



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Division of Supervision and Consumer Protection

October 11, 2007

VIA FACSIMILE AND BY CERTIFIED MAIL RETURN RECEIPT REQUESTED

Board of Directors
The LaPorte Savings Bank
710 Indiana Avenue
LaPorte, Indiana 46350

Dear Members of the Board:

The notice of intent to convert from mutual-to-stock form filed on behalf of The Laporte Savings Bank, LaPorte, Indiana, has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our Chicago Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

Christopher M Spoth
Senior Deputy Director

cc: Gary A. Lax, Esq.
Luse Gorman Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, N.W., Suite 400
Washington, D.C. 20015-2035

FEDERAL DEPOSIT INSURANCE CORPORATION

The LaPorte Savings Bank
LaPorte, Indiana

Application for Consent to Merge
to facilitate a conversion from a
Mutual Savings Bank to a Stock Savings Bank

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 The LaPorte Savings Bank, LaPorte, Indiana (Mutual Institution), currently an Indiana-chartered mutual savings bank and Deposit Insurance Fund (DIF) member with total resources of \$257,164,000 and total deposits of \$189,063,000 as of June 30, 2007, for the FDIC's consent to merge with LaPorte Interim Bank II, LaPorte, Indiana (Interim Two), a proposed new Indiana-chartered stock savings bank.

The transaction is the result of Mutual Institution's plan of conversion, which, solely to facilitate such undertaking, provides for:

- The LaPorte Savings Bank will organize a federally-chartered interim stock savings bank as a wholly-owned subsidiary (Interim One);
- Interim One will also organize a federally-chartered interim stock savings bank as a wholly-owned subsidiary (Interim Two);
- Interim One will organize the holding company as a wholly-owned subsidiary (LaPorte Bancorp, Inc.);
- The LaPorte Savings Bank will exchange its charter for an Indiana-stock savings bank charter to become the stock bank, and Interim One will exchange its charter for a federal mutual holding company charter to become the LaPorte Savings Bank, MHC (MHC);
- Interim Two will merge with and into the stock bank with the stock bank as the resulting institution;
- All initially issued stock of the stock bank will be transferred to the MHC in exchange for membership interests in the MHC; and,
- The MHC will contribute the capital stock of the stock bank to the holding company, and the stock bank will become a wholly-owned subsidiary of the LaPorte Bancorp, Inc.

At the conclusion of the reorganization, the deposits of The LaPorte Savings Bank will continue to be insured under the DIF. Following consummation of the merger, The LaPorte Savings Bank (Resultant Bank) will operate the same banking business, with the same management, and at the same locations as the Mutual Institution. The proposed transaction will not alter the competitive structure of banking in the market served by Mutual Institution. The LaPorte Savings Bank's main office will continue to be located at 710 Indiana Avenue, LaPorte, Indiana.

In connection with the Plan of Reorganization, LaPorte Bancorp, Inc. will subsequently acquire City Savings Financial, Michigan City, Indiana, and merge City Savings Financial's wholly-owned subsidiary, City Savings Bank, Michigan City, Indiana, into The LaPorte Savings Bank. The merger between The LaPorte Savings Bank and City Savings Bank is being dealt with in a separate action.

Applications for the conversion and reorganization of Mutual Institution and the subsequent merger of the Stock Bank with Interim Two are subject to approval by the Indiana Department of Financial Institutions. Applications for the establishment of LaPorte Bancorp, Inc., and LaPorte Savings Bank, MHC have been filed with the Office of Thrift Supervision.

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. The Resultant Bank 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 merger application, the FDIC has taken into consideration the financial and managerial resources and prospects of the proponent banks and the Resultant Bank, the convenience and needs of the community to be served, and the competitive nature of the proposed transaction. 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.

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

1. That, the transaction may not be consummated unless the Plan of Reorganization from Mutual Savings Bank to Mutual Holding Company, including the associated acquisition of City Savings Financial, and its wholly-owned subsidiary, City Savings Bank, 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, the proposed transaction may not be consummated unless and until The LaPorte Savings Bank's holding companies, LaPorte Bancorp, Inc. and LaPorte Savings Bank, MHC, are granted approval by the Office of Thrift Supervision to become holding companies for The LaPorte Savings Bank;
3. That, except for the proposed transfer of stock to LaPorte Bancorp, Inc., no shares of the stock of The LaPorte 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;
4. That, prior to the sale, transfer, or other disposition of any shares of LaPorte Bancorp, Inc. by LaPorte Savings Bank, MHC to any person (including any Employee Stock Ownership Plan), or a conversion of the mutual holding company to stock form, The LaPorte Savings Bank will provide written notification to the FDIC and will 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;
5. That, should any shares of the stock of The LaPorte Savings Bank or LaPorte Bancorp, Inc. be issued to persons other than LaPorte Savings Bank, MHC, any dividends waived by LaPorte Savings Bank, MHC must be retained by LaPorte Bancorp, Inc. or The LaPorte Savings Bank and segregated, earmarked, or otherwise identified on the books and records of LaPorte Bancorp, Inc. or The LaPorte Savings Bank; 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 LaPorte Savings Bank, 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;
6. That The LaPorte Savings Bank receives a separate letter of non-objection prior to implementing any stock-based incentive plan which permits the issuance of stock options or restricted stock awards on an amount of shares of common stock greater than 10% or 4%, respectively, of the amount of shares issued in the stock offering and merger (exclusive of any shares issued to LaPorte Savings Bank, MHC);
7. That, any change in proposed management, including the board of directors or proposed ownership (10 percent or more of the stock and new acquisitions of or subscriptions to 10 percent or more of the stock), will render this approval null and void unless such proposal is approved by the FDIC prior to the consummation of the proposed transaction;

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 delegated authority.

Dated at Washington, D.C., this 15th day of August, 2007

By:

/s/

Christopher J. Spoth
Senior Deputy Director
Division of Supervision and Consumer Protection