



**Federal Deposit Insurance Corporation**

15 Braintree Hill Office Park, Braintree, MA 02184

Boston Area Office

January 29, 2021

Kaitlin M. Humble  
Hinckley, Allen & Snyder LLP  
20 Church Street  
Hartford, Connecticut 06103

**Subject:        The Savings Bank of Danbury–Mutual Holding Company Reorganization  
Application Tracking No. 20201293 and 20201294**

Dear Ms. Humble:

The Federal Deposit Insurance Corporation ("FDIC") has reviewed the notice submitted by The Savings Bank of Danbury, Danbury, Connecticut ("Mutual Institution"), to convert from mutual to stock form and reorganize into a mutual holding company structure ("Notice") pursuant to the FDIC's regulations at 12 C.F.R. §§ 303.160-163 and 333.4 ("Conversion Regulations"), and other pertinent regulations. The FDIC has also reviewed a Bank Merger Act application filed in connection with the reorganization. The Mutual Institution will effect the reorganization through a multi-step process that will result in the formation of a mutual holding company as the parent of a newly formed stock holding company subsidiary. A de novo stock bank will be formed, and the Mutual Institution will be merged with and into the stock bank. The stock bank will be the surviving entity of the merger and will be wholly owned by the stockholding company.

Based on the information provided and representations made, the FDIC poses no objection to the proposed Plan of Reorganization ("Plan"), subject to conditions (certain of which must be met on an ongoing basis) detailed in the enclosed Order and Basis of Approval ("Order") approving the Bank Merger Act application filed in connection with the reorganization.

If an extension of the time limitation included in the Order and Basis of Approval is required, a letter application requesting a specified extension should be submitted to this office at least 30 days before the expiration of the approval.

If you have any questions, please contact Case Manager Thomas H. Belcher at (401) 578-2606.

Sincerely,  
Marianne Hatheway  
Deputy Regional Director

Enclosure

cc:     Honorable Jorge L. Perez  
        Banking Commissioner, Connecticut Department of Banking

Federal Reserve Bank of New York

**FEDERAL DEPOSIT INSURANCE CORPORATION**

Re: The Savings Bank of Danbury  
Danbury, Connecticut  
Application for Consent to Merge

**ORDER AND BASIS OF APPROVAL**

Pursuant to Section 18(c) of the Federal Deposit Insurance (FDI) Act, The Savings Bank of Danbury, Danbury, Fairfield County, Connecticut, a state-chartered mutually owned bank with total assets of \$1,247,658,000 and deposits of \$1,014,644,000 as of September 30, 2020, filed an application for the FDIC's consent to merge with The Savings Bank of Danbury, Danbury, Connecticut (in stock form) ("Stock Form"), a proposed new interim State-chartered stock saving bank.

Essentially a corporate reorganization, the proposal would consolidate the two banks immediately after the merger of their respective holding companies. The services and products to be offered in the relevant markets by the resultant institution will not differ materially from those presently offered by the proponents.

A review of available information, including the Community Reinvestment Act (CRA) Statements of the proponents, disclosed no inconsistencies with the purposes of the CRA. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the application, the FDIC has also taken into consideration the financial and managerial resources and prospects of the proponent bank and the resultant bank, the convenience and needs of the community to be served, and the risk to the stability of the United States banking or financial system. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities. Having found favorably on these statutory factors and having considered other relevant information, it is the FDIC's judgment that the application should be and hereby is approved subject to the following conditions:

1. All necessary and final approvals have been obtained from all relevant federal and state regulatory authorities.
2. The proposed transaction may be consummated immediately, but not later than six months after the effective date of this Order, unless such period is extended for good cause by the FDIC.
3. Until the proposed transaction becomes effective, the FDIC shall have the right to alter, suspend or withdraw its approval should any interim development be deemed to warrant such action.
4. Except for the issuance of all of the shares of The Savings Bank of Danbury II

(Stock Bank) to SBD Bancorp, Inc. (Mutual Holding Company), no shares of stock of the Stock Bank shall be sold, transferred, or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless 30 days' prior written notice is provided to, and written non-objection is received from, the FDIC.

5. Prior to a sale, transfer or other disposition of any shares of Stock Bank, other than the transfer of shares to the Mutual Holding Company, to any person, including any Employee Stock Ownership Plan or a conversion of the Mutual Holding Company to stock form, the Stock Bank shall provide prior written notice to the FDIC and include copies of all documents filed with the state and federal banking and/or securities regulators in connection with any sale, transfer, disposition, or conversion.
6. Any change in proposed senior executive officers or the board of directors, prior to the consummation of the proposed transactions, will render this approval null and void unless the Bank submits prior written notice to, and receives written non-objection from, the FDIC prior to the consummation of the proposed transactions.
7. The Stock Bank shall provide 30 days' written notice to and obtain written non-objection from the FDIC prior to implementing any policy or executing any agreement with the MHC or any of the Stock Bank's affiliates relating to the allocation and sharing of costs with the Stock Bank. A copy of the proposed policy or agreement shall be provided with the written notice. The Stock Bank shall not implement any such policy or execute such agreement if the FDIC objects in writing to such policy or agreement within the 30-day notice period.
8. The Bank's conversion into a stock bank and merger with The Savings Bank of Danbury II shall only be consummated on the same date as the consummation of all of the other steps of the Reorganization Plan, as proposed in the Notice and Merger Application submitted to the FDIC.
9. Prior to consummation of the proposed transactions, the Bank shall notify the FDIC in writing of any changes made to the Merger Agreement or Stock Bank by-laws prior to their execution.
10. Prior to consummation of the proposed transactions, the Bank shall provide the FDIC with a publication affidavit certifying the dates of publication of the Public Notice.
11. Following consummation of the proposed transactions, the Bank shall provide the FDIC with written certification that the proposed transactions have been consummated in order to facilitate the FDIC's memorialization of the fact that the certificate of deposit insurance has been transferred from a mutual savings bank to a stock savings bank operating under the name The Savings Bank of Danbury.
12. The Bank acknowledges that any letter of non-objection from the FDIC is

conditioned on the facts and circumstances as currently known to the FDIC, and the Bank shall notify the FDIC as soon as the Bank becomes aware of any material changes in the facts and circumstances prior to the consummation of the proposed transactions.

By order of the Deputy Regional Director of the New York Region, acting pursuant to delegated authority for the Board of Directors of the FDIC.

Dated at Braintree, Massachusetts this 29th day of January, 2021.

/s/ Marianne Hatheway  
Deputy Regional Director  
Division of Risk Management Supervision