



The Commonwealth of Massachusetts

Board of Bank Incorporation

Decision
Relative to the Application of
Mutual Bancorp, Hyannis, Massachusetts
to acquire
Bluestone Financial, MHC, Raynham, Massachusetts

Mutual Bancorp (Petitioner), Hyannis, Massachusetts, has petitioned the Board of Bank Incorporation (Board) to acquire Bluestone Financial, MHC (Bluestone MHC), Raynham, Massachusetts and its subsidiary bank, Bluestone Bank, Raynham, Massachusetts, under the provisions of Massachusetts General Laws chapter 167A, sections 2 and 4. The Petitioner is the mutual holding company for The Cape Cod Five Cents Savings Bank (Cape Cod Five), Hyannis, Massachusetts and Fidelity Co-operative Bank (Fidelity Bank), Leominster, Massachusetts. As a result of the transaction, the Petitioner will acquire Bluestone Bank and thereby control three subsidiary banks, including Mutual Bancorp's existing subsidiary banks, Cape Cod Five and Fidelity 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 Bluestone MHC will merge with and into Mutual Bancorp (Proposed Transaction). The three subsidiary banks will continue their separate legal existence following the Proposed Transaction with each bank maintaining its own name, brand, headquarters, Board of Directors, and retail organization under the oversight of the Board of Trustees of the combined mutual holding company.

The Petitioner 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 February 19, 2026. The comment period on the Proposed Transaction ended on February 27, 2026, and no comments were received. The Board reviewed the application, related documents, and 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 Petitioner

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 the Proposed Transaction in a letter dated March 25, 2026.

The Parties

Mutual Bancorp / The Cape Cod Five Cents Saving Bank /

Fidelity Co-operative Bank

Mutual Bancorp is a Massachusetts-chartered mutual holding company subject to regulation by the Board and the Massachusetts Division of Banks (Division). As of December 31, 2025, Mutual Bancorp had consolidated assets of approximately \$7.0 billion. Mutual Bancorp, through its banking subsidiaries, Cape Cod Five and Fidelity Bank, offers a broad range of financial products and services to customers. Mutual Bancorp, as a mutual holding company, offers no financial products or services directly.

Cape Cod Five is a Massachusetts-chartered trust company subject to regulation by the Division. Cape Cod Five, originally founded in 1855, is headquartered in Hyannis, Massachusetts. Cape Cod Five has 24 full-service banking offices, 13 free-standing automated teller machine locations, and one loan production office in Massachusetts. Cape Cod Five accepts deposits and provides a broad range of retail and commercial banking services to its customers, including residential mortgages, investment management, and trust services. The deposits of Cape Cod Five are insured by the Federal Deposit Insurance Corporation (FDIC) to the maximum extent permitted by law. As of December 31, 2025, Cape Cod Five had consolidated assets of approximately \$5.6 billion. Cape Cod Five has four nonbank subsidiaries: C.F.H., Inc., Shallow Pond, Inc., SeaFive, Inc., and 1855 Security Corporation.

Fidelity Bank is a Massachusetts-chartered co-operative bank subject to regulation by the Division. Fidelity Bank, originally founded in 1888, is headquartered in Leominster, Massachusetts. Fidelity Bank offers a range of personal and business banking solutions to clients in 13 full-service banking centers located in Central and Eastern Massachusetts. The deposits of Fidelity Bank are insured by the FDIC to the maximum extent permitted by law and by the Depositors Insurance Fund (DIF) for any amounts in excess of FDIC deposit insurance limits. As of December 31, 2025, Fidelity Bank had consolidated assets of approximately \$1.4 billion. Fidelity Bank has seven nonbank subsidiaries: Hayes-Barrett Insurance, LLC, Hayes-Barrett Investments, LLC, Nashaway Realty, LLC, M3S, LLC, Shirley Securities, Inc., FCB Security Corporation, Inc., and Exchange Authority, LLC.

Bluestone Financial MHC / Bluestone Bank

Bluestone MHC is a Massachusetts-chartered mutual holding company subject to regulation by the Board and the Division. As of December 31, 2025, Bluestone MHC had consolidated assets of approximately \$1.6 billion. Bluestone MHC, through its banking subsidiary, Bluestone Bank, offers a broad range of financial products and services to customers. Bluestone, MHC, as a mutual holding company, offers no financial products or services directly.

Bluestone Bank is a Massachusetts-chartered savings bank subject to regulation by the Division. Bluestone Bank, originally founded in 1872, is headquartered in Raynham, Massachusetts. Bluestone Bank has 12 full-service banking offices in Massachusetts. The deposits of Bluestone 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. As of December 31, 2025, Bluestone Bank had consolidated assets of approximately \$1.6 billion. Bluestone Bank has two direct nonbank subsidiaries: SC Main Corp and Brisaba III Securities Corp.

Competition

The Petitioner has 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 Proposed Transaction will not result in an undue concentration of banking resources. Specifically, the pro forma HHI analysis demonstrated no change in the HHI value following the consummation of the Proposed Transaction. 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, the Petitioner has presented information that the Proposed Transaction will not have a significant adverse effect on competition among banking institutions in any relevant market. While the branch networks of the banks have locations in two of the same counties, there is no overlap in the branch networks of the three banks in any municipality. Cape Cod Five's primary service area consists of Barnstable County, Nantucket County, Dukes County, and Plymouth County. Fidelity Bank's primary service area consists of certain municipalities located in Worcester, Middlesex, and Norfolk Counties. Bluestone Bank's primary service area consists of certain municipalities located in Norfolk, Plymouth, and Bristol Counties. As stated above, Cape Cod Five and Fidelity Bank do not maintain banking offices in any of the same municipalities where Bluestone Bank has banking offices. Consequently, Cape Cod Five, Fidelity Bank, and Bluestone Bank do not directly compete with each another in the same geographic markets and do not derive any significant number of loans or deposits from each other's primary service areas. Upon review, the Board does not believe the Proposed 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 the Proposed Transaction. For the Petitioner, the Proposed Transaction represents a growth opportunity that will result in a stronger combined banking organization with a larger lending capacity which will be better

positioned to compete against the larger, national banking organizations in the markets served by Mutual Bancorp and Bluestone MHC. The Petitioner believes that the combined organization's larger scale and customer base will lead, over time, to enhanced and technologically improved delivery of its financial products and services. The Petitioner believes that because Bluestone Bank will be a part of a larger banking organization serving communities throughout Eastern and Central Massachusetts, Cape Cod, the Islands and Southeastern Massachusetts, the customers of Bluestone Bank and the general community will benefit from the even greater financial strength and stability of the combined organization. As a result, the Petitioner believes that Mutual Bancorp will become a stronger organization able to enhance the capacity of Cape Cod Five, Fidelity Bank, and Bluestone Bank to serve the communities each institution currently serves. The Petitioner has stated that Cape Cod Five, Fidelity Bank, and Bluestone Bank will continue to offer all of the products and services each bank currently offers to its respective customers. The application notes that following the Proposed Transaction, Mutual Bancorp will continue to have a strong capital position, the resources to offer expanded consumer and commercial products, and the ability to establish high quality customer relationships. This mutually beneficial partnership under a multi-bank holding company structure is expected to enhance the capabilities of each organization. It will also allow for collaboration, shared services, and pooled resources among Cape Cod Five, Fidelity Bank, and Bluestone Bank intended to better meet the needs of their clients in an evolving industry landscape. Additionally, following the closing of the Proposed Transaction, the Bluestone Bank Charitable Foundation, a charity organization affiliated with Bluestone Bank, will convert into the Bluestone Bank Charitable Endowment Fund under the Mutual Bancorp Foundation, Inc., a charity organization affiliated with Mutual Bancorp. As part of this consolidation, Mutual Bancorp intends to contribute an aggregate of \$5.0 million to the foundation over a five-year period.

The Board has also considered the Petitioner's analysis of "net new benefits" related to the Proposed 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 the application, Mutual Bancorp is evaluating potential capital improvements which may be made at Bluestone Bank in the future, including replacing aging hardware and equipment and expanding access to technology, all of which would provide a net benefit to customers and employees in the performance of daily transactions. All branch offices of Cape Cod Five, Fidelity Bank, and Bluestone Bank will be maintained after the Proposed Transaction. The Petitioner also noted in its application that it expects to retain all of Bluestone Bank's employees, thereby providing continuity for its customers and communities. The application provides that the combined resources after the Proposed Transaction will enhance opportunities for future growth of all three institutions, which is anticipated to create additional jobs and provide opportunities for career advancement for current employees of Cape Cod Five, Fidelity Bank, and Bluestone Bank.

Related to the issue of public convenience and advantage is the record of CRA performance by the subsidiary banks of the parties to the Proposed 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 Cape Cod Five received an “Outstanding” rating in its most recent CRA evaluation conducted jointly by the Division and the FDIC as of November 13, 2023. The Board notes that Fidelity Bank received an “Outstanding” rating in its most recent CRA evaluation conducted jointly by the Division and the FDIC as of October 21, 2024. The Board further notes that Bluestone Bank received a “Satisfactory” rating in its most recent CRA evaluation conducted concurrently by the Division and the Federal Reserve Bank of Boston as of November 4, 2024. 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. Upon the closing of the Proposed Transaction, Mutual Bancorp’s Board of Trustees will consist of twelve trustees, nine of which will be current trustees of Mutual Bancorp, and three of which will be current directors of Bluestone MHC. In addition, Bluestone Bank will appoint the current Chair and CEO of Mutual Bancorp, to the Bluestone Bank Board of Directors, and Mutual Bancorp will appoint the current CEO of Bluestone MHC as Vice Chair and Co-President of Mutual Bancorp. Following the consummation of the Proposed Transaction, the principal officers of each Cape Cod Five, Fidelity Bank, and Bluestone Bank will remain unchanged. The Board’s consideration of the financial and managerial aspects of the Proposed 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 the Proposed 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 Mutual Bancorp to acquire and merge with Bluestone

MHC, and to directly own and control its wholly-owned depository institution subsidiary, Bluestone Bank, provided that: (1) the Proposed Transaction shall not be consummated until all necessary additional regulatory approvals have been obtained; and (2) the Proposed Transaction is completed within one year of the date of this Decision.

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

April 16, 2026
Date