



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

**Conditional Approval #1005
August 2011**

July 7, 2011

Cindy C. Wang
Financial Services Paralegal
Barack Ferrazzano Kirschbaum & Nagelberg LLP
200 West Madison Street, Suite 3900
Chicago, Illinois 60606

Re: Application to merge Cornerstone Bank and Trust, National Association, Carrollton, Illinois, Palmer Bank, Taylorville, Illinois, and Citizens State Bank of Shipman, Shipman, Illinois, into The Carlinville National Bank, Carlinville, Illinois with the resulting bank to be known as CNB Bank and Trust, National Association.
Application Control Number: 2011-CE-02-0008

Dear Ms. Wang:

The Comptroller of the Currency (OCC) conditionally approves your proposal to merge Cornerstone Bank and Trust, National Association, Carrollton, Illinois, Palmer Bank, Taylorville, Illinois, and Citizens State Bank of Shipman, Shipman, Illinois, into The Carlinville National Bank, Carlinville, Illinois, with the resulting bank to be known as CNB Bank and Trust, National Association (Bank). OCC also authorizes CNB Bank and Trust, National Association to retain the charter number of Cornerstone Bank and Trust, National Association (# 14347). This approval is granted based on a thorough review of all information available, including commitments and representations made by the applicant's representatives during the application process.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 USC § 1828(c), and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. We considered these factors and found them consistent with approval.

This approval is subject to the following conditions:

- 1) The Bank shall maintain the following capital levels (as defined in 12 C.F.R. Part 3):
 - a. Total Risk Based capital at least equal to ten and a half percent (10.5%) of risk-weighted assets; and
 - b. Tier 1 capital at least equal to seven percent (7%) of adjusted total assets.
- 2) The Bank shall develop, approve, and implement a written capital maintenance plan that:
 - a. Projects the Bank's capital position for the subsequent three year period and considers sources and timing of additional capital to meet current and future needs that are above the required minimums;
 - b. Identifies contingency plans and actions that will be taken if primary sources of capital are not available; and
 - c. Requires Bank's adherence to the plan to be monitored monthly with results reported to the resulting Bank's Board of directors at least quarterly.
- 3) The combined Bank's total loan portfolio (as reported on the Call Report, Total loans and leases, net of unearned income (RCON 2122)) shall not increase by more than 10% per each 12-month period for subsequent three years, commencing with the September 30, 2011 report. The Bank shall monitor the loan growth at the end of each quarter to ensure it stays within the annual growth restrictions and the results of such monitoring will be reported to the Bank's Board of directors.

The written capital plan will be developed and submitted to the Assistant Deputy Comptroller (ADC) by September 30, 2011, for review and prior written determination of no supervisory objection. Upon receipt of a determination of a no supervisory objection, the Bank shall implement and adhere to the plan. Additionally, all reports that are submitted to the Board shall also be submitted to the ADC.

The conditions of this approval are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The District Office must be advised in writing in advance of the desired effective date for the merger, so it may issue the necessary certification letter. The effective date must follow any other required regulatory approvals, non-objections or waivers.

The OCC will issue a letter certifying consummation of the transaction when we receive documentation that all conditions that the OCC imposed have been met.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should reference the control number. If you have any questions, please contact John Aponte at 312-360-8872 or by e-mail at John.Aponte@occ.treas.gov.

Sincerely,

/s/

Travis W. Wilbert
Director for District Licensing