

## CAPITAL MARKETS ANNOUNCEMENT

Provident Bancorp, Inc. (Nasdaq: PVBC; Amesbury, MA), the holding company for The Provident Bank, announced the completion of its minority stock offering. PVBC sold 4,274,425 shares of common stock in a subscription offering at a price of \$10.00 per share for total gross proceeds of \$42.7 million. The offering marks the first minority stock offering by a mutual holding company since 2011 and the largest since 2008.

Sandler O'Neill + Partners L.P. managed the subscription offering.

This transaction is Sandler O'Neill's 12<sup>th</sup> conversion transaction completed since January 1, 2013, raising approximately \$4.6 billion, more than any other investment bank during that time period.

**About the Offering:**

On July 15, 2015, Provident Bancorp, Inc. (the "Company"), the mid-tier holding company subsidiary of Provident Bancorp ("Provident MHC"), successfully completed its minority stock offering. PVBC sold 4,274,425 shares of common stock in a subscription offering at a price of \$10.00 per share for total gross proceeds of \$42.7 million, including 357,152 shares to an Employee Stock Ownership Plan established for the benefit of the Company's employees. In addition, the Company issued 189,974 shares to The Provident Community Charitable Organization to support charitable organizations operating in the Company's local community. The Company's stock opened for trading on July 16, 2015 on the Nasdaq Capital Market under the trading symbol "PVBC."

A total of 9,498,722 shares of common stock are outstanding following completion of the offering, including 5,034,323 shares that were issued to Provident MHC.

**About the Company:**

Provident Bancorp, Inc. was formed in 2011 to serve as the holding company of The Provident Bank. The Provident Bank is the tenth oldest financial institution in the United States. It operates from its main office in Amesbury, Massachusetts, two branch offices in the Northeastern Massachusetts area, four branches in Southeastern New Hampshire as well as two loan production offices located in Bedford, New Hampshire and Nashua, New Hampshire.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

July 15, 2015

**Common Stock**

**\$42.7 Million**

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**PROVIDENT  
BANCORP INC.**

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Sole Marketing Agent

**SANDLER O'NEILL + PARTNERS**

**Financials as of March 31, 2015**

*(dollars in millions)*

Total Assets	\$662
Net Loans	\$493
Total Deposits	\$538
Total Equity	\$77
TCE / TA	11.6%

Sources: SNL Financial, Offering Prospectus

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