CPP ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

MB Financial, Inc. / MB Financial Bank, N.A.

Point of Contact:	Susan Lepore	RSSD: (For Bank Holding Companies)	1090987
UST Sequence Number:	49	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	196,000,000	FDIC Certificate Number: (For Depository Institutions)	3628
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 05, 2008	City:	Chicago
Date Repaid[1]:	N/A	State:	Illinois

[1] If 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).

X **Increase lending or reduce lending less than otherwise would have occurred.**

During 2010, although we had a net decrease in loans of $318 million, we originated $1.6 billion in new loan commitments and renewed $1.8 billion in existing loans for our customers. Our company also acquired $751 million in loans from the FDIC during 2010.

X **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.).**

During 2010, commercial related credits accounted for $1.4 billion of the new loan commitments and $1.8 billion of the renewed loans. Consumer, residential real estate, home equity and indirect vehicle loans accounted for $214 million of the new loans and $29 million of the renewed loans.

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X **Increase securities purchased (ABS, MBS, etc.).**

While Investment securities decreased $1.2 billion during 2010, we purchased $408 million in securities including $28 million in securities purchased from the FDIC. Agency guaranteed MBS accounted for 96% of these securities.

☐ **Make other investments.**

☐ **Increase reserves for non-performing assets.**

☐ **Reduce borrowings.**

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☐ **Increase charge-offs.**

☒ **Purchase another financial institution or purchase assets from another financial institution.**

Our company acquired two failed financial institutions in transactions with the FDIC during 2010; including the assumption of approximately $684 million of deposits and acquisition of loans of approximately $751 million and $28 million in investment securities.

☒ **Held as non-leveraged increase to total capital.**

The capital infusion of CPP funds allowed our company to maintain regulatory capital levels well above the well-capitalized threshold during this economic downturn.

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

The capital infusion of CPP funds allowed our company to avoid a reduction in force by providing the confidence to continue to expand our branch office locations. Because we were able to acquire two failed financial institutions in transaction with the FDIC, we were able to add 65 employees and add four new branch offices. Between December 31, 2009 and December 31, 2010, MBFI's full time equivalent employees increased from 1,638 to 1,703.

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

CPP funds gave our company the confidence to continue to increase lending and provide our customers with consistent access to credit. Without the CPP funds, our company would have likely been required to reduce our new loan originations to maintain acceptable capital relative to the risk in our balance sheet. Also, without the capital infusion of CPP funds, our company may not have acquired two failed financial institutions in transactions with the FDIC during 2010.

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

Receipt of CPP funds has also allowed us to continue working with borrowers to keep them in their homes through our loan modification and loss mitigation activities. During 2010, we allowed reinstatements, forbearance agreements or modified payment plans for 352 borrowers, enabling these families to stay in their homes. During this time period, our overall loss mitigation actions outnumbered the number of foreclosures filed of 42. MB has also extended its loss mitigation efforts to include investor-owned mortgages that we service. Specifically, our loss mitigation efforts have helped an additional 110 of these borrowers versus the 14 foreclosures filed during that time period.