

95223

AGREEMENT

27th This Agreement ("Agreement") is made and is effective this day of November 1991 ("Effective Date"), by and between St. Anthony Bank, A FSB, Cicero, Illinois (OTS Docket No. 1497) ("Institution") for itself and any controlled subsidiary, and the Office of Thrift Supervision ("OTS"). This Agreement has been duly authorized, executed, and delivered, and constitutes, in accordance with its terms, a valid and binding obligation of the Institution. It is understood and agreed that this Agreement is a "written agreement" entered into with the OTS within the meaning of Section 8(b)(1) and (i)(2) of the Federal Deposit Insurance Act, as amended by Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), 12 U.S.C. Sections 1818(b)(1) and (i)(2).

WHEREAS, the OTS is of the opinion that grounds exist pursuant to 12 U.S.C. 1818(b)(1) for the initiation of cease and desist proceedings against the Institution by the OTS; and

WHEREAS, the OTS is willing to forbear at this time from the initiation of cease and desist proceedings against the Institution for practices criticized in the Institution's Report of Examination ("Report"), dated May 6, 1991, for so long as the Institution is in compliance with the provisions of this Agreement; and

WHEREAS, in the interest of regulatory compliance and cooperation, the Institution, by its Board of Directors ("Board"), without admitting that grounds for cease and desist proceedings exist, is willing to enter into this Agreement to avoid the initiation of such cease and desist proceeding;

NOW, THEREFORE, in consideration of the above-stated forbearance by OTS from the initiation of cease and desist proceedings against the Institution, it is agreed between the parties hereto as follows:

Operating Results/ Operating Plan

1. Within sixty (60) calendar days from the Effective Date of this Agreement, the Board shall submit to the OTS Manager for written approval a detailed Operating Plan to increase the Institution's net income. Such Operating Plan shall include, at a minimum, strategies and policies to:

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- (a) improve levels of interest and noninterest income;
- (b) decrease levels of interest and noninterest expenses;
- (c) decrease levels of operating expenses; and
- (d) increase the level of earning assets.

2. The Operating Plan identified in Paragraph 2 shall consist of a two-year timeframe and contain earnings, capital and other financial projections on a quarterly basis.

3. Upon receiving OTS approval of its Operating Plan, the Institution shall adhere to such Plan in all material respects.

4. Within twenty-five (25) calendar days of the end of each quarter subsequent to the OTS Manager's approval of the Operating Plan, the Board shall submit to the OTS Manager a written variance analysis of the Institution's actual operating results compared with the financial projections contained in the Operating Plan and shall propose actions which the Board will undertake to correct any material variances.

5. Should an adverse material variance occur in the Operating Plan identified in Paragraph 2, the institution will be required to submit a revised Operating Plan acceptable to the OTS Manager and/or be subject to further supervisory action as deemed appropriate by the OTS Manager. A material variance shall occur whenever for two consecutive quarters, the actual level of net operating income, operating expenses, and/or net income is not above or within at least 10% below the quarterly projected levels as set forth in the Operating Plan identified in Paragraph 2.

Executive Committee Meeting Minutes

6. The Board shall ensure that written detailed minutes of all executive committee meetings are maintained.

Investment Policy

7. The Institution shall adhere in all respects to the revised Investment Policy received by the OTS on August 19, 1991 or any future amended Investment Policy acceptable to the OTS Manager.

Closings

8. Although the Board is by this Agreement required to submit certain proposed actions and programs for the review or approval of the OTS Manager, the Board has the ultimate responsibility for proper and sound management of the Institution.

ST. ANTHONY BANK, A FSB
CICERO, ILLINOIS

By

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Joan R. Batcha, Director

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Paul G. Putrim, Director

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Ronald F. Marmitt, Director

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Thomas J. Tartaglia, Director

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Anthony A. Bernadibus, Director

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Boniface F. Dirzius, Director