June 30, 2011

Kent M. Krudys, Esq.
Steven Lanter, Esq.
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5335 Wisconsin Avenue, N.W., Suite 780
Washington, D.C. 20015

Re: Notice of Mutual Holding Company Reorganization

Form MHC-1 filed by The Cincinnatus Savings and Loan Company, Cheviot, Ohio, OTS No. 01016

Savings and Loan Holding Company Application
by Cincinnatus Community Bancorp, Inc., Cheviot, Ohio,
OTS No. H-4786

Dear Messrs. Krudys and Lanter:

The Cincinnatus Savings and Loan Company, Cheviot, Ohio (Association), a state-chartered mutual savings association, has filed notice (Notice) with the Office of Thrift Supervision (OTS) of its intent to reorganize into a federal mutual holding company to be known as Cincinnatus Community Bancorp, MHC, Cheviot, Ohio (Mutual Holding Company), pursuant to 12 U.S.C. § 1467a(o), and 12 C.F.R. § 575.3. In addition, Cincinnatus Community Bancorp, Inc., Cheviot, Ohio (Applicant) seeks OTS approval, pursuant to 12 U.S.C. §§ 1467a(e) and 1467a(o) and 12 C.F.R. §§ 574.3 and 575.14, to acquire the Association. The Association also seeks OTS approval to make capital distributions under 12 C.F.R. § 563.143. The various filings and related applications together seek OTS approval of the Association's reorganization into a mutual holding company structure, along with all of the constituent elements of the reorganization.

The Transaction

The Association proposes to reorganize into a three-tier mutual holding company structure in a multi-step transaction described in detail in the Notice. Upon completion of the reorganization, the Association will be a wholly owned subsidiary of the Applicant, a federally chartered subsidiary holding company, and the Applicant will be a wholly owned subsidiary of the Mutual Holding Company.
Mutual Holding Company Reorganization

Section 10(o) of the Home Owners' Loan Act (HOLA) and the OTS Mutual Holding Company Regulations(MHC Regulations) require a savings association that proposes to reorganize into a mutual holding company structure to file prior notice of the reorganization with OTS. The HOLA and the MHC Regulations provide that OTS may disapprove a proposed mutual holding company reorganization under certain circumstances.2

OTS, as the federal regulator of the Association, is familiar with the Association and its operations. Based on that knowledge, and the proposed capitalization of the Mutual Holding Company and the Applicant, we conclude that the Notice meets the criteria set forth at 12 C.F.R. § 575.4(a)(1), (2), and (3). There will be no minority stock issuance in connection with the proposed transaction, so the approval criterion at 12 C.F.R. § 575.4(a)(4) is not applicable. The Association has provided the information required by OTS, and the proposed transaction, if carried out in conformity with the description contained in the Notice, will not violate any provision of law. Accordingly, the Notice satisfies the applicable criteria for approval.

Approval of the reorganization as structured requires that OTS waive 12 C.F.R. §§ 575.6(a) and 575.6(b). OTS has routinely waived these two regulatory provisions, pursuant to 12 C.F.R. § 575.1(b), to streamline the application process in reorganizations structured as proposed by the Association. OTS concludes that there is good cause to waive the two provisions in connection with the proposed reorganization here for the same reasons that the provisions have previously been waived.

Establishment of the Applicant as a Subsidiary Holding Company

The formation of the Applicant is consistent with the MHC Regulations. The Applicant will have a federal charter, as required by 12 C.F.R. § 575.14. The Applicant's proposed federal charter is consistent with 12 C.F.R. § 575.14(c). The Applicant proposes to hold all of the common stock of the Association, as required under 12 C.F.R. § 575.14(a). The Mutual Holding Company will hold more than 50 percent of the stock of the Applicant, as required by 12 C.F.R. § 575.14(b).

Formation of Interim Associations

The Association must receive OTS approval under 12 C.F.R. § 552.2-2 to form two interim federal savings associations. The establishment of, and transactions involving, the two interim federal savings associations are consistent with previous transactions OTS has approved and are consistent with 12 C.F.R. § 552.2-2.

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Holding Company Applications

In the proposed reorganization, the Association would acquire two interim federal savings associations, and, subsequently, the Applicant would acquire the Association. Accordingly, the transaction requires OTS approval under § 10(e) of the HOLA, and the OTS regulations thereunder (Control Regulations).

Section 10(e)(2) and the Control Regulations provide that in reviewing the proposed acquisition of two savings associations by a company, such as the Association, OTS must consider the managerial and financial resources and future prospects of the company and associations involved, the effect of the acquisition on the associations, the insurance risk to the Deposit Insurance Fund (DIF), and the convenience and needs of the community to be served. Section 10(e)(1)(B) of the HOLA provides that OTS must approve a holding company application proposing the acquisition of one savings association by a company other than a savings and loan holding company, such as the Applicant, unless OTS finds the financial and managerial resources and future prospects of the company and association involved to be such that the acquisition would be detrimental to the savings association or the insurance risk of the DIF. In both cases, OTS must consider the impact of any acquisition on competition. Also, 12 C.F.R. § 563e.29 requires that OTS take into account assessments under the Community Reinvestment Act (CRA) when approving holding company acquisitions.

As for managerial resources, OTS, in its role as the Association's federal regulator, is familiar with the Association's managerial resources, and concludes that the Association's managerial resources are consistent with approval. The board of directors of the Applicant will consist of the present directors of the Association, and the executive officers of the Applicant will consist of the executive officers of the Association. The interim savings associations will be shell entities that never open for business. Accordingly, OTS concludes that the managerial resources of the Applicant, the Association and the interim associations are consistent with approval.

As for financial resources, OTS is familiar with the Association's financial resources. As of March 31, 2011, the Association was "well capitalized." The Association will capitalize the Applicant with $200,000. The only activity of the Applicant will be ownership of the stock of the Association, and the interim associations will be shell entities that never open for business. Accordingly, we conclude that the financial resources of the Applicant, the Association, and the two interim associations are consistent with approval.

After considering the financial and managerial resources of the Applicant, the Association and the two interim associations, we conclude that the future prospects of the Applicant, the Association and the two interim associations, and risks to the DIF, are consistent with approval.

3 12 U.S.C. § 1467a(e)(2); 12 C.F.R. § 574.7 (2011).
5 12 U.S.C. § 1467a(e)(2).
The proposed acquisitions will not cause the Association to become affiliated with any other operating depository institution. Accordingly, the transactions are unobjectionable on competitive grounds.

As for the CRA, and convenience and needs of the community, the Association currently has an “Outstanding” CRA rating. The Association does not propose to reduce its services. The Applicant, as a newly formed entity, has no CRA experience. OTS has received no comments objecting to the proposed transaction. Accordingly, we conclude that approval of the holding company acquisitions is consistent with the CRA and with the convenience and needs standard.

**Bank Merger Act Application**

The proposed merger of one of the interim federal savings associations into the Association requires OTS approval under 12 U.S.C. § 1828(c) (Bank Merger Act) and 12 C.F.R. §§ 552.13 and 563.22(a). The approval standards for the merger are similar to the approval standards set forth under § 10(e) of the HOLA, which have been discussed previously. In addition, the Bank Merger Act requires that OTS consider the effectiveness of any insured depository institution in combating money laundering activities. Also, § 563.22(d) requires OTS to consider whether the transaction conforms to applicable laws, regulations, policies, and factors relating to fairness and disclosure. The CRA requires that OTS consider the CRA record of the Association in evaluating the merger application.

The Association is well capitalized. The merging interim association would be a shell entity. Accordingly, the merger would have no material effect on the Association's managerial and financial resources and future prospects, and no effect on competition. OTS's review of the Association's compliance activities does not provide a basis for objection under 12 U.S.C. § 1828(c)(11) based on the Association's anti-money laundering activities. The transaction, an internal reorganization that has been disclosed to the Association's members, is unobjectionable on fairness or disclosure grounds. We are aware of no information indicating that the proposed transaction is inconsistent with any law or regulation. Further, because the transaction would not result in a reduction of the Association's services, and because the Association has an “Outstanding” CRA rating and OTS has received no comments objecting to the transaction, we conclude that the merger application satisfies the convenience and needs and CRA criteria.

**Capital Distribution Notice**

The Association has requested OTS approval, pursuant to 12 C.F.R. § 563.143(a)(2), to make capital distributions. The Association proposes to make capital distributions of $200,000 each to the Mutual Holding Company and the Applicant. The Association will remain well capitalized after the distributions and the distributions will not materially reduce the

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Association's capital. Moreover, the proposed distributions will not be unsafe or unsound and do not violate any law, agreement with OTS, or condition of approval. Accordingly, we conclude that the Association's proposed capital distributions are consistent with approval.

Conclusion

Based on the foregoing analysis, the Notice, and the accompanying holding company applications, merger application, application to form interim associations, applications for federal charters for the Mutual Holding Company and the Applicant, and other component steps of the mutual holding company reorganization are hereby approved pursuant to delegated authority, provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee (Regional Director):¹

1. The reorganization and acquisition must be consummated within 120 calendar days after the date of this Approval Letter;

2. No later than the business day prior to consummation of the reorganization and acquisition, the Association must submit to the Regional Director a certification stating that the reorganization has been approved by the majority of the total votes eligible to be cast at the special meeting of members of the Association called to vote on the transaction;

3. On the business day prior to the date of consummation of the reorganization and acquisition, the chief financial officers of the Mutual Holding Company, the Applicant, and the Association must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Mutual Holding Company, the Applicant, or the Association, respectively, since the date of the financial statements submitted with the Notice and related applications. If additional information having a material adverse bearing on any feature of the Notice or related applications is brought to the attention of the Mutual Holding Company, the Applicant, the Association, or OTS since the date of the financial statements submitted with the Notice or related applications, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-object to consummation of the transaction;

4. Upon completion of the organization of the interim federal savings associations, the boards of directors of the interim federal savings associations, the Mutual Holding Company, the Applicant, and the Association must ratify the Plan of Reorganization; and

¹ Following the Transfer Date, see Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, § 311, 124 Stat. 1520-21 (2010), all submissions, requests, communications, consents or other documents relating to this letter must be directed to the, the Comptroller of the Currency, the Federal Deposit Insurance Corporation (FDIC) or to the Federal Reserve System (Board of Governors), as appropriate, or to the individual, division, or office designated by the Comptroller of the Currency, the FDIC or the Board of Governors.
5. No later than five calendar days after the date of consummation of the reorganization and acquisition, the Mutual Holding Company, the Applicant, and the Association must file with the Regional Director a certification by legal counsel stating the effective date of the reorganization and acquisition, the exact number of shares of stock of the Association acquired by the Applicant, the exact number of shares of the Applicant acquired by the Mutual Holding Company, that the interim federal savings associations did not open for business, and that the reorganization was consummated in accordance with all applicable laws and regulations, the Notice, the related applications, the Plan of Reorganization, and this Approval Letter.

In addition, pursuant to 12 C.F.R. § 575.1(b), OTS hereby waives the applicability of 12 C.F.R. §§ 575.6(a) and 575.6(b).

The Regional Director may, for good cause, extend any time period specified herein for up to 120 calendar days.

Very truly yours,

[Signature]

Donald W. Dwyer
Director, Applications
Corporate & International Activities

[Signature]

Kevin A. Corcoran
Deputy Chief Counsel for
Business Transactions