



Comptroller of the Currency
Administrator of National Banks

Western District Office
1225 17th Street, Suite 300
Denver, Colorado 80202
720-475-7650; Fax: 301-333-7010

Conditional Approval #942
February 2010

January 12, 2010

Claire Rosati
President
Barclays Wealth Trustees (U.S.), N. A. (Proposed)
100 South West Street
Wilmington, DE 19801

Re: De Novo Charter Application
Barclays Wealth Trustees (U.S.), N. A. (Proposed), Wilmington, Delaware
OCC Control Numbers: 2009-WE-01-0006, 2009-WE-12-0205, 2009-WE-12-0206

Dear Ms. Rosati:

The Office of the Comptroller of the Currency (OCC) has reviewed and hereby conditionally approves your application to establish a new national trust bank, which will engage solely in fiduciary activities, with the title of Barclays Wealth Trustees (U.S.), National Association (Bank). Our decision to grant preliminary conditional approval of your charter application was made after a determination that your proposal met certain regulatory and policy requirements.

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 pre-opening 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 appropriate OCC Supervisory Office at least sixty (60) days prior written notice of its intent to significantly deviate or change from its business plan

or operations,¹ 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 the Bank's notice.

2. At all times, the Bank shall maintain minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$6.0 million or (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority ("Minimum Tier 1 Capital Requirement"). At all times, liquid assets² shall comprise at least 75% of the Bank's Minimum Tier 1 Capital Requirement (the "Minimum Liquid Capital Requirement"). (The Minimum Tier 1 Capital Requirement and the Minimum Liquid Capital Requirement are collectively the "Minimum Capital Requirement".)
3. If at any time, the Bank fails to maintain the Minimum Capital Requirement, the Bank shall be deemed undercapitalized and 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 (June 26, 2007), and any subsequent OCC guidance. The Board shall review the Bank's capital and liquidity on at least a quarterly basis to determine if the Bank requires additional capital or liquidity.
5. The Bank, upon request by the OCC when the OCC deems it necessary to its supervision of the Bank, shall provide to the OCC information that relates to the condition of the Bank's subsidiaries and affiliates. This may include access to, OCC examination of, and where requested, copies of, books and records, including audit and regulatory reports, and other information as the OCC may request without regard to the location of the information.

¹ If such deviation is the subject of an application filed with the OCC, no separate notice to the supervisory office is required.

² The term "liquid assets" means (a) cash and cash equivalents, (b) deposits at insured depository institutions, and (c) investment securities eligible for investment by national banks under 12 C.F.R. Part 1 and valued at the lower of cost or market value. The term liquid assets shall not include any assets that are pledged in any manner, nor any assets that are not free and kept free from any lien, encumbrance, charge, right of set-off, credit, or preference in connection with any claim against the Bank.

- (a) To the extent that the provision of such information to the OCC may be prohibited by local law, the Bank shall as necessary advise any regulator or authority that the Bank has no objection to such regulator or authority communicating with the OCC, or sharing information with the OCC (including examination reports and reports filed by such subsidiary or affiliate with any such regulator) and the Bank shall otherwise cooperate with the OCC to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information.
 - (b) To the extent that information requested by the OCC on a Bank subsidiary or affiliate is not in the possession, custody, or control of the Bank, the Bank shall make its best efforts to obtain such information, and to obtain waivers of confidentiality and consents that would permit OCC access to the information.
6. All transactions between the Bank and any affiliates, foreign or domestic, shall be conducted subject to the applicable provisions of 12 U.S.C. §§ 371c, 371c-1, or other applicable Federal law. The Board of Directors of the Bank annually shall review and approve the service agreements, and any other transactions with foreign and domestic affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements or other transactions.

The conditions of this approval 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 U.S.C. § 1818. As such, the conditions are enforceable under 12 U.S.C. § 1818.

The Bank’s initial paid-in capital, net of all organizational and preopening expenses, shall be no less than \$ 6 million. The manner in which capital is raised and maintained must not deviate from that described in the business plan without prior written OCC notification. If the capital for the Bank is not raised within 12 months or if the Bank is not opened for business within 18 months from the preliminary conditional approval date, this approval expires. 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 OCC poses no objection to the following person(s) serving as executive officer(s) and/or directors as proposed in the application:

J. Rodney Allen	Director
Archibald Cox	Director
Dillon Smith Freeman	Director
Reinhold W. Gebert	Director

Robert L. Gromer	Director
David Wade Romhilt	Director
Claire Rosati	President, CEO and Director
Jonathan F. Skelton	Director

Prior to the Bank's opening, the Bank 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 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.

This conditional approval also constitutes the OCC's grant of authority to the Bank to conduct the fiduciary powers requested in your application, under 12 U.S.C. § 92a and 12 C.F.R. § 5.26.

The board of directors must provide for the establishment and administration of the fiduciary operation either through the adoption of amendments to the bylaws or by appropriate resolutions. You will note that 12 C.F.R. § 9.4 places responsibility on the board of directors for the proper exercise of the bank's fiduciary powers. However, the board may decide whether it shall supervise the administration of all such powers directly or assign any function related to such powers to any director, officer, employee, or committee.

The board should also provide:

- A proper delineation of duties for trust officer(s) and committee(s).
- Adherence to the self-dealing and conflicts of interest provisions under 12 C.F.R. § 9.12.
- The designation of the officers or employees responsible for custody of the trust investments in conformity with 12 C.F.R. § 9.13(a).

The OCC hereby grants multiple waivers of the residency requirements of 12 U.S.C. § 72 for the majority of the board of directors of the Bank. We understand that after their election, two of the Bank's directors will meet the residency requirement of 12 U.S.C. § 72, and six will not. The Bank may continue to appoint directors who do not meet the residency requirements without applying for individual waivers, as long as the ratio of directors remain the same as in this approval.

The OCC hereby grants a waiver of the citizenship requirement of 12 U.S.C. § 72 for Reinhold Gebert and Jonathan Skelton to be elected to the Bank's board of directors. We understand that

after their election, 75% of the Bank's board of directors will meet the citizenship requirements of 12 U.S.C. § 72.

These waivers are granted based upon a thorough review of all the information available, including the representations and commitments made in the application by you and your representatives, subsequent correspondence, and telephone conversations. The OCC reserves the right to withdraw these residency and citizenship waivers at any time and, at our discretion, to request additional biographical and/or financial information on any member of the board of directors.

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 the OCC's Western District 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.

In addition to the standard requirements for all new national banks, the following special requirements must be satisfied prior to the Bank's request for a preopening examination and before the OCC will grant final charter approval:

1. The Bank must submit to EIC Gary Phillips for review, and prior written determination of no supervisory objection, a complete description of the Bank's final information systems and operations architecture as well as the information systems risk assessment and management plan. This should include a schematic drawing and discussion of the following items:
 - Vendor due diligence and contracts; electronic banking security mechanisms and policies; information systems personnel; internal controls; audit plans; and operating policies and procedures, including, but not limited to, vendor

management, weblinking, customer authentication and verification, and business resumption contingency plans.

2. The Bank must have performed an independent security review and test of its electronic banking platform. The Bank must have this review performed regardless of whether the platform is operated in-house or by one or more third-party service providers. If the Bank outsources the technology platform, it can rely on testing performed for the service provider to the extent that it satisfies the scope and requirements listed herein. The review must be conducted by an objective, qualified independent source (Reviewer). The scope should cover.
 - All access points, including the Internet, Intranet, or remote access.
 - The adequacy of physical and logical protection against unauthorized access including individual penetration attempts, computer viruses, denial of service, and other forms of electronic access.

By written report, the Reviewer must confirm that the security measures, including the firewall, have been satisfactorily implemented and tested. For additional guidance, refer to the FFIEC IT Examination E-Banking Handbook, pages 26-30, Information Security Program. The booklet is located at the FFIEC's Web site:
http://www.ffiec.gov/ffiecinfobase/html_pages/it_01.html

3. The Bank must have a security program in place that complies with the "Interagency Guidelines Establishing Standards for Safeguarding Customer Information" specified at 12 C.F.R. § 30, Appendix B.

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

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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 Senior Licensing Analyst Jim Bundy, at 720-475-7650, or by e-mail at jim.bundy@occ.treas.gov.

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,

Ellen Tanner Shepherd

Ellen Tanner Shepherd
Director for District Licensing

Enclosures: Standard Requirements
 Minimum Policies and Procedures
 Survey