UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

FORM 10-Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2007

OR

____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_________________ to_________________

Commission File Number: 000-51992

LIBERTY BANCORP, INC.

(Exact name of registrant as specified in its charter)

Missouri	20-4447023
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

16 West Franklin Street, Liberty, Missouri	64068
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code (816) 781-4822

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐

(Do not check if a smaller reporting company.) ___ Smaller reporting company ☒.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐. No ☒.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding February 6, 2008
Common Stock, par value $0.01 per share	4,094,203

LIBERTY BANCORP, INC.

FORM 10-Q

FOR THE QUARTER ENDED DECEMBER 31, 2007

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements

Consolidated Balance Sheets
(Unaudited)

Assets	December 31, 2007	September 30, 2007
Cash and due from banks	$ 10,092,694	6,502,289
Federal funds sold	820,000	2,540,000
Total cash and cash equivalents	10,912,694	9,042,289
Securities available for sale - taxable, at market value (amortized cost of $32,711,157 and $34,950,041, respectively)	33,321,973	35,241,932
Securities available for sale - non-taxable, at market value (amortized cost of $13,025,818 and $12,839,161, respectively)	12,998,230	12,740,587
Mortgage-backed securities - available for sale, at market value (amortized cost of $18,469,176 and $19,620,825, respectively)	18,255,571	19,276,996
Stock in Federal Home Loan Bank of Des Moines	2,563,900	1,531,200
Loans receivable, net of allowance for loan losses of $2,916,766 and $3,010,904, respectively	236,377,552	232,307,925
Loans held for sale	624,098	719,086
Premises and equipment, net	9,530,295	8,744,846
Bank-owned life insurance	8,209,942	8,101,192
Foreclosed real estate, net	2,609,794	1,675,871
Accrued interest receivable	2,023,813	2,055,814
Other assets	1,683,827	1,748,249
Total assets	$ 339,111,689	333,185,987
Liabilities and Stockholders' Equity		
Deposits	$ 239,168,240	252,305,482
Accrued interest payable	326,099	601,285
Advances from FHLB	49,649,876	26,430,394
Securities sold under agreement to repurchase	907,919	1,221,184
Advances from borrowers for taxes and insurance	29,526	905,606
Other liabilities	1,009,138	1,439,195
Accrued income taxes	303,612	88,308
Total liabilities	291,394,410	282,991,454
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.01 par value; 1,000,000 shares authorized; shares issued and outstanding - none	-	-
Common stock, $0.01 par value; 20,000,000 shares authorized; 4,761,187 shares issued	47,612	47,612
Treasury stock, at cost, 320,230 shares at December 31, 2007	(3,384,106)	-
Additional paid-in capital	32,028,182	31,923,289
Common stock acquired by ESOP	(644,640)	(701,309)
Accumulated other comprehensive earnings (loss), net	311,801	(12,619)
Retained earnings - substantially restricted	19,358,430	18,937,560
Total stockholders' equity	47,717,279	50,194,533
Total liabilities and stockholders' equity	$ 339,111,689	333,185,987

See accompanying notes to consolidated financial statements.

LIBERTY BANCORP, INC.

Consolidated Statements of Earnings
(Unaudited)

	Three Months Ended December 31, 2007	2006
Interest income:		
Loans receivable	$ 4,626,916	4,089,778
Mortgage-backed securities	200,277	251,588
Securities - taxable	449,422	382,528
Securities - non-taxable	139,596	65,591
Other interest-earning assets	57,737	86,207
Total interest income	5,473,948	4,875,692
Interest expense:		
Deposits	2,519,906	1,984,765
Securities sold under agreement to repurchase	22,270	21,485
Advances from FHLB	400,143	326,128
Total interest expense	2,942,319	2,332,378
Net interest income	2,531,629	2,543,314
Provision for loan losses	180,000	32,000
Net interest income after provision for loan losses	2,351,629	2,511,314
Noninterest income:		
Loan service charges	25,379	30,812
Gain on sale of loans	62,636	53,597
Change in cash surrender value of BOLI	108,750	-
Deposit account and other service charges	281,379	245,461
Total noninterest income	478,144	329,870
Noninterest expense:		
Compensation and benefits	1,174,890	1,044,728
Occupancy expense	150,473	164,466
Equipment and data processing expense	242,607	202,815
Operations from foreclosed real estate, net	50,927	88,915
Federal deposit insurance premiums	7,395	6,614
Professional and regulatory services	108,265	94,668
Advertising	58,668	89,284
Correspondent banking charges	61,620	65,977
Supplies	33,670	39,647
Other	183,585	169,294
Total noninterest expense	2,072,100	1,966,408
Earnings before income taxes	757,673	874,776
Income taxes	226,000	315,000
Net earnings	$ 531,673	559,776
Basic and diluted earnings per share	$ 0.12	0.12
Dividends per share	$ 0.025	0.025

See accompanying notes to consolidated financial statements.

Statements of Comprehensive Earnings
(Unaudited)

	Three Months Ended December 31,	
	2007	2006
Net earnings	$ 531,673	559,776
Other comprehensive earnings:		
Unrealized gain on securities and MBSs available for sale, net:		
Unrealized gains arising during the period, net of tax	327,685	228,115
Amortization of unrecognized gain, net - SFAS No. 158	(3,265)	-
Comprehensive earnings	$ 856,093	787,891

See accompanying notes to consolidated financial statements.

LIBERTY BANCORP, INC.

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended December 31,	
	2007	**2006**
Cash flows from operating activities:		
Net earnings	$ 531,673	559,776
Adjustments to reconcile net earnings to net cash provided by (used for) operating activities:		
Depreciation expense	145,415	115,700
ESOP expense	78,808	79,902
Stock option and incentive plan expense	82,754	20,099
Amortization of premiums (discounts) on investments, net	(23,345)	(35,421)
Amortization of deferred loan fees, net	(111,390)	(68,182)
Provision for loan losses	180,000	32,000
Loans held for sale - originated	(3,970,654)	(4,037,261)
Loans held for sale - proceeds from sale	4,128,278	3,924,181
Loss (gain) on foreclosed real estate, net	41,749	59,276
Gain on sale of loans	(62,636)	(53,597)
Increase in cash surrender value of bank-owned life insurance	(108,750)	-
Decrease (increase) in:		
Accrued interest receivable	32,001	(104,934)
Other assets	(128,028)	3,025
Increase (decrease) in:		
Accrued interest on deposits and other liabilities	(708,508)	(47,565)
Accrued income taxes	215,304	315,000
Net cash provided by operating activities	322,671	761,999
Cash flows from investing activities:		
Net change in loans receivable	(5,470,744)	(7,622,805)
Mortgage-backed securities:		
Available for sale - principal collections	1,149,551	1,233,162
Securities available for sale:		
Purchased	(222,330)	(3,535,981)
Proceeds from maturity or call	2,300,000	2,130,450
Proceeds from foreclosed real estate, net	356,835	762,004
Purchase of stock in FHLB of Des Moines	(1,234,600)	-
Redemption of stock in FHLB of Des Moines	201,900	517,100
Purchase of premises and equipment	(930,864)	(132,433)
Net cash provided by (used for) investing activities	$ (3,850,252)	(6,648,503)

(continued)

LIBERTY BANCORP, INC.

Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended December 31,	
	2007	**2006**
Cash flows from financing activities:		
Net increase (decrease) in deposits	$ (13,137,242)	16,394,414
Increase (decrease) in advances from borrowers for taxes and insurance	(876,080)	(745,752)
Proceeds from advances from the FHLB	132,850,000	30,400,000
Repayment of advances from the FHLB	(109,630,518)	(40,133,336)
Securities sold under agreement to repurchase:		
Proceeds	2,548,666	20,161,238
Repayments	(2,861,931)	(19,577,301)
Repurchase of common stock	(3,384,106)	-
Cash dividends	(110,803)	(115,954)
Net cash provided by (used for) financing activities	5,397,986	6,383,309
Net increase (decrease) in cash and cash equivalents	1,870,405	496,805
Cash and cash equivalents at beginning of period	9,042,289	13,403,701
Cash and cash equivalents at end of period	$ 10,912,694	13,900,506
Supplemental disclosures of cash flow information:		
Cash paid (received) during the period for:		
Interest on deposits	$ 2,797,228	1,849,816
Interest on securities sold under agreement to repurchase	22,375	21,108
Interest on advances from FHLB of Des Moines	392,849	340,019
Federal income taxes	-	-
State income taxes	11,969	-
Real estate acquired in settlement of loans	1,332,507	3,714,636

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

(1) Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Such adjustments were of a normal recurring nature. The results of operations for the three-month period ended December 31, 2007 are not necessarily indicative of the results that may be expected for the entire year or any other interim period. For additional information, refer to the consolidated financial statements and footnotes thereto of the Company for the year ended September 30, 2007 contained in the Company's Annual Report on Form 10-K filed with the Securities Exchange Commission on December 28, 2007.

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and income and expenses during the reporting period. Actual results could differ significantly from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to determination of the allowance for loan losses and the fair values of financial instruments.

(2) Organization

Liberty Bancorp, Inc. (the "Company" or "Liberty Bancorp") a Missouri corporation, was formed on February 14, 2006 and became the holding company for BankLiberty (formerly Liberty Savings Bank, F.S.B.) upon completion of the Bank's conversion from a mutual holding company form to a stock holding company structure on July 21, 2006. A total of 2,807,383 shares of common stock were sold in the stock offering at the price of $10.00 per share. In addition, a total of approximately 1,952,754 shares of common stock were issued to the minority shareholders of the former Liberty Savings Bank, F.S.B. representing an exchange ratio of 3.5004 shares of Company common stock for each share of Liberty Savings Bank, F.S.B. common stock. Fractional shares in the aggregate, or 36 shares, were redeemed for cash. Total shares outstanding after the stock offering and the exchange totaled 4,760,137 shares. Net proceeds of $25.6 million were raised in the stock offering, excluding $1.2 million which was loaned by the Company to a trust for the Employee Stock Ownership Plan (the "ESOP"), enabling it to finance the purchase of 153,263 shares of common stock in the offering and exchange. Direct offering costs totaled approximately $1.3 million. In addition, as part of the second-step conversion and dissolution of Liberty Savings Mutual Holding Company, the Bank received $694,000 previously held by this entity.

(3) Earnings Per Share

Following is a summary of basic and diluted earnings per common share for the Bank for the three months ended December 31, 2007 and 2006:

	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006
Net earnings	$ 531,673	559,776
Weighted-average shares - Basic EPS	4,451,306	4,623,670
Stock options - treasury stock method	44,477	40,861
Weighted-average shares - Diluted EPS	4,495,783	4,664,531
Basic and diluted earnings per common share	$ 0.12	0.12
Anti-dilutive shares	91,402	-

(4) Retirement Benefits

The components of the net periodic cost for postretirement medical benefits are summarized as follows:

	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006
Service cost	$ 1,671	1,671
Interest cost	3,677	4,576
Amortization of transition obligation	3,134	3,134
Amortization of prior service cost	(2,416)	(2,416)
Amortization of actuarial gain	(5,341)	(3,050)
Over (under) accrual	-	(15)
Net periodic cost	$ 725	3,900

Directors' retirement plan expense was $5,350 and $6,600 for the three months ended December 31, 2007 and 2006, respectively. The expense consisted primarily of interest cost.

(5) Stock Options

As authorized by the 2003 Incentive Equity and Deferred Compensation Plan (the "2003 Plan"), the Board of Directors granted 78,760 options to non-employee directors and 96,260 options to certain officers and employees during fiscal 2004. The Plan authorizes the award of up to 258,064 shares of common stock, subject to restrictions, to be issued to directors, officers and employees of the Bank. The Plan provides for the grant of stock options, stock appreciation rights, restricted stock and unrestricted stock. Options expire ten years from the date of the grant. Stock options to directors were fully vested on the grant date of June 16, 2004. Options granted to the Bank's CEO are vested over three years and three months and options granted to certain other officers and employees are vested over a five-year period. On January 27, 2005 the Board of Directors granted an additional 38,504 options to certain officers and employees. Options granted to the CEO are vested over a period of three years and eight months and options granted to certain officers and employees are vested over a five-year period. On November 23, 2005 the Board of Directors granted an additional 42,440 options to directors and officers. Options granted to the board, CEO, and certain officers, were vested over a ten-month period.

Notes to Consolidated Financial Statements

In connection with the completion of the Conversion in July 2006, the Company assumed the Plan and all outstanding options and shares were adjusted based upon the 3.5004 exchange ratio. The exercise prices were adjusted to reflect the proportional change in values that resulted from the exchange.

As authorized by the Liberty Bancorp, Inc. 2007 Equity Incentive Plan (the “2007 Plan”), the Board of Directors granted 25,150 options to non-employee directors and 65,500 options to certain officers and employees on February 27, 2007. The 2007 Plan authorizes the award of up to 100,691 options to purchase shares of common stock, subject to restrictions, to directors, officers and employees of the Bank. The Plan provides for the grant of stock options, stock appreciation rights, restricted stock and unrestricted stock. Options expire ten years from the date of the grant. All 90,650 options granted are vested over a five-year period.

On October 1, 2006, the Company adopted SFAS No. 123R, “Share-Based Payment,” using the modified prospective method. Under this method compensation expense is recognized based on the fair value of unvested stock awards at October 1, 2006 and new awards granted thereafter, which includes restricted stock and stock options, at the grant date and is recognized on a straight-line basis over the requisite service period.

Stock option compensation expense is as follows:

		Three Months Ended December 31,	
		2007	2006
Pretax	$	21,107	13,100
After tax		20,180	8,400
Basic and diluted earnings per share	$	0.00	0.00

At December 31, 2007, the total unrecognized compensation expense related to nonvested stock options was approximately $198,033 and is expected to be recognized over the weighted-aver

Notes to Consolidated Financial Statements

A summary of the Company's stock option activity under the Plan for the three months ended December 31, 2007 is as follows:

	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term in Years	Aggregate Intrinsic Value
Outstanding at October 1, 2007	323,063	$ 8.40	7.75	$ 797,568
Granted	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at December 31, 2007	323,063	8.40	7.47	689,968
Exercisable at December 31, 2007	194,005	7.20	6.81	592,325
Vested and expected to vest at December 31, 2007	194,005	$ 7.20	6.81	$ 592,325

No options were granted, exercised or vested during the three months ended December 31, 2007 and December 31, 2006.

Restricted Stock Award

On February 27, 2007, as authorized by the 2007 Plan, the Board of Directors granted 31,400 restricted stock awards to non-employee directors and 78,000 awards to certain officers and employees. The Plan authorized the award of up to 125,649 shares of common stock, which were repurchased by a trust to fund the restricted stock awards. All awards are vested over a five-year period. A summary of the Company's restricted stock compensation expense is as follows:

	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006
Restricted Compensation Expense	$ 61,647	6,999

At December 31, 2007, the total unrecognized expense was $1.0 million and is expected to be recognized in 4.16 years

Notes to Consolidated Financial Statements

A summary of the Company's nonvested stock award activity for the three months ended December 31, 2007 is as follows:

	Number of Nonvested Shares	Weighted-Average Grant Date Fair Value
Nonvested at October 1, 2007	109,400	$ 11.27
Granted	-	-
Vested	-	-
Forfeited	-	-
Nonvested at December 31, 2007	109,400	$ 11.27

(6) Securities

Securities having a continuous unrealized loss position at December 31, 2007 are summarized as follows:

	Less than 12 Months		12 Months or Longer		Total	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss	Market Value	Unrealized Loss
Available for sale- debt securities:						
Federal agency obligations	$ -	-	2,296,531	(3,469)	2,296,531	(3,469)
State and municipal obligations	1,674,157	(16,585)	4,512,868	(44,194)	6,187,025	(60,779)
Available for sale- equity securities:	429,992	(739)	-	-	429,992	(739)
	$ 2,104,149	(17,324)	6,809,399	(47,663)	8,913,548	(64,987)

Mortgage-backed securities having a continuous unrealized loss position at December 31, 2007 are summarized as follows:

	Less than 12 Months		12 Months or Longer		Total	
	Market Value	Unrealized Loss	Market Value	Unrealized Loss	Market Value	Unrealized Loss
Available for sale:						
FHLMC	$ -	-	9,589,437	(136,134)	9,589,437	(136,134)
FNMA	-	-	5,630,856	(81,972)	5,630,856	(81,972)
FHLMC - CMO	-	-	24,183	(23)	24,183	(23)
FNMA - CMO	-	-	134,829	(7,004)	134,829	(7,004)
GNMA - CMO	-	-	346,559	(5,775)	346,559	(5,775)
	$ -	-	15,725,864	(230,908)	15,725,864	(230,908)

Unrealized losses are related to changes in market interest rates and not the credit quality of the issuers.

(7) Income Taxes

The Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109" ("FIN 48"), effective October 1, 2007. No adjustment was recognized for uncertain tax positions. The Company is subject to U.S. Federal income taxes, as well as State of Missouri income taxes. Tax years ending September 30, 2005 through September 30, 2007 remain open to examination by these jurisdictions.

Notes to Consolidated Financial Statements

The Company recognizes interest and penalties related to tax positions in income tax expense. At December 31, 2007, there was no accrual for uncertain tax positions or related interest.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Management’s discussion and analysis of the Company’s financial condition and results of operations is intended to assist in understanding the financial condition and results of operations of the Company. The information contained in this section should be read in conjunction with the Financial Statements and footnotes appearing in Part I, Item 1 of this report.

Forward-Looking Statements

This quarterly report contains forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of Liberty Bancorp and the Bank. These forward-looking statements are generally identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project” or similar expressions.

Liberty Bancorp and the Bank’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on the operations of Liberty Bancorp and its subsidiary include, but are not limited to, changes in interest rates, national and regional economic conditions, legislative and regulatory changes, monetary and fiscal policies of the U.S. Government, including policies of the U.S. Treasury and the Federal Reserve Board, the quality and composition of the loan or investment portfolios, demand for loan products, deposit flows, competition, demand for financial services in Liberty Bancorp and the Bank’s market area, changes in real estate market values in the Bank’s market area, changes in relevant accounting principles and guidelines and inability of third party service providers to perform.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Except as required by applicable law or regulation, Liberty Bancorp does not undertake, and specifically disclaims any obligation, to release publicly the result of any revisions that may be made to any forward-looking statements to reflect events or circumstances after the date of the statements or to reflect the occurrence of anticipated or unanticipated events.

General

The Bank is a community-oriented financial institution dedicated to serving the financial service needs of consumers and businesses within its market area. We attract deposits from the general public and use these funds to originate loans secured by real estate located in our market area. Our real estate loans include construction loans, commercial real estate loans and loans secured by single-family or multi-family properties. To a lesser extent, we originate consumer loans and commercial business loans. At December 31, 2007, we operated out of our main office in Liberty, Missouri and six additional retail banking facilities in the Kansas City metropolitan area. The Federal Deposit Insurance Corporation insures the Bank’s savings accounts up to the applicable legal limits. The Bank is a member of the Federal Home Loan Bank System.

Critical Accounting Policies

The accounting and reporting policies were prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) and to general practices within the financial services industry. The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Management has identified the accounting policies described below as those that, due to the judgements, estimates and assumptions inherent in those policies, are critical to an understanding of our financial statements and management’s discussion and analysis.

Income Recognition

We recognize interest income by methods conforming to US GAAP that include general accounting practices within the financial services industry. Interest income on loans and investment securities is recognized by methods that result in level rates of return on principal amounts outstanding, including yield adjustments resulting from the amortization of loan costs and premiums on investment securities and accretion of loan fees and discounts on investment securities.

In the event management believes collection of all or a portion of contractual interest on a loan has become doubtful, which generally occurs after the loan is 90 days past due, the accrual of interest is discontinued. In addition, previously accrued interest deemed uncollectible that was recognized in income is reversed. Interest received on nonaccrual loans is included in income only if principal recovery is reasonably assured. A nonaccrual loan is restored to accrual status when it is brought current or has performed in accordance with contractual terms for a reasonable period of time, and the collectibility of the total contractual principal and interest is no longer doubtful.

Allowance for Loan Losses

Valuation allowances are established for impaired loans for the difference between the loan amount and the fair value of collateral less estimated selling costs. We consider a loan to be impaired when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement on a timely basis. The types of loans for which impairment is measured include nonaccrual income property loans (excluding those loans included in the homogenous portfolio which are collectively reviewed for impairment), large nonaccrual single-family loans and troubled debt restructurings. Such loans are generally placed on nonaccrual status at the point deemed uncollectible. Impairment losses are recognized through an increase in the allowance for loan losses. See also "Asset Quality."

Allowances for loan losses are available to absorb losses incurred on loans and represent additions charged to expense, less net charge-offs. The allowances are evaluated on a regular basis by management and are based on management's periodic review of the collectibility of loans, in light of historical experience, fair value of the underlying collateral, changes in the types and mix of loans originated and prevailing economic conditions.

Qualitative Disclosures of Market Risk

Our principal financial objective is to achieve long-term profitability while reducing our exposure to fluctuating interest rates. We have an exposure to interest rate risk. We have employed various strategies intended to minimize the adverse effect of interest rate risk on future operations by providing a better match between the interest rate sensitivity of our assets and liabilities.

In particular, our strategies are intended to stabilize net interest income for the long-term by protecting our interest rate spread against increases in interest rates. Such strategies include originating for portfolio adjustable-rate and short-term loans with greater interest rate sensitivities than long-term, fixed-rate residential mortgage loans. We sell fixed-rate mortgage loans in the secondary market.

Liquidity and Capital Resources

Our principal sources of funds are cash receipts from deposits, loan repayments by borrowers, proceeds from maturing securities, advances from the Federal Home Loan Bank ("FHLB") and net earnings. We have an agreement with the FHLB of Des Moines to provide cash advances, should we need additional funds for loan originations or other purposes.

Commitments to originate loans are legally binding agreements to lend to our customers. Letters of credit are conditional commitments issued by us to guarantee the performance of the borrower to a third party.

The following table sets forth information regarding off-balance financial instruments as of December 31, 2007:

Off-balance sheet financial instruments:		Fixed-Rate	Adjustable-Rate
Commitments to originate loans	$	2,897,862	7,489,000
Commitments for unused lines of credit	$	630,397	12,057,029
Commitments for undisbursed loans	$	16,109,018	16,232,862
Commitments for letters of credit	$	296,840	-

Financial Condition

Total assets increased from $333.2 million at September 30, 2007 to $339.1 million at December 31, 2007. Cash and cash equivalents increased $1.9 million from September 30, 2007 to December 31, 2007. Securities available for sale decreased from $48.0 million at September 30, 2007 to $46.3 million at December 31, 2007 due to maturities and calls of securities, partially offset by the purchase of one security. Mortgage-backed securities available for sale decreased from $19.3 million at September 30, 2007 to $18.3 million at December 31, 2007 due to principal repayments. Stock in the Federal Home Loan Bank of Des Moines increased by $1.0 million due to stock purchase requirements as a result of a higher level of advances. Loans receivable increased by $4.1 million to $236.4 million at December 31, 2007 primarily due to increased activity in commercial real estate, partially offset primarily by a decrease in single-family construction loans. Premises and equipment, net increased $785,000 to $9.5 million at December 31, 2007 due to the purchase of land and expenditures relating to the construction of two new branches. The cash surrender value of bank-owned life insurance increased by $109,000 to $8.2 million as of December 31, 2007 as compared to $8.1 million as of September 30, 2007. Foreclosed real estate, net at December 31, 2007 totaled $2.6 million, an increase of $934,000 from $1.7 million at September 30, 2007. Foreclosed real estate, net consists of three single-family lots, one commercial lot, eight spec construction properties and three single family homes. Other assets decreased due to lower deferred tax assets attributable to an increase in unrealized gains on mortgage-backed securities and securities, partially offset by a higher level of certain prepaid items.

Total liabilities increased $8.4 million to $291.4 million at December 31, 2007 compared to $283.0 million at September 30, 2007. Deposits decreased from $252.3 million at September 30, 2007 to $239.2 million at December 31, 2007 primarily due to a decrease in short-term certificate accounts and brokered certificates, partially offset by an increase in commercial and interest-bearing checking accounts. Advances from the FHLB increased by $23.2 million to $49.6 million at December 31, 2007. Additional FHLB advances were originated due to lower rates as compared to other funding sources. Securities sold under agreement to repurchase decreased by $313,000 due to repayments, partially offset by new proceeds. Advances from borrowers for taxes and insurance decreased by $876,000 due to calendar year-end payment of real estate taxes on behalf of borrowers. Other liabilities decreased due primarily to a lower level of accrued payroll expense and accrued real estate taxes, both attributable to the timing of payments. Accrued income taxes increased due to the timing of tax payments.

Stockholders' equity decreased by $2.5 million from $50.2 million at September 30, 2007 to $47.7 million at December 31, 2007 due to the repurchase of common stock of $3.4 million and the payment of cash dividends, partially offset by net earnings of $532,000 for the three months ended December 31, 2007, amortization of ESOP and stock-based incentive awards and unrealized gains, net of taxes, on investments. During the three months ended December 31, 2007 and 2006, the Company paid cash dividends of $110,803 and $115,954, respectively.

The Bank is required to maintain certain minimum capital requirements under OTS regulations. Failure by a savings institution to meet minimum capital requirements can result in certain mandatory and possible discretionary actions by regulators, which, if undertaken, could have a direct material effect on the Bank's financial statements. Under the capital adequacy guidelines and regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classifications are also subject to judgments by the regulators about components, risk-weightings and other factors.

The Bank's actual and required capital amounts and ratios at December 31, 2007 were as follows:

	Actual		MinimumRequired for Capital Adequacy		MinimumRequired to be "Well Capitalized"	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
	(Dollars in Thousands)					
Stockholders' equity	$ 36,960					
Computer software costs	(147)					
Unrecognized gain, net - SFAS No. 158	(79)					
Unrealized gain on securities AFS, net	(233)					
Tangible capital	$ 36,501	10.8%	$ 5,060	1.5%		
General valuation allowance	2,917					
Total capital to risk-weighted assets	$ 39,418	14.7%	$ 21,422	8.0%	$ 26,777	10.0%
Tier 1 capital to risk-weighted assets	$ 36,501	13.6%	$ 10,711	4.0%	$ 16,066	6.0%
Tier 1 capital to total assets	$ 36,501	10.8%	$ 13,492	4.0%	$ 16,865	5.0%

Asset Quality

The following table sets forth information with respect to the Bank's impaired loans at the dates indicated.

	December 31, 2007	September 30, 2007
Nonaccrual loans	$ 3,202,603	3,422,257
Accruing loans past due 90 days or more	806,186	-
Other impaired loans	-	-
Total impaired loans	$ 4,008,789	3,422,257
Allowance for losses on impaired loans	$ 399,894	370,116
Impaired loans with no allowance for loan losses	$ -	-

At December 31, 2007, all loans where known information about possible credit problems of borrowers which caused management to have serious concerns as to the ability of the borrowers to comply with present loan repayment terms have been disclosed as non-accrual, 90 days past due, or restructured.

Under our internal review policy, loans classified as substandard increased from $3.8 million at September 30, 2007 to $5.3 million at December 31, 2007. Special mention loans at December 31, 2007 totaled $1.5 million as compared to $1.4 million at September 30, 2007. The loan listed as special mention at December 31, 2007 consisted of one development loan.

Following is a summary of activity in the allowance for loan losses:

Balance at September 30, 2007	$	3,010,904
Charge-offs		(275,581)
Recoveries		1,443
Provision charged to expense		180,000
Balance at December 31, 2007	$	2,916,766

Results of Operations Overview

Our primary source of pre-tax earnings is net interest income. Net interest income is the difference between interest income, which is the income that we earn on our loans and securities, and interest expense, which is the interest that we pay on our deposits and borrowings. Other significant sources of pre-tax earnings are service charges on deposit accounts.

Results of Operations for the Three Months Ended December 31, 2007 and 2006

Selected Financial Data

	Three Months Ended December 31,		
	2007	**2006**	**% Change**
Net earnings	$ 531,673	559,776	(5.0) %
Return on assets	0.63%	0.77%	(18.2)
Return on average stockholders' equity	4.34%	4.54%	(4.4)
Stockholders' equity-to-assets ratio	14.56%	16.95%	(14.1)
Dividend payout ratio	20.84%	20.71%	0.6

Net Earnings

Net earnings decreased from $560,000 for the three months ended December 31, 2006 to $532,000 for the three months ended December 31, 2007. Net earnings decreased due to slightly lower net interest income, a higher provision for loan losses and higher noninterest expense, partially offset by higher noninterest income and lower income tax expense. Diluted earnings per share of $0.12 remained the same for both comparable periods due to the repurchase of common stock during the three-month period ended December 31, 2007.

Net Interest Income

Net interest income remained virtually the same at $2.5 million for the three months ended December 31, 2007 as compared to the three months ended December 31, 2006. A lower interest rate spread was offset by a higher level of interest-earning assets. Our interest rate spread was 3.16% for the three months ended December 31, 2006 and 2.91% for the three months ended December 31, 2007. The average yield on interest-earning assets decreased by 5 basis points and the average cost of interest-bearing liabilities increased 20 basis points for the three months ended December 31, 2007 as compared to the three months ended December 31, 2006. Net interest-earning assets have decreased due to the purchase of bank-owned life insurance, the repurchase of common stock and an increase in fixed assets due to the acquisition and construction of new retail branch facilities. We have funded loan growth since December 2006 through money market accounts and FHLB advances.

Interest income on loans receivable increased from $4.1 million for the three months ended December 31, 2006 to $4.6 million for the comparable period in 2007. The increase is attributable to a higher average balance, partially offset by a lower average yield. The average loan yield decreased primarily due to the 50 basis point decrease in the prime rate between September and December 2007. We have a significant number of commercial real estate and construction loans that are indexed to the prime rate. Interest income on mortgage-backed securities decreased due to a lower average balance. Interest income on securities increased from $448,000 to $589,000 for the comparable three month periods due to a higher average balance and average yield.

Interest expense on deposits increased by $535,000 for the three months ended December 31, 2007 compared to the same period in 2006, as a result of a higher average balance and average rate. The cost of attracting deposits at higher rates during the first nine months of calendar year 2007 more than offset short-term rate decreases from September through December 2007. We attracted money market accounts through the offering of specials and new products. The weighted-average rate on deposits increased from 3.85% for the three months ended December 31, 2006 to 4.04% for the comparable 2007 period. Interest expense on FHLB advances increased by $74,000 for the comparable three month periods due to a higher average balance and average rate.

Average Balances and Yields

The average balances and yields tables present information regarding average balances of assets and liabilities, the total dollar amounts of interest income and dividends from average interest-earnings assets, the total dollar amounts of interest expense on average interest-bearing liabilities, and the resulting average yields and costs. The yields and costs for the periods indicated are derived by dividing annualized income or expense by the average balances of assets or liabilities, respectively, for the periods presented. For purposes of these tables, average balances have been calculated using month-end balances and, to a lesser extent, daily balances, and nonaccrual loans are included in average balances only. Management does not believe that the use of month-end balances instead of daily average balances has caused any material differences in the information presented. No tax equivalent adjustments were made. Nonaccruing loans have been included in the tables as loans carrying a zero yield.

	Three Months Ended December 31,					
	2007			2006		
	Average Balance	Interest	Average Yield/ Cost	Average Balance	Interest	Average Yield/ Cost
	(Dollars in thousands)					
Interest-earning assets:						
Loans receivable	$ 237,475	$ 4,627	7.79%	$ 205,755	$ 4,090	7.95%
Mortgage-backed securities	19,049	200	4.20	24,005	252	4.20
Securities	49,317	589	4.78	38,642	448	4.64
Other interest-earning assets	5,411	58	4.29	7,054	86	4.88
Total interest-earning assets	311,252	5,474	7.03	275,456	4,876	7.08
Interest-bearing liabilities:						
Deposits	249,242	2,520	4.04	206,119	1,985	3.85
FHLB advances	34,214	400	4.68	29,572	326	4.41
Securities sold under agreement to repurchase	1,959	22	4.55	2,424	22	3.55
Total interest-bearing liabilities	$ 285,415	2,942	4.12	$ 238,115	2,333	3.92
Net interest income before provision for loan losses		$ 2,532			$ 2,543	
Interest rate spread			2.91%			3.16%
Net interest-earning assets	$ 25,837			$ 37,341		
Net yield on average interest-earning assets			3.25%			3.69%
Ratio of average interest-earning assets to average interest-bearing liabilities	109.05%			115.68%		

Provision for Loan Losses

The allowance for loan losses is based upon management's consideration of current economic conditions, the loan portfolio composition and historical loss experience used to estimate probable losses as well as the level of non-performing assets. Each month, management also reviews individual loans for which full collectibility may not be reasonably assured and considers, among other matters, the estimated fair value of the underlying collateral. The Company and Bank are subject to periodic examination by regulatory agencies, which may require us to record increases in the allowances based on their evaluation.

The provision for loan losses was $180,000 and $32,000 for the three months ended December 31, 2007 and 2006, respectively. For the three months ended December 31, 2007, the provision of $180,000 was due to an increase in total loans receivable and to a lesser extent loan charge-offs. The allowance for loan losses as a percentage of total loans decreased to 1.06% as of December 31, 2007, as compared to 1.13% as of September 30, 2007.

Noninterest income

	Three Months Ended December 31,		
	2007	2006	% Change
Loan service charges	$ 25,379	30,812	(17.6) %
Gain on sale of loans	62,636	53,597	16.9
Change in cash surrender value of BOLI	108,750	-	100.0
Deposit account service charges	281,379	245,461	14.6
	$ 478,144	329,870	44.9

Noninterest income increased for 2007 due primarily to an increase in the cash surrender value of bank-owned life insurance and deposit account service charges.

During both three-month periods ended December 31, 2007 and 2006, we originated loans for sale to secondary market investors of $4.0 million. We do not anticipate significant gains on sale of loans in the immediate future due to current market conditions.

Noninterest Expense

	Three Months Ended December 31,		
	2007	2006	% Change
Compensation and benefits	$ 1,174,890	1,044,728	12.5%
Occupancy expense	150,473	164,466	(8.5)
Equipment and data processing expense	242,607	202,815	19.6
Operations from foreclosed real estate, net	50,927	88,915	(42.7)
Federal deposit insurance premiums	7,395	6,614	11.8
Professional and regulatory services	108,265	94,668	14.4
Advertising	58,668	89,284	(34.3)
Correspondent banking charges	61,620	65,977	(6.6)
Supplies	33,670	39,647	(15.1)
Other	183,585	169,294	8.4
	$ 2,072,100	1,966,408	5.4

Noninterest expense increased from $2.0million for the three months ended December 31, 2006 to $2.1 million for the comparable period in 2007. Compensation and benefits expense increased primarily due to the opening of a new branch office in Gladstone, Missouri, salary increases, higher stock option and restricted stock award expense and a decrease in deferred loan origination costs. Occupancy expense decreased due to lower real estate taxes on branch offices, partially offset by higher building depreciation expense and utility expense. Equipment and data processing expense increased due to higher depreciation expense due to the new branch, higher data processing expense and increase in service agreement expense, partially offset primarily by lower repairs and maintenance expense. Expenses from operations from foreclosed real estate, net decreased primarily due to lower losses on sale of certain properties and property insurance expense. Professional services increased primarily due to higher legal expenses related to loan workout situations, partially offset primarily by a decrease in audit expense. Advertising expense decreased primarily due to the elimination of direct mail advertising. Other expenses increased due primarily to postage and loan-relatedexpense, partially offset primarily by lower retail bank operations expense and miscellaneous expenses.

Income Taxes

Income taxes decreased for the three months ended December 31, 2007 due to lower earnings before income taxes and a lower effective tax rate. The effective rate for the three months ended December 31, 2007 was 29.8%, compared to 36.0% for the three months ended December 31, 2006, due to an increase in non-taxable municipal bond income and an increase in the cash surrender value of bank-owned life insurance which is also non-taxable.

Off-Balance Sheet Arrangements

In the normal course of operations, we engage in a variety of financial transactions that, in accordance with U.S. generally accepted accounting principles, are not recorded in our financial statements. These transactions involve, to varying degrees, elements of credit, interest rate and liquidity risk. Such transactions are used primarily to manage customers' requests for funding and take the form of loan commitments and lines of credit. We currently have no plans to engage in hedging activities in the future.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the possible chance of loss from unfavorable changes in market prices and rates. These changes may result in a reduction of current and future period net interest income, which is the favorable spread earned from the excess of interest income on interest-earning assets over interest expense on interest-bearing liabilities.

The Company considers interest rate risk to be its most significant market risk, which could potentially have the greatest impact on operating earnings. The structure of the Company's loan and deposit portfolios is such that a significant change in interest rates may adversely impact net market values and net interest income.

Information as of December 31, 2007 concerning the Company's exposure to market risk has not changed significantly from that disclosed under "Interest Rate Risk Management" in the Company's Form 10-K for the year ended September 30, 2007 filed with the Securities and Exchange Commission on December 28, 2007.

Item 4. Controls and Procedures

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's principal executive officer and principal financial officer, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on this evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective for the purpose of ensuring that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act (1) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II –OTHER INFORMATION

Item 1 - Legal Proceedings

Periodically, there have been various claims and lawsuits against us, such as claims to enforce liens, condemnation proceedings on properties in which we hold security interests, claims involving the making and servicing of real property loans and other issues incident to our business. We are not a party to any pending legal proceedings that we believe would have a material adverse effect on our financial condition, results of operations or cash flows.

Item 1A – Risk Factors

For information regarding the Company's risk factors see "Risk Factors," in the Company's Form 10-K for the fiscal year ended September 30, 2007 filed with the Securities and Exchange Commission on December 28, 2007. As of December 31, 2007, the risk factors of the Company have not changed materially from those reported in the Form 10-K.

Item 2 – Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding the Company's purchases of its equity securities during the three months ended December 31, 2007.

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or unit)		(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs (1)
October 1, 2007 through October 31, 2007	56,930	$	10.71	56,930	419,189
November 1, 2007 through November 30, 2007	143,000	$	10.53	143,000	276,189
December 1, 2007 through December 31, 2007	120,300	$	10.54	120,300	377,937
Total	320,230	$	10.57	320,230	

(1) On August 6, 2007, the Company announced that its Board of Directors had approved a stock repurchase program to acquire up to 476,119 shares, or 10%, of the Company's outstanding common stock. On December 20, 2007, a second stock repurchase program was approved to acquire up to 222,048 shares, or 5%, of the Company's outstanding common stock. There are no expiration dates for the repurchase programs. Repurchased shares are held in treasury.

Item 3 - Defaults upon Senior Securities

Not applicable.

Item 4 – Submission of Matters to a Vote of Security Holders

None.

Item 5 - Other Information

None.

Item 6 – Exhibits

(a) Exhibits:

31.1:	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
31.2:	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
32:	Section 1350 Certifications

LIBERTY BANCORP, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LIBERTY BANCORP, INC.
(Registrant)

DATE: February 14, 2008	BY:	/s/ Brent M. Giles Brent M. Giles, President and Chief Executive Officer (Duly Authorized Officer)
	BY:	/s/ Marc J. Weishaar Marc J. Weishaar, Senior Vice President and Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

LIBERTY BANCORP, INC.

CERTIFICATION

I, Brent M. Giles, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Liberty Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: February 14, 2008

/s/ Brent M. Giles

Brent M. Giles
President and Chief Executive Officer

Exhibit 31.2

LIBERTY BANCORP, INC.

CERTIFICATION

I, Marc J. Weishaar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Liberty Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2008

/s/ Marc J. Weishaar

Marc J. Weishaar

Senior Vice President and Chief Financial Officer

LIBERTY BANCORP, INC.
Certification Pursuant to 18 U.S.C. Section 1350, as added by
Section 906 of the Sarbanes-Oxley Act of 2002

Brent M. Giles, President and Chief Executive Officer, and Marc J. Weishaar, Senior Vice President and Chief Financial Officer, of Liberty Bancorp, Inc. (the "Company") each certify in his capacity as an officer of the Company that he has reviewed the Quarterly Report of the Company on Form 10-Q for the quarter ended December 31, 2007 (Report) and that to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in this Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Brent M. Giles
Brent M. Giles
President and Chief Executive Officer

By: /s/ Marc J. Weishaar
Marc J. Weishaar
Senior Vice President and Chief Financial Officer

Date: February 14, 2008