



nerej

East Boston Savings Bank completes acquisition of Mt. Washington Bank

February 09, 2010 - Financial Digest

Meridian Interstate Bancorp, Inc. , the holding company for East Boston Savings Bank, has completed its acquisition of Mt. Washington Cooperative Bank. The combination of Mt. Washington and East Boston results in a community bank with 20 full service branch offices located throughout the Boston metropolitan area. Each Mt. Washington branch office has become a branch office of East Boston Savings Bank, and such branch offices will operate under the name Mt. Washington Bank, A Division of East Boston Savings Bank.

Richard Gavegnano, chairman and chief executive officer of Meridian Interstate and East Boston Savings Bank, said, "We are very pleased to welcome Mt. Washington's customers and hard-working employees into our franchise. This transaction combines two locally focused banks that have long standing ties to their communities and have served their communities for more than 278 years combined. We are committed to providing the same high quality service and support that our customers expect."

Edward Merritt, the former chief executive officer of Mt. Washington, will join the East Boston management team as the president of the Mt. Washington division. Merritt and one former Mt. Washington director will join the Meridian Interstate board of Directors. Merritt said, "The merger with East Boston is a natural fit in terms of our locations and operating philosophy. We will continue to operate the Mt. Washington branches as a division of East Boston with the same personnel that our customers have come to depend on."

Pursuant to the merger agreement, Meridian Interstate issued 514,109 shares of its common stock to Meridian Financial Services, Incorporated, Meridian Interstate's top-tier mutual holding company. The shares issued reflect the value of Mt. Washington as determined by two independent appraisals. As a result of the merger, the depositors of Mt. Washington have become depositors of East Boston Savings Bank, and will have the same rights and privileges in Meridian Financial Services, as if their deposit accounts had been established in East Boston Savings Bank on the date established at Mt. Washington.

Following completion of the transaction, Meridian Interstate will make a contribution of \$250,000 to the Mt. Washington Charitable Foundation.

The transaction is expected to increase East Boston Savings Bank's deposits from \$931.4 million to \$1.3 billion. Mt. Washington's approximately \$387.6 million in deposits in Suffolk county will increase East Boston Savings Bank's market share ranking from 9th to 5th in the county, and 2nd in the county amongst institutions headquartered in Massachusetts.

In addition, Meridian Interstate expects to contribute approximately \$15 million of capital to East Boston Savings Bank following the merger.

In connection with this transaction, Sterne Agee & Leach, Inc. acted as financial advisor to Meridian

Interstate. Luse Gorman Pomerenk & Schick, PC represented Meridian Interstate as legal counsel, while Foley Hoag LLP represented Mt. Washington.

Meridian Interstate and East Boston Savings Bank are headquartered in East Boston, Massachusetts. Founded in 1848, East Boston Savings Bank operates 13 full-service branch locations and one loan center in the greater Boston metropolitan area. At September 30, 2009, Meridian Interstate had \$1.2 billion in total assets. Meridian Interstate common stock is traded on the Nasdaq Global Select Market under the symbol "EBSB." For more information, please visit Meridian Interstate's website at www.ebsb.com.

Prior to the merger, Mt. Washington Bank had six banking offices (three in South Boston, two in Dorchester and one in Jamaica Plain) and a loan office in South Boston. At September 30, 2009, Mt. Washington had assets of \$501.1 million, deposits of \$387.6 million and equity capital of \$32.8 million.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540