



Comptroller of the Currency
Administrator of National Banks

Licensing Operations

Western District Office
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Denver, Colorado 80202-5534
(720) 475-7650, FAX (720) 475-7691

**Conditional Approval #616
January 2004**

December 16, 2003

Board of Directors
Mission National Bank
c/o J. David Joves
Chief Financial Officer
3060 16th Street
San Francisco, California 94103

Re: Purchase and Assumption – Mission National Bank (MNB), San Francisco, California to purchase certain assets and assume the liabilities of the Mission Street Branch, San Francisco, California of Pan American Bank (PAB), FSB, Burlingame, California
CAIS Control Number: 2003-WE-02-0012

Dear Board Members:

This is to inform you that effective this date, the Office of the Comptroller of the Currency has conditionally approved your proposal for Mission National Bank to purchase the Mission Street Branch of Pan American Bank, FSB, Burlingame, California.

This approval is subject to the following special pre-acquisition requirements:

1. MNB shall increase all capital ratios to the well-capitalized category level as defined under 12 USC 1831 and 12 CFR 6.4. Prior to the consummation of the purchase and assumption transaction MNB Holding Corporation shall cause the capital level of MNB to be increased in an amount sufficient so that capital ratios will be at the well-capitalized category level following consummation.

2. Prior to consummation, MNB shall submit evidence of the capital injection and a projection of the bank's capital ratios following consummation to Assistant Deputy Comptroller Brian Quade in the OCC's San Francisco Field Office for review and receive the OCC's written non-objection.
3. Prior to consummation, MNB shall submit a three-year capital plan to Assistant Deputy Comptroller Brian Quade in the OCC's San Francisco Field Office for review and receive the OCC's written non-objection to the plan. The capital plan shall require, among other things, that MNB will maintain, at all times, specified minimum levels of capital and that MNB's parent company, MNB Holding Corporation, will ensure that MNB has, at all times, satisfactory capital to support its operations.

This conditional approval is also subject to the following "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. The conditions are:

The Board of Directors of MNB shall fully implement and ensure continued adherence to the terms and provisions of the capital plan. This requirement may be modified or released upon written notification by the Deputy Comptroller of the Western District Office.

This conditional approval is granted based on a thorough review of all information available, including commitments and representations made in the application and the merger agreement and those of your representatives.

Approval of the purchase and assumption is granted subject to the following standard conditions:

1. If the purchase and assumption is not consummated within one year from this date, the approval shall automatically terminate unless the OCC has granted an extension.
2. The Western District Office must be advised at least 10 days in advance of the desired effective date for the purchase and assumption, so that the OCC may issue the necessary certification letter. The effective date must be at least 15 days from the date of this letter.

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 of the U.S.

All correspondence and documents concerning this transaction should be directed to Licensing Analyst Sherry R. Gorospe at (720) 475-7653. A separate letter is enclosed requesting your feedback on how we handled your application. We would appreciate your response so we may improve our service.

Sincerely,

/s/ Ellen Tanner Shepherd

Ellen Tanner Shepherd
Licensing Manager

Enclosure