

# Federal Reserve Bank of Boston BANK NOTES

• Edited by Marcella Wiegand •

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## Nutmeg Financial to Acquire Castle Bank & Trust Company

On October 7, 2005, Nutmeg Financial, MHC, Naugatuck, CT, parent company of Naugatuck Savings Bank, also of Naugatuck, CT, announced its plans to acquire Castle Bank & Trust Company, Meriden, CT, in an all cash transaction valued at approximately \$8 million.

The transaction will create a mutual holding company structure with combined assets of roughly \$720 million and over \$550 million in deposits. Upon completion of the deal, Castle Bank & Trust will become a unit of Nutmeg Financial and Naugatuck Savings Bank, and will retain its name and headquarters in Meriden, CT. Nutmeg Financial will remain a mutual institution.

Lawrence McGoldrick, president and CEO of Castle Bank & Trust, said, "This partnership will allow Castle Bank to continue to grow a financially strong community bank that can focus our future profitability, on enhancing our services to customers and strengthening the economic and social fabric of the central Connecticut communities we built this bank to serve."

Eliot C. White, a board member of Castle Bank, was equally enthusiastic about the merger: "This transaction creates an excellent opportunity for Castle Bank to thrive and grow with a partner that is committed to community banking and growth in our local area. It also helps to accomplish what we intended when we established the bank and is good for the bank's four constituencies: shareholders, customers, employees and the communities."

Naugatuck Savings Bank President and CEO Mar C. Yanarella said, "We are excited by this opportunity to partner with another bank that has the same tradition of commitment to customers and community that we have at NSB [Naugatuck Savings Bank]."

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

As of June 30, 2004, Naugatuck Savings Bank ranked 22nd in Connecticut, with a 0.67 percent share of deposits among commercial bank and thrift institutions. Castle Bank & Trust Company ranked 61st with a 0.06 percent share of deposits in Connecticut.

(Castle Bank PR 10/7/05; SNL Bank & Thrift Daily 10/10/05)

## Boston Private Completes Gibraltar Bank Acquisition

Boston Private Financial Holdings, Inc., Boston, MA, completed its acquisition of Gibraltar Financial Corp., Coral Gables, FL, on October 3. This transaction marks Boston Private's entry into southeastern Florida.

With approximately \$1 billion 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.

Gibraltar Bank will remain independently managed and run under the Gibraltar Bank brand. Steven D. Hayworth, Gibraltar's founder, president, and CEO, said, "This merger will allow our passionate, talented, and dedicated team to take our company to the next level for the benefit of our clients, colleagues, and our new affiliate partners. The market and client synergy potential with the other Boston Private affiliate partners is extraordinary."

Boston Private's Chairman and CEO Timothy L. Vaill agreed: "This was an extraordinary opportunity to partner with one of the most attractive wealth management players in the region. Additionally, Gibraltar's proven record to grow profitably ensures that this transaction is financially and strategically compelling."

As of June 30, 2004, Boston Private ranked 22nd in New England, with a 0.43 percent share of deposits.

(Boston Private PR 10/3/05; SNL Bank & Thrift Daily 10/5/05)

## Merger Completions

On October 1, The Pemigewasset National Bank of Plymouth, Plymouth, NH, completed its merger with Berlin City Bank, Berlin, NH. The new bank will be known as Northway Bank, creating one of the largest independent commercial community banks in New Hampshire.

(Internal Notice 10/1/05; Northway PR 9/30/05)

Also on October 1, Village Bank & Trust Company, Gilford, NH, completed its merger with Laconia Savings Bank, Laconia, NH, under the charter and title of Laconia Savings Bank.

The deal was originally announced on April 6, 2005.

(Internal Notice 10/1/05)

On October 15, Newport Federal Savings Bank, Newport, RI, completed its acquisition of Westerly Savings Bank, Westerly, RI, under the charter and title of Newport Federal Savings Bank.

(Internal Notice 10/17/05)

## Branch Purchase Completions

On September 20, The First National Bank of Ipswich, Ipswich, MA, completed its branch purchase from the Atlantic Bank of New York, New York, NY. The branch is located at 33 State Street, Boston, MA.

First National Bank of Ipswich President and CEO Donald Gill said, "In opening our first branch in the heart of Boston, we are bringing to the city the personalized service of a community bank combined with a full range of products and services designed to meet the needs of both our business and retail customers."

The deal was first announced on February 22, 2005.

(FNBI PR 9/20/05)

Putnam Savings Bank, Putnam, CT, completed its purchase of three branch offices from People's Bank, Bridgeport, CT, on October 14.

The branches are located at 461 Voluntown Road, Griswold, CT; 39 Kings Highway, Gales Ferry, CT; and Lathrop Road, Plainfield, CT.

"We are very excited about the acquisition of these new branches," said Robert G. Cocks, Jr., president and CEO of PSB Holdings, Inc. "These branches are a natural extension of our market area, and are an excellent fit for us. They enable us to strengthen our existing position in Windham County and expand our branch network into New London County, accelerating our de novo branching strategy by a number of years. We relish the opportunity to serve these new customers and to welcome them into the Putnam Savings family."

The company announced the deal on June 13, 2005.

(Internal Notice 10/18/05; Putnam PR 10/17/05; SNL Bank & Thrift Daily 10/18/05)

## Branch Openings

On June 13, Northampton Co-operative Bank, Northampton, MA, opened a branch located at 6 Main Street, Florence, MA.

Wainwright Bank & Trust, Boston, MA, opened a branch located at 301 Harvard Street, Brookline, MA, effective June 27, 2005.

On August 29, Northeast Bank, Auburn, ME, opened a branch at 500 Canal Street, Lewiston, ME.

On September 26, NewAlliance Bank, New Haven, CT, opened a branch located at 1700 Park Street, Hartford, CT.

Also on September 26, South Shore Savings Bank, South Weymouth, MA, opened a branch at 34 Court Street, Plymouth, MA.

Southbridge Savings Bank, Southbridge, MA, opened a branch at 1180 Thorndike Street, Palmer, MA, on September 28.

On October 3, Ocean National Bank, Portsmouth, NH, opened a branch located at 1750 Elm Street, Manchester, NH.

Also on October 3, DanversBank, Danvers, MA, opened a branch located at One Post Office Square, Suite 3700, Boston, MA.

Salem Five Cents Savings Bank, Salem, MA, opened its branch at 495 Cabot Street, Beverly, MA, effective October 19.

(Internal Notice 9/26/05, 9/27/05, 10/3/05, 10/6/05, 10/7/05, 10/13/05, 10/14/05, 10/17/05)

## Branch Relocation

On August 15, Webster Bank, Waterbury, CT, relocated its branch from 53 New Britain Avenue, Rocky Hill, CT, to 377 Cromwell Avenue, Rocky Hill, CT.

(Internal Notice 10/3/05)

## Branch Closings

Citizens Bank of Massachusetts, Boston, MA, closed two branches on September 30. The first was located at 44 Broadway, Malden, MA, and the second at 629 Massachusetts Avenue, Boxborough, MA.

(Internal Notice 10/12/05)

## Washington Mutual Completes Providian Financial Acquisition

On October 3, 2005, Washington Mutual Inc., Seattle, WA, completed its acquisition of Providian Financial Corp., San Francisco, CA, in a cash-and-stock deal valued at approximately \$6.1 billion.

The acquisition brings together two of the nation's leading retail financial services companies and strengthens Washington Mutual's leadership position in the middle market consumer segment.

Washington Mutual's Chairman and CEO Kerry Killinger said, "We're excited to welcome the Providian team to the Washington Mutual family. This is a transformational moment in the history of both companies and one that we believe will result in great things for our shareholders."

The deal, first announced in June, is valued at approximately \$6.1 billion.

As of June 30, 2004, Provident Financial Corporation ranked seventh in New England with a 2.8 percent share of deposits among commercial bank and thrift institutions.

(Internal Notice 10/4/05; SNL Bank & Thrift Daily 10/3/05; Washington Mutual PR 10/3/05)

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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