Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

OMB Nos. 1210-0110
1210-0089

2009

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A This return/report is for: [X] single-employer plan [ ] multiple-employer plan (not multiemployer) [ ] one-participant plan

B This return/report is for: [ ] first return/report [ ] final return/report
[X] an amended return/report [ ] short plan year return/report (less than 12 months)

C Check box if filing under: [X] Form 5558 [ ] automatic extension [ ] DFVC program
[ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
PONTIAC BANCORP, INC. PENSION PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 08/20/1953

2a Plan sponsor's name and address (employer, if for single-employer plan)
PONTIAC BANCORP, INC.

300 WEST WASHINGTON STREET
P.O. BOX 710
PONTIAC, IL 61764-0710

2b Employer Identification Number (EIN) 37-1111348

2c Plan sponsor's telephone number 815-844-6155

2d Business code (see instructions) 522110

3a Plan administrator's name and address (if same as Plan sponsor, enter "Same")
PONTIAC BANCORP, INC.
300 WEST WASHINGTON STREET
P.O. BOX 710
PONTIAC, IL 61764-0710

3b Administrator's EIN 37-1111348

3c Administrator's telephone number 815-844-6155

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. Sponsor's name

4b EIN

4c PN

5a Total number of participants at the beginning of the plan year	**5a**	89
b Total number of participants at the end of the plan year	**5b**	90
c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

7 Plan Assets and Liabilities		**(a) Beginning of Year**	**(b) End of Year**
a Total plan assets	**7a**	4942115	5559687
b Total plan liabilities	**7b**		
c Net plan assets (subtract line 7b from line 7a)	**7c**	4942115	5559687

8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: **(1)** Employers	**8a(1)**		
(2) Participants	**8a(2)**		
(3) Others (including rollovers)	**8a(3)**		
b Other income (loss)	**8b**	694835	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	**8c**		694835
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	**8d**	77263	
e Certain deemed and/or corrective distributions (see instructions)	**8e**		
f Administrative service providers (salaries, fees, commissions)	**8f**		
g Other expenses	**8g**		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	**8h**		77263
i Net income (loss) (subtract line 8h from line 8c)	**8i**		617572
j Transfers to (from) the plan (see instructions)	**8j**		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1A 1G 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		5000000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500)) [X] Yes [ ] No

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? [ ] Yes [X] No

(If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	

e Will the minimum funding amount reported on line 12d be met by the funding deadline? [ ] Yes [ ] No [ ] N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted during the plan year or any prior year? [ ] Yes [X] No

If "Yes," enter the amount of any plan assets that reverted to the employer this year 13a

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? [ ] Yes [X] No

c If during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/23/2010	WILLIAM E. KAUFFMAN
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
PONTIAC BANCORP, INC. PENSION PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
PONTIAC BANCORP, INC.

D Employer Identification Number (EIN)
37-1111348

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2009

2	Assets:			
a	Market value		**2a**	4942115
b	Actuarial value		**2b**	5436326
3	Funding target/participant count breakdown		**(1)** Number of participants	**(2)** Funding Target
a	For retired participants and beneficiaries receiving payment	**3a**	0	0
b	For terminated vested participants	**3b**	22	552914
c	For active participants:			
	(1) Non-vested benefits	**3c(1)**		14434
	(2) Vested benefits	**3c(2)**		3814144
	(3) Total active	**3c(3)**	67	3828578
d	Total	**3d**	89	4381492
4	If the plan is at-risk, check the box and complete items (a) and (b) [ ]			
a	Funding target disregarding prescribed at-risk assumptions		**4a**	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.40 %
6	Target normal cost		**6**	235369

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

07/06/2010
Signature of actuary — Date

MICHAEL ZUREK, EA, MAAA
Type or print name of actuary

08-05898
Most recent enrollment number

NYHART
Firm name

847-400-9601
Telephone number (including area code)

707 LAKE COOK ROAD, SUITE 250
DEERFIELD, IL 60015-5255
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1448167	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	1448167	0
10	Interest on item 9 using prior year's actual return of -12.64 %	-183048	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		830812
b	Interest on (a) using prior year's effective rate of 5.95 %		49433
c	Total available at beginning of current plan year to add to prefunding balance		880245
d	Portion of (c) to be added to prefunding balance		880245
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12)	1265119	880245

Part III Funding percentages

14	Funding target attainment percentage	14	75.11 %
15	Adjusted funding target attainment percentage	15	75.11 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.08 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.64 %	6.40 %	6.56 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	**30**	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	**31**		235369
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment		0	0
b Waiver amortization installment		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**		
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	**34**		235369

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	235369	0	235369

36 Additional cash requirement (item 34 minus item 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	**37**	0
38 Interest-adjusted excess contributions for current year (see instructions)	**38**	
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	**39**	0
40 Unpaid minimum required contribution for all years	**40**	0

SCHEDULE SB, Line 22 – DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

Pontiac Bancorp, Inc.
Pontiac Bancorp, Inc. Pension Plan
Plan Year Ending December 31, 2009

EIN: 37-1111348
Plan No.: 001

All Participants are assumed to retire age 65

Retirement	Employees are assumed to retire at age 65
Mortality	
Healthy	IRS 2009 Combined Static Mortality
Disabled	IRS 2009 Combined Static Mortality
Lump Sum Mortality	2009 Applicable Mortality
Disability Rates	None
Withdrawal Rates	Sample rates as follows:

Age	Rate
20	.079384
30	.072219
40	.051503
50	.025616

Annual Pay Increases	3.0%

Interest Rates

	1st Segment (0-5 years)	2nd Segment (5-20 years)	3rd Segment (20+ years)
Funding	5.64%	6.40%	6.56%
Lump Sum	5.64%	6.40%	6.56%
PBGC	6.72%	7.12%	6.36%
Actuary's Long Term Rate	7.50%	7.50%	7.50%
FAS35	7.50%	7.50%	7.50%

Payment Form Election	It is assumed that an annuity will be purchased for 100% of employees at retirement.
Expense and/or Contingency Loading	None
Marital Status and Ages	100% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.
Asset Valuation Method	PPA Smoothed Value

Effective Date

August 20, 1953

Eligibility for Participation

Each Employee is eligible to become a Participant as of the January 1 or July 1 with or next following the date he:

1) completes twelve months of Service;
2) completes 1,000 hours of Service: and
2) attains age 21

Normal Retirement Benefit

50% of Average Monthly Compensation, reduced for service less than 25 years. Accrued benefit is determined based on a fractional rule, where the benefit based on potential service at normal retirement is multiplied by a fraction equal to actual service divided by potential service.

Normal Retirement

Eligibility	Age 65.
Benefit	Normal Retirement Benefit

Early Retirement

Eligibility	Age 60.
Benefit	Vested Accrued Normal Retirement Benefit reduced 1/15 for each of the first five years and 1/30 for each of the next five years that Early Retirement Date precedes Normal Retirement Date.

Death before Retirement

Eligibility Five Years of Service

Benefit Spouse receives a pre-retirement survivor annuity that is Actuarially Equivalent to the participant's vested accrued benefit.

Termination Benefit

Eligibility Accrued benefit is vested according to the schedule below:

Years of Service	Vested Percentage
Less than 5	0%
5 or More	100%

Benefit Vested Accrued Retirement Benefit payable at Participant's Normal Retirement Date.

Compensation

W-2 compensation that is actually paid in gross income during the Plan Year, excluding reimbursement or other expense allowances, fringe benefits (cash or non-cash), moving expenses, and welfare benefits. In no event shall pensionable earnings exceed the limitation specified in Section 401(a)(17) of the Internal Revenue Code.

Average Monthly Compensation

Highest five consecutive Plan Years of compensation.

Year of Service

Plan Year during which an Employee is credited with at least one thousand (1,000) Hours of Service.

Employee Contributions

Participants shall not be required or permitted to make contributions under the Plan.

Payment Forms

Normal Form	10-Year Certain and Life Annuity.
Optional Forms	Single Life Annuity; 10, and 15 -Year Certain and Life Annuity; 50%, 75%, and 100% Joint and Survivor Annuity

Active Participant Schedule

Active participant information grouped based on age and service.

	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up
Under 25	0	1	1	0	0	0	0	0	0	0
25 to 29	0	6	5	0	0	0	0	0	0	0
30 to 34	0	1	1	2	1	0	0	0	0	0
35 to 39	0	1	0	0	1	0	0	0	0	0
40 to 44	0	2	2	1	1	0	0	0	0	0
45 to 49	0	0	0	3	0	2	1	1	0	0
50 to 54	0	2	0	2	2	1	1	1	1	0
55 to 59	0	0	1	3	1	1	0	2	3	0
60 to 64	0	2	1	2	2	1	1	1	1	0
65 to 69	0	0	1	0	0	0	0	0	0	1
70 & up	0	0	0	0	0	0	0	0	0	0

Development of Shortfall Amortization Charge

The shortfall amortization charge is a payment toward the underfunding of the plan. Shortfalls in the funding of the plan are generally amortized over seven years.

	January 1, 2009
1. Funding target	$4,381,492
2. Adjusted plan assets	
(a) Actuarial assets	$5,436,327
(b) Funding standard carryover balance	1,265,119
(c) Prefunding balance	880,245
(d) Adjusted assets: (a)-(b)-(c)	$3,290,963
3. Funding shortfall: (1)-(2)(d)	$1,090,529
4. Current shortfall amortization installments	
(a) Annual installments	
(i) 2008	$0
(ii) 2007	0
(iii) 2006	0
(iv) 2005	0
(v) 2004	0
(vi) 2003	0
(b) Total annual installments	$0

The funding shortfall is simply the difference between the funding target and the asset value adjusted for any credit balances.

New shortfall amounts are calculated annually based upon the experience of the plan and other plan changes.

Development of Shortfall Amortization Charge (continued)

	January 1, 2009
(c) Present value of installments to be made	
(i) 2009	$0
(ii) 2010	0
(iii) 2011	0
(iv) 2012	0
(v) 2013	0
(vi) 2014	0
(d) Total present value of installments	$0
5. Exemption from new shortfall amortization base	
(a) Target liability percentage	94%
(b) Shortfall funding target: (1) x (a)	$4,118,602
(c) Possible prefunding balance	$0
(d) Exempt?[(2)(a)-(c)]> =(b)	Yes
6. Shortfall amortization base	
(a)New current year base:(3)-(4)(d) or 0	$0
(b)New 7-year installment amount	0
7. Shortfall amortization charge: (4)(b)+(6)(b)	$0

Payments are calculated each year in order to amortize the costs. The payments include both an interest and principal portion.

PPA features a transition period in order to soften the impact of compliance. However, if a plan was funded poorly in the past, it may not be able to take advantage of the transition period.

SCHEDULE SB, Line 24 and 25 – CHANGE IN ACTUARIAL ASSMPTIONS AND METHODS

Pontiac Bancorp, Inc.
Pontiac Bancorp, Inc. Pension Plan
Plan Year Ending December 31, 2009

EIN: 37-1111348
Plan No.: 001

There were no plan changes since the prior valuation.

The interest rates and mortality assumptions have been updated as required under the Pension Protection Act and IRS Regulations.

The Target Normal Cost is increased to cover anticipated administrative expenses paid from the trust.

The asset valuation method has been changed to recognize gains and losses over three years, subject to a 10% corridor.

SCHEDULE SB, Line 24 and 25 – CHANGE IN ACTUARIAL ASSMPTIONS AND METHODS

Pontiac Bancorp, Inc.
Pontiac Bancorp, Inc. Pension Plan
Plan Year Ending December 31, 2009

EIN: 37-1111348
Plan No.: 001

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The asset valuation method has been changed to recognize gains and losses over three years, subject to a 10% corridor.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009

This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan: Pontiac Bancorp, Inc. Pension Plan

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF: Pontiac Bancorp, Inc.

D Employer Identification Number (EIN): 37-1111348

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2009

2 Assets:

a	Market value	2a	4,942,115
b	Actuarial value	2b	5,436,326

3 Funding target/participant count breakdown

			(1) Number of participants	(2) Funding Target
a	For retired participants and beneficiaries receiving payment	3a	0	0
b	For terminated vested participants	3b	22	552,914
c	For active participants:			
	(1) Non-vested benefits	3c(1)		14,434
	(2) Vested benefits	3c(2)		3,814,144
	(3) Total active	3c(3)	67	3,828,578
d	Total	3d	89	4,381,492

4 If the plan is at-risk, check the box and complete items (a) and (b) [ ]

a	Funding target disregarding prescribed at-risk assumptions	4a	
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.40 %
6	Target normal cost	6	235,369

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary — 07/06/2010 Date

Michael Zurek, EA, MAAA — Type or print name of actuary — 08-05898 Most recent enrollment number

Nyhart — Firm name — (847)400-9601 Telephone number (including area code)

707 Lake Cook Road, Suite 250

Deerfield IL 60015-5255 — Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of year carryover and prefunding balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	1,448,167	N/A
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9	Amount remaining (Item 7 minus item 8)	1,448,167	0
10	Interest on item 9 using prior year's actual return of (12.64)%	(183,048)	
11	Prior year's excess contributions to be added to prefunding balance:		
	a Excess contributions (Item 38 from prior year)		830,812
	b Interest on (a) using prior year's effective rate of 5.95 %		49,433
	c Total available at beginning of current plan year to add to prefunding balance		880,245
	d Portion of (c) to be added to prefunding balance		880,245
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	1,265,119	880,245

Part III Funding percentages

14	Funding target attainment percentage	14	75.11 %
15	Adjusted funding target attainment percentage	15	75.11 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	103.08 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ► 18(b)	0	18(c) 0

19	Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
5.64 %	6.40 %	6.56 %	☐ N/A, full yield curve used

b Applicable month (enter code) — **21b**: 0

22 Weighted average retirement age — **22**: 65

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment — **27**:

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years — **28**: 0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) — **29**: 0

30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29) — **30**: 0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions) — **31**: 235,369

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount — **33**:

34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) — **34**: 235,369

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	235,369	0	235,369

36 Additional cash requirement (item 34 minus item 35) — **36**: 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) — **37**: 0

38 Interest-adjusted excess contributions for current year (see instructions) — **38**:

39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) — **39**: 0

40 Unpaid minimum required contribution for all years — **40**: 0

nyhart

SCHEDULE SB – STATEMENT BY ENROLLED ACTUARY

Pontiac Bancorp, Inc.
Pontiac Bancorp, Inc. Pension Plan
Plan Year Ending December 31, 2009

EIN: 37-1111348
Plan No.: 001

To the best of our knowledge the information supplied in the attached Schedule SB is complete and accurate. In our opinion, the assumptions are reasonably related to the experience of the plan and to reasonable expectations, and in combination represent our best estimate of anticipated experience under the plan.

The information on which this Schedule SB is based has been reconciled and reviewed for reasonableness and we are not aware of any material inadequacy in employee census or asset values which have been furnished by the employer and the trustee, respectively. Our review was not performed at the source, and we therefore do not accept responsibility for the accuracy or completeness of the data.

Since the last valuation there have been no changes in principal eligibility or benefit provisions.

The actuarial assumptions used to measure the plan's liabilities have been changed from those used last year. Specifically, the funding interest rate has been changed to comply with the Pension Protection Act. This change does not require IRS approval.

Effective January 1, 2009, the plan's asset method has been changed form market value to the 3-year smoothing method with 10% corridor permitted under the Pension Protection Act.

To the best of our knowledge, no event has occurred after the last valuation date which will have a significant impact on the results the next valuation.

Nyhart



Michael Zurek, EA, MAAA
Enrolled Actuary No. 08-05898

July 6, 2010