OFFICE OF THRIFT SUPERVISION

Notice of Intent by Mutual Holding Company
to Waive Dividend from Subsidiary Savings Bank

Order No. 96-10

Date: February 21, 1996

Montgomery Mutual Holding Company, Crawfordsville, Indiana
(the "MHC"), has filed with the Office of Thrift Supervision
("OTS"), pursuant to Section 10(o) of the Home Owners’ Loan Act
and 12 C.F.R. Section 575.11(d), a notice (the "Notice") of the
MHC’s intent to waive its right to receive cash dividends
declared by its subsidiary savings bank, Montgomery Savings, a
Federal Association, Crawfordsville, Indiana (the "Savings
Bank"), for the year ending December 31, 1995.

The OTS has considered the written analyses and
recommendations of the Central Regional Office, the Chief
Counsel's Office and Corporate Activities and has determined that
the waiver of cash dividends by the MHC for the year ending
December 31, 1995, is not detrimental to the safe and sound
operation of the Savings Bank, provided that the conditions set
forth below are satisfied. Accordingly, the OTS does not object
to the waiver of dividends by the MHC as proposed in the Notice
subject to the following conditions:

1. For as long as the Savings Bank is controlled by the MHC, the
dollar amount of dividends waived by the MHC must be considered a
restriction on the retained earnings of the Savings Bank. Such
restriction, if material, must be disclosed in the public
financial statements of the Savings Bank as a note to the
financial statements. The amount of any dividend waived by the
MHC shall be available for declaration as a dividend solely to
the MHC. In accordance with Statement of Financial Accounting
Standards No. 5, where the Savings Bank determines that the
payment of such dividend to the MHC is probable, an appropriate
dollar amount shall be recorded as a liability; and

2. The amount of any waived dividend must be considered as
having been paid by the Savings Bank (and the Savings Bank’s
capital ratios adjusted accordingly) in evaluating any proposed
dividend under 12 C.F.R. Sections 563.134 and 565.6(a)(1), or any
successor regulations.

The OTS' non-objection with respect to the MHC’s waiver of
dividends for the year ending December 31, 1995, may be rescinded
prior to such date by the Central Regional Director if, based on
subsequent developments, the proposed waiver is determined to be
detrimental to the safe and sound operation of the Savings Bank.
By Order of the Director of the Office of Thrift Supervision, or his designee, effective

John F. Downey  
Executive Director, Supervision