



Comptroller of the Currency
Administrator of National Banks

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

Conditional Approval #443
January 2001

December 14, 2000

Mr. Douglas M. Kratz
2735 62nd Street Court
Bettendorf, Iowa 52722

Subject: De Novo Bank Charter (**OCC Control Number 00-CE-01-015**)

Dear Mr. Kratz:

The Comptroller of the Currency (OCC) has reviewed your application to establish a new national bank with the title of THE National Bank. On December 14, 2000, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval. The bank may also offer credit life, health, and accident insurance in accordance with 12 CFR 2.

This approval is granted based on a thorough review of all information available, including the representations and commitments made in the application and by the proposed bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed national bank will apply for membership in the Federal Reserve System and obtain FDIC insurance.

This approval is subject to the condition that the bank shall provide the OCC's Chicago-West Field Office at least thirty (30) days prior notice of any significant deviations or changes from the proposed operating plan during the bank's first three years of operation. This condition is enforceable under 12 USC §1818. The bank must also provide a copy of such notice to the FDIC's Kansas City Regional Office.

Please refer to the "Corporate Organization" booklet (enclosed) in the *Comptroller's Corporate Manual* for the instructions on organizing your bank. The booklet contains all of the steps you must take to receive your charter. As detailed in the booklet, you may establish the corporate

existence of and begin organizing the bank as soon as you adopt and forward acceptable Articles of Association and the Organization Certificate to this office. As a “body corporate” or legal entity, you may begin taking those steps necessary for obtaining final approval, but you may not begin the business of banking until you fulfill all requirements for a bank in organization and you are granted final approval by the OCC.

Enclosed are standard requirements that must be met before the bank will be allowed to commence business. Management must ensure that the applicable policies and procedures are established and adopted by the board of directors before the bank begins operation. Applicable standard requirements also must be satisfied before the bank will be allowed to commence business.

The OCC poses no objection to Perry B. Hansen serving as Chief Executive Officer. All other executive officers are subject to the OCC’s *prior* review and clearance.

The OCC poses no objection to Edmund F. Conroy, Perry B. Hansen, Reed A. Hutchcraft, Douglas M. Kratz, Francis P. McCarthy, Victor A. Rothbardt and Robert A. Wolfe serving as directors. All other directors are subject to the OCC’s *prior* review and clearance.

You are also reminded that for a period of two years after the bank has opened for business, the OCC must review and have no objection to any new executive officer or director *prior* to that person assuming such position.

The bank proposes to have \$3 million in capital prior to commencing operations and its proposed affiliated merger with First Illinois National Bank, Savanna, Illinois. You are reminded that, pursuant to 12 C.F.R. §5.20(i)(5)(iii), this preliminary conditional approval expires if the bank does not raise the capital funds within 12 months from the date of this letter. The preliminary conditional approval also will expire if the bank has not commenced business within 18 months from the date of this letter.

The bank and its holding company proposes to enter into Services Agreements that will provide services to the bank. It is our understanding these arrangements will comply with requirements of 12 U.S.C. § 221a and 12 U.S.C. § 371c regarding transactions between affiliates.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications.

You should direct any questions concerning this preliminary conditional approval to Dan Walters at (312) 360-8872.

Yours truly,
-signed-

David J. Rogers
National Bank Examiner

Enclosures: “Corporate Organization” Booklet
Minimum Policies and Procedures