



State of Rhode Island and Providence Plantations  
DEPARTMENT OF BUSINESS REGULATION  
1511 Pontiac Avenue, Bldg. 68-1  
Cranston, Rhode Island 02920

**Division of Banking**

**DECISION AND ORDER  
INRE:**

**APPLICATION BY CENTREVILLE BANK TO ACQUIRE  
PUTNAM BANK PURSUANT TO R.I. GEN. LAWS §§ 19-1-1 ET  
SEQ. AND 19-7-1 ET SEQ.,  
DBR No. 20BK009**

**INTRODUCTION**

**A. Jurisdictional Statement**

This matter came before the Department of Business Regulation ("Department"), Division of Banking ("Division") pursuant to R.I. Gen. Laws §§ 19-7-1 *et seq.* upon the December 6, 2019 application ("Application") of Centreville Bank, a Rhode Island chartered non-member savings bank ("Centreville") seeking to acquire by purchase and assumption, the assets and liabilities, including all of the deposit liabilities and any contingent liabilities, of Putnam Bank, a Connecticut-chartered savings bank that is a member of the Federal Reserve System with its main office in Putnam, Connecticut ("Putnam") pursuant to applicable chapters and sections of Title 19 of the Rhode Island General Laws (the "Proposed Transaction").

**B. Travel of the Matter**

Centreville, headquartered in West Warwick, Rhode Island, is a full-service, Rhode Island state-chartered mutual bank. Putnam, which has its main office in Putnam, Connecticut, is a wholly owned, direct subsidiary of PB Bancorp, Inc., a Maryland corporation and savings and

loan holding company headquartered in Putnam, Connecticut (“PB Bancorp”).

On October 22, 2019, Centreville, PB Bancorp and Putnam entered into an agreement and plan of merger (the “Merger Agreement”). Pursuant to the terms of the Merger Agreement, (i) Centreville will form a Maryland business corporation, PBBI Acquisition Corp. (“Merger Sub”), as a wholly owned subsidiary of Centreville, and (ii) at the Effective Time (as defined in the Merger Agreement), Merger Sub will merge with and into PB Bancorp, with PB Bancorp the surviving entity (the “Merger”). As a result of the Merger, the separate corporate existence of Merger Sub will terminate and it will cease to exist and PB Bancorp will become a wholly owned subsidiary of Centreville (the “Surviving Corporation”) and by virtue of the Merger each holder of PB Bancorp common stock immediately prior to the Merger will be entitled to receive \$15.25 in cash per share of PB Bancorp common stock (the “Merger Consideration”).

Immediately after the Effective Time, Centreville and the Surviving Corporation will cause Putnam to transfer all of Putnam’s assets to Centreville, and Centreville will assume all of Putnam’s liabilities, including all of Putnam’s deposit liabilities and any contingent liabilities (collectively, the “Bank Combination”). Immediately after the Bank Combination, Centreville will cause each of Putnam and the Surviving Corporation to dissolve and will relinquish the charter of Putnam to the Banking Commissioner of the State of Connecticut (collectively, the “Dissolution”).

Pursuant to R.I. Gen. Laws § 19-1-3, notice of the Application was published for three (3) consecutive weeks, March 9, 2020, March 16, 2020 and March 23, 2020, in the Providence Journal, and on the Department’s website from March 9, 2020 through March 26, 2020, which notice provided a process for all persons wishing to review the Application and/or comment on the application by March 26, 2020. No requests to view the Application or comments regarding the

Application were received by the Department. In addition, a public hearing was held on March 27, 2020, at which time there was no public opposition or comments made that were unfavorable of the Application.

### **C. Related Regulatory Applications**

On February 3, 2020, the Federal Deposit Insurance Corporation (the “FDIC”) approved the Application subject to certain standard conditions.

On April 14, 2020, the Connecticut Department of Banking, Financial Institutions Division (the “CT DOB”) pursuant to § 36a-184, § 36a-185 § 36a-210, and § 36a-412 of the Connecticut General Statutes (“C.G.S.”) issued a notice of intent not to disapprove the acquisition by Centreville of PB Bancorp, approval of the transfer of all of Putnam’s assets to Centreville; and approval of the voting agreements executed by the directors and executive officers of Putnam in connection to the acquisition.

## **APPLICABLE LAW**

### **A. Acquisition Standard**

Centreville seeks approval to acquire Putnam resulting in Centreville remaining as the surviving institution. The Proposed Transaction is subject to compliance with R.I. Gen Laws § 19-7-1, et seq. and § 19-7-6.

#### **1. Safety and Soundness**

Based on a review of the details of the Proposed Transaction as detailed in the Application, the Proposed Transaction will expand Centreville’s regional footprint and will allow for greater access to products and services, as well as an expanded network of branches and ATMs, for both Centreville and Putnam customers. Centreville will have the

opportunity to leverage the strengths of both institutions, increase service offerings and branch access, create new opportunities for career advancement and expand support for local communities—all of which will be beneficial for the customers, employees and communities served by Centreville. Centreville will benefit from efficiencies of scale due to its increased asset size and deposit base, which will allow for further expansion of investment and lending activities. For these reasons, the Department finds that the Proposed Transaction will promote the safety and soundness of Centreville.

## **2. Public Convenience and Advantage Standard**

As a result of the acquisition, Putnam will be merged into Centreville, who has indicated that it is maintaining all current Putnam offices and branches operating as “Putnam Bank, a Division of Centreville Bank”; therefore, the public convenience will be preserved. Centreville has also indicated that it intends to offer the current products and services that Putnam offers the communities it serves. The acquisition will benefit the public by creating a banking organization that is better suited for competing against regional, super-regional and national financial institutions.

The acquisition will result in a combined institution with greater resources to carry out lending and other investment activities in the communities served by the combined institutions and with lower fixed costs and more flexibility for expanded lending and community investment activities. Centreville’s increased capital position, existing management resources and other benefits incorporated through the Bank Combination will also promote the public convenience and advantage of the communities served by the combined institutions.

### **B. Findings of Fact**

Evidence was submitted to the Division in support of the Application, which



included various documents attached as exhibits to the Application. Specifically, the Merger Agreement, pertinent financial information, market analysis, and corporate filings were provided along with information on the background of both Centreville and Putnam, the benefits of the proposed transactions to the communities served by Centreville and Putnam, and evidence of the safety and soundness of Centreville following the acquisition. Approval of the Application will not impact the convenience and advantage of the communities served by Centreville and Putnam. Based upon the documentary evidence filed with the Division, the Director hereby makes the following additional findings of fact:

1. On December 6, 2019, the Division received the Application, in duplicate. Supplemental information was requested and received subsequent to the initial Application.
2. Notice of the Application was published in the Providence Journal on March 9, 2020 March 16, 2020 and March 23, 2020 and on the Department's website from March 9, 2020 through March 27, 2020.
3. The public inspection and comment period for the Application extended from March 9, 2020 through to and including March 27, 2020, during which time the Application was available for public inspection and comment in the office of the Division. No requests to view the Application or comments or letters of objection to the Application were received by the Department.
4. On March 27, 2020 a public hearing was held at the Department offices. There were no objections stated or filed at the hearing.
5. On April 14, 2020, the CT DOB issued a Notice of Intent Not to Disapprove the proposed acquisition.

6. The acquisition will have no adverse impact on the safety and soundness of Centreville Bank and will promote the convenience and advantage of the community.
7. The acquisition will not substantially affect the nature of the banking services available or the customers currently serviced and the acquisition.
8. Upon approval of the Application, Putnam Bancorp will merge with Centreville, with Centreville being the surviving entity, and thereby acquire ownership and control of Putnam pursuant to the Merger Agreement.

**C. Conclusions of Law**

Based on the evidence presented, including documentary evidence filed with the Division, the Director makes the following conclusions of law:

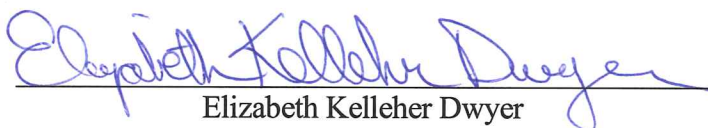
1. R.I. Gen. Laws §§ 19-7-1 et seq. and 19-7-6. authorize the Department to consider, review and approve interstate bank holding company mergers and acquisition of regulated institutions.
2. The Superintendent has jurisdiction over the Application in this matter pursuant to R.I. Gen. Laws §§ 19-7-1 et seq., 19-7-6 and 42-14-5.
3. The Notice of Application published in the Providence Journal on March 9, March 16, and March 23, 2020, satisfies the requirements of R.I. Gen. Laws § 19-1-3 with respect to publication of notice for the Proposed Transaction.
4. The Proposed Transaction is in the public interest, will promote the safety and soundness of Centreville, will have no adverse impact on Centreville's ability to promote the convenience and advantage of the communities it serves.

## DECISION AND ORDER

Upon review and consideration of the documentary evidence in the record in this matter, it is hereby **ORDERED**:

- a. That the Application be approved, and that Centreville complete the Proposed Transaction to acquire Putnam, with Centreville being the surviving entity, and thereby acquire ownership and control of Putnam consistent with the terms of the Merger Agreement and provided that the Proposed Transaction is completed within one (1) year from the date of this Decision and Order;
- b. That the Applicant confirm in writing at least fifteen (15) days prior to consummation that it has complied with all terms of the Merger Agreement and that the Proposed Transaction will be consummated;

ENTERED AS ADMINISTRATIVE ORDER NUMBER 20BK009 OF THE DEPARTMENT OF BUSINESS REGULATION AS OF THIS 27<sup>TH</sup> DAY OF APRIL 2020.



Elizabeth Kelleher Dwyer  
Superintendent of Banking  
Rhode Island Department of Business Regulation

### NOTICE OF APPELLATE RIGHTS

**THIS DECISION CONSTITUTES A FINAL ORDER OF THE DEPARTMENT OF BUSINESS REGULATION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.**