



**Federal Deposit Insurance Corporation**

550 17<sup>th</sup> Street NW, Washington, D.C. 20429-9990

Division of Supervision and Consumer Protection

October 28, 2008

**VIA FACSIMILE AND CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Board of Trustees  
Reliance Savings Bank  
1119 Twelfth Street  
Altoona, PA 16601

Dear Members of the Board:

The notice of intent to effect a mutual holding company reorganization through the interim merger filed on behalf of Reliance Savings Bank (Bank) was reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.160 – 303.163 and other pertinent FDIC regulations. Based on the information presented and the representations made, the FDIC poses no objection to the proposed conversion transaction.

Enclosed is our Order and Basis for Corporation Approval (Order) for the applications filed on behalf of the Bank in conjunction with the conversion transaction. Our approvals are subject to the conditions stated in the Order, some of which must be met on an ongoing basis.

Please notify the New York Regional Office in writing when the proposed transaction has been consummated. If an extension of the time limit included in the Order is required, a letter requesting a specific extension of the limitation, including reasons therefore, should be submitted to the New York Regional Office.

Sincerely,

**/s/**

Christopher J. Spoth  
Senior Deputy Director

Enclosure

Board of Trustees  
Reliance Savings Bank  
Page 2

cc: Steve Lanter, Esq.  
Luse Gorman Pomerenk & Schick, PC  
5335 Wisconsin Ave, NW, Suite 400  
Washington, DC 20015-2035

## **FEDERAL DEPOSIT INSURANCE CORPORATION**

Reliance Savings Bank  
Altoona, Blair County, Pennsylvania  
Application for Consent to Merge

### **ORDER AND BASIS FOR CORPORATION APPROVAL**

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act (FDI Act), an application has been filed on behalf of Reliance Savings Bank, Altoona, Pennsylvania (Mutual Institution), currently an insured Pennsylvania-chartered mutual savings bank with total resources of \$327,984,000 and total deposits of \$230,953,000 as of June 30, 2008, for the FDIC's consent to merge with Reliance Interim Two Savings Bank (In Organization) (Interim Two), Altoona, Pennsylvania, a proposed new interim stock savings bank. Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act.

The transaction is to effect the Mutual Institution's reorganization into the mutual holding company structure, which, solely to facilitate such undertaking, provides for:

- Mutual Institution to organize an interim stock savings bank, Reliance Interim One Savings Bank (Interim One), as a wholly-owned subsidiary;
- Interim One to organize an interim stock savings bank, Reliance Interim Two Savings Bank, (Interim Two), as a wholly-owned subsidiary;
- Interim One to organize Reliance Bancorp, Inc. (Stock HC), as a wholly-owned subsidiary;
- Interim One to cancel the outstanding shares of its stock and exchange its charter for a mutual holding company charter under the name Reliance Bancorp Mutual Holding Company;
- Mutual Institution to convert to stock form and exchange its articles of incorporation and bylaws for those of a Pennsylvania-chartered stock savings bank (Stock Bank); and
- Interim Two to merge with and into Stock Bank, with Stock Bank as the surviving entity (the Resultant Bank) and all of the initially issued stock of Stock Bank to be transferred to Mutual Holding Company in exchange for membership interests in Mutual Holding Company; and
- Mutual Holding Company to contribute the capital stock of Stock Bank to Reliance Bancorp, Inc. whereby Resultant Bank will become a wholly-owned subsidiary of Stock HC, which will in turn be a wholly-owned subsidiary of Reliance Bancorp Mutual Holding Company.

On the effective date of the reorganization, Reliance Savings Bank will be a stock bank that is wholly owned by Reliance Bancorp Mutual Holding Company.

An application for the establishment of Reliance Bancorp, Inc., and Reliance Bancorp Mutual Holding Company has been approved by the Board of Governors of the Federal Reserve System. Also, the Commonwealth of Pennsylvania has granted Reliance Savings Bank the authority to conduct a banking business and approved the establishment and operation of a stock savings bank.

Following consummation of the merger, Reliance Savings Bank will operate the same banking business, with the same management, at the same locations now being served by Mutual Institution. The proposed transaction, per se, will not alter the competitive structure of banking in the market served by the Mutual Institution. Reliance Savings Bank's main office will continue to be located at 1119 Twelfth Street, Altoona, Pennsylvania.

A review of available information, including the Community Reinvestment Act (CRA) Statement of Mutual Institution discloses no inconsistencies with the purposes of the CRA. Resultant Institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

In connection with the application, the FDIC has taken into consideration the financial and managerial resources and future prospects of the proponent banks and the resultant bank, and the convenience and needs of the community to be served. Having found favorably on all statutory factors and having considered other relevant information, it is the FDIC's judgment that the application should be and is hereby approved, subject to the following conditions:

1. That the transaction may not be consummated unless the Plan of Reorganization from Mutual Savings Bank to Mutual Holding Company receives prior approval by an affirmative vote of at least a majority of the total votes eligible to be cast by Mutual Institution's depositors:
2. That, except for the proposed transfer of stock to Reliance Bancorp, Inc., no shares of the stock of Reliance Savings Bank shall be sold, transferred or otherwise disposed of, to any person (including any Employee Stock Ownership Plan) unless prior notice is provided to, and non-objection is received from the FDIC;
3. That, prior to the sale, transfer, or other disposition of any shares of Reliance Bancorp, Inc. by Reliance Bancorp Mutual Holding Company to any person (including any Employee Stock Ownership Plan), or a conversion of the mutual holding company to stock form, Reliance Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with state and federal banking and/or securities regulators in connection with such sale, transfer, disposition, or conversion;

