



FOR IMMEDIATE RELEASE

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Fidelity Bank and Colonial Co-operative Bank Announce Merger Agreement

LEOMINSTER AND GARDNER, Mass - Fidelity Bank and Colonial Co-operative Bank have agreed to combine their two institutions under the Fidelity Bank charter. The merged state chartered, mutually owned financial institution will have combined assets of approximately \$870 million. Fidelity Bank's headquarters are in Leominster and has 10 full-service offices in central Massachusetts. Colonial Co-operative Bank's headquarters are in Gardner and has full-service offices in Gardner and Winchendon.

In a shared statement, Colonial Co-operative Bank President Joseph D. Guercio and Fidelity Bank Chairman & CEO Edward F. Manzi Jr. emphasized that the merger will be very beneficial for both banks, as well as the clients, employees, and communities served by the combined institution.

"This is a tremendous opportunity for Colonial Co-operative Bank and our stakeholders," said Guercio. "Joining Fidelity Bank, a well-run and established community organization that shares our values and our commitment to both clients and employees, extends our long-term mission of serving our local communities. These are challenging times for smaller community banks. The complexities of today's banking business can be hard for an institution the size of Colonial Co-operative Bank," Guercio continued. This partnership will allow us to stay competitive and fulfill our commitment to our communities, while maintaining our community bank values."

"I have great admiration for Joseph Guercio, the Colonial Co-operative Bank board of directors, employees, and management team," says Manzi. "Colonial Co-operative Bank has long been committed to being a great community bank. We are honored and excited to have the opportunity to partner with Colonial to ensure this commitment carries on for years to come." The merger agreement has been approved by the boards of both banks. The merger is subject to approval by the Federal Deposit Insurance Corporation (FDIC) and the Massachusetts Division of Banks and the Banks shareholders, and is expected to be completed in the second quarter of 2018.

Manzi will continue as Chairman & CEO of the merged institution. Christopher McCarthy, current President & COO of Fidelity Bank, will continue in this role with the merged institution. Guercio plans to retire but will serve as President of the Colonial Division for at least three months after the merger to assure a seamless transition. In addition, two members of the Colonial Co-operative Bank board of directors will join the Fidelity Bank board of directors. At the completion of the merger, all Colonial Co-operative Bank employees will join the Fidelity Bank team, and customers of both banks will continue to see the same caring individuals at their local branches. Since both banks have branches in Gardner, the combined banks will eventually consolidate into the Colonial office at 6 City Hall Avenue, after making a significant investment in renovations.

"Colonial Co-operative Bank's culture, customer-focused orientation, and focus on both personalized and professional service, aligns well with our LifeDesign approach," Manzi offered. "Fidelity Bank is committed to being the most caring, trusted, and respected local source of financial guidance and solutions in the communities we serve. We have been doing the right thing and helping clients get where they want to be for almost 130 years. We look forward to sharing this commitment and our values in our newly expanded communities." "Fidelity Bank's purpose-driven mission, caring culture, and their LifeDesign approach to doing business makes this a very attractive partnership," Guercio said.

As part of the agreement, Fidelity Bank is committing to earmark a total of \$500,000 in increased contributions and investments for the communities in the Gardner and Winchendon area. These contributions will include charitable donations to provide support to area non-profit organizations as well as the establishment of a micro loan fund to support the growing needs of small business in the area. The loan fund will be facilitated by the Gardner Area and North Central Chambers of Commerce and be called the Colonial Bank Loan Fund. “The new Colonial Bank Loan Fund and charitable contributions will allow us to dramatically increase our level of support for local organizations and businesses, something we are very proud to announce,” stated Guercio.

About Fidelity Bank:

Founded in 1888, Fidelity Bank is one of the oldest independent community banks in Central Massachusetts. Fidelity Bank’s exclusive LifeDesign approach offers a range of banking, investment and insurance solutions to clients in 10 full-service offices in Leominster, Worcester, Fitchburg, Gardner, Shirley, Barre, Millbury, Paxton, and Princeton. The Bank has consistently earned a “5 Star” rating from BauerFinancial, Inc., the nation’s leading independent bank rating and research firm. The Bank has been named to the Boston Globe’s Top Places to Work list four times and recognized by the Worcester Business Journal as a Top Workplace. As of June 30, 2017, the bank had total assets over \$800 million. For more information, visit www.fidelitybankonline.com or www.facebook.com/fidelitybankma.

About Colonial Co-operative Bank:

Colonial Co-operative Bank is a North Central Massachusetts community bank focused on helping consumers and businesses meet their financial needs through two full-service offices in Gardner and Winchendon. As of June 30, 2017 it had total assets of \$70 million. For more information, visit www.Colonial4Banking.com.