



Comptroller of the Currency
Administrator of National Banks

Western District Office
50 Fremont Street, Suite 3900
San Francisco CA 94105
415-545-5900; Fax: 415-545-5925

August 2, 2001

**Conditional Approval #481
September 2001**

Neal Okabayashi
Vice President and Attorney
First Hawaiian Bank
999 Bishop Street, 8th Floor
Honolulu, Hawaii 96813

Re: De Novo Charter Application
First Hawaiian BankCard, National Association (proposed), Scottsdale, Arizona
OCC Control Number: 2001-WE-01-0004

Dear Mr. Okabayashi:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national CEBA credit card bank with the title of First Hawaiian BankCard, National Association. On today's date, after a thorough evaluation of all data available to the OCC, we found that your proposal met the requirements for preliminary conditional approval.

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 will be FDIC-insured. This approval is also subject to the receipt of all other required regulatory approvals from the Hawaii Division of Financial Institutions.

This approval is subject to the condition that the Bank shall obtain the OCC's non-objection before any significant deviation or change from the proposed operating plan occurs during the bank's first three years of operations. The Bank shall notify John Curtis, Assistant Deputy Comptroller, Credit Card Banks -West, at least sixty (60) days prior to any proposed significant deviation or change, and obtain the OCC's non-objection in writing to such a proposed deviation or change. John works out of our San Francisco Western District Office. This condition is enforceable under 12 USC § 1818. The Bank must also provide a copy of such notice to the FDIC's San Francisco Regional Office.

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

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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.

The bank's initial paid-in capital, net of organizational and preopening expenses, shall be no less than \$20 million. The manner in which capital is raised must not deviate from that described in the operating 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 and 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.

The operating plan will provide the context for the supervisory review at the pre-opening examination. 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.

The OCC poses no objection to the following individuals serving as directors and executive officers of the bank. All other directors and executive officers are subject to the OCC's *prior* review and clearance.

Donald G. Horner	President and Chief Executive Officer
Walter A. Dods, Jr.	Director, Chairman of the Board
John K. Tsui	Director
Howard H. Karr	Director
William E. Atwater	Director

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Edward Y. W. Pei	Executive Vice President
Norwood W. (Red) Pope	Executive Vice President
Edward S. Azama	Chief Credit Officer

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 also grants your waiver request of the residency requirements of 12 USC 72 for the majority of the board of directors of First Hawaiian BankCard, NA. This waiver is granted based upon a review of all available information, including the filing, and the bank's representation that this waiver will not affect the board's responsibility to direct the bank's operations in a safe, sound, and legal manner. Please understand that the OCC reserves the right to withdraw or modify this waiver and, at its discretion, to request additional information at any time in the future.

Your request that the proposed bank be designated a limited purpose institution with regard to the Community Reinvestment Act (CRA) was approved today. Enclosed is a separate letter confirming this approval. The bank's CRA plan will be reviewed during the pre-opening examination.

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

You should direct any questions concerning preliminary conditional approval to me at (415) 545-5921. Please copy the FDIC on any significant correspondence.

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.

Very truly yours,

-signed-

James A. Bundy
Licensing Manager
Western District

Enclosures: Corporate Organization Booklet
Minimum Policies and Procedures
Standard Requirements
Survey Letter