



Richard J. Gavegnano
Chairman & CEO



Edward J. Merritt
President

A YEAR IN REVIEW

Committing to our communities now and in the future

In July 2009, Mt. Washington Bank and East Boston Savings Bank announced plans to join together to form a stronger community bank. In January 2010, the two financial institutions officially merged, and, on October 18th, we will complete a data conversion of the banks' technology systems.

Our decision to merge has had many positive impacts on our organization which we are pleased to report. Consumer and business banking relationships continue to grow substantially. In fact, since January 2010, our branch network has opened more new checking accounts than any other period in the history of our company. In addition, our residential lending capabilities continue to be robust, allowing us to offer our customers the very best products, services and opportunities in the marketplace today.

We are also very pleased with the significant growth of our business banking operation. Since January, 2010 we have added significant business lending resources to reinforce our outstanding product line with an ultimate goal to become the business bank of choice within the marketplace we serve. The initial results of these enhanced business lending capabilities have been outstanding, and we expect future loan origination volume to continue to increase. As always, we are committed to the neighbors in our communities and will continue to provide opportunities to consumers and businesses in the markets we serve.

The continued growth and future success of Mt. Washington Bank is essential to our organization achieving our strategic goals and objectives. We are in the final stages of a major renovation at our Jamaica Plain office, where we expanded the lobby and added a customer café with free Wi-Fi and internet kiosk for customer convenience. We are also pleased to announce that construction is underway to open our seventh branch location, expanding our reach to the West Roxbury neighborhood. This new branch will be opened as a Mt. Washington Bank office, operating as a Division of East Boston Savings Bank. The commitment to these two projects reinforces East Boston Savings Bank's commitment to the Mt. Washington Bank Division and you should expect to see continued growth and success as a result of this very successful merger.

In closing, we understand that every customer of Mt. Washington Bank plays a role in contributing to our overall success. We are committed to providing the Ultimate Customer Experience to our customers and being a great corporate citizen within our communities.

As always, we thank you for your continued business with us and look forward to sharing news of our growth for many years to come.

Sincerely,

Richard J. Gavegnano
Chairman & CEO

Edward J. Merritt
President



QUESTIONS & ANSWERS

Below you will find answers to commonly asked questions.

ABOUT THE CONVERSION

Q Will my branch be closed during conversion?
Yes, all Mt. Washington Bank locations and drive-ups will be closed on Saturday, October 16, 2010. Our ATMs will be available during conversion weekend for withdrawal transactions only. Please note: ATMs will reflect available balances as of Friday, October 15, 2010. Deposits will be accepted at our ATMs as of Monday, October 18, 2010.

Q Will this conversion change the name of the bank?
No, the bank will continue to be called Mt. Washington Bank, a Division of East Boston Savings Bank. All existing locations will remain open.

Q What can you tell me about East Boston Savings Bank (EBSB)?
Established in 1848, East Boston Savings Bank is a Massachusetts chartered stock savings bank that operates 13 full-service locations North of Boston. Much like Mt. Washington Bank, EBSB has demonstrated a longstanding commitment to its communities while providing excellent customer service.

Q When will the systems conversion take place?
As the final step to the merger between EBSB and Mt. Washington Bank (MWB), our branch systems will be converted on Saturday, October 16, 2010. This conversion will provide our customers, as well as EBSB customers with a broader span of access, adding even more convenience to your banking relationship.

Q When can I start using East Boston Savings Bank branch locations?
As of Monday, October 18th, you can take advantage of the convenience of doing business at all EBSB locations. For a complete list of EBSB hours and locations visit our website at www.MtWashingtonbank.com.

Q Will the lobby hours change?
No, our hours will remain the same:
Monday – Wednesday, 8:30 a.m. – 4:30 p.m.,
Thursday & Friday, 8:30 a.m. – 6:00 p.m., and
Saturday, 9:00 a.m. – 1:00 p.m.

Q Who can I contact with additional questions?
You can continue to ask questions at any location or you can contact our Ultimate Service Department at (617) 268-8880. Ultimate Service hours are:
Monday – Wednesday, 8:00 a.m. – 5:00 p.m.,
Thursday & Friday, 8:00 a.m. – 6:00 p.m., and
Saturday, 9:00 a.m. – 1:00 p.m.

ABOUT YOUR ACCOUNTS

Q Will my accounts change?
Fortunately, most accounts will remain the same; however, some products are subject to change. Please refer to the enclosed Account Comparison Guide for more information. **If you prefer to choose another Mt. Washington Bank account, please do not hesitate to call Ultimate Service at (617) 268-8880 or visit any of our branch locations and we'll be happy to assist you.** For a complete listing of all our accounts, please visit our website at www.MtWashingtonBank.com.

Q Will my account number change?
Most account numbers will remain the same. Unless you have already been informed by the bank, your account numbers will remain the same.

Q Will there be any changes to fees or service charges?
There may be some minor changes to the fees associated with your accounts. Please refer to the enclosed personal and business service fee schedules for more information.

Q What do I do if I have a passbook savings account?
Your passbook savings account number will remain the same; however, you will need to bring your current passbook into any Mt. Washington Bank office so that we may issue you a new passbook that will be compatible with our new system. You can do this anytime after October 18, 2010.

Q Will there be changes to my Holiday Club account?
Yes, there will be a couple of changes to your Holiday Club account. If your account is currently a passbook account, it will be converted to a monthly statement account. As is our normal practice, your club proceeds, including interest, will be mailed to you in the form of a check on November 1, 2010. If you choose to continue your account and begin saving for the 2011 holiday season, please note that all interest earned on the account going forward will be accrued throughout the year and will be paid on November 1.

Q Can I continue to use my current supply of checks?
Yes, please continue to use your existing supply of checks. When your existing supply has been depleted, you can reorder your checks by calling Deluxe at (877) 838-5287 for personal accounts or (800) 328-0304 for business accounts, or by ordering through the link on our website at www.MtWashingtonBank.com. Please note: your new order of checks will be printed with our new ABA/Routing #211070120. More information regarding the new number is provided further in this document.

Q What about my Home Equity Checks?
You can continue using your existing Home Equity Checks.

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Q Will rates on my fixed-term certificates of deposit or loans remain the same?

Yes. Your CDs and loans will continue under the same rates, terms and conditions originally agreed upon. As is our current practice, when CDs mature, they will then be renewed at the current rate for the same term. Visit our website for a list of current rates. **Please note: If your existing CD account has a passbook, it will be converted to a statement account at the time of renewal.**

Q What about my ATM/Debit Card or Business Debit Card?

Your existing card will work through Sunday, October 17th. Effective Monday, October 18th, you should begin using your new Mt. Washington Bank ATM/VISA® Check Card or ATM card which you will receive the week of September 26, 2010. You will also receive your PIN information the week of October 3, 2010 in a separate mailing. If you wish to change your PIN, you may do so at any of our ATMs.

As it does today, your new card will continue to give you access to more than 37,000 Totally Free ATMs through the Allpoint Network – just look for the Allpoint logo on the ATM. To locate an Allpoint ATM near you, visit our website at www.MtWashingtonBank.com.

Q When will I receive my account statement(s)?

All statement accounts will have a statement produced as of October 15, 2010. This will not impact you if the 15th is your normal cycle date. However, if the 15th is not your normal cycle date, this statement will reflect the activity and interest (if applicable) since your last statement cycle through October 15, 2010. Your next regularly scheduled statement will include the activity, interest and service charges (if applicable) beginning October 16, 2010.

Q What if I am enrolled in e-Statements?

If you currently have e-Statements, as of October 18th you will need to sign into the NEW online banking system and re-enroll your accounts into the e-Statement product to continue receiving your statement online. Since we will be on a new banking system, your re-enrollment is required as a security precaution. Please call Ultimate Service at (617) 268-8880 if you need assistance with re-enrolling.

Q Will my loan payments and statements continue as before?

Yes, all loan payment due dates and statement billing dates will remain the same; however, your loan statement will have a new format and look.

Q Will I need to notify anyone about my automatic payments or direct deposits?

Yes, if you have recurring automatic payments using your existing debit card number, you will need to notify the company of your new Mt. Washington Bank VISA® Check Card number. If you have direct deposits or automatic payments set up through your checking or savings account, you should inform your employer or appropriate company of our new routing/ABA number, which is 211070120. For your convenience, we have enclosed an easy Automatic Payment/Direct Deposit Change Checklist to walk you through the steps of updating this information.

ABOUT OUR SERVICES

Q Will Telebanking be impacted by this conversion?

Yes, as part of the systems conversion, the Telebanking system will be upgraded. The current system will be available until Friday, October 15th, and the new system will be available on October 18th. Telebanking will not be available on October 16th or 17th.

PLEASE NOTE: Mt. Washington Bank's Telebanking number will be changing. Beginning October 18th, **the new toll free number will be (888) 617-1893.** To access your account information through this NEW toll-free number, you will need to call and follow the automated prompts given. For security purposes, you will be asked for your social security number to gain access and then you will choose a PIN. This can be the same PIN as you have used for access in the past.

Q Will access to Online Banking or Telebanking be limited during conversion?

The current Online Banking and Telebanking systems will be available until 6:00 p.m., Friday, October 15th. The new system will be available by 9:00 a.m., Monday, October 18th.

Q How will Online Banking and BillPay be impacted by this conversion?

When paying bills online, some payees are paid electronically and some are paid with physical checks generated by the online banking system. **PLEASE NOTE:** effective October 18th, regardless of the method of payment, the funds for either an electronic or a check payment made through the online banking system will be deducted from your account on the scheduled payment date.

Q How will I access my NEW Online Banking account?

Your existing user name for Online Banking will remain the same. However, passwords will be reset to the last 4-digits of the primary account holder's social security number. When you sign in for the first time to the new system, you will be asked to reset your password.

OTHER INFORMATION

Q Will there be any new products or services for business owners?

Yes, after the conversion we will be able to offer business customers the convenience of Fast Remote Electronic Deposit (FRe-d). This is an electronic solution, also known as Remote Deposit Capture, designed to eliminate the need for your business to make a trip to the bank to deposit checks. In addition, we will also begin to offer Business Credit Cards.

Q Will my deposit insurance change?

No, you will continue to have the dual deposit coverage from both FDIC and DIF as you do today.

Q How can I get a copy of current account disclosures and fees?

Enclosed in this kit you will find our current Consumer Agreement, Privacy Policy, Truth in Savings Disclosures and Regulation E Opt-in Form. For additional disclosures including Electronic Funds Transfer (EFT) Agreement, Online Banking Agreement and Funds Availability, please visit our website at www.MtWashingtonBank.com.