

Meridian Interstate Bancorp, Inc. Receives State Regulatory Approval To Acquire Mt. Washington Cooperative Bank

Contact: Richard J. Gavegnano, Chairman and Chief Executive Officer
(978) 977-2211
October 29, 2009

Boston, MA - Meridian Interstate Bancorp, Inc. (the "Company" or "Meridian") (NASDAQ: EBSB), the holding company for East Boston Savings Bank (the "Bank"), announced today that the Bank has received conditional regulatory approval from the Commonwealth of Massachusetts to acquire Mt. Washington Bank ("Mt. Washington"). As previously announced in July, the Company signed a definitive merger agreement to acquire Mt. Washington, which operates seven offices in Suffolk County, Massachusetts. Mt. Washington's existing customer deposits in Suffolk County will increase East Boston Savings Bank's market share to 5th in the County. The combined organization will have 19 branches and over \$1.2 billion in deposits. The transaction remains subject to the approval of the Federal Deposit Insurance Corporation.

Forward Looking Statements

This press release contains certain "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward looking statements may be identified by reference to a future period or periods, or by the use of forward looking terminology, such as "may," "will," "believe," "expect," "estimate," "anticipate," "continue," or similar terms or variations on those terms, or the negative of those terms. Forward looking statements are subject to numerous risks, as described in the Company's SEC filings, and uncertainties, including, but not limited to, those related to bank regulatory policies pertaining to transactions involving combinations between mutual institutions and institutions that are partly publicly owned through the mutual holding company structure, difficulties or delays in obtaining (or the failure to obtain) regulatory approval of the proposed merger between the Bank and Mt. Washington, difficulties in achieving cost savings from the merger, difficulties in integrating the Bank and Mt. Washington, increased economic pressures, significantly increased competition among depository and other financial institutions, legislative or regulatory changes that adversely affect financial institutions; the effect of the current governmental effort to restructure the U.S. financial and regulatory system and the effect of the current financial crisis on financial institutions' loan and investment portfolios, and deposit and other customers.

Meridian wishes to caution readers not to place undue reliance on any such forward looking statements, which speak only as of the date made. Meridian wishes to advise readers that the factors listed above could affect whether the proposed business combination between the Bank and Mt. Washington occurs and, if it occurs, the proposed structure and terms of the proposed business combination. Meridian does not undertake and specifically declines any obligation to publicly release the results of any revision which may be made to any forward looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.