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Thirty Years of Banking in New England

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Thirty years is not a particularly long time, and if we were talking politics or sports instead of banking, it would not seem that long ago Ted Kennedy was being elected to his second term, Richard Nixon was president and Bobby Orr and the Bruins were winning a Stanley Cup. In banking, though, 1970 seems like an eternity ago. Home rule was alive and well in Connecticut; throughout most of New England, county lines were as far as banks could go with their branches; CDs and credit cards had been introduced just seven years earlier; and rates paid on savings deposits were capped with thrifts having a mandated rate advantage.

In 1970, banking in New England and elsewhere also began a decade that would totally alter the industry's direction. Holding companies became a vehicle for offering non-traditional services and crossing county lines. Time deposits increasingly meant CDs instead of passbook savings; nonbank competition for deposits reared its ugly head via the Merrill Lynch money market fund; and the combination of nonbank deposit substitutes and rising interest rates began an era of disintermediation that would force changes in the eighties making the turbulent seventies look like the "good old days."

Surprisingly, while the growth of holding companies and their ability to go across county lines was a major part of the seventies change, it also was a period of deconcentration. In 1970, the region's twelve largest banks held a little over 29% of the deposits. Ten years later, they had less than 25%.

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Thirty Years of New England Banking Leaders

	<u>Deposits</u> (In mill.)	<u>Market</u> <u>Share</u>		<u>Deposits</u> (In mill.)	<u>Market</u> <u>Share</u>
<u>2000</u>			<u>1990</u>		
1. Fleet	\$ 61,185	23.0%	1. BankBoston	\$21,138	8.3%
2. Citizens	21,606	8.1	2. Shawmut	18,173	7.2
3. State Street	12,029	4.5	3. Fleet	10,544	4.2
4. Banknorth	11,209	4.2	4. Bank of New England	10,140	4.0
5. Sovereign	9,971	3.8	5. BayBanks	8,983	3.5
6. People's	7,527	2.8	6. CBT	6,913	2.7
7. Webster	7,111	2.7	7. People's	5,797	2.3
8. Mellon	4,843	1.8	8. State Street	4,435	1.7
9. First Union	4,120	1.6	9. Society for Savings	2,920	1.2
10. Chittenden	3,359	1.3	10. Northeast Bancorp	2,811	1.1
11. Eastern Bank	2,599	1.0	11. Old Stone	2,143	.8
12. KeyCorp	<u>2,489</u>	<u>.9</u>	12. CityTrust	<u>2,067</u>	<u>.8</u>
Total	\$148,048	55.7%	Total	\$96,064	37.8%
<u>1980</u>			<u>1970</u>		
1. BankBoston	\$ 4,995	4.8%	1. BankBoston	\$ 1,945	5.3%
2. BayBanks	2,813	2.7	2. CBT	1,067	2.9
3. Shawmut	2,289	2.2	3. State Street	1,019	2.8
4. Fleet	2,277	2.2	4. Hartford National	1,011	2.8
5. State Street	2,104	2.0	5. Shawmut	934	2.6
6. CBT	2,020	1.9	6. Fleet	833	2.3
7. People's	1,912	1.8	7. New England Merch.	797	2.2
8. Hartford National	1,902	1.8	8. Society for Savings	665	1.8
9. New England Merch.	1,880	1.8	9. Provident Inst.-Sav.	663	1.8
10. Society for Savings	1,503	1.4	10. People's	624	1.7
11. Old Stone	1,299	1.2	11. Boston Five	593	1.6
12. RIHT*	<u>1,158</u>	<u>1.1</u>	12. RIHT*	<u>513</u>	<u>1.4</u>
Total	\$ 26,152	24.9%	Total	\$10,664	29.2%

*Rhode Island Hospital Trust.

Source: Various sources.

This decline, though, was a little misleading. First National Bank Boston, BayBanks, Shawmut, New England Merchants, CBT and Hartford National more than doubled their size in the seventies as they spread across their states, but their increase in deposit share was more than offset by the movement of banking out of the cities into the suburbs that began in the mid-fifties, yet did not gather full steam until the late sixties. Thus, while the big banks grew by acquisition, banks and thrifts in the suburbs and smaller cities grew even faster through branching.

In the eighties, the combination of interstate mergers and the troubles of the thrifts brought an end to deconcentration, and between 1980 and 1990, the deposit share of the twelve largest banks grew from about 25% to 37%. Even more telling, was the share of the top six – First National Bank Boston, Fleet, Shawmut, Bank of New England, BayBanks and CBT – going from less than 16% of deposits to 29%. Other than BayBanks, each of the “big six” had a presence in Massachusetts and Connecticut.

The nineties continued the consolidation of the eighties with the deposit share of the twelve largest moving from 37% to almost 56%. The impetus was recession and a dramatic drop in real estate values in the early nineties that had a devastating impact on New England banking. This pushed numerous banks and thrifts over the brink into either failure or a merger with a healthier organization. The facilitator in this consolidation was Fleet.

From its Rhode Island base, Fleet, which had a deposit share in 1980 of less than 3%, doubled its share in the eighties through a series of mergers that brought it into Connecticut, Maine and New Hampshire, but as the nineties began, it still was not in Massachusetts. Fleet remedied this by acquiring the largest banks in that state – Bank of New England, Shawmut and BankBoston – and, in so doing, placed the six largest New England banks in 1990 under one banner – i.e., BayBanks and CBT also were added indirectly through earlier BankBoston and Shawmut mergers. For good measure a BankBoston acquisition also added another member of 1990’s top twelve, Society for Savings, to the Fleet franchise.

By 2000, Fleet had 23% of New England deposits, and this was after selling deposits equal to almost 4% of the region’s total to a Pennsylvania-based savings and loan, Sovereign. Even with that, Fleet had almost three times the deposits of number two, Citizens, and, directly or indirectly, had taken over nine of the other eleven banking franchises that ranked among the top twelve in 1970. The lone hold-outs were State Street, which in the interim had abandoned its traditional banking business, and People’s, a Bridgeport-based mutual holding company.

Remove Fleet from the picture, though, and New England banking is similar to what it was 10, 20 and 30 years ago in terms of concentration – i.e., no bank with a double-digit deposit share and most of the top twelve having shares of less than 5% - only the names have changed. There is no more First National Bank Boston, Hartford National, Shawmut, Society for Savings, CBT the Boston Five and Rhode Island Hospital Trust. Now, the banking leaders are Citizens, Banknorth, Webster, Chittenden and Eastern, which, except Citizens, were very small in 1970, and a quartet of outsiders – Sovereign, Mellon, First Union and KeyCorp. Even Fleet is a new name in that prior to 1982 it was called Industrial National.

Deposit Change by Type of Institution – New England

	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
	(In millions)			
	<u>Deposits</u>			
Commercial banks	\$138,588	\$128,549	\$ 45,711	\$14,669
Thrifts	104,029	107,433	54,345	20,947
Credit unions	<u>23,128</u>	<u>17,772</u>	<u>4,658</u>	<u>900*</u>
Total	\$265,745	\$253,754	\$104,714	\$36,516
	<u>Market Share</u>			
Commercial banks	52.2%	50.7%	43.7%	40.2%
Thrifts	39.1	42.3	51.9	57.3
Credit unions	<u>8.7</u>	<u>7.0</u>	<u>4.4</u>	<u>2.5</u>
Total	100.0%	100.0%	100.0%	100.0%

*Estimated.

Source: Various sources.

Perhaps the biggest change in New England banking over the last thirty years is the recent deposit stagnation. In the seventies, deposits in New England grew at a rate of 11.1% annually; in the eighties, the increase was 9.3% per annum; and then in the nineties, deposits growth fell to less than 1% a year.

The lack of deposit growth changed the game for the worse in that funding traditional banking growth now requires taking deposits from others or using borrowed money. Reduced margins magnify the problem in that revenue growth from spread income mathematically has to be less than the funding growth.

Deposit growth in New England over the last ten years is not a pleasant story, but the deposit shift by type of institution has to be encouraging to the region's thrifts. Their share of deposits has fallen from 57% to 39% since 1970, and fell about three percentage points since 1990, but much of that loss came from failed thrifts in the early nineties. Thrifts have maintained their share of deposits since 1995, and take Fleet out of the picture, and New England thrifts, collectively, have about 25% more deposits than commercial banks.

The thrift strength also can be seen in a listing of banking organizations in New England with deposits in excess of \$1 billion. Of 26 such organizations, 16 are thrifts or have thrift origins – including five of the top seven.

These are a new breed of thrift, though, and the largest of them based in New England - Banknorth, People's, Webster and Eastern, along with Citizens, which although part of a European holding company acts like a local bank - either utilize commercial bank charters or operate as if they are banks. They also are Fleet's primary competition for commercial customers, and each has gained deposit share in recent years. Collectively, they have increased their share of New England deposits from 11% in 1996 to almost 23% in mid-2000.

While the larger, and often acquisitive, local banks have made the major share gains, local banks, in general, have held or improved their positions in recent years. Among New England-based banks with deposits between \$1 and \$2 billion, not one has lost share since 1996, and some like Chittenden, Seacoast and Connecticut Bancshares have made substantial share gains. The gains have often been acquisition-driven, but the net result has been to make these banks more substantial competitors in their home markets.

Deposit Share in New England

	Deposits 2000 (In mill.)	Market Share			
		June 30,			
		2000	1999	1998	1996
<u>Market Leaders</u>					
Fleet	\$ 61,186	23.0%	16.2%	16.9%	16.8%
<u>Second Tier</u>					
Citizens	\$ 21,606	8.1%	5.6%	5.5%	5.1%
State Street	12,029	4.5	5.0	5.0	3.3
Banknorth	11,209	4.2	3.2	2.8	1.5
Sovereign	9,972	3.8	-	-	-
People's	7,527	2.8	2.7	2.7	2.2
Webster	7,111	2.7	2.2	2.3	1.4
Subtotal	\$ 69,454	26.1%	18.7%	18.3%	13.5%
<u>Other Large</u>					
Mellon	\$ 4,843	1.8%	1.4%	1.4%	1.1%
First Union	4,120	1.6	1.4	1.6	.9
Chittenden	3,359	1.3	1.4	.7	.7
Eastern Bank	2,599	1.0	.9	.9	.8
KeyCorp	2,489	.9	.9	1.0	1.3
Seacoast	1,927	.7	.6	.4	.4
J.P. Morgan Chase	1,862	.7	.7	.7	.7
New Haven Savings	1,673	.6	.6	.6	.7
Middlesex Savings	1,658	.6	.6	.6	.5
Connecticut Bancshares	1,562	.6	.3	.3	.3
Hudson United	1,534	.6	.6	.4	.3
Independent	1,534	.6	.4	.4	.4
Investors Financial	1,411	.5	.5	.4	.2
Liberty	1,338	.5	.5	.5	.5
American Financial	1,257	.5	.4	.4	.5
Andover Bancorp	1,189	.5	.4	.4	.3
Cambridge Financial	1,096	.4	.4	.4	.4
First Essex	1,085	.4	.4	.4	.2
Charter One	1,046	.4	.3	-	-
Subtotal	\$ 37,582	14.2%	12.7%	11.5%	10.2%
Other Banks	\$ 17,264	6.5%	22.8%	23.2%	24.8%
Other Thrifts*	57,131	21.5	21.5	22.5	26.5
Credit Unions	23,128	8.7	8.1	7.6	8.2
Total	\$265,745	100.0%	100.0%	100.0%	100.0%

*Excludes Providian National.

Source: SNL Securities LC, Charlottesville, Virginia.

The local bank internal gains resulted primarily from the fall-out of Fleet's acquisitions through branch divestiture and unhappy customers going elsewhere with the biggest group of unhappy customers coming from merging the very retail-oriented BayBanks into BankBoston and then Fleet. The only other major share loser has been an out-of-region bank, KeyCorp, that has branches in Maine and New Hampshire.

Three special interest banks – State Street, Mellon's Boston Safe affiliate and Investors – are also among the New England leaders, and State Street is the third largest bank in New England if measured by deposits. It could be argued that they are not truly competitive with more traditional banks because of their lack of branches, but a major portion of their deposits are noninterest-bearing checking accounts and MMDAs that come from the same customer base others are pursuing. Another New England special interest bank, Provident in New Hampshire, was excluded as a credit card issuer whose deposit base is almost totally CDs, much of which is likely to have come from outside New England.

Region wide deposit shares, though, understate the true market position of every bank except Fleet, and maybe Citizens, since they are the only ones with coverage throughout most of New England. This is particularly the case away from the Boston-Providence corridor, in which the deposit base is so large that only Fleet, Citizens and State Street have deposit shares of more than 3%.

The Northern New England banking structure differs the most from that of New England overall in that Banknorth, not Fleet, is the leader with more than 19% of the deposits in mid-2000, and Fleet is a distant third with 6.8%. For Fleet this is a loss in deposit share of four percentage points since 1996 when it had the largest share in Northern New England. Banknorth went the other way with its deposit share having more than doubled in the last four years.

The other leaders in Northern New England are Citizens, Chittenden and KeyCorp, which have deposit shares in the 6% to 8% range. Citizens with 8.1% of the region's deposits has steadily increased its share and moved ahead of Fleet into second place. Chittenden, like Banknorth, has more than doubled its deposit share by acquisition since 1996 and had 6.4% of the deposits in 2000, including recently announced acquisitions. KeyCorp's share has slid from 7.8% to 6.1% during that same period.

Deposit Share in New England Subregions

	Deposits 2000 (In mill.)	Market Share			
		June 30,			
		2000	1999	1998	1996
<u>Massachusetts-Rhode Island</u>					
Fleet	\$44,220	27.3%	15.7%	16.0%	16.2%
Citizens	16,592	10.2	6.2	6.3	6.3
State Street	12,029	7.4	8.3	8.5	5.9
Mellon	4,843	3.0	2.4	2.4	1.9
Banknorth	3,119	1.9	1.4	.7	-
Eastern Bank	2,599	1.6	1.4	1.5	1.4
Seacoast	1,927	1.2	1.0	.7	.7
Middlesex Savings	1,658	1.0	1.0	1.0	.9
Independent	1,534	.9	.7	.7	.6
<u>Connecticut</u>					
Fleet	\$14,181	22.7%	22.5%	24.0%	22.0%
People's	7,527	12.0	11.2	10.7	8.5
Webster	7,111	11.4	9.1	9.2	5.3
First Union	4,120	6.6	6.0	6.4	3.6
J.P. Morgan Chase	1,862	3.0	3.0	2.9	2.9
Citizens	1,717	2.8	2.5	2.4	1.2
New Haven Savings	1,673	2.7	2.6	2.6	2.7
Conn. Bancshares	1,562	2.5	1.4	1.4	1.3
Hudson United	1,534	2.5	2.6	1.7	1.1
<u>Northern New England</u>					
Banknorth	\$ 7,853	19.2%	14.8%	15.6%	9.2%
Citizens	3,297	8.1	7.9	7.7	7.4
Fleet	2,785	6.8	8.5	8.6	10.8
Chittenden	2,628	6.4	7.0	3.2	3.1
KeyCorp	2,489	6.1	5.6	6.2	7.8
Bangor Savings	959	2.3	2.4	2.3	1.7
Charter One	757	1.9	1.1	-	-
Granite State	700	1.7	1.6	1.6	.8
Camden National	679	1.7	1.3	1.2	1.0

Source: SNL Securities LC, Charlottesville, Virginia.

Below the leaders, the stories in Northern New England are the growth of smaller, local banks and the arrival of Charter One. Bangor Savings, Granite State and Camden National are the largest of the smaller banks, and since 1996, they, collectively, have increased their deposit share from 3.5% to almost 6%. Charter One entered the market in 1998 through the acquisition of ALBANK and is only in Vermont, but this \$30 billion Ohio thrift has enough deposits in that state to rank seventh in deposit size in all of Northern New England - and could become a bigger player throughout New England.

In Connecticut, Fleet is almost as dominant as in Massachusetts and Rhode Island with over 22% of the state's deposits, but People's and Webster also have large shares and have been closing the gap. Since 1996, these banks have raised their combined deposit shares from a little under 14% to more than 23%, and, in so doing, changed a combined negative variance of about eight percentage points relative to Fleet into a modest advantage.

The influence of New York City is reflected in the southwest corner of Connecticut where First Union and J.P. Morgan Chase are major players. Their deposits in Fairfield and New Haven counties are sufficient to rank them fourth and fifth statewide. Unlike many large banks operating away from home, they have held their deposit shares well.

New among Connecticut banking leaders is Connecticut Bancshares, the holding company for the Savings Bank of Manchester. Its recently announced acquisition of First Federal Savings & Loan of East Hartford will give it the state's eighth largest deposit share.

What can be expected in the future relative to New England banking? The most obvious answer is surprises. Ten years ago no one would have guessed Bank of New England, Shawmut, BankBoston, BayBanks, CBT, Multibank and Society for Savings would be part of Fleet; Citizens would be the region's second largest bank and part of one of the world's largest banks; Banknorth and Webster would rank among the top seven; or deposit growth would come to a virtual halt.

Surprises would not be surprises if they could be predicted, and it is likely for the next few years present trends among banking leaders will continue. What makes New England unique relative to other regions in the country, though, is that the large bank content is primarily one bank, Fleet, and this sets the stage for surprises. Instead of three or four large banks having over 60% of the banking business, New England has just Fleet with its 23% of the deposits; and in its

strength, commercial lending, it may have as much as a third of the market. Single bank dominance at the high end, though, is still an inducement for other large banks to enter.

Citizens is filling the role as the Fleet alternative, and events both locally and overseas have given it a very different look and future. The Fleet acquisition of BankBoston and related sale of the branches to an out-of-region savings and loan with little commercial lending experience and Citizens' purchase of UST made it the only real local alternative to Fleet for large commercial borrowers. This was bolstered by Citizens' parent, Bank of Scotland, acquiring National Westminster Bank in London, and, in so doing, becoming one of world's largest banks with assets in excess of \$400 billion and net income of about \$3 billion. To provide investors with good growth off such a large base, Royal Bank of Scotland must get earnings from places other than the United Kingdom.

With or without the Royal Bank of Scotland making dramatic moves, the difference between the New England banking and other markets will diminish over time since the reasons for the difference are a matter of chance and some very smart Fleet lawyers, not logic. If Bank of America had bought Bank of New England; Bank One had not stopped the BankBoston-Mellon merger; or if First Union had acquired the divested Fleet branches, banking in New England would have a very different look. The "ifs" did not happen, but by 2010, there could be a New England financial elite that includes Fleet, Bank of America, Citigroup, a globally cohesive Royal Bank of Scotland and possibly some local combination with Banknorth at its core that will not be losing business to local banks.

It is far from certain how this 2010 "elite" will be formed, and surprises will play a role, but recent bank actions and performances provide some clues. Chief among these are:

- The continual climb of Fleet up the "pecking order" of American banks as 2000 revenues and earnings, including Summit, of \$17.4 and \$3.9 billion, respectively, move it ahead of Bank One and First Union. This makes it the nation's fifth largest bank and is indicative of "staying power" that should not be affected by earnings "bumps" in a 2001 that could be difficult for large banks.
- A First Union that is moving down the "pecking order" as Fleet moves up, which usually results in a sale. Fleet has been mentioned

as a buyer, but a more likely result is a Bank of America takeover because of its size, greater cost savings and the tendency of banks to merge with the bank across the street – i.e., Fleet-BankBoston – despite a supposed enmity. There is a deposit cap problem for Bank of America, but continuing deposit share losses should make that a moot point. If not Bank of America, then Citigroup and Wells Fargo are the only other domestic banks big enough to buy First Union, albeit buying branches has not been the style of the former.

- The already discussed greatly increased global strength of Royal Bank of Scotland/Citizens, which even makes it a possible acquirer of First Union, clearly gives it the currency to buy Banknorth, Webster, People's or KeyCorp's Northern New England branches – and one of these should happen.
- The acquisitiveness of a bigger Banknorth - \$18 billion assets – in markets of minimal large bank interest not only make Banknorth a likely long-term survivor, but also a possible partner for Webster or People's in creating a big regional chain a la BB&T to the south.

As to Citigroup being part of a New England elite, it has to do little more than make its existing pieces work and stay in the forefront of remote access banking. The combination of the world's most used credit card, Salomon Smith Barney's branch network, the Travelers connection and geographic proximity will make it a major player in the delivery of financial services in New England.

While the consolidation at the top gets the headlines, and almost certainly provides additional competition for Fleet, it will be years in reaching its peak efficiency. In the meantime, the diminishing of the large bank position is likely to continue for another three or four years to the benefit of regional chains like Banknorth, People's and Webster, the best of the local banks and small business and asset management specialists.

Deposit Share in Massachusetts and Rhode Island

	Deposits 2000 (In mill.)	Market Share			
		June 30,			
		2000	1999	1998	1996
<u>Market Leaders</u>					
Fleet	\$ 44,220	27.3%	15.7%	16.0%	16.2%
<u>Second Tier</u>					
Citizens	\$ 16,592	10.2%	6.2%	6.3%	6.3%
State Street	12,029	7.4	8.3	8.5	5.9
Sovereign	8,027	5.0	-	-	-
Subtotal	\$ 36,648	22.6%	14.5%	14.8%	12.2%
<u>Other Large</u>					
Mellon	\$ 4,843	3.0%	2.4%	2.4%	1.9%
Banknorth	3,119	1.9	1.4	.7	-
Eastern Bank	2,599	1.6	1.4	1.5	1.4
Seacoast Financial	1,927	1.2	1.0	.7	.7
Middlesex Savings	1,658	1.0	1.0	1.0	.9
Independent	1,534	.9	.7	.7	.6
Investors Financial	1,411	.9	.8	.7	.4
Andover Bancorp	1,108	.7	.6	.6	.6
Cambridge Financial	1,096	.7	.7	.7	.7
Medford Bancorp	974	.6	.6	.6	.6
CCBT	903	.6	.5	.5	.5
BostonFed	840	.5	.5	.4	.3
MASSBANK	823	.5	.5	.5	.6
Salem Five	814	.5	.5	.5	.5
Cape Cod Five	767	.5	.4	.4	.4
Plymouth Bancorp	762	.5	.5	.4	.4
Berkshire Hills	756	.5	.4	.4	.2
Chittenden	731	.4	.5	.3	.3
Port Financial	687	.4	.4	.4	.3
Century	681	.4	.4	.4	.3
First Essex	675	.4	.4	.4	.3
Washington Trust	672	.4	.4	.4	.4
FIRSTFED AMERICA	670	.4	.4	.5	.5
MetroWest	642	.4	.4	.4	.3
Subtotal	\$ 30,692	18.9%	16.8%	15.5%	13.1%
Other Banks	\$ 6,126	3.8%	25.9%	26.5%	27.9%
Other Thrifts	30,728	18.9	18.9	19.4	22.0
Credit Unions	13,857	8.5	8.2	7.8	8.6
Total	\$162,271	100.0%	100.0%	100.0%	100.0%

Source: SNL Securities LC, Charlottesville, Virginia.

Deposit Share in Connecticut

	Deposits 2000 (In mill.)	Market Share			
		June 30,			
		2000	1999	1998	1996
<u>Market Leaders</u>					
Fleet	\$14,181	22.7%	22.5%	24.0%	22.0%
<u>Second Tier</u>					
People's	\$ 7,527	12.0%	11.2%	10.7%	8.5%
Webster	7,111	11.4	9.1	9.2	5.3
First Union	4,120	6.6	6.0	6.4	3.6
Subtotal	\$18,758	30.0%	26.3%	26.3%	17.4%
<u>Other Large</u>					
J.P. Morgan Chase	\$ 1,862	3.0%	3.0%	2.9%	2.9%
Citizens	1,717	2.8	2.5	2.4	1.2
New Haven Savings	1,673	2.7	2.6	2.6	2.7
Connecticut Bancshares	1,562	2.5	1.4	1.4	1.3
Hudson United	1,534	2.5	2.6	1.7	1.1
Sovereign	1,469	2.3	-	-	-
Liberty	1,338	2.1	2.0	1.9	1.9
American Financial	1,257	2.0	1.8	1.8	1.8
American Bank	694	1.1	.8	.8	.7
Citigroup	662	1.1	.9	.7	.4
Union Savings	619	1.0	1.0	1.0	1.0
First County	542	.9	.8	.8	.7
Torrington Savings	494	.8	.8	.7	.7
Bank of New York	484	.8	.7	.8	1.0
Chelsea Groton	454	.7	.7	.7	.7
Farmington Savings	451	.7	.7	.6	.6
NewMil Bancorp	415	.7	.5	.5	.4
Charter Oak	391	.6	.6	.5	.5
Bancorp Connecticut	390	.6	.6	.5	.5
Ridgefield Bank	368	.6	.5	.5	.4
Naugatuck Savings	343	.5	.5	.5	.5
Subtotal	\$18,719	30.0%	25.0%	23.3%	21.0%
Other Banks	\$ 2,536	4.0%	8.5%	9.1%	11.3%
Other Thrifts	4,145	6.6	11.2	11.3	21.3
Credit Unions	4,209	6.7	6.5	6.0	7.0
Total	\$62,548	100.0%	100.0%	100.0%	100.0%

Source: SNL Securities LC, Charlottesville, Virginia.

Deposit Share in Maine, New Hampshire and Vermont

	Deposits 2000 (In mill.)	Market Share			
		June 30,			
		2000	1999	1998	1996
<u>Market Leaders</u>					
Banknorth	\$ 7,853	19.2%	14.8%	15.6%	9.2%
<u>Second Tier</u>					
Citizens	\$ 3,297	8.1%	7.9%	7.7%	7.4%
Fleet	2,785	6.8	8.5	8.6	10.8
Chittenden	2,628	6.4	7.0	3.2	3.1
KeyCorp	2,489	6.1	5.6	6.2	7.8
Subtotal	\$11,199	27.4%	29.0%	25.7%	29.1%
<u>Other Large</u>					
Bangor Savings	\$ 959	2.3%	2.4%	2.3%	1.7%
Charter One	757	1.9	1.1	-	-
Granite State	700	1.7	1.6	1.6	.8
Camden National	679	1.7	1.3	1.2	1.0
Merchants	650	1.6	1.4	1.3	1.3
Independent Mutual	484	1.2	.8	.7	.7
Sovereign	476	1.2	-	-	-
Gardiner Savings	426	1.0	.8	.8	.6
Mascoma Mutual	425	1.0	.9	.9	.8
First Essex	410	1.0	.7	.8	.2
New Hampshire Thrift	386	.9	.7	.7	.5
Northway	353	.9	.8	.8	.6
Kennebunk Savings	314	.8	.7	.6	.5
Northfield Savings	306	.7	.7	.8	.7
Androscoggin Bancorp	295	.7	.7	.6	.5
Skowhegan Savings	288	.7	.7	.7	.6
Norway Bancorp	279	.7	.7	.7	.6
Gorham Savings	278	.7	.7	.7	.7
Bar Harbor	273	.7	.7	.6	.7
Northeast Bancorp	260	.6	.5	.5	.4
Subtotal	\$ 8,998	22.0%	17.9%	16.3%	12.9%
Other Banks	\$ 3,555	8.6%	15.1%	17.4%	20.5%
Other Thrifts*	4,259	10.4	11.0	13.4	17.1
Credit Unions	5,062	12.4	12.2	11.6	11.2
Total	\$40,926	100.0%	100.0%	100.0%	100.0%

*Excludes Providian National.

Source: SNL Securities LC, Charlottesville, Virginia.