



Federal Deposit Insurance Corporation

550 17th Street NW, Washington, D.C. 20429-9990

Division of Risk Management Supervision

January 25, 2013

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
Indiana First Savings Bank
935 Philadelphia Street
Indiana, Pennsylvania 15701

Dear Members of the Board:

The notice of intent to effect a mutual holding company reorganization with the organization of interim institutions and a merger to facilitate a conversion from a mutual-to-stock form filed on behalf of Indiana First 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 transactions.

Enclosed is our Order and Basis (Order) approving the notice and application filed on behalf of the Bank in conjunction with the mutual-to-stock conversion, including considerations of the proposed merger. Our approval is 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, and the reasons for the extension, should be submitted to Regional Director John F. Vogel at 350 Fifth Avenue, Suite 1200, New York, New York.

Sincerely,

/s/

Doreen R. Eberley
Senior Deputy Director

Enclosure: Order

Board of Directors
Indiana First Savings Bank
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cc: Steve Lanter, Esq.
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FEDERAL DEPOSIT INSURANCE CORPORATION

Indiana First Savings Bank
Indiana, Pennsylvania

Application for Consent to Merge

ORDER AND BASIS FOR CORPORATION APPROVAL

Pursuant to Section 5 and Section 18(c) and other provisions of the Federal Deposit Insurance (FDI) Act, an application has been filed on behalf of Indiana First Savings Bank, Indiana, Pennsylvania (Bank), currently a state-chartered, mutually-owned Deposit Insurance Fund (DIF) member with total resources of \$281,771,000 and total deposits of \$240,519,000 as of September 30, 2012. The application is for the FDIC's consent to merge with Indiana Interim Stock Savings Bank Two, Indiana, Pennsylvania, a proposed Pennsylvania interim stock savings bank. In addition, applications have been filed with the Federal Reserve Bank for the establishment of InFirst Bancorp, Inc., a *de novo*, mid-tier Maryland stock holding company, and InFirst Bancorp, MHC, a *de novo* Pennsylvania mutual holding company.

The transaction is to effect the Bank's plan of reorganization, which provides for the following:

- Bank will organize an interim stock savings bank, Indiana First Interim Savings Bank One (Interim One).
- Interim One will organize an interim stock savings bank, Indiana First Interim Savings Bank Two (Interim Two).
- Interim One will organize a Maryland organized stock holding company, InFirst Bancorp, Inc., (Stock HC) as a wholly owned subsidiary.
- Bank will convert to a stock form and exchange its articles of incorporation for articles of incorporation of a Pennsylvania-chartered stock savings bank to become a stock bank (Resultant Bank).
- The shares of Interim One will be cancelled, and Interim One will exchange its articles of incorporation for Pennsylvania-chartered mutual holding company articles of incorporation to become the mutual holding company, InFirst Bancorp, MHC (MHC).
- Simultaneously with the prior two steps, Interim Two will merge with and into the Resultant Bank (Interim Merger), with the Resultant Bank as the resulting subsidiary of the MHC. The initially-issued stock of the Resultant Bank will be transferred to the MHC in exchange for membership interests in the Mutual HC.
- The MHC will contribute the capital stock of the Resultant Bank to the Stock HC, and the Resultant Bank will become a wholly owned subsidiary of the Stock HC.

Upon consummation of the reorganization, the deposits of the Resultant will continue to be insured under the DIF. On the effective date of the reorganization, Indiana First Savings Bank will be a stock bank that is wholly owned by InFirst Bancorp, Inc., Indiana, Pennsylvania, which will be wholly owned by InFirst Bancorp, MHC, Indiana, Pennsylvania, and will retain all the mutual interests of the former Bank.

On November 19, 2012, the Federal Reserve Bank of Cleveland approved applications to allow the establishment of InFirst Bancorp, Inc., to become a mid-tier stock holding company and of InFirst Bancorp, MHC to become a mutual bank holding company. Further, the Pennsylvania Department of Banking and Securities granted Indiana First Savings Bank the conditional authority to conduct banking business as a stock bank on October 26, 2012.

Following consummation of the merger, Indiana First Savings Bank will operate the same banking business, with the same management, at the same locations now being served by the Bank. The proposed transaction will not alter the competitive structure of banking in the market served by the Bank. Indiana First Savings Bank's main office will continue to be located at 935 Philadelphia Street, Indiana, Pennsylvania.

Notice of the proposed transaction, in a form approved by the FDIC, has been published pursuant to the FDI Act. A review of available information, including the Community Reinvestment Act (CRA) Statement of the proponent, disclosed no inconsistencies with the purposes of the CRA. Indiana First Savings Bank is expected to continue to meet the credit needs of its community, consistent with the safe and sound operation of the institution.

In connection with the merger application, the FDIC has taken into consideration the financial and managerial resources and future prospects of the proponent banks and the Resultant Bank, the convenience and needs of the community to be served, and the effect of the proposed transaction on competition. The FDIC has also taken into consideration the effectiveness of the insured depository institutions involved in the proposed merger transaction in combating money-laundering activities, and the risk posed by the transaction to the stability of the U.S. banking or financial system.

Having found favorably on all statutory factors, it is the FDIC's judgment that the application for Consent to Merge is hereby approved, subject to the following conditions, some of which are continuing in nature:

1. That, except for the proposed transfer of stock to InFirst Bancorp, MHC and the contribution of that stock by InFirst Bancorp, MHC to InFirst Bancorp, Inc., no shares of the stock of Indiana First 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;
2. That, prior to a sale, transfer or other disposition of any shares of InFirst Bancorp, Inc., by InFirst Bancorp, MHC, to any person (including any Employee Stock Ownership Plan) or a conversion of InFirst Bancorp, MHC, to stock form, Indiana First Savings Bank will provide written notification to the FDIC and provide the FDIC with copies of all documents filed with the state and federal banking and/or securities regulators in connection with any sale, transfer, disposition or conversion;

3. That, should any shares of stock of Indiana First Savings Bank or InFirst Bancorp, Inc., be issued to persons other than InFirst Bancorp, Inc., and InFirst Bancorp, MHC, any dividends waived by InFirst Bancorp, MHC must be retained by InFirst Bancorp, Inc., or Indiana First Savings Bank and segregated, earmarked or otherwise identified on its books and records. Such amounts must be taken into account in any valuation of the institution and factored into the calculation used in establishing a fair and reasonable basis for exchanging shares in any subsequent conversion of InFirst Bancorp, MHC to stock form. Such amounts shall not be available for payment to or the value thereof transferred to minority shareholders by any means, including through dividend payments or at liquidation;
4. That, any change in proposed senior executive officers, including the board of directors, prior to the consummation of the proposed transaction, will render this approval null and void unless such proposal is approved by the FDIC prior to the consummation of the proposed transaction;
5. That, for a period of three (3) years after the close of the proposed transaction, any material deviation from the business plan, will require prior approval of the FDIC New York Regional Director prior to implementation of such material deviation from the business plan;
6. That all necessary and final approvals from the appropriate federal and/or state authorities have been received;
7. That the proposed transaction may not be consummated later than six months after the date of this Order unless such period is extended for good cause by the FDIC; and
8. That, until the proposed transaction is consummated, the FDIC shall have the right to alter, suspend, or withdraw its approval should any interim development be deemed to warrant such action.

Pursuant to the delegated authority of the FDIC Board of Directors.

Dated at Washington, D.C. this 25th day of January, 2013.

/s/

Doreen R. Eberley
Senior Deputy Director
Division of Risk Management Supervision