



Special Supervision Division
400 7th St. SW, Suite 3E-218
Mail Stop 8E-12
Washington, DC 20219

Supervisory Decision #2015-08
April 2015

March 27, 2015

Via E-mail and First Class Mail

Board of Directors
Colombo Bank
1600 East Gude Drive
Rockville, MD 20850

Re: Notification of No Supervisory Objection to Business and Capital Plans

Dear Members of the Board:

On December 15, 2014, Colombo Bank (Bank) submitted a revised Business Plan and Capital Plan (Plans) to the Office of the Comptroller of the Currency (OCC), in accordance with the requirements of Article II (Business/Strategic Plan) and Article III (Capital Plan) of the Bank's Consent Order executed December 4, 2013 (Order). The Bank subsequently revised the Business Plan and submitted an updated version to the OCC on February 25, 2015. The OCC has no supervisory objection to the December 15, 2014 Capital Plan, and the February 25, 2015 Business Plan, subject to the following conditions:

- The Board shall adopt and the Bank shall implement the Plans at the next Board meeting following receipt of this notice of no supervisory objection.
- The Board shall ensure adherence to the Plans going forward.
- The Board must review and update the Plans at least annually, no later than December 31 each year, and more frequently if necessary or if requested by the OCC in writing.
- Effective immediately, the Bank may not significantly deviate from the Plans or materially change the Plans without the assigned OCC Supervisory Office's prior written determination of no supervisory objection. The Bank must provide the OCC at least sixty (60) days advance, written notice of its intent to deviate significantly from the Plans, along with an assessment of the impact of such change on the Bank's condition, including a profitability analysis and an evaluation of the adequacy of the Bank's organizational structure, staffing, management information systems, internal controls, and written policies and procedures to identify, measure, monitor, and control the risks associated with the change in the Plans. Changes that may constitute a significant deviation from the Plans include, but are not limited to, any significant deviations from marketing strategies, products and services, marketing partners, or acquisition channels;

underwriting practices or standards; credit administration, account management strategies or test programs; collection strategies, partners, or operations; fee structure, pricing, or fee application methods; accounting processes or practices; funding strategy; or any other changes in personnel, operations, or external factors that may have a material impact on the Bank's operations or financial performance. A determination of a material impact on the Bank's operations or financial performance may include a single change or changes in aggregate.

- At least quarterly, the Board must prepare a written evaluation of the Bank's performance against the Plans and must include a description of the actions the Board will require the Bank to take to address any shortcomings. This evaluation must be documented in the Board meeting minutes. The Board must forward a copy of these quarterly reports to the assigned OCC Supervisory Office within ten (10) days of completion of its review.

The above outlined conditions of this non-objection are conditions "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 USC 1818. As such, the conditions are enforceable under 12 USC 1818.

This letter and the activities and communications by OCC employees in connection with the Bank's request, do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, 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 United States.

This letter must immediately be provided to each member of the Board, and this letter must be reviewed and discussed at the next meeting of the Board. This letter and the Board's discussion regarding this letter must be included in the minutes of the next meeting of the Board.

If you have any questions, please contact Problem Bank Specialist Cassandra Johnson at (202) 649-6450.

Sincerely,

/s

Steven D. Jacobs
Director for Special Supervision