

Federal Reserve Bank of Boston BANK NOTES

• Edited by Sandra MacDonald •

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NewAlliance to Enter Massachusetts with the Acquisition of Westbank

NewAlliance Bancshares, Inc. announced that it has entered into a definitive agreement to acquire Westbank Corporation for approximately \$116 million in cash and stock. The combined company will have approximately \$8 billion in assets and operate 87 branches in Connecticut and Massachusetts.

"This is a perfect strategic fit as NewAlliance seeks to grow its community banking footprint in contiguous markets," said Peyton R. Patterson, NewAlliance Chairman, President and Chief Executive Officer. "We make our first entry into Massachusetts just across the border from some of our Connecticut branches. 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."

Ms. Patterson's comments were echoed by Donald R. Chase, President and Chief Executive Officer of Westbank. "NewAlliance is committed to continuing our tradition of community based banking in the markets we serve," Mr. Chase said. "We believe that a combination with NewAlliance will positively benefit both our shareholders and our customers."

(SNL Bank & Thrift Daily 09/06/06; MSN Money 07/18/06)

Mutual Bank Holding Company Changes

Braintree Co-operative Bank, Braintree, Massachusetts, is to merge into an interim stock savings bank that is being formed to facilitate the reorganization of Braintree into a mutual bank holding structure

(Internal Notice 09/08/06)

Cape Cod Co-operative Bank, Yarmouth Port, Massachusetts, is to merge into an interim stock savings bank being formed to facilitate the reorganization of Cape Cod into a mutual bank holding company structure.

(Internal Notice 09/08/06)

Marlborough Bancshares, MHC and Marlborough Bancshares, Inc., both of Marlborough, Massachusetts, are to become a bank holding company and stock bank holding company, respectively, by acquiring Marlborough Savings Bank, Marlborough, Massachusetts.

(Internal Notice 09/11/06)

Hampden Bancorp Inc., announced, in a Form S-1 filed September 15, that it is being formed to replace Hampden Bancorp MHC as the holding company of Springfield, Massachusetts-based Hampden Bank. Hampden Bank is currently 100 percent owned by Hampden Bancorp MHC, a Massachusetts-chartered mutual holding company.

(SNL Bank & Thrift Daily 09/20/06)

New Bank Formations

Brown Brothers Harriman & Co. applied with the OCC to establish a *de novo* limited purpose national bank, as the company plans to convert its Brown Brothers Harriman Trust Co., LLC unit into a national trust company.

(SNL Bank & Thrift Daily 09/07/06)

New Operations Center Opening

Service Bancorp Inc. (MHC) reported in a Form 8-K filed September 12, that its Strata Bank (MHC) unit will open an executive and operations center at the Beaulieu Business Park South in Franklin, Massachusetts. The new center will house the majority of Strata's executive, operations, and administrative offices including the offices of the CEO, senior executives, human resources, marketing, training, finance, loan operations, compliance and security, support operations, and facilities departments. The company's headquarters will remain in Medway, Massachusetts.

(SNL Bank & Thrift Daily 09/13/06)

Northeast Bank Purchases Real Estate

Northeast Bancorp stated, in a Form 8-K filed on September 6, that unit Northeast Bank entered into an agreement for the purchase by the bank of real estate located in South Paris, Maine. The bank's South Paris branch is located on the purchased real estate.

(SNL Bank & Thrift Daily 09/07/06)

Acquisitions and reorganizations

On September 15, the Federal Reserve approved the proposed acquisition of Lancaster, N.H.-based Siwooganock Holding Co. Inc. (\$82.8 million), unit Siwooganock Bank, and Siwooganock's ownership of 10

percent of the voting shares of Lancaster-based Lancaster National Bank by St. Johnsbury, Vermont-based Passumpsic Bancorp, parent company of Passumpsic Savings Bank (MHC) (\$425.6 million)

According to the Fed's order, the transaction meets the agency's requirements overseeing competitive, financial, managerial, supervisory, convenience, and needs considerations.

(SNL Bank & Thrift Daily 09/18/06)

Mayflower Co-operative Bank said, on September 21, that its stockholders approved a plan of reorganization and acquisition in which the bank will reorganize into a holding company. The plan is now subject to regulatory approval.

(SNL Bank & Thrift Daily 09/22/06)

Monadnock Interim Bank I, Monadnock Interim Bank II and Monadnock Interim Bank III, all of Peterborough, New Hampshire, were approved by the OTS to merge with and into Monadnock Community Bank, Peterborough, New Hampshire.

(Internal Notice 09/06/06)

New Branch Opening

Northfield MHC unit Northfield Savings Bank (MHC) celebrated the opening of its new branch in South Burlington, Vermont, despite the branch's having been robbed five days prior by a man claiming to have a bomb, as reported on September 14.

The new branch is Northfield Savings Bank's second South Burlington location and the fifth and final branch in the expansion phase that began a few years ago in Essex Junction, Vermont.

(SNL Bank & Thrift Daily 09/18/06)

New Loan Office Opening

Florence Savings Bancorp unit Florence Savings Bank opened a loan office in Hampden County, Massachusetts, as reported September 14, 2006. Bank President John F. Heaps Jr. said the opening comes at an opportune time, as Westbank Corp., headquartered just up the street from the new office, prepares to be acquired by NewAlliance Bancshares of New Haven. "We feel timing is everything," Heaps said. "There are opportunities there, as more banks go public and consolidate."

(SNL Bank & Thrift Daily 09/18/06; Florence Savings Bank PR)

Lehman Brothers Bank FSB to Acquire Capital Crossing Bank

Wilmington, Delaware-based Lehman Brothers Bank FSB (\$19.18 billion), a unit of Lehman Brothers Holdings Inc., signed a definitive agreement to acquire Boston-based Capital Crossing Bank (\$1.06 billion) for approximately \$210 million in cash, Capital Crossing noted on September 19, 2006.

The company expects to complete the transaction during the first quarter of 2007, subject to customary closing conditions and regulatory approvals. After the completion of the acquisition, Capital Crossing will become a Lehman Brothers unit. Capital Crossing will remain headquartered in Boston, Massachusetts.

(SNL Bank & Thrift Daily 09/25/06)

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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