



COMMONWEALTH OF MASSACHUSETTS

Division of Banks

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**Decision
Relative to the Merger of
The Cooperative Bank, Roslindale, Massachusetts
with and into
Ion Bank, Naugatuck, Connecticut**

Ion Bank, Naugatuck, Connecticut has applied to the Massachusetts Division of Banks (Division) to merge with The Cooperative Bank, Roslindale, Massachusetts pursuant to the provisions of Massachusetts General Laws chapter 167I, section 2. Under the terms of an Agreement and Plan of Merger dated May 20, 2026 (Merger Agreement), The Cooperative Bank will merge with and into Ion Bank (Proposed Transaction) under the charter, by-laws, and name of Ion Bank (Continuing Institution). The main office of Ion Bank will remain the main office of the Continuing Institution after consummation of the Proposed Transaction, and the banking offices of The Cooperative Bank will be retained as branch offices of the Continuing Institution. Ion Bank has indicated that for at least five years following the closing of the Proposed Transaction, Ion Bank will maintain all of The Cooperative Bank's banking offices existing at the closing of the Proposed Transaction and will operate the acquired banking offices under the name "TCB, A Division of Ion Bank." Ion Bank is a direct subsidiary of Ion Financial, MHC, Inc. (Ion MHC), Naugatuck, Connecticut.

Legal and Procedural Requirements

Notice of Ion Bank's application was posted and published as directed by the Division thereby affording opportunity for the public to submit comments. The period for filing comments has expired, and one comment was received. The Division considered the issue raised by the public comment and determined that the response letter from Ion Bank satisfactorily addressed the submitted comment. The Division

reviewed the application and supplementary materials submitted by Ion Bank in accordance with applicable law, including the statutory criteria of whether competition among banking institutions will be unreasonably affected and whether public convenience and advantage, as well as “net new benefits” will be promoted by approval of the Proposed Transaction. The Division also considered both banks’ records of performance under the Community Reinvestment Act (CRA) as well as financial and managerial factors. The Depositors Insurance Fund (DIF) confirmed by letter dated August 17, 2026, that satisfactory arrangements have been made relative to the Proposed Transaction. In addition, as part of the application process The Cooperative Bank’s customers were notified of the prospective loss of excess deposit insurance coverage from the DIF in connection with the Proposed Transaction.

The Parties

Ion Bank is a Connecticut-chartered savings bank in stock form as a direct subsidiary of Ion MHC, a Connecticut-chartered mutual holding company. In addition to its main office in Naugatuck, Connecticut, Ion Bank has 32 full-service branch offices and 2 limited-service branches, located in the Capitol, Naugatuck Valley, and South Central Connecticut Planning Regions in Connecticut, and Bergen and Morris Counties in New Jersey. The Bergen County, New Jersey branches are operated under the name “NVE Bank, A Division of Ion Bank.” Ion Bank is subject to supervision and examination by the Connecticut Department of Banking and is a member of the Federal Reserve System. As of June 30, 2026, Ion Bank had total assets of approximately \$2.8 billion and total deposits of approximately \$2.3 billion. Ion Bank’s deposits are insured up to allowable limits by the Federal Deposit Insurance Corporation (FDIC). Ion Bank has two wholly-owned subsidiaries: Ion Investment Holding Company (d/b/a Ion Investments) and Ion Mortgage Corporation. In addition, Ion Bank originates and services auto loans through BCion Vehicle Finance, which is a division of Ion Bank. Ion MHC is also the mutual holding company parent for Nutmeg Financial Holdings LLC, a Connecticut limited liability company that buys assets from Ion Bank to facilitate the foreclosure and collection of the purchased loans.

The Cooperative Bank is a Massachusetts-chartered mutual co-operative bank with its main office in Roslindale, Massachusetts. Including its main office, The Cooperative Bank has four banking offices, all of which are in Suffolk County, Massachusetts. The Cooperative Bank is subject to supervision and examination

by the Division and the FDIC. As of June 30, 2026, The Cooperative Bank had total assets of approximately \$548.3 million and total deposits of approximately \$457.8 million. The Cooperative Bank's deposits are insured up to allowable limits by the FDIC and amounts in excess of FDIC insurance limits are insured by the DIF. The Cooperative Bank has one wholly-owned subsidiary: Belgrade Avenue Securities Corporation.

Competition

Materials have been submitted to address the issue that competition among banks will not be unreasonably affected by the Proposed Transaction. In analyzing the impact of a proposed transaction on banking competition, the Division considers, but does not rely exclusively upon, the guidelines used by federal authorities to review bank mergers. Essentially, these guidelines define relevant markets and measure concentration, which is considered an important indicator of competitiveness. The starting point in the federal analysis is the Herfindahl-Hirschman Index (HHI), an arithmetic measure of market concentration that synthesizes the distribution of market shares and the number of banks in an affected market into a single value.

In this case, the HHI analysis supports a determination that the Proposed Transaction will not result in an undue concentration of banking resources because the two banks operate in separate banking markets. Ion Bank operates branches in the Metro New York City, NY-NJ, CT-PA and Hartford, CT banking markets while The Cooperative Bank operates in the Boston, MA-NH banking market. Because the banks do not compete in common markets and the Continuing Institution will acquire The Cooperative Bank's market share in the Boston, MA-NH banking market and continue to offer banking services from The Cooperative Bank's Massachusetts offices, the applicable HHI values are unchanged following the Proposed Transaction.

The Division considered the competitive impact of the Proposed Transaction on a community-by-community basis as well as on the overall banking structure of the Commonwealth. The Proposed Transaction will not have a significant adverse effect on competition among banking institutions in any relevant market. Specifically, there is no overlap in the towns, cities, or counties in which the two banks maintain banking offices. All of Ion Bank's banking offices are located in Connecticut and New Jersey. All of The Cooperative Bank's banking offices are located in Massachusetts. Accordingly, the review of the Proposed Transaction's impact on competition does not raise concerns which would preclude its approval.

Public Convenience and Advantage

The Division has also considered the record of this application to determine whether public convenience and advantage will be promoted. The leadership teams of both banks believe that as a result of the Proposed Transaction, the Continuing Institution will benefit the public by creating a larger institution that is better suited for competing against other community banks, regional banks, and national financial institutions. The applicant asserts that the Proposed Transaction will extend Ion Bank's geographic footprint and preserve and strengthen the mutual banking model ensuring that a depositor-owned institution remains an active force for local growth and community in Connecticut, New Jersey, and Massachusetts. According to the application, the Proposed Transaction will also improve the operating efficiency of both banks by spreading its fixed costs over a larger base of earning assets. The Continuing Institution intends to execute the Proposed Transaction in a manner that will allow The Cooperative Bank to retain its local identity while leveraging Ion Bank's resources to gain operating efficiencies. Customers of The Cooperative Bank will benefit from enhanced banking products, expanded services, greater access to modern banking technology, and an expanded branch network. Furthermore, customers of both institutions will receive the benefits of larger loan-to-one borrower limits at the Continuing Institution following the Proposed Transaction, given the larger capital base.

In determining whether to approve a petition under the statutory criteria, the Division is also required to consider a showing of "net new benefits" related to the transaction. That term includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices, among other factors which the Division may deem necessary. The application has addressed this requirement of the statute. Capital investments associated with the Proposed Transaction will include new bank signage, telecommunications equipment, branch equipment, and other improvements as may be necessary following its consummation. Because the Proposed Transaction represents an expansion of Ion Bank's market area and creates no redundancies in the branch network, no customer-facing positions are expected to be eliminated as a result. Continued measured growth in the future is anticipated, which should create additional jobs and also provide opportunities for career advancement for current employees of The Cooperative Bank in the Continuing Institution. The Cooperative Bank customers will be offered a broader

array of consumer and business services and banking products as compared to those currently offered. Ion Bank plans to offer all products currently available to its customers to the customers of The Cooperative Bank. The Proposed Transaction will result in the introduction of several new products and services to the customers of The Cooperative Bank. For instance, customers of The Cooperative Bank will be offered Ion Bank's cash management products and services, such as Zelle and Positive Pay, and financial planning, investment, wealth management, and insurance products and services. Lastly, Ion Bank expressed its intent for The Continuing Institution to maintain the existing branch network of both Ion Bank and The Cooperative Bank and has no plans to consolidate any branch offices in connection with the Proposed Transaction. Ion Bank anticipates that the Continuing Institution will continue to evaluate new expansion opportunities as they arise, which may include the opening of new branch offices, whether de novo or through acquisition. Accordingly, the Division has reviewed factors related to public convenience and advantage, as well as net new benefits, and has determined that they are consistent with approval of the application.

Related to the issue of public convenience and advantage is the record of performance under the CRA by the banks which are parties to this Proposed Transaction. Ion Bank received a "Satisfactory" rating in the most recent Connecticut Community Reinvestment Act performance evaluation conducted by the Connecticut Department of Banking as of January 2, 2025. Ion Bank received a "Satisfactory" rating in the most recent CRA performance evaluation conducted by the FDIC as of May 30, 2023. The Cooperative Bank received a "Satisfactory" rating as a result of the most recent CRA examination completed jointly by the Division and the FDIC as of January 30, 2023. The Division's consideration of the CRA performance of Ion Bank and The Cooperative Bank also supports the approval of the Proposed Transaction.

Financial and Managerial Considerations

The Division also reviews and considers the financial and managerial aspects of a proposed transaction. The mutual ownership interests of the depositors of The Cooperative Bank will be converted into a similar mutual ownership interest in Ion MHC as a result of the Proposed Transaction. No other consideration was paid in connection with the exchange of mutual ownership interests. Information provided through the application indicates that no financing will be required to complete this Proposed

Transaction and the Continuing Institution will meet all regulatory capital requirements upon consummation of the Proposed Transaction.

In terms of the Board of Directors and management, materials submitted to the Division indicate that after the Proposed Transaction, the President and Chief Executive Officer of Ion MHC and Ion Bank will be the President and Chief Executive Officer of the Continuing Institution. The current President and Chief Executive Officer of The Cooperative Bank will serve as an executive officer of the Continuing Institution. The current Executive Vice President of The Cooperative Bank will serve as the Chief Accounting Officer of the Continuing Institution. The board of directors of Ion MHC and of the Continuing Institution, upon consummation of the Proposed Transaction, will each be comprised of 13 directors. It is expected that all 10 of the current directors of Ion MHC and Ion Bank will continue as directors of Ion MHC and the Continuing Institution upon consummation of the Proposed Transaction. Additionally, Ion MHC and Ion Bank have indicated that they will take all action necessary to appoint three of the current directors of The Cooperative Bank to the boards of Ion MHC and the Continuing Institution, effective upon consummation of the Proposed Transaction. Accordingly, the financial and managerial considerations support approval of the application.

Conclusion

Upon review of the complete record of the application with reference to the relevant statutory and regulatory requirements, the Division has concluded that all such requirements have been met, and that the consummation of the Proposed Transaction would be in the public interest. On the basis of these considerations, and subject to the conditions set forth below, approval is granted to merge The Cooperative Bank with and into Ion Bank under the charter, by-laws, and name of Ion Bank under the provisions of Massachusetts General Laws chapter 167I, section 2. Upon consummation of the Proposed Transaction, the charter of The Cooperative Bank will cease to exist, and all rights, privileges, powers, franchises, properties, assets, liabilities and obligations of The Cooperative Bank shall be vested in and assumed by the Continuing Institution. Pursuant to Massachusetts General Laws chapter 167C, section 13, approval is also granted for the Continuing Institution to maintain each of the banking offices of The Cooperative Bank as branch offices of the Continuing Institution.

The approvals granted herein are subject to the following conditions:

- (1) That the Proposed Transaction shall not become effective until a Certificate signed by the Presidents and Clerks, or other duly authorized officers of each bank, indicating that each institution has complied with the provisions of Massachusetts General Laws chapter 167I, section 2 has been returned for my endorsement thereon;
- (2) That the Proposed Transaction shall not become effective until Articles of Merger with my endorsement thereon are filed with the Secretary of the Commonwealth of Massachusetts;
- (3) That in accordance with Massachusetts General Laws chapter 167C, section 13, the banking offices of The Cooperative Bank being maintained as branch offices of the Continuing Institution must comply with all provisions of the Community Reinvestment Act and all other consumer protection and fair lending statutes in the Commonwealth; and
- (4) That the Proposed Transaction shall be consummated within one year of the date of this Decision.

Mary L. Gallagher

September 30, 2026

Commissioner of Banks

Date