

**AMCORE FINANCIAL, INC.
AUDIT COMMITTEE CHARTER**

Revised and Restated: March 2, 2005

I. Purpose of the Committee

The Audit Committee is appointed by the Board of Directors of AMCORE Financial, Inc. (the "Company") to monitor: 1) the integrity of the financial reporting process and systems of internal control over financial reporting of the Company; 2) the compliance by the Company with legal and regulatory requirements; and 3) the independence and performance of the Company's internal and external auditors.

The Audit Committee has the responsibilities and powers set forth in this Charter. The Committee's responsibility is one of oversight. The responsibility for the completeness and accuracy of the financial statements rests with the Company's management. It is the responsibility of the Company's auditors to perform an audit of the Company's financial statements and to express an opinion on such financial statements. In fulfilling their responsibilities hereunder, each member of the Committee may rely on (i) the integrity of those persons and organizations within and outside the Company from which he or she receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board) and (iii) representations made by the Company's management as to any information technology, internal audit and other non-audit services provided by the Company's auditors. The Company shall provide appropriate funding, as determined by the Committee, for compensation to the Company's auditors, to any advisors that the Committee may engage and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

II. Composition of the Committee

The Audit Committee shall be comprised of at least three and not more than six directors, each of whom shall in the judgment of the Board meet the independence, literacy and expertise requirements of the NASD, the Sarbanes-Oxley Act of 2002 (the "Act"), the Securities and Exchange Commission (the "SEC"), and such other regulatory agencies to which the Company may be subject. No member of the Committee shall have participated in the preparation of the financial statements of the Company at any time during the three years prior to the date of such financial statements. One member shall be designated in the judgment of the Committee as the "financial expert" of the Committee as such term is defined by the rules and regulations promulgated by the SEC pursuant to the Act.

It is the preference of the Board that Audit Committee members shall not simultaneously serve on the audit committee of more than two other public companies. Where this exists, the members of the Audit Committee and the full Board will need to determine that such simultaneous service would not impair the ability of the member to serve on the Company's Audit Committee and disclose this determination in the proxy statement.

The members of the Committee shall be elected annually to one-year terms by majority vote of the full Board at the first meeting of the Board to be held following the annual meeting of

stockholders. Vacancies on the Committee, when filled, shall be filled by majority vote of the full Board at the next meeting of the Board following the occurrence of the vacancy. Any member of the Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate; *provided, however*, that no subcommittee shall consist of fewer than two members; and *provided further* that the Committee shall not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

III. Meetings and Procedures

The Committee shall fix its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee shall meet as provided by its rules, which shall be at least three times annually or more frequently as circumstances require. The Board shall designate one member of the Committee as its Chairperson and one member to record minutes in executive session of the Committee. Special meetings of the Committee may be called by any member thereof upon not less than two days' notice stating the place, date and hour of the meeting, which notice may be written or oral. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting and action of the Committee shall be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

Following each of its meetings, the Committee shall deliver a report on the meeting to the Board, including a description of all actions taken by the Committee at the meeting. The Committee shall keep written minutes of its meetings, which minutes shall be maintained with the books and records of the Board.

IV. Committee Responsibilities

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the Company's annual audited financial statements prior to filing. Discuss with management and the independent auditors significant issues regarding accounting principles, critical accounting policies, accounting practices, and related judgments.
3. Be available (or designate the Chairman of the Audit Committee to be available) at the request of either the independent auditors, management, or the Board, to discuss the Company's quarterly financial results either before earnings release or filing as considered appropriate in the circumstances.
4. Participate as needed in meetings with management, the internal audit firm and the independent auditors to review the Company's major financial risk exposures (meaning the financial reporting process and the safeguarding of assets) and the steps management has taken to monitor and control such exposures.
5. Review significant findings reported by the independent auditors and the internal audit firm together with management's response.

6. Appoint the Company's independent auditor, including approval of its compensation, which firm is ultimately accountable to the Audit Committee.
7. Receive and review the appropriate annual engagement letter and approve the fees and compensation to be paid to the independent auditor for the annual audit and quarterly reviews.
8. Review with the independent auditor the audit plan and approve all audit services to be provided by the independent auditor thereunder.
9. Review, periodically, the Committee's policy regarding the engagement of the Company's independent auditor or other accounting firms and review and approve all services to be provided by the independent auditor or such other accounting firms in accordance with such policy.
10. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 and 90 relating to the conduct of the audit. Such review should also include:
 - (a) Any problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
 - (b) Any management letter provided by the auditor and the Company's response to that letter.
 - (c) Any changes required in the planned scope of the internal audit.
 - (d) The internal audit vendor responsibilities.
 - (e) Selection of new or changes to accounting policies or a change in the application of existing accounting policies.
 - (f) Significant estimates, judgments and uncertainties in management's preparation of financial statements.
 - (g) Unusual transactions.
11. Attempt to resolve all disagreements between the Company's independent auditors and management regarding financial reporting.
12. On an annual basis (or more often if considered necessary), receive from the independent auditor the letter required by Independence Standards Board Statement No. 1 (and any related amendments), and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence.
13. Evaluate the performance of the independent auditor and, if so determined by the Audit Committee, replace the independent auditor.
14. Review the Annual Audit Plan for the internal audit firm and its performance under said plan, pursuant to its engagement. Discuss with the internal audit firm all significant relationships they have with the Company that could impair their independence in accordance with Statement on Auditing Standard No. 60. Retain or replace the internal audit firm.
15. Assure preparation of the report required by the rules of the SEC to be included in the Company's annual proxy statement and such other reports as required.
16. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct as reported to the Committee by regulatory agencies, external and internal auditors and legal counsel.

17. Review and approve all related party transactions disclosable pursuant to Item 404(a) of Regulation S-K.
18. Review with the Company's legal counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
19. Meet as needed with the Chief Executive Officer, Chief Financial Officer, the outsourced internal auditing firm and/or the independent auditor in executive sessions.
20. Annually designate and disclose a member of the Committee as the "financial expert" for the Committee.
21. Assure procedures are developed and in place for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, conduct investigations, to address disagreements, if any, between management and the independent auditor or to address compliance with laws and regulations and the Company's Code of Conduct.
22. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

V. Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance under this Charter. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope. The Committee shall address all matters that the Committee considers relevant to its performance.

The Committee shall deliver to the Board a report setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

VI. Investigations and Studies: Outside Advisers

The Audit Committee shall have the authority, to conduct any investigation appropriate to fulfilling its responsibilities and to retain, without need of approval of the engagement by the Board or management and at Company expense, special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company, the Company's outside counsel, the internal audit firm, or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Chief Administrative Officer is designated the bank auditor and acts as the liaison between the Audit Committee and the outsourced internal audit function.

Adopted by the Audit Committee on March 2, 2005