



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Boulevard, Suite 700
Kansas City, MO 64108

March 18, 2003

**Conditional Approval #584
April 2003**

Mr. Stan Fredericks
President/CEO
Liberty National Bank
4425 Singing Hills Boulevard
Sioux City, Iowa 51106

RE: 2002-MW-01-010

Dear Mr. Fredericks:

The Comptroller of the Currency (OCC) has found that you have met all requirements it imposed and completed all steps necessary to commence the business of banking. However, this final approval includes the imposition of the following condition:

The Board of Directors must retain a qualified Cashier within 180 days after the opening of the bank. The Cashier you select must obtain the OCC's prior written determination of no objection before the person assumes the position and will be subject to the OCC's policy on Senior Executive Officers Qualifications (copy enclosed). This condition of approval is a condition "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 USC 1818. As such, the condition is enforceable under 12 USC 1818.

You are authorized to open Liberty National Bank on March 17, 2003. We will forward you a Charter Certificate under separate cover.

You are reminded that several of the standard requirements contained in the preliminary conditional approval letter, dated December 19, 2002, will continue to apply once the bank opens and by opening, you agree to subject your association to these conditions of operation. Some of the requirements bear reiteration here:

1. Regardless of the association's FDIC insurance status, the association is subject to the Change in Bank Control Act (12 U.S.C. 1817(j)) by virtue of its national bank charter.

Mr. Stan Fredericks
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Page 2

2. The board of directors is responsible for regular review and update of policies and procedures and for assuring ongoing compliance with them. This includes maintaining an internal control system that ensures compliance with the currency reporting and recordkeeping requirements of the Bank Secrecy Act (BSA). The board must train its personnel in BSA procedures and designate one person or a group to monitor day-to-day compliance.
3. The bank shall obtain the OCC's non-objection before any significant deviation or change from the proposed operating plan occurs during the bank's first three years of operations. The bank shall notify the OCC's Omaha North Field Office at least sixty (60) days prior to any proposed significant deviation or change, and obtain the OCC's non-objection in writing, to such a proposed deviation or change. The bank must also provide a copy of such notice to the FDIC's Kansas City Office.

Following the commencement of operations, bank management is urged to become familiar with the requirements of the Securities Exchange Act of 1934 and Part II of the Comptroller's regulations relative to the registration of the bank's equity securities and related periodic reports. These requirements will be applicable to your bank when the number of shareholders of record is maintained at 500 or more. Such registration may be subsequently terminated pursuant to the act, only when the number of shareholder of record is reduced to fewer than 300.

This letter is the official certification of the Comptroller of the Currency to purchase the assets and assume the liabilities of the Sioux City, Iowa, branch of Frontier Bank, FBS, Rock Rapids, Iowa, effective as of March 17, 2003. The resulting bank title is Liberty National Bank, Sioux City, Iowa, charter number 24378

Should you have any questions, please contact Assistant Deputy Comptroller Troy Thornton at (402) 493-0654, who will be responsible for the ongoing supervision of your institution.

Sincerely,

Ellen Tanner Shepherd

Ellen Tanner Shepherd
Licensing Manager