

SUPERVISORY AGREEMENT

This Agreement ("Agreement") is made and is effective this 22nd day of January 1991² ("Effective Date"), by and between The Findlay Savings Bank, (OTS No. 1975) Cincinnati, Ohio ("Findlay"), and the Office of Thrift Supervision ("OTS"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the institution. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of 12 U.S.C. Sections 1818(b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion that the institution has not complied with certain of the regulations to which the institution is subject in conducting the business of the institution, specifically 12 C.F.R. §§ 563.176(b), 571.19, 563.160(c), and 563.233(b), and has engaged in unsafe or unsound practices in conducting the business of the institution, thereby providing grounds for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the institution of cease and desist proceedings against the institution for its failure to comply with regulations, and unsafe and/or unsound practices as set forth in the institution's Report of Examination dated August 19, 1991 for so long as the institution is in compliance with the provision of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, Findlay, by its Board of Directors ("Board"), is willing to enter into this Agreement to avoid the initiation of such cease and desist proceedings;

NOW, THEREFORE, in consideration of the above-stated forbearance by OTS from the initiation of cease and desist proceedings against the Findlay, it is agreed between the parties hereto as follows:

Statutes and Regulations

1. Findlay shall correct existing violations cited in this section and the Report of Examination dated August 19, 1991, and shall not knowingly initiate any action which would result in a violation of, or the aiding and abetting of any violation of 12 C.F.R. §§ 563.176(b), 571.19, 563.160(c), and 563.233(b).

Unsafe and Unsound Practices

2. Within 60 days from the date of this Agreement, Findlay's Board shall formally adopt policies and management shall implement procedures for the management of interest rate risk in compliance with Section 563.176 of Title 12 of the Code of Federal Regulations. Such policies and procedures shall be submitted for prior approval to the Assistant Director, OTS-Cincinnati. Such policies shall define the maximum potential reduction in earnings and net worth that the Board is prepared to accept as a result of possible changes in market interest rates. Such policies shall establish limits on the sensitivity of Findlay's net interest income and market value of portfolio equity to interest rate changes, and shall comply in all respects with Thrift Bulletin 13 (Federal Home Loan Bank Board, January 26, 1989).

3. Within 30 days from the date of this Agreement, Findlay's Board shall adopt, and submit to the Assistant Director for approval, policies and management shall implement procedures for enhanced internal asset review and classification which the Board shall review annually and update as necessary. As part of these enhanced procedures, Findlay's Board must clearly provide for

identification of problem or potential problem assets, establish guidelines for the maintenance of General Valuation Allowances (GVAs), establish an independent asset review committee and insure that the asset review committee maintains adequate records and documentation of its activities. Such asset classification policies and procedures shall be sufficient to insure compliance with Section 563.160 of Title 12 of the Code of Federal Regulations.

4. Within 30 days from the date of this Agreement, Findlay's Board shall adopt and submit to the Assistant Director for approval, an Investment Policy. Such Policy shall, at a minimum, describe investment objectives and strategies, and set guidelines for liquid investments, quality requirements for investments, lines of authority, and internal controls in accordance with Section 571.19 of the OTS Regulations.

5. Within 60 days from the date of this Agreement, Findlay's Board shall adopt, and submit for approval to the Assistant Director, a comprehensive three-year Business Plan. Such Plan shall incorporate and make reference to the strategies, policies and procedures required under paragraphs 2, 3 and 4 above. In addition, the Plan shall outline strategies for reducing interest rate risk, increasing operating income, and reducing delinquencies. The Board shall review Findlay's performance toward meeting the goals and objectives of the Plan on at least a quarterly basis, with such review being noted in the minutes of the appropriate Board meeting.

6. Findlay's Board shall, within 60 days of the issuance of this Agreement, adopt and submit for approval to the Assistant Director policies

and procedures addressing the adequacy of General Valuation allowances. Such policies and procedures shall give consideration to the level, security, and trend of nonperforming assets, and income earning assets and include the specific methodology to be used in calculating sufficient GVAs.

7. Within 60 days from the date of this Agreement, Findlay's Board shall amend the Appraisal Policy to reflect regulatory changes including, but not limited to, those included in 12 C.F.R. Part 564. Such amendment shall be reflected in the minutes of the appropriate Board meeting.

8. Within 30 days from the date of this Agreement, Findlay's Board shall adopt policies and management shall implement procedures to insure such books and records are maintained so as to comply with 12 C.F.R. § 563.233(b). A summary of such policies and procedures shall be submitted to the Assistant Director within 45 days from the date of this Agreement.

9. Any policies and procedures required by this Agreement are to be strictly adhered to by Findlay, its officers, directors, and employees.

Closings

10. (a) Although the Board is, by this Agreement, required to submit certain proposed actions and programs for the review or approval of the Deputy Regional Director or his/her designee, the Board has the ultimate responsibility for proper and sound management of the institution. In exercising and fulfilling its fiduciary duties, the Board may consider the reports of management, counsel, and other agents and consultants of the Board. Nothing contained herein shall require the Board, or any member or agent thereof, to take any action or omit to take any action inconsistent with his or her fiduciary duties.

(b) It is expressly and clearly understood that if, at any time, the OTS deems it appropriate in fulfilling the lawful responsibilities placed upon it by the several laws of the United States of America to undertake any lawful action affecting the institution, nothing in this Agreement shall in any way inhibit, stop, bar, or otherwise prevent the OTS from doing so.

(c) Any time limitations imposed by this Agreement shall begin to run from the effective date of this Agreement. Such time limitations may be extended by the Deputy Regional Director, or his/her designee, for good cause upon written application by the Board.

(d) All technical words or terms used in this Agreement, for which meanings are not specified or otherwise provided by the provision of this Agreement, shall, insofar as applicable, have meanings as defined in the rules and regulations adopted by the OTS (including, without limitation, Chapter V of Title 12 Code of Federal Regulation). Any such technical words or terms used in this Agreement and undefined in said rules and regulations shall have meanings that accord with the best custom and usage in the thrift industry.

(e) The terms and provisions of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

(f) It is understood that the execution of this Agreement shall not be construed as an approval of any application or notices that are contemplated by the Institution.

(g) Any report or other document required by this Agreement to be submitted to the OTS shall be filed with the Office of Thrift Supervision, 525 Vine Street, Suite 700, Cincinnati, Ohio 45202, Attn: Assistant Director.

All reports and other documents shall be deemed filed when received by the
OTS.

(h) In the event any provision of this Agreement shall be declared
invalid, illegal, or unenforceable, the validity, legality, and enforceability
of the remaining provisions shall not in any way be affected or impaired
thereby.

(i) The section headings used in this Agreement are for convenience
of reference only and are not to affect the construction of, or be taken into
consideration, in the interpretation of this Agreement.

(j) This Agreement shall remain in effect until terminated,
modified, or suspended by the OTS, acting through the Deputy Regional Director
or his designee.

IN WITNESS WHEREOF, the OTS, acting through its Deputy Regional Director
and Findlay, by its board of directors, have executed this Agreement on the
date first above written.

THE OFFICE OF THRIFT SUPERVISION
Cincinnati, Ohio

THE FINDLAY SAVINGS BANK
Cincinnati, Ohio

By: LS/
Jerry M. Benham
Deputy Regional Director

By: LS/
Director