

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATION FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK

Order No.: 2000-54

Date: June 16, 2000

PrivateBancorp, Inc., Chicago, Illinois (the Applicant), has applied for approval of the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. §§ 1464(e) and 12 C.F.R. § 552.2-1 for permission to organize and acquire The PrivateBank, St. Louis, Missouri (the Savings Bank)(the Application). The Savings Bank will be a member of the Savings Association Insurance Fund.

The OTS has considered the Application under the standards set forth in 12 U.S.C. § 1464(e) and 12 C.F.R. §§ 543.3 and 552.2-1 and other applicable statutes and regulations. The OTS also has considered the Application under the Community Reinvestment Act, 12 U.S.C. §§ 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered a digest by the OTS Midwest Regional Office, an analysis prepared by the Office of Examination and Supervision, a memorandum from Compliance Policy, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS has determined that the Application satisfies all applicable statutory and regulatory criteria, provided that the conditions set forth below are complied with in a manner satisfactory to the Midwest Regional Director, or his designee (Regional Director). Accordingly, the Application is hereby approved, subject to the following conditions:

1. The Applicant and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Director;
2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order;
3. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicant and the Savings Bank must certify in writing to the Regional Director that no material adverse events or material adverse changes have occurred with respect to the financial condition or operation of the Applicant and the Savings Bank as disclosed in the Application. If additional information having an adverse bearing on any feature of the Application is brought to the attention of the

Applicant, the Savings Bank, or the OTS since the date of the financial statements submitted with the Application, the transaction must not be consummated unless the information is presented to the Regional Director, and the Regional Director provides written non-objection to consummation of the transaction;

4. The Applicant and the Savings Bank must advise the Regional Director in writing within 5 calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction; and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the Application, and this Order;
5. The Savings Bank must submit independent audit reports to the Regional Director for its first three fiscal years. These reports must be in compliance with the audit rules set forth at 12 C.F.R. § 562.4;
6. The Savings Bank must operate within the parameters of its business plan. The Applicant and the Savings Bank must submit any proposed major deviations or material changes from the plan, including those pertaining to the level of capital, Internet operations, and those resulting from changes made by the Applicant, for the prior, written approval of the Regional Director. The request for change must be submitted no later than 60 calendar days prior to the desired implementation date with a copy to the FDIC Regional Office;
7. For a period of three years following the date of consummation, the Savings Bank must receive the prior written non-objection of the Regional Director for any proposed new directors or senior executive officers or any significant change in responsibilities of any senior executive officer;
8. Prior to opening for business, the Savings Bank must submit to the Regional Director copies of comprehensive written lending policies and procedures for mortgage, commercial, and consumer lending, and a resolution of its board of directors indicating that the board has reviewed, approved, and implemented such policies and procedures;
9. The appointment of proposed directors is subject to regulatory clearance by the Regional Director;
10. The Savings Bank shall submit appropriate background information for the proposed senior mortgage loan officer and receive the written non-objection letter of the Regional Director within 30 days of opening for business;
11. Any contracts or agreements pertaining to transactions with affiliates, not yet submitted to the OTS for review, must be provided to the Regional Director, or his

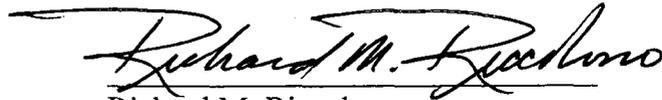
designee, at least 30 days prior to execution and shall receive his written non-objection prior to implementation; and

12. The Bank's CRA officer shall report monthly to the Board of Directors concerning the institution's progress in meeting its Community Reinvestment Act (CRA) Plan and achieving a satisfactory level of performance in accordance with applicable CRA regulatory criteria. Where management departs from its CRA plan or the Bank's performance lags in achieving a satisfactory level of performance during the term of the business plan, management and the Board shall adjust its CRA Plan and undertake all necessary efforts to safely and soundly attain satisfactory performance. Reports and plan adjustments shall be recorded in the Board minutes.

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

By order of the Director of the Office of Thrift Supervision, or her designee, effective

June 16th 2000



Richard M. Riccobono
Deputy Director