

FOR IMMEDIATE RELEASE

Assabet Valley Bancorp Completes Private Placement of \$25 Million of Subordinated Notes

Hudson, MA (July 31, 2017) – Assabet Valley Bancorp (the “Company”), the no-stock mutual holding company for Avidia Bank (the “Bank”), announced today the completion of its private placement of \$25.0 million in fixed-to-floating rate subordinated notes due 2027 (the “Notes”). The Notes bear a fixed rate of 5.50% for the first five years and will reset quarterly thereafter to the then current three-month LIBOR rate plus 360 basis points.

The Company intends to use the net proceeds from the offering to support capital levels and further growth and for general corporate purposes. The notes are intended to qualify as Tier 2 capital for the Company for regulatory purposes and the portion that the Company contributes to the Bank will qualify as Tier 1 capital for the Bank.

Sandler O’Neill + Partners, L.P. served as the sole placement agent for the offering and was advised by Goodwin Procter LLP. The Company was advised by Nutter McClennen & Fish LLP.

This press release is for informational purposes only and shall not constitute an offer to sell, or the solicitation of an offer to buy the Notes nor shall there be any sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The indebtedness evidenced by the Notes is not a deposit and is not insured by the Federal Deposit Insurance Corporation (the “FDIC”) or any other government agency or fund.

About Avidia Bank

Assabet Valley Bancorp is the no-stock mutual holding company for Avidia Bank. Avidia Bank is a mutual savings bank that was formed in 2007 by a merger between Hudson Savings Bank and Westborough Bank. Avidia Bank is headquartered in Hudson, Massachusetts and has ten full-service branches located in Worcester and Middlesex counties in Massachusetts. Further information can be obtained by visiting its website at <https://www.avidiabank.com/>

This press release contains forward-looking statements within the meaning of the Securities and Exchange Act of 1934, as amended, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Company operations and policies and regarding general economic conditions. In some cases, forward-looking statements can be identified by use of words such as “may,” “will,” “anticipates,” “believes,” “expects,” “plans,” “estimates,” “potential,” “continue,” “should,” and similar words or phrases. These statements are based upon current and anticipated economic conditions, nationally and in the Company’s market, interest rates and interest rate policy, competitive factors, and other conditions which by their nature, are not susceptible to accurate forecast, and are subject to significant uncertainty. Because of these uncertainties and the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results may differ materially from those indicated herein. Readers are cautioned against placing undue reliance on any such forward-looking statements. The Company’s past results are not necessarily indicative of future performance.