



Comptroller of the Currency
Administrator of National Banks
And Savings Associations

Central District Office
One Financial Place, suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

December 15, 2011

**Conditional Approval #1016
January 2012**

Mr. Scott D. Miller
Senior Vice President and Senior Managing Counsel
KeyBank National Association
Mailcode: OH-01-27-0200
127 Public Square
Cleveland, Ohio 44114-1306

Re: Charter Application for Key National Trust Company of Delaware, Wilmington,
Delaware
OCC Application Numbers: 11-CE-01-008 and 11-CE-12-172

Dear Mr. Miller:

The Office of the Comptroller of the Currency (OCC) has reviewed your application to establish a new national trust bank, which will engage solely in fiduciary activities, with the title of Key National Trust Company of Delaware (proposed Bank). On December 15, 2011, the OCC granted preliminary conditional approval of your charter application after a determination that your proposal met certain regulatory and policy requirements. Your request for a waiver of the director residency requirements under 12 USC 72 is also approved.

This preliminary conditional approval is granted based on a thorough evaluation of all information available to the OCC, including the representations and commitments made in the application and by the Bank's representatives. We also made our decision to grant preliminary conditional approval with the understanding that the proposed Bank will apply for Federal Reserve membership.

The OCC has granted preliminary conditional approval only. Final approval and authorization for the Bank to open will not be granted until all preopening requirements are met. Until final approval is granted, the OCC has the right to modify, suspend or rescind this preliminary conditional approval should the OCC deem any interim development to warrant such action.

This preliminary conditional approval is subject to the following condition(s):

1. The Bank shall: (i) 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) 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. The OCC may impose additional conditions it deems appropriate in a written determination of no objection to a bank's notice. This condition shall remain in effect during the Bank's first three years of operation.

2. The bank shall limit its business to the operations of a trust company and activities related or incidental thereto. The Bank shall not engage in activities that would cause it to be a "bank" as defined in section 2(c) of the Bank Holding Company Act.
3. The bank shall maintain a minimum of (a) \$3,000,000 million in Tier 1 capital at all times, or (b) such higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority (the "Minimum Consolidated Tier 1 Capital Requirement"). If at any time, the bank fails to maintain the Minimum Capital Requirement, then the bank shall be deemed "under capitalized" and the bank shall take such corrective measures as the OCC may direct from among the provisions applicable to undercapitalized depository institutions under 12 U.S.C. §1831o(e) and 12 C.F.R. Part 6. For purposes of this requirement, an action "necessary to carry out the purpose of this section" under section 1831o(e)(5) shall include restoration of the bank's capital to levels which comply with the Minimum Capital Requirement, and any other action deemed advisable by the OCC to address the Bank's capital deficiency or the safety and soundness of its operations.
4. The bank's Board shall adopt, implement, and maintain a system to analyze and maintain capital and liquidity commensurate with the bank's risk profile, in conformance with OCC Bulletin 2007-21, Supervision of National Trust Banks – Revised Guidance: Capital and Liquidity (and any subsequent OCC guidance). The Board shall review the bank's capital and liquidity on at least an annual and quarterly basis, respectively, to determine if the bank requires additional capital or liquidity.

The condition(s) of this approval is/are a condition(s) "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 U.S.C. § 1818. As such, the condition(s) is/are enforceable under 12 U.S.C. § 1818.

The OCC poses no objection to the following persons serving as executive officers, directors, and/or organizers as proposed in the application:

<u>Name</u>	<u>Title</u>
John C. Barber	Organizer, Director and Senior Vice President
Janice L. Culver	Organizer, Chairperson of the Board and Chief Fiduciary Officer
Paul J. DeLuca	Organizer, Director and Chief Financial Officer
Catherine O. Kearney	Organizer, Director and President
Isabel A. Pryor	Director and Chief Executive Officer
John M. Ryan	Organizer, Director and Chief Investment Officer

Prior to the proposed Bank's opening, it must obtain the OCC's prior written determination of no objection for any additional organizers or executive officers, or directors appointed or elected before the person assumes the position. For a two-year period after the proposed Bank commences business, the Bank must file an Interagency Biographical and Financial Report with the OCC and receive a letter of no objection from the OCC prior to any new executive officer or director assuming such position.

The OCC also granted your request to waive the residency requirements of 12 USC 72 for John C. Barber, Janice L. Culver, Paul J. DeLuca, Catherine O. Kearney and John M. Ryan to serve as members of the board of directors of the Bank. This waiver is granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, 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. 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.

The "Charters" booklet in the *Comptroller's Licensing Manual* provides guidance for organizing your bank. The booklet is located at the OCC's web site: <http://www.occ.treas.gov/corpbook/group4/public/pdf/charters.pdf>. 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 Articles of Association and the Organization Certificate to Senior Licensing Analyst Carolina M. Ledesma in this office for our review and acceptance. As a "body corporate" or legal entity, you may begin taking those steps necessary for obtaining final approval. The Bank may not engage in fiduciary activities until it fulfills all requirements for a bank in organization and the OCC grants final approval.

Enclosed are standard requirements and minimum policies and procedures for new national banks. The Bank must meet the standard requirements before it is allowed to commence business and the Board of Directors must ensure that the applicable policies and procedures are established and adopted before the Bank begins operation.

Under separate cover, the OCC will send to you an appropriate set of OCC handbooks, manuals, issuances, and selected other publications. This information does not include the Comptroller's Licensing Manual, which is available only in electronic form at our web site: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

This preliminary 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 preliminary 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 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

Direct any questions concerning this preliminary conditional approval to Carolina M. Ledesma, Senior Licensing Analyst at (312) 360-8867 or carolina.ledesma@occ.treas.gov.

Sincerely,

Travis W. Wilbert

Travis W. Wilbert
Director for District Licensing

Enclosures: Standard Requirements
Minimum Policies and Procedures Checklist