

MERGER QUESTIONS AND ANSWERS FOR FIDELITY BANK CLIENTS

Why is Fidelity Bank merging?

Fidelity Bank is one of the strongest independent local community banks in Massachusetts. Our mission has long been to bring the benefits of our LifeDesign promise to as many people as possible. One way to fulfill this mission is to expand through mergers with other like-minded community banks. Partners who share our long-term vision, values, and approach. Family Federal Savings is a local, customer-centric institution who we are proud to partner with. In short, the merger allows us to continue to expand as one of the most caring, convenient, and customer-centric community banks in Massachusetts and helps assure we continue to be successful in our mission.

Why Family Federal Savings and who are they?

Family Federal Savings is a 140-year old, well-managed, sound institution. They have three full-service offices in Fitchburg, Stow, and Needham. At the end of 2018, it had total assets of approximately \$100 million and a staff of 22 employees. Fidelity Bank and Family Federal Savings share similar visions and long-standing commitments to the community. This partnership will allow us to stay competitive and continue to fulfill this commitment. The merger will grow our well-capitalized mutual institution giving more clients access to our caring LifeDesign approach and allow us to continue to be successful in today's competitive environment. As a combined institution we will be able to do more for our clients, employees, and communities.

How will the merger benefit Fidelity Bank clients?

The combined bank will have assets of approximately \$1.05 billion, with capital that will further help us to remain highly competitive in today's marketplace. It will aid us in continually staying abreast of new innovations and giving our clients access to technology and solutions that enhance their banking experience.

Other specific benefits include:

- More convenience with additional banking locations in new communities. The new expanded geographic footprint links the communities Family Federal Savings serves (Stow, Needham, and Fitchburg) with Fidelity Bank's existing footprint. (See attached addendum for a Combined Map)
- Larger loan sizes to better serve the needs of our community's businesses.

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Will the name remain the same after the merger?

We will continue to operate as Fidelity Bank. At the completion of the merger, Family Federal Savings will become part of Fidelity Bank.

Will the Bank continue to be a mutual bank?

Yes. The merged bank will operate under the Fidelity Bank state charter originally granted in 1888.

When will the merger be effective?

The merger of the two banks requires several approval processes. The boards of both banks have approved the merger. The merger is also subject to the approval of the banks' state and federal regulatory agencies. We expect to receive state and federal approvals in late 2019, and to officially complete the merger in late 2019 or early 2020.

How many offices will the merged bank have?

Following the merger there will be 15 full-service offices, located in Leominster, Worcester, Needham, Fitchburg, Gardner, Shirley, Stow, Barre, Millbury, Paxton, Princeton, and Winchendon.

When can I start using the additional offices that will be available to me as a part of the merger?

We anticipate the full integration of our systems will be completed during the first quarter of 2020, at which time all offices will be available to all clients. In the meantime, please continue to use your current office(s).

As a client, is there anything I should do to get ready for the merger?

No. It will be "business as usual" for our clients as the banks prepare for the merger. As the process moves forward, we will inform you in advance if any changes are necessary.

What will the management structure of the merged bank be?

Current Fidelity Bank chairman & CEO, Edward F. Manzi Jr. will serve as chairman & CEO. Current Fidelity Bank president & COO, Christopher W. McCarthy will continue in this role. David R. Brassard, president and CEO of Family Federal Savings, will join the bank's executive team as Executive Vice President & Senior Strategy Officer and member of the Strategic Innovation & Optimization Lab.

Who will serve on the merged bank's board of directors?

All Fidelity Bank board members will remain as directors of the combined institution. Two members of the Family Federal Savings board of directors will join the board, Patricia Leonhardt and C. Deborah Phillips. In addition, a group of Family Federal Savings directors and stakeholders will form an Advisory Board to help guide the bank through the transition and assure a successful outcome for their customers, employees, and communities.

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How will the merger affect client service?

Both banks share the same community vision and commitment to clients, and you will continue to receive exemplary service from the people you know and trust.

Will my deposits still be insured?

All deposits will continue to be insured in full after the merger. Each depositor will be insured by the Federal Deposit Insurance Corporation (FDIC) to \$250,000. All deposits in excess of that amount will be insured by the Share Insurance Fund (SIF).

How will the merger affect the community?

Combining both banks ensures there will continue to be a local, mutually owned community bank to support the financial needs of the area. For over 135 years, Family Federal Savings and Fidelity Bank each have had strong ties and ongoing commitments to the communities they serve. As a larger organization we will have the opportunity to not only continue this commitment but to expand it. Through our LifeDesign Community Dividend program over \$400,000 was distributed to local organizations last year and we expect that to continue, and to include our new communities of Stow and Needham.

How can I find out more?

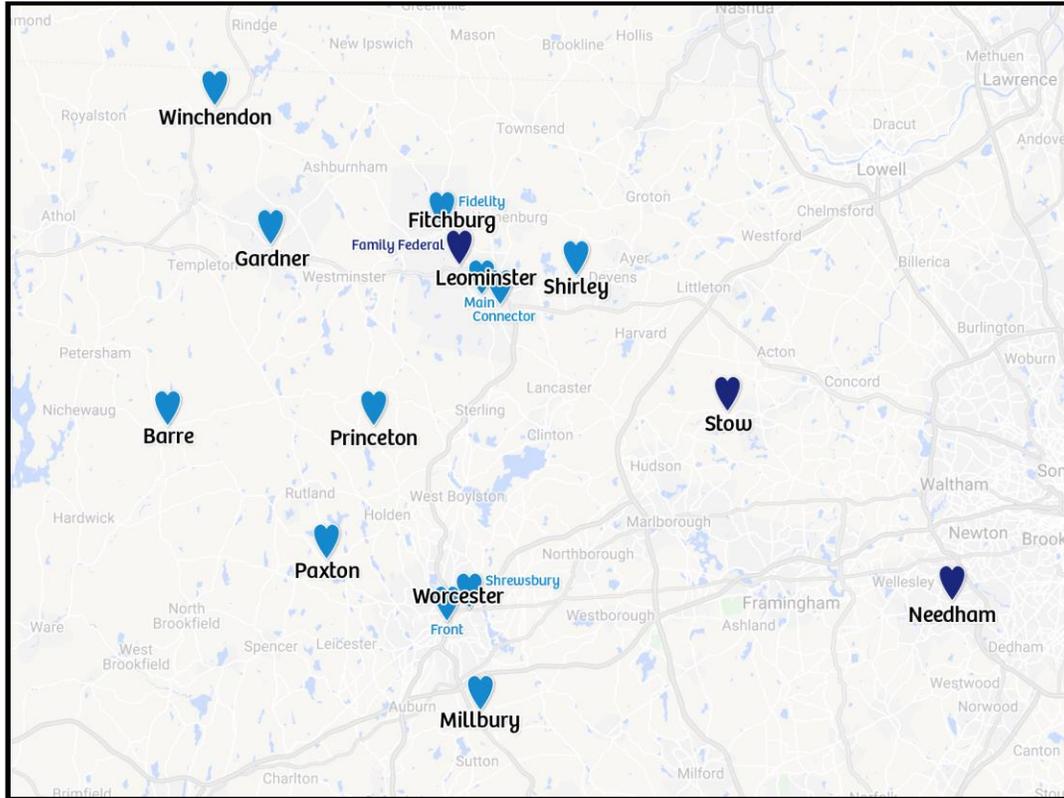
If you have any questions, please do not hesitate to ask any of our employees. Please note, we will provide ongoing information about the merger through our branch offices and our website.

For the most up-to-date version of this document, please visit FidelityBankOnline.com/merger.

6/18/2019

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Combined Map: Fidelity Bank and Family Federal Savings



FIDELITY BANK OFFICES

Fitchburg 675 Main St	Gardner 6 City Hall Ave	Leominster 9 Leominster Connector 75 Main St	Millbury 16 South Main St	Shirley 21 Main St	Worcester 465 Shrewsbury St 153 Front St
Barre 56 Common St	Paxton 713 Pleasant St	Princeton 206 Worcester Rd	Winchendon 1 School Square/Rt. 12		

FAMILY FEDERAL SAVINGS OFFICES

Fitchburg 130 Whalon St	Stow 149 Great Road	Needham 129 Chestnut St
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