

FEDERAL DEPOSIT INSURANCE CORPORATION

In Re: WPS Community Bank, FSB
Madison, Dane County, Wisconsin
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 WPS Community Bank, FSB, a proposed new bank to be located at 5900 Gisholt Drive, Madison, Dane County, Wisconsin and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, that the application submitted for WPS Community Bank, FSB, 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 \$10,000,000 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 a qualified chief lending officer must be secured prior to opening the bank. The FDIC must be notified of this selection at least 30 days in advance of the proposed opening date of the bank. The FDIC may issue a notice of disapproval within 30 days of receipt of such a notification if the subject's competence, experience, character, or integrity indicates that it would not be in the best interest of depositors or the public to permit the individual to be employed by, or associated with, the depository institution;
- (4) 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;
- (5) That an accrual accounting system be adopted for maintaining the bank's books;
- (6) That adequate blanket bond coverage be obtained;
- (7) That Federal deposit insurance shall not become effective unless and until the applicant has been established as a federally chartered savings 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 Thrift Supervision;

- (8) 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 */s/* being effected or contemplated, including the identity of the parties to the transaction, and the terms and costs involved;
- (9) That Wisconsin Physicians Service Insurance Corporation, Madison, Wisconsin, a health benefits provider, obtain approval from the Office of Thrift Supervision to become a savings and loan holding company and to acquire voting stock control of the bank prior to its opening;
- (10) 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
- (11) 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 11th day of September, 2008.

FEDERAL DEPOSIT INSURANCE CORPORATION

BY: _____ */s/*
Steven D. Fritts
Acting Regional Director - Chicago

FEDERAL DEPOSIT INSURANCE CORPORATION

**In Re: WPS Community Bank, FSB (Proposed)
Madison, Dane County, Wisconsin
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 WPS Community Bank, FSB (the Bank), a proposed new federally chartered savings bank to be located at 5900 Gisholt Drive, Madison, Dane County, Wisconsin.

The Bank will be a wholly owned subsidiary of Wisconsin Physicians Service Insurance Corporation (“WPS”). WPS is a non-profit, non-stock health benefits provider headquartered in Madison, Wisconsin. WPS offers traditional indemnity and managed care health policies, as well as a variety of insurance products to subscribers in 26 states with a concentration in Wisconsin.

The Bank will provide conventional banking services with an emphasis on residential mortgage lending. Deposit products will consist of a traditional mix of savings, checking, money market, certificates of deposit, and retirement accounts. The Bank will serve two target markets: the “local community” and the “WPS Community”. The local community is defined as Dane County, Wisconsin. The WPS Community will be comprised of WPS’ employees, customers, vendors, independent agencies, healthcare providers, and other individuals and businesses that have relationships with WPS.

For the purposes of this proposal, initial capitalization is adequate, 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 application have been filed with the FDIC and no undue risk to the Deposit 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**