

FOR IMMEDIATE RELEASE

Bank to Form Model for Mutual Community Banking

Newburyport Bank and Pentucket Bank come together under a single mutual holding company.

Haverhill, MA and Newburyport, MA (December 16, 2022) – To help support and sustain the mutual community banking model—particularly against the backdrop of financial services industry consolidation — Newburyport Five Cents Bancorp, MHC, and Pentucket Bank Holdings, MHC, the mutual holding companies of Newburyport Bank and Pentucket Bank, are combining to become one single mutual holding company with two independent community banks with over \$2.5 billion in assets. Lloyd Hamm, President and CEO of Newburyport Bank will serve as CEO of the newly formed holding company. Jonathan Dowst, President and CEO of Pentucket Bank, will serve as President and will succeed Lloyd Hamm at his retirement.

The ability for Newburyport Bank and Pentucket Bank to invest and work in tandem under one holding company will create a unique opportunity to build a dominant, sustainable, independent, and full-service mutual community banking partnership in the Northeastern Massachusetts and Southern New Hampshire markets.

Newburyport Bank (headquartered in Newburyport, MA) and Pentucket Bank (headquartered in Haverhill, MA) are thriving mutual community banks that serve different markets within the Greater Seacoast and Merrimack Valley regions. While operating under one holding company, each bank will maintain its local name, brand, headquarters, retail and lending organizations, management, Charitable Foundation, and Board of Directors. Corporators will serve as Corporators of the new mutual holding company. Additionally, a Board of Advisors will be formed for each respective Bank that Corporators serve today. To further the independence of the two Banks, each Bank will be instituting Charter provisions to ensure each organization remains a mutual savings bank for many years to come.

Operating under a single holding company will allow the two banks to consolidate back-office operations and systems, invest in advanced products and services, achieve scale and efficiencies, and invest in the customers and communities they serve. There will be no layoffs or branch closures since there is no overlap in retail banking territories.

“We believe independent community banks will survive but they face strategic challenges to thrive,” said Lloyd Hamm, President and CEO of Newburyport Bank. “Sharing operational costs and resources is a way to scale and stay competitive in the marketplace. This partnership is in the best interests of our customers, employees, and communities. Both Banks will continue to have strong, independent presences as highly successful and competitive community banks.”

Since both banks are mutuals, operating solely for the benefit of their customers, employees, and communities, the partnership should sustain Newburyport Bank and Pentucket Bank as community banking institutions for future generations, while serving as a model for other mutual banks across New England and beyond. There is potential for other local banks to join the mutual holding company in the future.

“To remain relevant to customers, employees, and communities, scale becomes paramount,” said Jonathan Dowst, President and CEO of Pentucket Bank. “It’s necessary to attract top talent employees, to deliver innovative technology, operations, products, and services to customers, and to enhance the quality of life in our communities.”

Newburyport Five Cents Bancorp, MHC retained Loomis & Co. to provide financial advice for the transaction and K&L Gates LLP to provide legal advice. Pentucket Bank Holdings, MHC retained Luse Gorman, PC to provide legal advice.

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About Newburyport Bank

Newburyport Bank is a state-chartered mutual savings bank headquartered in Newburyport, MA. The bank was founded in 1854 and currently has 11 locations in both Massachusetts and New Hampshire, and over \$1.5 billion in assets. Deposits at Newburyport Bank are federally insured by the Federal Deposit Insurance Corporation (FDIC), with excess insurance provided by the Depositors Insurance Fund (DIF).

About Pentucket Bank

Pentucket Bank is a state-chartered mutual savings bank headquartered in Haverhill, MA, with assets of more than \$960 million. The bank was founded in 1891 and currently has six full-service community banking offices — three in Haverhill, MA, one in North Andover, MA, and one each in Hampstead and Salem, New Hampshire. Deposits at Pentucket Bank are federally insured by the Federal Deposit Insurance Corporation (FDIC), with excess insurance provided by the Depositors Insurance Fund (DIF).