

# Federal Reserve Bank of Boston BANK NOTES

• Edited by Sandra MacDonald •

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## Gardiner Savings Institution to Acquire First Citizens Bank

Gardiner, Maine-based Gardiner Savings Institution FSB (\$737.8 million) said July 26 that it reached a definitive agreement to acquire Presque Isle, Maine-based First Citizens Bank (\$134.9 million) in an all cash deal valued by SNL Financial at \$20.8 million.

Under the terms of the agreement, First Citizens shareholders will be entitled to receive \$43.75 in cash for each share of First Citizens common stock. The company estimated the aggregate purchase price at \$20.9 million.

Subject to shareholder and regulatory approval, the transaction is expected to close in the fourth quarter of 2006.

“This is an excellent opportunity for our bank to enter a new market area,” Gardiner Savings President and CEO Arthur Markos said in a news release. “Not only are we joining forces with a well established financial institution, we’ve discovered that these folks think and act like we do.”

The CEO added that the market expansion reflects “current influences” on the industry. “Technology allows us the freedom to expand beyond previous limits,” he said. “Ironically it is that same technology, along with increased dedication to security and regulatory compliance, that is leading small banks like ours to get together to compete with tax exempt credit unions and mega banks which have the resources to invest in this fast moving area.”

With the acquisition, Gardiner Savings will enter Aroostook County, Maine, with four branches and rank No. 4 with 13.5 percent of \$782.2 million in market deposits. It will also enter Penobscot County, Maine, with one branch and rank No. 10 with 0.7 percent of \$1.7 billion in market deposits.

(SNL Bank & Thrift Daily 07/27/06)

## Bank Charter Changes

On August 25, 2006, Fitchburg, Mass.-based Fidelity Co-operative Bank filed a Federal Reserve application proposing to reorganize from a state-chartered cooperative bank into a mutual holding company structure. The new holding company will be named Fidelity Mutual Holding Co.

The company said that following the reorganization, the President, CFO and clerk of the bank will hold their titles at the new stock holding company.

Established in 1888, Fidelity Co-operative has \$342.8 million in total assets and \$265 million in total deposits, according to the filing. The cooperative holds five units: FCB Security Corp. Inc., Shirley Securities Inc., Hayes-Barrett Insurance LLC, Hayes-Barrett Investments LLC, and M3S LLC.

(SNL Bank & Thrift Daily 08/28/06)

## Boston Private Financial Holdings Inc. Increases Investment

Boston Private Financial Holdings, Inc. said on August 2 that it increased its investment in Bingham Osborn & Scarborough LLC to 49.7 percent.

The company completed an initial 20 percent investment in February 2004, and purchased an additional 10 percent in each of August 2004 and August 2005.

(SNL Bank & Thrift Daily 08/03/06)

## Bank Merger

Whitman, Mass.-based Mutual FSB of Plymouth County (\$141.5 million), which now does business as Mutual Bank, and Brockton, Mass.-based Security Federal FSB (115.6 million) plan to merge, as reported on July 21, 2006.

Subject to regulatory approval, the deal is expected to close by the end of the year.

The new company will operate under the Mutual Bank name. (SNL Bank & Thrift Daily 07/25/06)

## Independent Bank Corp. Completes Stock Repurchase Program

Independent Bank Corp. completed its previously announced stock repurchase program, the company said in a Form 8-K filed August 8.

In connection with the repurchase program, the company purchased a total of 800,000 shares of its common stock at a weighted average share price of \$31.04. (SNL Bank & Thrift Daily 08/09/06)

## Commercial Loan Branch Openings

Legacy Bancorp Inc. unit Legacy Banks opened a commercial loan production office in Colonie, N.Y.

(SNL Bank & Thrift Daily 08/15/06)

## Branch Openings

CNB Financial Corp. said in a form 8-K filed August 4 that it opened its fifth branch, in Worcester, Mass., on July 17, 2006.

(SNL Bank & Thrift Daily 08/15/06)

Connecticut Bank & Trust Co. said July 25 in an earnings release that on July 10 it opened its renovated fifth center in Newington, Conn.

(SNL Bank & Thrift Daily 07/28/06)

Middlesex Savings Bank opened its 24<sup>th</sup> branch in Bedford, Mass., last week, as reported on August 24, 2006.

(SNL Bank & Thrift Daily 08/28/06)

United Mutual Holding Co. unit United Financial Bancorp Inc. (MHC) said July 20 in an earnings release that it opened its 12<sup>th</sup> full-service branch in Northampton, Mass., and plans to open a full-service branch in Westfield, Mass., later in 2006.

(SNL Bank & Thrift Daily 07/25/06)

## Branch Closings

Slade's Ferry Bancorp closed its nearly 30-year-old branch in the local Somerset, Mass., high school, as reported on July 28, 2006.

(SNL Bank & Thrift Daily 08/03/06)

## OCC Changes Bank Assessment Policy

The Office of the Comptroller of the Currency (OCC) published a final rule in the Federal Register that allows it to calculate the assessments national banks must pay instead of allowing banks to calculate the assessments on their own, Dow Jones Newswires reported on July 25.

The OCC has been using the new policy on an interim basis since November 2005, when it was originally proposed, Dow Jones said. The rule will be formally adopted as final effective August 24, 2006.

(SNL Bank & Thrift Daily 07/26/06)

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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