



Comptroller of the Currency
Administrator of National Banks

Northeastern District Office
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New York, N.Y. 10036

Licensing Division
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Conditional Approval #659
November 2004

October 15, 2004

By facsimile: 301.229.2443
and regular mail.

David Baris, Esq
Partner
Kennedy, Baris & Lundy
4701 Sangamore Road, Suite P 15
Bethesda, MD 20816

Re: OAKAR– Transaction by WashingtonFirst Bank, (“WFB “), Washington, D.C., to purchase certain assets and assume certain liabilities of the Washington, D.C. branch of Greater Atlantic Bank, (“GAB”), Reston, Virginia

Control No.: 2004-NE-02-0038

Charter No.: 24464

Dear Mr. Baris:

This is to inform you that today, the Office of the Comptroller of the Currency (“OCC”) granted conditional approval to WFB’s proposal to purchase certain assets and assume certain liabilities of the 1025 Connecticut Avenue Branch of Greater Atlantic Bank located in Washington, D.C.

This conditional approval is granted based on a thorough review of all information available, including commitments and representations made in the application, by representatives of the bank, in the merger agreement, or in any subsequent correspondence.

Upon H.R. 3797 (“2004 District of Columbia Omnibus Authorization Act”) becoming law, OCC jurisdiction over WFB terminates, including OCC jurisdiction to grant final approval of this application.

This conditional approval is subject to the following conditions:

- (1) The Bank will maintain Tier 1 capital of eight percent (8%) for the first three (3) years of operation.
- (2) For a period of two years after the Bank has opened for business, the OCC must

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review and express no supervisory objection to any new executive officer or director prior to that person assuming such position. The proposed individual may not assume the position until the OCC has issued a letter of no supervisory objection. The Bank agrees that the OCC's review under this Article is not subject to the thirty (30) day review period imposed by 12 U.S.C. § 1831i. However, the OCC will process all such notices in a timely manner.

- (3) The Bank's financial statements shall be prepared on an accrual basis according to generally accepted accounting principles.
- (4) The Board shall maintain safety and soundness policies and procedures acceptable to the OCC, and ensure Bank adherence to them. On a regular basis, the Board shall review these policies and procedures and shall make changes, as warranted, to address any deficiencies noted in the review and to ensure that the Bank continues to operate in a safe and sound manner. The Bank shall provide the OCC with a copy of the revised policies and procedures.
- (5) If the bank has not already done so, the Bank shall comply with each paragraph below.
 - (a) The Bank shall submit to the OCC a complete description of the Bank's final information systems and operations architecture, and the information systems risk assessment and management plan for review and determination of supervisory non-objection. This description shall include, at a minimum, a schematic drawing and a discussion of:
 - (i) third-party service provider due diligence and contracts;
 - (ii) electronic banking security mechanisms and policies;
 - (iii) information systems personnel;
 - (iv) internal controls;
 - (v) audit plans; and
 - (vi) operating policies and procedures, including, but not limited to:
 - (1) management of third-party service providers;
 - (2) web linking;
 - (3) customer authentication and verification; and
 - (4) business resumption contingency plans.
 - (b) The Bank shall have performed an independent security review and test of its electronic banking platform. The Bank shall 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

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herein. The review must be conducted by an objective, qualified independent source ("Reviewer"). The scope of the review shall address, at a minimum, the following:

- (i) all access points, including the Internet, Intranet, or remote access; and
- (ii) 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.

The Reviewer must complete a written report in which it is confirmed that the security measures, including the firewall, have been satisfactorily implemented and tested.

- (c) The Board shall establish and thereafter ensure Bank adherence to a security program that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information," 12 C.F.R. 30, Appendix B.
- (6) Within 30 days of this approval, the bank must submit to the OCC a business plan acceptable to the OCC. After acceptance by the OCC, the Bank (i) shall give the OCC at least sixty (60) days prior written notice of the Bank's 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 The OCC may impose additional conditions it deems appropriate in a written determination of no objection to the Bank's notice. For the first three (3) years of operation, the Bank must also provide a copy of such notice to the FDIC.

These conditions are conditions "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, these conditions are enforceable under 12 U.S.C. § 1818.

This Office must be advised in writing 10 days in advance of the desired effective date for the transaction 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 OCC will issue a letter certifying consummation of the transaction when we have received:

- 1) A Secretary's Certificate for both banks, certifying that a majority of the board of

¹ If such deviation is the subject of an application filed with the OCC, the OCC does not require any further notice to the supervisory office.

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directors approved the transaction, if not previously provided.

- 2) An executed purchase and assumption agreement, if not previously provided.

If the purchase and assumption is not consummated within one year from the conditional approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This conditional approval, 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 any 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.

If you have any questions, please contact me at 212-790-4055.

Sincerely,

/s/ Anthony P. DosSantos

Anthony P. DosSantos
Licensing Manager