



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

Division of Risk Management Supervision

August 8, 2011

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Trustees
The Lowell Five Cent Savings Bank
34 John Street
Lowell, Massachusetts 01852

Dear Members of the Board:

The notice of intent to effect a mutual holding company reorganization with the organization of an interim institution and a merger to facilitate a conversion from a mutual to stock form filed on behalf of The Lowell Five Cent Savings Bank (Bank) was reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.160 – 303.163 and other pertinent FDIC regulations. Based on the information presented and the representations made, the FDIC poses no objection to the proposed conversion transaction.

Enclosed is our Order and Basis for Corporation Approval (Order) for the applications filed on behalf of the Bank in conjunction with the conversion transaction, including considerations of deposit insurance and the proposed merger. Our approval is subject to the conditions stated in the Order, some of which must be met on an ongoing basis.

Please notify the Boston Area Office in writing when the proposed transaction has been consummated. If an extension of the time limit included in the Order is required, a letter requesting a specific extension of the limitation, and the reasons for the extension, should be submitted to the Boston Area Office.

Sincerely,

/s/

Christopher J. Spoth
Senior Deputy Director

Enclosure

Board of Directors
The Lowell Five Cent Savings Bank, Lowell, Massachusetts
Page 2

cc: Matthew D. Hanaghan
Nutter McClennen & Fish LLP
Seaport West
155 Seaport Boulevard
Boston, Massachusetts 02210-2604

FEDERAL DEPOSIT INSURANCE CORPORATION

The Lowell Five Cent Savings Bank
Lowell, Middlesex County, Massachusetts

Application for Federal Deposit Insurance and Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 5, Section 18(c), and other provisions of the Federal Deposit Insurance (FDI) Act, an application has been filed on behalf of The Lowell Five Cent Savings Bank, Lowell, Massachusetts (Mutual Institution), currently a state-chartered, mutually-owned Deposit Insurance Fund (DIF) member with total resources of \$715,494,000 and total deposits of \$584,637,000 as of March 31, 2011, for the FDIC's consent to merge with Lowell Five Interim Subsidiary Bank, a proposed new, interim Massachusetts-chartered subsidiary stock bank (Stock Bank). In addition, applications have been filed for Federal deposit insurance for Stock Bank and Lowell Five Interim Mutual Bank (IMB), an interim Massachusetts-chartered mutual savings bank (a de novo mutual savings bank to be subsequently organized into a mutual holding company).

The transaction is to effect the Mutual Institution's plan of reorganization which, solely to facilitate such undertaking, provides for:

- The chartering of IMB and the subsequent reorganization of IMB into Lowell Five Bancorp, MHC (MHC), a Massachusetts-chartered mutual holding company;
- The chartering of Stock Bank as a wholly-owned subsidiary of MHC;
- The chartering of Lowell Five Bancorp, Inc. (SHC) as a Massachusetts-chartered stock holding company;
- The merger of Mutual Institution with and into Stock Bank (Resultant Bank), with the surviving entity taking the name of The Lowell Five Cent Savings Bank;
- MHC to immediately thereafter contribute 100 percent of the shares of Resultant Bank to SHC.

Upon consummation of the reorganization, the deposits of Resultant Bank will continue to be insured under the DIF. On the effective date of the reorganization, Resultant Bank will be a stock bank that is wholly owned by SHC which will be wholly-owned by MHC. Following consummation of the merger, Resultant Bank will operate the same banking business, with the same management, at the same locations now being served by the Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by the Mutual Institution. The Lowell Five Cent Savings Bank's main office will continue to be located at 34 John Street, Lowell Massachusetts.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the Mutual Institution, disclosed no inconsistencies with the purposes of the CRA. The Lowell Five Cent Savings Bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the Mutual Institution and the Resultant Bank, the convenience and needs of the community to be served, and the competitive effects of the proposed transactions. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities.

In addition, the FDIC has fully considered all available facts and information relevant to the factors of Section 6 of the FDI Act relating to the applications for Federal deposit insurance for Stock Bank and IMB, the interim Massachusetts-chartered mutual savings bank.

Having found favorably on all statutory factors, it is the FDIC's judgment that the applications for Consent to Merge and for Federal deposit insurance should be and are hereby approved, subject to the following conditions, some of which are continuing in nature:

1. Except for the proposed transfer to SHC, no shares of the stock of The Lowell Five Cent Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any ESOP) unless prior notice is provided to, and non-objection received from, the FDIC.
2. Prior to a sale, transfer or other disposition of any shares of SHC by MHC to any person (including any ESOP) or a conversion of MHC to stock form, The Lowell Five Cent Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with the state and Federal banking and/or securities regulators in connection with any sale, transfer, disposition or conversion;
3. Should any shares of stock of The Lowell Five Cent Savings Bank or SHC be issued to persons other than MHC, any dividends waived by MHC must be retained by SHC or The Lowell Five Cent Savings Bank and segregated, earmarked or otherwise identified on its books and records; such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of MHC to stock form; such amounts shall not be available for payment to or the value thereof transferred to minority shareholders, by any means including through dividend payments or at liquidation;
4. For twelve (12) months following the reorganization, The Lowell Five Cent Savings Bank will not make any distributions to stockholders that represent a return of capital without the written non-objection of the Regional Director.

5. For a period of three (3) years after the close of the reorganization, any material deviation from the business plan, including a return of capital, will require written non-objection of the Regional Director.
6. Any change in proposed management, including the board of trustees/directors, will render the intent to not object and/or the non-objection null and void unless such proposed change is approved by the FDIC prior to the consummation of the reorganization.
7. The non-objection is subject to final approval by all regulatory authorities and applicable state agencies.
8. The transaction may not be consummated later than six months after the date of the Order, unless such period is extended for good cause by the FDIC.
9. Until the transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its intent to not object or its non-objection should any interim development be deemed to warrant such action.

Pursuant to the delegated authority of the Board of Directors.

Dated at Washington, D.C. this 2 day of August, 2011.

/S/

Christopher J. Spoth
Senior Deputy Director
Division of Risk Management Supervision