

OFFICE OF THRIFT SUPERVISION

**APPROVAL OF APPLICATIONS FOR PERMISSION TO
ORGANIZE A FEDERAL SAVINGS BANK AND
HOLDING COMPANY ACQUISITION**

Order No.: 2000-58

Date: June 22, 2000

United Bancorp, Inc., Chicago, Illinois (the Applicant), has applied for approval of the Office of Thrift Supervision (the OTS) pursuant to 12 U.S.C. §§ 1464(e) and 1467a(e), and 12 C.F.R. §§ 552.2-1 and 574.3 for permission to organize and acquire United Trust and Federal Savings Bank, Bridgeview, Illinois (the Savings Bank) (collectively, the Applications).

The OTS has considered the Applications under the factors set forth in 12 U.S.C. §§ 1464(e) and 1467a(e); 12 C.F.R. §§ 543.3, 552.2-1 and 574.7; and other applicable statutes and regulations. The OTS also has considered the Applications under the Community Reinvestment Act (the "CRA"), 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 from the Central Regional Office, an analysis prepared by the Office of Examination & Supervision, and a legal opinion from the Business Transactions Division (collectively, the Staff Memoranda). For the reasons set forth in the Staff Memoranda, the OTS finds that the Applications satisfy the applicable approval standards, provided that the following conditions are complied with in a manner satisfactory to the Central Regional Director, or his designee (Regional Director). Accordingly, the Applications are hereby approved, subject to the following conditions:

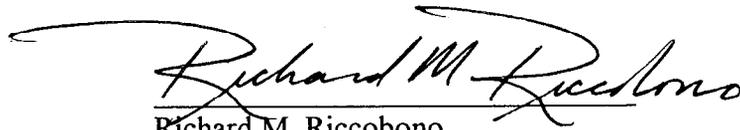
1. The proposed transaction must be consummated no later than 120 calendar days after the date of this approval order;
2. On the business day prior to the date of consummation of the proposed transaction, the chief financial officers of the Applicant and the Savings Bank must certify in writing to the 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 Applications. If additional information having an adverse bearing on any feature of the Applications is brought to the attention of the Applicant, the Savings Bank, or the OTS since the date of the financial statements submitted with the Applications, 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;
3. The Applicant and the Savings Bank must receive all required regulatory and shareholder approvals for the proposed transaction and submit copies of all such approvals to the Regional Director prior to consummation of the proposed 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 Applications, and this Order;
5. The Savings Bank must submit annual independent audit reports to the Regional Office for its first three fiscal years. These reports must be in compliance with the audit rules set forth in 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 changes resulting from decisions made by the Applicant) for the prior, written non-objection of the Regional Director. The request for any change must be submitted a minimum of 60 calendar days before the proposed change is implemented with a copy to the FDIC Regional Office;
7. The Savings Bank must submit to the Regional Director quarterly variance reports on compliance with the business plan for the first three years of operation;
8. At least 45 days prior to commencing operations, the Savings Bank must submit to the Regional Director for his review and approval, a comprehensive compliance management program that describes an ongoing system for assuring compliance with Federal fair lending and consumer protection statutes and regulations, inclusive of procedures that will be implemented to train and oversee all persons who offer or process Savings Bank products;
9. Within the first year of its operation, the proposed appointment of any senior executive officers or directors of the Savings Bank is subject to the prior review and non-objection of the Regional Director;
10. At least 45 days prior to commencing operations, the Savings Bank must submit to the Regional Director for his review and approval, comprehensive loan underwriting policies and procedures, which address each major credit product to be offered;
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 at least 30 days prior to execution and must receive his written non-objection prior to implementation;

12. The Applicant must submit detailed information regarding its proposed stock incentive plan to the Regional Director disclosing the amount of stock options to be granted to each participant, prior to implementation of the plan. The submission should also include the final revised version of the plan; and

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

By order of the Director of the Office of Thrift Supervision, or her designee, effective June 22, 2000.

A handwritten signature in black ink, reading "Richard M. Riccobono". The signature is written in a cursive style with a large, sweeping flourish at the end.

Richard M. Riccobono
Deputy Director