



COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS

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Decision
Relative to the Merger of
Enterprise Bank and Trust Company, Lowell, Massachusetts
with and into
Rockland Trust Company, Rockland, Massachusetts

Rockland Trust Company, Rockland, Massachusetts (Rockland Trust) has applied to the Division of Banks (Division) to merge with Enterprise Bank and Trust Company, Lowell, Massachusetts (Enterprise Bank) pursuant to the provisions of Massachusetts General Laws chapter 167I, section 3. Under the terms of the Agreement and Plan of Merger, dated as of December 8, 2024, Enterprise Bank will merge with and into Rockland Trust (Bank Merger) under the charter, by-laws, and name of Rockland Trust Company (Continuing Institution). The main office of Rockland Trust will remain the main office of the Continuing Institution after consummation of the Proposed Transaction and the Continuing Institution will retain all of the banking offices of Enterprise Bank as branch offices.

The Bank Merger application was filed in connection with a multi-step transaction in which Independent Bank Corp. (Independent), a Massachusetts holding company, will indirectly acquire Enterprise Bank through a merger of Enterprise Bancorp, Inc. (Enterprise), the holding company for Enterprise Bank, with and into Independent (Parent Merger). Contingent upon and immediately following the Parent Merger, Enterprise Bank will merge with and into Rockland Trust (collectively, the Proposed Transaction).

Legal and Procedural Requirements

Notice of Rockland Trust's application was posted and published as directed by the Division thereby affording opportunity for interested parties to submit comments. The period for filing comments has expired, and three comments were received. The Division considered the issues raised and determined

that the response letter from Rockland Trust satisfactorily addressed the submitted comments. The Division reviewed the application and supplementary materials submitted by Rockland Trust in accordance with applicable law, including the statutory criteria of whether competition among banking institutions will be unreasonably affected and whether public convenience and advantage as well as “net new benefits” will be promoted by approval of the Proposed Transaction. The Division considered both banks’ records of performance under the Community Reinvestment Act (CRA) as well as financial and managerial factors.

Pursuant to Massachusetts General Laws chapter 167A, section 3 (Section 3), because Enterprise would merge with and into Independent simultaneously with the merger of the subsidiary banks and the Bank Merger requires the Division’s approval, an application to the Commonwealth’s Board of Bank Incorporation was not required for the merger of Enterprise with and into Independent. Section 3 also requires that the bank to be acquired in the multi-step transaction must have been in existence for not less than three years and imposes a thirty percent (30%) limit on the total deposits, exclusive of foreign deposits, of all depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) that a company that would become a bank holding company may control. The age and deposit limit requirements of Section 3 are both satisfied in this multi-step transaction.

In reviewing the proposed transaction, the Division must receive notice from the Massachusetts Housing Partnership Fund (MHPF) that satisfactory arrangements have been made consistent with Massachusetts General Laws chapter 167A, section 4 and the MHPF’s affordable housing loan programs. The Division received notice from the MHPF that satisfactory arrangements have been made for this transaction in a letter dated May 1, 2025. Based upon the foregoing, the Division has determined that the multi-step transaction satisfies the requirements of Section 3.

The Parties

Independent is a Massachusetts corporation formed in 1985 and is registered as a bank holding company supervised by the Federal Reserve Board (Federal Reserve). Independent has its headquarters at 288 Union Street, Rockland, Massachusetts. Independent is the sole shareholder of Rockland Trust. As of March 31, 2025, Independent had \$19.8 billion of total assets. Independent is a public company whose common stock trades on the Nasdaq Global Select Market.

Rockland Trust is a Massachusetts-chartered trust company formed in 1907 with its main office located in Rockland, Massachusetts. Rockland Trust is the sole banking subsidiary of Independent. Rockland Trust has 121 full-service branch offices and three limited-service branch locations in Massachusetts, as well as 20 commercial lending centers and investment management offices in Massachusetts and Rhode Island. As of March 31, 2025, Rockland Trust had total assets of approximately \$19.8 billion and total deposits of approximately \$15.9 billion. Rockland Trust offers a full range of personal and business checking, deposit, and loan products and services, as well as investment management services. Rockland Trust's deposits are insured up to allowable limits by the FDIC.

Enterprise is a Massachusetts corporation formed in 1996 and is a registered bank holding company supervised by the Federal Reserve. Enterprise has its headquarters at 222 Merrimack Street in Lowell, Massachusetts. Enterprise is the sole shareholder of Enterprise Bank. As of March 31, 2025, Enterprise had \$4.9 billion of total assets. Enterprise is a public company whose common stock trades on the Nasdaq Global Select Market.

Enterprise Bank is a Massachusetts-charted trust company formed in 1989 with its main office in Lowell, Massachusetts. Enterprise Bank is the sole banking subsidiary of Enterprise. Enterprise Bank has 27 branch offices in Massachusetts and New Hampshire. As of March 31, 2025, Enterprise Bank had \$4.9 billion in total assets and \$4.3 billion of total deposits. Enterprise Bank offers a range of commercial, residential and consumer loan products, deposit products and cash management services, as well as wealth management and wealth services. Enterprise Bank's deposits are insured up to allowable limits by the FDIC.

Competition

Materials have been submitted to address the issue that competition among banks will not be unreasonably affected by the Proposed Transaction. In analyzing the impact of a proposed transaction on banking competition, the Division considers, but does not rely exclusively upon, the guidelines used by federal authorities to review bank mergers. Essentially, these guidelines define relevant markets and measure concentration, which is considered an important indicator of competitiveness. The starting point in the federal analysis is the Herfindahl-Hirschman Index (HHI), an arithmetic measure of market

concentration that synthesizes the distribution of market shares and the number of banks in the affected market into a single value.

In the case of the Proposed Transaction, the HHI analysis demonstrates that consummation of the transaction will not result in an undue concentration of banking resources. Rockland Trust and Enterprise Bank compete in the Boston, Massachusetts-New Hampshire Banking Market (Boston Banking Market), as that market is defined by the Board of Governors of the Federal Reserve System for purposes of the HHI analysis. The Boston Banking Market is a moderately concentrated banking market on an unweighted basis under the HHI model according to applicable guidelines and would remain a moderately concentrated market following this Proposed Transaction. Also, the increase in the HHI for the Boston Banking Market resulting from the consolidation of Enterprise Bank with and into Rockland Trust would not reflect a significant impact on banking competition under applicable HHI guidelines. Similar results are obtained by applying the FDIC's county-based analysis to the Massachusetts counties of Essex, Middlesex, and Worcester in which Rockland Trust and Enterprise Bank both operate.

In addition to the HHI analysis, the Division considers the competitive impact of a proposed transaction on a community-by-community basis, as well as on the overall banking structure of the Commonwealth. Rockland Trust has provided information indicating that the Proposed Transaction will not have a significant adverse effect on banking competition in the communities in which both banks operate because of the large amount of competition from other financial institutions in the areas where both banks conduct business. Specifically, the application notes that multiple strong competitors would remain in the Boston Banking Market, including five other banking organizations that would still have a larger market share of deposits than the Continuing Institution. Rockland Trust's and Enterprise Bank's branch networks are contiguous and do not directly overlap. Although Rockland Trust and Enterprise Bank both have branches in the counties listed above, their respective branches are relatively segregated with Rockland Trust's branches located to the south and Enterprise Bank's branches located to the north. The closest Rockland Trust branch is over three miles from the next Enterprise Bank branch. Accordingly, the review of the Proposed Transaction's impact on competition supports its approval.

Public Convenience and Advantage

The Division next considered the record of the application to determine whether public convenience and advantage will be promoted. Rockland Trust indicates that the banking public will benefit as a result of the Proposed Transaction. As discussed further below, the Proposed Transaction will permit Rockland Trust and Enterprise Bank, and their respective holding companies, to pool their financial resources, reduce costs, diversify risk and better serve their communities by offering a broader array of products and services with a more robust range of features and a greater level of customer service through a more extensive network of affiliated banking offices.

In determining whether to approve a petition under the statutory criteria, the Division is required to consider a showing of “net new benefits” related to the transaction. That term as set out in section 3 of said chapter 167I includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices, among other factors that the Division may deem necessary. Rockland Trust addressed this requirement of the statute. The Continuing Institution plans to make capital investments in new automated teller machines, computer equipment, and updated signage at current Enterprise Bank branch locations.

According to the application, the Proposed Transaction will allow current Enterprise Bank customers to take advantage of additional products and services offered by Rockland Trust, including the following: a consumer checking account option with no monthly fees and no minimum balance requirement; expanded commercial lending opportunities, such as floor plan dealer services, non-profit lending, security alarm lending, asset-based lending and franchise financing; access to YourBanker, an innovative service which connects consumer and small business customers to their own dedicated banker through their mobile device or computer; and expanded wealth management products and services, including tax planning and preparation, various insurance related services, as well as business owner advisory services. The Continuing Institution will have a greatly enhanced business lending capacity providing more lending options for customers.

Additionally, current Enterprise Bank customers will benefit from access to Rockland Trust’s expanded ATM and branch network that extends through Boston to Cape Cod, Martha’s Vineyard, and Nantucket. Current Rockland Trust customers will benefit from additional branch and ATM locations

through Northern Massachusetts and Southern New Hampshire. The leadership team at Rockland Trust believes that the Proposed Transaction will provide enhanced scale and opportunities for further technology investments to meet the evolving needs of customers for digital banking solutions, and thereby benefit legacy Rockland Trust and Enterprise Bank customers and new customers of the Continuing Institution. Rockland Trust offers mobile and online banking, as well as other technologies, designed to enhance customer access to retail banking products and services.

Rockland Trust does not expect to close or consolidate any Rockland Trust or Enterprise Bank branch locations in connection with the Proposed Transaction. According to the application, there are no plans to eliminate any retail branch or call center employees. Furthermore, Rockland Trust anticipates that the Continuing Institution's future growth and expansion will create new jobs. The Division has determined that a consideration of all of the factors above related to public convenience and advantage, including net new benefits, are consistent with approval of the Proposed Transaction.

Related to the issue of public convenience and advantage is the record of CRA performance by the banks that are parties to this transaction. Such review for Massachusetts-chartered banks includes examination by personnel of the Division. A publicly available descriptive rating and evaluation by a federal bank regulatory agency may also be considered. Rockland Trust received an "Outstanding" rating in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of August 21, 2023. Enterprise Bank received a "High Satisfactory" rating from the Division and a "Satisfactory" rating from the FDIC in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of June 12, 2023. Rockland Trust indicated that it would leverage its existing robust processes for identifying, documenting, and responding to community and credit needs in the areas it currently serves and consult with legacy Enterprise staff to gain insights into Enterprise's current relationships with community groups and to learn what programs and activities have been the most impactful in the communities Enterprise serves. Rockland Trust noted that these efforts are readily transferable to Enterprise Bank's assessment area and these areas will be able to take full advantage of Rockland Trust's strong community development programs and staff initiatives. The combined banking organization will be better positioned to make community development loans and investments given Rockland Trust's expanded experience with commercial products and services.

Financial and Managerial Considerations

The Division also reviews and considers the financial and managerial aspects of the proposed transaction. In connection with the Proposed Transaction, Independent also plans to issue at least \$250 million of subordinated debt as part of its capital planning and optimization activities (Debt Issuance). The application notes that Independent will engage an investment banker to advise and facilitate the Debt Issuance and expects the subordinated debt to be issued on customary market terms. The application also notes that the merger agreement does not have a financing condition, and the closing of the Debt Issuance is not a condition to the closing of the Proposed Transaction. Materials provided indicate that upon consummation of the transaction, the Continuing Institution will continue to meet all regulatory capital requirements.

According to the application, there will be no change to Independent's or Rockland Trust's senior executive officers as a result of the Proposed Transaction. The senior executive officers of Independent and Rockland Trust following the Proposed Transaction will consist of the individuals serving as senior executive officers of Independent and Rockland Trust immediately prior to consummation of the Proposed Transaction. At the closing of the Proposed Transaction, Independent and Rockland Trust will each increase the size of their boards of directors, both of which currently have 12 directors, by two and appoint two new directors, to be designated by Independent in consultation with Enterprise, from among the current directors of Enterprise. Accordingly, the financial and managerial considerations support approval of the Proposed Transaction.

Conclusion

Upon review of the complete record of the application with reference to the relevant statutory and regulatory requirements, the Division concludes that all such requirements have been met and that consummation of the Proposed Transaction is in the public interest. On the basis of these considerations, and subject to the conditions set forth below, approval is granted for Enterprise Bank to merge with and into Rockland Trust under the charter, by-laws, and name of Rockland Trust Company pursuant to section 3 of chapter 167I of the General Laws. Upon consummation of the Bank Merger, the charter of Enterprise Bank shall cease to exist; the separate existence of Enterprise Bank shall cease; and all rights, privileges,

powers, franchises, properties, assets, liabilities, and obligations of Enterprise Bank shall be vested in and assumed by Rockland Trust.

Finally, approval is granted pursuant to Massachusetts General Laws chapter 167I, section 3 for Rockland Trust to maintain the remaining banking offices of Enterprise Bank as branch offices of the Continuing Institution.

The approval granted herein is subject to the following conditions:

1. That the Proposed Transaction shall not be consummated until all necessary additional regulatory approvals have been obtained;
2. That the Proposed Transaction shall not become effective until a Certificate signed by the Presidents and Clerks, or other duly authorized officers of each bank, indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 167I, section 3 has been returned for my endorsement thereon;
3. That the Proposed Transaction shall not become effective unless the Articles of Merger with my endorsement thereon are filed with the Secretary of State; and
4. That the Proposed Transaction shall be consummated within one year of the date of this Decision.

Mary L. Gallagher

6/3/25

Commissioner of Banks

Date