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Comptroller of the Currency  
Administrator of National Banks

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Northeastern District Office  
1114 Avenue of the Americas, Suite 3900  
New York, N.Y. 10036

Licensing Division  
Telephone No.: 212.790.4055  
Fax No.: 212.790.4005

**Conditional Approval #690**  
**June 2005**

May 9, 2005

By facsimile: 617.523.1231  
and regular mail.

Elizabeth M. DiMare, Esquire  
Goodwin Proctor LLP  
Counselors at Law  
53 State Street, Exchange Place.  
Boston, Massachusetts 02109

Re: Change in Bank Control Act (CBCA) notice by The Savings Bank, Wakefield, Massachusetts (“TSB”) to acquire First Financial Trust, National Association, Newton, Massachusetts (the “Bank”). Application to charter “Wakefield Interim National Bank” and to consolidate “Wakefield Interim National Bank” with the Bank. As a result of the transaction, the Bank would be a wholly owned subsidiary of TSB.

Control No.: 2005-NE-11-0001  
2005-NE-02-0006

Charter No.: 21882

Dear Ms. DiMare:

The Office of the Comptroller of the Currency (“OCC”) has reviewed your Notice of Change in Bank Control, involving the Notice from The Savings Bank, Wakefield, Massachusetts, (“TSB”) for the acquisition of First Financial Trust, National Association, Newton, Massachusetts (the “Bank”), and your application to charter “Wakefield Interim National Bank” and to consolidate “Wakefield Interim National Bank” with the Bank. As a result of the transaction, the Bank would be a wholly owned subsidiary of TSB.

Based on our review of the filing, the OCC has determined that the notice is technically complete and has determined not to disapprove the CBCA notice.

Approval of the interim bank consolidation is subject to the following special conditions:

1. The Bank shall maintain a minimum of \$3 million in Tier 1 capital at all times. If the Bank fails to maintain Tier 1 capital in the amount of \$3 million, the Bank shall be deemed “undercapitalized,” for purposes of 12 U.S.C. § 1831o and 12 C.F.R. § 6, and

the OCC shall have the authority to take any action authorized under all provisions of 12 U.S.C. § 1831o and 12 C.F.R. § 6 applicable to an undercapitalized national bank. For purposes of 12 U.S.C. § 1831o(e)(5), an action “necessary to carry out the purpose of this section” shall include restoration of the Bank’s capital so that it is not “undercapitalized,” and any other action deemed advisable by the OCC to address the Bank’s capital deficiency or the safety and soundness of its operations.

2. The Bank: (i) shall give the New England Field Office at least sixty (60) days prior written notice of the Bank’s intent to significantly deviate or change from its business plan or operations\* and (ii) shall obtain the OCC’s written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations.
3. The Bank and TSB shall execute a Capital Assurance and Liquidity Maintenance Agreement (“CALMA”) immediately upon consummation of the transaction. The CALMA shall reflect the new minimum capital requirement and any other changes that may be appropriate. The terms and provisions of the CALMA must be acceptable to the Bank and OCC. If it becomes necessary for the Bank to secure capital infusions so as to remain in compliance with its Minimum Capital Requirement, the Bank will promptly notify and first make demand on the Parent for such capital contributions pursuant to CALMA.

These conditions of approval are conditions “imposed in writing by the agency in connection with the granting of any application or other request” within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The Bank is reminded that the OCC expects it to maintain adequate capital and liquidity as set forth in OCC Bulletin 2000-26, dated September 28, 2000. Please be advised that the OCC is currently reviewing its capital and liquidity policy with respect to national trust banks. Should there be a change to our policy as a result of the review, we will advise you accordingly. In addition, if the Bank’s future fiduciary and related assets increase significantly, or if the Bank assumes additional risk, the OCC may require the Bank to hold additional capital.

The date of consummation of this change in control must be provided to the Northeastern District Office as soon as possible. The transaction must be consummated as proposed in the notice. If any of the terms, conditions, or parties to the transaction described in the notice change, the OCC must be informed in writing prior to consummation to determine if any additional action/reconsideration is required. In such situations, the OCC reserves the right to require submission of an amended or new Notice of Change in Bank Control.

In addition, unless an extension is granted, the transaction must be consummated within six months of the date of this letter. Failure to consummate within six months or an approved extended time period granted by the OCC will cause our decision to lapse and require the filing

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\* If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

of a new notice by the acquiring party(ies) and the appropriate filing fee if the acquiror wishes to proceed with the change in bank control.

You are reminded that the OCC requires pushdown accounting for a change in control for at least 95 percent of the voting stock of a bank. Under pushdown accounting, when a bank is acquired, yet retains its separate corporate existence, the assets and liabilities of the acquired bank are restated to their fair values as of the acquisition date. Those values, including any goodwill, are reflected in the financial statements of the parent and the acquired bank.

Background checks requested by the OCC have not been received yet. Although we have decided not to delay action pending receipt of those responses, this Office may consider remedies available to us under the Change in Bank Control Act or other statutes, if adverse or previously withheld information is received

The OCC will issue a letter certifying consummation of the transaction when we have received:

- 1) A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved the transaction, if not previously provided.
- 2) A Secretary's Certificate for each institution, certifying that the shareholder approvals have been obtained, if not previously provided.
- 3) An executed merger agreement with Articles of Association for the resulting bank attached, if not previously provided.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

Please be advised that the OCC is also authorizing the resulting bank, should the combination occur between Call Report dates, to recalculate its legal lending limit. The new lending limit should be calculated by using data from the last Call Report of the individual banks filed prior to consummating the merger, as adjusted for the combination. The resulting bank will then file a new Call Report and begin calculating its legal lending limit according to 12 C.F.R. §32.4(a) at the end of the quarter following consummation of the combination.

This decision, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

In the event of questions, please contact Licensing Analyst Gabriel Butler at 212.790.4055.

Please include the application control number in all correspondence.

Sincerely,

**signed**

Ellen Tanner Shepherd  
Acting Licensing Manager