

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

Written Agreement by and between

SUBURBAN ILLINOIS BANCORP, INC.
Elmhurst, Illinois

and

FEDERAL RESERVE BANK OF
CHICAGO
Chicago, Illinois

Docket No. 11-083-WA/RB-HC

WHEREAS, Suburban Illinois Bancorp, Inc., Elmhurst, Illinois (“SIB”), a registered bank holding company, owns and controls Suburban Bank & Trust Company, Elmhurst, Illinois (the “Bank”), a state-chartered nonmember bank, and a nonbank subsidiary;

WHEREAS, it is the common goal of SIB and the Federal Reserve Bank of Chicago (the “Reserve Bank”) to maintain the financial soundness of SIB so that SIB may serve as a source of strength to the Bank;

WHEREAS, SIB and the Reserve Bank have mutually agreed to enter into this Written Agreement (the “Agreement”); and

WHEREAS, on July 26, 2011, the board of directors of SIB, at a duly constituted meeting, adopted a resolution authorizing and directing Blanche E. Hill to enter into this Agreement on behalf of SIB, and consenting to compliance with each and every provision

of this Agreement by SIB and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§ 1813(u) and 1818(b)(3)). NOW, THEREFORE, SIB and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of SIB shall take appropriate steps to fully utilize SIB’s financial and managerial resources, pursuant to section 225.4(a) of Regulation Y of the Board of Governors of the Federal Reserve System (the “Board of Governors”) (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Bank, including, but not limited to, taking steps to ensure that the Bank complies with the Consent Order entered into with the Federal Deposit Insurance Corporation and the Illinois Department of Financial and Professional Regulation, Division of Banking dated April 5, 2011, and any other supervisory action taken by the Bank’s federal or state regulator.

Dividends and Distributions

2. (a) SIB shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director of the Division of Banking Supervision and Regulation (the “Director”) of the Board of Governors.

(b) SIB shall not directly or indirectly take dividends or any other form of payment representing a reduction in capital from the Bank without the prior written approval of the Reserve Bank.

(c) SIB and its nonbank subsidiary shall not make any distributions of interest, principal, or other sums on subordinated debentures or trust preferred securities without the prior written approval of the Reserve Bank and the Director.

(d) All requests for prior approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date, proposed distribution on subordinated debentures, and required notice of deferral on trust preferred securities. All requests shall contain, at a minimum, current and projected information on SIB's capital, earnings, and cash flow; the Bank's capital, asset quality, earnings, and allowance for loan and lease losses; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, SIB must also demonstrate that the requested declaration or payment of dividends is consistent with the Board of Governors' Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985 (Federal Reserve Regulatory Service, 4-877 at page 4-323).

Debt and Stock Redemption

3. (a) SIB and its nonbank subsidiary shall not, directly or indirectly, incur, increase, or guarantee any debt without the prior written approval of the Reserve Bank. All requests for prior written approval shall contain, but not be limited to, a statement regarding the purpose of the debt, the terms of the debt, and the planned source(s) for debt repayment, and an analysis of the cash flow resources available to meet such debt repayment.

(b) SIB shall not, directly or indirectly, purchase or redeem any shares of its stock without the prior written approval of the Reserve Bank.

Capital Plan

4. Within 60 days of this Agreement, SIB shall submit to the Reserve Bank an acceptable written plan to maintain sufficient capital at SIB on a consolidated basis. The plan shall, at a minimum, address, consider, and include:

(a) The consolidated organization's and the Bank's current and future capital requirements, including compliance with the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure and Tier 1 Leverage Measure, Appendices A and D of Regulation Y of the Board of Governors (12 C.F.R. Part 225, App. A and D) and the applicable capital adequacy guidelines for the Bank issued by the Bank's federal regulator;

(b) the adequacy of the Bank's capital, taking into account the volume of classified credits, risk profile, the adequacy of the allowance for loan and lease losses, current and projected asset growth, and projected earnings;

(c) the source and timing of additional funds necessary to fulfill the consolidated organization's and the Bank's future capital requirements;

(d) supervisory requests for additional capital at the Bank or the requirements of any supervisory action imposed on the Bank by its federal or state regulator; and

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors that SIB serve as a source of strength to the Bank.

5. SIB shall notify the Reserve Bank, in writing, no more than 30 days after the end of any quarter in which SIB's capital ratios fall below the approved plan's minimum ratios.

Together with the notification, SIB shall submit an acceptable written plan that details the steps that SIB will take to increase its capital ratios to or above the approved plan's minimums.

Cash Flow Projections

6. Within 30 days of this Agreement, SIB shall submit to the Reserve Bank a written statement of its planned sources and uses of cash for debt service, operating expenses, and other purposes ("Cash Flow Projection") for the remainder of 2011. SIB shall submit to the Reserve

Bank a Cash Flow Projection for each calendar year subsequent to 2011 at least one month prior to the beginning of that calendar year.

Affiliate Transactions

7. (a) SIB shall take all necessary action to ensure that the Bank complies with sections 23A and 23B of the Federal Reserve Act (12 U.S.C. §§ 371c and 371c-1) and Regulation W of the Board of Governors (12 C.F.R. Part 223) in all transactions between the Bank and its affiliates, including, but not limited to, SIB, and its nonbank subsidiaries.

(b) SIB shall not cause the Bank to violate any provision of sections 23A and 23B of the Federal Reserve Act or Regulation W of the Board of Governors.

Compliance with Laws and Regulations

8. (a) In appointing any new director or senior executive officer, or changing the responsibilities of any senior executive officer so that the officer would assume a different senior executive officer position, SIB shall comply with the notice provisions of section 32 of the FDI Act (12 U.S.C. § 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. §§ 225.71 *et seq.*).

(b) SIB shall comply with the restrictions on indemnification and severance payments of section 18(k) of the FDI Act (12 U.S.C. § 1828(k)) and Part 359 of the Federal Deposit Insurance Corporation's regulations (12 C.F.R. Part 359).

Progress Reports

9. Within 45 days after the end of each calendar quarter following the date of this Agreement, the board of directors shall submit to the Reserve Bank written progress reports

detailing the form and manner of all actions taken to secure compliance with the provisions of this Agreement and the results thereof, and a parent company only balance sheet, income statement, and, as applicable, report of changes in stockholders' equity.

Approval and Implementation of Plan

10. (a) SIB shall submit written capital plans that are acceptable to the Reserve Bank within the applicable time period set forth in paragraphs 4 and 5 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, SIB shall adopt the approved capital plans. Upon adoption, SIB shall promptly implement the approved plans, and thereafter fully comply with them.

(c) During the term of this Agreement, the approved capital plan shall not be amended or rescinded without the prior written approval of the Reserve Bank.

Communications

11. All communications regarding this Agreement shall be sent to:

(a) Mr. David A. Ward
Assistant Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604

(b) Blanche E. Hill
Chairman and Chief Executive Officer
Suburban Illinois Bancorp, Inc.
150 Butterfield Road
Elmhurst, Illinois 60126

Miscellaneous

12. Notwithstanding any provision of this Agreement, the Reserve Bank may, in its sole discretion, grant written extensions of time to SIB to comply with any provision of this Agreement.

13. The provisions of this Agreement shall be binding upon SIB and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

14. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

15. The provisions of this Agreement shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting SIB, the Bank, any nonbank subsidiary of SIB, or any of their current or former institution-affiliated parties and their successors and assigns.

16. Pursuant to section 50 of the FDI Act (12 U.S.C. § 1831aa), this Agreement is enforceable by the Board of Governors under section 8 of the FDI Act (12 U.S.C. § 1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 27th day of July, 2011.

SUBURBAN ILLINOIS BANCORP, INC.

FEDERAL RESERVE BANK
OF CHICAGO

By: /s/ Blanche E. Hill
Blanche E. Hill
Chairman and CEO

By: /s/ Mark H. Kawa
Mark H. Kawa
Vice President