OFFERING CIRCULAR
May 24, 2022

WALDEN MUTUAL BANK

A New Hampshire Benefit Corporation and Mutual Bank in Organization
66 North Main St. Concord, New Hampshire 03301

Walden Mutual Bank
[in organization]

Offering up to 2,582,500 shares of Special Deposits
$10.00 per share

Walden Mutual Bank ("**Walden**", the "**Bank**", "**we**", "**us**" or "**our**") is a new mutual bank chartered under New Hampshire law. The Bank has elected benefit corporation status under New Hampshire law. Upon obtaining all required government approvals, the Bank will commence operations in Concord, New Hampshire. Walden intends to obtain deposits from consumers and businesses located in New Hampshire, Massachusetts, Connecticut, Maine, Rhode Island, Vermont and New York ("**New England and New York**") that prioritize sustainable living and sustainable food and agriculture. The Bank expects that consumers and businesses will open deposit accounts by means of an online application process using their mobile phones or computers. Walden plans to make commercial loans to businesses in New England and New York and to focus its commercial lending activities on sustainable food & agriculture businesses in the region. Walden is seeking the first new bank charter to be granted to a mutual institution in the state of New Hampshire in 100 years. By chartering as a mutual bank, Walden is committing to put the interests of its depositors first.

Initially, the Bank expects its market area to be New England and New York, with our initial depositor campaign focused on the Greater Concord, New Hampshire, Manchester, New Hampshire, and Boston, Massachusetts areas, and our business development activities for lending focused on the suburban and rural counties of the states of New England and New York.

The Bank is offering for sale between 2,082,500 and 2,582,500 shares of its Series 1 Special Depository Shares, $10.00 par value per share (the "**Special Deposits**" or "**Special Deposit shares**"), at a price of $10.00 per share (except as expressly noted in footnote 1 on the next page, which describes the discounted offering price provided to the holders of Investment Contracts issued by Henry David Thoreau and Company, Ltd. ("**HDT**" and "**HDT Investment Contracts**") that provided the capital necessary for certain pre-offering and organizational expenses). The offering is being conducted on a "best efforts" basis by certain of the proposed directors of the Bank. Each subscriber must subscribe to purchase a minimum of 500 shares ($5,000.00), subject to the Bank's right to waive this requirement in its sole discretion. This offering will end at 5:00 p.m. Eastern Time, on July 31, 2022, unless the Bank in its sole discretion and without further notice determines to terminate this offering earlier or extend the offering for one or more 30-day periods each, provided the offering will terminate no later than 5:00 p.m. Eastern Time, on September 30, 2022.

This is the Bank's initial offering of its Special Deposits. No public market exists for the Bank's Special Deposits. The offering price was set by the Bank and may not reflect the market price for its Special Deposits after this offering. You should only invest in the Special Deposits if you do not need liquidity in your investment because an active trading market is not likely to develop in the foreseeable future.

You should read this entire Offering Circular to determine whether a purchase of the Bank's Special Deposits is an appropriate investment for you.

An investment in the Bank's Special Deposits involves a high degree of risk, including the possible loss of principal invested. See "Risk Factors" starting on page 7 for information about risks you should consider before investing in Special Deposits.

The Special Deposits are not deposits or other obligations of any bank or savings association and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental entity and are subject to investment risk, including the possible loss of principal.

The Special Deposits have not been approved or disapproved by the New Hampshire Banking Department, the Federal Deposit Insurance Corporation, the Federal Reserve Board, the Securities and Exchange Commission or any state securities regulator, nor have such entities passed upon the adequacy or accuracy of this Offering Circular. Any representation to the contrary is a criminal offense.

The United States Securities and Exchange Commission does not pass upon the merits of or give its approval to any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering circular or other solicitation materials. These securities are offered pursuant to an exemption from registration with the Commission; however, the Commission has not made an independent determination that the securities offered are exempt from registration.

The following table summarizes the minimum and maximum proceeds that the Bank expects to receive in this offering.

	Minimum	Maximum
Price per share	$10.00	$10.00
Shares offered hereby for sale	2,082,500	2,582,500
Shares offered hereby in consideration for HDT Investment Contracts[1] [2]	412,500	412,500
Gross proceeds before estimated offering expenses	$20,825,000	$25,825,000
Less discount provided to holders of HDT Investment Contracts	$825,000	$825,000
Less estimated offering expenses	$50,000	$50,000
Net proceeds to Walden[3]	$19,950,000	$24,950,000

The Bank reserves the right to reject, in whole or in part, any subscription for shares of the Bank's Special Deposits. The Bank may elect, in its sole discretion, to accept subscriptions primarily from subscribers that are within the Bank's market area or who subscribe for larger amounts. In the event of an oversubscription, subscribers may receive less than the number of Special Deposit shares subscribed. The Bank will deposit all funds for accepted subscriptions in an escrow account at Atlantic Community Bankers Bank (the "**escrow agent**"). The closing of the offering is conditioned upon, among other things, the satisfaction of all of the following conditions (the "**Escrow Release Conditions**"): (i) the receipt of, and satisfaction of all conditions contained in, all regulatory approvals necessary to open the Bank for business as a New Hampshire-chartered bank with federal deposit insurance from the Federal Deposit Insurance Corporation ("**FDIC**"), and (ii) the receipt and acceptance of subscriptions for a minimum of 2,082,500 Special Deposit shares, including those Special Deposit shares expected to be issued upon conversion of or in exchange for the HDT Investment Contracts.

The Bank may terminate this offering earlier or extend the July 31, 2022 offering termination date one or more times, in its sole discretion, to a date or dates no later than September 30, 2022. If the Bank has received subscriptions for

1 The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement by HDT of $3,300,000 of its Investment Contracts. The HDT Investment Contracts will automatically convert into or be exchanged for Special Deposits in the Bank at a price of $8 per Special Deposit share (a 20% discount to the offering price if the offering has an initial closing within 18 months of the issuance of the HDT Investment Contracts; this discount increases to 25% if the initial closing does not occur by such date; and increases again to 30% if the initial closing does not occur within 24 months). In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Special Deposit shares and, at no additional cost to the Bank, the Bank will acquire substantially all of the remaining assets of HDT. Capital raised by HDT that is not required for the Bank's pre-operational expenses will be used to provide additional capital to the Bank. See "Use of Proceeds," and "Organizational and Offering Expenses."

2 Assumes initial closing occurs within 18 months of the issuance of the HDT Investment Contracts

3 The Bank estimates it will incur organizational and pre-opening expenses of approximately $2,505,000, in addition to the expenses of this offering.

2,082,500 shares of Special Deposits (including the Special Deposit shares issued upon conversion of or in exchange for the HDT Investment Contracts), and has received all regulatory approvals to open with FDIC deposit insurance, the Bank may then elect to conduct an initial closing; and thereafter to accept additional subscriptions through September 30, 2022 for up to an aggregate of 2,582,500 shares of Special Deposits, the maximum number offered hereby, at which time the Bank would conduct a final closing. The Bank will terminate the offering and all subscriptions will be refunded in full, without interest, if the Bank has not received funded subscriptions for at least 2,082,500 shares of Special Deposits (excluding the Special Deposit shares issued upon conversion of or in exchange for the HDT Investment Contracts) and all regulatory approvals by no later than September 30, 2022.

You should rely only on the information contained in this offering circular. Walden Mutual Bank has not authorized anyone to provide you with information or to make any representation other than those contained in this offering circular. If any such information is given or any such representations are made, such information or representations must not be relied upon as having been authorized by the Bank.

Walden Mutual Bank is offering to sell and soliciting offers to buy shares of the Bank's Special Deposits only in those jurisdictions where offers and sales are legally permitted. We are not making an offer to sell the Special Deposits in any jurisdiction where the offer or sale is not permitted or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information contained in this offering circular is accurate only as of the date of this offering circular, regardless of the time of delivery of this offering circular or of any sale of our Special Deposits.

NOTICE TO FLORIDA RESIDENTS: The Securities are offered pursuant to a claim of exemption under section 517.061 of the Florida Securities Act and have not been registered under said Act in the State of Florida. All Florida residents who are not institutional investors described in section 517.061(7) of the Florida Securities Act have the right to void their purchase of the Securities, without penalty, within three days after the first tender of consideration.

Any prospective investor may ask questions concerning our proposed business and the terms and conditions of this offering as follows:

- By contacting proposed Bank President & CEO Charley Cummings by phone at (401) 714-4887 or by electronic mail at investors@waldenmutual.com; or
- By contacting proposed Bank Director and Board Chair Vincent Siciliano at vince@clearthinking.me
- By mail to the Bank at the following address:

Walden Mutual Bank (in organization)
Attn: Investor Relations
66 North Main St.
Concord, NH 03301

Walden Mutual Bank
A New Hampshire Mutual Bank in Organization
66 North Main St.
Concord, New Hampshire 03301

May 18, 2022

Dear Prospective Special Deposit Holder:

We intend to open the first de novo mutual bank in New Hampshire in 100 years - and in a generation in any state. We believe that this governance model - in which our depositors will be our ultimate owners - is ripe for reinvention in an era calling for a more balanced view of all the stakeholders of a business. We believe that the mutual bank model - along with Walden's election of benefit corporation status - will allow us to truly focus on the long term, without the need for a liquidity event. As their long legacy in New England has demonstrated, mutual banks have historically promoted stability and safety in banking markets, with lower loan loss rates and lower failure rates in times of financial crisis, as compared to stock banks in the same market area. And many mutual banks have endured for the long run, having served depositors well for over 200 years, lifespans that often far exceed those of the average company, inside or outside of the banking industry.

Our specific focus will be lending to local food and agriculture businesses in New England and New York, where our management and board have deep experience and expertise. We are in the midst of a renaissance in food and agriculture in the region, with some $16 billion in venture investments in non-farming food-related enterprises across 600+ organizations since 2010.[4] Farm Credit East, the leading lender in the sector, has seen loan volumes growing at 8.5% annually, and maintains a portfolio of over $8 billion[5] in outstanding loans in the region.

Given our focus on sustainable food products, and other community and environmental criteria we will apply to our lending activities, we intend to build a purpose-driven digital brand for our depositors (consumer and commercial) that will appeal to those looking to make an impact with their deposit dollars. Focusing on our core product as a digital secondary banking relationship will allow us to cover a broader geographic area than a community bank might otherwise. There is a large and growing segment of the population that bank entirely online, and we intend to serve them with best-in-class technology.

Capital markets have recognized this desire for social impact. Although there are very few bank brands addressing this consumer need, there are now hundreds of available funds serving the interests of "impact" investors; in 2020, 25% of inflows into all US stock and bond mutual funds (over $50 billion) were to those geared towards Environmental, Social, Governance (ESG) objectives, up 10x in just three years. In fact, impact investment is now a $17 trillion asset class, up more than 40% in the last three years.[6]

Yet many of these funds are deeply unsatisfying from a social impact perspective, often containing hundreds of component companies, most of which have social impact of questionable societal value and ambiguous metrics.[7] In contrast, we argue that specificity of impact is critical to articulating the non-financial goals of an organization. In our case, this means investing locally in a specific sector in which environmental, economic, and cultural

[4] Crunchbase, 2021

[5] https://www.farmcrediteast.com/about-us/financial-and-regulatory-reports

[6] https://www.marketwatch.com/story/esg-investing-now-accounts-for-one-third-of-total-u-s-assets-under-management-11605626611#:~:text=US%20SIF%20Foundation's%202020%20biennial,a%2042%25%20increase%20over%202018.

[7] See here for example: https://www.ishares.com/us/products/286007/ishares-esg-msci-usa-etf-fund

sustainability are critical to the region's vitality: food and agriculture businesses right here in New England and New York.

This core focus is the basis by which we will build an enduring franchise. Specifically, our ethos is *Grow Your Change*; our mission is to promote sustained, holistic wellness by providing lasting value - financial and social - to our partner depositors. We will do this through interest, dividends, special rebates, and social & environmental impact. We are excited to originate an innovative new, digital-first bank that we believe will serve our borrowers and our depositors well for the long term. Our team - a mix of experienced leaders with demonstrated expertise in food, agriculture, technology and community bank management - is uniquely suited to pursue this opportunity.

We have observed successful de novo banking institutions generally exhibited the following characteristics:

- Proven, qualified management team & board with diverse experience and extensive commercial networks
- Credible, thoughtful business plans
- Compelling products aimed at a focused segment within a large, growing and consolidated market
- Modern, differentiated approach to technology – mobile banking in particular
- Robust capital to support execution of the plan
- Demonstrated ability to execute quickly with solid risk management & financial controls

We believe our plans confirm the strong presence of all of these elements, and we hope to have you join us as Special Depositors, to catalyze the first new mutual bank of the modern era, dedicated to sustainable food & agriculture right here in our backyard.

Please contact me with any questions about the Offering or our plans. And if you decide not to invest in our Special Deposits, I hope you will join us as a general depositor!

Sincerely,

Charles J. Cummings
President & CEO

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the information in this Offering Circular, including the enclosed letter to prospective Special Depositors, and the risk factors set forth below, contains or incorporates by reference certain forward-looking projections, goals, assumptions and statements about the Bank's financial condition, results of operations and business that are based on its current and future expectations. You can find many of these statements by looking for words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. Such statements reflect the Bank's current views with respect to future events and are subject to risks and uncertainties, including those discussed under "Risk Factors" and elsewhere in this Offering Circular that could cause actual results to differ materially from those contemplated in such forward-looking statements. Factors that could cause the Bank's actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- legislative or regulatory changes that affect the Bank's business and the impact of such changes on the Bank's compliance costs;
- deterioration of the credit quality of the Bank's loan portfolio, increased default rates and loan losses or adverse changes in the industry concentrations of the Bank's loan portfolio;
- the Bank's ability to manage the impact of changes in interest rates, spreads on interest earning assets and interest-bearing liabilities, and interest rate sensitivity;
- increased competitive pressures among financial services companies;
- failures of counterparties or third party vendors to perform their obligations;
- prepayment speeds, loan originations, credit losses and market values, collateral securing loans and other assets;
- adverse changes in the securities market;
- the economic impact of past and any future terrorist attacks, acts of war, or threats thereof and the response of the United States to any such threats and attacks;
- the amount of assessments and premiums the Bank is required to pay for FDIC deposit insurance;
- the costs, effects, and outcomes of existing or future litigation;
- the failure to successfully implement the Bank's business plan in the southern New Hampshire market;
- the ability of the Bank to manage the risks associated with the foregoing factors as well as anticipated risk factors; and
- such other factors discussed throughout the "Risk Factors" section of this Offering Circular.

You are cautioned that no forward-looking statement is a guarantee of future performance, and you should not place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Circular. There may be events in the future that the Bank has little control or is unable to accurately predict. These statements are representative only as of the date this Offering Circular. Before you invest in the Special Deposits, you should be aware that the occurrence of the events described in these risk factors, and elsewhere in this Offering Circular, could have a material adverse effect on the Bank's business, operating results and financial condition.

Offering Summary

Company	Walden Mutual Bank (in organization)
Shares Offered	Special Deposits, $10.00 par value per share
Offering Price	$10.00 per Special Deposit share (except as noted below in "Pre-Organization Expenses")
Number of Shares Offered	Minimum: 2,082,500 Special Deposit shares Maximum: 2,582,500 Special Deposit shares
Minimum Subscription	500 Special Deposit shares ($5,000.00), subject to the right of the Bank to permit smaller subscriptions at its discretion.
Maximum Subscription	25% of the total number of Special Deposit shares outstanding following the completion of the offering, subject to the right of the Bank to permit larger purchases of Special Deposit shares in its discretion. One or more of the Bank's proposed directors or affiliates may purchase more than 25% of available Special Deposit shares, and will be permitted by the Bank to do so. The Bank may exercise the right to reduce, or reject, in whole or in part, any subscription which would require prior regulatory application or approval if such application or approval is not obtained prior to the closing of the offering.
Dividends	The board may issue dividends on Special Deposits consistent with the requirements of the Bank's Dividend Policy, which may only be amended by a two-thirds majority of the Board and a two-thirds majority of the Bank's Corporators. Dividends in the first five years of operations are also subject to the prior approval of the New Hampshire Banking Department (NHBD).
Pre-Organization Expenses	The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement by HDT of $3,300,000 of its Investment Contracts. The HDT Investment Contracts will automatically convert into or be exchanged for Special Deposits in the Bank at a price of $8 per Special Deposit share (a 20% discount to the offering price if the offering has an initial closing within 18 months of the issuance of the HDT Investment Contracts; this discount increases to 25% if the initial closing does not occur by such date; and increases again to 30% if the initial closing does not occur within 24 months). In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Special Deposit shares and, at no additional cost to the Bank, the Bank will acquire substantially all of the remaining assets of HDT. Capital raised by HDT that is not required for the

	Bank's pre-operational expenses will be used to provide additional capital to the Bank.
Proceeds of the Offering	$20,000,000 of gross proceeds, if the minimum number of Special Deposit shares offered hereby are sold, resulting in estimated net proceeds of approximately $19,950,000 after deducting estimated offering expenses. $25,000,000 of gross proceeds, if the maximum number of Special Deposit shares offered hereby are sold, resulting in estimated net proceeds of approximately $24,950,000 after deducting estimated offering expenses.
Use of Proceeds	Following commencement of the Bank's operations, the net proceeds from the offering will be used for working capital and general corporate purposes.
Subscription Procedures	The Bank must receive an executed Subscription Agreement and IRS Form W-9, along with payment of the aggregate subscription price for the Special Deposit shares, no later than July 31, 2022, unless the offering is terminated earlier or extended. Once accepted by the Bank, subscriptions are irrevocable and will be disbursed to the Bank upon satisfaction of the Escrow Release Conditions. Payment of the purchase price for the number of Special Deposit shares subscribed for must be made either by check, bank draft or money order, or by wire transfer. All such payments received will be held in escrow by the escrow agent pending the satisfaction of the Escrow Release Conditions and the closing of the offering. The Bank may elect, at its sole discretion, to accept subscriptions primarily from subscribers that are within the Bank's market area or who subscribe for larger amounts. In the event of an oversubscription, subscribers who do not meet these conditions may receive less than the number of Special Deposit shares subscribed.
Conditions to Closing	The closing of the offering and release of subscription deposits from escrow is conditioned upon, among other things: (i) the receipt of, and satisfaction of all conditions contained in, all regulatory approvals necessary to open the Bank for business as a New Hampshire chartered bank with federal deposit insurance from the FDIC, and (ii) receipt and acceptance of subscriptions for a minimum of 2,082,500 shares of the Bank's Special Deposits, including those shares of the Bank's Special Deposits expected to be issued upon conversion of or in exchange for the HDT Investment Contracts. Once these conditions are met, the Bank may elect to conduct an initial closing of the offering. Thereafter, the Bank may continue to accept subscriptions for up to an aggregate of 2,582,500 Special Deposit shares until such date or dates as it determines, but not later than September 30, 2022.
Anticipated Closing Date	On or before July 31, 2022, unless the offering is earlier terminated or extended. In the event that the Bank extends the subscription period as provided in this offering circular, the anticipated closing date is expected to occur within a thirty (30)

day period following the close of the extended subscription period.

<u>**Summary**</u>

This summary highlights information contained elsewhere in this offering circular. This summary does not contain all of the information you should consider before investing in the Special Deposits of Walden Mutual Bank. You should read this entire offering circular carefully, especially the risks of investing in the Special Deposits discussed under "Risk Factors."

<u>Walden Mutual Bank (in Organization)</u>

Walden Mutual Bank ("**Walden**", the "**Bank**", "**we**", "**us**" or "**our**") is a new mutual bank chartered under New Hampshire law. The Bank has elected benefit corporation status under New Hampshire law. Upon obtaining all required government approvals, the Bank will commence operations from a single principal office located in Concord, New Hampshire. Walden intends to obtain deposits from consumers and businesses located in New Hampshire, Massachusetts, Connecticut, Maine, Rhode Island, Vermont and New York ("**New England and New York**") that prioritize sustainable living and sustainable food and agriculture. The Bank expects that consumers and businesses will open deposit accounts by means of an online application process using their mobile phones or computers. Walden plans to make commercial loans to businesses in New England and New York and to focus its commercial lending activities on sustainable food & agriculture businesses in the region. Walden is seeking the first new bank charter to be granted to a mutual institution in the state of New Hampshire in 100 years. By chartering as a mutual bank, Walden is committing to put the interests of its depositors first.

Walden intends to offer an intentionally limited set of services, including deposit products and commercial lending services. See *Business*. Initially, the Bank expects its market area to be New England and New York, with our initial depositor campaign focused on the Greater Concord, New Hampshire; Manchester, New Hampshire; and Boston, Massachusetts areas, and our business development activities for lending focused on the suburban and rural counties of the states of New England and New York. Upon obtaining all required government approvals, the Bank will commence operations from a leased banking office located at 66 North Main Street, Concord, New Hampshire. See *Business - Properties*.

To date, the Bank's operations have been directed toward activities necessary to obtain a New Hampshire banking charter, including preparing and filing a charter application with the New Hampshire Banking Department and a deposit insurance application with the FDIC. The Bank filed both applications on September 1, 2021.

The Bank has also hired certain key personnel and is working with key personnel to develop and implement necessary systems and policies, and to begin developing a lending pipeline and list of interested consumer depositors. See *Management*.

The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement of $3,300,000 of Investment Contracts by HDT. In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all of the assets of HDT will be acquired by the Bank. Capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank.

On May 18, 2022, the New Hampshire Banking Department issued a Certificate of Conditional Approval to the Bank. The Certificate of Conditional Approval authorizes the Bank to complete its organization as a New Hampshire banking corporation by filing its Articles of Incorporation with the New Hampshire Secretary of State, but it does not permit the Bank to commence business as a depository bank. The Certificate of Conditional Approval will be revoked, by operation of law, if the Bank does not obtain federal deposit insurance from the FDIC, satisfy all other conditions stated in the Certificate of Conditional Approval, and start business within two years from the date of the Certificate of Conditional Approval's issuance. Following the successful close of this offering and subject to satisfaction of all other regulatory requirements, the New Hampshire Bank Commissioner may issue the Bank a Certificate to Transact Business. However, there can be no assurance that all such conditions will be satisfied, or that the Certificate to Transact Business will be issued. The Bank may not start banking operations until the Certificate to Transact Business is granted and until the Bank satisfies all the conditions contained in the Certificate of Conditional Approval, including receipt of federal deposit insurance from the FDIC.

HDT filed, on behalf of the Bank, an application for deposit insurance with the FDIC, for which approval is expected to be granted on or prior to the opening of the Bank. In considering the application for deposit insurance, the FDIC will consider a number of factors, including without limitation: (a) the financial history and condition of the Bank, which, because the Bank is newly organized, includes investments in fixed assets, transactions with affiliates, and organizational expenses; (b) the adequacy of the Bank's capital structure; (c) the Bank's future earnings prospects; (d) the general character and fitness of the Bank's management; (e) the risk presented by the Bank to the deposit insurance fund; (f) the convenience and needs of the community to be served by the Bank; and (g) whether the Bank's corporate powers are consistent with the purposes of the Federal Deposit Insurance Act. The FDIC's approval is subject to certain conditions, including, without limitation, that: (i) the Bank's beginning paid-in capital be at least $20,000,000, and (ii) the Bank maintain a leverage ratio of Tier 1 capital to assets of at least 8% during the first three years of operation. It is anticipated that, during the third quarter of 2022, the Federal Deposit Insurance Corporation will grant preliminary approval of the Bank's deposit insurance application.

Market Area and Growth Strategy

Our ethos is: "**Grow Your Change**." Our mission is to promote sustained, holistic wellness by providing lasting value – financial and social – to our partner depositors. We intend to do this by offering innovative interest-bearing deposit account products and by focusing our business on driving positive social & environmental impact. We will focus on lending to local food & agriculture businesses because we believe that they can drive positive transformative impact on the environmental, economic and cultural vitality of our home: New England and New York.

By giving depositors the ability to open, maintain and manage a deposit account entirely online (as is quickly becoming a market standard), and focusing on our go-to-market positioning as a lower transaction volume secondary account, we believe we can attract depositors from a wider market area than a traditional community bank, with what we believe to be our uniquely compelling value proposition and a variety of digital and traditional marketing channels (see *Marketing Plan*). Specifically, our initial campaign focus for deposits will be on the Greater Concord, New Hampshire, Manchester, New Hampshire, and Greater Boston, Massachusetts MSAs. We foresee a small minority of depositors ever visiting us in our Concord, New Hampshire, physical location, but we believe this physical presence is important in an age of ubiquitous and ephemeral e-commerce brands.

In contrast to the barrage of confusing legacy account offerings in the market today, our core deposit focus will be on a single product: **Grow Local Accounts,** which will have the benefits of a savings account but the features of a checking account, for conscientious consumers and businesses looking to align their values with their banking. These accounts (technically structured as checking accounts, allowing for use of a debit card, ATM services, etc.) will pay an interest rate competitive with most savings accounts. We will also offer a variety of impact focused certificates of deposit (CDs), including those offering longer dates than typical – 10 - 20 years, with rates based on a spread over treasuries over similar time periods. This is intended to mimic the successful strategy of ING Direct, one of the first online-only banking entrants that grew to over $80 billion in deposits.

On the lending side of our business, we believe there is significant market demand for a sector specific lender engaged in the local food and agriculture movement. We will support innovators who are pursuing a healthier and more sustainable region in a world long dominated by industrial agriculture. Our focus will be lending to organic, sustainable and regenerative food and agriculture enterprises. We will offer competitive rate loans to organizations across the value chain, from farms to processors, retailers, and brands - to support land, building, or equipment acquisition or refinancing, organic transitions, working capital lines and other needs. More specifically, our focus will be on borrower organizations in New England or New York and will typically fit into one of four categories:

- Production Farms and Fisheries
- Critical Infrastructure (manufacturers, processors, distributors and retailers)
- Consumer and Trade Brands
- Community Organizations: nonprofits, land trusts, cooperatives, benefit corporations or other alternative ownership models

We will ask all of our borrowers to complete our Walden Impact Evaluation which is closely modeled on B Lab's Impact Assessment,[8] allowing a manager to analyze the impact of their business on the world around them, through the five lenses of governance, workers, community, customers and environment.

Although we will lend to promote non-food agriculture, for example, timber or Christmas trees, we will not lend to cannabis or tobacco-based farms or businesses. To support our borrowers, we will offer a variety of loan products, more specifically:

- Farmland and real estate acquisition (fixed long-term notes);
- Equipment / Infrastructure / Production (shorter term fixed or variable notes);
- Working Capital (short term variable notes);
- Organic transitions (flexible long-term notes, e.g., interest only periods, balloon payments); and
- Refinancing for all of the above.

Here too, we believe our value proposition to potential customers will be compelling, which includes:

- A deep understanding of food & agriculture businesses up and down the value chain allowing us to lend where there are gaps in the market, and where we have a differentiated credit understanding;
- The desire of a borrower to be a part of an affinity group that reflects their values;
- Personalized service;
- Best-in-class technology; and
- The opportunity to connect borrowers directly with our passionate deposit base, who are often, in turn, their core customers[9] (see *Product Strategy*).

Given our sector focus, we also believe a wider market area relative to a conventional community bank is appropriate and necessary to build a scalable and profitable base of business focused on food and agriculture businesses. We have extensive experience within our management team and board building networks across the New England and New York region through digital and other means.

<u>Management</u>

The Bank believes it has assembled a qualified and experienced executive management team and Board of Directors that are well-suited to its market area and for its business strategy. We believe innovation occurs by mixing cross-sector, outside industry experience with deep industry knowledge and networks. The Bank's proposed CEO and President is Charles Cummings, who has significant experience in the food and agriculture industry as the Founder and Chairman of Walden Local Inc., where he led the company from inception in 2013 to maturity in 2021, now with $40 million in revenue and over 200 employees. The Bank's COO, Jacqueline Charron, has over 35 years of banking experience as a senior operations executive at PeoplesBank. The Bank's CFO, Deborah Morin, participated in the formation of another de novo bank, Centrix Bank, which grew from $0 to almost $1 billion in assets during her tenure. The Bank's SVP of Lending, Christine Bascetta-Gath, has

[8] https://bimpactassessment.net/

[9] Note that in order to steer clear of privacy laws and concerns, this will be on an opt-in basis for depositors or blind basis for borrowers.

extensive experience in commercial lending, having opened a commercial lending department at a prior institution. The proposed Board of Directors of the Bank will initially consist of thirteen (13) members, each of whom will invest in this offering. The Directors have a wide variety of business and professional experience, including over 150 years of experience in the banking industry, and wide-networks within the food and agriculture industries representing in excess of $1 billion in revenue. Our Board Chair, A. Vincent Siciliano, has been the CEO of another de novo, New Resource Bank, as well as three other chartered California-based banks. See *Management*.

Funding the Organization of the Bank

The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement of $3,300,000 in Investment Contracts issued by HDT. The investors, managers and members of HDT are all expected to be investors in the Bank through this offering.

Conversion into or Exchange of HDT Investment Contracts for Special Deposits

In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all assets of HDT will be acquired by the Bank. Capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank. This planned conversion or exchange will be subject to the approval of banking regulators. See *Use of Proceeds*, and *Organizational and Offering Expenses*.

Discounts for Bank Special Deposits as Incentive for Investing in Both HDT and Bank

As an incentive for investors to make an investment in the HDT Investment Contracts, and to invest in the Bank's Special Deposits in this offering, HDT agreed to use commercially reasonable best efforts to have the Bank offer the discounts described below (the "**Special Deposits Discounts**") to purchasers of HDT Investment Contracts who participate in this offering of the Bank's Special Deposits. The proposed Special Deposits Discounts, if approved by banking regulators and the Bank, will entitle the holder to exchange or convert the HDT Investment Contracts into Special Deposits at:

- An 80% Discount Rate should the Offering's Initial Closing occur within 18 months of the purchase date of the HDT Investment Contract;
- A 75% Discount Rate should the Offering's Initial Closing occur after 18 months but within 24 months of the purchase date of the HDT Investment Contract; or
- A 70% Discount Rate should the Offering's Initial Closing occur after 24 months of the purchase date of the HDT Investment Contract.

Subject to such approval, the purchase price for Special Deposits issued to holders of HDT Investment Contracts will be calculated as the Purchase Price of $10 per Special Deposit share divided by the Discount Rate. For example, if an investor purchased $10,000 of HDT Investment Contracts within 18 months of this Offering's Initial Closing, subject to approval of banking regulators and the Bank, they would be entitled to convert this interest into $10,000 / 80% = 12,500 Special Deposit Shares. See *Discounts for Certain Investors of HDT* for additional information.

Risk Factors

An investment in the Bank's Special Deposits is speculative and involves a high degree of risk, including the potential loss of your entire investment. See *Risk Factors*.

Risk Factors

An investment in Special Deposits of Walden Mutual Bank involves a high degree of risk, including the possible loss of principal invested. In addition to the other information contained in this offering circular, each prospective investor should carefully consider the following risk factors, any one of which could have a material adverse effect on the Bank's business, financial condition and results of operations, before making a decision to invest in the Special Deposits.

RISKS RELATED TO THE BANK'S PROPOSED BUSINESS

The Bank has no operating history. Because the Bank has not commenced banking operations, prospective investors do not have access to and cannot evaluate all of the information that would be available regarding a bank with a history of operations. As a result of the substantial start-up expenditures that must be incurred by a new bank, the Bank will likely incur significant operating losses during its initial years of operations. Any delay in commencing operations will increase pre-opening expenses and postpone realization of potential revenues and income. Investors in the Bank's Special Deposits are subject to the risk of loss of all or a part of their investment.

There is no assurance that the Bank will receive all final regulatory approvals on a timely basis. Although the Bank has applied for all regulatory approvals required to commence banking operations, has received a conditional approval from the New Hampshire Banking Department, and expects to receive a conditional approval from the FDIC during the third quarter of 2022, there is no assurance that all such conditional and final regulatory approvals will be granted in a timely manner, if at all. The Bank presently believes that all such final regulatory approvals should be obtained within the third quarter of 2022.

Management may be unable to adequately measure and limit credit risk associated with the Bank's loan portfolio, which would affect its profitability. As a material part of its business plan, the Bank will make commercial loans, real estate loans, and agricultural loans. The principal economic risk associated with each of these loans is the creditworthiness of the borrower, which is affected by the strength of the relevant business market segment, local market conditions and general economic conditions. Many of the Bank's anticipated loans will be commercial real estate loans as well as commercial loans made to small and medium-sized farms and businesses that are generally less able to withstand competitive, economic and financial pressures than larger borrowers. These types of loans are generally considered to have a higher degree of risk of default or loss than residential mortgage loans because repayment may be affected by economic conditions, interest rates, the quality of management of the business and other factors that may cause the borrower to fail to repay its obligations. If the Bank is unable to effectively measure and limit the risk of default associated with its loan portfolio, its profitability will be negatively impacted.

There is no assurance that the Bank will be able to successfully compete. The Bank will compete for loans, deposits and investment dollars with other banks and other kinds of financial institutions, such as securities firms, insurance companies, savings and loan associations, credit unions, mortgage brokers and private lenders, many of which have substantially greater resources and lending limits than will the Bank in its initial years of operations. Institutions much larger than the Bank generally dominate its targeted Walden Mutual market area. The Bank's legal lending limit is related to the amount of its capital resources. The legal lending limit required as a result of the Bank's anticipated capitalization levels during its initial years of operation may discourage borrowers with credit needs greater than the Bank's limit from seeking to do business with the Bank, even though it will try to service such borrowers by participating portions of such loans to other lenders. The differences in resources available to larger, competing institutions may make it more difficult for the Bank to compete profitably, reducing the rates that the Bank can earn on loans and investments, increasing the rates the Bank must offer on deposits and other funds, or both, which would adversely affect the Bank's overall financial condition and earnings.

There is no assurance that the Bank will be able to raise additional capital on favorable terms, and any future capital raising efforts may dilute existing Special Depositors. In the future, if the Bank should need additional capital to support its business, expand operations or maintain its minimum capital requirements, the Bank may not be able to raise additional funds through the issuance of additional Shares of Special Deposits or other securities on favorable terms. Even if the Bank is able to complete an additional Special Deposits offering, the sale of the additional Shares could significantly and immediately dilute the book value per Share of the Special Deposits immediately before the offering, cause a reduction in a Shareholder's relative ownership percentage and may also adversely affect any market for and price of the Special Deposits.

The Bank's performance is dependent on its ability to retain key personnel and recruit additional qualified personnel. The Bank's performance depends largely on the efforts and abilities of its senior management and the members of its Board of Directors. The Bank's business plan depends on the experience and expertise of its senior management team, the Directors and lending personnel. Several of these individuals have been involved in the commercial and/or consumer banking business for much of their professional careers. The Bank's performance will also depend upon its ability to attract and retain additional qualified management, banking and sales personnel. There can be no assurance that the Bank's management team will be able to manage its operations or expected growth or that the Bank will be able to attract and retain additional qualified personnel as needed in the future. The loss of any of the Bank's senior officers or Directors could adversely affect the Bank.

The Bank's business will entail substantial interest rate exposure. The profitability of the Bank, like that of most depository institutions, will be largely dependent upon its ability to generate net interest income, which is the difference between interest received on interest-earning assets, such as loans and investments, and interest paid on interest-bearing liabilities, such as deposits and borrowings. The Bank's earnings will be affected by changes in market interest rates and other economic factors beyond its control. The effect and the magnitude of interest rate changes will depend in significant part on the interest rate structure the Bank is able to achieve in its operations. Changes in interest rates may also affect the volume of loan originations by the Bank and the market value of its interest-earning assets.

An economic downturn, especially one affecting the Bank's market area and/or sector focus, may have an adverse effect on the Bank's financial performance. The Bank's success will depend on the general economic condition of the region in which it operates. Unlike many of its larger competitors, the majority of the Bank's borrowers and depositors will be individuals and businesses located or doing business in its regional banking market, particularly in the food and agriculture industries. As a result, the Bank's operations and profitability may be more adversely affected by an economic downturn within these sectors than those of its larger, more geographically and commercially diverse competitors. Factors that adversely affect the economy in the local banking market, particularly a reduction in real estate values, a rise in unemployment, high interest rates, or acts or threats of terrorism, global pandemics, alien invasions and other factors beyond the Bank's control that impact the economy, could reduce the Bank's deposit base and the demand for its products and services, which may, in turn, negatively impact its financial condition and earnings.

The Bank's business will be subject to substantial regulation. Upon receipt of federal deposit insurance, the Bank will be an insured depository institution that will be subject to significant supervision and regulation by state and federal banking regulators. This supervision is intended primarily for protection of depositors, borrowers and the federal deposit insurance funds – and not the Special Depositors of the insured institution. Statutes and regulations affecting the Bank may be amended at any time, and the interpretation of such statutes and regulations by regulatory agencies and courts is also subject to change. There can be no assurances that future amendments to applicable statutes and regulations, or changes in their interpretation, will not adversely affect the Bank's business. There also can be no assurances that the regulatory agencies will not, as a result of examinations of the Bank, impose various requirements, restrictions or regulatory sanctions upon the Bank if deficiencies are noted in its operations. In addition to governmental supervision and regulation, the Bank will be subject to changes in federal and state laws, including changes in tax laws, which could affect its net operating results. Additionally, changes in laws and regulations may also affect the industries in which a concentration of the Bank's borrowers operate and thereby indirectly affect the business of the Bank.

RISKS RELATED TO THE OFFERING

<u>There is presently no public market for the Bank's Special Deposits; and no active trading market may ever develop</u>. Presently there is no market for the Bank's Special Deposits. The Special Deposits issued in this offering will not initially be listed on any exchange or trading market. The Bank intends to use commercially reasonable best efforts to create a trading market for the Bank's Special Deposits on an electronic bulletin board service such as the one maintained by the OTC Markets Group (www.otcmarkets.com), or the one maintained by FINRA (www.otcbb.com). Such electronic trading services are commonly referred to as the over-the-counter market or "OTC". The OTC market has multiple tiers with different capital and other requirements and costs. One requirement in all cases is that the issuer must have a broker-dealer who is willing to make a market for the issuer's Special Deposits. The Bank cannot guarantee that it will be able to meet applicable capital requirements, or that a broker-dealer will be willing to commit to making a market for the Bank's Special Deposits. If the Bank is able to have its Special Deposits traded in the OTC market, the Bank cannot guarantee that any such market will have any particular level of activity. While the Bank's Special Deposits will be freely transferable by most holders, you cannot assume that an active trading market will develop for the Special Deposits upon completion of this offering. There can be no assurances that trading in the over-the-counter market or through brokers or market makers will develop. Accordingly, purchasers may not be able to sell their Shares at or above the purchase price or, indeed, sell their Shares at all. Additionally, the Bank intends to limit the number of Special Depositors of the Bank to less than 2,000 in order to avoid being a reporting company under the federal securities laws. Therefore, prospective purchasers should consider their investment in the Bank's Special Deposits as an illiquid long-term investment.

<u>The offering price may not be indicative of the market value of the Bank's Special Deposits</u>. The offering price for the Bank's Special Deposits was arbitrarily determined by the Bank's organizers. Because the Bank is a start-up entity with no operating history, there are no recognized criteria of value on which to base a Special Deposits price. The total purchase price of the Special Deposits to be sold in the offering was determined arbitrarily based on regulatory requirements and the estimates of the organizers as to the amounts of capital required to organize the Bank and commence operations as planned. This value may not be indicative of the market value of the Special Deposits or representative of the Special Deposit's value by any other measure. The Bank did not obtain an independent valuation for the purpose of establishing either the total purchase price of the Special Deposits to be sold in the offering or the per Share price of $10.00. Because this offering is not underwritten, the Bank may be unable to raise the capital necessary to open for business. This offering of the Bank's Special Deposits is being conducted on a "best efforts" basis through the efforts of certain of the directors and officers of the Bank. The limited assistance of a licensed broker-dealer may also be utilized in the offering, if necessary, in order to comply with the securities laws of certain of the jurisdictions in which the Special Deposits will be offered. The offering is being made without the services of an underwriter or placement agent and no licensed securities broker-dealer that assists in the offering will have any obligation to purchase, or find purchasers for, any Shares of Bank Special Deposits. Because the offering of the Bank's Special Deposits is not underwritten, there can be no assurance that the minimum number of Shares will be sold. If the minimum number of Shares necessary to complete this offering is not subscribed and paid for, subscriber funds will be returned without interest. Notwithstanding the foregoing, the Bank acting in its sole discretion may, if necessary or desirable, engage an investment banker to assist the Bank with the placement of its Special Deposits through this offering, and in such case, the expenses associated with the engagement of an investment banker will constitute an additional significant expense which is not provided for in this offering circular. Such expense would further dilute the anticipated book value of the Bank's Special Deposits beyond what is contemplated in this offering circular. If only the minimum number of Shares necessary to complete this offering is sold, the Bank will have less capital to fund initial operating losses, operations and expansion activities. While the Bank believes that the proceeds of the sale of only the minimum number of Shares will be sufficient to finance its business plans for five years, the capital levels resulting from the sale of only the

minimum number of Shares could result in restricted or slower growth for the Bank and, consequently, lower Shareholder returns. If the Bank does not raise at least $20,000,000 through this offering, then it is expected that the Bank will be required to raise additional capital to satisfy regulatory capital requirements. Consequently, the Bank may have to raise additional capital earlier than otherwise expected if it does not sell the target number of Shares. The costs of raising additional capital may be significant.

The voting power of Special Deposits is limited; Special Depositors, Management, Corporators and Directors cannot financially benefit from a sale of the Bank. Consistent with the mutual governance structure, Special Depositors have one vote per depositor, alongside General Depositors who also have one vote per depositor. Special Depositors will get only one vote, regardless of how many Special Deposit shares owned. Our Corporators maintain substantially all of the corporate powers that would, in a stock corporation, otherwise be granted to stockholders. The powers of the Bank's Corporators include, without limitation, (i) being the exclusive representatives of the various interests and communities served by the Bank or any mutual holding company which becomes the owner of the Bank, (ii) the election of persons to serve as Corporators and directors, (iii) the removal of any Corporator or director who has failed to properly discharge his or her duties in the manner prescribed by the Bank's organizational documents, and (iv) until such time, if any, as the Bank is owned by a mutual holding company, the authority to approve by majority vote, or by higher vote if required by applicable state laws or rules, or by the Bank's organizational documents, the amendment of the organizational documents, the conversion of the Bank or from mutual to stock form, the formation of a mutual holding company, the combination of the Bank with any other entity, the voluntary liquidation of the Bank, and any other matter expressly reserved for the approval of Corporators under applicable state laws or the organizational documents of the Bank.

Provisions in the Bank's Articles of Incorporation and Bylaws, the corporate and banking laws of the State of New Hampshire and federal change in control laws may make it difficult and expensive to pursue a takeover attempt that the Board of Directors, Corporators and Management opposes, and prohibit Special Depositors from obtaining more than par value from a sale of the Bank. These provisions also prohibit Board Directors and Management benefiting from a sale, and thus may discourage or prevent takeover attempts. Some of the provisions of the Articles of Incorporation and Bylaws will also make the removal of the current Board of Directors or management of the Bank, or the appointment of new directors, more difficult. These provisions include: the election of directors to staggered terms of three years; provisions regarding the timing and content of Corporator proposals, nominations for Directors and limiting the calling of special meetings.

The Bank does not expect to pay dividends on its Special Deposits in the first three years of operations. The Bank expects that earnings, if any, will be used for operating capital and that no dividends will be paid in the startup phase (the "FDIC de novo period" or the first three years of operations). Dividends in the first five years of operations are also subject to the prior approval of the New Hampshire Banking Department (NHBD).

The Bank will not be required to file periodic securities reports and, therefore, investors will receive less information about its performance than inventors in public companies. The Bank intends to limit the number of Special Depositors to less than 2,000 and, therefore, will not be required to register its Special Deposits under the Securities Exchange Act of 1934 (the "**Exchange Act**"). As such, Special Depositors will have less information about the performance of the Bank than Special Depositors of companies whose shares are registered under the Exchange Act. Upon completion of the offering, the Bank will not be subject to the periodic financial and other reporting obligations under the Exchange Act that are imposed on public companies. If the Bank succeeds in its plan to have its Special Deposits listed on an OTC exchange, it will have only very limited reporting requirements which are not comparable in scope or frequency to the reporting requirements required under the Exchange Act. The Bank will be required to file regulatory financial reports with the FDIC and such information generally can be obtained from the FDIC's website at www.fdic.gov. The Bank expects to make available to Special Depositors independently audited financial statements on an annual basis.

The Offering

General

The Bank is offering a minimum of 2,082,500 Shares and a maximum of 2,582,500 Shares of Special Deposits at a price of $10.00 per Share. The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement by HDT of $3,300,000 of its HDT Investment Contracts. In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all of the assets of HDT will be acquired by the Bank. Capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank. This planned conversion or exchange will be subject to the approval of banking regulators and the Bank. See *Use of Proceeds*, and *Organizational and Offering Expenses*.

As an incentive for investors to make an investment in the HDT Investment Contracts, and to invest in the Bank's Special Deposits in this offering, HDT agreed to use commercially reasonable best efforts to have the Bank offer the discounts described below (the "Special Deposits Discounts") to holders of HDT Investment Contracts who participate in this offering of the Bank's Special Deposits. The proposed Special Deposits Discounts, if approved by banking regulators and the Bank, will entitle the holder to exchange or convert the HDT Investment Contracts into Special Deposits at:

- An 80% Discount Rate should the Offering's Initial Closing occur within 18 months of the purchase date of the HDT Investment Contract;
- A 75% Discount Rate should the Offering's Initial Closing occur after 18 months but within 24 months of the purchase date of the HDT Investment Contract; or
- A 70% Discount Rate should the Offering's Initial Closing occur after 24 months of the purchase date of the HDT Investment Contract.

The purchase price for Special Deposits issuable to participating holders of HDT Investment Contracts will be calculated by dividing the offering Purchase Price of $10 per Special Deposit share by the applicable Discount Rate. For example, if an investor purchased $10,000 of HDT Investment Contracts within 18 months of this Offering's Initial Closing, subject to approval of banking regulators and the Bank, the discounted purchase price would be $8 per Special Deposit Share ($10 x .8) and the holder of the HDT Investment Contract would be entitled to convert the HDT Investment Contract into or exchange it for 12,500 Special Deposit Shares ($10,000 divided by $8 = 1,250 Special Deposit shares.

Each subscriber must subscribe for at least 500 Shares of Bank Special Deposits ($5,000.00), although the Bank may waive this limit as it deems appropriate in its sole discretion. Once submitted, subscriptions are irrevocable until the earlier of the completion of the offering or termination of the offering, but are not binding on the Bank unless and until accepted by the Bank. The Bank has sole and absolute discretion to reject any subscription for any reason or to allot to a subscriber less than the number of Shares subscribed. The Bank may elect, at its sole discretion, to accept subscriptions primarily from subscribers within the Bank's market area or who subscribe for larger amounts. If the offering is oversubscribed, you may receive fewer Shares than for which you subscribed because the Bank will allocate the Shares among subscribers in its sole discretion. In that case, the Bank will refund to you promptly all funds not used to purchase Shares in the offering.

The Bank is conducting the offering on a "best efforts" basis. The Bank is offering its Special Deposits through certain of its Directors and Officers, who will not receive any compensation for their efforts but will be reimbursed by the Bank for reasonable out-of-pocket expenses they might incur in connection with the offering. A licensed broker-dealer may serve as the Bank's agent to provide limited assistance to the Bank, if necessary, in order to affect sales of Shares in compliance with the securities laws of certain jurisdictions in which the offering will be made. If a licensed broker-dealer serves as the Bank's agent, expenses associated with the offering may increase. No such agent or broker-dealer who assists the Bank in the offering, nor any other person, has any obligation to purchase any of the Shares offered. No licensed broker-dealer which assists in the offering will independently assess the information in this offering circular or determine the value of the Special Deposits or the reasonableness of the offering price.

Subscription Procedures

In order to subscribe, investors must deliver an executed and completed Subscription Agreement and IRS Form W-9, along with payment of the aggregate subscription price for the Shares prior to the expiration of the offering at 5:00 p.m. Eastern Time on July 31, 2022, unless this offering is terminated earlier or extended to a later date or dates. The closing of the offering is conditioned upon satisfaction of the Escrow Release Conditions which, among other things, include the following: (i) the receipt of, and satisfaction of all conditions contained in, all regulatory approvals necessary to open the Bank for business as a New Hampshire-chartered bank with federal deposit insurance from the FDIC, and (ii) the receipt and acceptance of subscriptions for a minimum of 2,082,500 Shares of Bank Special Deposits, including 412,500 Shares of Bank Special Deposits expected to be issued in connection with the conversion or exchange of the HDT Investment Contracts.

If the Escrow Release Conditions have been satisfied, but the Bank has not yet received subscriptions for 2,582,500 Shares of Special Deposits, then the Bank may elect to conduct an initial closing. The Bank may determine to extend the offering for one or more periods of 30 days each, in its sole discretion and without notice, to a date not later than September 30, 2022, and after the initial closing, continue until September 30, 2022 to accept subscriptions for up to an aggregate of 2,582,500 Shares in the offering, at which time the Bank would conduct a final closing. The Bank is not obligated to accept subscriptions for the maximum number of Shares offered hereby.

The executed Subscription Agreement, Form W-9 and payment of the amount of the purchase price of the Shares of Special Deposits subscribed for must be received by the Bank by July 31, 2022, unless this offering is terminated earlier or such date is extended by the Bank, in its sole discretion, to a date or dates not later than September 30, 2022.

Payment may be made by check or wire transfer as described below.

Checks should be made payable to "ACBB as Escrow Agent for Walden Mutual Bank (In Organization)" and sent to the Bank at the following address:

Walden Mutual Bank (in organization)
66 North Main St
Concord, NH 03301

Upon receipt and acceptance of a subscriber's Subscription Agreement, any checks submitted with the Subscription Agreement will promptly be forwarded to the escrow agent by the Bank for deposit into the escrow account described below. If a subscription is not accepted, any checks will be promptly returned to the subscriber or destroyed.

Wire transfers should be made to the escrow agent as follows:

Sender ABA:	**ABA - Name - Address of the Sending Bank**
Receiver ABA:	**031301752– Atlantic Community**
Type Code:	**1000**
Business Function Code:	**CTR**
Beneficiary ID Code:	**D**
Beneficiary Identifier:	Escrow 222696 - Walden Mutual Bank (In Organization)
Beneficiary Name: & Address:	**ACBB, as Escrow Agent for Walden Mutual Bank (In Organization)** **43 Western Blvd.** **Glastonbury, CT 06033**

All subscription funds received will be held in escrow by the escrow agent, an FDIC insured Pennsylvania chartered bank that is a member of the Federal Reserve, until the closing or termination of this offering. The Bank expects to close the sale of its Special Deposits (subject to the right to continue the offering until the maximum number of Shares are sold) on or before July 31, 2022, assuming the receipt of all necessary regulatory approvals and receipt and acceptance of subscriptions for a minimum of 2,082,500 Shares of Bank Special Deposits, including 412,500 Shares of Bank Special Deposits expected to be issued in connection with the conversion or exchange of the Investment Contracts issued by HDT. At closing, all funds held in the escrow account will be released to the Bank, and Special Deposits certificates will be issued representing Shares for which investors have subscribed, adjusted for any reductions due to allocations. If the Bank does not hold a closing, for any reason, then the offering will be terminated without liability to the Bank, and all subscription funds received will be returned promptly to the respective subscribers, without interest.

Offering Period

The offering period will end at 5:00 p.m., Eastern Time on July 31, 2022, unless the Bank, in its sole discretion and without notice, terminates this offering earlier or extends the offering for one or more 30-day periods that will not extend beyond September 30, 2022. The Bank expects to conduct an initial closing of the offering on or before July 31, 2022. The initial closing of the offering is conditioned upon satisfaction of the Escrow Release Conditions which, among other things, include the following: (i) the receipt of, and satisfaction of all conditions contained in, all regulatory approvals necessary to open the Bank for business as a New Hampshire-chartered bank with federal deposit insurance from the FDIC, and (ii) the receipt and acceptance of subscriptions for a minimum of 2,082,500 Shares of Bank Special Deposits, including 412,500 Shares of Bank Special Deposits expected to be issued in connection with the conversion or exchange of the HDT Investment Contracts.

The Bank will terminate the offering if it does not receive and accept subscriptions for 2,082,500 Shares of Bank Special Deposits, including 412,500 Shares of Bank Special Deposits expected to be issued in connection with the conversion or exchange of the HDT Investment Contracts, by no later than September 30, 2022, or if the required final regulatory approvals to open for business are not received by such date.

Escrow Account

All subscription funds will be deposited in a fiduciary escrow account opened for the benefit of the investors by Atlantic Community Bankers Bank, which will serve as the Bank's escrow agent. The Bank estimates that the expenses for the escrow agent's services will total approximately $5,000. The subscription deposits will be invested in federal funds by the escrow agent with U.S. banks that have been approved by the escrow agent. The Bank will not complete the offering, and the escrow agent will not release the subscription funds to the Bank, until the Bank has satisfied all of the Escrow Release Conditions, including: (i) the receipt of, and satisfaction of all conditions contained in, all regulatory approvals necessary to open the Bank for business as a

New Hampshire chartered bank with federal deposit insurance from the FDIC, and (ii) the receipt and acceptance of subscriptions for a minimum of 2,082,500 Shares of Bank Special Deposits, including 412,500 Shares of Bank Special Deposits expected to be issued in connection with the conversion or exchange of the HDT Investment Contracts. If the offering is completed, the escrow agent will release all escrowed funds to the Bank at closing and Special Deposits certificates representing the Shares sold to subscribers will be issued, adjusted for any reductions due to allocations. If the Bank terminates the offering for any reason, all funds held in escrow will be returned promptly to subscribers with interest on the terms stated in the escrow agreement between the Bank and the Escrow Agent.

<u>Organizational, Pre-Opening and Offering Expenses</u>

The Bank anticipates that its organizational, pre-opening and offering expenses will total approximately $2,505,000, assuming that the Bank opens for business on or about its targeted opening date of August 15, 2022 (and further assuming that the initial closing of the offering occurs prior to such date). The amount of these expenses will increase if the targeted opening date is pushed back for any reason. If, before the Bank completes this offering and opens for business, the Bank needs additional funds to pay organizational, pre-opening and offering expenses as well as capital expenditures, the Bank may borrow funds to cover such expenses. The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement of $3,300,000 of HDT Investment Contracts. The investors, managers and members of HDT are all expected to be investors in the Bank through this offering. In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all assets of HDT will be acquired by the Bank. Capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank. This planned conversion or exchange will be subject to the approval of banking regulators and the Bank. See *Use of Proceeds*, and *Organizational and Offering Expenses*.

As an incentive for investors to make an investment in the HDT Investment Contracts, and to invest in the Bank's Special Deposits in this offering, HDT agreed to use commercially reasonable best efforts to have the Bank offer the discounts described below (the "**Special Deposits Discounts**") to holders of HDT Investment Contracts who participate in this offering of the Bank's Special Deposits. The proposed Special Deposits Discounts, if approved by banking regulators and the Bank, will entitle the holder to exchange or convert the HDT Investment Contracts into Special Deposits at:

- An 80% Discount Rate should the Offering's Initial Closing occur within 18 months of the purchase date of the HDT Investment Contract;
- A 75% Discount Rate should the Offering's Initial Closing occur after 18 months but within 24 months of the purchase date of the HDT Investment Contract; or
- A 70% Discount Rate should the Offering's Initial Closing occur after 24 months of the purchase date of the HDT Investment Contract.

The purchase price for Special Deposits issuable to participating holders of HDT Investment Contracts will be calculated by dividing the offering Purchase Price of $10 per Special Deposit share by the applicable Discount Rate. For example, if an investor purchased $10,000 of HDT Investment Contracts within 18 months of this Offering's Initial Closing, subject to approval of banking regulators and the Bank, the discounted purchase price would be $8 per Special Deposit Share ($10 x .8) and the holder of the HDT Investment Contract would be entitled to convert the HDT Investment Contract into or exchange it for 12,500 Special Deposit Shares ($10,000 divided by $8 = 1,250 Special Deposit shares.

Use of Proceeds

The net proceeds of the sale of up to 2,582,500 Shares of Special Deposits that the Bank is offering hereby, including the cash proceeds, if any, that will become an asset of the Bank upon the planned issuance of Shares of Bank Special Deposits upon the conversion of or in exchange for the $3,300,000 of HDT Investment Contracts, will be approximately $24,950,000 after deducting estimated offering expenses expected to total approximately $50,000. If the Bank sells only the minimum of 2,082,500 Shares, including the cash proceeds, if any, that will become an asset of the Bank upon the planned issuance of Shares of Bank Special Deposits upon conversion of or in exchange for the HDT Investment Contracts, the net proceeds from this offering will be approximately $19,950,000.

The Bank intends to use the remaining net proceeds of the offering for general corporate purposes, including initial capital and to support loan and deposit growth. Bank management and the Board of Directors will have significant discretion in applying the net proceeds of this offering. Pending specific application of the net proceeds, the Bank plans to invest the net proceeds in government securities and other short-term investment grade, marketable securities.

The Bank believes that net proceeds from the placement of the minimum offering of 2,082,500 Shares of the Bank's Special Deposits will satisfy the cash requirements of the Bank for its first five years of operation as currently planned and it will not need to raise additional capital during this period. If the Bank does not raise at least $20,000,000 through this offering, then it is expected that the Bank will be required to raise additional capital to satisfy regulatory capital requirements. This projection is based on the Bank's estimates of factors such as expected employee expense, the anticipated size of operations and the amount of capital typically required for a depository institution with similar growth plans. There can be no assurances that additional capital will not be necessary during the Bank's first five years of operation. The Bank's regulatory agencies may also determine in their discretion that additional capital is required to open the Bank and condition any approvals accordingly.

Organizational and Offering Expenses

The following are the estimated organizational, pre-operational, and offering related expenses for the Bank. The costs of organizing the Bank and funding its pre-operational expenditures were funded by means of the private placement of $3,300,000 of HDT Investment Contracts. The Bank anticipates that its total organizational and offering expenses will not exceed $1,980,000.

Budgeted Organizational Expenses

Salaries and benefits	$ 1,081,000
Legal services - Gallagher, Callahan & Gartrell	$ 300,000
Recruitment fees - Smith & Wilkinson	$ 111,000
Rent - Berat Holdings LLC	$ 72,000
Core Processor & IT Managed Services	$ 31,000
Marketing	$ 156,000
Other Consultants (Core processor, CRA Plan)	$ 103,000
Other	$ 76,000
Total Organizing Expenses:	**$ 1,930,000**

Budgeted Offering Expenses

Offering Expenses	$ 50,000
Total Organizing & Offering Expenses:	**$ 1,980,000**

Budgeted Capital Expenditures

Office retrofit	$ 300,000
Equipment/Software	$ 275,000
Total Capital Expenses:	**$ 575,000**
Total Budgeted Expenses:	**$ 2,555,000**

The preceding schedules were prepared based upon preliminary information and estimates available to the Bank as of the date of this offering circular. No assurances can be given that the Bank's organizational, pre-opening and offering expenses will not be significantly greater than the amounts reflected in the preceding schedule. In particular, the amount of organizational and pre-opening expenses will increase, possibly materially, if our opening date is pushed back from the anticipated date of August 15, 2022. The members of HDT bear the risk of the expenses the Bank has incurred and may incur if the offering is not completed. If the offering is completed, the Bank intends that all of the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all of the assets of HDT will be acquired by the Bank. In such case, the capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank. If, before the Bank completes this offering and opens for business, the Bank needs additional funds to pay organizational, pre-opening and offering expenses as well as capital expenditures, the Bank may borrow funds to cover such expenses.

Capitalization

The following table shows the anticipated pro forma capitalization of the Bank as of the date of this offering circular, after giving effect to the receipt of $19,950,000 or $24,950,000 in net proceeds of (i) the sale of 2,082,500 (including those Shares of Bank Special Deposits expected to be issued upon conversion of or in exchange for the $3,300,000 of HDT Investment Contracts) or 2,582,500 Shares of Bank Special Deposits at the minimum and maximum of the offering range, respectively; and (ii) payment of the anticipated expenses of organization of the Bank.

	Pro Forma	
Shareholders' Equity	2,082,500 Shares	2,582,500 Shares
$10.00 par value Special Deposits, 4,000,000 authorized, 2,082,500 or 2,582,500 Shares, issued and outstanding on a pro forma basis at the min and max, respectively	$ 20,825,000	$ 25,825,000
Additional Paid-In Capital	$ 0	$ 0
Retained Earnings (Deficit) [10]	($ 50,000)	($ 50,000)
Special Deposits Discount [11]	($ 825,000)	($ 825,000)
Total Shareholders' Equity	$ 19,950,000	$ 24,950,000
Book Value per Share[12]	$ 9.580	$ 9.661

[10] Includes the estimated offering expenses of $50,000.

[11] Takes into account the $825,000 (estimated aggregate purchase price discount) given to the HDT Investment Contract Holders who participate in the offering, assuming an initial closing no later than 18 months following the issuance of the HDT Investment Contracts.

Dilution

If you invest in Bank Special Deposits, your interest will be diluted to the extent of your proportional interest in the $825,000 (estimated aggregate purchase price discount) given to the HDT Investment Contract Holders who participated in the offering; and the offering expenses we incurred prior to the closing of this offering. The Bank currently estimates that these offering expenses will total $50,000. Based on this estimate, our pro forma net tangible book value per Share would be reduced from $10 per share to a minimum value of $9.580 per share and a maximum value of $9.661 per share.

Market for Special Deposits

Presently there is no market for the Bank's Special Deposits. The Special Deposits issued in this offering will not initially be listed on any exchange or trading market. The Bank intends to use commercially reasonable best efforts to create a trading market for the Bank's Special Deposits on an electronic bulletin board service such as the one maintained by the OTC Markets Group (www.otcmarkets.com), or the one maintained by FINRA (www.otcbb.com). Such electronic trading services are commonly referred to as the over-the-counter market or "OTC". The OTC market has multiple tiers with different capital and other requirements and costs. One requirement in all cases is that the issuer must have a broker-dealer who is willing to make a market for the issuer's Special Deposits. The Bank cannot guarantee that it will be able to meet applicable capital requirements, or that a broker-dealer will be willing to commit to making a market for the Bank's Special Deposits. If the Bank is able to have its Special Deposits traded in the OTC market, the Bank cannot guarantee that any such market will have any particular level of activity. While the Bank's Special Deposits will be freely transferable by most Special Depositors, you cannot assume that an active trading market will develop for the Special Deposits upon completion of this offering. There can be no assurances that trading in the over-the-counter market or through brokers or market makers will develop. Accordingly, purchasers may not be able to sell their Shares at or above the purchase price or, indeed, sell their Shares at all. Additionally, the Bank intends to limit the number of Special Depositors of the Bank to less than 2,000 in order to avoid being a reporting company under the federal securities laws. Therefore, prospective purchasers should consider their investment in the Bank's Special Deposits as an illiquid long-term investment.

Dividend Policy

The declaration of dividends will be at the sole discretion of the Board of Directors (the “Board”). The board may issue dividends on Special Deposits consistent with the requirements of the Bank's Dividend Policy, which may only be amended by a two-thirds majority of the Board and a two-thirds majority of the Bank's Corporators at any annual meeting of the Bank or at a special meeting called for such purpose. Any such amendment shall be compatible with the laws of the State of New Hampshire. Dividends in the first five years of operations are also subject to the prior approval of the New Hampshire Banking Department (NHBD).

Business

General

We are seeking a de novo charter to open and operate a digital-first mutual bank, chartered in the state of New Hampshire, that differentiates itself by focusing on consumers and businesses that prioritize sustainable living and sustainable food and agriculture. Our business focus will be to offer a variety of digital, social impact-oriented deposit products to consumers who want to bank with an institution that is committed to supporting sustainable living and sustainable food and agriculture, with our first campaign focused on the Greater Concord, New Hampshire, Manchester, New Hampshire, and Boston. Massachusetts MSAs, which in turn will support lending activities that provide capital to local food and agricultural enterprises in the wider New England and New York area. The Bank intends to offer an intentionally limited set of services, including deposit products and commercial lending services. The Bank will operate from a single leased banking office located at 66 North Main Street, Concord, New Hampshire.

Walden is seeking to become a New Hampshire state chartered, non-Fed-member mutual bank. By chartering as a mutual bank, Walden is committing to put the interests of its depositors first. We have also elected to be a public benefit corporation under New Hampshire law. By electing benefit corporation status, Walden is further committing to the public good of the communities it serves.[13] We believe the mutual governance model is uniquely suited to our focus on a long-term mission, especially as many are questioning the consequences of placing shareholder value above all other stakeholder interests. We also view it as a model that is positioned to truly focus on the long term mission of an organization. We are eager to reinvigorate this structure for future generations inside and outside of financial services.

Mutual banks have had a long and successful history in New England. New Hampshire in particular has had a longtime commitment to direct democracy in the form of town meeting governance, along with the third largest legislative body in the world (400 representatives, each with just over 3,000 constituents). Mutual banks are a natural extension of this uniquely New England ethos. Mutual savings banks accounted for almost 80% of deposits in New England in 1914, with over 650 institutions serving more than 8 million depositors in 1914 (vs. just 9 commercial banks). These institutions have also stood the test of time. Historically, mutuals "largely avoided financial panics"[14] during periods of frequent and cyclical financial upheavals. Only 4 of 481 mutual banks closed during the panic of 1893 and 1 of 453 closed in 1907. In total, through four banking crises, 28% of mutual banks closed in the 44 year period from 1870-1914, vs. 42% of national banks and 76% of state banks. Mutual banks (along with community banks more generally) have historically successfully promoted stability in the nation's banking system, with demonstrably higher capital reserves, lower loan loss rates and lower failure rates in times of crisis, from the late 1800s to more recent banking crises in 2008-2009.[15] From 2008-2014, the failure index for mutual banks was 0.52% vs. 0.99% for stock community banks.[16] Mutual banks have stood the test of time - in fact, their longevity has typically long exceeded that of a typical private or public company - and play a critical role in driving stability and safety in our banking system.

On May 18, 2022 the New Hampshire Banking Department issued a Certificate of Conditional Approval to the Bank. The Certificate of Conditional Approval authorizes the Bank to complete its organization as a New Hampshire banking corporation by filing its Articles of Incorporation with the New Hampshire Secretary of State, but it does not permit the Bank to commence business as a depository bank. The Certificate of Conditional Approval will be revoked, by operation of law, if the Bank does not obtain federal deposit insurance from the FDIC, satisfy all other conditions stated in the Certificate of Conditional Approval, and start

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13 See NH RSA Chapter 293-C Section IX.

14 https://commons.colgate.edu/cgi/viewcontent.cgi?article=1043&context=econ_facschol

15 Ibid, and:
https://www.hamilton.edu/documents/Bunger%20paper.pdf
https://www.dallasfed.org/~/media/documents/fed/annual/2012/1201e.pdf
https://www.fdic.gov/resources/community-banking/report/2020/2020-cbi-study-full.pdf

16 https://www.fdic.gov/analysis/quarterly-banking-profile/fdic-quarterly/2016-vol10-4/article2.pdf

business within two years from the date of the Certificate of Conditional Approval's issuance. Following the successful close of this offering and subject to satisfaction of all other regulatory requirements, the New Hampshire Bank Commissioner may issue the Bank a Certificate to Transact Business. However, there can be no assurance that all such conditions will be satisfied, or that the Certificate to Transact Business will be issued. The Bank may not start banking operations until the Certificate to Transact Business is granted and until the Bank satisfies all the conditions contained in the Certificate of Conditional Approval, including receipt of federal deposit insurance from the FDIC.

HDT filed, on behalf of the Bank, an application for deposit insurance with the FDIC, for which approval is expected to be granted on or prior to the opening of the Bank. In approving the application, the FDIC will consider a number of factors, including without limitation: (a) the financial history and condition of the Bank, which, because the Bank is newly organized, includes investments in fixed assets, transactions with affiliates, and organizational expenses; (b) the adequacy of the Bank's capital structure; (c) the Bank's future earnings prospects; (d) the general character and fitness of the Bank's management; (e) the risk presented by the Bank to the deposit insurance fund; (f) the convenience and needs of the community to be served by the Bank; and (g) whether the Bank's corporate powers are consistent with the purposes of the Federal Deposit Insurance Act. The FDIC's approval is subject to certain conditions, including, without limitation, that: (i) the Bank's beginning paid-in capital be at least $20,000,000, and (ii) the Bank maintain a leverage ratio of Tier 1 capital to assets of at least 8% during the first three years of operation. It is anticipated that, during the third quarter of 2022, the Federal Deposit Insurance Corporation will grant preliminary approval of the Bank's deposit insurance application.

<u>Location, Market Area and Growth Strategy</u>

Headquartered in Concord, New Hampshire, we will operate a physical office location at 66 North Main Street, with a limited set of services available for in person interactions; however, we intend to be a purely digital bank for depositors. Depositors will have the ability to open accounts, deposit checks, request and receive ACH payments and transfers, and other features all through their mobile device. Our office will provide a marketing opportunity for the Bank, but with a planned ATM fee reimbursement of up to $15 per month, we expect that virtually none of our depositors will ever have a need to visit our physical location. We have secured a lease and currently occupy this location, which we have renovated for our retail space.

Our ethos is: "**Grow Your Change**." Our mission is to promote sustained, holistic wellness by providing lasting value – financial and social – to our partner depositors. We do this through interest and social & environmental impact. We are focused on lending to local food & agriculture businesses because we believe that they can drive transformative impact on the environmental, economic and cultural vitality of our home: New England and New York.

By giving depositors the ability to open, maintain and manage a deposit account entirely online (as is quickly becoming a market standard), and focusing on our go-to-market positioning as a lower transaction volume secondary account, we believe we can attract depositors from a wider market area than a traditional community bank, with what we believe to be our uniquely compelling value proposition and a variety of digital and traditional marketing channels. Specifically, our initial campaign focus will be on the Greater Concord, New Hampshire, Manchester, New Hampshire, and Greater Boston, Massachusetts MSAs. We foresee a small minority of depositors ever visiting us in our physical location.

In contrast to the barrage of confusing legacy account offerings in the market today, our core deposit focus will be on a single product: **Grow Local Accounts,** which have the benefits of a savings account but features of a checking account, for conscientious consumers and businesses looking to align their values with their banking. These accounts (technically structured as checking accounts, allowing for use of a debit card, ATM services, etc.) will pay a rate competitive with a typical savings account. We will also offer a variety of impact focused certificates of deposit (CDs), including those offering longer dates than typical – 10 - 20 years, with rates based on a spread over treasuries over similar time periods. This is intended to mimic the successful strategy of ING Direct, one of the first online-only banking entrants that grew to over $80 billion in deposits.

On the lending side of our business, we believe there is significant market demand for a sector specific lender engaged in the local food and agriculture movement. We will support innovators who are pursuing a healthier and more sustainable region in a world long dominated by industrial agriculture. Our focus will be lending to organic, sustainable and regenerative food and agriculture enterprises. We will offer competitive rate loans to organizations across the value chain, from farms to processors, retailers, and brands - to support land, building, or equipment acquisition or refinancing, organic transitions, working capital lines and other needs. More specifically, our focus will be on borrower organizations in New England or New York and will typically fit into one of four categories:

- Production Farms and Fisheries
- Critical Infrastructure (manufacturers, processors, distributors and retailers)
- Consumer and Trade Brands
- Community Organizations: nonprofits, land trusts, cooperatives, benefit corporations or other alternative ownership models

We will ask all of our borrowers to complete our Walden Impact Evaluation (see Appendix 21), which is closely modeled on B Lab's Impact Assessment,[17] allowing a manager to analyze the impact of their business on the world around them, through the five lenses of governance, workers, community, customers and environment.

Although we will lend to promote non-food agriculture, such as timber or Christmas trees, we will not lend to cannabis or tobacco-based farms or businesses. To support our borrowers, we will offer a variety of loan products, more specifically:

- Farmland and real estate acquisition (fixed long-term notes);
- Equipment / Infrastructure / Production (shorter term fixed or variable notes);
- Working Capital (short term variable notes);
- Organic transitions (flexible long-term notes, e.g., interest only periods, balloon payments); and
- Refinancing for all of the above.

Here too, we believe our value proposition to potential customers will be compelling, which includes:

- A deep understanding of food & agriculture businesses up and down the value chain allowing us to lend where there are gaps in the market, and where we have a differentiated credit understanding;
- The desire of a borrower to be a part of an affinity group that reflects their values;
- Personalized service;
- Best-in-class technology; and
- The opportunity to connect borrowers directly with our passionate deposit base, who are often, in turn, their core customers[18] (see *Product Strategy*).

Given our planned sector focus, we also believe a wider market area relative to a conventional community bank is appropriate and necessary to build a scalable and profitable base of business focused on food and agriculture businesses. We have extensive experience within our management team and board building networks across the New England and New York region through digital and other means.

<u>Products and Services</u>

Our deposit products will include:

- A single type of deposit account, our **Grow Local Account** which will include the following features**:**
    - ***For Consumer***

[17] https://bimpactassessment.net/

[18] Note that in order to steer clear of privacy laws and concerns, this will be on an opt-in basis for depositors or blind basis for borrowers.

        - Interest paid on all balances;
        - No monthly maintenance fee
        - Fees for paper statements
        - No overdraft availability
        - Other fees TBD
        - ATM reimbursement of up to $15 per month in fees charged by other banks for ATM use
        - Unique linked debit card offering
        - Reciprocal discounts / credits with aligned businesses: farmers markets, co-ops, area farms, B corps, and others
    - ***For Business***
        - Not interest bearing
        - No monthly maintenance fee
        - Fees for paper statements
        - No overdraft
        - Other fees TBD
        - Unique linked debit card offering
        - Business-focused features: Positive Pay, Remote Deposit Capture, batch ACH and wires

- **Local Impact CDs** with $1,000 min balances
    - Penalties for early withdrawal
    - Note: Bank must maintain "well capitalized" status to sell above market interest rate CDs
    - We will provide best in class partner-depositor services, which will include a dedicated account representative to send personalized communications

Delivery and servicing for both product domains (e.g. deposits and, to a lesser degree, loans) will be enabled by a common technology platform servicing both mobile (in-app and browser) and desktop channels.

Our lending products will include loans (typically in the range of $50,000 to $3m) to support:

- Farmland and Real Estate acquisition (fixed long term notes);
- Equipment / Infrastructure / Production (shorter term fixed or variable notes);
- Working Capital (short term variable notes);
- Organic transitions (flexible long-term notes, e.g., interest only periods, balloon payments); and
- Refinancing for all of the above.

Our suite of standard loan products will require collateral and loan-to-value ratios to be consistent with market standards. We will not engage in speculative lending.

Commercial borrowers will also have access to a similar suite of financial products made available to consumer depositors. However, commercial deposit accounts will also include a layer of additional features tailored to the needs of these users. Features will include:

- Quickbooks and other accounting software integration - allowing direct import of account transaction history to accounting software platforms for bookkeeping and reconciliation purposes.
- Positive pay - secondary validation of issued checks and ACH transactions to prevent fraudulent activity.
- Remote deposit capture - processing of checks in batch via scanner.
- Cash Vault Services - While we expect a large majority of our business customers will have limited or no cash transactions, we will offer virtual cash vault services for those who are the exception.

Note that we intend to lend across the entirety of the value chain. While we expect agricultural loans to make up as much as 40% of our loan portfolio, we expect business in adjacent sectors (wood products or compost, for example) or businesses elsewhere in the food value chain (manufacturing, distribution, processing, retail, consumer brands, etc.) or other small businesses to make up the majority of our loan volume. Our target sectors matrix in our Loan Policy identifies the industries (by NAICS) we plan to target. By identifying these sectors, we will be able to clearly communicate our value proposition, understand market opportunities, assess risks and additional credit considerations, develop product and service requirements, and cultivate partnerships with our members. Under the

Bank's credit risk framework, we have also developed concentration limits by sector, industry and borrower, as a percentage of capital and / or portfolio, to effectively manage risk within the Bank's loan portfolio. Credit approvals and authorizations will be tiered based upon transaction exposure, borrower exposure, house limits, and policy exceptions. Policy will also identify undesirable loan types, which pose undue risks above the Bank's risk tolerance levels.

It will be the Bank's policy to price loans/credits in such a manner as to maximize the rate of return on capital, to reduce interest rate risk, to reflect the risk of the credit, and to provide credit for our borrowers at a commercially reasonable rate. The following factors will be considered when pricing a loan:

- Market conditions and competition
- Interest rate conditions and forecasted interest rate and economic conditions
- Cost of funds
- Customer relationships at the Bank
- Type of loan
- Risk Rating on the loan and borrower
- Term and amortization of the loan
- Repayment structure
- Type, conditional and marketability of collateral

Loans will be priced to readily available indexes: long-term loans will be priced to FHLB of Boston or similarly indexed rate plus spread and short-term loans and working capital lines will be priced to WSJ Prime or similarly indexed rate plus spread.

After the first year of operation, Walden Mutual plans to apply to be an approved lender with Farmer Mac. Farmer Mac provides banks with a low-cost source of funds at competitive rates and favorable terms to fund their farm, ranch, and agribusiness loans. Farmer Mac, a government sponsored enterprise (GSE), is the premier secondary market for agricultural credit. The Bank will be able to maintain its relationships with the borrowers, while utilizing Farmer Mac's products and services to manage its balance sheet risks and provide competitive products.

In order to expand accessibility to credit and to design tailored solutions for borrowers, Walden Mutual is exploring the process to become a Standard Eligible Lender (SEL) / guaranteed lender under the USDA Farm Service Agency loan program, as well as an approved lender with the Small Business Administration (SBA). We are investigating options to work with a third-party to provide documentary resource support for packaging and closing SBA applications during our de novo period. We have been in communication with Holtmeyer & Monson, which is an SBA lender service provider based in Memphis, TN, which provides these support services to community banks.

During the de novo period, we will not offer consumer lending products. We do not plan to securitize any portion of our loan portfolio in the de novo period. We do plan to diversify our earnings and credit risk profile through our investment portfolio, investing in government agency securities, mortgage-backed securities, and other high credit quality assets. We have established informal relationships with various commercial lending institutions to engage in mutually beneficial loan participations, subject to their review and due diligence of the transaction, borrower and Bank. We do not plan to use hedges during the de novo period.

Marketing Strategy

The Bank anticipates that loan originations will be derived primarily through the efforts of its organizers, directors, senior management and employees. These individuals have a wide variety of business and professional experience and are deeply rooted in the food and agriculture community. Our team also has extensive expertise in consumer and digital marketing which should enable the Bank to obtain adequate deposits to fund our ongoing operations.

Competition

The Bank will face significant competition from Farm Credit East, TD Bank, NBT Bank, Community Bank and other agricultural lenders, as well as non-bank lending institutions. Agricultural lending is dominated by

Farm Credit East ($8 billion in outstanding loans), which further solidified its' scale advantages through the consolidation of Yankee Farm Credit.

On the deposit side, we face significant competition from several national online banks and non-bank financial institutions, including Ally, Aspiration, Capital One, Marcus, as well as regional bank deposit leaders, including Citizens Bank, Bank of America, Santander, and TD Bank.

Banking is an oligopoly in our intended markets; as of June 30, 2020, FDIC data indicates:

- 80.3% of deposits are held by the top-3 banks in the Manchester-Nashua, New Hampshire MSA
- 63.3% of deposits are held by the top-3 banks in the Greater Boston, Massachusetts MSA

As American Banker puts it, "Oligopolies set high price umbrellas, under which there is plenty of room for smaller, more efficient and more specialized entrants to prosper and grow."[19]

We believe we can differentiate from our competitors through our unique value proposition, which will include the following:

- A deep understanding of food & agriculture businesses up and down the value chain, driving differentiated credit understanding and allowing lending where there are gaps in the market;
- Compelling rates on a blended checking-savings account relative to regional and digital banks, plus year-end additional interest payments:
    - Aligned with mutual and co-operative tradition of patronage dividends
    - Can be retained by the depositor, or donated to a charity of their choosing
    - Calculated based on individual depositor balances
- Best-in-class technology
- Attractive specific, local, tangible mission & impact, and aligned governance model, powering a more appealing brand than national banks and digital "fintechs"
- Reciprocal rewards / credits with aligned partners (e.g., food co-ops, farmer's markets, and other B Corps), with a distinctive debit card repositioned as a "membership" card
- Community participation, including a voice in various product decisions, access to depositor local events, etc.

Properties

We will operate a single, leased office location at 66 North Main Street, Concord, NH, with a limited set of services available for in person interactions. We anticipate virtually all of our customers to interact with us digitally, and very few to make use of in-person services.

We have signed a three-year lease for the premises, with three, three-year extensions, and the premises is currently undergoing renovations.

Employees

We anticipate opening for business with eight [8] full time employees.

Legal Proceedings

The Bank is not a party to any legal proceedings.

[19] https://www.americanbanker.com/opinion/how-to-compete-against-the-oligopolies

Annual Audit

The Bank intends to engage an independent certified public accounting firm to perform an annual audit of its financial statements following the close of the fiscal year. The Bank's fiscal year will end on December 31st of each year.

Management

The Bank will operate under the direction and supervision of the Board of Directors, who will appoint the executive officers of the Bank.

Directors

The Articles of Incorporation of the Bank provide that the number of directors of the Bank shall be not less than seven (7) and no more than thirteen (13), as determined by resolution of the Board of Directors. Currently, the Board of Directors consists of thirteen (13) members. Directors of the Bank will be elected by the Corporators of the Bank for staggered three-year terms, or until their successors are elected and qualified. One class of directors will have a term of office expiring at the first annual meeting of Corporators, a second class will have a term expiring at the second annual meeting and a third will have a term of office expiring at the third annual meeting. All of the proposed initial directors of the Bank are subject to regulatory clearance by the New Hampshire Banking Department and the FDIC.

Set forth below is a description of the principal occupation and business experience of each of the proposed directors of the Bank. Each proposed director will also invest in Special Deposits.

Bob Burke, Director. Mr. Burke, 62, has provided assistance in bringing natural, organic and specialty products to market across most classes of trade as a consultant since 1998. This includes work in growth strategies, writing sales and business plans, budgeting, pricing, building distribution, broker selection and management, organizational development, strategic options, financing, branding, trade spending management and assistance around M&A, due diligence and venture strategy groups. He is also the co-author and co-publisher of the *Natural Products Field Manual, Ninth Edition (2021)*. Prior to consulting, Burke was with Stonyfield Farm Yogurt (1986-1997) for 11 years as Vice President, Sales & Corporate Development and Vice President, Marketing & Sales. He has held marketing positions with Colombo, Inc. (1984-1986) and Sperry Top-Sider (1980-1984). He received an MBA from Babson College (1987). He currently serves as an outside director for EcoFish (2006 - present), Saffron Road (2010 - present), Uncle Matt's Organic (2020 - present), Cali'flour Foods (2019 - present) and King Arthur Baking (2014 - present). He serves on the advisory boards of Noops (2019 - present), Wildgood (2020 - present) and Soapbox Soaps (2014 - present). He is a former director of Stonyfield Farm (2010-2015), Orgain (2012-2019), Stirrings (2005-2009), and FoodState/MegaFood (2012-2015). He is on the Selection Committee at Nutrition Capital Network (2012 - present). He serves on the Industry Working Group for Education and Preparedness for the Specialty Food Association (2019 - present). He also serves on the Editorial Advisory Board of Nutrition Business Journal (2011 - present). Burke is on the board of the non-profit Hirshberg Entrepreneurship Institute (2019 to present) and also on the board of advisors of the Boy's and Girl's Club of Lawrence, Massachusetts (2010-present). He also serves as a volunteer mentor with Project Place in Boston (2021), Santander Bank's Cultivate Small Business Program (2021), The Shift Fellowship (2021) and Naturally Boulder (2021). Burke was named one of the "Top 25 Business Builders of the Natural Products Industry for the last 25 years" by Natural Foods Merchandiser Magazine (2005). He was also named an inaugural Senior Fellow at Food Sol at Babson College (2016). Burke has delivered presentations, seminars and moderated panels at leading trade shows and conferences in the US, Australia, New Zealand, Canada, Ireland and the UK. He also runs full day seminars and networking events on "Becoming a more Effective Sales Manager" and "Financing your Natural and Specialty Products Company". Burke lives in Andover, MA with his wife Kathy and their spoiled dog.

Charles Cummings, Director, CEO & President, See below.

Michael C. Claflin, Director. Mr. Claflin, 66, is an accomplished banking executive and local entrepreneur with extensive background in business development and management. Currently the CEO (since 2010) of an affordable housing developer, he has over 20 years of banking experience with senior management participation, in commercial lending, corporate strategic planning, ALCO and presentations to the Board of Directors. Claflin served as Regional Vice President (2000-2010) at Connecticut River Bank, NA where he managed the bank's northern NH region, which consisted of 5 branches, and a loan portfolio of $79MM. He previously served as VP Commercial Lender (1998-2000) at Lyndonville Savings Bank and Trust providing commercial lending & services. Prior to that (1991-

1997) he served as a Commercial Lender at the Wells River Savings Bank. As a Founding Principal (2010-Present), Claflin co-created a regional real estate investment firm for accredited investors, Profile Capital, LLC. The firm also provides consulting services for "startup" as well as seasoned corporate clients, and provides assistance with the structuring of financial proposals, debt restructuring and refinancing packages. He has actively supported community initiatives as a co-founder of the Littleton Consumer Cooperative Society, Inc., a regional nonprofit food co-op well respected for supporting local growers and producers, encouraging healthy life choices, and promoting local environmental sustainability, as well as Littleton Main Street, Inc. (2001-2019, President in 2004), and Littleton Rotary Club (since 2001, President in 2005). Claflin has additionally served on the Federal Home Loan Bank of Boston (2014-2020) AHP Advisory Council, New Hampshire Community Development Finance Authority Board (2018-Present), Neighborhood Risk Management Corporation (NYC) Board (2013-2020), Vermont Risk Management Association (1999-2009, President in 2007), and Grafton County Economic Development Corporation, Loan Committee (2007 - present). Claflin earned his Bachelors of Arts in Business Administration from Castleton State College (1977). Claflin lives in Sugar Hill, NH, with his wife and recently adopted dog, Sophie. Their five adult children are scattered throughout the Northeast, and Scotland.

Radhika Dholakia Lipton, Director. Ms. Lipton, 55, has over 30 years of extensive banking experience coupled with solid expertise in all aspects of regulatory compliance including BSA/AML and CRA, retail and backend banking operations with a focus on risk management, and vendor management. Since 2017 Lipton has served as the President and CEO of RADD LLC in Santa Ana, California. Previously she served as the Executive Vice President and Chief Operating Officer of Merchants Bank of California from (2016-2017). Prior to Merchants Lipton was at Sunwest Bank (2012-2015) as the Executive Vice President, Chief Compliance Officer and Bank Secrecy Act Officer. From 2007-2012 she served as Senior Vice President and Chief Banking Officer of Wedbush Bank. Lipton began her extensive banking career at Citigroup (1999-2007) where she served as the Program Director of Audit and Risk Review (ARR), Senior Reviewer of Audit and Risk Review, and Area Operations Manager for Retail Distribution Group. Lipton received a BA in Business Administration, Marketing and Advertising Management from California State University in Fullerton, CA. Over the years she has been involved in many community service and volunteer activities most recently teaching financial literacy on behalf of Junior Achievement as well as serving as a previous board member to WISE Place, a homeless shelter for women, and prior board position with the SAHARA Foundation. Lipton co-hosted the annual fundraising event for Ronald McDonald House of Long Beach, and serves as the Vice President and Board member of Bubbly SEVA engaging in monthly community service such as Leukemia Walks, and assisting Food Banks. She is a past member of Central Orange County Alumnae Panhellenics and has served in all executive positions as well as being a part of the Zeta Tau Alpha Sorority serving in a variety of officer positions. Her business affiliations include previous membership, advisor and chair to the CBA Regulatory Compliance Committee as well as past CBA Security Committee member and former Chair of WIB Technology/Operations Committee. Lipton is a frequent speaker at many banking associations such as CCBN, WBA, Wyoming Bankers Association, etc. In 2009 Lipton was nominated as Los Angeles Business Journal Executive Woman of the Year. Lipton lives in Santa Ana, CA with her new husband, she remarried Feb 2020. In her spare time she loves to travel, go wine tasting, throw parties and frequently escapes to their condo in Rosarito Beach, Mexico. She has two amazing daughters - Jessica (31) is a manager at Drop Box and Monica (26) is a 4^{th} year medical student at Rush Medical School in Chicago.

Susan LeDuc, Director. Ms. LeDuc, 56, has over 35 years of banking, financial institution and financial services leadership experience in Post-Bankruptcy Trust Administration, Operations Management, Risk Management, Regulatory Compliance (including Community Reinvestment Act [CRA], Home Mortgage Disclosure Act [HMDA] and Bank Secrecy Act [BSA]), Internal and External Audit, Information Security, Mortgage Lending, Security and Facilities Management. LeDuc currently serves as the Chief Administrative Officer (2018 – Present) at Drivetrain Administrative Services, LLC, (Concord, NH) which provides administrative and operational support to Drivetrain, LLC, (headquartered in New York City) for post-bankruptcy, liquidating and litigation estates, and other forms of corporate reorganization. Previously, LeDuc worked as a consultant (2018) at a predecessor organization, Drivetrain Trust Company, a newly formed NH-chartered trust company which provided Indenture Trustee services to the bond market. She served as SVP – Chief Risk Officer (2016-2018) at Bank of New Hampshire (Laconia, NH), and as VP – Risk Management (2012 – 2016) at Woodsville Guaranty Savings Bank (Woodsville, NH.) LeDuc served as Regulatory Compliance Manager (2010 – 2012) at Loring, Wolcott & Coolidge Trust, a NH-chartered non-depository trust company located in Boston, MA. She provided regulatory and operational consulting services to most financial institutions in the State of New Hampshire as a Regulatory Specialist – Financial Institutions for nearly 15 years (1996 – 2010) while at the Concord, NH, law firm of Gallagher, Callahan & Gartrell, P.C., and she held several positions within the First NH Banks organization for 10 years prior to that: Vice President – Community Reinvestment and Fair Lending Officer (1992 – 1996); AVP – Bank Compliance Officer (1990 – 1992); Compliance Officer & Bank Secrecy Act Officer (1988 – 1990); Mortgage Lender/Compliance Coordinator (1987 – 1988); and Management Trainee (1986 – 1987). LeDuc has provided hundreds of hours of instruction to bank employees from many banking institutions over the years as an instructor for the Center for Financial Training (based in Gray, ME) on various legal and regulatory topics. LeDuc attended both the ABA Compliance School and the ABA Graduate Compliance School held at the University of Oklahoma, and she achieved the Certified Regulatory Compliance Manager (CRCM) certification in 1997. LeDuc graduated from the University of New Hampshire, Whittemore School of Business, with a B.A in Economics and a minor in Business Administration (1982 – 1986). LeDuc has been involved with many community organizations and is currently serving on the Board of Directors of the Dana Meeting House Association (New Hampton, NH) as the Treasurer, and as President – *pro tem*. LeDuc and Alan live in (and continue to renovate) their log home in Bridgewater, NH, enjoy time with their 4 children and their families at Newfound Lake, and are totally infatuated with their three granddaughters, ages: 5 years, 8 months, and 3 weeks (and a fourth granddaughter anticipated to arrive in January 2022!).

Alexandra Lunt, Director. Ms. Lunt, 27, is currently a Principal at an impact focused family office, Armonia LLC. Armonia was a founding member of B Lab, and widely recognized as a world class leader in the impact investment space, having advised investments in excess of $100m in more than 40 organizations, both for-profit and nonprofit, over the past 8 years. Lunt previously worked as an analyst at J.P. Morgan in the Investment Bank (2014-2017), Chief of Staff at the hospitality group, Sydell Group (2017-2019), and in strategy at various CPG startups (2019-2020). Lunt is actively engaged in Armonia's regenerative food and agriculture investing in New York and New England, with a network extending across hundreds of market participants, investors and advisors. She currently sits on the Board of Directors of Farm Ferments and Gaia Herbs. Lunt earned her Bachelors of Arts in History from Princeton University (2015). She lives with her partner, Catherine, in Hudson, New York where they are quickly adapting to living in nature, garter snakes and all.

Dulcie Madden Lipoma, Director. Ms. Lipoma, 39, has 19 years of business leadership and nonprofit experience in Strategy, Product Development, Operations, Management, and Finance. She has been an Operating Partner at The Engine since 2020, where she manages and supports investments in high-growth portfolio technology companies. She also oversees Strategic Partnerships. Previously, she served as CEO and Co-Founder at Rest Devices, Inc. (2011-2020), where she oversaw all aspects of the business, including financings, product marketing, operations, and Board management. She also served as a Program Officer at the Deshpande Foundation (2007-2011), where she worked in India to develop philanthropic and entrepreneurial programs in Women's Livelihood and Maternal and Child Health. Lipoma has been a frequent guest lecturer at MIT and Harvard Business School since 2013. Rest Devices won the Engadget Best of CES Award (2014), the NEVCA NEVY Awards Digital Health Company of the Year (2017), and has been featured in the New York Times, Wall Street Journal, TechCrunch, Engadget, and on the Today Show, among other places. She is an active member of her community, serving as a Board Member of the Giving Circles Fund (2009-2012), Trustee of the Hopkinton Historical Society (2020-present), and member of the Hopkinton School Board (2021-present), where she Chairs the Capital Improvement Committee and sits on the Policy and Finance Committees. Lipoma earned her Bachelors of Science in Biology from Georgetown University, her Masters of Public Health from Boston University, and completed half of an MBA at the MIT Sloan School of Management (she left after one year to found Rest Devices, Inc.). She lives in Hopkinton, NH with her husband and three young children.

Paul Nardone, Director. Mr. Nardone, 53, has held executive leadership roles with several emerging food and beverage brands and has over 25 years of success in creating and executing high-growth strategies, achieving superior operating results, and delivering significant value-creation for stakeholders through strategic M&A realizations to industry leaders. He currently serves as CEO for Hippeas Organic Chickpea Snacks, a role he began in April 2021. From August 2015 to February 2021, he served as Chief Executive Officer of BFY Brands, the maker of PopCorners, which was acquired by PepsiCo in February 2020. Prior to that, Nardone was an Operating Partner at Sherbrooke Capital from September 2013 through July 2015 and served as Chief Executive Officer of Immaculate Baking Company from January 2008 to June 2013, where he led the company prior to its acquisition by General Mills. From 2004 to 2008, Nardone was President and CEO of Stirrings, a leading brand of premium cocktail mixers. His career in the "better for you" space began in 1993 at Annie's Homegrown, where he served in numerous senior roles, including as CEO from 1999 to 2004. He currently serves on the Board of Directors of Notch Brewing, Rustic Crust/American Flatbread and The Governors Academy. Nardone holds a Bachelor of Arts from Tufts University and a Masters of Business Administration from Columbia Business School. He is a resident of Meredith, New Hampshire.

Anthony Poore, Director. Mr. Poore, 51, has worked in support of transformative systems change and equitable and sustainable communities for 30 years as a community organizer and economic development practitioner, academic, workforce housing and public health advocate, policy analyst, researcher and executive addressing the needs of New Hampshire's urban and rural low-and moderate-income communities. He launched AP Consulting Group in 2021, working with traditional and non-traditional financial institutions and community-based organizations to identify and develop mutually beneficial public-private community economic development projects. From 2018 to January 2021, Poore served as the Executive Director of New Hampshire Humanities, an affiliated organization of the National Endowment for the Humanities. From 2010-2018, Mr. Poore worked with the Federal Reserve Bank of Boston, in a variety of leadership roles, directing research and policy initiatives of the Boston Fed's Regional and Community Outreach Department. Prior to that, Mr. Poore, served as the Assistant Dean for Southern New Hampshire University's School of Economic Development. He currently serves on the Board of Directors for the New Hampshire Housing Finance Authority and New Hampshire Listens, a civic engagement initiative of the Carsey School of Public Policy at the University of New Hampshire. Mr. Poore holds a Bachelor of Arts, from Wright State University, and a Master of Science in Community Economic Development and a Master of Business Administration from Southern New Hampshire University. He is a resident of Manchester, New Hampshire.

A. Vincent Siciliano, Director and Board Chair. Mr. Siciliano, 72, has spent 42 years as a banker including 32 as CEO or COO. He is a coach and strategic catalyst for nonprofits and businesses focused on a social or sustainable mission that benefits People, Prosperity, and Planet. He began his banking career in Bank of America (1976-1986), first in the Bank's International Division (7 years in Asia) and subsequently as Manager of Commercial Banking for the San Diego region of Bank of America. He served as CEO / turn around engineer for a number of San Diego financial institutions including International Savings Bank (1984-1994), Danielson Trust Co (1995-1996), First National Bank of San Diego (COO, 1997-1999), and 1st Pacific Bank (2001-2008). He was CFO of the Eastridge Staffing Group in 1999-2000. In 2009 he moved to San Francisco as CEO of a de novo New Resource Bank (2009-2018) which was a pioneer triple bottom line bank and internationally recognized for its work in establishing sustainable banking; the bank sought to transform the banking industry into an agent of positive social, environmental, and financial change. Over Siciliano's career he has served on many nonprofit and business association Boards of Directors, including as the Chairman of the Board for the San Diego Chamber Foundation, the San Diego International Trade Commission, LISC, the Pacific American Community Foundation, and the Ken Blanchard Center for Servant Leadership. Siciliano did his undergraduate work at Stanford University where he majored in environmental engineering and human biology; and graduated with distinction and was recipient of the F.E. Terman Engineering Scholastic Achievement Award and Tau Beta Pi. His graduate work was at UC Berkeley in environmental design and policy and was largely funded by grants and scholarships. He has been married to Susan for 47 years; they have two children and two grandchildren in the San Diego area.

Stephen H. Taylor, Director. Mr. Taylor, 82, is a farmer, journalist, longtime public official and lifelong scholar of New Hampshire's rural culture. He has resided virtually all his life in the town of Plainfield. He grew up on a small farm in Plainfield and attended the local grade school. He graduated from Hanover High School in 1956 and then attended Tufts University for two years before two years' employment in the meat packing industry. He continued studies at the University of New Hampshire where he was editor of the student newspaper and graduated with a degree in political science in 1962. Following Army service he was a general assignment reporter for the Portsmouth, NH, Herald, and then served eight years as managing editor of the Valley News, a daily newspaper in West Lebanon, NH With his wife and sons he founded a farm enterprise in Meriden, a village in the town of Plainfield, that eventually grew into an 85-cow dairy and maple operation. At the same time he worked as a freelance writer, reporting and writing articles for magazines, newspapers and specialty publications. In 1982 he was appointed New Hampshire's commissioner of agriculture, a position responsible for an extensive portfolio of responsibilities regulating agriculture and commercial trade in the public interest and promoting the economic health of the agricultural industry. He held the position for 25 years serving under seven governors representing both political parties. Upon retirement from state service in 2007 he returned to the family farm enterprise, working alongside his three sons until the dairy herd was disbursed in 2018. In retirement he has been an active lecturer on rural life for the state humanities program and frequent contributor of articles to newspapers and magazines. He was married to the former Gretchen Schnare for 48 years until her death in 2011. Their three sons carry on the farm enterprise currently, but with a focus solely on maple and artisan cheese making. Taylor has served on many boards, commissions and committees, in both the public and not-for-profit sectors, including as a director of Yankee Farm Credit ACA, a financial services cooperative serving agriculture and forestry in Vermont, western New Hampshire, and northeastern New York. He served Plainfield as a selectman for 12 years and then was town moderator for 31 years.

Ethan Wingfield, Director. Mr. Wingfield, 36, has 15 years of banking leadership experience in Marketing, Product, General Management, Strategy, Analytics, Operations, Risk Management, and Retail Banking. Wingfield previously served from 2020-2021 as EVP, Retail Bank Chief Marketing Officer at Capital One. Prior to that role, he served as SVP Head of Strategy and Analytics, Retail Bank (2018-2020); SVP Head of Retail Bank Transformation (2016-2018); SVP Head of Cafe Operations (2015-2016); SVP District Manager (2014-2015); Corporate Strategy Director (2012-2015); Strategy Consultant (2009-2012); and Strategy Associate (2007-2009) at Capital One. He is a member of the Board of Trustees of Geneva College, in Western Pennsylvania, and serves as an advisor to a variety of startups. He has been a speaker and panelist at a number of conferences, including the keynote speaker at the Future Branches Annual Conference. He earned his Bachelor of Arts in Philosophy from Brown University and Master of Business Administration from the Wharton School at the University of Pennsylvania. Wingfield resides in Miami, FL, with his wife Jacqueline and Westie, Finley. They are making steady progress toward their goal of visiting 100 countries.

Sherilyn Burnett Young, Director. Ms. Young, 67, is a founder, Chair of the Board and Past President of the law firm of Rath, Young and Pignatelli, P.C., a Concord, NH based law firm with offices in Concord and Nashua, NH, Boston, MA and Burlington, VT. Young's principal practice area is environmental law, with other significant experience in estates and trusts, corporate, commercial and public finance transactions. Young has many years of experience serving on bank boards including as a founding Board member and Secretary of Horizon Bank (now People's United Bank) from 1988 to 1995; Primary Bank Advisory Board (now People's United Bank) from 1995 to 1998; Centrix Bank Board (now Eastern Bankshares, Inc.) 2009 to 2014; Board of Trustees of Eastern Bank (2014 to 2020) and Board of Advisors to Eastern Bankshares, Inc. from 2020 to 2021. Over the years Young has served on a number of non-profit boards, including New Hampshire Public Radio, the New Hampshire Charitable Foundation, the Concord Hospital Board, the New Hampshire Supreme Court Society, the New Hampshire Historical Society, the University of New Hampshire Foundation, the Business and Industry Association and the Concord Chamber of Commerce. Young has received several awards over the years, most recently in 2019 when she was named as one of the "Outstanding Women in Business" by New Hampshire Business Review, and in 2021 she was named to the "New Hampshire 200," a list of the 200 most influential business leaders in the Granite State. Young earned her Bachelor of Arts degree in 1975 from Cornell University, and her Juris Doctor degree in 1982 from UNH Law (formerly Franklin Pierce School of Law). She lives with her husband in Concord, NH. She has three grown children and 5 grandchildren (with one more on the way).

<u>Committees of the Board of Directors</u>:

<u>Executive Committee</u>

The Executive Committee is appointed by the Board to support the Board of Directors in the performance of its duties and responsibilities between regularly scheduled meetings of the Board, including exercising all the powers of the Board of Directors in the management of the Bank, except it may not amend the Articles of Incorporation or Bylaws, adopt an agreement providing for the merger of the Bank or the sale of its assets, declare dividends, or fill any vacancy in the Board of Directors. The Executive Committee shall report to the full Board at regularly scheduled meetings, and will also make recommendations to the full Board on compensation of Senior Executive Officers.

- Executive Sponsor: C. Cummings (CEO)
- Chair: A. Siciliano (Board Chair)
- Members: All Committee Chairs, C. Cummings

<u>Finance Committee</u>

The Finance Committee is appointed by the Board to support the Board of Directors with monitoring and overseeing the Bank's balance sheet and to provide recommendations on the Bank's financial management and strategy. The Finance Committee shall oversee the Bank's asset / liability management, capital structure, investments and returns.

- Executive Sponsor: D. Morin (CFO)
- Chair: E. Wingfield
- Members: D. Lipoma, A. Siciliano, C. Cummings

Loan Committee

The Loan Committee is appointed by the Board to support the Board of Directors in oversight of the credit and lending strategies and objectives of the Bank, including: (i) to oversee the credit risk management of the Bank, including reviewing internal credit policies and establishing portfolio limits; (ii) to review the quality and performance of the Bank's credit portfolio including matters pertaining to loans that are in default; and (iii) to review all loans and approve loans over the delegated lending authorities made by the Bank in accordance with the Bank's Loan Policy.

- Executive Sponsor: J. Charron (COO, appointed as Chief Credit Officer & Reg. O Officer)
- Chair: M. Claflin
- Members: S. Taylor, A. Lunt, C. Cummings, A. Siciliano, D. Lipoma

Audit Committee

The Audit Committee is appointed by the Board to support the Board of Directors oversight of the Bank's financial reporting, including: monitoring the quality and integrity of the Bank's financial reporting process, financial statements and systems of internal controls; monitoring the independence, qualifications and performance of the Bank's independent registered public accounting firm selected as the Bank's auditor; monitoring compliance with legal and regulatory requirements; reviewing areas of potential significant financial risk to the Bank; and overseeing the enterprise risk management program.

- Executive Sponsor: D. Morin (CFO)
- Chair: R. Dholakia
- Members: S. Young, S. LeDuc, A. Siciliano

Environmental, Social & Governance (ESG) Impact Committee

The ESG Impact Committee is appointed by the Board to support the Board of Directors in oversight of environmental, health and safety, corporate social responsibility, sustainability, philanthropy, corporate governance, reputation, diversity, equity and inclusion, community issues, political contributions and lobbying and other public policy matters relevant to the Bank. The Committee also oversees how the Bank is performing against its stated mission, including measuring impact across stakeholders over time.

- Executive Sponsor: C. Cummings (CEO)
- Chair: B. Burke
- Members: S. Young, S. LeDuc, A Lunt, P. Nardone, A. Poore, C. Cummings, A. Siciliano

Senior Executive Officers

The Bank's senior management team is uniquely qualified to formulate and execute on its intended strategy, with extensive experience and proven expertise leading organizations inside and outside the banking industry, deep knowledge and extensive industry contacts within food, agriculture, and investment communities in the Northeast, and experience with de novo institutions. There are also important competitive advantages and innovations stemming from the pairing of an experienced CEO from outside the industry with banking veterans as COO, CFO, and Board Chair.

Charles Cummings, President & Chief Executive Officer and Board Director. Cummings, 37, is an experienced CEO from a highly regulated industry. He founded and served as CEO of Walden Local, Inc. from 2013-2020, guiding the company from inception to $40m in expected 2021 revenue and 200 employees. Walden Local is now the leading brand of local, sustainable meat in the US Northeast, and co-owns and operates the largest slaughter and processing facility in New England, which operates under continuous onsite USDA inspection. Walden Local partners with more than 75 different partner farms across New York and New England to produce and distribute grass-fed beef, pasture raised chicken, pork, lamb and other local food directly to more than 30,000 member families across seven states, from central New Jersey to Portland, Maine, in a fully vertically integrated model. Walden Local was a Best for the World Honoree 2018 and 2021, the designation given to world leaders in Impact from B Lab, the governing body of B Corp Certification. Cummings led and executed on several capital raises, raising over $15m of equity over 8 years, multiple lines of credit and term loans (totaling over $5m) as well as a substantially oversubscribed $1m bond offering to a diverse group of unaccredited investors within the company's member base in 2020. Cummings previously served as Director of Acquisitions for a venture-backed composting company where he helped to raise $125m in equity capital (2011-2013). Based in California, he sourced, negotiated and managed several micro and middle-market acquisitions ($1 million - $20 million) and 'greenfield' development projects for the venture-backed company, including the negotiation and placement of debt financing for these entities. Cummings was also a co-founder, Director and Vice Chair of a non-profit advocacy group in favor of the nation's first offshore wind farm, Clean Power Now (2003-2011), where he helped to grow the organization to 15,000 members. He began his career as a management consultant with Monitor Group (now part of Deloitte) from 2006-2009, where he was mostly focused on top-line growth for a variety of consumer products. He continues to serve as Chair of the Board at Walden Local, Inc. as well as a Board Director at Carman Ranch Provisions, and previously served on the Board of Gaia Herbs, LLC from 2020-2021. Passionate for continuing education, he has completed a Certificate in Bank Financial Management from the American Bankers Association, and has served as a group leader in the Harvard Business School Agribusiness Executive Seminar. Cummings was selected as one of ten fellows in the inaugural Harvard Business School RISE Program for his entrepreneurial leadership. He has been a regular speaker at Harvard Business School, MIT, Babson College and Tufts University. Cummings also volunteers his time as a mentor for young ventures in the Climate Stream of the Creative Destruction Lab, a non-profit organization dedicated to entrepreneurship, as well as for the Nelson Center for Entrepreneurship at Brown University's Breakthrough Lab. He holds a BA in Public Policy from Brown University, and an MBA from Harvard Business School. He lives with his wife, two children and their flock of Katahdin sheep in Hopkinton, New Hampshire.

Jacqueline Charron, Chief Operating Officer. Ms. Charron, 54, has over 35 years of banking leadership experience in Risk, IT, Compliance & CRA, Operations, Digital Banking, Commercial and Consumer Lending, Credit, Cash Management, Project Management, and Retail Banking. Charron previously served as Chief Risk Officer (2015-2021) and Senior Vice President in addition to overseeing Information Technology & Project Management (2018-2020) at PeoplesBank. Previously she served as SVP of Operations and IT (2004-2018), and VP of Commercial Lending & Services (1999-2004) at PeoplesBank, as well as progressive commercial lending responsibilities (AVP Commercial Lending 1995-1999, Commercial Loan Officer 1993-1995, Credit Analyst / Commercial Lender 1991-1993, Management Development Candidate 1989-1991, Commercial Loan Associate 1988-1989). Charron managed PeoplesBank's commercial credit area for over 11 years from 1993-2004. She earned her Masters Certificate in Lean Six Sigma from Villanova University (2009) and her Certified Enterprise Risk Professional (CERP) designation from the American Bankers Association (ABA) (2019), as well as completed the Leadership and Strategic Impact Program at the Tuck School of Business, Dartmouth College (2010). She has actively supported community initiatives, having served as President of the Food Bank of Western Massachusetts (2018-2020), Treasurer of Girls, Inc. (1995-1996) and President of the South Hadley-Granby Chamber of Commerce (1998-2000). Business affiliations include former membership in the ABA's Advisory Board for its Risk Management Conference (2019-2021), the South Hadley Economic Development Council (2010-2014) and Appropriations Committee (2008-2010), and the Community Bank Risk Group (2018-2021). In 2017, Charron was named Business Women of the Year by the Greater Springfield Professional Women's Chamber. She has been a panelist at the ABA Risk Conference (2020-2021), MassBankers Women in Banking Forum (2018), and the COCC Annual Client Conference (2018). Charron earned her Bachelors of Arts in Economics from Mount Holyoke

College (1988) and her Masters of Business Administration from the Isenberg School of Management, University of Massachusetts, Amherst (1993). Charron lives with her husband (whom she met on the school bus on the first day of kindergarten), four children (who are all in college), and her five chickens (fondly known as the southern ladies) in South Hadley, MA. She is looking forward to becoming a part of the New Hampshire community.

Deborah Morin, Chief Financial Officer. Ms. Morin, 55, was previously the CFO of the NH Community Development Finance Authority from 2018-2021. Prior to the CDFA, she worked for the New Hampshire Fisher Cats as the Executive Director of Finance and Human Resources from 2015-2018. Previously, Morin was a key employee for the startup, and eventual sale, of Centrix Bank, a locally-owned and run $900m bank in Bedford, NH. Morin was part of their senior management team for 15 years and was the Senior Vice President, Chief Financial Officer when Centrix was sold in 2014. She was the Vice President and Controller from Centrix's inception in 1999 until 2013. Morin has over 25 years of experience in banking, specifically in finance, accounting and regulatory reporting. Prior to Centrix Bank, Morin held various management positions in several New Hampshire-based banking institutions, working through the many layers of bank consolidations of the 1980s and 1990s. She was the Vice President and Controller for Community Bankshares, Inc. (1996-1999) prior to its acquisition by Bank of New Hampshire. Morin was part of the successful bid team to form a new institution, New Dartmouth Bank, to take over four failed institutions in 1991. At New Dartmouth Bank, she held roles as Assistant Vice President, Financial Systems (1992-1993), Assistant Vice President, Asset/Liability Management (1994) and Systems Specialist (1994-1995) during the transition period when Shawmut Bank purchased New Dartmouth Bank. Morin began her banking career at Dartmouth Bank as a Staff Auditor (1987) and Financial Analyst (1988-1991). She received a Bachelor of Science degree in Accounting from Plymouth State College in Plymouth, NH, with a minor in Mathematics. Morin currently lives with her husband and two daughters in Auburn, NH.

Christine Bascetta-Gath, Senior Vice President of Lending. Ms. Bascetta-Gath, 37, was previously Senior Vice President and Chief Lending Officer of Litchfield Bancorp from 2018-2021, where she diversified the Bank's portfolio mix dramatically, eliminated the need for wholesale borrowing by increasing core deposits by $60m in 2019 and exceeding loan origination goals in every year of her tenure. She also introduced RAROC and new pricing models to the bank, increasing net interest margins from 3.7 to 4.1%. Previously she was a Vice President and Commercial Banker at United Bank, from 2017-2018. As a Vice President and Commercial Lender at Torrington Savings Bank (2014-2017), Ms. Bascetta-Gath was hired to open a new Commercial Banking Department from scratch; she developed implemented, and oversaw all lending, credit, administration and servicing policies, personnel and functions; this department originated over $30m in new loans within 18 months of opening. Ms. Bascetta-Gath began her career as an Assistant Vice President and Commercial Lender at Union Savings Bank (2010-2014). She received a BA in Psychology from Clark University, and a Masters Degree in Psychology from the University of Chicago. Ms. Bascetta-Gath lives with her husband in Burlington, CT.

Corporators

As a mutual, Corporators, who are required to be representatives of our community, maintain substantially all of the corporate powers of the Bank, including the ability to appoint the Board of Directors. The powers of the Bank's Corporators include, without limitation, (i) being the exclusive representatives of the various interests and communities served by the Bank or any mutual holding company which becomes the owner of the Bank, (ii) the election of persons to serve as Corporators and directors, (iii) the removal of any Corporator or director who has failed to properly discharge his or her duties in the manner prescribed by the Bank's organizational documents, and (iv) until such time, if any, as the Bank is owned by a mutual holding company, the authority to approve by majority vote, or by higher vote if required by applicable state laws or rules or by the Bank's organizational documents, the amendment of the organizational documents, the conversion of the Bank or from mutual to stock form, the formation of a mutual holding company, the combination of the Bank with any other entity, the voluntary liquidation of the Bank, and any other matter expressly reserved for the approval of Corporators under applicable state laws or the organizational documents of the Bank.

Consistent with the mutual governance structure, Special Depositors have one vote per depositor, alongside General Depositors who also have one vote per depositor. Special Depositors will get only one vote, regardless of how many Special Deposit shares owned. As noted above, our Corporators maintain substantially all of the corporate powers that would, in a stock corporation, otherwise be granted to stockholders.

We have recruited a diverse and experienced group of additional Corporators who will serve as strong brand ambassadors in our community, partners in building the Bank in the interests of all stakeholders, and a feeder group for future board directors. The Bank's Corporators are intended to be representatives of the various interests and communities served by the Bank, including farmers, business owners, general depositors, and community members. Our Articles of Incorporation require us to have not less than fifteen (15) nor more than sixty (60) Corporators and require all directors to be Corporators. The initial Corporators will include all of the Bank's Board Directors, as well as:

- Errik Anderson, CEO & Founder, Alloy Therapeutics, Hanover, NH
- Deb Suchman, CEO Polka Dog Bakery, Boston, MA
- Mary Shelman, Consultant, Shelman Consulting, Sugar Hill, NH
- Matthew Gelbwaks, Consultant & Farmer, Julies Happy Hens Mont Vernon, NH
- Levon Kurkjian, Brand Strategy Director, Opus Design, Boston, MA
- Jeff Barry, Founder/CEO Boston Organics, Boston, MA
- William Allen, Sr. Fellow, Brown University, Providence, RI
- Joseph Regis, Vice President, Brown Brothers Harriman, New York, NY
- Matthew Meisel, CFO, Little Leaf Farms, Devens, MA
- Jim Storer, Founder/Principal, The Community Roundtable, Lynnfield, MA
- Lisa Thompson, Partner, Axiom Growth Partners, Boston, MA
- Dan Kossmann, former managing director, CFO practice, CFGI, Boston, MA
- Garrett Harker, co-founder, Eastern Standard Provisions, Boston, MA
- Rob Dalton, co-founder, 88 Acres, Concord, MA
- Sara Horowitz, former chair, Federal Reserve Bank of NY
- Carol Bailey, former internal auditor, Piscataqua Savings Bank, Portsmouth, NH
- Erik Newman, senior counsel, Eversource Energy, Concord, NH
- Michael Farber, partner, LaunchSquad, Cambridge, MA
- Tim Joesph, founder /former CEO, Maple Hill Creamery, Kinderhook, NY
- Kyle Costello, Bank Partnerships Manager, Treasury Prime, Boston, MA
- Lisa Holmes, MGH Foundation, CT
- Eileen Liponis, Executive Director, NH Food Bank, Manchester, NH
- Glynn Lloyd, Executive Director, Foundation for Business Equity, Boston, MA
- Gene Morris, Dir. Of Operational Risk, Santander Bank, Attleboro, MA
- Phyliss Van Amburg, Dharma Lea Farm, Sharon Springs, NY
- Curt Welling, Professor, Tuck School at Dartmouth, Norwich, VT
- Philip Giampietro, CEO, Walden Local Inc., Tewksbury, MA
- Rajiv Singh, former CEO, Rabobank North America, New York, NY

Director's Compensation

Directors will be paid $8,000 annually in cash compensation for service on the Board of Directors. Our Board Chair will be paid $56,000 annually. It is anticipated that each non-employee director will also participate in the Bank's Long Term Profit (LTP) Incentive Plan. This Plan is intended to replicate certain of the benefits of owning a stipulated amount of Special Deposit shares, by providing dividend-like payments, and a potential equity-like pay out under certain circumstances and subject to certain restrictions set forth in the Plan. See *Benefit Plans - General* below for a description of the proposed Long Term Profit (LTP) Incentive Plan.

Executive Compensation

Subject to approval by the Board of Directors and its Executive Committee, the Bank's Senior Executive Officers will be paid annual salaries that in the aggregate total $925,000 for our first full year of operations. The Bank also intends to offer a bonus based on Board determined Bank performance targets. We expect these compensation and bonus plans to be paid at the discretion of the Board, consistent with industry standards for comparable financial institutions.

In exchange for their services with respect to the Bank's organizational efforts, Mr. Cummings, Ms. Charron, and Ms. Morin were paid an annual salary equivalent to $450,000 in the aggregate. Mr. Siciliano also received $16,000.

Employment Agreements

The Bank intends to enter into employment agreements with its executive officers during its first year of operations. The terms of these agreements are expected to be in the form standard to those commonly used in the banking industry for senior officers, including provisions for health and life insurance, incentive compensation, change in control, confidentiality, and non-competition.

Short Term Incentives (Management Bonus Pool)

The Bank plans to provide its senior management and other employees with an opportunity for a discretionary annual bonus of up to eight percent (8%) of the employee's annual base compensation. The actual amount of the annual bonus, if any, will be determined using a balanced scorecard type approach which requires the employee to satisfy at least one quality metric and at least one quantity metric. The anticipated metrics for the Bank's first year of operations will include deposits per marketing dollar (a measure of marketing efficiency), loan and deposit growth, net interest and profit margins, and loan delinquencies. The Board will set targets (budget and stretch) on each metric, which will be equally weighted. The Bank does not plan to offer any commissions to its lenders.

Benefit Plans

General

The Bank intends to provide its officers and employees with group health, disability, life and other forms of insurance coverage and other benefits commonly offered by competitive depository institutions. The Bank also intends to establish a Long Term Profit Incentive Plan (the "**LTP Plan**") that will be provided to its Senior Executive Officers and non-employee directors. This Plan is intended to replicate certain of the benefits of owning a stipulated amount of Special Deposit shares, by providing dividend-like payments, and a potential equity-like pay out under certain circumstances and subject to certain restrictions set forth in the Plan. The LTP Plan is subject to regulatory approval.

While the provisions of LTP Plan will be uniform in all respects, except for the Special Deposit Equivalent Amount (as defined and described below) that is provided to each participant in the LTP Plan, each participant will have a separate written agreement that implements the terms of the LTP Plan.

The written agreement provided to each participant in the LTP Plan will state a Special Deposit Equivalent Amount that is intended to represent a specific dollar amount of Special Deposit Shares (for example, a Special Deposit Equivalent Amount of $100). The Special Deposit Equivalent Amount is used to calculate the benefits payable under the LTP Plan, which provides two types of benefit payment. The first type of benefit payment is intended to replicate the dividends that would be payable on the Special Deposit Equivalent Amount, if that sum was actually an equal amount of Special Deposit shares, and is referred to in the LTP Plan as a "**Dividend Equivalent Payment**." The second type of benefit payment is intended to replicate the payment that a Special Deposit holder would receive if the Board of Directors of the Bank approved the holder's request to redeem the Special Deposit shares in accordance with the requirements set forth in the Bank's Articles of Incorporation, and is referred to in the LTP Plan as a "**Contingent Payment**." The Dividend Equivalent Payments and the Contingent Payment are sometimes referred to herein collectively as "**Benefit Payments**."

The participant's right to receive Dividend Equivalent Payments or a Contingent Payment is conditioned on a number of requirements and limitations that are set forth in the LTP Plan. These requirements and limitations can be summarized as follows:

- The Board must vote to authorize all Benefit Payments, after determining that it is prudent to do so, and that all other conditions imposed by the LTP Plan have been satisfied.

- The LTP Plan does not permit the payment of a Dividend Equivalent Payment to a participant unless an 8% (or greater) dividend (a "**Qualified Dividend**") has also been declared for payment to the holders of Special Deposit Shares.
- If a Qualified Dividend has been declared for payment to the holders of the Special Deposit shares, and the Board determines that it is prudent to declare a Dividend Equivalent Payment, then on the record date for payment of the Qualified Dividend, the participant will be paid the Vested Percentage of the Dividend Equivalent Payment (calculated by applying the Qualified Dividend rate to the Special Deposit Equivalent Amount granted to the participant (for example $100 x 8%).

- The following vesting schedule applies to all Benefit Payments:

Vesting Date:	**Vested Percentage (to a maximum of 100%)**:
Prior to completion of 2 Years of Service	0%
Upon completion of 2 Years of Service	33.33%
Upon completion of 3 Years of Service	50%
Upon completion of 4 Years of Service	66.67%
Upon completion of 5 Years of Service	83.34%
Upon completion of 6 Years of Service	100%

- Contingent Payments may be paid out only upon the occurrence of certain events specified in the LTP Plan, which are limited to the participant's separation from service from the Bank, or a change-in-control of the Bank (each, a "**Qualifying Event**"). However, the Contingent Payment does not occur automatically upon the occurrence of a Qualifying Event. In order to receive a Contingent Payment, the participant must also satisfy a number of payment conditions, which are summarized below.
- The payment conditions that must be satisfied by the sixtieth (60^{th}) day following the date on which the Qualifying Event (as defined below) occurred (the "**Applicable Deadline**") are as follows (collectively, the "**Payment Conditions**"):
    - The participant must have completed 5 Years of Service with the Bank;
    - The participant must give a written notice to the Board of Directors no earlier than sixty (60) days before the date of the Qualifying Event and no later than ten (10) days prior to the date of the Qualifying Event (a "Qualifying Notice");
    - The Board of Directors must determine that all of the conditions set forth in Article X of the Bank's Articles of Incorporation, as the same may be amended from time to time hereafter, that are required to be satisfied before the Board may validly and lawfully redeem its Special Deposit Shares, have been satisfied (the "**Conditions for Board Approval**"), just as if the Qualifying Notice was a request given to the Board by a shareholder to redeem Special Depository Shares in the amount of the Special Deposit Equivalent;
    - The Board of Directors must also determine that it is prudent and in the best interest of the Bank and its depositors to approve the Contingent Payment to the participant;
    - The participant (or to the extent applicable, the participant's estate or legal guardian), has executed and delivered to the Bank a general release of all claims in form acceptable to the Bank (the "**Release**"); and
    - Any time period during which Executive is permitted under applicable law to revoke the Release must have expired or otherwise been lawfully terminated without the participant having exercised any such right of revocation.
- If the participant gives a Qualifying Notice and all of the Payment Conditions have been satisfied, then on the date of the Applicable Deadline, the Bank will pay the Contingent Payment to the Executive or, if applicable, the Executive's Beneficiary.
- The Contingent Payment will be a single lump sum payment in an amount equal to the Vested Percentage of the Special Deposit Equivalent granted to the participant.

- In addition to the vesting and other conditions summarized above, the LTP Plan makes the Benefit Payments subject to certain forfeiture provisions described in the Plan. All Benefit Payments are automatically and permanently terminated if the participant's service is terminated for "Cause" as defined in the Plan, or the participant is required to be removed by the Bank's regulators, or the participant violates a non-competition covenant included as part of the Plan.

Proposed Discounts to Investors of Henry David Thoreau And Co., Ltd.

The costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, were funded by means of the private placement of $3,300,000 of HDT Investment Contracts. The investors, managers and members of HDT are all expected to be investors in the Bank through this offering.

In consideration for funding the costs of organizing the Bank and funding its pre-operational expenditures, including the costs of this offering, the HDT Investment Contracts will be converted into or exchanged for 412,500 Shares of Bank Special Deposits and substantially all of the assets of HDT will be acquired by the Bank. Capital raised by HDT that is not required for such expenditures will be used to provide additional capital to the Bank. This planned conversion or exchange will be subject to the approval of banking regulators and the Bank. See *Use of Proceeds*, and *Organizational and Offering Expenses*.

As an incentive for investors to make an investment in the HDT Investment Contracts, and to invest in the Bank's Special Deposits in this offering, HDT agreed to use commercially reasonable best efforts to have the Bank offer the discounts described below (the "**Special Deposits Discounts**") to purchasers of HDT Investment Contracts who participate in this offering of the Bank's Special Deposits. The proposed Special Deposits Discounts, if approved by banking regulators and the Bank, will entitle the holder to exchange or convert the HDT Investment Contracts into Special Deposits at:

- An 80% Discount Rate should the Offering's Initial Closing occur within 18 months of the purchase date of the HDT Investment Contract;
- A 75% Discount Rate should the Offering's Initial Closing occur after 18 months but within 24 months of the purchase date of the HDT Investment Contract; or
- A 70% Discount Rate should the Offering's Initial Closing occur after 24 months of the purchase date of the HDT Investment Contract.

Subject to such approval, the purchase price for Special Deposits issued to holders of HDT Investment Contracts will be calculated as the Purchase Price of $10 per Special Deposit share divided by the Discount Rate. For example, if an investor purchased $10,000 of HDT Investment Contracts within 18 months of this Offering's Initial Closing, subject to approval of banking regulators and the Bank, they would be entitled to convert this interest into $10,000 / 80% = 12,500 Special Deposit Shares.

Subscriptions by Directors and Management

The following table sets forth information regarding the anticipated holdings of Special Deposits beneficially owned by Directors and Officers of the Bank and the investors in the HDT Investment Contracts. This table assumes the successful close of the Offering at the minimum 2,082,500 Shares of Special Deposits. Actual subscriptions in this Offering could be more or less than indicated below.

Name	Special Deposit Shares to be Purchased in Offering	Special Deposit Shares converted into or exchanged for the HDT Investment Contracts
Management	1,000 minimum each; aggregate of 193,000	12,500
All Directors	500 minimum each; aggregate of 85,550	300,000
All Directors & Officers	278,500	312,500

Interests of Management and Others in Certain Transactions

The following is a summary of any transactions or currently proposed transactions during the period from the organization of HDT to the date of this Offering Circular, to which the Bank, HDT, or HDT's wholly-owned subsidiary, Walden Lending Fund, LLC ("**WLF**"), was or is to be a participant, and in which any of the following persons had or is to have a direct or indirect material interest (said persons are sometimes referred to collectively as "**Promoters**"):

- each person who is an executive officer, director, or corporator of the Bank;
- each nominee for election as an executive officer, director, or corporator of the Bank;
- each person who is a member of HDT or who holds an investment contract issued by HDT;
- each person who is a member of WLF; or
- any immediate family member of the above persons (with the term "immediate family member" meaning such person's child, stepchild, parent, step-parent, spouse, sibling, mother-in-law, father-in law, son-in law, daughter-in-law, brother-in-law, sister-in-law, or any other person other than a tenant or employee sharing such person's household).

Transactions with Directors of the Bank

RADD LLC ("**RADD**") is a limited liability company owned and controlled by one of the Bank's non-employee directors, Radhika Dholakia Lipton. Pursuant to the terms of a written consulting agreement between RADD and the Bank, the Bank hired RADD to prepare its Community Reinvestment Act Strategic Plan. RADD was paid an aggregate of $26,400 for its services. The contract between RADD and the Bank has been terminated.

Edge Capital Holdings, LLC ("**ECH**") is a management consulting firm owned and controlled by one of the Bank's non-employee directors, Ethan Wingfield. Pursuant to the terms of a written consulting agreement between ECH and the Bank, the Bank hired ECH to provide certain management consulting services. ECH was paid an aggregate of $13,075 for its services. The contract between ECH and the Bank has been terminated.

Planned Transactions with HDT and WLF

The Bank, HDT and WLF plan to enter into a written plan of reorganization which will provide for the assignment to the Bank and assumption by the Bank of substantially all of the assets and liabilities of HDT and WLF on the effective time and date of the reorganization, provided that all conditions precedent have first been satisfied.

No cash or property of the Bank, other than shares of the Bank's Special Deposits, will be exchanged for the assets assigned to the Bank. The Special Deposit exchanged for the assets assigned to and assumed by the Bank will be limited to that number of shares required in order for HDT to satisfy its obligation to the holders of its investment contracts, as described below.

The plan of reorganization will include a form of assignment and assumption to be executed by the parties as of the time and date on which the reorganization is consummated, which includes all covenants and indemnities that would ordinarily be found in an arm's-length transaction between third parties. The plan of reorganization adopted by the bank, HDT, and WLF will also include contractual terms that will not permit any of the loans originated,[20] advanced or committed by WLF to be assigned to or assumed by the Bank unless and until the Bank's chief credit officer has certified that a review of all such loans has been conducted and the loan review has verified that the loans were originated, advanced and committed in compliance with the bank's own policies and procedures and applicable regulatory requirements. In addition, the plan of reorganization adopted by the Bank, HDT, and WLF will include contractual terms that will not permit the assignment to the Bank or assumption by the Bank of any other assets or liabilities unless and until the Bank's chief operating officer has certified that all such assets and liabilities have been

[20] To date, with approval of the Bank's proposed Board and management, and consistent with the Bank's Loan Policy, WLF has originated loans with a gross starting value of $671,558.87 and current balance of $664,684.97. All loans are current and in good standing.

reviewed and the chief operating officer has verified that the assets and liabilities meet the safety and soundness standards set forth in the Bank's own policies and procedures and applicable regulatory requirements.

The plan of reorganization will provide that, upon satisfaction of the conditions precedent in the plan of reorganization, on the time and date of the consummation of the reorganization, the following will occur: (i) the holders of investment contracts issued by HDT will surrender their investment contracts in exchange for a number of shares of HDT common stock that is equal to the number of shares of the bank's Series 1 Special Deposits issuable to said holders under the terms of their respective investment contracts; and (ii) the Bank will issue to HDT that number of shares of its Series 1 Special Deposits as are necessary to satisfy the requirements of the investment contracts between HDT and its investors, as of the time and date on which the reorganization is consummated; and (iii) HDT will make a liquidating distribution of the Series 1 Special Deposits to its common stockholders, on a pro-rata basis, pursuant to which one Series 1 Special Deposit share is exchange for each share of HDT common stock held; and (iv) the plan of reorganization will provide that, upon completion of said liquidating distribution, HDT and WLF will take all necessary corporate and limited liability company actions to terminate their existence.

After the Bank has obtained a conditional approval from the FDIC and the New Hampshire Banking Department, has filed its articles of incorporation with the New Hampshire Secretary of State, and held its organizational meeting, the directors of the Bank will vote to approve and adopt the plan of reorganization; and the directors of HDT will vote to authorize and approve the plan of reorganization, and to adopt it, subject to the approval of its shareholders and investment contract holders. The shareholders and investment contract holders of HDT will also consent to the approval and adoption of the plan of reorganization. After the Bank has obtained a conditional approval from the FDIC and the New Hampshire Banking Department, has filed its articles of incorporation with the New Hampshire Secretary of State, and held its organizational meeting, the directors of the Bank will vote to approve and adopt the plan of reorganization; and the directors of HDT will vote to authorize and approve the plan of reorganization, and to adopt it, subject to the approval of its shareholders and investment contract holders. The shareholders and investment contract holders of HDT will also consent to the approval and adoption of the plan of reorganization.

When the Bank has obtained the final approvals from the FDIC and the New Hampshire Banking Department, has satisfied all other conditions precedent to conducting an initial closing on its offering of Special Deposits, and all of the conditions precedent described above have been satisfied, the plan of reorganization will become effective as of such time and date, and the Bank will issue its Special Deposits to HDT in consideration for HDT assigning substantially all of the assets and liabilities of HDT and WLF to the Bank.

After complying with all requirements of NH corporate law, HDT will make a liquidating distribution of the Special Deposits to its common stockholders on a pro-rata basis. Then, HDT will take all steps necessary under NH law to terminate its legal existence and to terminate the legal existence of WLF.

Loans and Other Material Transactions

The Bank proposes to offer its Special Deposits to the holders of investment contracts issued by HDT on the terms described in the section above entitled "Proposed Discounts to Investors of Henry David Thoreau And Co., Ltd."

WLF has not made any loans to or given any loan guarantees on behalf of Promoters, and is not anticipated to do so at any time in the future. If WLF or the Bank provides loans or loan guarantees to Promoters after the date of this Offering Circular, any such loans or loan guarantees will be required to comply with applicable banking law and regulations and the Bank's lending policies and procedures as approved by the FDIC (the "**Bank's Lending Policies**").

HDT, WLF and the Bank have not engaged in any material transactions with Promoters not disclosed in this Offering Circular, and will not engage in any such material transactions in the future, unless such transactions are disclosed and approved in accordance with the requirement of applicable banking laws and regulations and the Bank's Lending Policies.

Regulation and Supervision

The U.S. banking industry is highly regulated under federal and state law. Consequently, the growth and earnings performance of the Bank will be affected not only by management decisions and general and local economic conditions, but also by the statutes administered by, and the regulations and policies of, various governmental regulatory authorities. These authorities include the FDIC, the New Hampshire Banking Department ("**NH Banking Department**"), the Internal Revenue Service ("**IRS**"), and state taxing authorities. The effect of these statutes, regulations and policies, and any changes to such statutes, regulations and policies, can be significant and cannot be predicted.

The primary goals of the bank regulatory scheme are to maintain a safe and sound banking system and to facilitate the conduct of sound monetary policy. The system of supervision and regulation applicable to the Bank establishes a comprehensive framework for their respective operations and is intended primarily for the protection of the FDIC's deposit insurance fund, the Bank's depositors and the public. The description below summarizes certain elements of the applicable bank regulatory framework. This description is not intended to describe all laws and regulations applicable to the Bank, and the description is qualified in its entirety by reference to the full text of the statutes, regulations, policies, interpretive letters and other written guidance that are described herein.

Regulation of the Bank

Regulatory Authorities. The Bank is a New Hampshire-chartered bank, the deposits of which are insured by the deposit insurance fund ("**DIF**") of the FDIC. The Bank is not a member of the Federal Reserve System; therefore, the Bank is subject to supervision and regulation by the FDIC and the NH Banking Department. Such supervision and regulation subject the Bank to special restrictions, requirements, potential enforcement actions and periodic examination by the FDIC and the NH Banking Department.

General Regulatory Powers and Duties of NH Banking Department. The New Hampshire Bank Commissioner ("**Bank Commissioner**") is required to supervise and examine each New Hampshire-chartered depository bank. The approval of the Bank Commissioner is required to establish, relocate or close branches, to merge with another bank, to form a holding company, to issue special deposits, in certain instances to redeem special deposits, or to undertake many other activities. Any bank that does not operate in accordance with the regulations, policies and directives of the Bank Commissioner may be sanctioned. The Bank Commissioner may suspend or remove directors, trustees or officers of a bank who have violated the law or conducted a bank's business in a manner which is unsafe or unsound.

Standards for safety and Soundness. Federal law requires each federal banking agency to prescribe certain standards for all insured depository institutions. These standards relate to, among other things, internal controls, information systems and audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, compensation and other operational and managerial standards, as the agency deems appropriate. Interagency guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. If the appropriate federal banking agency, which is the FDIC in the Bank's case, determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to it an acceptable plan to achieve compliance with the standard. Failure to implement such a plan can result in further enforcement action, including the issuance of a cease and desist order or the imposition of civil money penalties.

Equivalence to National Bank Powers. The New Hampshire banking statutes presently in effect provide that a New Hampshire-chartered bank may engage in any activity permitted for a national bank or its subsidiaries. To the extent that the New Hampshire laws and regulations may have allowed state-chartered banks to engage in a broader range of activities than national banks, the Federal Deposit Insurance Corporation Improvement Act of 1991, or the FDICIA, has operated to limit this authority. The FDICIA provides that no state bank or subsidiary thereof may engage as a principal in any activity not permitted for national banks, unless the institution complies with applicable capital requirements and the FDIC determines that the activity poses no significant risk to the DIF. In general, statutory restrictions on the activities of banks are aimed at protecting the safety and soundness of depository institutions.

Branching. New Hampshire law provides that a New Hampshire-chartered bank can establish a branch anywhere in New Hampshire or any other state provided that the branch complies with applicable regulatory requirements and is approved in advance by the Bank Commissioner and complies with other applicable state laws. The branch must also be approved by the FDIC, which considers a number of factors, including financial history, capital adequacy, earnings prospects, character of management, needs of the community and consistency with corporate powers. The Dodd-Frank Act permits insured state banks to engage in de novo interstate branching if the laws of the state where the new branch is to be established would permit the establishment of the branch if it were chartered by such state. New Hampshire has no restrictions on out-of-state banks establishing branch offices in the state other than requiring the approval of the Bank Commissioner.

Restrictions on Transactions with Affiliates and Insiders. An insured bank's authority to engage in transactions with its affiliates is limited by Sections 23A and 23B of the Federal Reserve Act and federal regulation. An affiliate is generally a company that controls, or is under common control with, an insured depository institution, such as the Bank. Although currently the Bank is not an affiliate of any other entity, if it became an affiliate, in general, certain transactions between an insured depository institution and its affiliates are subject to quantitative limits and collateral requirements. Finally, transactions with affiliates must be consistent with safe and sound banking practices, not involve the purchase of low-quality assets from an affiliate and be on terms that are as favorable to the institution as comparable transactions with non-affiliates. The FRB has also issued Regulation W which codifies prior regulations under Sections 23A and 23B of the Federal Reserve Act and interpretive guidance with respect to affiliate transactions.

The restrictions on loans to directors, executive officers, principal shareholders (10% or more) and their related interests (collectively referred to herein as "insiders") contained in the Federal Reserve Act and in Regulation O promulgated by the FRB apply to all insured institutions and their subsidiaries. Among other things, these provisions generally require that loans to insiders be made on terms that are substantially the same as, and follow credit underwriting procedures that are not less stringent than, those prevailing for comparable transactions with unaffiliated persons and that do not involve more than the normal risk of repayment or present other unfavorable features, and not exceed certain limitations on the amount of credit extended to such persons, individually and in the aggregate, which limits are based, in part on the amount of the Bank's capital. Loans to executive officers of a bank are even further restricted, generally limited to $100,000 per executive officer. Insiders are subject to enforcement actions for knowingly accepting loans in violation of applicable restrictions.

Restrictions on Loans-to-One Borrower. Generally, a bank may not make a loan or extend credit to a single or related group of borrowers in excess of 15% of unimpaired capital and surplus. An additional amount may be lent, equal to 10% of unimpaired capital and surplus, if secured by "readily marketable collateral," which generally includes certain financial instruments (but not real estate).

Restrictions on Distribution of Bank Dividends and Assets. Capital adequacy requirements serve to limit the amount of dividends that may be paid by the Bank. Under federal law, the Bank cannot pay a dividend if, after paying the dividend, the Bank would be undercapitalized or does not maintain an appropriate amount of a capital conservation buffer. State law provides that dividends may be paid from a bank's cumulative retained earnings from previous fiscal years, if it remains well capitalized after the declaration of the dividend. Dividends in the first five years of operations are also subject to the prior approval of the New Hampshire Banking Department (NHBD). The FDIC may declare a dividend payment to be unsafe and unsound even though the Bank would continue to meet its capital requirements after payment of the dividend.

The Federal Deposit Insurance Act, or the FDI Act, provides that, in the event of a "liquidation or other resolution" of an insured depository institution, the claims of depositors of the institution (including the claims of the FDIC as subrogee of insured depositors) and certain claims for administrative expenses of the FDIC as a receiver will have priority over other general unsecured claims against the institution. If the Bank fails, insured and uninsured depositors, along with the FDIC, will have priority in payment ahead of unsecured, nondeposit creditors with respect to any extensions of credit made to the Bank.

Examinations. The FDIC periodically examines and evaluates state nonmember banks. Based on such an evaluation, the FDIC may revalue the assets of the institution and require that it establish specific reserves to compensate for the difference between the FDIC determined value and the book value of such assets. The NH

Banking Department also conducts examinations of state banks. The FDIC and the N H Banking Department have worked out arrangements to alternate examinations.

Audit Reports. New Hampshire insured institutions must submit annual audit reports prepared by independent auditors to federal and state regulators. Auditors must receive examination reports, supervisory agreements and reports of enforcement actions.

Capital Adequacy Requirements. Bank capital adequacy requirements are for the stated purpose of absorbing losses, promoting public confidence, restricting excessive asset growth and providing protection to depositors and the deposit insurance fund. Inadequate capital is considered an unsafe and unsound practice or condition. The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by the agencies that, if undertaken, could have a direct material effect on the Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Bank is subject to capital regulations which require a minimum common equity Tier 1 ("**CETI**") capital ratio of 4.5%, a minimum Tier 1 capital to risk-weighted assets ratio of 6.0%, a minimum total capital to risk-weighted assets ratio of 8.0%, and a minimum Tier 1 leverage ratio of 4.0%. CETI generally consists of qualifying common stock and retained earnings, subject to applicable adjustments and deductions. In order to be considered "well capitalized," the Bank must maintain a CETI capital ratio of 6.5% and a Tier 1 ratio of 8.0%, a total risk based capital ratio of 10.0%, and a Tier 1 leverage ratio of 5.0%. In addition, the regulations establish a capital conservation buffer above the required capital ratios designed to strengthen a bank's resilience during economic cycles, which is currently set at 2.5%. Failure to maintain the capital conservation buffer will limit the ability of the Bank to pay dividends, repurchase shares or pay discretionary bonuses to executive officers and similar employees.

Total capital is the sum of Tier 1 capital and Tier 2 capital. Tier 2 capital includes the allowance for loan and lease losses up to 1.25% of risk-weighted assets, qualifying preferred stock, subordinated debt, and qualifying tier 2 minority interests, less any deductions in the Tier 2 instruments of an unconsolidated financial institution.

Payout Restrictions and Capital Conservation Buffer: In addition to the minimum capital requirements, a bank must hold common equity Tier 1 Capital in an amount greater than 2.5% of total risk-weighted assets to avoid being subject to limits on capital distributions, such as dividend payments, discretionary payments on Tier 1 instruments, share buybacks and certain discretionary bonus payments to executive officers. This is known as the capital conservation buffer.

Capital Conservation Buffer (as a percentage of risk-weighted assets)	**Maximum payout (as a percentage of eligible retained income)**
Greater than 2.5 percent	No payout limitation applies
Less than or equal to 2.5 percent and greater than 1.875 percent	60 percent
Less than or equal to 1.875 percent and greater than 1.25 percent	40 percent
Less than or equal to 1.25 percent and greater than 0.625 percent	20 percent
Less than or equal to 0.625 percent	0 percent

Imposition of Liability for Undercapitalized Subsidiaries. Federal law provides the federal banking regulators with broad power to take prompt corrective action to resolve the problems of undercapitalized banks. The extent of the regulators' powers depends on whether the bank in question is "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," or "critically undercapitalized. Federal regulations define these capital categories as follows:

PCA Capital Category	**Threshold Ratios**			
	Total Risk-based Capital Ratio	**Tier 1 Risk-based Capital ratio**	**Common Equity Tier 1 Risk-based Capital ratio**	**Tier 1 Leverage ratio**
Well Capitalized	10%	8%	6.5%	5%
Adequately capitalized	8%	6%	4.5%	4%
Undercapitalized	< 8%	< 6%	< 4.5%	< 4%
Significantly undercapitalized	< 6%	< 4%	< 3%	< 3%
Critically undercapitalized	Tangible Equity/Total Assets ≤ 2%			

Depending upon the capital category to which a bank is assigned, the regulators' corrective powers include requiring the submission of a capital restoration plan; placing limits on asset growth and restrictions on activities; requiring the bank to issue additional capital stock (including additional voting stock) or to be acquired; restricting transactions with affiliates; restricting the interest rates the bank may pay on deposits; ordering a new election of directors; requiring that senior executive officers or directors be dismissed; prohibiting the bank from accepting deposits from correspondent banks; prohibiting the payment of principal or interest on subordinated debt; and ultimately, appointing a receiver for the bank.

Deposit Insurance Assessments. The deposits of banks are insured by the FDIC through the DIF to a maximum of $250,000 per separately insured depositor and up to a maximum of $250,000 for self-directed retirement accounts. For this protection, a bank must pay quarterly assessments. The FDIC has adopted a risk-based assessment system. Under this system, banks pay insurance premiums at rates based on their risk classification. Banks assigned to higher risk classifications (that is, banks that pose a higher risk of loss to the deposit insurance fund) pay assessments at higher rates than do banks that pose a lower risk. A bank's risk classification is assigned based on its capital levels and the level of supervisory concern the bank poses to the regulators. In addition, the FDIC can impose special assessments in certain instances. The FDIC has authority to increase insurance assessments. Any significant increases would have an adverse effect on the operating expenses and results of operations of the Bank. The Bank cannot predict what assessment rates will be in the future.

The FDIC may terminate its insurance of deposits if it finds that a bank has engaged in unsafe and unsound practices, is in an unsafe or unsound condition, or has violated any applicable law, regulation, rule, order, or condition imposed by the FDIC. We do not currently know of any practice, condition or violation that may lead to termination of our deposit insurance.

Brokered Deposit Restrictions. Adequately capitalized institutions cannot accept, renew or roll over brokered deposits, without receiving a waiver from the FDIC, and are subject to restrictions on the interest rates that can be paid on any deposits. Undercapitalized institutions may not accept, renew, or roll over brokered deposits.

Concentrated Commercial Real Estate Lending Regulations. The federal banking agencies, have promulgated guidance governing depository institutions with concentrations in commercial real estate lending. The guidance provides that a bank has a concentration in commercial real estate lending if (i) total reported loans for construction, land development, and other land represent 100% or more of total capital or (ii) total reported loans secured by multifamily and nonfarm residential properties and loans for construction, land development, and other land represent 300% or more of total capital and the bank's commercial real estate loan portfolio has increased 50% or more during the prior 36 months. Owner occupied loans are excluded from this second category. If a concentration is present, management must employ heightened risk management practices that address the following key elements: including board and management oversight and strategic planning, portfolio management, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing, and maintenance of increased capital levels as needed to support the level of commercial real estate lending.

Community Reinvestment Act. The CRA and the regulations issued thereunder are intended to encourage banks to help meet the credit needs of their entire service area, including low and moderate income neighborhoods, consistent with the safe and sound operations of such banks. These regulations also provide for regulatory assessment of a bank's record in meeting the needs of its service area when considering applications to establish branches, merger applications and applications to acquire the assets and assume the liabilities of another bank. The FIRREA requires federal banking agencies to make public a rating of a bank's performance under the CRA. An unsatisfactory CRA record could substantially delay approval or result in denial of an application.

Consumer Laws and Regulations. In addition to the laws and regulations discussed herein, the Bank is also subject to certain consumer laws and regulations that are designed to protect consumers in transactions with banks. While the list set forth herein is not exhaustive, these laws and regulations include the Truth in Lending Act, the Truth in Savings Act, the Electronic Funds Transfer Act, the Expedited Funds Availability Act, the Equal Credit Opportunity Act, and the Fair Housing Act, among others. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must deal with customers when taking deposits or making loans to such customers. The Bank must comply with the applicable provisions of these consumer protection laws and regulations as part of their ongoing customer relations. The Dodd-Frank Act created a new independent Consumer Financial Protection Bureau, which has broad authority to regulate and supervise retail financial services activities of banks, such as the Bank, and has the authority to promulgate regulations, issue orders, guidance and policy statements, conduct examinations and bring enforcement actions with regard to consumer financial products and services. In general, however, banks with assets of $10 billion or less, such as the Bank, will continue to be examined for consumer compliance by their primary bank regulator.

The USA Patriot Act. The USA Patriot Act is intended to strengthen U.S. law enforcement's and the intelligence community's ability to work cohesively to combat terrorism on a variety of fronts. The potential impact of the USA Patriot Act on financial institutions of all kinds is significant and wide ranging. The USA Patriot Act requires financial institutions to prohibit correspondent accounts with foreign shell banks, establish an anti-money laundering program that includes employee training and an independent audit, follow minimum standards for identifying customers and maintaining records of the identification information and make regular comparisons of customers against agency lists of suspected terrorists, their organizations and money launderers.

Anti-Money Laundering and Anti-Terrorism Legislation. A major focus of governmental policy on financial institutions in recent years has been aimed at combating money laundering and terrorist financing. The USA Patriot Act, substantially broadened the scope of U.S. anti-money laundering laws and regulations by imposing significant new compliance and due diligence obligations, creating new crimes and penalties and expanding the extra-territorial jurisdiction of the United States. The U.S. Treasury Department has issued and, in some cases, proposed a number of regulations that apply various requirements of the USA Patriot Act to financial institutions. These regulations impose obligations on financial institutions to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. Certain of those regulations impose specific due diligence requirements on financial institutions that maintain correspondent or private banking relationships with non-U.S. financial institutions or persons. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing, or to comply with all of the relevant laws or regulations, could have serious legal and reputational consequences for the institution.

Office of Foreign Assets Control Regulation. The United States has imposed economic sanctions that affect transactions with designated foreign countries, nationals and others. These are typically known as the "OFAC" rules based on their administration by the U.S. Treasury Department Office of Foreign Assets Control, or OFAC. The OFAC-administered sanctions targeting certain countries take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on "U.S. persons" engaging in financial transactions relating to making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of the sanctioned country have an interest, by prohibiting transfers of property subject to a U.S. jurisdiction (including property in the possession or control of U.S. persons). Blocked assets (e.g., property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Privacy and Data Security Requirements. The Gramm-Leach-Bliley Act of 1999, among other provisions, places limitations on the sharing of consumer financial information with unaffiliated third parties. This Act requires a bank to provide customers with the bank's privacy policy and allows such customers the opportunity to 'opt out' of the sharing of personal financial information with unaffiliated third parties under certain circumstances. The Fair and Accurate Credit Transactions Act of 2003 permits consumers to opt out of information sharing for marketing purposes among affiliated companies. This Act also requires a bank to notify its customers if it reports negative information about them to a credit bureau or if they are granted credit on terms less favorable than those generally available.

The Gramm-Leach-Bliley Act also establishes standards for banks relating to administrative, technical and physical safeguards for customer records and information. The Standards for Safeguarding Customer Information, known as the "Safeguards Rule" requires a bank to develop a written information security program that is appropriate to its size and complexity, the nature and scope of its activities, and the sensitivity of the customer information at issue. Financial institutions, however, are required to comply with state law if it is more protective of customer privacy than the GLB Act.

Dodd-Frank Act. The Dodd-Frank Act, signed into law on July 21, 2010, broadly affects the financial services industry by implementing changes to the financial regulatory landscape aimed at strengthening the sound operation of the financial services sector, including provisions that, among other things, created a new agency, the Consumer Financial Protection Bureau (as discussed above). More specifically, it:

- broadened the base for FDIC insurance assessments from the amount of insured deposits to average total consolidated assets less average tangible equity during the assessment period (subject to risk-based adjustments that would further reduce the assessment base for custodial banks) rather than domestic deposits;

- permanently increased FDIC deposit insurance maximum to $250,000;

- eliminated the upper limit for the reserve ratio designated by the FDIC each year, increase the minimum designated reserve ratio of the deposit insurance fund from 1.15% to 1.35% of the estimated amount of total insured deposits by September 30, 2020 and eliminated the requirement that the FDIC pay dividends to depository institutions when the reserve ratio exceeds certain thresholds;

- permitted banks to engage in de novo interstate branching if the laws of the state where the new branch is to be established would permit the establishment of the branch if it were chartered by such state;

- repealed the federal prohibitions on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts;

- eliminated the ceiling and increased the floor on the size of the DIF; and

- implemented corporate governance revisions, including with regard to executive compensation and proxy access by shareholders that apply to all public companies, not just financial institutions.

In addition, the Dodd-Frank Act addressed many investor protection, corporate governance and executive compensation matters that have affected publicly traded companies. However, under the JOBS Act there are certain exceptions to these requirements for so long as a publicly traded qualifies as an emerging growth company.

Provisions in the Dodd-Frank Act that affect deposit insurance assessments and payment of interest on demand deposits could increase the costs associated with deposits as well as place limitations on certain revenues those deposits may generate. Many aspects of the Dodd-Frank Act are subject to rulemaking and will take effect over a number of years, making it difficult to anticipate the overall financial impact and regulatory burden on the Bank, its customers or the financial industry more generally.

Incentive Compensation. In June 2010, the federal banking agencies issued comprehensive final guidance on incentive compensation policies intended to ensure that the incentive compensation policies of banking organizations do not undermine the safety and soundness of such organizations by encouraging excessive risk-taking. The guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, is based upon the key principles that a banking organization's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the organization's ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors. Subsequently the FDIC issued an interagency rule to implement certain incentive compensation requirements of the Dodd-Frank Act. Under the rule, financial institutions must prohibit incentive-based compensation arrangements that encourage inappropriate risk taking that are deemed excessive or that may lead to material losses. The FRB will review, as part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations, such as the Bank, that are not "large, complex banking organizations." These reviews will be tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements. The findings of the supervisory initiatives will be included in reports of examination. Deficiencies will be incorporated into the organization's supervisory ratings, which can affect the organization's ability to make acquisitions and take other actions. Enforcement actions may be taken against a banking organization if its incentive compensation arrangements, or related risk-management control or governance processes, pose a risk to the organization's safety and soundness and the organization is not taking prompt and effective measures to correct the deficiencies.

Changes in Laws, Regulations or Policies

From time to time, various legislative and regulatory initiatives are introduced in Congress and state legislatures. Such initiatives may change banking statutes and the operating environment of the Bank in substantial and unpredictable ways. The Bank cannot determine the ultimate effect that any potential legislation, if enacted, or implementing regulations with respect thereto, would have, upon the financial condition or results of operations of the Bank. A change in statutes, regulations or regulatory policies applicable to the Bank could have a material effect on the financial condition, results of operations or business of the Bank.

Enforcement Powers of Federal and State Banking Agencies

The federal banking agencies have broad enforcement powers, including the power to terminate deposit insurance, impose substantial fines and other civil and criminal penalties, and appoint a conservator or receiver. Failure to comply with applicable laws, regulations and supervisory agreements could subject the Bank and a subsidiary of the Bank, as well as their respective officers, directors, and other institution-affiliated parties, to administrative sanctions and potentially substantial civil money penalties. In addition to the grounds discussed above under "Corrective Measures for Capital Deficiencies," the appropriate federal banking agency may appoint the FDIC as conservator or receiver for a banking institution (or the FDIC may appoint itself, under certain circumstances) if any one or more of a number of circumstances exist, including, without limitation, the fact that the banking institution is undercapitalized and has no reasonable prospect of becoming adequately capitalized, fails to become adequately capitalized when required to do so, fails to submit a timely and acceptable capital restoration plan or materially fails to implement an accepted capital restoration plan. The N H Banking Department also has broad enforcement powers over the Bank, including the power to impose orders, remove officers and directors, impose fines and appoint supervisors and conservators.

Effect on Economic Environment

The policies of regulatory authorities, including the monetary policy of the FRB, have a significant effect on the operating results of banks. Among the means available to the FRB to affect the money supply are open market operations in U.S. government securities, changes in the discount rate on member bank borrowings, and changes in reserve requirements against member bank deposits. These means are used in varying combinations to influence overall growth and distribution of bank loans, investments and deposits, and their use may affect interest rates charged on loans or paid for deposits.

The FRB's monetary policies have materially affected the operating results of commercial banks in the past and are expected to continue to do so in the future. The nature of future monetary policies and the effect of such policies on the business and earnings of the Bank cannot be predicted.

Restrictions on the Acquisition of the Bank or Conversion to Stock Form

General

Provisions in Walden Mutual Bank's Articles of Incorporation and Bylaws, and in certain New Hampshire and federal laws and regulations that will apply to the Bank, may have anti-takeover effects and make it more difficult for persons or companies to acquire control of the Bank or convert the Bank to stock form. Three-quarters of the entire board of directors of the Bank must approve any change-in-control or conversion to stock form transaction proposed by the Bank's Board of Directors; and three-quarters of the Bank's Corporators must also affirmatively approve any change-in-control or conversion to stock form transaction.

Restrictions in Articles of Incorporation and Bylaws

The Bank's Articles of Incorporation and Bylaws contain provisions that could make an acquisition of the Bank by means of a tender offer, proxy context or otherwise, or the removal of the incumbent Board of Directors or management of the Bank, more difficult. These provisions may have the effect of deterring a future takeover attempt or conversion to stock form that is not approved by the Directors, but which the Special Depositors may deem to be in their best interests or in which Special Depositors who might desire to participate in such a transaction may not have the opportunity to do so. The Board of Directors believes that these provisions are in the Bank's best interest and in the best interest of its Special Depositors because they promote the continuity and longevity of our mutual form.

The following description of these provisions is only a summary and does not provide all the information contained in the Articles of Incorporation and Bylaws.

Evaluation of Offers.

The Articles of Incorporation provide that the Board of Directors of the Bank, when evaluating an offer to (A) make a tender or exchange offer for any equity security of the Bank, (B) merge or consolidate the Bank with another institution, (C) purchase or otherwise acquire all or substantially all of the properties or assets of the Bank, or (D) affect a conversion to stock form, shall, in connection with the exercise of its business judgment in determining what is in the best interests of the Bank and its Special Depositors, give consideration to all relevant factors including without limitation: the interests of the Bank's employees, suppliers, creditors and customers; the economy of the state, region and nation; community and social considerations; the stated public benefit purpose of the Bank; and the long-term and short-term interests of the Bank and its Special Depositors, including the possibility that these interests may be best served by the continued independence of the Bank.

Classified Board of Directors.

The Board of Directors is divided into three classes, each of which will contain approximately one-third of the number of Directors. The Special Depositors will elect one class of Directors each year for a term of three years. The classified Board makes it more difficult and time consuming for a Shareholder group to fully use its voting power to gain control of the Board of Directors without the consent of the incumbent Board of Directors.

Filling of Vacancies.

The Bylaws provide that any vacancy occurring in the Board of Directors, including a vacancy created by an increase in the number of Directors, may be filled by a vote of two-thirds of the Directors then in office, whether or not a quorum. A person appointed to fill a vacancy on the Board of Directors will serve until the next annual meeting of Special Depositors.

Special Meetings of Corporators.

The Bylaws provide that special meetings of the Corporators may be called at any time only by the Chairman of the Board, the President, or pursuant to a resolution duly adopted by the affirmative vote of a majority of Directors then in office. Corporators are able to call special meetings if the holders of at least a majority of all votes entitled to be cast on any issue to be considered at the special meeting sign, date and deliver a written document to the Secretary describing the purpose of the meeting. At a special meeting, Corporators may consider only the business specified in the notice of meeting given by the Bank.

Advance Notice Provisions for Nominations and Proposals.

The Bylaws establish an advance notice procedure for Corporators to nominate Directors or bring other business before an annual meeting of Corporators. A person may not be nominated for election as a Director unless that person is nominated by, or at the direction of, the Board of Directors or by a Corporator who has given appropriate notice to the Board before the meeting. The Secretary of the Bank must receive notice of the nomination or proposal not less than 120 days nor more than 180 days prior to the anniversary date of the immediately preceding annual meeting. A Corporator who desires to raise new business must provide the Board of Directors with certain information concerning the nature of the new business and the reasons for conducting such business at an annual meeting, certain information regarding the proposing Corporator's name, address and Special Deposits ownership, and any financial interest of the Shareholder in such business. Advance notice of nominations or proposed business by Corporators gives the Board of Directors time to consider the qualifications of the proposed nominees, the merits of the proposals and, to the extent deemed necessary or desirable by the Board, to inform Corporators and make recommendations about those matters.

Restrictions in Applicable Law and Regulations.

As discussed under *Supervision and Regulation – Change in Bank Control Act*, the FDIC has also adopted a regulation under the Change in Bank Control Act that generally requires persons who at any time intend to acquire control of a non-member commercial bank, such as the Bank, to provide 60 days prior written notice and certain financial and other information to the Federal Deposit Insurance Corporation. These provisions may tend to discourage a takeover attempt of the Bank because of the cost and resources needed to obtain such regulatory clearance.

Description of Special Deposits

General

The Bank is authorized to issue 3,000,000 of its Series 1 Special Depository Shares having a par value of $10 per share. Provided that the Bank has first satisfied all applicable regulatory requirements of the N.H. Banking Department and FDIC (the "**Regulatory Requirements**"), the Board of Directors of the Bank is also authorized to issue addition special deposits, in one or more series, by filing a certificate of designation pursuant to the applicable provisions of the New Hampshire Business Corporation Act, N.H. RSA 293-A, to establish from time to time the number of shares to be included in each such series, to fix the powers, preferences and rights granted to each such series, the qualifications, restrictions and limitations imposed upon each such series, and subject to the prior satisfaction of the Regulatory Requirements and the other requirements set forth in the Bank's Articles of Incorporation, to increase or decrease the number of shares of any such series (but not below the number of shares of such series then outstanding).

The Bank's Articles of Incorporation prohibit the issuance of Subsequently Authorized Special Deposits designated, authorized, and issued by the Bank, unless a majority of the issued and outstanding shares of Series 1 Special Depositary Shares votes to authorize the Bank and its Board to designate, authorize and issue such Subsequently Authorized Special Deposits.

Dividends

The declaration of dividends will be at the sole discretion of the Board of Directors (the "Board"). The board may issue dividends on Special Deposits consistent with the requirements of the Bank's Dividend Policy, which may only be amended by a two-thirds majority of the Board and a two-thirds majority of the Bank's Corporators at any annual meeting of the Bank or at a special meeting called for such purpose. Any such amendment shall be compatible with the laws of the State of New Hampshire. Dividends in the first five years of operations are also subject to the prior approval of the New Hampshire Banking Department (NHBD).

Voting Rights

The holders of Series 1 Special Depository Shares have only those voting rights expressly provided to the holders of the Bank's General Deposits by the provisions of N.H. RSA 383-B:6-606. The holders of Series 1 Special Depository Shares have one vote per depositor, alongside General Depositors who also have one vote per depositor. The holders of Series 1 Special Depository Shares will get only one vote, regardless of how many Series 1 Special Depository Shares owned.

The Bank's Corporators maintain substantially all of the corporate powers that would, in a stock corporation, otherwise be granted to stockholders. The powers of the Bank's Corporators include, without limitation, (i) being the exclusive representatives of the various interests and communities served by the Bank or any mutual holding company which becomes the owner of the Bank, (ii) the election of persons to serve as Corporators and directors, (iii) the removal of any Corporator or director who has failed to properly discharge his or her duties in the manner prescribed by the Bank's organizational documents, and (iv) until such time, if any, as the Bank is owned by a mutual holding company, the authority to approve by majority vote, or by higher vote if required by applicable state laws or rules or by the Bank's organizational documents, the amendment of the organizational documents, the conversion of the Bank or from mutual to stock form, the formation of a mutual holding company, the combination of the Bank with any other entity, the voluntary liquidation of the Bank, and any other matter expressly reserved for the approval of Corporators under applicable state laws or the organizational documents of the Bank

Preemptive Rights; Redemption Rights

The holders of Series 1 Special Depository Shares will not be entitled to preemptive rights with respect to any Special Deposits shares of any class or series that may be issued.

The Board of the Bank may, in the exercise of its sole discretion, elect to redeem any Series 1 Special Depository Shares at the written request of a holder thereof addressed to the Board, provided that the Board first satisfies all of the Regulatory Requirements (including obtaining applicable Regulatory Approvals) and the requirements of the Bank's Articles of Incorporation, including the requirements set forth in any certificate of designation establishing a series of Special Deposits pursuant to the provisions of the Bank's Articles of Incorporation (collectively, the "**Redemption Requirements**").

The following additional Redemption Requirements apply to any redemption otherwise permitted under the Bank's Articles of Incorporation: (i) no redemption shall be permitted at any time that the Bank does not have a positive retained earnings; (ii) no redemption shall be permitted if, after giving effect to such redemption, the Bank would need to reduce or reallocate funds otherwise provisioned for Dividends to Special Depositors; and (iii) no redemption shall be permitted if, after payment of all dividends, and giving effect to such redemption, the Bank would be unable to meet the minimum capital adequacy standards required by the FDIC laws and regulations then in effect.

During each fiscal year of the Bank, the Board, acting in its sole discretion, may elect to accept or reject all eligible redemption requests in whole or in part. If the Board elects to accept any eligible redemption requests made during a fiscal year of the Bank, then subject to such limits on redemptions which the Board elects to impose for such year (the "**Fiscal Year Redemption Limit**") in order to satisfy the Redemption Requirements and such other criteria the Board deems relevant for purposes of N.H. RSA 383-B:6-604, the Board must accept all eligible redemption requests made during such fiscal year that are made prior to the record date for such redemption requests that is set by the Board; provided, however, that if such redemption requests exceed the Fiscal Year Redemption Limit, then such redemptions shall be made on a pari passu basis, up to the Fiscal Year Redemption Limit and the Special

Deposit Holders who were redeemed in part, but not in whole, will be deemed to have made a redemption request for the next fiscal year of the Bank during which the Board authorizes redemptions.

Subordination of Special Deposits

As required by N.H. RSA 383-B:6-602, all Special Deposits are subordinate to all of the Bank's General Deposits and to all of the Banks' other debts, claims and obligations (collectively, the "**Senior Liquidation Obligations**").

Liquidation Payments to Special Depositors

In the event of liquidation of the Bank, the assets, if any, of the Bank remaining after payment of all Senior Liquidation Obligations, including all costs and expenses of the liquidation, must be distributed as follows:

First, to the holders of Special Deposits, as a separate class of depositors, a sum that equals, in the aggregate, all Special Deposits then on deposit with the Bank (the "**Special Deposit Liquidation Fund**"). Except as set forth in any certificate of designation establishing a series of Special Deposits pursuant to the provisions of these Articles of Incorporation, the Special Deposit Liquidation Fund shall be distributed to the holders of Special Deposits in proportion to the amount of their respective original investments plus any accrued but unpaid dividends on deposit.

Second, to the holders of General Deposits, as a separate class of depositors, all assets remaining after funding and paying out the Special Deposit Liquidation Fund shall be paid as a dividend to the holders of the Bank's General Deposits, in proportion to the average amount of their respective original investments plus any accrued but unpaid dividends on deposit during the 30-day period immediately preceding the time at which the liquidation proceedings are commenced.

Absence of Financial Statements

No financial statements accompany this offering circular because the Bank is in organization. As of the date of this offering circular, the Bank anticipates that its total organizational and offering expenses will not exceed $1,980,000, and that its total pre-opening expenditures, including organizational, offering and capital expenditures, will not exceed $2,555,000.

Transfer Agent and Registrar

The Bank will act as the transfer agent and registrar for the Shares of its Special Deposits.

Legal Matters

Legal matters in connection with the organization of the Bank and this Special Deposits offering will be passed upon by Gallagher, Callahan & Gartrell, P.C., Concord, New Hampshire.