

December 18, 1998

Board of Directors
Massachusetts Co-operative Bank
1442 Dorchester Avenue
Boston, Massachusetts 02122

Members of the Board:

The notice of proposed mutual-to-stock conversion and subsequent amendments thereto, filed on behalf of Massachusetts Co-operative Bank, Boston, Massachusetts (Bank) have been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to Section 303.160 of the FDIC Rules and Regulations. As described in the notice and amendments, the Bank proposes to convert from a Massachusetts chartered mutual co-operative bank to a Massachusetts chartered stock co-operative bank, which will be wholly owned by Massachusetts Fincorp, Inc. (MFI), a thrift holding company to be formed as a part of this transaction. As part of the conversion, it is our understanding that the Bank and its holding company will create a Charitable Foundation (Foundation) with common stock contributed by the holding company.

The FDIC has relied on information provided in the Bank's notice of conversion and the accompanying business plan in reaching its decision. It is anticipated that notification of any planned material deviations from the business plan, such as a return of capital, will be provided to the FDIC in advance of the event.

Based on the information and representations presented, the FDIC does not object to the proposed conversion. Please advise the Boston Regional Office in writing when the conversion transaction has been completed.

Sincerely,

Nicholas J. Ketcha Jr.
Director

cc: Mr. Lawrence M.F. Spaccasi, Esq.
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