

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Waterford Bank, N.A.
Sylvania, Lucas County, Ohio
Application for Federal Deposit Insurance

The undersigned, acting on behalf of the Board of Directors pursuant to delegated authority, has fully considered all available facts and information relevant to the factors of Section 6 of the Federal Deposit Insurance Act relating to the application for federal deposit insurance for Waterford Bank, N.A., a proposed national bank to be located at 3934 N. McCord Road, Sylvania, Lucas County, Ohio, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, that the application submitted by Waterford Bank for Federal Deposit Insurance be and the same hereby is approved subject to the following conditions:

- (1) That beginning paid-in capital funds of not less than \$25,000,000 be provided;
- (2) That a Tier 1 capital to total assets ratio of not less than 8% be maintained for the first three years after deposit insurance is effective;
- (3) That any changes in proposed management or proposed ownership (10% or more of stock) of the bank, including new acquisitions of or subscriptions to 10% or more of the bank's stock, will render this commitment null and void unless such proposal is approved by the FDIC prior to opening of the bank;
- (4) That any changes in proposed management or proposed ownership (10% or more of stock) of the holding company, including new acquisitions of or subscriptions to 10% or more of the holding company's stock, will render this commitment null and void unless such proposal is approved by the FDIC prior to opening of the bank;
- (5) That adequate blanket bond coverage be obtained;
- (6) That Federal deposit insurance shall not become effective unless and until the applicant has been established as a national bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Office of the Comptroller of the Currency;
- (7) That full disclosure has been made to all proposed directors and stockholders of the facts concerning the interest of any insider (one who is, or stands to be, a director, an officer, or an incorporator of an applicant or shareholder who directly or indirectly controls 10% or more of any class of the applicant's outstanding voting stock, or the associates and interests of any such person) in any transaction being effected or then contemplated, including the identity of the parties to the transaction, and the terms and costs involved;

- (8) That Waterford Bancorp, Inc., Sylvania, Ohio, a holding company, obtain approval from the Board of Governors of the Federal Reserve System to acquire voting stock control of the bank prior to its opening;
- (9) That until the conditional commitment herein ORDERED becomes effective, the FDIC shall have the right to alter, suspend or withdraw the said commitment should any interim development be deemed to warrant such action; and
- (10) That if deposit insurance has not become effective within twelve months from the date of this ORDER, or unless, in the meantime, a request for an extension of time has been approved by the FDIC, the consent granted shall expire at the end of the twelve-month period.

Dated at Chicago, Illinois this 20th day of March, 2007.

FEDERAL DEPOSIT INSURANCE CORPORATION

BY: _____ /s/
Sylvia H. Plunkett
Regional Director - Chicago

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: Waterford Bank, N.A. (Proposed)
Sylvania, Lucas County, Ohio
Application for Federal Deposit Insurance

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. §1815), an application for Federal deposit insurance has been filed for Waterford Bank, N.A. (the Bank), a proposed nationally chartered commercial bank, to be located at 3934 N. McCord Road, Sylvania, Lucas County, Ohio.

The Bank will be a wholly-owned subsidiary of Waterford Bancorp, Inc., Sylvania, Ohio, a private company. Waterford Bancorp is a one-bank holding company being formed concurrently with the Bank.

The Bank will provide conventional banking services to Lucas County and part of Wood County with an emphasis on commercial and commercial real estate lending. Loan products will be tailored to the needs of small- to medium-sized businesses. Deposit products will consist of a traditional mix of savings, checking, money market, certificates of deposit and retirement accounts.

For the purposes of this proposal, capital is adequate, projections for future earnings prospects are favorable, management is considered satisfactory, and the investment in fixed assets is reasonable. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act. No formal objections to this proposal have been filed and no undue risk to the insurance fund is apparent.

Accordingly, based upon careful evaluation of all available facts and information, the Regional Director, acting under delegated authority, has concluded that approval of the application is warranted, subject to the conditions enumerated in the Order.

**REGIONAL DIRECTOR, CHICAGO
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**