



The Commonwealth of Massachusetts

Board of Bank Incorporation

Decision
Relative to the Application of
MountainOne Financial, MHC and MountainOne Financial, Inc.,
North Adams, Massachusetts
to acquire
Mechanics Bancorp, MHC, and Mechanics Bancorp, Inc.,
Taunton, Massachusetts

MountainOne Financial, MHC (MountainOne MHC) and its wholly-owned subsidiary, MountainOne Financial, Inc. (MountainOne Inc.) (collectively, the Petitioners), North Adams, Massachusetts, have petitioned the Board of Bank Incorporation (the Board) to acquire Mechanics Bancorp, MHC (Mechanics MHC) and its wholly-owned subsidiary Mechanics Bancorp, Inc. (Mechanics Inc.) and their subsidiary bank, Mechanics Cooperative Bank, each of which is located in Taunton, Massachusetts, under the provisions of Massachusetts General Laws chapter 167A, sections 2 and 4. The Petitioners are the mutual holding company and mid-tier holding company, respectively, for MountainOne Bank, North Adams, Massachusetts. As a result of the transaction, Petitioners will acquire Mechanics Cooperative Bank and thereby control two subsidiary banks, including MountainOne MHC's existing subsidiary bank, MountainOne Bank.

The merger of the two mutual holding companies is authorized under Massachusetts General Laws chapter 167H, section 7, clause (3). The transaction is structured so that Mechanics MHC will merge with and into MountainOne MHC (the MHC Merger) and Mechanics Inc. will merge with and into MountainOne Inc. (the IHC Merger). Together, the MHC Merger and the IHC Merger will constitute the proposed transaction (Proposed Transaction). The current bank subsidiaries of MountainOne MHC and Mechanics MHC, MountainOne Bank, a Massachusetts-chartered stock savings bank, and Mechanics Cooperative Bank, a Massachusetts-chartered stock co-operative bank, respectively, will continue their separate legal existence following the Proposed Transaction with each bank maintaining its own name, brand, headquarters, Board of Directors, lending team and retail organization under the oversight of the Board of Trustees of the combined mutual holding company.

Petitioners published notice of the petition as directed by the Board, thereby affording opportunity for interested parties to submit comments. The Board held a public hearing relative to this application on September 9, 2025. The comment period on the Proposed Transaction ended on September 16, 2025, and no comments were received. The Board reviewed the application, all related documents, and considered testimony received at the public hearing. That review focused on the statutory and administrative criteria applicable to such transactions which include, among other things, whether competition among banking

institutions will be unreasonably affected; whether public convenience and advantage would be promoted; and the record of performance under the Community Reinvestment Act (CRA) by the respective subsidiary banks. The financial and management components of the Proposed Transaction were also considered. The statutory requirements set out in sections 2 and 4 of said chapter 167A were also notable factors in the Board's deliberations on the matter before it.

One such statutory provision requires the Board to have received notice from the Massachusetts Housing Partnership Fund (MHPF) that satisfactory arrangements have been made by the Petitioners consistent with statute and the MHPF's various affordable housing loan programs. The Board received notice from the MHPF that satisfactory arrangements had been made for this transaction in a letter dated October 7, 2025.

The Parties

MountainOne Financial, MHC / MountainOne Financial, Inc. / MountainOne Bank

MountainOne MHC is a Massachusetts mutual holding company registered as a bank holding company under the Bank Holding Company Act of 1956 (BHC Act) and subject to regulation by the Board of Governors of the Federal Reserve System (FRB). MountainOne MHC has its corporate offices in North Adams, Massachusetts. MountainOne MHC's principal asset is 100% of the outstanding capital stock of MountainOne Inc., its sole direct subsidiary.

MountainOne Inc. is a Massachusetts corporation and a wholly-owned subsidiary of MountainOne MHC. MountainOne Inc. is registered as a bank holding company under the BHC Act and is subject to regulation by the FRB. MountainOne Inc. has its corporate offices in North Adams, Massachusetts. MountainOne Inc.'s principal asset is 100% of the outstanding capital stock of MountainOne Bank, its sole direct subsidiary.

MountainOne Bank is a Massachusetts-chartered stock savings bank with its main office in North Adams, Massachusetts, and is a wholly-owned subsidiary of MountainOne Inc. MountainOne Bank exists through a series of mutual merger transactions and, in 2002, reorganized into a mutual holding company, pursuant to which MountainOne Bank became a Massachusetts-chartered stock savings bank and wholly-owned subsidiary of MountainOne MHC and MountainOne Inc. MountainOne Bank is a state non-member bank whose primary federal regulator is the Federal Deposit Insurance Corporation (FDIC). The deposits of MountainOne Bank are insured by the FDIC to the maximum extent permitted by law and by the Massachusetts Depositors Insurance Fund (DIF) for any amounts in excess of FDIC deposit insurance limits. MountainOne

Bank has six branch locations in Massachusetts. As of June 30, 2025, MountainOne Bank had consolidated assets of approximately \$1 billion and total deposits of approximately \$776 million. MountainOne has four direct nonbank subsidiaries: MountainOne Insurance Agency, Inc., NAHSB Security Corp., RSB Properties LLC, and South Street Properties, LLC

***Mechanics Bancorp, MHC / Mechanics Bancorp, Inc. /
Mechanics Cooperative Bank***

Mechanics MHC is a Massachusetts mutual holding company registered as a bank holding company under the BHC Act, and subject to regulation by the FRB. Mechanics MHC has its corporate offices in Taunton, Massachusetts. Mechanics MHC's principal asset is 100% of the outstanding capital stock of Mechanics Inc., its sole direct subsidiary.

Mechanics Inc. is a Massachusetts corporation and a wholly-owned subsidiary of Mechanics MHC. Mechanics Inc. is registered as a bank holding company under the BHC Act and is subject to regulation by the FRB. Mechanics Inc. has its corporate offices in Taunton, Massachusetts. Mechanics Inc.'s principal asset is 100% of the outstanding capital stock of Mechanics Cooperative Bank, its sole direct subsidiary.

Mechanics Bank is a Massachusetts-chartered stock cooperative bank with its main office in Taunton, Massachusetts, and is a wholly-owned subsidiary of Mechanics Inc. Mechanics Bank exists through a series of mutual merger transactions and, in 2011, Mechanics Bank reorganized into a mutual holding company, pursuant to which Mechanics Bank became a Massachusetts-chartered cooperative bank and wholly-owned subsidiary of Mechanics MHC and Mechanics Inc. Mechanics Bank is a state non-member bank whose primary federal regulator is the FDIC. The deposits of Mechanics Bank are insured by the FDIC to the maximum extent permitted by law and by the DIF for any amounts in excess of FDIC deposit insurance limits. Mechanics Bank has nine branch locations in Southeastern Massachusetts serving its customers with a full array of consumer and business banking products. As of June 30, 2025, Mechanics Cooperative Bank had consolidated assets of approximately \$830 million and total deposits of approximately \$657 million. Mechanics Bank has three direct nonbank subsidiaries: 1877 TPM Corp., MCB Securities Corporation, and Mechanics Cooperative Bank Insurance Agency, LLC.

Competition

The Petitioners have addressed the issue of whether competition among banks will be unreasonably affected by the Proposed Transaction. The application contained an analysis under the Herfindahl-Hirschmann Index (HHI), a key test utilized by federal agencies in assessing the competitive effects of a proposed

acquisition. In this case, the HHI analysis demonstrates that consummation of the transaction will not result in an undue concentration of banking resources. The Board's review, however, is not limited to such federal standards. It is the practice of the Board to consider a transaction in light of its impact on the citizens, communities, and banking structure in the Commonwealth on a community-by-community basis. In that regard, Petitioners have presented information that the Proposed Transaction will not have a significant adverse effect on competition among banking institutions in any relevant market. There is no overlap in the branch networks of each bank. Specifically, MountainOne Bank and Mechanics Cooperative Bank do not maintain banking offices in any of the same municipalities. Analyzing the branch networks on a more general level, MountainOne Bank and Mechanics Cooperative Bank each have offices in Plymouth County, Massachusetts.¹ MountainOne Bank also has offices in Berkshire County, Massachusetts, and Norfolk County, Massachusetts, however, Mechanics Cooperative Bank does not. Mechanics Cooperative Bank has offices in Bristol County, Massachusetts, however, MountainOne Bank does not. Thus, Plymouth County, Massachusetts, is the only relevant county-based banking markets in connection with the Proposed Transaction. Upon review, the Board does not believe the transaction will unreasonably affect competition for the reasons cited, as well as the fact that a number of diverse financial institutions will continue to provide competitive deposit and credit services throughout the affected areas and banking markets served by each bank.

Public Convenience and Advantage

The Board also considered whether public convenience and advantage will be promoted by this transaction. For the Petitioners, the Proposed Transaction represents a strategic growth opportunity. By sharing operational costs and resources, MountainOne Bank and Mechanics Cooperative Bank will be able to remain competitive in the marketplace while maintaining each bank's independent presence. The greater size of the combined organization will allow efficiencies through the combination of administrative and back-office systems. The Petitioners believe that these anticipated efficiencies are expected to improve the profitability of each bank by more than what each could expect to realize by continuing to operate under separate holding companies. Following the Proposed Transaction, MountainOne Bank and Mechanics Cooperative Bank will continue to offer all of their respective current products and services from their current office locations. There will be no changes to products or services as a result of the Proposed Transaction. There are certain products and services offered by MountainOne Bank which are not offered by Mechanics Cooperative Bank, and vice versa. Over time, following the Proposed Transaction, each bank may expand its offerings to include some or all of the additional products offered by the other. The customers of both MountainOne Bank and Mechanics Cooperative Bank will benefit from the banks sharing products, experience, and expertise. Furthermore, the Petitioners expect that the scale and efficiencies achieved by the combined mutual holding company as a result

¹ MountainOne Bank's Plymouth County offices are located in Rockland and Scituate. Mechanics Cooperative Bank's only Plymouth County office is located in Bridgewater.

of the Proposed Transaction will allow MountainOne Bank and Mechanics Cooperative Bank to invest in advanced products and services. Additionally, by creating a multi-bank mutual holding company with centralized administrative and back-office functions, the resulting mutual holding company may be a more attractive partner to other local institutions wishing to realize the benefits of being part of a larger organization while maintaining their local identity and independence.

The Board has also considered the Petitioners' analysis of "net new benefits" related to the transaction with respect to the statutory criteria. The term includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices, among other factors. As noted in their application, the existing main office and branches of Mechanics Cooperative Bank will be maintained after the Proposed Transaction. The Petitioners also noted in their application that they expect to retain all of Mechanics Cooperative Bank's employees, thereby providing continuity for its customers and communities. As noted above, the application provides that the Proposed Transaction will afford back-office efficiencies for the banks and should allow the combined organization to compete more effectively and improve profitability for each institution, thereby providing funds for future plans for capital investment, job creation, and expansion of consumer and business services.

Related to the issue of public convenience and advantage is the record of CRA performance by the subsidiary banks of the parties to this transaction. Such a review for a state-chartered bank includes examination by personnel of the Division. A publicly available descriptive rating and evaluation by a federal or other state bank regulatory agency may also be considered. The Board notes that MountainOne Bank received a "Satisfactory" rating in its most recent CRA evaluation conducted jointly by the Division and the FDIC as of April 15, 2024. The Board further notes that Mechanics Cooperative Bank received a "High Satisfactory" rating from the Division and a "Satisfactory" rating from the FDIC in its most recently published CRA evaluation conducted jointly by the Division and the FDIC as of August 23, 2021. Accordingly, the Board's review of factors related to public convenience and advantage are supportive of approval.

The financial and managerial aspects of any transaction are also a significant consideration of the Board, as they may affect the continuing holding company's ability to serve the banking public, to actively compete with other financial institutions, and to maintain its capital ratio standards for a safe and sound institution. As a mutual holding company merger, there will be no monetary consideration for the Proposed Transaction and the subsidiary banks will continue to be well-capitalized after consummation. Following the effective time that the Proposed Transaction is consummated (Effective Time), the incorporators of the resulting MHC will consist of the incorporators of MountainOne MHC and the incorporators of Mechanics MHC. The Board of Trustees of the resulting MHC shall be divided into three classes, with one class term expiring each year and each class consisting of two Designated Mechanics Cooperative Bank Trustees and two Designated

MountainOne Bank Trustees. The Board of Trustees of the resulting MHC will be comprised of the President and Chief Executive Officer of Mechanics Cooperative Bank, plus five members from the Mechanics Cooperative Bank Board of Directors (Designated Mechanics Cooperative Bank Trustees), and the President and Chief Executive Officer of MountainOne Bank plus five members from the MountainOne Bank Board of Directors (Designated MountainOne Bank Trustees). During the five-year period following the Effective Time, any vacancy on the resulting MHC Board will be selected by the Designated Mechanics Cooperative Bank Trustees or the Designated MountainOne Bank Trustees, as applicable, from the respective board of directors of Mechanics Cooperative Bank or MountainOne Bank, consistent with the resulting MHC Bylaws and the resulting MHC Board's fiduciary duties, which selection shall be ratified by a majority of the entire resulting MHC Board. At the Effective Time, the current President and Chief Executive Officer of MountainOne MHC will be appointed Chairman of the Board of the resulting MHC and the current President and Chief Executive Officer of Mechanics MHC will be appointed President and Chief Executive Officer of the resulting MHC. As of the Effective Time, the individuals who are serving as officers of MountainOne Bank and Mechanics Cooperative Bank, respectively, immediately prior to the Effective Time, shall continue in office with the same titles as before the Effective Time. The MountainOne Bank Board and the Mechanics Cooperative Bank Board will appoint the respective officers of MountainOne Bank and Mechanics Cooperative Bank. The Board's consideration of the financial and managerial aspects of the transaction also supports its approval.

Conclusion

The application, supporting documents, the testimony received at the public hearing, as well as additional information submitted, have established a complete record on this petition, which has been reviewed in accordance with statutory provisions and policies of the Board. Based on the record of this matter considered in light of all relevant statutory and administrative requirements, the Board finds that public convenience and advantage will be promoted, that competition among banking institutions will not be unreasonably affected, and that the record of performance under CRA by the subsidiary banks involved in this transaction are consistent with its approval. Having considered the record established on this application, the Board has found that the applicable statutory and administrative criteria have been met. In accordance with the findings expressed herein and pursuant to the statutory authority cited herein, the Board hereby approves the petition and authorizes MountainOne Financial, MHC and MountainOne Financial, Inc. to acquire Mechanics Bancorp, MHC and Mechanics Bancorp, Inc., and to directly and indirectly own and control its wholly-owned depository institution subsidiary, Mechanics Cooperative, provided that: (1) the transaction shall not be consummated until all necessary additional regulatory approvals have been obtained; and (2) the transaction is completed within one year of the date of this Decision. MountainOne Financial, MHC will also continue to be subject to

the provisions of Massachusetts General Laws chapter 167H and other applicable statutes.

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Mary L. Gallagher	)	
Commissioner of Banks	)	
	)	Board of
	)	
	)	Bank
	)	
Deborah B. Goldberg	)	
Treasurer and Receiver-General	)	Incorporation
	)	
	)	
	)	
Donald Twomey	)	
Designee of the Commissioner of Revenue	)	

October 8, 2025

Date