



June 24, 2024

Thank you for being a customer of PeoplesBank.

In recent years, we have been fortunate to achieve significant growth, thanks in large part to the loyalty and success of our customers, along with our increased support of the communities where we are located. This support, combined with our pledge to remain a mutual bank (we are owned by our depositors, and we will never be bought or sold) has enabled our growth but has never diminished our commitment to our customers.

Our success and subsequent growth have made PeoplesBank a stronger and safer financial institution. As a result of our deposit growth, we have now surpassed the maximum aggregate deposit limit permitted by the Depositors Insurance Fund (DIF). As always, all deposits up to \$250,000 per depositor, per account ownership category are still insured by the Federal Deposit Insurance Corporation (FDIC).

Although the vast majority of our customers will be unaffected by this change, we did want to take a moment to share the details with all our customers and assure you that our exit from the DIF is not unique to PeoplesBank. Over the years, several Massachusetts banks have been required to exit the DIF as a result of growing beyond the DIF's aggregate deposit limit.

What is the Depositors Insurance Fund (DIF)?

The DIF is a private industry sponsored insurance fund that insures all deposit accounts above FDIC limits at its member banks.

What is changing and when?

PeoplesBank has grown to exceed the maximum aggregate deposit limit permitted by the DIF and as a result will no longer be a member of the DIF after July 31, 2024. Accounts opened after this date will not be covered by DIF insurance. However, *existing* balances above \$250,000 in checking, savings, and money market accounts as of July 31, 2024, will continue to be covered by DIF for one year, until July 31, 2025. If funds are added to existing checking, savings, or money market accounts during the grace period, they will not be insured by DIF. Certificates of Deposits (CDs) opened on or before July 31, 2024, will continue to be insured by DIF until maturity.

What if I have questions?

Please don't hesitate to contact Dave Thibault (dthibault@bankatpeoples.com) or Matt Maguire (mmaguire@bankatpeoples.com) if you have any questions or visit bankatpeoples.com/dif for more information and to review Frequently Asked Questions.

As you are aware, PeoplesBank is independently reviewed quarterly by Veribanc, a leader of bank safety ratings and research. The Veribanc report summarizes the financial condition of all Massachusetts banks based on information filed with the FDIC, thus serving as a good resource. We have consistently been rated as a Blue Ribbon Bank and color classified GREEN *** by Veribanc, which is the highest rating a bank can receive.

We value your trust and partnership with PeoplesBank, and we remain dedicated to providing you with exceptional service and security of your funds.

Regards,

A handwritten signature in black ink that reads "Tom Senecal".

Thomas Senecal
Chief Executive Officer