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PRESS RELEASE – FOR IMMEDIATE RELEASE
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Abington Bank will merge with Pilgrim Bank to create a \$600 million community bank with six offices serving eastern Massachusetts

Abington, Massachusetts, February 6, 2019 - Andrew Raczka, CEO of Abington Bank, announced today that Abington Bank will merge with Pilgrim Bank, a member of the Hometown Financial Group, MHC. The transaction is expected to close in the second quarter of this year. Raczka will lead the merged bank as its CEO.

“We are thrilled to join forces with Pilgrim Bank,” said Raczka. “Our combined resources and expanded branch network will enable us to better serve customers in Plymouth and Norfolk counties. We will have the size and scale needed to be a meaningful player in this market and be able to offer the products and services our customers need with the local commitment they deserve. This transaction will allow us to truly set ourselves apart from the competition.”

Abington Bank has significant experience with community bank mergers. Abington Bank merged with Holbrook Co-operative Bank in November of 2016. Just six months later, in May of 2017, Abington announced a second merger, this time with Avon Co-operative Bank. Today, Abington Bank is a successful \$315 million community bank with three branches serving Abington, Avon and Holbrook. After the completion of the merger with Pilgrim Bank, the combined bank will have \$600 million in assets and will operate six full-service branches.

“It is difficult and expensive to operate a small bank today. Our previous transactions allowed us to increase our market share and become more efficient,” said Raczka. “Those mergers created significant value for our customers, our employees and our communities. Now, we will become even stronger and more relevant by merging with Pilgrim Bank.”

Hometown Financial Group recently closed on its acquisition of Pilgrim Bank. “Pilgrim Bank was our entry point into the eastern Massachusetts market,” said Matthew S. Sosik, President and CEO of Hometown Financial Group, Inc. “From the start, we knew that finding the right mutual partner would be the key to our success with our acquisition of Pilgrim Bancshares, Inc. We are very excited about our partnership with Abington Bank. Andy Raczka and his Board are well-known and respected bankers in this market, they know the region, and they have experience with bank mergers and integrations. Their

customer-first approach, employee-centric culture, and commitment to mutuality mirrors our philosophy here at Hometown Financial Group,” said Sosik. Following the transaction, Hometown Financial Group will have consolidated assets of \$2.7 billion and 30 branches across Massachusetts and northeastern Connecticut.

At closing, the combined bank will be managed by Raczka and his leadership team and the existing Abington Directors will serve as the board of the combined bank. The Bank will be headquartered in Abington, Massachusetts and will operate as an independent subsidiary of Hometown Financial Group. Raczka and Paul Sullivan, Chairman of the Board of Abington Bank, will serve on the board of Hometown Financial Group. Raczka will also serve as President of Hometown Financial Group. The three Pilgrim Bank branches will continue to operate under the Pilgrim Bank brand after the merger.

“That’s the beauty of this merger,” said Sullivan. “Our bank will grow to \$600 million in assets, nearly doubling in size, and will gain access to all of the resources, products and services of Hometown Financial Group. This will allow Andy and his team to focus on growing in our local markets and providing best-in-class customer service. Our board is certain this is the most effective way to grow our company and remain true to our primary mission of serving our customers for the long term,” he said.

Under its holding company structure, Hometown Financial Group is able to share resources such as human resources, marketing, facilities management, asset/liability management, investment management, compliance, and information technology with the banks under its umbrella. “We realize significant efficiencies from our operating model,” Sosik said. “Banks in the Hometown Financial Group family operate independently with their own identity, management teams, and boards and avail themselves of back-office resources that are critical to effectively and efficiently compete,” he said. “We strongly believe that this will be an increasingly attractive business model to other community banks as we move forward.”

All six branches of the merged bank will remain open and customer impact is expected to be minimal as the banks share the same core data processor.

Luse Gorman, PC served as legal counsel to Abington Bank and Nutter McClennen & Fish LLP served as legal counsel to Pilgrim Bank and Hometown Financial Group, Inc.

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About Abington Bank

Abington Bank operates as a full service community bank with its main office in Abington, Massachusetts, and two additional branch offices in Avon and Holbrook, Massachusetts. Abington Bank has been serving area residents since 1888. For more information, please visit www.abingtonbank.com.

About Hometown Financial Group.

Hometown Financial Group is a multi-bank holding company headquartered in Easthampton, Massachusetts, and is the parent of bankESB, bankHometown and Pilgrim Bank. All three banks offer a complete line of commercial, business and consumer products and services to customers. After the closing with Abington Bank, Hometown Financial Group will operate 30 branches throughout

Massachusetts and northeastern Connecticut and have combined assets of approximately \$2.7 billion. For more information on Hometown Financial Group, please visit www.bankhfg.com.

bankESB was founded in 1869 as Easthampton Savings Bank. Headquartered in Easthampton, Massachusetts, bankESB operates 11 branches located throughout western Massachusetts. For more information, please visit www.bankesb.com.

bankHometown was founded in 1889 and is headquartered in Oxford, Massachusetts. bankHometown has 13 branches located throughout central Massachusetts and northeastern Connecticut. For more information, please visit www.hometowncoop.com.

Pilgrim Bank was founded in 1916 and is headquartered in Cohasset, Massachusetts. Pilgrim Bank has two additional branch offices in Cohasset and Marion, Massachusetts. For more information, please visit www.bankpilgrim.com.

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