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Decision of November 13, 2012

By the [Division of Banks](#)

DECISION
RELATIVE TO THE PETITION OF
UNITED FINANCIAL BANCORP, INC., WEST SPRINGFIELD,
MASSACHUSETTS
TO ACQUIRE
NEW ENGLAND BANCSHARES, INC., ENFIELD, CONNECTICUT

United Financial Bancorp, Inc. ("United Financial" or the "Petitioner"), West Springfield, Massachusetts has petitioned the Board of Bank Incorporation (the "Board") pursuant to Massachusetts General Laws chapter 167A, sections 2 and 4 for approval to acquire ownership and control of New England Bancshares, Inc. ("New England Bancshares"), Enfield, Connecticut and its subsidiary bank, New England Bank, Enfield, Connecticut. The Petitioner is the holding company for United Bank, West Springfield. The Petitioner's application before the Board is part of a multi-step transaction in which New England Bancshares will merge with and into the Petitioner. The subsequent merger of the subsidiary banks, resulting in New England Bank merging with and into United Bank will not require the approval of either the Board or the Division of Banks (the "Division").

Notice of the application was published and posted as directed by the Board, thereby affording opportunity for interested parties to submit comments. Other standard procedures informing the public of this matter before the Board were implemented. The Board held a public hearing on the petition of United Financial on October 17, 2012. The comment period on the proposed transaction ended on November 6, 2012.

The Board has reviewed the application and the oral testimony received at the public hearing. That review focused on the statutory and administrative criteria applicable to such transactions which include, among other things, whether competition among banking institutions will be unreasonably affected; whether public convenience and advantage would be promoted; and the record of performance under the Community Reinvestment Act ("CRA") by the subsidiary banks of the holding companies. As in

any transaction, consideration is also given to the financial and management components of a proposed acquisition. The additional statutory requirements set out in sections 2 and 4 of said chapter 167A were also significant factors in the Board's deliberations on the matter before it.

One such statutory provision requires the Board to have received notice from the Massachusetts Housing Partnership Fund (the "MHPF") that satisfactory arrangements have been made by the Petitioner consistent with statute and the MHPF's various affordable housing loan programs. The Board received notice from the MHPF that arrangements satisfactory to it had been made for this transaction in a letter dated September 25, 2012.

United Financial is a Maryland corporation incorporated in 2007 to become the holding company for United Bank. Petitioner is registered with the Federal Reserve as a savings and loan holding company. Petitioner is primarily engaged in the business of directing, planning, and coordinating the business activities of United Bank, its most significant asset. Petitioner's principal place of business is West Springfield, Massachusetts. As of June 30, 2012, United Financial had total consolidated assets of approximately \$1.7 billion. The current corporate structure of United Financial consists of ownership of United Bank and its subsidiaries, UCB Securities, Inc., UCB Securities, Inc. II and UB Properties, LLC. United Bank operates 23 banking offices in the following municipalities of Hampden, Hampshire and Worcester counties in Massachusetts: Agawam; Chicopee; East Longmeadow; Feeding Hills; Holyoke; Huntington; Longmeadow; Ludlow; Northampton (2); Springfield (5); Westfield; Worcester (4) Shrewsbury; Whitinsville and West Boylston.

New England Bancshares is a Maryland Corporation headquartered in Enfield, Connecticut. As of June 30, 2012, New England Bancshares' total consolidated assets were \$733 million. The current corporate structure of New England Bancshares consists of ownership of New England Bank and its subsidiary, VB Reo, Inc., as well as its direct subsidiary, FVB Capital Trust I. New England Bank operates 13 banking offices in the following municipalities of Hartford, Litchfield, New Haven and Tolland counties in Connecticut: Bristol, Broad Brook, Cheshire, East Windsor, Ellington, Enfield (2), Manchester, Southington, Suffield, Terryville, Wallingford, and Windsor Locks.

The financial aspects of any transaction are a significant consideration of the Board as they may affect the continuing holding company's ability to serve the banking public and to actively compete with other financial institutions as well as to maintain its capital ratio standards for a safe and sound institution. The acquisition of the holding company will be accomplished by the merger of the two holding companies in a transaction whereby each outstanding share of New England Bancshares common stock will be converted into 0.9575 shares of United Financial common stock. The total value of the proposed transaction is expected to be approximately \$91.0 million. Upon consummation of the transaction, United Financial will remain a well capitalized holding company under applicable bank holding company guidelines. The Board of Directors after the merger will consist of the current directors of United Financial and two current directors of New England Bancshares.

The Petitioner has submitted information to address the issue that competition among banks will not be unreasonably affected by the proposed transaction. It is the position of this Board to consider a transaction in light of its impact upon citizens, communities and banking structure in the Commonwealth on a community by community basis

instead of by various grouped markets. The Board's review recognizes that there is no overlap in the banking office network of New England Bank with United Bank or the other existing operations of the Petitioner. Less than 2% of New England Bank's total loans and deposits are derived from United Bank's primary service area, furthermore.

The Board has also considered whether public convenience and advantage will be promoted by the proposed transaction. The Petitioner states that the enhanced financial strength of the combined holding companies will ensure that the resulting institution will be able to continue to offer financial products and services, through its subsidiary, at competitive rates. New England Bancshares' merger with and into United Financial will enable the respective institutions to pool their financial resources, to reduce costs, to diversify risk, and better to serve their communities by offering, through the resulting institution formed by the merger of the subsidiary banks, a broader array of products and services to consumers and businesses. Customers of New England Bank will have access to more products and services including, among others: an expanded network of surcharge free ATM's; online consumer loan applications; the addition of municipal services; investment services and wealth management.

The Board has considered the Petitioner's analysis of "net new benefits" related to the transaction with respect to the statutory criteria. The term includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices, among other factors. Testimony by the Petitioner in response to questions by the Board indicated that while there would be some immediate reduction of staff levels, it was anticipated that there would be future growth in such levels resulting from the proposed transaction. if approved. Petitioner also expects that jobs will be created to maintain the high level of personal service that the United Bank represents it requires.

In connection with the transaction, United Bank expects to maintain all current branch offices in the Worcester and Springfield regions and Connecticut. Additionally, United Bank expects to open a Loan Production Office in Glastonbury, Connecticut and a full service branch in Northborough, Massachusetts later this year. Petitioner represents further that United Bank's long term strategic plans will likely include enhancing the branch network in both Connecticut and the Worcester region. Accordingly, customers of both banks will be able to conduct their banking business at a greater number of locations over a much larger geographic area. The Board has considered the application and testimony submitted by the Petitioner and finds that consideration of public convenience and advantage including net new benefits weighs in favor of approving the proposed transaction.

Related to the issue of public convenience and advantage is the record of performance under the CRA by the subsidiary banks of the parties to the transaction. Such a review includes examination by the Board of publicly available descriptive ratings and evaluations by federal or state bank regulatory agencies. The Board has noted that the Petitioner's subsidiary bank, United Bank, has a "Satisfactory" rating from the Office of Thrift Supervision in its most recent examination of performance under CRA. The Board has noted that New England Bank has a "Satisfactory" rating at its most recent examination conducted by the Federal Deposit Insurance Corporation.

The application, supporting documents, as well as the testimony received at the public hearing have established a comprehensive record on this petition, which has been

reviewed consistent with statutory provisions and the policies of the Board. Based on the record of this matter considered in light of all relevant statutory and administrative requirements, the Board finds that public convenience and advantage will be promoted and that competition among banking institutions will not be unreasonably affected and that the record of performance under CRA by the subsidiary banks involved in this transaction are consistent with its approval. Having considered the record established on this application, the Board has found that the applicable statutory and administrative criteria have been met. Accordingly, the Board has concluded that the petition should be approved.

In accordance with the findings expressed herein and pursuant to statute, the Board hereby approves the petition and authorizes United Financial Bancorp, Inc. to acquire ownership and control of New England Bancshares, Inc. and its subsidiary bank, New England Bank, in a multi-step transaction provided that the transaction is completed within one year of the date of this Decision.

Board of Bank Incorporation

David J. Cotney

Commissioner of Banks

Amy Pitter

Commissioner of Revenue

Steven Grossman

Treasurer and Receiver-General

November 13, 2012

Date

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