



Comptroller of the Currency
Administrator of National Banks

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

Conditional Approval #489
October 2001

September 12, 2001

Mr. Gary D. Andersen
President
Metrobank, National Association
1523 8th Street
East Moline, Illinois 61244-2190

Re: Application for the Merger of Community Bank, Preston, Iowa and Farmers State Bank Chadwick and Mount Carroll, Mount Carroll, Illinois, with and into Metrobank, National Association, Davenport, Iowa; Application for Approval of a Financial Subsidiary; and Request for Approval of a Capital Reduction -- OCC Application Numbers: 01-CE-02-030, 01-CE-08-037 and 01-CE-12-118

Dear Mr. Andersen:

This is to inform you that on September 12, 2001 the Office of the Comptroller of the Currency (OCC) **conditionally approved** your proposal to merge Community Bank, Preston, Iowa and Farmers State Bank Chadwick and Mount Carroll, Mount Carroll, Illinois into Metrobank, National Association, Davenport, Iowa. The OCC has also approved your request to establish Community Insurance, Inc., Miles, Iowa as a financial subsidiary of Metrobank, National Association, pursuant to 12 CFR §5.39(i), to conduct the activities described in your Notice of July 27, 2001. Finally, the OCC has granted preliminary approval for Metrobank, National Association, Davenport, Iowa to reduce capital surplus by \$6,000,000 as outlined in the above application.

These actions are granted based on a thorough review of all information available, including the representations and commitments made in the application and by the bank's representatives.¹

The business combination of Farmers State Bank Chadwick and Mount Carroll and Metrobank, National Association is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 USC 215a-1 and 1831u(a), and the resulting bank is authorized to retain and operate offices of both banks under 12 USC 36(d) and 1831u(d)(1).

¹ This conditional approval of the merger and approval of the financial subsidiary and capital reduction, and the activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

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This approval is subject to the following condition:

Following the merger, Metrobank, National Association must maintain a leverage ratio of at least 7%, and will remain at all times a well-capitalized bank as defined under 12 C.F.R. 6.

This condition applies to the merger portion of this transaction and 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 U.S.C. 1818. As such, the condition is enforceable under 12 U.S.C. 1818 and will remain in effect until further notice by the OCC.

As a reminder, the district office must be advised in writing in advance of the desired effective date of the merger, so that the OCC may issue the necessary certification letter. The effective date must follow the applicable Department of Justice injunction period and any other required regulatory approval.

The reduction in capital should be completed within one year of the date of this letter. Please notify the OCC after you have completed the changes so that we may authorize the decrease in capital.

If you have questions, please contact the undersigned or National Bank Examiner Carolina M. Ledesma at (312) 360-8867.

Sincerely,

-signed-

David J. Rogers
National Bank Examiner