

OFFICE OF THRIFT SUPERVISION

**Approval of Organization and Acquisition of a Federal
De Novo Stock Savings Bank**

Order No.: 95-198

Date: November 28, 1995

Montgomery Bancorporation, Inc., Lexington, Kentucky (the "Holding Company") has applied to the Office of Thrift Supervision ("OTS") to organize a Federal de novo stock savings bank to be known as Traditional Bank, FSB ("Institution"), pursuant to Section 5(e) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1464(e), and 12 C.F.R. § 552.2-1 thereunder. In addition, the Holding Company has applied to the OTS to acquire the Institution, pursuant to Section 10(e) of the HOLA, 12 U.S.C. § 1467a(e), and 12 C.F.R. § 574.3. (The foregoing applications are referred to herein as the "Applications.")

The OTS has considered the Applications under the standards set forth at sections 5(e) and 10(e) of the HOLA, and at 12 C.F.R. §§ 552.2-1, 571.6, and 574.7. In addition, the OTS has considered the Institution's proposed Community Reinvestment Act statement to meet the credit needs of the entire community the Institution will serve, including the low- and moderate-income neighborhoods therein, a digest from the Central Regional Office, an opinion from the Business Transactions Division and an analysis from Corporate Activities.

In addition, Edward F. Duzyk and certain related individuals and trust owning shares of The Holding Company's stock have submitted a rebuttal of control filing (the "Rebuttal").

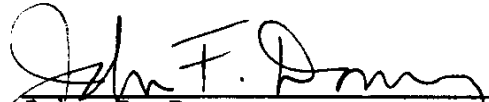
The OTS has considered the Rebuttal and has determined that acceptance of the Rebuttal is consistent with the applicable standards set forth at 12 C.F.R. § 574.4(e)(3). An executed copy of the Rebuttal of Control Agreement, as entered into by the applicable parties and the OTS, which evidence acceptance of the control rebuttals, will be issued by the Central Regional Office.

The OTS has determined that the organization of the Institution and the acquisition of the Institution by the Holding Company would be in compliance with all applicable statutes and regulations. Accordingly, the Applications are hereby approved provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee:

1. The Holding Company and the Institution must receive all required regulatory approvals prior to establishment of the Institution with copies of all such approvals supplied to the Central Regional Office;
2. There have been no substantial changes with respect to the information currently before the OTS, including but not limited to directors, proposed shareholders, or the business plan; and provided further, that no additional information, having an adverse bearing on any feature of the application, exists;
3. Prior to opening for business, the officers, organizers and directors must: (1) meet with the Central Regional Director; and (2) file with the Central Regional Director a certification by legal counsel stating the effective date of the completion of the organization of the Institution, and that the completion of the organization of the Institution has been consummated in accordance with the provisions of all applicable laws and regulations (including state and federal securities law requirements), the Applications, and this Order;
4. The organizers shall submit to the Central Regional Office a detailed analysis demonstrating that the rent being charged by the Holding Company to the Institution is at market rates; and
5. Any compensation agreements entered into in connection with the organization of the Institution shall be between the Institution and the individual and shall receive the approval of the Central Regional Director or his designee prior to execution.

Any time period specified herein may be extended by the Central Regional Director, for good cause, for up to 120 calendar days.

By order of the Acting Director of the Office of Thrift
Supervision, or his designee, effective November 28, 1995.



John F. Downey
Executive Director, Supervision