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DECISION RELATIVE TO THE MERGER OF ENVISION BANK, RANDOLPH, MASSACHUSETTS WITH AND INTO ABINGTON BANK, ABINGTON, MASSACHUSETTS

Abington Bank, Abington, Massachusetts has applied to the Division of Banks (Division) to merge with Envision Bank, Randolph, Massachusetts pursuant to the provisions of Massachusetts General Laws chapter 167I, section 3. Under the terms of a Bank Merger Agreement dated as of March 28, 2022, Envision Bank will merge with and into Abington Bank (Bank Merger) under the charter, bylaws, and name of Abington Bank (Continuing Institution). The main office of Abington Bank will remain the main office of the Continuing Institution after consummation of the proposed Bank Merger. Abington Bank has also petitioned the Division to maintain and operate four of Envision Bank's five banking offices as branch offices of the Continuing Institution. In conjunction with this multi-step transaction, Abington Bank has filed an application with the Division to close Envision Bank's branch office location at 50 South Franklin Street, Holbrook, Massachusetts (Envision Holbrook Branch).

The Bank Merger application was filed in connection with a multi-step transaction in which Hometown Financial Group, Inc., Easthampton, Massachusetts (Hometown Financial), a Massachusetts bank holding company, will indirectly acquire the stock of Envision Bank. Abington Bank is a wholly owned subsidiary of Hometown Financial, and Hometown Financial is a wholly owned subsidiary of Hometown Financial Group, MHC, Easthampton, Massachusetts (Hometown MHC), a Massachusetts mutual holding company. Under the multi-step transaction, Hometown Financial will indirectly acquire the stock of Envision Bank through a merger of Randolph Bancorp, Inc. (Randolph Bancorp), the holding

company for Envision Bank, with Hometown Financial Acquisition Corp. (Merger Subsidiary), a wholly owned subsidiary of Hometown Financial formed for the purpose of facilitating this multi-step transaction. According to an Agreement and Plan of Merger by and among Hometown MHC, Hometown Financial, Merger Subsidiary, and Randolph Bancorp also dated as of March 28, 2022, at the effective time of the proposed multi-step transaction Merger Subsidiary will merge with and into Randolph Bancorp resulting in Randolph Bancorp becoming a subsidiary of Hometown Financial, and Randolph Bancorp will immediately thereafter merge into Hometown Financial (collectively, the Parent Merger). Contingent upon and immediately following the Parent Merger, Envision Bank will merge with and into Abington Bank.

Legal and Procedural Requirements

Notice of Abington Bank's application was posted and published as directed by the Division thereby affording opportunity for interested parties to submit comments to the Division. The period for filing comments has expired and no comments were received. The Division reviewed the application and supplementary materials submitted by Abington 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 considered both banks' records of performance under the Community Reinvestment Act (CRA) as well as financial and managerial factors.

Pursuant to Massachusetts General Laws chapter 167A, section 3 (Section 3), an application to the Commonwealth's Board of Bank Incorporation was not required for the merger of Merger Subsidiary with and into Randolph Bancorp and the related merger of Randolph Bancorp with and into Hometown Financial because the Parent Merger will occur simultaneously with the merger of the subsidiary banks and the Bank Merger requires the Division's approval. Section 3 also requires that the bank to be acquired in the multi-step transaction must have been in existence for not less than three years and imposes a thirty percent (30%) limit on the total deposits, exclusive of foreign deposits, of all depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) that the resulting bank holding company may control. Envision

Bank has been in existence for more than three years, and the resulting holding company following the merger of Randolph Bancorp with and into Hometown Financial would control less than thirty percent of the total in-state deposits of the FDIC-insured depository institutions in Massachusetts.

In reviewing the proposed transaction, the Division must receive notice from the Massachusetts Housing Partnership Fund (MHPF) that satisfactory arrangements have been made consistent with Massachusetts General Laws chapter 167A, section 4 and the MHPF's affordable housing loan programs. The Division received notice from the MHPF in a letter dated September 26, 2022, that satisfactory arrangements have been made for this transaction. Based upon the foregoing, the Division has determined that the multi-step transaction satisfies the requirements of Section 3.

In a merger transaction involving the combination of a Massachusetts state-chartered co-operative bank and a Massachusetts state-chartered savings bank, the Division must also receive notice that the applicant has made satisfactory arrangements with the Depositors Insurance Fund, the excess deposit insurer. The Depositors Insurance Fund confirmed by letter dated May 17, 2022, that satisfactory arrangements had been made in connection with the Bank Merger.

The Parties

Abington Bank is a Massachusetts state-chartered co-operative bank and is an indirect banking subsidiary of Hometown MHC and direct banking subsidiary of Hometown Financial. In addition to Abington Bank, Hometown MHC and Hometown Financial also hold Hometown Bank, Oxford, Massachusetts and Easthampton Savings Bank, Easthampton, Massachusetts as banking subsidiaries within the mutual holding company organization. Abington Bank maintains its main office in Abington, Massachusetts and operates a network of five branch offices located in Norfolk County and Plymouth County, Massachusetts. As of June 30, 2022, Abington Bank reported total assets of approximately \$596.6 million and total deposits of approximately \$475.7 million. Abington Bank offers a full range of personal and business checking, deposit, and loan products and services. Abington Bank's deposits are insured by

the FDIC to the fullest extent permitted by law, and deposit amounts in excess of the FDIC limits are insured under Massachusetts law by the Depositors Insurance Fund.

Envision Bank is a Massachusetts state-chartered savings bank and is the sole banking subsidiary of Randolph Bancorp. In addition to its main office in Randolph, Massachusetts, Envision Bank maintains four branch offices all located in Norfolk County, Massachusetts. As of June 30, 2022, Envision Bank reported total assets of approximately \$774.4 million and total deposits of approximately \$649.1 million. Envision Bank's deposits are insured by the FDIC to the fullest extent permitted by law, and deposit amounts in excess of the FDIC limits are insured under Massachusetts law by the Depositors Insurance Fund. Envision Bank operates four wholly owned subsidiaries that Abington Bank would expect to cause to be merged into existing Abington Bank subsidiaries or dissolved upon the closing of the Bank Merger or promptly thereafter.

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 the affected market into a single value. In the case of the proposed Bank Merger, the HHI analysis demonstrates that consummation of the transaction will not result in an undue concentration of banking resources. Abington Bank and Envision Bank both compete in the Boston, Massachusetts Banking Market (Boston Banking Market) as that market is defined by the Board of Governors of the Federal Reserve System for purposes of the HHI analysis. The Boston Banking Market is a moderately concentrated banking market on an unweighted deposits basis under the HHI model according to applicable guidelines and would remain a

moderately concentrated market following this proposed multi-step transaction. The HHI Index Value for the Boston Banking Market would remain unchanged following the combination of Envision Bank with and into Abington Bank and would therefore demonstrate that consummation of the transaction will not result in an undue concentration of banking resources.

In addition to the HHI analysis, the Division considers the competitive impact of the proposed transaction on a community-by-community basis, as well as on the overall banking structure of the Commonwealth. Abington Bank provided information to illustrate that the proposed transaction will not have a significant adverse effect on competition and will not result in an undue concentration of banking resources in the communities served by the Continuing Institution. Abington Bank and Envision Bank each have banking offices located in Norfolk County, Massachusetts. However, Holbrook, Massachusetts is the only city or town in which both banks operate at least one banking office. Abington Bank has petitioned the Division to incorporate four of Envision Bank's five banking offices in Norfolk County into Abington Bank's existing branch network. Information provided as part of the application to close the Envision Holbrook Branch illustrates that the community will continue to be served by an existing Abington Bank branch office that is also located in Holbrook, Massachusetts and within .2 miles of the Envision Holbrook Branch. Abington Bank noted that banking services are also provided to the community by two other competing financial institutions that also maintain branch offices in Holbrook, Massachusetts.

Abington Bank further states that the combined resources and expertise resulting from the proposed transaction will enable the Continuing Institution to compete more effectively in the financial services industry than either bank could compete independently and will allow the Continuing Institution to operate more efficiently by distributing fixed costs over a larger asset base. The significant presence of other banks, credit unions, and non-depository lenders in the relevant market is a further indication that the proposed transaction will not result in an undue concentration of banking resources in the communities to be served by the Continuing Institution. Based upon the foregoing, the Division finds that the proposed transaction will not unreasonably impact competition.

Public Convenience and Advantage

The Division considered the record of the application to determine whether public convenience and advantage will be promoted by the proposed transaction. Abington Bank states that current customers of both banks and prospective customers of the Continuing Institution will benefit from the Continuing Institution's increased asset size, lending capacity, and improved operational efficiencies. As discussed further below, the customers of both banks will have access to new or improved banking products and services, higher lending limits, and a larger branch office and ATM network.

In determining whether to approve a petition under the statutory criteria, the Division is required to consider a showing of "net new benefits" related to the transaction. That term as set out in Massachusetts General Laws chapter 167I, section 3 includes initial capital investments, job creation plans, consumer and business services, and commitments to maintain and open branch offices, among other factors that the Division may deem necessary. Abington Bank satisfactorily addressed this requirement of the statute. The Continuing Institution plans to make capital investments to update signage at current Envision Bank branch locations, conduct a core processing system conversion, and complete improvements, as needed, to telecommunication and branch equipment in the combined branch network. With regard to employment, information filed in connection with the Bank Merger indicates that there will be some initial staff reductions associated with the transaction primarily impacting finance and operations positions among Envision Bank staff. Envision Bank also indicates that staff reductions among lending personnel assigned to Envision Bank's mortgage banking division would be scheduled to coincide with the Bank Merger, with Envision Bank's mortgage banking operations and remaining lending personnel intended to be transferred to Easthampton Savings Bank's mortgage banking division as part of this transaction. Following the initial staff reductions, the Continuing Institution's expected future growth is anticipated to create opportunities for additional employment. Abington Bank also expects that the Continuing Institution's future growth will support increased opportunities for career advancement for current employees of both depository institutions.

The materials submitted as part of the application indicate that customers of Envision Bank may benefit from the opportunity to access an expanded portfolio of products and services, including but not limited to health savings accounts, Early Pay ACH service, and a single digital platform for customers that have both a consumer and commercial relationship with the Continuing Institution. In addition to Abington Bank's six banking locations, customers of Envision Bank will also potentially benefit from the convenience of the thirty-three branch offices and thirty-seven ATMs operated in aggregate by Abington Bank and its affiliate banks under Hometown MHC. As referenced above, it is anticipated that rather than becoming a part of Abington Bank's operations, Envision Bank's mortgage banking division will be transferred within the mutual holding company organization to a newly established mortgage banking division to be formed by Easthampton Savings Bank. Accordingly, the factors related to public convenience and advantage, including net new benefits, are consistent with approval of Abington Bank's application.

Related to the issue of public convenience and advantage is the record of Community Reinvestment Act (CRA) performance by the banks that are parties to this transaction. Such review for Massachusetts state-chartered banks includes examination by personnel of the Division. A publicly available descriptive rating and evaluation by a federal bank regulatory agency may also be considered. Abington Bank received a "Satisfactory" rating in its most recent CRA performance evaluations conducted concurrently by the Division and the Federal Reserve Bank of Boston each as of September 25, 2017. Envision Bank received a "Satisfactory" rating in its most recent CRA performance evaluation conducted jointly by the Division and the FDIC as of February 18, 2020. The Division's consideration of the CRA performances of Abington Bank and Envision 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 the proposed transaction. According to materials submitted as part of the application, at the effective time of the proposed transaction, each share of Randolph Bancorp common stock issued and outstanding will convert to the right

to receive \$27.00 in cash. Abington Bank disclosed that Hometown Financial will finance the acquisition costs through a combination of funds available from a new borrowing facility obtained in conjunction with this transaction and a dividend from Abington Bank to Hometown Financial. Materials provided with the merger application indicate that following the payment of the dividend to Hometown Financial and the consummation of the transaction, the Continuing Institution will continue to meet all regulatory capital requirements as a well-capitalized institution.

According to the application, the Board of Trustees of Hometown MHC and the Boards of Directors of Hometown Financial and the Continuing Institution upon consummation of the proposed transaction will consist of those individuals currently serving as trustees of Hometown MHC and directors of Hometown Financial and Abington Bank, respectively, with the addition of one member from the current Board of Directors of Envision Bank. Materials provided with the application further state that additional consideration will be granted to appointing a second member of the Envision Bank Board of Directors to the Board of Trustees of Hometown MHC and the Boards of Directors of Hometown Financial and the Continuing Institution. The principal executive officers of the Continuing Institution will consist of those individuals currently serving as principal executive officers of Abington Bank, and three individuals currently serving as executive officers of Envision Bank will join the Continuing Institution in an executive officer capacity. 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 concludes that all such requirements have been met and that consummation of the proposed multi-step transaction is in the public interest. On the basis of these considerations, and subject to the conditions set forth below, approval is granted for Envision Bank to merge with and into Abington Bank under the charter, bylaws, and name of Abington Bank pursuant to Massachusetts General Laws chapter 167I, section 3. Upon consummation of the Bank Merger, the charter

of Envision Bank shall cease to exist; the separate existence of Envision Bank shall cease; and all rights, privileges, powers, franchises, properties, assets, liabilities, and obligations of Envision Bank shall be vested in and assumed by Abington Bank. Approval is also granted pursuant to Massachusetts General Laws chapter 167C, section 3 for Envision Bank to close the branch office location at 50 South Franklin Street, Holbrook, Massachusetts. Finally, approval is also granted pursuant to Massachusetts General Laws chapter 167I, section 3 for Abington Bank to maintain the remaining banking offices of Envision Bank as branch offices of the Continuing Institution.

The approvals granted herein are subject to the following conditions:

1. That the proposed Bank Merger shall not be consummated until all necessary additional regulatory approvals have been obtained.
2. That the proposed merger of Randolph Bancorp with and into Hometown Financial, Inc. shall not become effective unless the Articles of Merger with my endorsement thereon are filed with the Massachusetts Secretary of State.
3. That the proposed Bank Merger 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 3 has been returned with my endorsement thereon.
4. That the proposed Bank Merger shall not become effective unless the Articles of Merger with my endorsement thereon are filed with the Massachusetts Secretary of State.
5. That the proposed Bank Merger shall be consummated within one year of the date of this Decision.

Mary L. Gallagher
Commissioner of Banks

September 26, 2022
Date