

FDIC

Federal Deposit Insurance Corporation
Washington, D.C. 20429

Division of Supervision

August 6, 1998

Board of Trustees
Plymouth Savings Bank
226 Main Street
Wareham, Massachusetts 02571

Members of the Board:

The notice of the proposed mutual-to-stock conversion, filed on behalf of Plymouth Savings Bank, has been reviewed by the FDIC pursuant to §§ 303.15 and 333.4 of the FDIC Rules and Regulations. As described in the notice, Plymouth Savings Bank proposes to convert from a Massachusetts-chartered mutual savings bank to a Massachusetts-chartered stock form savings bank, which will be wholly owned by a mutual holding company.

Based on the information presented and representations made, we do not object to the proposal. Acting on behalf of the Board of Directors of the Corporation under delegated authority, I hereby issue this Notice of Nonobjection to the transaction. Please provide written advice to our Boston Regional Office when the proposed transaction has been consummated.

Sincerely,

/s/

Mark S. Schmidt
Associate Director

cc: Josefina Rotman Childress
Goodwin Procter & Hoar, LLP
Exchange Place
Boston, Massachusetts 02109-2881

FEDERAL DEPOSIT INSURANCE CORPORATION

RE: Plymouth Savings Bank Wareham, Massachusetts

Applications for Federal Deposit Insurance and Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed on behalf of Plymouth Interim Mutual Bank, Wareham, Massachusetts, a newly formed, Bank Insurance Fund member, state-chartered mutual savings bank and Plymouth Interim Stock Bank, Wareham, Massachusetts (Stock Bank), a newly formed, Bank Insurance Fund member, state-chartered stock savings bank for federal deposit insurance and for the FDIC's consent to merge Stock Bank with Plymouth Savings Bank, Wareham, Massachusetts (PSB), a Bank Insurance Fund member, state-chartered mutual savings bank with total resources of \$749,840,000 and total deposits of \$647,233,000 as of March 31, 1998.

This transaction is the result of PSB's plan of reorganization which, solely to facilitate this undertaking, includes:

- 1) the formation of a de novo mutual savings bank to be named Plymouth Interim Mutual Bank (New Mutual);
- 2) the immediate reorganization of New Mutual as a State-chartered mutual holding company to be named Plymouth Bancorp, Inc. (PBI);
- 3) the formation of a new stock savings bank, a subsidiary of PBI, which will be named Plymouth Interim Stock Bank (Stock Bank); and
- 4) the merger of PSB and Stock Bank, with the resultant institution retaining the charter and by-laws of Stock Bank and the name Plymouth Savings Bank.

Plymouth Savings Bank will be a wholly owned subsidiary of PBI. The principal office will be at 226 Main Street, Wareham, Massachusetts, the present location of PSB.

A review of available information, including the Community Reinvestment Act (CRA) Statements of the proponent, discloses no inconsistencies with the purposes of the CRA. The new institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Favorable findings have been accorded to all factors considered pertinent to each application. Accordingly, it is the FDIC's judgment that the applications should be and hereby are approved subject to the following conditions:

1. That federal deposit insurance shall not become effective unless and until the applicants have been established as a stock savings bank and a mutual savings bank by the State authority and PBI has been established as a mutual holding company by the State authority.
2. PSB must receive final approval from the appropriate State Authority and the Board of Governors of the Federal Reserve System for establishment of the stock savings bank and the holding company and for acquisition of the bank by, the holding company.

3. That Stock Bank shall not issue minority shares without prior written notification and non-objection from the FDIC.

4. That, prior to a sale, transfer or other disposition of any shares of Plymouth Savings Bank by PBS to any person (including any Employee Stock Ownership Plan), or a conversion of the mutual holding company to stock form. Plymouth Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with state and federal banking and/or securities regulators in connection with any such sale, transfer, disposition or conversion.

5. That, should any shares of stock be issued to persons other than PBL any dividends waived by PBI must be retained by the 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 bank and PB1 and factored into the calculation used in establishing a fair and reasonable basis for exchanging bank shares for holding company shares in any subsequent conversion of PBI to stock form; such amounts shall not be available for payment to or the value thereof transferred to minority shareholders of the bank, by any means including through dividend payments or at liquidation.

6. That the transaction shall not be consummated sooner than fifteen calendar days after the date of this Order nor later than six months after the date of this Order unless such period is extended for good cause by the FDIC.

7. That until the conditional commitment herein granted becomes effective, the FDIC shall have the right to alter, suspend, or withdraw the said commitment should any interim development be deemed to warrant such action.

Dated at Washington, D.C., this 28th day of July 1998.

Mark S. Schmidt
Associate Director