

From \$175.00 in Total Assets in 1858, Rockville Financial, Inc. and its Rockville Bank Subsidiary has Grown to a nearly \$2 Billion Company with 22 Branch Locations in 15 Connecticut Towns with Superior Customer Service delivered by High Quality Bankers

**Financial  
Community Bank**

**Rockville Financial, Inc**  
25 Park Street  
Rockville, CT 06066  
860-291-3600  
www.rockvillebank.com

chovia and South Trust, where he served as a Regional President in the Florida, North Carolina and Virginia markets.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFO Magazine**

Bill is a native of Williamsburg, Virginia, and graduated from The College of William and Mary with a degree in Economics.

**CEOCFO:** Mr. Crawford, Rockville Bank has a long history. Would you tell us about the bank?

**Mr. Crawford:** Rockville Bank has been around since 1858. I joined in January of 2011. Our company then completed a second step conversion equity offering raising \$171 million. The Company went fully public in March of 2011. We have a great deal of excess capital, about 16% tangible common equity to assets. We also have a thrift mutual model, which we are transitioning to a commercial community bank. Steps we have taken to ensure a successful transition included enhancing our Risk Management area, as well as Operations, IT and Finance. We have added new products and services, and recruited large numbers of new commercial bankers and mortgage lenders who are new to our Company, but very experienced in their local commercial markets when it comes to commercial, mortgage, and private banking. This is what is most unique about our company: we have a lot of capital, and we have recruited a great deal of talent in our local markets which has helped us grow our revenue significantly year over year.

**About Rockville Bank & Rockville Financial, Inc. (NASDAQ Global Select Stock Market: RCKB):**

On June 20, 1858, the Savings Bank of Rockville – now Rockville Bank – opened its doors for its first day of business, declaring \$175.00 in total assets. Today, Rockville Bank is a nearly \$2 billion Company that abides by the same dedication that was established over 154 years ago: *committed to providing superior customer service in all interactions*. Rockville Bank offers the products and services customers need to meet their personal and business banking needs.

Rockville Financial, Inc., (NASDAQ Global Select Stock Market: RCKB), the parent company of Rockville Bank, transitioned in 2011 to a fully public company from a mutual holding company. The Company has 22 branch locations in 15 Connecticut towns throughout Tolland, Hartford and New London Counties. The Company also maintains Administrative Office Buildings in Glastonbury, Connecticut and South Windsor, Connecticut, as well as a Commercial Banking Office in Hamden, Connecticut. For more information about Rockville Bank, visit [www.rockvillebank.com](http://www.rockvillebank.com).

**CEOCFO:** What attracted you about the bank?

**Mr. Crawford:** During the financial crisis, I worked for Wachovia and then Wells Fargo after they took over Wachovia. That is when I decided I wanted to be a bank CEO. I looked at different opportunities, mostly in the



**William H.W. Crawford, IV  
President & CEO**

**BIO:**

Bill Crawford became President and Chief Executive Officer of Rockville Bank and Rockville Financial, Inc. in April 2011. Under his leadership, the Company completed its transition from a mutual bank holding company to a fully public company, began to transition from a savings bank model to a commercial community bank, and achieved record profits in 2012.

Bill joined the Company after a 23-year career at Wells Fargo & Company and its predecessor banks, Wa-

southeast, but those were generally troubled situations where I would be coming in behind a very large check and trying to fix the credit problem and the balance sheet of those banks. I could never get comfortable that the check would be big enough to fix the size of the credit problems created from the financial crisis. However, when the Rockville Bank opportunity came up, I saw that it had a very supportive Board of Directors that wanted the company to go forward. I was excited about that. The Bank has great markets and a strong reputation for superior customer service. It also had the ability to raise a great deal of equity and go public. I recognized and appreciated that Rockville Bank had a terrific platform and it was an opportunity to take a company with a strong history and build a team for an even stronger future.

**CEOCFO:** You mentioned hiring good local people. What else is involved in making the transition towards commercial and where are you in that process?

**Mr. Crawford:** We have built out many of the products and services needed to compete in the markets we are in. One area where we are very strong is our responsiveness to customers. We have an approval process where our Head Commercial Banking Officer has authority up to \$7.5 million. In addition, this person, plus our Chief Risk Officer, can approve up to \$15 million. We have the ability to be very responsive, and that probably covers 99% of the number of loans that we do. We also have new processes in place, established new procedures and developed a strong leadership team. We have significantly reduced our turnaround time, so we are much faster in completing deals from application to close. Customers appreciate that, and we can generate more business that way. We also have become much more attractive to the realtor community and are referring purchasers back to it. That is why our mortgage volumes have grown quite significantly, which you see in our public releases.

**CEOCFO:** Why are you going heavy into mortgages now?

**Mr. Crawford:** It constitutes 45% to 50% of our business, and since we are a thrift, we are already well established in this business. We made necessary changes to ensure we become great in the mortgage banking business. What we were doing before was originating mortgages, putting them on the balance sheet and holding them. Now, we originate, sell most of what we originate, and then book gains on those sales. This is a good core business, and it is one we have been in for a long time. The big banks have struggled with it. We have the talent to be very successful in the mortgage business, and that is why we are making so much progress.

**CEOCFO:** What is the economy like today in Connecticut?

**Mr. Crawford:** It is tough and very challenging for every industry, not just banking. Connecticut has slow job growth. However, the one positive factor about the economy in Connecticut and New England is we did not have the big downturn in real estate values. Real estate values declined but not like they have in the rest of the country, so that has been very beneficial for this area.

**CEOCFO:** What new business services are you offering and how are you attracting customers to take a look?

**Mr. Crawford:** In our cash management area, for example, we have been able to create the product suites needed to be successful in securing various business opportunities, such as municipal deposits from towns and fire departments. We are growing our commercial deposit base faster, which is a very attractive and low-cost way to do business. In terms of our turnaround times, our mortgages have allowed us to be more competitive from a rate perspective, because we can close them quicker than ever before. It is another great example of how we have become more competitive with our products and services.

**CEOCFO:** You mentioned the quick turnaround time on loans. Would you give us an example of the customer service level to show how you are different?

**Mr. Crawford:** First Niagara came in and acquired a bank called New Alliance, and they paid a billion and a half dollars for it. We hired eight of their most experienced bankers. These employees have twenty years in the market, and we were able to bring them onboard at Rockville Bank. As a result, they have steadily brought their customers over to us, too. We have been very successful in growing that business and showing customers what it means to build a successful banking relationship with our team. This is what our customers want.

We love to compete against the big banks. We spend our time and energy competing against Bank of America, Wells Fargo and First Niagara. We

**“We have local responsiveness and high quality people. We can match the big banks in terms of products and services, and we offer superior customer service delivered by high quality bankers. When you put that all together, it is a very powerful combination for Rockville Bank, our customers, and our shareholders.”**

**- William H.W. Crawford, IV**

also focus on Sovereign and RBS. We have local responsiveness and high quality people. We can match the big banks in terms of products and services, and we offer superior customer service delivered by high quality bankers. When you put that all together, it is a very powerful combination for Rockville Bank, our customers, and our shareholders.

**CEOCFO:** Are there many other local community or local business banks and how do you match up with them?

**Mr. Crawford:** There are many local community banks and mutuals. There is also a great deal of competition in Connecticut and New England. If you look at our financial performance, we outperform all of them quite impressively. Our return on assets compared to all banks in Connecticut ranks third,

just behind Webster and Peoples, which are much more mature banks. We have very strong earnings, and we have been heavily reinvesting in the business, which is unique. Our earnings would be even higher if we were not heavily reinvesting in the business.

**CEOCFO:** Does it matter to people that Rockville has been around for so long or do they mainly care about what you are able to offer to them now?

**Mr. Crawford:** It is a little bit of both. The great thing is my predecessor, Bill McGurk, was CEO here for 31 years. He built a sterling reputation in our community that Rockville delivers great service, and we do what we say we are going to do. That is incredibly helpful when you go out and call on a new business customer and they have heard the good things about Rockville. That is a nice place from which to start.

**CEOCFO:** What is ahead?

**Mr. Crawford:** Our strategy is continued organic growth through hiring teams and taking market share from the larger competitors. We have been buying back our stock, because we have excess capital. We think about buying our stock back in terms of a risk free acquisition. You buy back your stock above tangible book value. You have some dilution you create by doing that, but you have earnings per share accretion. We try to balance that out, because we do not want to overly dilute our tangible book value. The other thing we did is increase our dividend 54% since our 2011 conversion and paid out a special dividend in December. As you can see, we are focused on returning capital to shareholders. On acquisitions, we want to be careful and disciplined because that is where many companies have made a mess of their returns for their shareholders. We look at it, but we want to be very careful with that as a capital deployment tool. At the end of the day, it is about wanting to be the best bank in Connecticut and New

England and the best stewards of the excess capital that we have.

**CEOCFO:** Do you see the need for additional branches?

**Mr. Crawford:** Yes, and in our case we just opened a new "Banking Center" at a great location on LaSalle Road in West Hartford. We have hand-picked the banking team who together has decades of banking experience in West Hartford and the surrounding communities. We have retail, mortgage, and commercial bankers as well as a private banking executive all at the same location. We have high hopes for this full-service team that will be leading us and our overall strategy in this new market for Rockville Bank. We will continue to look at some new branches to grow deposits. We just want to be very thoughtful to those and make sure we are doing that in a prudent manner and getting a nice return on those investments. Connecticut does not need any more bank branches; but if you really build something unique and terrific, then you can make it work, just like we have done with our new Banking Center in West Hartford.

**CEOCFO:** How do you ensure user-friendliness on websites?

**Mr. Crawford:** I have hired an individual who will help our social networking efforts and electronic marketing strategies. She will also help enhance our level of customer experience and assess our products and delivery compared to our competitors. She will be reporting to me because her job is so critical in going around the Company and testing for user-friendliness. For example, I saw something the other day where we had a customer service agreement that was 55 pages long; and the first thing I thought was that they have to be kidding. We sent that back, and we are getting that trimmed up to something like four or five pages. That is a good example of something banks do that drives customers crazy.

**CEOCFO:** What is your strategy for dealing with changing regulations that are often viewed as quite burdensome?

**Mr. Crawford:** When you boil it down, the regulators want to ensure that you run a safe and sound business and treat customers fairly. If you come at it from that approach, you are going to understand about 95% of what they are after. We have a very strong relationship with our regulators at the Federal Reserve Bank, the State of Connecticut and the FDIC. Having strong relationships with your regulators and the FDIC is very important, as well as understanding what their real objective is when they come into your bank. There are many people that spend a great deal of time needlessly complaining about regulation. From our perspective, it is more important to think about how to work through that. Ultimately, if you are going to be successful in this business, you are going to have to be regulatory best practice leaders.

**CEOCFO:** Why should the business and investment community pay attention to Rockville Financial?

**Mr. Crawford:** If you look at our Company's financial performance in the 2004-2005 mutual conversion class, there are 52 names in there and we are ranked 2<sup>nd</sup> in terms of total shareholder return at that point in time. What is interesting is we only traded 113% of tangible book value.

**CEOCFO:** What should people reading about Rockville Financial take away?

**Mr. Crawford:** The take away is we focus on building one of the greatest banks in Connecticut and New England. We focus on being excellent stewards of our excess capital. If we do those two things very well, then our customers, shareholders, and employees will be very happy. We focus on creating prosperity for those who invest in our company and do their banking with us.



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