



CPP ANNUAL USE OF CAPITAL SURVEY - 2014

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Suburban Illinois Bancorp, Inc./Suburban Bank & Trust

Person to be contacted regarding this report:	Wayne Pavlicek	RSSD: (For Bank Holding Companies)	2327541
UST Sequence Number:	1289	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	15,000,000	FDIC Certificate Number: (For Depository Institutions)	20443
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	June 19, 2009	City:	Elmhurst
Date Repaid ¹ :	N/A	State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Initially CPP funds were pushed down to the Bank from the Holding Company, that allowed us to continue to lend money to individuals and businesses in the communities we serve. As our borrowers ability to repay continued to be stressed (in 2010 & 2011), we started to limit lending.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Consumer lending (installment), Home Equity, Small Business loans, Owner Occupied CRE, and Multi Family lending originally benefited from the CPP investment. The level of new loans has reduced since 2011.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	In the early periods of CPP we took a large portion of those monies to provide adequate reserve on our stressed loan portfolio. In 2012 through 2014 we saw stability return to our loan portfolio (asset quality), and currently take necessary reserves through earnings.
<input checked="" type="checkbox"/>	Reduce borrowings	In 2009 a small borrowing line was repaid with a portion of the CPP funds.
<input checked="" type="checkbox"/>	Increase charge-offs	There were significant increases in the amount of charge offs taken since 2010. This response and the reasoning behind it are similar to the question asking about increasing reserves due to increasing non-performing asset levels.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Initially, but currently all excess CPP funds have been passed to the bank to deal with asset quality issues. These funds can not be returned to the Holding Company, due to the capital level at the Bank.

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Taking CPP funds at the Holding Company has allowed us to maintain adequate capital levels at the bank (when the majority of those funds were passed to the Bank). Since the capital infusion at the bank we have sold additional stock, reduced asset levels at the bank, limited lending and sold assets in efforts to stay adequately capitalized at the bank level.

Without the CPP funds we would have had to take more extreme actions and pulled back in communities we serve.

In 2014, we are now dealing with the increased cost of CPP. This has had a negative impact in how we do business in the communities we serve. It is also had a negative impact in our attempts to remain independent and serve our communities in a community bank capacity.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

As previously referenced, we would not have been able to continue servicing our customers.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

No additional actions were taken.