

OFFICE OF THRIFT SUPERVISION

APPROVAL OF APPLICATION FOR PERMISSION TO ORGANIZE A FEDERAL SAVINGS BANK AND RELATED APPLICATIONS

Order No.: 99-52

Date: September 3, 1999

Northwest Financial Corporation, Spencer, Iowa (the "Applicant"), has applied to the Office of Thrift Supervision ("OTS"), pursuant to 12 U.S.C. § 1464(e) and 12 C.F.R. § 552.2-1, to organize Gateway Savings Bank, Ankeny, Iowa (the "Savings Bank"), a federal stock savings bank, and for the Savings Bank to acquire substantially all of the assets and assume all of the liabilities of the Ankeny, Iowa branch office of Northwest Federal Savings Bank, Spencer, Iowa ("Northwest FSB"), pursuant to 12 U.S.C. § 1828(c) and 12 C.F.R. § 563.22 (collectively, the "Applications"). The Savings Bank will be a member of the Savings Association Insurance Fund.

Northwest FSB has filed a notice, pursuant to 12 C.F.R. § 563.22(c), to transfer all of the assets and liabilities of its Ankeny, Iowa branch office to the Savings Bank and has filed a notice, pursuant to 12 C.F.R. § 563.143, to make a capital distribution in the amount of \$2.55 million that will be used for the initial capitalization of the Savings Bank (collectively, the "Notices").

The OTS has considered the Applications and the Notices under the standards set forth in 12 U.S.C. §§ 1464(e) and 1828(c), 12 C.F.R. §§ 543.3, 552.2-1(b), 563.22 and 563.146, the Community Reinvestment Act, 12 U.S.C. §§ 2901 *et seq.*, and the OTS regulations thereunder, 12 C.F.R. Part 563e. In addition, the OTS has considered the digest by the OTS Midwest Regional Office ("Regional Office"), a legal opinion by the Business Transactions Division, and a summary by the Office of Examination and Supervision (collectively the "Staff Memoranda"). For the reasons set forth in the Staff Memoranda, the OTS has determined that the Applications and Notices satisfy all applicable statutory and regulatory criteria, provided that the following conditions are complied with in a manner satisfactory to the Midwest Regional Director, or his designee ("Regional Director"). Accordingly, the Applications and the Notification are hereby approved, subject to the following conditions:

1. The Applicant and the Savings Bank must receive all required regulatory approvals prior to consummation of the proposed transaction with copies of all such approvals provided to the Regional Office;
2. The proposed transaction must be consummated within one hundred and twenty (120) calendar days from the date of this Order or within such additional period as the Regional Director may grant;
3. On the business day prior to the date of consummation of the proposed transaction, the Applicant and the Savings Bank must certify in writing to the Regional Director that no material adverse changes have occurred with respect to the information disclosed in the

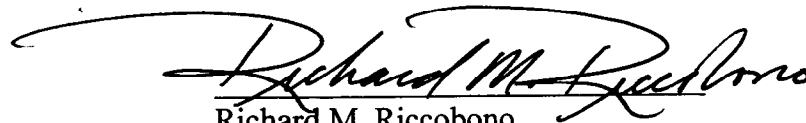
application, including but not limited to directors, officers or the business plan; and that no additional information having an adverse bearing on any feature of the application has been brought to the attention of the Applicant or the Savings Bank since the date of the financial statements submitted with the application;

4. The Savings Bank must advise the Regional Office in writing within five calendar days after the effective date of the proposed transaction: (a) of the effective date of the proposed transaction and of the Savings Bank's insurance of accounts and (b) that the transaction was consummated in accordance with all applicable laws and regulations, the application and this Order;
5. The two additional persons that will be added to the board of directors of the Savings Bank must receive the prior approval of the Regional Director;
6. The Savings Bank must submit independent audit reports to the Regional Office for its first three fiscal years. These reports must comply with the audit rules set forth in 12 C.F.R. § 562.4;
7. The Savings Bank must operate within the parameters of its business plan. Any proposed major deviations or material changes from the plan will require the Savings Bank to submit a revised business plan for the approval of the Regional Director. The request for change must be submitted a minimum of 60 calendar days before the proposed change is implemented;
8. At least 30 days prior to the date of consummation of the proposed transaction, the Savings Bank must submit written evidence, acceptable to the Regional Director, that the Savings Bank's Year 2000 efforts comply with the terms, milestone dates, requirements and conditions contained in all Year 2000 guidance issued by the OTS and/or the Federal Financial Institutions Examination Council.

Any time period set forth herein may be extended for up to 120 days, for good cause, by the Regional Director.

By order of the Director of the Office of Thrift Supervision, or her designee, effective

SEPTEMBER 3, 1999.



Richard M. Riccobono
Deputy Director