



Comptroller of the Currency
Administrator of National Banks

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

September 4, 2002

**Conditional Approval #552
October 2002**

Mr. Robert S. DeWaay
Executive Vice President
Bankers Trust Company, National Association
665 Locust Street
Des Moines, Iowa 50304

Re: Bankers Trust Bank, National Association, Cedar Rapids, Iowa (Proposed)
Application Control Numbers: 2002-MW-01-0008 and 2002-MW-12-0134

Dear Mr. DeWaay:

The Comptroller of the Currency (OCC) has reviewed BTC Financial Corporation's application to establish a new national bank with the title of Bankers Trust Company, National Association (Bank). On this date, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval. Your request for trust powers for the Bank is also approved.

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 insurance from the Federal Deposit Insurance Corporation (FDIC).

This preliminary conditional approval is subject to the condition that the Bank: (i) shall give the OCC's Omaha Field Office at least sixty (60) days' prior written notice of its intent to significantly deviate or change from its business plan or operations and (ii) shall obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from its business plan or operations.¹ This condition is enforceable under 12 U.S.C. § 1818. The Bank also must provide a copy of such notice to the FDIC's Kansas City Regional Office.

¹ If such deviation or change is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

The Bank's initial paid-in capital, net of organizational and preopening expenses, shall be no less than \$5 million. The manner in which capital is raised must not deviate from that described in the business plan without prior OCC notification. If the capital for the new bank is not raised within 12 months or if the new bank is not opened for business within 18 months from the preliminary conditional approval date, the OCC will withdraw approval. The OCC is opposed to granting extensions, except under the most extenuating circumstances when the OCC determines that the delay is beyond the applicant's control. The organizers are expected to proceed diligently, consistent with their application, for the bank to open for business as soon as possible.

This is preliminary conditional approval only. Final approval will not be granted until and unless the Federal Reserve Board acts favorably on your application to form Midamerican Financial Corporation and for Midamerican Financial Corporation to acquire this new bank. You must furnish the OCC's Midwestern District Licensing Office with a copy of all related filings to the Federal Reserve, including registration material.

Until final approval is granted, the OCC has the right to alter, suspend, or revoke preliminary approval should any interim development be deemed by the OCC to warrant such action.

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.

In addition to the procedural requirements for all new national banks, the following requirements must be satisfied prior to the OCC granting final charter approval:

1. The bank must submit to the Omaha Field Office for review and approval a complete description of the bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items.

Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operation policies and procedures, including, but not limited to, vendor management, weblinking, customer authentication and verification, and business resumption contingency plans.

2. The bank must have performed an independent security review and test of its electronic banking platform. The bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover:
 - All access points, including the Internet, Intranet, or remote access.
 - The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, see “The Internet and the National Bank Charter” booklet of the *Comptrollers’ Corporate Manual*, pages 37-38, 74-75. This booklet may be found on the OCC’s web site at www.occ.treas.gov/netbank/letters.htm.

3. The bank must have a security program in place that complies with the “Interagency Guidelines Establishing Standards for Safeguarding Customer Information” specified at 12 C.F.R. § 30, Appendix B.

The OCC poses no objection to the following persons serving as executive officers as proposed in the application. Additional executive officers are subject to the OCC’s prior review and clearance.

Chairman, President/CEO
EVP/Senior Loan Officer
Cashier

Timothy R. Kintner
Patrick Deignan
Kermit J. Albertson

The OCC poses no objection to J. Michael Early, Robert S. DeWaay, Nolden I. Gentry and Monroe J. Colston serving as directors. All other directors are subject to the OCC’s prior review and clearance.

Bankers Trust Company, NA, Cedar Rapids, Iowa (Proposed)
2002-MW-01-0008
Page 4

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

This preliminary conditional approval, and the activities and communications by OCC employees in connections 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.

You should direct any questions concerning this preliminary conditional approval to NBE/Senior Licensing Analyst Stephen A. Lybarger at (816) 556-1860.

Sincerely,

-signed-

Ellen Tanner Shepherd
Licensing Manager

Enclosures: "Corporate Organization" Booklet
Minimum Policies and Procedures
Standard Requirements