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## **Rockland Trust Co. to acquire Peoples Federal Savings Bank**

September 11, 2014 - Financial Digest

Independent Bank Corp. parent of Rockland Trust Co. and Peoples Federal Bancshares, Inc., parent of Peoples Federal Savings Bank, have signed a definitive agreement for Independent Bank Corp. to acquire Peoples Federal Bancshares, and Rockland Trust to acquire Peoples Federal Savings Bank.

"We are pleased to welcome Peoples Federal Savings customers and colleagues to Rockland Trust," said Christopher Oddleifson, the CEO of Independent and Rockland Trust. "Peoples Federal Savings is a profitable, well-managed bank with strong credit quality. This acquisition will give Rockland Trust its first bank branches in the city of Boston and greatly complements recent expansion initiatives in and around the Boston market. The combining of our two institutions will help unite our steadily growing Eastern Mass. footprint, and further strengthen Rockland Trust's position in the attractive Greater Boston metropolitan area."

Peoples Federal Savings has eight full-service bank branches, including four within the city of Boston in Brighton, Allston, West Roxbury, and Jamaica Plain. Peoples Federal Savings also has three Norfolk County branch locations in Brookline, Norwood, and Westwood, as well as a West Newton location in Middlesex County. Peoples Federal Savings currently has about \$606 million in total assets, \$435 million of deposits, and \$497 million in loans.

"This transaction is good for our customers and is in the best interests of our shareholders," said Maurice Sullivan, Jr., the chairman and CEO of Peoples Federal Bancshares, Inc., "We are pleased to join Rockland Trust, a strong and growing bank. Our customers will benefit from the greater range of products and services that Rockland Trust offers and the convenience of Rockland Trust locations across Eastern Massachusetts."

Thomas Leetch, president and COO of Peoples Federal Bancshares, Inc. said, "Rockland Trust shares with Peoples Federal Savings a common mission of supporting and reinvesting in our communities. The combination of our two organizations will ensure a continued focus on preserving and enhancing the well-being of those communities."

The agreement provides that 60% of outstanding Peoples Federal Bancshares, Inc. shares will be exchanged for Independent shares at a fixed exchange ratio of .5523 of an Independent share for each Peoples Federal Bancshares, Inc. share and the remaining 40% of outstanding Peoples Federal Bancshares, Inc. shares will be exchanged for \$21.00 per share in cash. Based upon Independent's \$36.17 per share closing price on August 4, 2014 the transaction is valued at approximately \$130.6 million. The transaction is intended to qualify as a tax-free reorganization for federal income tax purposes and to provide a tax-free exchange for Peoples Federal Bancshares, Inc. shareholders who receive Independent shares. Peoples Federal Bancshares, Inc. shareholders will be able to elect between receiving cash or Independent shares, subject to proration and allocation so that 60% of outstanding Peoples Federal Bancshares, Inc. shares are exchanged for

Independent stock and 40% exchanged for cash. The agreement provides that, effective as of and contingent upon the merger, Independent and Rockland Trust will add to their board of directors one current member of the Peoples Federal Bancshares, Inc. board of directors.

Independent anticipates that the Peoples Federal Bancshares, Inc. acquisition will be approximately \$0.02 accretive to 2015 earnings, exclusive of one-time charges, primarily driven by consolidation efficiencies and approximately \$0.02 to \$0.03 accretive annually thereafter. Independent believes that the transaction will generate an internal rate of return of about 16%, and anticipates modest tangible book accretion.

The transaction has been approved by the board of directors of each company and is subject to certain conditions, including the receipt of required regulatory approvals, approval by Peoples Federal Bancshares, Inc. shareholders, and other standard conditions. The parties anticipate that the transaction will close in the first quarter of 2015.

Independent was advised by Keefe, Bruyette & Woods, Inc. and used Day Pitney LLP and Choate Hall & Stewart LLP as its legal counsel. Peoples Federal Bancshares, Inc. was advised by Sandler O'Neill + Partners, L.P. and used Bingham McCutchen LLP as its legal counsel.

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