



August 3, 2015

**Conditional Approval #1126
September 2015**

Gary A. Lax, Esq.
Luse Gorman Pomerenk & Schick, P.C.
5335 Wisconsin Avenue, N.W., Suite 780
Washington, D.C. 20015

Re: Application by Esquire Bank, Garden City, New York, to Convert from a Federal Stock Savings Bank to a National Bank with the title Esquire Bank, National Association.
OCC Control No.: 2015-NE-Conversion-143842 Charter No.: 718006

Dear Mr. Lax:

The Office of the Comptroller of the Currency (OCC) reviewed your application to convert Esquire Bank, Garden City, New York (Bank) from a Federal stock savings bank to a national bank. After a thorough review of all information available, and reliance upon the representations and commitments made in the application and by the Bank's representatives, we find that your conversion application meets the requirements for a conditional approval, pursuant to 12 USC 35 and 12 CFR 5.24. The converting bank will operate under the title of Esquire Bank, National Association, and from its sole location and headquarters at 320 Old Country Road, Garden City, New York.

The OCC granted preliminary conditional approval only. Final approval and authorization for the bank to convert to a national banking association will not be granted until all pre-conversion requirements are met. Until final approval is granted, the OCC has the right to modify, suspend or rescind this conditional approval should the OCC deem any interim development to warrant such action.

This conversion approval is subject to the following special conditions:

- The Bank must follow the Capital and Strategic Plan (Plan) that was submitted in conjunction with the conversion application.
- The Bank must (i) give the OCC Northeastern District Office at least sixty (60 days) prior written notice of the Bank's intent to significantly deviate or change from the Plan and (ii) obtain the OCC's written determination of no objection before the Bank engages in any significant deviation or change from the Plan.

These conditions of approval are conditions "imposed in writing by a Federal 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.

You are reminded that the following items must be satisfactorily addressed on or before the effective date of the conversion:

1. The Bank must have adequate fidelity bond coverage in accordance with 12 CFR 7.2013, which lists four factors the directors should consider to determine adequacy.
2. If a director, officer, employee, or principal shareholder of the Bank (including an entity in which such person owns an interest of 10 percent or more) is involved in the sale of credit life insurance to loan customers, the Bank should ensure compliance with 12 CFR 2, which among other things, prohibits a covered person from retaining commissions or other income from the sale of credit life insurance connected with any loan the Bank makes.
3. The board of directors must adopt and have in place policies, practices, and procedures to ensure the safe and sound operation of the Bank. The board also must review those policies, practices, and procedures continually and ensure the Bank’s compliance with them. We are enclosing the Minimum Policies and Procedures for national banks.
4. The Bank must have represented that it intends to maintain its membership in the Federal Home Loan Bank (FHLB) system. If, at any time, the Bank ceases to be a member of the FHLB system, it must use its best efforts, including contacting the appropriate FHLB or the Federal Housing Finance Board, to dispose of any stock in the FHLB. The OCC will consider this stock a nonconforming asset for any period that the Bank is not a member of the FHLB system.
5. The Bank must apply to the Federal Reserve for membership.
6. The Bank must ensure that all other required regulatory approvals have been obtained. Final authorization to operate as a national bank will not be given until the Federal Reserve Board approves the application by the Bank’s savings and loan holding company, Esquire Financial Holdings, Inc., to become a bank holding company.
7. The directors must own qualifying shares in conformance with 12 USC 72 and 12 CFR 7.2005.
8. If the Bank is subject to the Home Mortgage Disclosure Act (HMDA), it must ensure that its reporter identification number included on its HMDA transmittal sheet is changed to reflect its new OCC charter number, which will be 25125.
9. The Bank must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion. Any changes to the executive officers or directors must receive a “no objection” from the OCC.

Gary A. Lax, Esq.
Luse Gorman Pomerenk & Schick, P.C.
OCC Control No.:2015-NE-Conversion-143842

Upon completion of all steps required to convert to a national banking association, submit the “Conversion Completion Certification” (enclosed) certifying that you have done so. Please provide the OCC with at least 10 days advance notice of the conversion.

When the Bank has satisfactorily completed all of the above steps, the OCC will issue a Conversion Completion Acknowledgment officially authorizing the Bank to commence business as a national banking association. Shortly after conversion, you will receive the charter certificate.

If the conversion is not consummated within six months from the date of this letter, this conditional approval will automatically terminate, unless the OCC grants an extension of the time period. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

The OCC makes available the appropriate set of OCC handbooks, manuals, issuances, and the *Comptroller’s Licensing Manual*, in electronic form on the OCC Web site at www.occ.gov.

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 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. Our conditional approval is based on the Bank’s representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this conditional approval, if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

All correspondence regarding this application should reference the application control number. If you have any questions, please contact Licensing Analyst James Hill at (917) 344-3430 or by email at james.hill@occ.treas.gov.

Sincerely,

Marva V. Cummings

Marva V. Cummings
Director for District Licensing