

The Connecticut General Assembly



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State Reps. Doucette, Delnicki Express Concerns Over Bank Merger

HARTFORD — **State Representatives Jason Doucette (D – Glastonbury/Manchester) and Tom Delnicki (R – South Windsor)** recently submitted comments and concerns to the Commissioner of the state Department of Banking regarding the proposed merger between People’s United Bank and United Bank, a deal valued at approximately \$759 million.

While the merger would help People’s United Bank increase its presence in the Connecticut and Massachusetts markets and reduce overhead costs, the legislators are worried it will have adverse economic impacts in eastern Hartford County due to the high saturation of the two banks in the area.

There are [42 People’s United Bank branches](#) in Hartford County, and there are [37 United Bank locations](#) in Hartford County. There are 15 United Bank branches in South Windsor, South Glastonbury, Glastonbury and Manchester, while there are seven People’s United Bank branches.

“This merger has potential to decrease regional competition and eliminate branch locations and jobs,” said **Rep. Doucette**, who serves as Acting Chair of the legislature’s [Banking Committee](#). “We support the growth of Connecticut’s banking industry, but we have an obligation to our districts and the community as a whole to express our concerns over how this merger may impact communities east of the Connecticut River. We ask that these two banking institutions work to mitigate potential consequences.”

“I am very concerned over this,” said **Rep. Delnicki**, a ranking member of the Banking Committee. “This merger will have a tremendous impact in my district, not only from the standpoint of people who utilize these two banks but also the people that work there. We are reaching a crisis situation in community banking or lack thereof – we must take action in the next session to address this issue.”

People’s United Bank and United Bank, formerly Rockville Savings Bank, rank second and fourth in Hartford County in terms of deposit market share amongst depository institutions yielding a resulting Herfindahl-Hirschman Index (HHI) calculation of 2,799. After the merger, this figure is predicted to increase 152 points.

HHI is a calculation used to determine market saturation. Values [greater than 2,500](#) indicate a high level of concentration. Generally, when HHI increases between 100 and 200 points, concerns over competitiveness often arise, warranting scrutiny by regulatory authorities. With decreased competitiveness and an agency’s increased market power, prices for consumers could increase, and consumer choice could decrease.

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