

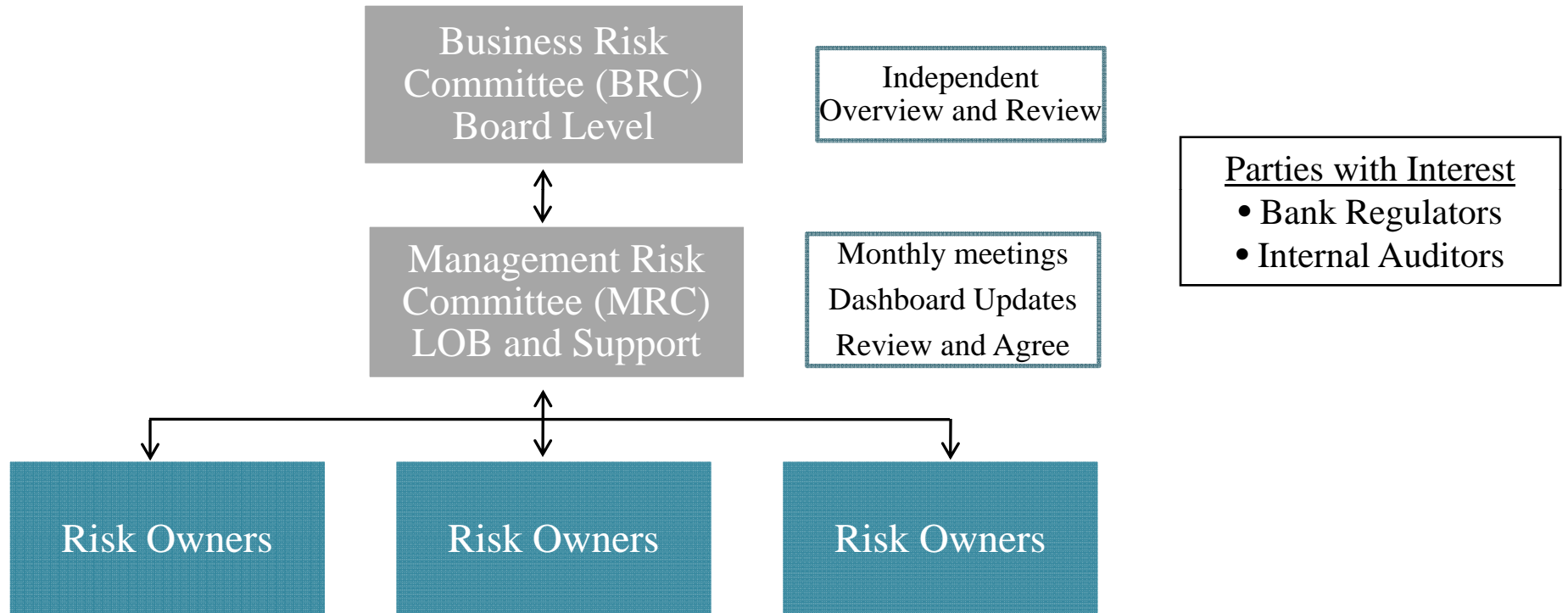


Enterprise Risk Management  
The PrivateBancorp

April 14, 2009

*Kevin J. Van Solkema*  
*Chief Risk Officer*

# Enterprise Risk Management Structure





# Business Risk Committee (BRC) Governance

## Composition / Meetings / Relationship to Audit Committee

- Business Risk Committee is comprised of not less than three members of the Board of Directors of Private Bancorp, Inc.
  - A majority of the members of the Committee shall consist of directors who have been determined by the Board to be “independent” *[in accordance with the rules of the Nasdaq Stock Market]*
- Meetings are held eight times a year
- The Audit Committee has responsibilities for discussing the Company’s major financial risks and, in that connection, the Company’s risk assessment and risk management policies. Certain reports that are prepared for the Business Risk Committee will be of interest to, and shared with, the Audit Committee.



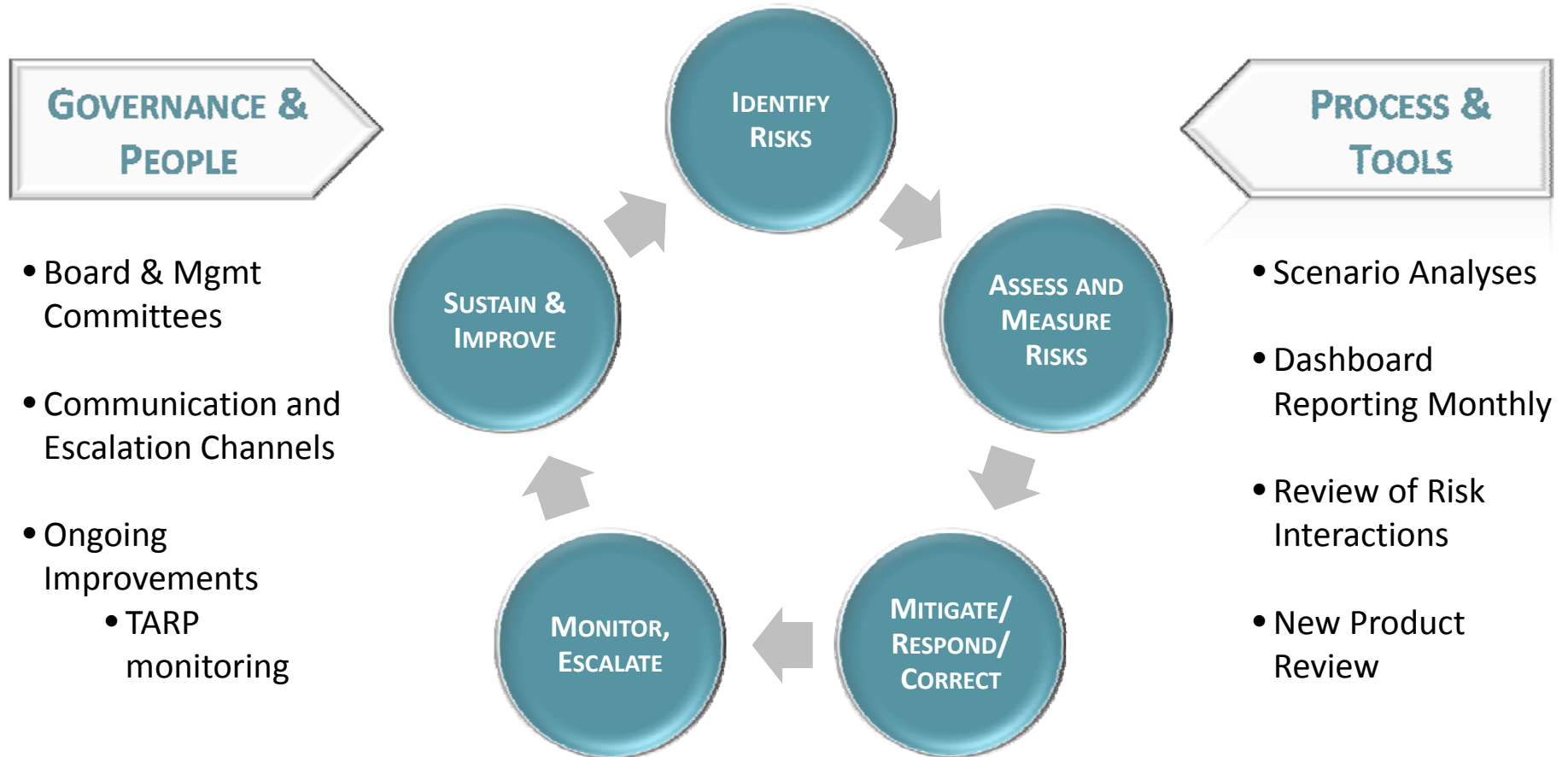
# Business Risk Committee (BRC) Governance

## Duties & Responsibilities

The Business Risk Committee is responsible for assisting the Board in discharging its oversight duties with respect to managing the Company's business risks in the areas described below

- Recommending and monitoring appropriate risk limits that are used to establish appropriate risk tolerances for the Company
- Overseeing policies, procedures and management of the following:
  - Interest rate risk
  - Liquidity/Price risk
  - Operational risk
  - Compliance risk
  - Strategic risk
  - Reputation risk
- Monitoring the analysis of new products and services
- Overseeing the quality and adequacy of information technology infrastructure
- Overseeing the work of management's Asset/Liability Committee and Management's ERM Committee (MRC)
- Conducting an annual performance evaluation of the Committee
- Reviewing and reassessing the adequacy of the Business Risk Committee Charter

# Enterprise Risk Management at Private Bancorp





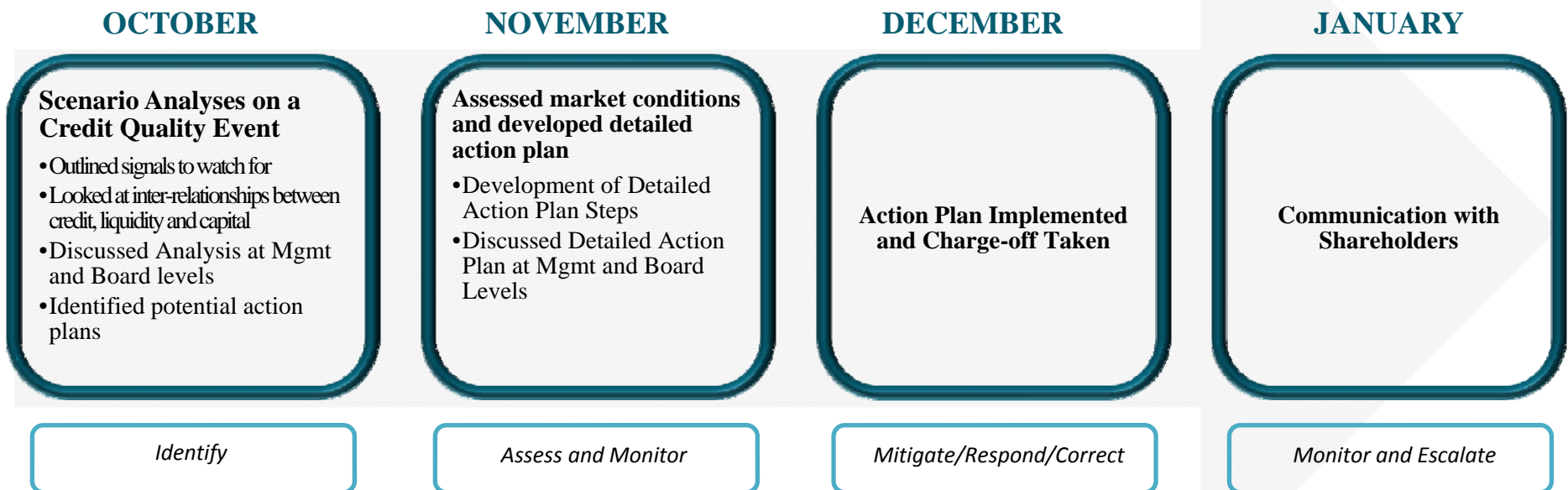
# Enterprise Risk Management at Private Bancorp

## Real Example

In October 2008, Private Bancorp further improved Risk Management as formalized ERM transitioned from project to program, including the features on the previous slide.

Credit Risk was reported at elevated levels due to the residential development portfolio performance and the economy.

Here's how it flowed through the bank's ERM process.



# Maturity of Enterprise Risk Management Cycle

