



**Federal Deposit Insurance Corporation**

15 Braintree Hill Office Park, Suite 200  
Braintree, Massachusetts 02184-8701

Boston Area Office

December 12, 2023

Attorney Matthew D. Hanaghan  
Nutter McClennen & Fish LLP  
155 Seaport Blvd  
Boston, Massachusetts 02210

**Subject: Notice of Conversion from Mutual to Stock Form and Related Applications  
North Easton Savings Bank  
South Easton, Massachusetts  
Application Tracking Numbers 20230830, 20230831, 20230833**

Dear Mr. Hanaghan:

We have reviewed the Notice of Intent to Convert (Notice), filed on behalf of North Easton Savings Bank, South Easton, Massachusetts (Bank), pursuant to the FDIC's regulations at 12 C.F.R. §§ 303.160 - 303.163 and 333.4, and other pertinent regulations. We have also reviewed the Bank Merger Act application filed in connection with the Bank's Plan of Reorganization (Plan). Under the Plan, the Bank proposes to engage in a multi-step transaction in order to reorganize into a mutual holding company structure. The Bank plans to form a new Massachusetts-chartered mutual savings bank that will be reorganized to form a mutual holding company to be known as 1864 Bancorp, MHC (MHC). The MHC will establish a Massachusetts-chartered Subsidiary Stock Bank as a direct subsidiary of the MHC. Immediately thereafter, the Bank will merge with the Subsidiary Stock Bank, with the Subsidiary Stock Bank becoming the resulting institution, operating under the name of North Easton Savings Bank. The process will also include the creation of a two-tier holding company structure with the MHC as the top-tier parent company, and the newly formed mid-tier stock holding company operating under the name 1864 Bancorp, Inc.

The FDIC has relied on information provided in the Bank's Notice and accompanying materials in reaching its decision. Based upon information provided and representations made, the FDIC poses no objection to the Notice, subject to conditions (certain of which must be met on an ongoing basis) detailed in the enclosed Order and Basis (Order) approving the Bank Merger Act application filed in connection with the reorganization.

We also reviewed the request for a waiver from the depositor vote requirement and concluded that the results of the corporator vote and the Massachusetts Division of Bank's approval of the corporator vote under Massachusetts law constitute good cause to approve the Bank's depositor vote waiver pursuant to 2 C.F.R. § 333.4(c)(2). Therefore, the request is granted.

Assuming all conditions of the Order are met, the federal deposit insurance held by the Bank prior to the reorganization will continue by operation of law to insure the deposits held by the resulting bank from the merger upon consummation of the reorganization. The deposits of North Easton Savings Bank, South Easton, Massachusetts, the resulting bank, will continue to be insured by the Deposit Insurance Fund following the reorganization under the same Certificate of Deposit Insurance that was originally issued to the Bank consistent with 12 U.S.C. § 1814(d).

The Bank, as the transferring insured depository institution, is required to file with this office, within 30 days after the transfer of all deposit liabilities from the Bank, a Certificate of Total Assumption of Deposits pursuant to Part 307 of the FDIC's Rules and Regulations, 12 C.F.R. Part 307.

If an extension of the time limitation prescribed in the Order is required, a letter application requesting a specified extension should be submitted to this office. If you have any questions, please contact Case Manager Susan M. Wolfe at (781) 794-5545 or [swolfe@fdic.gov](mailto:swolfe@fdic.gov).

Sincerely,  
Marianne Hatheway  
Deputy Regional Director

cc: Board of Directors  
North Easton Savings Bank

Commonwealth of Massachusetts Division of Banks  
Federal Reserve Bank of Boston

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**RE: North Easton Savings Bank**  
South Easton, Bristol County, Massachusetts

Application for Consent to Merge

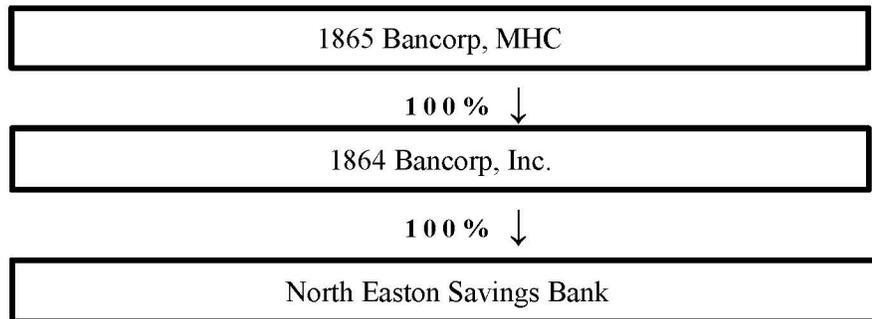
**ORDER AND BASIS FOR APPROVAL**

Pursuant to Section 18(c) of the Federal Deposit Insurance (FDI) Act, North Easton Savings Bank (Bank), South Easton, Bristol County, Massachusetts, a state nonmember mutual bank with total assets of \$1,584,684,000 and total deposits of \$1,395,895,000 as of September 30, 2023, has filed an application for the FDIC's consent to merge with North Easton Subsidiary Bank (Subsidiary Stock Bank), South Easton, Massachusetts, a proposed new interim state-chartered stock savings bank. The merger is intended to facilitate the reorganization of the Bank into a mutual holding company structure with a mid-tier stock holding company and a Massachusetts-chartered, subsidiary stock savings bank as the resulting bank.

Pursuant to the Plan of Reorganization, the merger is part of the following multi-step transactions:

1. The Bank will cause a new mutual savings bank to be chartered, to be known as North Easton Interim Mutual Bank (Interim Mutual Bank);
2. Immediately following its formation, Interim Mutual Bank will promptly amend and restate its charter to become a mutual holding company known as 1864 Bancorp, MHC (MHC);
3. The MHC will immediately thereafter establish Subsidiary Stock Bank as a new, wholly owned, Massachusetts-chartered subsidiary savings bank in the stock form of organization;
4. The MHC will simultaneously establish a new, wholly owned, Massachusetts-chartered subsidiary holding company to be known as 1864 Bancorp, Inc. (Stock Holding Company) as a separate wholly-owned subsidiary;
5. Immediately thereafter, the Bank will merge with and into the Subsidiary Stock Bank, with the Subsidiary Stock Bank surviving the merger as the Resulting Bank. The assets and liabilities, including all of the deposit liabilities of the Bank, will be transferred to the Resulting Bank, to be named, North Easton Savings Bank, and the charter of the mutual bank will terminate by operation of law as a result of the merger.
6. The MHC will immediately thereafter contribute 100% of the issued and outstanding shares of stock of the Resulting Bank to the Stock Holding Company (Contribution), resulting in the Stock Holding Company owing 100% of the issued and outstanding stock of the Resulting Bank. The MHC will continue to hold 100% of 1864 Bancorp, Inc., the mid-tier Stock Holding Company.

Following the merger and Contribution, the Resulting Bank will be a direct, wholly owned subsidiary of the Stock Holding Company, which in turn will be a direct, wholly owned subsidiary of the MHC. The corporate structure will be as follows:



Upon consummation of the proposed transaction, the deposits of Resulting Bank will continue to be insured by the FDIC Deposit Insurance Fund. The Resulting Bank will utilize the same branch offices and provide the same services as the Bank, and continue to be governed by the current management team. Neither the Interim Mutual Bank nor the Subsidiary Stock Bank will conduct any banking business during the brief period of time that they remain in existence as separate entities.

Related and necessary applications for the Plan of Reorganization were filed with the Board of Governors of the Federal Reserve System and the Division of Banks of the Commonwealth of Massachusetts. Decisions by the Federal Reserve and the Division of Banks on these applications are pending.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the applicant, disclosed no inconsistencies with the purposes of the CRA. Resulting Bank is expected to meet the credit needs of its community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the effect on competition, financial and managerial resources and future prospects of the Bank and the Resulting Bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the effectiveness of the insured depository institution involved in the proposed merger transaction in combating money-laundering activities, and the risk posed by the transaction to the stability of the U.S. banking or financial system.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application for consent to merge should be and is hereby approved subject to the following conditions, some of which are continuing in nature:

- 1) Except for the issuance of all of the shares of North Easton Subsidiary Bank (Subsidiary Stock Bank) to 1864 Bancorp, the MHC and the contribution of that stock to 1864 Bancorp, Inc., no shares of the Subsidiary Stock Bank shall be sold, transferred, or otherwise disposed of, to any

person (including any Employee Stock Ownership Plan), unless 30 days' prior written notice is provided to, and written non-objection is received from, the FDIC New York Regional Director.

- 2) Any change in proposed senior executive officers or the board of trustees prior to the consummation of the proposed transactions shall render this approval null and void, unless the Bank submits prior written notice to, and receives written non-objection from, the FDIC New York Regional Director prior to consummation of the proposed transactions.
- 3) During the three-year period after the close of the proposed transactions, the Subsidiary Stock Bank shall operate within the parameters set forth in the Business Plan submitted with the Notice (Business Plan) and must provide at least 30 days' prior written notice to, and receive written non-objection from, the FDIC New York Regional Director prior to implementing any proposed material deviation or material change from the Business Plan (including, but not limited to, any merger, acquisition or business combination) involving the Bank.
- 4) The Subsidiary Stock Bank shall provide at least 30 days' prior written notice to, and obtain written non-objection from, the FDIC New York Regional Director prior to implementing any policy or executing any agreement relating to the allocation and sharing of costs with the Subsidiary Stock Bank.
- 5) Subsequent to consummation of the proposed transactions, the Bank shall provide to the FDIC New York Regional Director a final tax opinion concerning the federal income tax consequences of the proposed conversion.
- 6) The Bank's conversion into a stock bank and merger with the Subsidiary Stock Bank shall only be consummated on the same date as the consummation of all of the other steps of the Plan of Reorganization, as proposed in the Notice and Merger Application submitted to the FDIC.
- 7) The Bank shall provide written evidence that all necessary and final approvals regarding the proposed transactions have been obtained from the appropriate Federal and state authorities.
- 8) The proposed transactions may not be consummated later than six months after the date of this non-objection unless such period is extended in writing by the FDIC New York Regional Director.
- 9) The Bank shall notify the FDIC New York Regional Director as soon as it becomes aware of any material changes in the facts and circumstances prior to the consummation of the proposed transactions.
- 10) Until the proposed transactions are consummated, the FDIC has the right to alter, suspend, or withdraw its non-objection should any interim developments be deemed to warrant such action.

Dated at Braintree, Massachusetts on this 12<sup>th</sup> day of December 2023.

Marianne Hatheway  
Deputy Regional Director