

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF APPLICATION FOR PERMISSION TO ORGANIZE
A FEDERAL SAVINGS BANK AND RELATED APPLICATIONS**

Order No.: 2000-95
Date: October 31, 2000

Irwin Financial Corporation, Columbus, Indiana (the Applicant), has applied to the Office of Thrift Supervision (the OTS), pursuant to 12 U.S.C. § 1464(e) and 12 C.F.R. § 552.2-1, to organize Irwin Union Bank, F.S.B., Louisville, Kentucky (the Savings Bank), a federal stock savings bank; for the Savings Bank to acquire the assets and assume the liabilities associated with Irwin Union Bank and Trust Company's loan production office in Brentwood, Missouri, pursuant to 12 C.F.R. § 563.2(c); and for the Savings Bank to establish a branch office pursuant to 12 C.F.R. § 545.92 (collectively, the Applications). The Savings Bank will be a member of the Savings Association Insurance Fund.

The Savings Bank has requested a waiver of the requirement of 12 C.F.R. § 543.3(d)(1) that a majority of a de novo federal association's board of directors be representative of the state in which the Savings Bank is located.

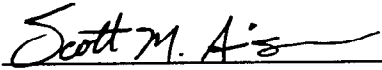
The OTS has considered the Applications, including the waiver request, under the factors set forth in 12 U.S.C. §§ 1464(e) and 1464(r), and 12 C.F.R. §§ 543.3, 545.92, 552.2-1, 556.5 and 563.22(d) and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act (the "CRA"), 12 U.S.C. § 2901 et seq., and the OTS regulations thereunder 12 C.F.R. Part 563e. The OTS has considered analyses prepared by the Office of Examination and Supervision and the Central Regional Office, and a legal opinion from the Business Transactions Division (collectively, the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS finds that the waiver request meets the standard set forth under 12 C.F.R. § 500.30(a), and hereby waives the applicability of 12 C.F.R. § 543.3(d)(1). In addition, for the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy the applicable approval standards, other than 12 C.F.R. § 543.3(d)(1), provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee ("Regional Director"). Accordingly, the Applications are hereby approved, subject to the following conditions:

1. The Applicant and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction, with copies of all such approvals provided to the Regional Office;
2. The proposed transaction must be consummated within one hundred twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant;

3. On the business day prior to the date of consummation of the proposed transaction, the Chief Financial Officers of the Applicant and the Savings Bank must certify in writing to the Regional Director that no material events or material adverse changes have occurred with respect to the financial condition or operation of the Applicant and the Savings Bank, respectively, as disclosed in the Applications. If additional information having an adverse bearing on any feature of the Applications is brought to the attention of the Applicant, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;
4. The Applicant and the Savings Bank must advise the Regional Office in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction, and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Applications and this Order;
5. The Savings Bank must operate within the parameters of its business plan. The Applicant and the Savings Bank must submit any proposed major deviations or material changes from the plan, and in particular, those pertaining to the cross-marketing of products of the Savings Bank and its affiliates, in a revised business plan for the prior, written non-objection of the Regional Director. The request for change must be submitted a minimum of 60 calendar days before the proposed change is implemented with a copy to the FDIC Regional Office;
6. The Savings Bank must submit independent audit reports to the Regional Office for its first three fiscal years. These reports must comply with the audit rules set forth in 12 C.F.R. § 562.4;
7. Any contracts or expense sharing agreements pertaining to transactions with affiliates, executed within the Savings Bank's first eighteen months of operations not yet submitted to the OTS for review, must be provided to the Regional Director, or his designee, at least 30 days prior to execution and must receive his written non-objection prior to implementation;
8. The Savings Bank must submit within its first year of operations, the proposed appointment of any permanent executive officer or director to the Regional Director, or his designee, and must receive his written non-objection prior to appointment;

Any time period set forth herein may be extended for up to 30 days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective October 31, 2000.



Scott M. Albinson
Managing Director
Office of Supervision