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Rosedale Federal to approach \$1B in deposits with acquisition of local competitor

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Rosedale Federal Savings and Loan Association announced Friday it will acquire the parent of Chesapeake Bank of Maryland, a deal that will see it approach \$1 billion in deposits.

Perry Hall-based Rosedale Federal will pay shareholders of Parkville-based CMB Bancorp \$17.75 in cash per share for an aggregate purchase price of \$64.4 million. The deal is expected to close during the first half of the year and has already been approved by the boards of directors of both companies.

The transaction will expand Rosedale Federal's footprint while offering Chesapeake Bank of Maryland's customers a larger banking network and more convenient banking options.

Rosedale Federal is the 13th-largest bank in Greater Baltimore with \$797.8 million in deposits as of June 30, according to the Federal



ROSEDALE FEDERAL SAVINGS AND LOAN ASSOCIATION

Rosedale Federal Savings and Loan Association is about to have close to \$1 billion in deposits.

Deposit Insurance Corp. The bank will have more than \$994 million in deposits with the acquisition of Chesapeake Bank of Maryland, which had about \$196 million in deposits of as June 30.

Rosedale will also have 14 locations with the addition of four offices from Chesapeake Bank and a new branch of its own set to open soon in Timonium. One of Chesapeake Bank's branches is located in Pasadena, enabling Rosedale Federal to make its entry into Anne Arundel County.

"This is a very exciting time for Rosedale Federal as this transaction will provide immediate additional size and scale, along with a larger footprint for additional growth opportunities," Rosedale Federal CEO [Kevin Benson](#) said in a statement. "Evaluating opportunities in our marketplace has been part of our strategic plan for some time; now we have the opportunity to seize on an interesting time for local banks."

The acquisition comes amid a wave of consolidation in the local banking industry that has seen the number of banks in Maryland dwindle down to 43 following the recent completion of [First National Bank of Pennsylvania's acquisition of Howard Bank](#). Smaller banks have been looking to make deals as the cost of implementing new technology and keeping up with regulatory compliance has increased.

Growing costs and the challenges of remaining independent are exactly why CBM Bancorp pursued a deal, President [Joseph Solomon](#) said in a statement.

"With local banking consolidation continuing and the additional headwinds facing our industry, we felt it was the right time for us to consider a partner," Solomon said. "Rosedale Federal offers the scope of services, the community commitment, and the size that will provide the kind of community banking experience our customers expect. We both have a rich history in the Baltimore area and are excited to become a part of the Rosedale Federal family."

CBM delisted from the Nasdaq Stock Market in October because of the costs related to preparing and filing reports with the Securities

and Exchange Commission, as well as accounting, legal and other expenses associated with being a public company.

For Rosedale Federal, this is the second acquisition by the bank since Benson became CEO in 2016. Rosedale Federal completed its first acquisition ever in 2017 when it bought Midstate Community Bank. That deal pushed Rosedale Federal past \$1 billion in assets.

Benson said the latest deal for Chesapeake Bank will help Rosedale Federal remain independent and continue to grow its client base. The bank will have about \$1.3 billion in assets when the deal closes.

"This is an exceptional fit for Rosedale Federal," Benson said. "The combined assets of both companies will enhance our proven ability to serve our community, while enriching our customer and employee experience."

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