

Cambridge Financial Group to Acquire Melrose Bancorp

PRESS RELEASE - UPDATED: DEC 18, 2019 16:30 EST

CAMBRIDGE and MELROSE, Mass., December 18, 2019 (Newswire.com) - Cambridge Financial Group, Inc., the mutual holding company for Cambridge Savings Bank, a state-chartered savings bank, and Melrose Bancorp, Inc. (OTC: MELR) have jointly announced today that they have entered into a definitive merger agreement in which Cambridge Financial Group, Inc. will acquire Melrose Bancorp, Inc. Melrose Bancorp is the holding company of Melrose Bank, a \$337 million Massachusetts-chartered cooperative bank with its office located in Melrose, Massachusetts.

Under the terms of the agreement, shareholders of Melrose Bancorp will receive \$25.00 in cash per share. The transaction is expected to close in the second quarter of 2020. Melrose Bank will be merged with and into Cambridge Savings Bank with Cambridge Savings Bank as the surviving entity. Following the effective time of the merger, Cambridge will continue to operate Melrose Bank's office, located in Melrose, Massachusetts, as a branch of Cambridge Savings Bank.

Following the completion of the transaction, Cambridge Financial Group will have consolidated assets of approximately \$4.7 billion and a branch network of 17 full-service offices.

"We are pleased to announce that we are partnering with Melrose to expand our presence in Middlesex County," said Wayne Patenaude, President and CEO of Cambridge Financial Group and Cambridge Savings Bank. "As local banks, we share similar core values and a relationship-centric approach to serving the communities that we are fortunate to be a part of. This transaction is a very natural and contiguous expansion of our current footprint."

Jeffrey D. Jones, President and Chief Executive Officer of Melrose Bancorp, Inc., stated, "We are thrilled about this combination with Cambridge. The infrastructure that has been assembled at Cambridge over the years will enable our customers to access a substantial product offering while still receiving the local decision making and the exceptional service they have become accustomed to at Melrose."

The merger is subject to regulatory approval and the approval of the shareholders of Melrose Bancorp.

Keefe, Bruyette & Woods, a Stifel Company, acted as financial advisor to Melrose Bancorp, Inc. and rendered a fairness opinion to the Board of Directors of Melrose Bancorp, Inc. in conjunction with this transaction. Luse Gorman served as legal counsel to Melrose Bancorp, Inc.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. Forward-looking statements include statements regarding the anticipated closing date of the transaction and anticipated future results. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe", "expect", "anticipate", "estimate", and "intend" or future or conditional verbs such as "will", "would", "should", "could" or "may". Certain factors that could cause actual results to differ materially from expected results include delays in completing the merger, difficulties in achieving cost savings from the merger or in achieving such cost savings within the expected time frame,

difficulties in integrating Melrose Bancorp, Inc., increased competitive pressures, changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business in which Melrose Bancorp, Inc. is engaged, changes in the securities markets and other risks and uncertainties.

Additional Information

Melrose Bancorp, Inc. will provide its shareholders with a proxy statement and other relevant documents concerning the proposed transaction. **Shareholders of Melrose Bancorp, Inc. are urged to read the proxy statement and any amendments or supplements to those documents because they will contain important information which should be considered before making any decision regarding the transaction.**

Melrose Bancorp, Inc. and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Melrose Bancorp, Inc. in connection with the merger. Information about the directors and executive officers of Melrose Bancorp, Inc. is set forth in the proxy statement for Melrose Bancorp, Inc.'s 2019 annual meeting of shareholders, as filed with the Securities and Exchange Commission on April 9, 2019. Additional information regarding the interests of these participants and any other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement regarding the proposed merger when it becomes available.

About Cambridge Financial Group, Inc.

Cambridge Financial Group is a mutual holding company and is the parent company of Cambridge Savings Bank ("CSB"), a full-service banking institution with approximately \$4.2 billion in assets. With 185 years of history operating as a mutual institution, CSB is committed to improving the quality of life of our employees, customers, and the communities we serve. One of the oldest and largest community banks in Massachusetts, CSB offers a full line of individual and business banking services and has branches located in Arlington, Bedford, Belmont, Burlington, Cambridge, Charlestown, Concord, Lexington, Newton, and Watertown. For more information on Cambridge Financial Group and CSB, visit our website at www.cambridgesavings.com

About Melrose Bancorp, Inc.

Melrose Bancorp, Inc., the holding company for Melrose Bank, had consolidated assets of \$341 million at September 30, 2019. Melrose Bank operates as a full-service community bank with its office located in Melrose, Massachusetts. Melrose Bank provides consumer and commercial deposit and loan products to the communities surrounding Melrose, Massachusetts. Melrose Bank has been serving area residents since 1890. For more information about Melrose Bank, visit our web site at www.melrosebank.com.

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