

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

Written Agreement by and between

METROPOLITAN BANK GROUP, INC.
Chicago, Illinois

and

FEDERAL RESERVE BANK OF CHICAGO
Chicago, Illinois

Docket No. 11-037-WA/RB-HC

WHEREAS, Metropolitan Bank Group, Inc., Chicago, Illinois (“MBG”) is a registered bank holding company that owns and controls North Community Bank, Chicago, Illinois, Archer Bank, Chicago, Illinois, Metrobank, Chicago, Illinois, and Plaza Bank, Norridge, Illinois (collectively, the “Subsidiary Banks”), and one other insured depository institution, all of which are state-chartered nonmember banks; and a nonbank subsidiary;

WHEREAS, MBG provides certain services to the Subsidiary Banks, including loan review and strategic initiative planning, pursuant to service agreements;

WHEREAS, it is the common goal of MBG and the Federal Reserve Bank of Chicago (the “Reserve Bank”) to maintain the financial soundness of MBG so that MBG may serve as a source of strength to the Subsidiary Banks and MBG’s other insured depository institution;

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

WHEREAS, on April 20, 2011, the board of directors of MBG, at a duly constituted meeting, adopted a resolution authorizing and directing Peter Fasseas to enter into this

Agreement on behalf of MBG, and consenting to compliance with each and every applicable provision of this Agreement by MBG 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, MBG and the Reserve Bank agree as follows:

Source of Strength

1. The board of directors of MBG shall take appropriate steps to fully utilize MBG’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 Subsidiary Banks and MBG’s other insured depository institution including, but not limited to, taking steps to ensure that each of the Subsidiary Banks comply with the respective Consent Orders issued jointly by the Federal Deposit Insurance Corporation (“FDIC”) and the Illinois Department of Financial and Professional Regulation to each of the Subsidiary Banks on January 13, 2011, and any other supervisory actions taken by the Subsidiary Banks’ federal or state regulator.

Dividends and Distributions

2. (a) MBG 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 of the Board of Governors (the “Director”).

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

(c) MBG and the 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 or other payment 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 MBG's capital, earnings, cash flow, and allowance for loan and lease losses ("ALLL"); the capital, asset quality, earnings, and ALLL for any of the Subsidiary Banks from which a payment is to be received; and identification of the sources of funds for the proposed payment or distribution. For requests to declare or pay dividends, MBG 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) MBG and the 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) MBG shall not, without the prior written approval of the Reserve Bank, directly or indirectly, purchase or redeem any shares of its own stock.

Capital Plan

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

(a) The consolidated organization's, the Subsidiary Banks', and the other insured depository institution'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 Subsidiary Banks and the other insured depository institution issued by their federal regulator;

(b) the adequacy of the Subsidiary Banks' and the other insured depository institution's capital, taking into account the volume of classified credits, their risk profiles, the adequacy of their allowances for loan and lease losses, their current and projected asset growth, and their projected earnings;

(c) the source and timing of additional funds necessary to fulfill the consolidated organization's, the Subsidiary Banks', and the other insured depository institution's future capital requirements;

(d) supervisory requests for additional capital at the Subsidiary Banks or the other insured depository institution, or the requirements of any supervisory actions imposed on

the Subsidiary Banks or the other insured depository institution by their federal or state regulator; and

(e) the requirements of section 225.4(a) of Regulation Y of the Board of Governors that MBG serve as a source of strength to the Subsidiary Banks and the other insured depository institution.

5. MBG shall notify the Reserve Bank, in writing, no more than 45 days after the end of any quarter in which any of MBG's capital ratios fall below the approved plan's minimum ratios. Together with the notification, MBG shall submit an acceptable written plan that details the steps that MBG will take to increase MBG's capital ratios to or above the approved plan's minimums.

Cash Flow Projections

6. Within 60 days of this Agreement, MBG shall submit to the Reserve Bank a written statement of MBG's planned sources and uses of cash for operating expenses and other purposes ("Cash Flow Projection") for the remainder of 2011. MBG 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.

Risk Management

7. Within 60 days of this Agreement, MBG shall submit to the Reserve Bank an acceptable written plan to strengthen risk management and strategic initiative planning for the consolidated organization. The plan shall, at a minimum, address, consider, and include:

(a) The adequate identification, monitoring, and management of the risks involved in the consolidated organization's business model and activities on an ongoing basis, including the implementation of mitigation strategies;

(b) measures to periodically review and revise risk exposure limits and adjust current activities in response to changes in market conditions;

(c) enhancement of MBG's standardized policies, procedures, and systems that are used by the Subsidiary Banks, the other insured depository institution, and the consolidated organization, in particular, credit policies and risk monitoring and modeling systems; and

(d) the identification of the type and scope of activities and centralized services performed by MBG on behalf of the Subsidiary Banks and the other insured depository institution.

Loan Review

8. Within 60 days of this Agreement, MBG shall submit to the Reserve Bank an acceptable written program for the effective, ongoing review of the Subsidiary Banks' loan portfolios by a qualified independent party or by qualified staff that is independent of the Subsidiary Banks' lending function. The program shall provide for policies and procedures for the timely identification and categorization of problem loans, and processes to detect weaknesses in the Subsidiary Banks' loan approval, monitoring, and grading processes. The program shall, at a minimum, address, consider, and include:

(a) The scope, depth, and frequency of the independent loan review;

(b) clearly defined responsibilities for the loan review function;

(c) an objective and timely assessment of the overall quality of the loan portfolio and the accuracy of assigned loan grades; and

(d) an assessment of staffing requirements, and the employment of sufficient personnel with the requisite experience and expertise.

9. The board of directors of MBG, or a committee thereof, shall evaluate the loan review reports and take appropriate steps to ensure that management takes prompt action to address findings noted in the reports.

Compliance with Laws and Regulations

10. (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, MBG 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) MBG 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

11. Within 30 days after the end of each calendar quarter following the date of this Agreement, the board of directors of MBG 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 Plans and Program

12. (a) MBG shall submit written plans and a program that are acceptable to the Reserve Bank within the applicable time periods set forth in paragraphs 4, 5, 7, and 8 of this Agreement.

(b) Within 10 days of approval by the Reserve Bank, if not already adopted, MBG shall adopt the approved plans and program. Upon adoption, MBG shall promptly implement the approved plans and program, and thereafter fully comply with them.

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

Communications

13. 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) Mr. Peter Fasseas
Chairman of the Board
Metropolitan Bank Group, Inc.
1110 West 35th Street
Chicago, Illinois 60609

Miscellaneous

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

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

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

17. 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 MBG, the Subsidiary Banks, the other depository institution, the nonbank subsidiary or any of their current or former institution-affiliated parties and their successors and assigns.

18. 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 10th day of May, 2011.

METROPOLITAN BANK GROUP, INC

FEDERAL RESERVE BANK
OF CHICAGO

By: /s/ Peter Fasseas
Peter Fasseas
Chairman of the Board

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