

SI Financial Group, Inc.
Form S-4/A
May 24, 2013
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As filed with the Securities and Exchange Commission on May 24, 2013.

Registration No. 333-188016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 1 TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SI FINANCIAL GROUP, INC.

(Exact name of registrant as specified in its charter)

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Maryland (State or other jurisdiction of incorporation or organization)	6035 (Primary Standard Industrial Classification Code Number) 803 Main Street	80-0643149 (I.R.S. Employer Identification Number)
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Willimantic, Connecticut 06226

(860) 423-4581

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Rheo A. Brouillard

President and Chief Executive Officer

803 Main Street

Willimantic, Connecticut 06226

(860) 423-4581

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement and upon consummation of the merger described in the enclosed proxy statement/prospectus.

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If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer "

Accelerated filer

Non-accelerated filer "

Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Newport Bancorp, Inc. and SI Financial Group, Inc. have entered into an agreement and plan of merger under which Newport Bancorp will merge into SI Financial with SI Financial as the surviving entity. This transaction is referred to in this document as the merger. Newport Federal Savings Bank, the subsidiary of Newport Bancorp, and Savings Institute Bank and Trust Company, the subsidiary of SI Financial, have entered into a plan of bank merger under which Newport Federal will merge into Savings Institute, with Savings Institute as the surviving entity. This transaction is referred to in this document as the bank merger.

If the merger is completed, each share of Newport Bancorp common stock will be converted into the right to receive either \$17.55 in cash or 1.5129 shares of SI Financial common stock. Based on the number of shares of Newport Bancorp outstanding on [Record Date], SI Financial expects to issue approximately 2,572,000 shares of SI Financial common stock.

You will be able to elect to receive cash, SI Financial common stock, or a combination of cash and SI Financial common stock for your shares of Newport Bancorp common stock. Regardless of your choice, however, elections will be limited by the requirement that 50% of the total shares of Newport Bancorp common stock is exchanged for SI Financial common stock and 50% is exchanged for cash. Therefore, all allocations of SI Financial common stock and cash that you receive will depend on the elections of other Newport Bancorp shareholders. The federal income tax consequences of the merger to you will depend on whether you receive cash, stock or a combination of cash and stock in exchange for your shares of Newport Bancorp common stock.

The common stock of SI Financial is listed on The Nasdaq Global Select Market under the symbol SIFI. The closing price of SI Financial common stock on March 5, 2013, the day the agreement and plan of merger was signed, was \$11.58, which, based on the 1.5129 exchange ratio, represented a value of \$17.52 per share of Newport Bancorp common stock. The closing price of SI Financial common stock on [Redacted], 2013, the most recent practicable trading day before the date of this document, was \$ [Redacted], which represented a value of \$ [Redacted] per share of Newport Bancorp common stock based on the exchange ratio. The market prices for both Newport Bancorp common stock and SI Financial common stock will fluctuate before the merger. We urge you to obtain current market quotations for both the Newport Bancorp common stock and SI Financial common stock.

We cannot complete the merger unless we obtain all applicable shareholder and regulatory approvals.

The places, dates and times of the shareholders meetings are as follows:

For SI Financial shareholders:

[SI Meeting Place]
[SI Meeting Address]
Willimantic, Connecticut
[Meeting Date]
: .m., local time

For Newport Bancorp shareholders:

[NBI Meeting Place]
[NBI Meeting Address]
Newport, Rhode Island
[Meeting Date]
: .m., local time

The board of directors of each of SI Financial and Newport Bancorp has unanimously determined that the merger is in the best interests of its respective shareholders and recommends that its respective shareholders vote FOR the proposal to approve and adopt the agreement and plan of merger.

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This document contains information that you should consider in evaluating the proposed merger. **In particular, you should carefully read the section captioned Risk Factors beginning on page 13 for a discussion of certain risk factors relating to the merger.**

We look forward to seeing you at the shareholder meetings and we appreciate your continued support.

Rheo A. Brouillard
President and Chief Executive Officer
SI Financial Group, Inc.

Kevin M. McCarthy
President and Chief Executive Officer
Newport Bancorp, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or completeness of this proxy statement/prospectus. Any representation to the contrary is a criminal offense. The securities to be issued in connection with the merger are not savings or deposit accounts or other obligations of any bank or nonbank subsidiary of any of the parties, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Proxy statement/prospectus dated [Proxy Date]

and first mailed to shareholders of SI Financial and Newport Bancorp

on or about [Mail Date].

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This document incorporates important business and financial information about SI Financial from documents filed with the U.S. Securities and Exchange Commission or SEC that have not been included in or delivered with this document. You may read and copy these documents at the SEC's public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See *Where You Can Find More Information* on page .

You also may request copies of these documents from SI Financial. SI Financial will provide you with copies of these documents, without charge, upon written or oral request to:

SI Financial Group, Inc.

803 Main Street

Willimantic, Connecticut 06226

Attention: Diane Phillips

Telephone: (860) 456-6514

If you are a SI Financial or Newport Bancorp shareholder and would like to request documents from SI Financial, please do so by , 2013 to receive them before the shareholder meetings.

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SI FINANCIAL GROUP, INC.

803 Main Street

Willimantic, Connecticut 06226

Notice of Annual Meeting of Shareholders to be held [Meeting Date]

To the Shareholders of SI Financial:

The annual meeting of shareholders of SI Financial Group, Inc. will be held at : .m., local time, on [Meeting Date] at the , Willimantic, Connecticut. Any adjournments or postponements of the annual meeting will be held at the same location.

The purpose of the annual meeting is to:

1. Consider and vote upon a proposal to approve and adopt the agreement and plan of merger, dated as of March 5, 2013, by and between SI Financial Group, Inc. and Newport Bancorp, Inc. pursuant to which Newport Bancorp will merge with and into SI Financial. A copy of the agreement and plan of merger is included as Annex A to the accompanying proxy statement/prospectus;
2. Consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the annual meeting to approve the agreement and plan of merger;
3. Elect two directors for a term of three years or until their respective successors are elected and qualified;
4. Ratify the appointment of Wolf & Company, P.C. as independent auditors for SI Financial for the fiscal year ending December 31, 2013; and
5. Vote on a non-binding advisory resolution approving the compensation payable to the named executive offices of SI Financial;
6. Transact such other business as may be properly presented at the annual meeting and any adjournments or postponements of the special meeting.

The enclosed document describes the proposed merger in detail. We urge you to read these materials carefully. The enclosed document forms a part of this notice.

The board of directors of SI Financial unanimously recommends that SI Financial shareholders vote FOR each of the proposals and FOR each of the director nominees.

Shareholders of record as of the close of business on [Record Date] are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements of the annual meeting.

Your vote is very important. Your proxy is being solicited by the SI Financial board of directors. For the proposed merger to be consummated, the proposal to approve the agreement and plan of merger must be approved by the affirmative vote of holders of a majority of the outstanding shares of SI Financial common stock entitled to vote. Whether or not you plan to attend the annual meeting in person, we urge you to complete and

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mail the enclosed proxy card, in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used. Attendance at the meeting, however, will not by itself revoke a proxy. If you are the beneficial owner of shares held in street name through a broker, bank or other nominee you should instruct your broker, bank or other nominee how to vote on your behalf, or if you plan to attend the special meeting and wish to vote in person, you should bring a signed proxy from your broker, bank or nominee confirming your right to vote the shares.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor, AST Phoenix Advisors, toll free at (877) 478-5038.

By Order of the Board of Directors

Laurie L. Gervais
Corporate Secretary

Willimantic, Connecticut

[Mail Date]

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on [Meeting Date]: This proxy statement/prospectus and our 2012 Annual Report on Form 10-K are available at <http://www.cfpproxy.com/6954>.

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NEWPORT BANCORP, INC.

100 Bellevue Avenue

Newport, Rhode Island 02840

Notice of Annual Meeting of Shareholders to be held [Meeting Date]

To the shareholders of Newport Bancorp:

The annual meeting of shareholders of Newport Bancorp, Inc. will be held at : .m., local time, on [Meeting Date] at the [NBI Meeting Place], [NBI Meeting Address], Newport, Rhode Island. Any adjournments or postponements of the annual meeting will be held at the same location.

The purpose of the annual meeting is to:

1. Consider and vote upon a proposal to approve and adopt the agreement and plan of merger, dated as of March 5, 2013, by and between SI Financial Group, Inc. and Newport Bancorp, Inc. pursuant to which Newport Bancorp will merge with and into SI Financial. A copy of the agreement and plan of merger is included as Annex A to the accompanying proxy statement/prospectus;
2. Consider and vote upon a proposal to adjourn the annual meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the meeting to approve the agreement and plan of merger;
3. Vote on a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp in connection with the merger;
4. Elect two directors (the nominees to be elected at the annual meeting will serve until the consummation of the merger, or if the merger is not consummated, for a term of three years and until their respective successors are elected and qualified);
5. Ratify the appointment of Wolf & Company, P.C. as independent auditors for Newport Bancorp for the fiscal year ending December 31, 2013;
6. Vote on a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp;
7. Vote on the frequency of the advisory vote of the compensation payable to the named executive officers of Newport Bancorp; and
8. Transact such other business as may be properly presented at the annual meeting and any adjournments or postponements of the special meeting.

The enclosed document describes the agreement and plan of merger and the proposed merger in detail. We urge you to read these materials carefully. The enclosed document forms a part of this notice.

The board of directors of Newport Bancorp unanimously recommends that Newport Bancorp shareholders vote FOR each of the director nominees, FOR holding a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp every year, and FOR each of the other proposals listed.

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Shareholders of record as of the close of business on [Record Date] are entitled to notice of, and to vote at, the annual meeting and any adjournments or postponements of the annual meeting.

Your vote is very important. Your proxy is being solicited by the Newport Bancorp board of directors. For the proposed merger to be consummated, the proposal to approve the agreement and plan of merger must be approved by the affirmative vote of holders of a majority of the outstanding shares of Newport Bancorp common stock entitled to vote. Whether or not you plan to attend the annual meeting in person, we urge you to complete and mail the enclosed proxy card, in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the annual meeting. If you attend the annual meeting and vote in person, your proxy vote will not be used. Attendance at the meeting, however, will not by itself revoke a proxy. If you are the beneficial owner of shares held in street name through a broker, bank or other nominee you should instruct your broker, bank or other nominee how to vote on your behalf, or if you plan to attend the annual meeting and wish to vote in person, you should bring a signed proxy from your broker, bank or other nominee confirming your right to vote the shares.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor, Regan & Associates, at (212) 587-3005.

By Order of the Board of Directors

Judy Tucker
Corporate Secretary

Newport, Rhode Island

[Mail Date]

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on [Meeting Date]: This proxy statement/prospectus and our 2012 Annual Report on Form 10-K are available at <http://www.cfpproxy.com/6028>.

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ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission by SI Financial, constitutes a prospectus of SI Financial under the Securities Act of 1933, as amended, which we refer to in this document as the Securities Act, with respect to the shares of SI Financial common stock to be issued to Newport Bancorp's shareholders, as required by the agreement and plan of merger. This document also constitutes a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to in this document as the Exchange Act, and a notice of meeting with respect to the annual meeting of shareholders of SI Financial and the annual meeting of shareholders of Newport Bancorp.

You should rely only on the information contained in this document. No one has been authorized to provide you with information that is different from the information contained in this document. This document is dated [Proxy Date]. You should not assume that the information contained in this document is accurate as of any date other than that date. Neither the mailing of this document to either SI Financial shareholders or Newport Bancorp shareholders nor the issuance by SI Financial of its common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this document regarding SI Financial has been provided by SI Financial and information contained in this document regarding Newport Bancorp has been provided by Newport Bancorp.

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SHAREHOLDER MEETINGS

Q: Why am I receiving this document?

A: You are receiving this document because you are either a shareholder of SI Financial as of [Record Date], the record date for the annual meeting of SI Financial, or a shareholder of Newport Bancorp as of [Record Date], the record date for the annual meeting of Newport Bancorp. This document is being used by the boards of directors of SI Financial and Newport Bancorp to solicit your proxy for use at the shareholder meetings. This document also serves as the prospectus for shares of SI Financial common stock to be issued in exchange for shares of Newport Bancorp common stock in the merger.

Q: What am I being asked to vote on? What is the proposed transaction?

A: You are being asked to vote on the approval of an agreement and plan of merger that provides for the acquisition of Newport Bancorp by SI Financial. You are also being asked to vote on a proposal to adjourn the shareholder meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the meeting to approve the agreement and plan of merger. SI Financial shareholders are also being asked to vote on a non-binding advisory resolution approving the compensation payable to the named executive officers of SI Financial, to elect two directors and to ratify the appointment of the independent auditors for the 2013 fiscal year. Newport Bancorp shareholders are also being asked to vote on a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp in connection with the merger, to elect two directors, to ratify the appointment of the independent auditors for the 2013 fiscal year, to vote on a non-binding resolution approving the compensation payable to the named executive officers of Newport Bancorp (without regard to the merger) and to vote on the frequency of the non-binding advisory vote to approve the compensation payable to the named executive officers of Newport Bancorp.

Q: What vote does the SI Financial board of directors recommend?

A: The SI Financial board of directors has determined that the proposed merger is in the best interests of SI Financial shareholders, has unanimously approved the agreement and plan of merger and recommends that SI Financial shareholders vote FOR the approval and adoption of the agreement and plan of merger, FOR the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve and adopt the agreement and plan of merger, FOR the approval of the non-binding resolution approving the compensation payable to the named executive officers of SI Financial, FOR the election of two directors and FOR the ratification of the independent auditors for the 2013 fiscal year.

Q: What vote does the Newport Bancorp board of directors recommend?

A: The Newport Bancorp board of directors has determined that the proposed merger is in the best interests of Newport Bancorp shareholders, has unanimously approved the agreement and plan of merger and recommends that Newport Bancorp shareholders vote FOR the approval and adoption of the agreement and plan of merger, FOR the proposal to adjourn the meeting if necessary to permit further solicitation of proxies on the proposal to approve and adopt the agreement and plan of merger, FOR the approval of the non-binding resolution approving the compensation payable to the named executive officers of Newport Bancorp in connection with the merger, FOR the election of two directors, FOR the ratification of the independent auditors for the 2013 fiscal year, FOR the non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp and to hold the non-binding advisory vote to approve the compensation payable to the named executive officers of Newport Bancorp every year.

Q: Why do Newport Bancorp and SI Financial want to merge?

A: Newport Bancorp believes that the proposed merger will provide Newport Bancorp shareholders with substantial benefits, and SI Financial believes that the merger will further its strategic growth plans. As a

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larger company, SI Financial can provide the capital and resources that Newport Bancorp needs to compete more effectively and to offer a broader array of products and services to better serve its banking customers. To review the reasons for the merger in more detail, see *Description of the Merger SI Financial's Reasons for the Merger* on page and *Description of the Merger Background of and Newport Bancorp's Reasons for the Merger* on page .

Q: What will Newport Bancorp shareholders be entitled to receive in the merger?

A: Under the agreement and plan of merger, each share of Newport Bancorp common stock will be converted into the right to receive either \$17.55 in cash or 1.5129 shares of SI Financial common stock.

You will be able to elect to receive cash, SI Financial common stock or a combination of cash and SI Financial common stock for your shares of Newport Bancorp common stock. Regardless of your choice, however, elections will be limited by the requirement that 50% of Newport Bancorp common stock is converted into SI Financial common stock and 50% is exchanged for cash. Therefore, the allocation of cash and SI Financial common stock that you will receive will depend on the elections of other Newport Bancorp shareholders. The allocation of the consideration payable to Newport Bancorp shareholders will not be known until the exchange agent tallies the results of the cash/stock elections made by Newport Bancorp's shareholders. If you do not make an election, the type of consideration you will receive will depend on the consideration elected by other Newport Bancorp shareholders.

Q: What will my dividends be after the merger?

A: SI Financial currently pays a quarterly dividend of \$0.03 per share. Although SI Financial has paid quarterly dividends on its common stock without interruption since 2010, there is no guarantee that SI Financial will continue to pay dividends on its common stock. All dividends on SI Financial common stock are declared at the discretion of the SI Financial board of directors.

Q: How do I elect to receive cash, stock or a combination of both for my Newport Bancorp stock?

A: A form for making an election will be sent to you separately on or about the date this proxy statement/prospectus is mailed. For your election to be effective, your properly completed election form, along with your Newport Bancorp stock certificates or an appropriate guarantee of delivery, must be sent to and received by the exchange agent for the merger, Registrar and Transfer Company, on or before 5:00 p.m., Eastern time, on [Election Date]. **Do not send your election form or stock certificates with your proxy card. Instead, use the separate envelope specifically provided for the election form and your stock certificates.** If you own shares of Newport Bancorp common stock in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares. If you do not make a timely or proper election you will be allocated SI Financial common stock and/or cash depending on the elections made by other shareholders.

Q: How do I exchange my stock certificates?

A: If you make an election, you must return your Newport Bancorp stock certificates or an appropriate guarantee of delivery with your election form. Shortly after the merger, SI Financial's transfer agent will allocate cash and SI Financial common stock among Newport Bancorp shareholders, consistent with their elections and the allocation and proration procedures in the agreement and plan of merger. If you do not submit an election form, SI Financial's exchange agent will send you instructions on how and where to surrender your Newport Bancorp stock certificates after the merger is completed. **Please do not send your Newport Bancorp stock certificates with your proxy card.**

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Q: What are the tax consequences of the merger to me?

A: The tax consequence of the merger to you will depend on whether you receive only cash, only SI Financial common stock, or a combination of cash and SI Financial common stock in exchange for your shares of Newport Bancorp common stock. If you exchange your shares solely for SI Financial common stock, you should not recognize gain or loss except with respect to the cash you receive instead of any fractional share of SI Financial common stock. If you exchange your shares solely for cash, you should recognize gain or loss on the exchange. If you exchange your shares for a combination of SI Financial common stock and cash, you should recognize capital gain, but not any loss, on the exchange. Because the allocations of cash and SI Financial common stock that you receive will depend on the elections of other Newport Bancorp shareholders, you will not know the actual tax consequences of the merger to you until the allocations are completed.

You should read *Description of the Merger Tax Consequences of the Merger* beginning on page for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

Q: Are Newport Bancorp's shareholders entitled to appraisal rights?

A: No. Since the common stock of Newport Bancorp is traded on The Nasdaq Global Market, Maryland law does not provide for appraisal rights. Newport Bancorp is incorporated under Maryland law.

Q: When is the merger expected to be completed?

A: We will complete the merger as soon as possible. Before that happens, the agreement and plan of merger must be approved and adopted by SI Financial's shareholders and Newport Bancorp's shareholders and we must obtain the necessary regulatory approvals. Assuming holders of at least a majority of the outstanding shares of SI Financial common stock and of Newport Bancorp common stock both vote in favor of the agreement and plan of merger and we obtain the other necessary approvals, we expect to complete the merger in the third calendar quarter of 2013.

Q: Is completion of the merger subject to any conditions besides shareholder approval?

A: Yes. The transaction must receive the required regulatory approvals, and there are other customary closing conditions that must be satisfied. To review the conditions of the merger in more detail, see *Description of the Merger Conditions to Completing the Merger* on page .

Q: What vote is required to approve the agreement and plan of merger?

A: Holders of at least a majority of the outstanding shares of each of SI Financial common stock and Newport Bancorp common stock entitled to vote must vote in favor of the proposal to approve the agreement and plan of merger.

Q: What are the quorum requirements for the shareholder meetings?

A:

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The presence in person or by proxy of a majority of the votes entitled to be cast by SI Financial shareholders and by Newport Bancorp shareholders at their respective shareholder meetings will constitute a quorum.

Q: When and where is the SI Financial annual meeting?

A: The annual meeting of SI Financial shareholders is scheduled to take place at the [SI Meeting Place], [SI Meeting Address], Willimantic, Connecticut at : .m., local time, on [Meeting Date].

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Q: When and where is the Newport Bancorp annual meeting?

A: The annual meeting of Newport Bancorp shareholders is scheduled to take place at the [NBI Meeting Place], [NBI Meeting Address], Newport, Rhode Island at : .m., local time, on [Meeting Date].

Q: Who is entitled to vote at the shareholder meetings?

A: Holders of shares of SI Financial common stock at the close of business on [Record Date], which is the record date, are entitled to vote at the annual meeting. As of the record date, 10,111,757 shares of SI Financial common stock were outstanding and entitled to vote. Holders of shares of Newport Bancorp common stock at the close of business on [Record Date], which is the record date, are entitled to vote at the Newport Bancorp annual meeting. As of the record date, 3,544,722 shares of Newport Bancorp common stock were outstanding and entitled to vote.

Q: If I plan to attend the shareholder meeting in person, should I still return my proxy?

A: Yes. Whether or not you plan to attend the shareholder meeting, you should complete and return the enclosed proxy card. The failure of a shareholder to vote in person or by proxy will have the same effect as a vote AGAINST the agreement and plan of merger.

Q: What do I need to do now to vote my shares of common stock?

A: After you have carefully read and considered the information contained in this document, please complete, sign, date and mail your proxy card in the enclosed return envelope as soon as possible. This will enable your shares to be represented at the shareholder meeting. If you are a shareholder of record, you may also vote in person at the shareholder meeting. If you do not return a properly executed proxy card and do not vote at the shareholder meeting, this will have the same effect as a vote against the agreement and plan of merger. If you sign, date and send in your proxy card, but you do not indicate how you want to vote, your proxy will be voted in favor of approval and adoption of the agreement and plan of merger.

If you are the beneficial owner of shares held in street name through a broker, bank or other nominee, you should instruct your broker, bank or other nominee how to vote on your behalf. Please follow the voting instructions provided by your record holder to vote your shares. If your shares are held in street name and you want to vote in person at the shareholder meeting, please follow the instructions from your record holder for obtaining a legal proxy enabling you to vote at the meeting.

Q: How do I change my vote after I have submitted my proxy?

A: You may change your vote at any time before your proxy is voted at the meeting by revoking your proxy in any of the following ways: (1) filing with the Corporate Secretary a duly executed revocation of proxy, (2) submitting a new proxy card with a later date, or (3) voting in person at the meeting (your attendance at the meeting will not by itself revoke your proxy).

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A:

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No. Your broker will not be able to vote your shares of common stock on the proposal to approve and adopt the agreement and plan of merger or on the other proposals (except for the proposals to ratify the appointment of the independent auditors) unless you provide instructions on how to vote. Please instruct you broker how to vote your shares, following the directions that your broker provides. If you do not provide instructions to your broker on the proposal to approve and adopt the agreement and plan of merger, your shares will not be voted, and this will have the effect of voting **AGAINST** the agreement and plan of merger. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

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Q: What are the deadlines for voting?

A: You may: (1) vote by mail at any time before the meeting as long as your proxy is received before the time of the meeting or (2) if your shares are held in street name, you must vote your shares according to the voting instructions form by the deadline set by your broker or other nominee.

Q: Why am I being asked to cast a non-binding advisory vote to approve the compensation that Newport Bancorp's named executive officers will receive in connection with the merger?

A: The SEC adopted rules that require Newport Bancorp to seek a non-binding advisory vote with respect to certain golden parachute compensation that Newport Bancorp's named executive officers will receive in connection with the merger.

Q: What will happen if the shareholders do not approve the compensation that Newport Bancorp's named executive officers will receive in connection with the merger?

A: The vote with respect to the golden parachute compensation is an advisory vote and will not be binding on Newport Bancorp or SI Financial. Approval of the compensation that will be payable to Newport Bancorp's named executive officers is not a condition to completion of the merger. Therefore, if the merger is approved by the shareholders and subsequently completed, the compensation will still be paid to the Newport Bancorp named executive officers, whether or not shareholders approve the compensation at the meeting.

Q: Who can answer my other questions?

A: If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy form:

SI Financial

Shareholders should contact:

AST Phoenix Advisors
110 Wall Street 27th Floor
New York, New York 10015
(877) 478-5038
Banks and Brokers: (212) 493-3910

Newport Bancorp

Shareholders should contact:

Regan & Associates
505 Eight Street Suite 800
New York, New York 10018
(212) 587-3005

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SUMMARY

This summary highlights selected information in this document and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the documents attached to this proxy statement/prospectus.

The Companies

SI Financial Group, Inc.

803 Main Street

Willimantic, Connecticut 06226

(860) 423-4581

SI Financial, a Maryland corporation, is a savings and loan holding company headquartered in Willimantic, Connecticut. SI Financial's common stock is listed on The Nasdaq Global Select Market under the symbol SIFI. SI Financial conducts its operations primarily through its wholly owned subsidiary, Savings Institute, a federally chartered bank founded in 1842. Savings Institute is independent, community oriented, and conducts a full-service banking business through 20 offices. At March 31, 2013, SI Financial had total assets of \$957.2 million, total deposits of \$713.2 million and shareholders' equity of \$125.7 million.

Newport Bancorp, Inc.

100 Bellevue Avenue

Newport, Rhode Island 02840

(401) 847-5500

Newport Bancorp, a Maryland corporation, is a savings and loan holding company headquartered in Newport, Rhode Island. Newport Bancorp's common stock is listed on The Nasdaq Global Market under the symbol NFSB. Newport Bancorp's sole business is operating its subsidiary, Newport Federal, a federally chartered bank originally founded as a Rhode Island institution in 1888. Newport Federal operates as a community-oriented financial institution offering financial services to consumers and businesses through its six full-service banking offices. As of March 31, 2013, Newport Bancorp had total assets of \$430.6 million, total deposits of \$281.5 million and total shareholders' equity of \$54.0 million.

Annual Meeting of SI Financial Shareholders; Required Vote (page)

An annual meeting of SI Financial shareholders is scheduled to be held at the [SI Meeting Place], [SI Meeting Address], Willimantic, Connecticut at :00 a.m., local time, on [Meeting Date]. At the annual meeting, you will be asked to vote on the approval of an agreement and plan of merger that provides for the acquisition of Newport Bancorp by SI Financial. You will also be asked to vote on a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the special meeting to approve the agreement and plan of merger, to approve a non-binding advisory resolution approving the compensation payable to the named executive officers of SI Financial, to elect two directors for a term of three years or until their respective successors are elected and qualified, and to ratify the appointment of the independent auditors for the 2013 fiscal year.

Only SI Financial shareholders of record as of the close of business on [Record Date] are entitled to notice of, and to vote at, the SI Financial annual meeting and any adjournments or postponements of the meeting.

Approval of the agreement and plan of merger requires the affirmative vote of holders of a majority of the outstanding shares of SI Financial common stock entitled to vote. As of the record date, there were

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10,111,757 shares of SI Financial common stock outstanding. The directors and executive officers of SI Financial, and their affiliates, as a group, beneficially owned 429,370 shares of SI Financial common stock, representing 4.2% of the outstanding shares of SI Financial common stock as of the record date.

Annual Meeting of Newport Bancorp Shareholders; Required Vote (page)

An annual meeting of Newport Bancorp shareholders is scheduled to be held at the [NBI Meeting Place], [NBI Meeting Address], Newport, Rhode Island at : .m., local time, on [Meeting Date]. At the annual meeting, you will be asked to vote on the approval of an agreement and plan of merger that provides for the acquisition of Newport Bancorp by SI Financial. You will also be asked to vote on a proposal to adjourn the annual meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the annual meeting to approve the agreement and plan of merger, to approve a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp in connection with the merger, to elect two directors (the nominees to be elected at the annual meeting will serve until the consummation of the merger, or if the merger is not consummated, for a term of three years or until their respective successors are elected and qualified), to ratify the appointment of the independent auditors for the 2013 fiscal year, to approve a non-binding advisory resolution approving the compensation payable to the named executive officers of Newport Bancorp, and to vote on the frequency of the advisory vote on the compensation payable to the named executive officers of Newport Bancorp.

Only Newport Bancorp shareholders of record as of the close of business on [Record Date] are entitled to notice of, and to vote at, the Newport Bancorp annual meeting and any adjournments or postponements of the meeting.

Approval of the agreement and plan of merger requires the affirmative vote of holders of a majority of the outstanding shares of Newport Bancorp common stock entitled to vote. As of the record date, there were 3,544,722 shares of Newport Bancorp common stock outstanding. The directors and executive officers of Newport Bancorp, and their affiliates, as a group, beneficially owned 326,851 shares of Newport Bancorp common stock, representing 9.2% of the outstanding shares of Newport Bancorp common stock as of the record date. All of the directors of Newport Bancorp, who collectively own 251,420 shares of Newport Bancorp common stock, which represents 7.1% of the outstanding shares of Newport Bancorp as of the record date, have agreed to vote their shares in favor of the merger at the annual meeting.

The Merger and the Agreement and Plan of Merger (page)

SI Financial's acquisition of Newport Bancorp is governed by an agreement and plan of merger. The agreement and plan of merger provides that, if all of the conditions are satisfied or waived, Newport Bancorp will be merged into SI Financial, with SI Financial as the surviving entity. **We encourage you to read the agreement and plan of merger, which is included as Annex A to this document.**

What Newport Bancorp Shareholders Will Receive in the Merger (page)

If the merger is completed, each share of Newport Bancorp common stock will be converted into the right to receive either \$17.55 in cash or 1.5129 shares of SI Financial common stock.

Each holder of Newport Bancorp common stock will be able to elect to receive cash, SI Financial common stock or a combination of cash and Newport Bancorp common stock for their shares of Newport Bancorp common stock. Regardless of your choice, however, elections will be limited by the requirement that 50% of the shares of Newport Bancorp common stock is exchanged for SI Financial common stock and 50% is exchanged for cash. Therefore, the allocation of SI Financial common stock and cash that you receive will depend on the elections of other Newport Bancorp shareholders.

Table of Contents**Comparative Market Prices**

The following table shows the closing price per share of SI Financial common stock, the closing price per share of Newport Bancorp common stock and the equivalent price per share of Newport Bancorp common stock, giving effect to the merger, on March 5, 2013, which is the last day on which shares of each of SI Financial common stock and Newport Bancorp common stock traded preceding the public announcement of the proposed merger, and on _____, 2013, the most recent practicable date before the mailing of this document. The equivalent price per share of Newport Bancorp common stock is computed by multiplying the price of a share of SI Financial common stock by the 1.5129 exchange ratio and does not include the value of any cash received by a Newport Bancorp shareholder. Shareholders who elect to receive, or are allocated, cash consideration in the merger will receive \$17.55 in cash without interest. See *Description of the Merger Consideration to be Received in the Merger* on page _____.

	SI Financial Common Stock	Newport Bancorp Common Stock	Equivalent Price Per Share of Newport Bancorp Common Stock
March 5, 2013	\$ 11.58	\$ 15.77	\$ 17.52
_____, 2013	\$ _____	\$ _____	\$ _____

Recommendation of SI Financial Board of Directors (page _____)

The SI Financial board of directors has unanimously approved the agreement and plan of merger. The SI Financial board believes that the agreement and plan of merger, including the plan of bank merger under which Newport Federal will merge with and into Savings Institute, is fair to, and in the best interests of, SI Financial and its shareholders, and therefore **unanimously recommends that SI Financial shareholders vote FOR the proposal to approve and adopt the agreement and plan of merger.** In its reaching this decision, SI Financial's board of directors considered many factors, which are described in the section captioned *Description of the Merger SI Financial's Reasons for the Merger* beginning on page _____.

SI Financial's Financial Advisors Believe the Merger Consideration is Fair to SI Financial (page _____)

In deciding to approve the merger, SI Financial's board of directors considered the opinions of Keefe, Bruyette & Woods, a Stifel Company (KBW), and Loomis & Co., Inc. KBW and Loomis & Co. each delivered its opinion dated March 5, 2013 that the merger consideration to be paid by SI Financial to holders of Newport Bancorp common stock in connection with the merger pursuant to merger agreement is fair to SI Financial from a financial point of view. Copies of these opinions are included as Annexes B and C to the document. You should read the opinions carefully to understand the procedures followed, assumptions made, matters considered and limitations of the review conducted by KBW and Loomis & Co. SI Financial has agreed to pay KBW fees totaling approximately \$547,500, for its services in connection with the merger. A substantial portion of their fees is contingent on the closing of the merger. SI Financial has paid Loomis & Co. approximately \$97,500 for its fairness opinion and fair value analysis of Newport Bancorp's assets and liabilities, none of which is contingent on the closing of the merger.

Recommendation of Newport Bancorp Board of Directors (page _____)

The Newport Bancorp board of directors has unanimously approved the agreement and plan of merger. The Newport Bancorp board believes that the agreement and plan of merger, including the plan of bank merger pursuant to which Newport Federal will merge with and into Savings Institute, is fair to, and in the best interests of, Newport Bancorp and its shareholders, and therefore **unanimously recommends that Newport Bancorp shareholders vote FOR the proposal to approve and adopt the agreement and plan of merger.** In its reaching this decision, Newport Bancorp's board of directors considered many factors, which are described in the section captioned *Description of the Merger Background of and Newport Bancorp's Reasons for the Merger* beginning on page _____.

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Newport Bancorp's Financial Advisor Believes the Merger Consideration is Fair to Shareholders (page)

In deciding to approve the merger, Newport Bancorp's board of directors considered the opinion of Sandler O'Neill & Partners, L.P. Sandler O'Neill, which served as financial advisor to Newport Bancorp's board of directors, delivered its opinion dated March 5, 2013 that the merger consideration is fair to the holders of Newport Bancorp common stock from a financial point of view. A copy of this opinion is included as Annex D to the document. You should read the opinion carefully to understand the procedures followed, assumptions made, matters considered and limitations of the review conducted by Sandler O'Neill. Newport Bancorp has agreed to pay Sandler O'Neill fees totaling approximately \$700,000 for its services in connection with the merger.

Regulatory Approvals (page)

Under the terms of the agreement and plan of merger, the bank merger cannot be completed unless it is first approved by the Office of the Controller of the Currency. SI Financial must also receive the prior approval of, or waiver from, the Board of Governors of the Federal Reserve System. As of the date of this document, SI Financial has not received any approvals or waivers from these regulators. While SI Financial does not know of any reason why it would not be able to obtain approval in a timely manner, SI Financial cannot be certain when or if it will receive regulatory approval.

Conditions to the Merger (page)

The completion of the merger is subject to the fulfillment of a number of conditions, including:

approval of the agreement and plan of merger by at least a majority of the outstanding shares of SI Financial and of Newport Bancorp common stock entitled to vote;

approval of the transaction by the appropriate regulatory authorities;

receipt by each party of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

the accuracy of representations and warranties made on the date of the agreement and plan of merger; and

such other conditions customary to merger transactions.

Termination (page)

The agreement and plan of merger may be terminated by mutual written consent of SI Financial and Newport Bancorp at any time before the completion of the merger. Additionally, subject to conditions and circumstances described in the agreement and plan of merger, either SI Financial or Newport Bancorp may terminate the agreement and plan of merger if, among other things, any of the following occur:

the merger has not been consummated by December 31, 2013;

SI Financial shareholders or Newport Bancorp shareholders do not approve the agreement and plan of merger;

a required regulatory approval is denied or a governmental authority enjoins or prohibits the merger; or

any representation or warranty of the other party contained in the agreement and plan of merger has become untrue to the level of materiality required by the agreement and plan of merger, or there is a breach by the other party of any covenant or agreement contained in the agreement and plan of merger, either which cannot be cured, or has not been cured within 30 days after the giving of written notice to such party of such breach.

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SI Financial may terminate the agreement and plan of merger if Newport Bancorp materially breaches its agreements regarding the solicitation of other acquisition proposals and the submission of the agreement and plan of merger to shareholders, or if the board of directors of Newport Bancorp does not recommend approval of the merger in the proxy statement/prospectus or withdraws or revises its recommendation in a manner adverse to SI Financial.

Newport Bancorp may terminate the agreement and plan of merger to accept an agreement for a superior proposal to be acquired by a third party but only if the failure to accept such third party proposal would constitute a breach of its fiduciary duties. SI Financial would have the right to adjust the terms of the merger to make the merger at least as favorable as the superior proposal.

Newport Bancorp may also terminate the agreement and plan of merger if SI Financial's stock price declines by a certain percentage and also declines by a certain percentage relative to the Nasdaq Bank Index. If Newport Bancorp elects to terminate the agreement and plan of merger under this provision, SI Financial may elect to adjust the exchange ratio to an amount that would not make termination under this event possible, in which case no termination would occur.

Termination Fee (page)

Under certain circumstances described in the agreement and plan of merger involving a competing offer, Newport Bancorp will be required to pay SI Financial a termination fee of \$2,450,000 in connection with the termination of the agreement and plan of merger.

Interests of Certain Persons in the Merger that are Different from Yours (page)

In considering the recommendation of the board of directors of Newport Bancorp to adopt the merger agreement, you should be aware that officers and directors of Newport Bancorp have employment and other compensation agreements or economic interests that give them interests in the merger that are different from, or in addition to, their interests as Newport Bancorp shareholders. These interests and agreements include:

Employment agreements for Kevin M. McCarthy, President and Chief Executive Officer of Newport Bancorp and Newport Federal, and Nino Moscardi, Executive Vice President and Chief Operating Officer of Newport Bancorp and Newport Federal, that provide for cash severance payments and continued life insurance and non-taxable medical and dental benefits if the executive's employment is voluntarily terminated for good reason or involuntarily terminated without cause within two years following a change in control, which will be paid in accordance with a negotiated settlement agreement entered into between each of Messrs. McCarthy and Moscardi and SI Financial, Newport Bancorp and Newport Federal, which settles the amounts payable under the employment agreements, the supplemental executive retirement plan mentioned below, and with respect to Mr. Moscardi, the portion of his supplemental executive retirement agreement the vesting of which is accelerated due to his termination of employment as a result of the change in control. Under the settlement agreements, the maximum cash payment to Messrs. McCarthy and Moscardi is \$1,034,659 and \$679,429, respectively;

A supplemental executive retirement plan for the benefit of each of Messrs. McCarthy and Moscardi that provides for a lump sum cash payment in connection with a change in control (no payments will be made under the supplemental executive retirement plan as the result of the settlement agreements;

Accelerated vesting of Mr. Moscardi's normal retirement benefit of \$25,000 payable for 15 years under his supplemental executive retirement agreement (Mr. Moscardi would only be entitled to an annual benefit of \$22,800 if his employment is terminated in 2013, without regard to the change in control);

Savings Institute and SI Financial entered into consulting and noncompetition agreements with each of Messrs. McCarthy and Moscardi. The aggregate cash payments under these agreements are \$1,074,188 for Mr. McCarthy and \$715,500 for Mr. Moscardi;

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An employment agreement between Newport Federal and Ray D. Gilmore II, Executive Vice President and Chief Lending Officer of Newport Federal, and an employment agreement between Newport Bancorp and one other executive officer, that each provide for cash severance payments and continued life insurance and non-taxable medical and dental benefits if the executive's employment is voluntarily terminated for good reason or involuntarily terminated without cause within two years following a change in control (the maximum cash severance payments under these agreements are \$628,127 for Mr. Gilmore and \$541,561 for the other executive officer);

A change in control agreement between Newport Federal and an executive officer that provides for cash severance payments and continued life insurance and non-taxable medical and dental benefits if the individual's employment is voluntarily terminated for good reason or involuntarily terminated without cause within two years following a change in control (no additional benefit is payable under the change in control agreement to the executive officer who is also a party to an employment agreement under which he is entitled to a maximum cash severance of \$541,561);

The termination of all outstanding Newport Bancorp stock options, whether or not vested, with a payment to the holder of the option (including officers and directors of Newport Bancorp) of cash equal to the product of (1) the number of shares of Newport Bancorp common stock subject to the stock option, multiplied by (2) the amount by which \$17.55 exceeds the exercise price of such stock option, less required tax withholding (the aggregate cash payment to the executive officers and directors is \$1,776,656);

The acceleration of vesting of all outstanding restricted stock awards (no executive officer or director holds any restricted stock);

The acceleration of vesting of the normal retirement pension benefit for the non-employee directors of Newport Federal under their supplemental director retirement agreements (the annual retirement benefit payable for 10 years to each director is \$4,800, except in the case of directors Kaull and Harvey who will receive an annual benefit payable for 10 years equal to \$7,000 and \$7,500, respectively);

The appointment of Mr. McCarthy and two other members of Newport Bancorp's board of directors to the boards of directors of SI Financial and Savings Institute immediately following the merger; and

Rights of Newport Bancorp officers and directors to continued indemnification coverage and continued coverage under directors' and officers' liability insurance policies.

Board of Directors

Immediately after the completion of the merger, the board of directors of SI Financial will consist of all the current directors of SI Financial plus Kevin McCarthy, the President and Chief Executive Officer of Newport Bancorp and Newport Federal, and two additional directors from Newport Bancorp. Mr. McCarthy and the additional directors also will join the board of directors of Savings Institute. SI Financial has not yet selected the two additional directors that will join its board and the board of Savings Institute. The board of directors of SI Financial has met each of the directors of Newport Bancorp and is in the process of considering candidates. SI Financial will consider each candidate's background, qualifications and independence and the contributions that each can provide to the boards of directors of SI Financial and Savings Institute. There is no specific timeframe for finalizing the decision on who will be invited to join the board; however, SI Financial will finalize that decision before the closing of the transaction.

For information regarding Mr. McCarthy, see *Annual Meeting of Newport Bancorp Shareholders Proposal No. 4 Election of Directors*.

Accounting Treatment of the Merger (page)

The merger will be accounted for using the acquisition method of accounting in accordance with U.S. generally accepted accounting principles.

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Certain Differences in Shareholder Rights (page)

When the merger is completed, Newport Bancorp shareholders who are to receive shares of SI Financial will become SI Financial shareholders and their rights will be governed by Maryland law and by SI Financial's articles of incorporation and bylaws. See *Comparison of Rights of Shareholders* beginning on page for a summary of the material differences between the respective rights of Newport Bancorp and SI Financial shareholders.

Tax Consequences of the Merger (page)

The federal tax consequences of the merger to shareholders of Newport Bancorp will depend primarily on whether they exchange their Newport Bancorp common stock solely for SI Financial common stock, solely for cash or for a combination of SI Financial common stock and cash. Newport Bancorp shareholders who exchange their shares solely for SI Financial common stock should not recognize gain or loss except with respect to the cash they receive instead of a fractional share. Newport Bancorp shareholders who exchange their shares solely for cash should recognize gain or loss on the exchange. Newport Bancorp shareholders who exchange their shares for a combination of SI Financial common stock and cash should recognize capital gain, but not any loss, on the exchange. The actual federal income tax consequences to Newport Bancorp shareholders of electing to receive cash, SI Financial common stock or a combination of cash and stock will not be ascertainable at the time Newport Bancorp shareholders make their election because it will not be known at that time how, or to what extent, the allocation and proration procedures will apply.

This tax treatment may not apply to all Newport Bancorp shareholders. Determining the actual tax consequences of the merger to Newport Bancorp shareholders can be complicated. Newport Bancorp shareholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each shareholder.

To review the tax consequences of the merger to Newport Bancorp shareholders in greater detail, please see the section *Description of the Merger Tax Consequences of the Merger* beginning on page .

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RISK FACTORS

*In addition to the other information included in this proxy statement/prospectus, you should consider carefully the risk factors described below in deciding how to vote. You should keep these risk factors in mind when you read forward-looking statements in this document. Please refer to the section of this proxy statement/prospectus titled *Caution About Forward-Looking Statements* at page .*

Because the market price of SI Financial common stock will fluctuate, Newport Bancorp shareholders cannot be sure of the market value of the merger consideration they will receive.

Upon closing of the merger, each share of Newport Bancorp common stock will be converted at the election of the shareholder into the right to receive either 1.5129 shares of SI Financial common stock or \$17.55 in cash. The exchange ratio is fixed in the agreement and plan of merger and will not be adjusted for changes in the market price of either SI Financial's common stock or Newport Bancorp's common stock. The market value of the merger consideration may vary from the closing price of SI Financial common stock on the date we announced the merger, on the date that this document was mailed to Newport Bancorp stockholders, on the date of the annual meeting of the Newport Bancorp stockholders and on the date we complete the merger. Therefore, at the time of the annual meeting, Newport Bancorp shareholders will not know or be able to calculate the market value of the SI Financial common stock they will receive upon completion of the merger. For example, based on the range of closing prices of SI Financial common stock during the period from March 5, 2013, the last trading day before public announcement of the merger, through , 2013, the last practicable date before the date of this document, the exchange ratio represented a market value ranging from a low of \$ to a high of \$ for each share of Newport Bancorp common stock.

Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations.

Newport Bancorp shareholders may receive a form of consideration different from what they elect.

The consideration to be received by Newport Bancorp shareholders in the merger is subject to the requirement that 50% of the shares of Newport Bancorp common stock is exchanged for SI Financial common stock and 50% is exchanged for cash. The agreement and plan of merger contains proration and allocation procedures to achieve this desired result. If you elect all cash and the available cash is oversubscribed, then you will receive a portion of the merger consideration in SI Financial common stock. If you elect all stock and the available stock is oversubscribed, then you will receive a portion of the merger consideration in cash. The type of consideration you receive may also be affected by the requirement that the value of the stock portion of the merger consideration is equal to at least 40% of the total value of the merger consideration.

SI Financial may be unable to successfully integrate Newport Bancorp's operations and retain Newport Bancorp's employees.

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the operations of the two companies include, among other things: integrating personnel with diverse business backgrounds; combining different corporate cultures; and retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the business and the loss of key personnel. The integration of the two companies will require the experience and expertise of certain key employees of Newport Bancorp who are expected to be retained by SI Financial. SI Financial may not be successful in retaining these employees for the time period necessary to successfully integrate Newport Bancorp's operations with those of SI Financial. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business and results of operations of SI Financial following the merger.

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Additionally, SI Financial may not be able to successfully achieve the level of cost savings, revenue enhancements, and other synergies that it expects, and may not be able to capitalize upon the existing customer relationships of Newport Bancorp to the extent anticipated, or it may take longer, or be more difficult or expensive than expected, to achieve these goals. This could have an adverse affect on SI Financial's business, results of operation and stock price.

The termination fee and the restrictions on solicitation contained in the agreement and plan of merger may discourage other companies from trying to acquire Newport Bancorp.

Until the completion of the merger, with certain exceptions, Newport Bancorp is prohibited from soliciting, initiating, encouraging or taking any other action to facilitate any inquiries, discussions or the making of any proposals that may lead to an acquisition proposal, such as a merger or other business combination transaction, with any person other than SI Financial. In addition, Newport Bancorp has agreed to pay a termination fee to SI Financial in specified circumstances. These provisions could discourage other companies from trying to acquire Newport Bancorp even though those other companies might be willing to offer greater value to Newport Bancorp's shareholders than SI Financial has offered in the merger.

Certain of Newport Bancorp's officers and directors have interests that are different from, or in addition to, interests of Newport Bancorp's shareholders generally.

The directors and officers of Newport Bancorp have interests in the merger that are different from, or in addition to, the interests of Newport Bancorp shareholders generally. These include: (1) employment and change in control agreements for officers of Newport Bancorp and Newport Federal that provide for cash severance payments and continued health insurance benefits upon completion of the merger; (2) a supplemental executive retirement plan for officers of Newport Bancorp and Newport Federal, which provides for a lump sum cash payment in connection with a change in control; (3) the accelerated vesting of Mr. Moscardi's normal retirement benefit under a supplemental executive retirement agreement; (4) consulting and noncompetition agreements entered into with Messrs. McCarthy and Moscardi as a part of the merger; (5) a cash payment in connection with the termination of all outstanding Newport Bancorp stock options; (6) the acceleration of vesting of all outstanding restricted stock awards; (7) accelerated vesting of the normal retirement pension for certain non-employee directors under their supplemental director retirement agreements; (8) the appointment of Mr. McCarthy and two other members of Newport Bancorp's board of directors to the boards of directors of SI Financial and Savings Institute immediately following the merger; and (9) provisions in the agreement and plan of merger relating to indemnification of directors and officers and insurance for directors and officers of Newport Bancorp for events occurring before the merger.

For a more detailed discussion of these interests, see *Description of the Merger - Interests of Certain Persons in the Merger* beginning on page .

Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of SI Financial and Newport Bancorp.

There can be no assurance that the merger will become effective. If the merger is not completed, the ongoing businesses of SI Financial and Newport Bancorp may be adversely affected and SI Financial and Newport Bancorp will be subject to a number of risks, including the following:

SI Financial and Newport Bancorp will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor, proxy solicitation and printing fees;

under the agreement and plan of merger, Newport Bancorp is subject to restrictions on the conduct of its business before completing the merger, which may adversely affect its ability to execute certain of its business strategies if the merger is terminated; and

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matters relating to the merger may require substantial commitments of time and resources by SI Financial and Newport Bancorp management, which could otherwise have been devoted to other opportunities that may have been beneficial to SI Financial and Newport Bancorp as independent companies, as the case may be.

In addition, if the merger is not completed, SI Financial and/or Newport Bancorp may experience negative reactions from the financial markets and from their respective customers and employees. SI Financial and/or Newport Bancorp also could be subject to litigation related to any failure to complete the merger or to proceedings commenced by SI Financial or Newport Bancorp against the other seeking damages or to compel the other to perform their obligations under the agreement and plan of merger. These factors and similar risks could have an adverse effect on the results of operation, business and stock prices of SI Financial and Newport Bancorp.

Both SI Financial and Newport Bancorp shareholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined organization.

Each of SI Financial and Newport Bancorp shareholders currently have the right to vote in the election of their respective board of directors and on various other matters affecting their respective company. Upon the completion of the merger, Newport Bancorp's shareholders will become shareholders of SI Financial with a percentage ownership of the combined organization that is substantially smaller than such shareholders' percentage ownership of Newport Bancorp. Further, because shares of SI Financial common stock will be issued to existing Newport Bancorp shareholders, the shareholders of SI Financial will have their ownership and voting interests diluted approximately 20.0%.

Newport Bancorp shareholders who make elections may be unable to sell their shares in the market pending the completion of the merger.

Newport Bancorp shareholders may elect to receive cash, stock or mixed consideration in the merger by completing an election form that will be sent under separate cover. Making an election will require that shareholders turn in their Newport Bancorp stock certificates. This means that during the time between when the election is made and the date the merger is completed, Newport Bancorp shareholders will be unable to sell their Newport Bancorp common stock. If the merger is unexpectedly delayed, this period could extend for a significant period of time. Newport Bancorp shareholders can shorten the period during which they cannot sell their shares by delivering their election shortly before the election deadline. However, elections received after the election deadline will not be accepted or honored.

The fairness opinions obtained by each of SI Financial and Newport Bancorp from their respective financial advisors will not reflect changes in circumstances after the date of the fairness opinion.

KBW and Loomis & Co., SI Financial's financial advisors, in connection with the merger, have delivered to the board of directors of SI Financial their respective opinion dated as of March 5, 2013. Sandler O'Neill, Newport Bancorp's financial advisor in connection with the merger, has delivered to the board of directors of Newport Bancorp its opinion dated as of March 5, 2013. The opinions of the respective financial advisors state that as of the respective date of each opinion, and based upon and subject to the factors and assumptions set forth therein, the merger consideration to be paid to the holders of the outstanding shares of Newport Bancorp common stock pursuant to the agreement and plan of merger was fair from a financial point of view to SI Financial and Newport Bancorp, respectively. The opinions do not reflect changes that may occur or may have occurred after the date of such opinions, including changes to the operations and prospects of SI Financial or Newport Bancorp, changes in general market and economic conditions or regulatory or other factors. Any such changes, or changes in other factors on which each opinion is based, may materially alter or affect the estimated valuation conclusions reached in such opinions for SI Financial and Newport Bancorp.

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CAUTION ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this document that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The sections of this document which contain forward-looking statements include, but are not limited to, *Questions And Answers About the Merger and the Shareholder Meetings*, *Summary*, *Risk Factors*, *Description of the Merger* Background of the Merger, *Description of the Merger* *SI Financial's Reasons for the Merger*, and *Description of the Merger* Background of and Newport Bancorp's Reasons for the Merger. You can identify these statements from the use of the words may, will, should, could, would, plan, potential, estimate, project, believe, intend, anticipate, expect, target and similar expressions.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including among other things, changes in general economic and business conditions and the risks and other factors set forth in the *Risk Factors* section beginning on page , and those set forth under the caption Risk Factors in SI Financial's and Newport Bancorp's Annual Report on Form 10-K for the year ended December 31, 2012 and other reports filed by SI Financial and Newport Bancorp with the SEC.

Because of these and other uncertainties, SI Financial's actual results, performance or achievements, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, SI Financial's and Newport Bancorp's past results of operations do not necessarily indicate SI Financial's and Newport Bancorp's combined future results. You should not place undue reliance on any forward-looking statements, which speak only as of the dates on which they were made. Neither Newport Bancorp or SI Financial is undertaking an obligation to update these forward-looking statements, even though their situations may change in the future, except as required under federal securities law. SI Financial and Newport Bancorp qualify all of their forward-looking statements by these cautionary statements.

We also discuss additional factors that could affect the financial condition, results of operations, liquidity or capital resources of SI Financial or Newport Bancorp before or after the merger. See *Information About Newport Bancorp* and *Management's Discussion and Analysis of Financial Condition and Results of Operations of Newport Bancorp* included in this proxy statement/prospectus regarding Newport Bancorp and see *Where You Can Find More Information* for a list of SI Financial documents incorporated by reference.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION**

The following tables present selected consolidated financial information for SI Financial and for Newport Bancorp at and for the dates indicated. The summary financial information for SI Financial is derived from and should be read in connection with the audited consolidated financial statements of SI Financial, which are presented in prior filings made with the Securities and Exchange Commission, which are incorporated by reference into this document. See *Where You Can Find More Information* on page . The summary financial information for Newport Bancorp is derived from and should be read in connection with the audited consolidated financial statements of Newport Bancorp, which appear elsewhere in this proxy statement/prospectus.

Selected Historical Financial Data of SI Financial

	At or For the Three Months Ended March 31,		At or For the Year Ended December 31,				2008
	2013	2012	2012	2011	2010	2009	2008
	(Dollars in thousands, except per share amounts)						
FINANCIAL CONDITION DATA							
Total assets	\$ 957,178	\$ 974,032	\$ 953,250	\$ 955,047	\$ 926,409	\$ 872,354	\$ 853,122
Cash and cash equivalents	35,251	57,788	37,689	48,412	78,321	24,204	23,203
Securities available for sale	196,101	232,519	176,513	230,814	180,036	183,562	162,699
Loans receivable, net	671,770	632,198	685,163	618,626	606,214	607,692	617,263
Deposits (1)	714,895	722,937	708,355	705,217	664,139	662,378	624,276
Federal Home Loan Bank advances	96,069	100,069	98,069	100,069	114,169	116,100	139,600
Junior subordinated debt owed to unconsolidated trust	8,248	8,248	8,248	8,248	8,248	8,248	8,248
Total shareholders' equity	125,715	131,581	125,759	130,517	81,104	77,462	72,927
OPERATING DATA							
Net interest income	\$ 6,345	\$ 6,670	\$ 26,191	\$ 26,443	\$ 26,051	\$ 24,524	\$ 24,040
Provision for loan losses	135	484	2,896	1,558	902	2,830	1,369
Noninterest income	2,440	2,761	8,717	11,127	10,685	10,181	3,136
Noninterest expenses	8,581	8,350	30,653	32,592	31,518	31,405	30,040
Income tax provision (benefit)	146	194	241	1,003	1,313	35	(1,360)
Net (loss) income	(77)	403	1,118	2,417	3,003	435	(2,873)
COMMON SHARE DATA(2)							
Basic and diluted (loss) earnings per share	\$ (0.01)	\$ 0.04	\$ 0.11	\$ 0.24	\$ 0.29	\$ 0.04	\$ (0.28)
Dividends declared per share	0.03	0.03	0.12	0.12	0.09		0.16
Book value per share	12.43	12.44	12.44	12.34	7.67	7.32	6.88
Outstanding shares	10,111,757	10,575,776	10,112,310	10,576,302	10,577,369	10,587,882	10,597,979
KEY OPERATING RATIOS							
(Loss) return on average assets	(0.03)%	0.17%	0.12%	0.26%	0.34%	0.05%	(0.34)%
(Loss) return on average equity	(0.25)	1.23	0.86	1.85	3.70	0.58	(3.71)
Interest rate spread	2.59	2.66	2.63	2.67	2.88	2.67	2.61
Net interest margin	2.84	2.94	2.88	2.96	3.12	2.98	3.00
Noninterest expenses to average assets	3.65	3.49	3.21	3.44	3.55	3.61	3.55
Dividend payout ratio	(372.73)	74.44	104.74	49.28	13.49	41.61	(25.63)
Efficiency ratio	97.71	91.26	88.19	87.54	86.71	90.64	88.72
Allowance for loan losses as a percent of total loans	0.94	0.85	0.93	0.80	0.79	0.80	0.97
	1.32	1.79	1.11	1.70	0.81	0.49	1.50

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Non-performing loans to total loans							
Non-performing assets to total assets	1.04	1.21	0.94	1.21	0.67	0.77	1.09
Allowance for loan losses as a percent of non-performing loans	70.83	47.26	83.45	46.93	97.44	162.65	64.83
Net charge-offs to average loans outstanding during the year	0.11	0.05	0.22	0.22	0.16	0.64	0.09
Average equity to average assets	13.27	13.71	13.59	13.80	9.14	8.68	9.16
CAPITAL RATIOS (Bank only)							
Total risk-based capital ratio	21.15%	22.30%	21.41%	22.21%	15.34%	14.30%	13.32%
Tier 1 risk-based capital ratio	19.90	21.10	20.20	21.09	14.40	13.36	12.33
Tier 1 capital ratio	11.10	10.76	11.08	10.86	7.81	8.02	7.59

- (1) Includes mortgagors and investors escrow accounts.
- (2) On January 12, 2011, SI Financial converted from the mutual holding company to stock holding company form of organization. Concurrent with the completion of the conversion, each share of the former SI Financial's outstanding common stock held by public shareholders was exchanged for 0.8981 shares of SI Financial common stock. All share-related information for periods prior to the conversion is converted at that ratio.

Table of Contents**Selected Historical Financial Data of Newport Bancorp**

	At or For the Three Months Ended March 31,		At or For the Year Ended December 31,				
	2013	2012	2012	2011	2010	2009	2008
	(Dollars in thousands, except per share amounts)						
FINANCIAL							
CONDITION DATA							
Investment securities	\$ 19,436	\$ 36,860	\$ 22,307	\$ 36,220	\$ 47,021	\$ 51,147	\$ 58,552
Loans, net	356,106	353,543	355,038	348,492	356,049	351,499	333,029
Total assets	430,591	467,535	449,413	453,909	449,685	458,879	432,335
Deposits	281,509	273,080	289,674	264,769	261,050	261,946	229,123
Borrowings	91,321	138,724	102,797	133,696	135,236	141,468	145,438
Stockholders equity	53,965	52,195	53,155	51,654	49,703	51,391	54,313
OPERATING DATA							
Net interest income	\$ 3,400	\$ 3,561	\$ 13,805	\$ 14,934	\$ 15,152	\$ 13,461	\$ 12,056
Provision for loan losses		281	1,019	1,121	956	593	568
Noninterest income	521	543	2,457	2,386	2,183	2,130	1,576
Noninterest expenses	3,533	3,234	13,006	13,967	13,687	13,461	12,916
Income before income taxes	388	589	2,237	2,232	2,692	1,537	148
Net income (loss)	141	402	1,561	1,450	1,800	708	(848)
COMMON SHARE DATA							
Basic earnings (loss) per share	\$ 0.04	\$ 0.12	\$ 0.47	\$ 0.44	\$ 0.52	\$ 0.18	\$ (0.20)
Diluted earnings (loss) per share	0.04	0.12	0.46	0.44	0.52	0.18	(0.20)
Dividends declared per share							
Book value per share	15.22	14.89	15.19	14.73	14.25	13.42	12.86
Outstanding shares	3,544,722	3,506,206	3,499,722	3,506,406	3,488,777	3,830,177	4,222,414
KEY OPERATING RATIOS							
Return (loss) on average assets	0.13%	0.35	0.34%	0.32%	0.40%	0.16%	(0.22)%
Return (loss) on average equity	1.05	3.08					