



Community Reinvestment Act Letter

Dear Resident:

We would like to thank you for showing an interest in StonehamBank - A Co-operative Bank ("StonehamBank") and its Community Reinvestment Act ("CRA") performance.

Incorporated on January 10, 1887, Stoneham Bank just celebrated its 139th year of existence. The Board of Directors and Senior Management Team believe that StonehamBank successfully serves the credit needs of its community in both lending and deposit banking products. StonehamBank takes its duty to meet the needs of its facility-based assessment area of Billerica, Burlington, Danvers, Lynnfield, Malden, Medford, Melrose, Middleton, North Reading, Peabody, Reading, Saugus, Stoneham, Tewksbury, Wakefield, Wilmington, Winchester and Woburn very seriously.

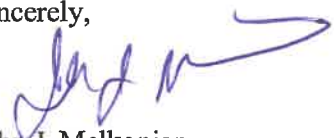
Any resident of our community applying to StonehamBank for any type of credit is treated with the utmost professionalism and offered credit at market rates and terms. StonehamBank prides itself on being one of the top mortgage lenders in the communities it serves.

In the deposit area, StonehamBank has been a community leader, offering a variety of savings and investment products, which are timely and appealing to the residents of our community.

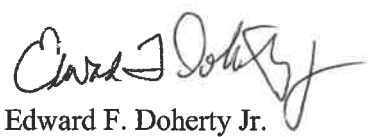
The Board of Directors, the Senior Management Team and the staff of StonehamBank recognize their responsibility concerning CRA. We strongly encourage our customers and the general public to send us any correspondence regarding our CRA performance, whether it is complimentary or not. All written comments, as required by law, are kept in the public section of our CRA file. The input of the community is important to us so that StonehamBank can continue to offer the credit services that meet the needs of both the community and the customers.

We hope that you will find our CRA file useful, and if there are any questions or comments regarding the information it contains, we hope you will take the time to contact our CRA Officer (Peter Scippa, AVP, Senior Credit Analyst). Mr. Scippa may be reached via email (peter.scippa@stonehambank.com) or via phone (781- 481- 5837).

Sincerely,



John J. Melkonian
Chair of the Board



Edward F. Doherty Jr.
President/Chief Executive Officer