

Salem Five Bancorp (Private; Salem, MA) has agreed to acquire Georgetown Bancorp, Inc. (NASDAQ: GTWN; Georgetown, MA)

Deal Value: Approximately \$49.2 million

Sandler O'Neill served as exclusive financial advisor to Salem Five Bancorp. This transaction represents Sandler O'Neill's 93rd bank or thrift transaction nationwide since January 1, 2015, representing approximately \$30.6 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions than any other investment bank during that time period.¹

Since January 1, 2012, Sandler O'Neill has advised on 8 transactions involving mutual institutions in the New England region, more than any other investment bank during that time period.¹

SALEM, Mass. & GEORGETOWN, Mass. – Salem Five Bancorp, parent of Salem Five Cents Savings Bank ("Salem Five Bank") and Georgetown Bancorp, Inc. (NASDAQ: GTWN) ("Georgetown Bancorp") parent of Georgetown Bank, today jointly announced that they have signed a definitive agreement whereby Salem Five Bancorp has agreed to acquire Georgetown Bancorp, Inc. and its subsidiary Georgetown Bank, in an all cash transaction valued at approximately \$49.2 million.

Under the terms of the agreement, shareholders of Georgetown Bancorp, Inc. will receive \$26.00 in cash in exchange for each share of Georgetown Bancorp common stock. The consideration represents approximately 148% of Georgetown Bancorp tangible book value at June 30, 2016.

"Salem Five and Georgetown Bank both have longstanding histories as community banks with high standards of integrity, as well as a strong sense of responsibility for the economic vitality of our region. Their foot print is an area of the North Shore, Merrimack Valley and Southern New Hampshire where we are excited to expand our existing branch franchise and complement Salem Five's existing retail network. Salem Five looks forward to serving the families, businesses, and communities that have relied on Georgetown Bank's high quality banking with our own trademark commitment to exceptional service and technology," said Ping Yin Chai, Salem Five Bancorp President and Chief Executive Officer.

At June 30, 2016, Salem Five Bancorp's consolidated assets were approximately \$4.0 billion and Georgetown Bancorp, Inc. had assets of approximately \$300 million. Georgetown Bancorp and Salem Five Bancorp are both considered well-capitalized under applicable regulatory capital guidelines, and Salem Five expects to be well-capitalized under such standards upon completion of the transaction. After the completion of the merger, which is expected to close during the first quarter of 2017, the combined entity is expected to have approximately \$4.3 billion in assets.

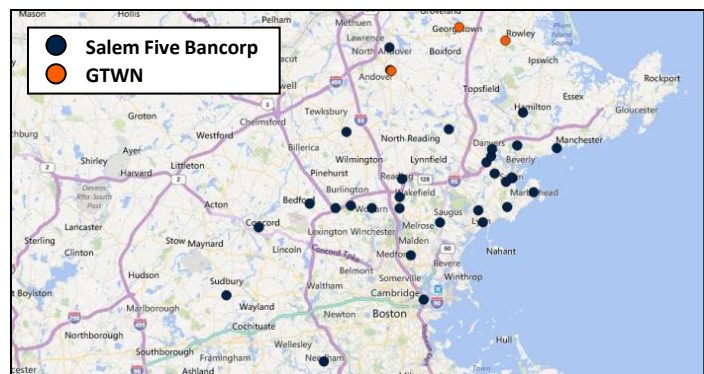
"Georgetown Bank is very excited to partner with Salem Five, one of the most respected community banking organizations in Massachusetts. Our values, culture, management style, and approach to business are very much the same. Additionally, with 30 branches, \$4.0 billion in assets, and varied business units, Salem Five can offer career opportunities for our employees, financial services, and community support far greater than we can at our current size and scope. We couldn't be more confident that this partnership is in the best interests of all of our constituents; shareholders, employees, customers, and community and we look forward to a vibrant and successful future together," stated Robert E. Balletto, President and Chief Executive Officer of Georgetown Bancorp.

Financial Highlights

<i>(Dollars in millions)</i>	Salem Five	GTWN
Total Assets	\$3,947.4	\$299.9
Total Net Loans	\$2,882.1	\$259.4
Total Deposits	\$2,896.2	\$232.9
Total Equity	\$422.5	\$32.4
TCE / TA	10.32%	10.80%

*(1) Excludes terminated transactions and self-advisory roles
Note: Financial data as of June 30, 2016; Source: SNL Financial*

Pro Forma Branch Map



Sandler O'Neill Contacts:

Mary Anne Callahan
Principal
(212) 466-7951

Matthew Murray
Associate
(212) 466-7726

Jessica Martino
Analyst
(212) 466-7776

Mackenzie Boydston
Analyst
(212) 466-7747