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Decision of October 14, 2016

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**DECISION
RELATIVE TO THE MERGER OF
BANK OF CAPE COD, HYANNIS, MASSACHUSETTS
WITH AND INTO
ROCKLAND TRUST COMPANY, ROCKLAND, MASSACHUSETTS**

Rockland Trust Company (Rockland Trust), Rockland, Massachusetts has applied to the Division of Banks (Division) to merge with Bank of Cape Cod (BCC), Hyannis, Massachusetts pursuant to the provisions of Massachusetts General Laws 167I, section 3. Under the terms of the Agreement and Plan of Merger dated as of March 17, 2016, BCC will merge with and into Rockland Trust under the charter, by-laws, and name of Rockland Trust (Continuing Institution). The main office of Rockland Trust would remain the main office of the Continuing Institution. One banking office of BCC located in Osterville will be operated as a branch office of Rockland Trust after the merger and the remaining three BCC banking offices will be closed due to their proximity to existing Rockland Trust banking offices. The merger application was filed in connection with a multi-step transaction in which, in addition to the merger of BCC into Rockland Trust, Independent Bank Corp. (Independent), the holding company for Rockland Trust, will acquire New England Bancorp, Inc., the holding company for BCC.

Legal and Procedural Requirements

Notice of Rockland Trust's application was posted and published as directed by the Division thereby affording opportunity for interested parties to submit comments. The period for filing comments has expired and no comments were received. The Division reviewed the application and supplementary materials submitted by Rockland Trust in accordance with the statutory criteria of whether competition among banking institutions will be unreasonably affected and whether public convenience and advantage as well as net new benefits would be promoted by approval of the proposed transaction. Both banks' records of performance under the Commonwealth's Community Reinvestment Act (CRA), Massachusetts General Laws chapter 167, section 14 and the Division's regulation, 209 CMR 46.00 as well as financial and managerial factors also were considered by the Division. The Division reviewed all documents and materials related to this transaction according to applicable law, including the applications of BCC to close three banking offices in connection with, and contingent upon, the approval and consummation of the proposed merger.

In reviewing the proposed transaction, the Division must receive notice from the Massachusetts Housing Partnership Fund (MHPF) that satisfactory arrangements have been made consistent with Massachusetts General Laws chapter 167A, section 4 and the MHPF's various affordable housing loan programs. The Division received notice from the MHPF that satisfactory arrangements have been made for this transaction in a letter dated June 29, 2016.

The Parties

Rockland Trust was chartered as a Massachusetts trust company in 1907 and is the sole banking subsidiary of Independent. In addition to its main office in Rockland, Massachusetts, Rockland Trust operates 83 full-service branch offices in Barnstable, Bristol, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester Counties. As of June 30, 2016, Rockland Trust had total assets of approximately \$7.42 billion and total deposits of approximately \$6.24 billion. Rockland Trust offers a full range of personal and business banking services, investment management services, and tax management services throughout its market area, including Cape Cod. Rockland Trust's deposits are insured up to allowable limits by the Federal Deposit Insurance Corporation (FDIC).

BCC was chartered as a Massachusetts trust company in 2006 and is the sole banking subsidiary of New England Bancorp, Inc. In addition to its main office in Hyannis, Massachusetts, it operates three full-service branch offices in the towns of Falmouth, Hyannis, and Osterville in Barnstable County. As of June 30, 2016, BCC had total assets of approximately \$261 million and total deposits of approximately \$197.3 million. BCC also offers a range of personal and business banking services. Like Rockland Trust, BCC's deposits are insured up to allowable limits by the FDIC.

Competition

Materials have been submitted to address the issue that competition among banks will not be unreasonably affected by the proposed transaction. In analyzing the impact of a proposed transaction on banking competition, the Division considers, but does not rely exclusively upon, the guidelines used by federal authorities to review bank mergers. Essentially, these guidelines define relevant markets and measure concentration, which is considered an important indicator of competitiveness. The starting point in the federal analysis is the Herfindahl-Hirschman Index (HHI), an

arithmetic measure of market concentration that synthesizes the distribution of market shares and the number of banks in the affected market into a single value. The Division also considers the competitive impact of the proposed transaction on a community-by-community basis, as well as on the overall banking structure of the Commonwealth. Materials addressing these issues were submitted by Rockland Trust and reviewed by the Division. Review of this material indicates that the merger would not significantly adversely affect competition in the communities served by the Continuing Institution nor result in an undue concentration of banking resources. Rather, the record demonstrates that the communities currently served by BCC will continue to be served by a number of diverse banks and financial institutions providing access to a variety of competitive deposit and credit services. Accordingly, the review of the transaction's impact on competition supports its approval.

Public Convenience and Advantage

The Division has also considered the record of this application to determine whether public convenience and advantage will be promoted. As a significantly larger financial institution, Rockland Trust offers an expanded branch and ATM network and a more diverse and sophisticated portfolio of products and services than BCC. The application sets forth certain products and services offered by Rockland Trust that are not currently offered by BCC. Such products and services include, business/cash management services, investment management and tax deferral services and asset based lending. Accordingly, the proposed transaction will allow Rockland Trust to provide new benefits to customers of the combined institution and will continue to benefit the communities currently served by BCC.

In determining whether to approve a petition under the statutory criteria, the Commissioner is also required to consider a showing of net new benefits related to the transaction, including initial capital investments, job creation plans, consumer and business services and commitments to maintain and open branch offices, among other factors that the Commissioner may deem necessary. Rockland Trust has addressed this requirement of the statute. The application indicates that Rockland Trust plans to make initial capital investments in new equipment and signage following the consummation of the proposed transaction. The estimated aggregate cost of such improvements is approximately \$100,000. Supplemental information was provided to the Division to address matters relating to employment. Although Rockland expects some immediate reduction of staff levels, they expect that continued growth resulting from the merger will also lead to further growth in staff levels at Rockland Trust. The Division also notes that transitional assistance will be provided to those employees impacted by the merger. Additionally, Rockland Trust will maintain one office of BCC as a branch office. As mentioned above, customers will find additional convenience to conduct their banking business from a larger branch office network. Accordingly, the Division has reviewed the factors related to public convenience and advantage, including net new benefits, and has determined that they are consistent with approval of Rockland Trust's application.

Related to the issue of public convenience and advantage is the record of performance under the CRA by the banks that are parties to this transaction. Such review for state-chartered banks includes examination by personnel of the Division. A publicly available descriptive rating and evaluation by a federal bank regulatory agency will also be considered. Rockland Trust received an "Outstanding" rating in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of February 10, 2014, and BCC received a "Satisfactory" rating in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of August 22, 2011. The Division's consideration of the CRA performance of Rockland Trust and BCC also support the approval of the proposed merger.

Financial and Managerial Considerations

The Division reviews the financial and managerial aspects of the transaction. Materials provided indicate that Rockland Trust will continue to meet all regulatory capital requirements after the consummation of the proposed merger. The primary consideration for this transaction is the payment of 0.25 shares of Independent common stock in exchange for each share of New England Bancorp, Inc. common stock issued and outstanding.

The application indicates that Rockland Trust's board of directors and executive management will remain the same after the proposed merger. Rockland Trust's management is experienced in assimilating banks following an acquisition. Accordingly, upon review, the financial and managerial considerations support approval of the application.

Conclusion

Upon review of the complete record of the application with reference to the relevant statutory and regulatory requirements, the Division has concluded that all such requirements have been met and that consummation of the proposed consolidation would be in the public interest. On the basis of these considerations, and subject to the conditions set forth below, approval is granted for BCC to merge with and into Rockland Trust under the charter, by-laws, and name of Rockland Trust pursuant to section 3 of chapter 167I of the General Laws. In accordance with General Laws chapter 167C, section 3 approval is also granted to close BCC offices located at 1582 Iyannough Road, Hyannis, Massachusetts; 232 Main Street, Hyannis, Massachusetts; and 445 Main Street, Falmouth, Massachusetts, and for Rockland Trust to maintain the remaining banking office of BCC located at 57 West Bay Road, Osterville as a branch office.

The approvals granted herein are subject to the following conditions:

1. That the proposed merger shall not become effective until a Certificate signed by the Presidents and Clerks, or other duly authorized officers of each bank, indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 167I, section 3 has been returned for my endorsement thereon;
2. That the proposed merger shall not become effective unless the Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
3. That the proposed merger shall be consummated within one year of the date of this Decision.

October 14, 2016

Date

Terence A. McGinnis

Commissioner of Banks

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