

May 16, 2003

Mr. Wallace W. Fowler, Chairman
Liberty Bancshares, Inc.
139 Southwest Drive
Jonesboro, Arkansas 72401

Dear Mr. Fowler:

The Federal Reserve Bank of St. Louis, having considered the relevant statutory factors, hereby approves the notification by Liberty Bancshares, Inc., Jonesboro, Arkansas (“Notificant”), to acquire 100 percent of the outstanding voting shares of MSB Shares, Inc., Jonesboro, Arkansas, and thereby indirectly acquire its subsidiary bank, Midsouth Bank, Jonesboro, Arkansas, pursuant to Section 3(a)(3) of the Bank Holding Company Act of 1956, as amended.

The Reserve Bank’s approval is specifically conditioned upon compliance with the following commitment made by Notificant in connection with this notification:

Notificant hereby commits to the Federal Reserve Bank of St. Louis that it will maintain a consolidated tier 1 leverage capital ratio of at least 5.0 percent, a consolidated tier 1 risk-based capital ratio of at least 6.0 percent, and a consolidated total risk-based capital ratio of at least 10.0 percent.

This commitment, relied on by the Reserve Bank in reaching its decision in this case, is a condition imposed in writing by the Reserve Bank in connection with its findings and decision, and may be enforced in proceedings under applicable laws.

The acquisition may not be consummated before May 31, 2003 or after August 16, 2003, unless such period is extended by the Federal Reserve System. In connection with these provisions, advice of the fact of consummation should be given in writing to this Reserve Bank within three business days.

The following information should be provided to this Reserve Bank within 30 days after consummation:

1. Parent-only and consolidated balance sheets of Notificant as of the close of business on the date of consummation (balance sheets should be prepared in accordance with generally accepted accounting principles);

Wallace W. Fowler
May 16, 2003
Page 2

2. Number and percent of each class of voting shares of MSB Shares, Inc. acquired by Notificant; and
3. Completed Form F.R. Y-10 (Report of Changes in Organizational Structure).

Sincerely,

/s/ Dennis W. Blase

Dennis W. Blase
Assistant Vice President

Copy to: Ms. Ashley M. Floyd
Consultant
DD&F Consulting Group
601 South Rock Street
Little Rock, Arkansas 72202