May 15, 2017

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Board of Directors
Eagle Savings Bank
6415 Bridgetown Road
Cincinnati, OH 45248

Subject: Application for Conversion
Eagle Savings Bank, Cincinnati, Ohio

Dear Members of the Board:

The Federal Deposit Insurance Corporation ("FDIC") reviewed the Application for Conversion on Form AC ("Application"), filed on behalf of Eagle Savings Bank, Cincinnati, Ohio ("Association"), pursuant to 12 C.F.R. Part 192. The Application was filed in connection with Association’s Plan of Conversion ("Plan"), whereby Association proposes to convert from an Ohio-chartered mutual savings and loan association to an Ohio-chartered stock savings and loan association ("Conversion"). In connection with the Conversion, Association has formed Eagle Financial Bancorp, Inc. ("Bancorp"), a Maryland corporation, which upon completion of the Conversion will own 100 percent of Association’s common stock.

Concurrent with the Conversion, Bancorp intends to issue shares of common stock in a subscription offering and, to the extent applicable, a community offering and syndicated offering. The offering of the shares of common stock will be made on a priority basis to: (i) eligible account holders (depositors with accounts at Association with aggregate balances of at least $50 on December 31, 2015); (ii) Association's tax-qualified employee stock benefit plans (including the employee stock ownership plan); (iii) supplemental eligible account holders (depositors with accounts at Association with aggregate balances of at least $50 on the supplemental eligibility record date as defined in the Plan); (iv) other depositors as of a voting record date; and (v) to the extent applicable, to the local community (Hamilton County, Ohio) in a community offering and to anyone in a syndicated offering (collectively, “Conversion Offering”). Bancorp also intends to establish Eagle Savings Bank Charitable Foundation, Inc. ("Foundation") and contribute 40,000 shares of Bancorp common stock sold in the offering, plus an amount of cash so that the total contribution will equal $500 thousand.

The FDIC has relied on information provided in Association’s Application, the accompanying materials, and subsequent responses to information requests in reaching its decision. Based on the information provided and representations made, the FDIC hereby approves the Application, subject to the following conditions (certain of which must be met on an ongoing basis):

...
1. Association must provide written evidence that the Conversion was approved by the affirmative vote of at least a majority of the votes eligible to be cast at a meeting of Association's depositors.

2. Association must submit copies of all final disclosure materials to the FDIC's Division of Risk Management Supervision, Accounting and Securities Disclosure Section, 550 17th Street, N.W., Washington, D.C. 20429.

3. Association must advise the FDIC of the results of the Conversion Offering (and the community offering and syndicated offering, as applicable), and deliver an updated appraisal that:
   a. Takes the results of the Conversion Offering into account,
   b. Discusses any material events or changes during the subscription period, and
   c. Explains any securities purchase orders that may have been rejected.

4. Association must provide written evidence that all necessary final approvals regarding the Conversion have been obtained from the appropriate Federal and state authorities.

5. During the three-year period after the close of the Conversion Offering, Association must operate within the parameters set forth in the business plan submitted with the Application, including the financial projections therein, and must notify and receive prior written approval from the FDIC Chicago Regional Director of any proposed material deviation or material change from the business plan, as updated (including, but not limited to, any merger, acquisition or business combination involving Association) at least 60 days before consummating such change.

6. Association must notify the FDIC Chicago Regional Director of any plans to establish a loan production office at least 60 days prior to opening the facility.

7. During the three-year period after the close of the Conversion Offering, Association must not make any distributions of capital to Bancorp, including cash dividends or any other retirement or return of capital, except in accordance with applicable laws and regulations, without the prior written approval of the FDIC Chicago Regional Director, if such action would cause Association’s leverage and total capital ratios to fall below 8.0 percent and 12.0 percent, respectively.

8. During the twelve-month period after the close of the Conversion Offering, Bancorp must not declare any distributions of capital to shareholders, including cash dividends or any other retirement or return of capital, except with the written approval of the Federal Reserve Bank of Cleveland.

9. Prior to a repurchase of shares by Bancorp within the first year after the close of the Conversion Offering, Association shall provide written notification to the FDIC Chicago Regional Office and provide copies of all documents filed with other regulators.
10. During the three-year period after the close of the Conversion Offering, shares issued to directors and executive officers ("insiders") in the Conversion Offering are restricted from resale without the prior approval of the FDIC Chicago Regional Director, except that: (1) in the event of the death of an insider, the successor in interest may sell the shares without such prior approval; (2) if the insider is no longer employed by or a trustee or director of Association or Bancorp, he or she may sell the shares without such prior approval; and (3) the insider may transfer the shares to his or her lineal descendant(s) or spouse, or into a trust or retirement vehicle for the benefit of the insider or such descendants and spouse without such prior approval.

11. Association and Bancorp must ensure that any stock option or recognition and retention plan (collectively, "Stock Benefit Plans") established or maintained during the three-year period after the close of the Conversion Offering will include provisions that comport with the following:

   a. The duration of rights granted under the Stock Benefit Plans must be limited, and in no event shall the exercise period exceed ten years;
   b. In accordance with applicable regulations, if the Stock Benefit Plans are adopted by shareholders within the first year after the close of the Conversion Offering, the rights must vest on an equal basis over a period of not less than five years. If the Stock Benefit Plans are adopted more than one year but less than three years after the close of the Conversion Offering, the rights must vest on an equal basis over a period of not less than three years following establishment of the Stock Benefit Plans in order to encourage the recipient to remain involved in Association;
   c. Rights granted must not be transferable by the participant;
   d. The exercise price of stock rights must not be less than the fair market value of the stock at the time that the rights are granted;
   e. Rights under the Stock Benefit Plans must be exercised or expire within a reasonable time after termination or separation as an active officer, employee, or director; and
   f. The Stock Benefit Plans must contain a provision allowing the primary federal regulator to direct the institution to require plan participants to exercise or forfeit their stock rights.

12. The Foundation's Board of Directors commits to the following oversight provisions:

   a. Bancorp common stock held by Foundation must be voted in the same ratio as the shares voted on each proposal considered by the shareholders;
   b. Foundation will be subject to examination by the FDIC and must comply with all supervisory directives imposed by the FDIC;
   c. Foundation must operate in accordance with written policies adopted by its Board of Directors, including the adoption of a conflict of interest policy acceptable to the FDIC;
   d. Foundation must not engage in self-dealing, and must comply with all laws necessary to maintain its tax-exempt status under the Internal Revenue Code;
   e. Foundation must provide to the FDIC Chicago Regional Office within six months immediately following the date of the Conversion Offering, a three-year operating
plan for Foundation that contains pro forma financial statements, including a balance sheet and income statement; and
f. Following completion of the Conversion Offering, Foundation must provide to the FDIC Chicago Regional Office annual reports describing grants made and grant recipients.

13. Association acknowledges that this approval letter is based on the facts and circumstances as currently known to the FDIC, and that Association must notify the FDIC Chicago Regional Office as soon as Association becomes aware of any material changes in the facts and circumstances prior to the close of the Conversion Offering.

14. Until the Conversion is consummated, the FDIC has the right to alter, suspend, or withdraw its approval should any interim development warrant such action.

15. The Conversion shall not be consummated later than six months after the date of the FDIC’s approval unless such period is extended for good cause by the FDIC.

Please provide documentation to support satisfaction of the conditions to the FDIC Chicago Regional Office. Also, please notify the FDIC Chicago Regional Office in writing when the proposed transaction has been consummated. Correspondence may be addressed to M. Anthony Lowe, Regional Director, Chicago Regional Office, 300 South Riverside Plaza, Suite 1700, Chicago, Illinois 60606. Should you have any questions, please contact Case Manager Leanean Merritte at (312) 382-7536.

Sincerely,

/s/

Doreen R. Eberley
Director

cc: Gary J. Koester, President and Chief Executive Officer
    Luse Gorman, PC
    Federal Reserve Bank of Cleveland
    Ohio Division of Financial Institutions