA said the proposal would enhance information and communications between credit union members during the conversion process.

(SNL Bank & Thrift Daily 6/23/06)

Regulators Propose New ID Theft Program Requirements

In a joint news release issued by the Federal Reserve, Federal Deposit Insurance Corporation (FDIC),

National Credit Union Association (NCUA), Office of the Comptroller of the Currency (OCC), Office of Thrift Supervision (OTS), and the Federal Trade Commission on July 18, the agencies are asking for bank industry feedback on a proposed rule regarding identity theft program requirements.

The proposal would require financial institutions to implement ID theft prevention programs for new and existing accounts. The programs would be required to include guidelines for identifying certain “red flag” events that may signal ID theft risks.

The proposal would also require credit and debit card issuers to develop procedures to assess the validity of a request for a change of address followed by a request for an additional card.

The regulators will accept comments on the proposal for 60 days after its publication in the Federal Register.

(SNL Bank & Thrift Daily 7/19/06)

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.

Bank Notes is available without charge. To be added to the electronic mailing list or to the paper distribution list, send an e-mail message to Boston.BankNotes@bos.frb.org. If unable to do so, call Marcella Vencil Wiegand at (617) 973-2860. To access *Bank Notes* on the Web, check the Boston Fed's web site at www.bos.frb.org/economic/banknote/index.htm. For updated banking structure information, check the Boston Fed's web site at www.bos.frb.org/bankinfo/struct/index.htm.