



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, New York 10036

Conditional Approval #692
June 2005

May 25, 2005

Kathleen A. Scott, Esq.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036-2787

Re: (1) Conversion of Deutsche Bank Trust Company, New York, New York to a national bank with full trust powers with the title Deutsche Bank Trust Company, National Association
(2) Conversion of Deutsche Bank Trust Company, Connecticut Ltd., Greenwich, Connecticut to a national bank with full trust powers with the title Deutsche Bank Trust Company, Connecticut, National Association
(3) Relocation of Deutsche Bank Trust Company, Connecticut, National Association to New York, New York
(4) Merger of Deutsche Bank Trust Company, Connecticut, National Association with and into Deutsche Bank Trust Company, National Association with the resulting bank to be named Deutsche Bank Trust Company, National Association (the Bank)

Application Control Numbers: (1) 2003-NE-01-0012, (2) 2003-NE-01-0013, (3) 2003-NE-07-0022, and (4) 2003-NE-02-0031

Dear Ms. Scott:

The Office of the Comptroller of the Currency (OCC) has reviewed the aforementioned applications dated July 31, 2003, as amended July 22, 2004. After a thorough review of all information available, and reliance upon the representations and commitments made in the application and by the banks' representatives, we find that the applications meet the requirements for approval subject to the following special conditions:

- (1) The Bank shall maintain a minimum of \$5 million in Tier 1 capital at all times. If the Bank fails to maintain Tier 1 capital in the amount of \$5 million, the Bank shall be deemed “undercapitalized,” for purposes of 12 USC 1831o and 12 CFR 6, and the OCC shall have the authority to take any action authorized under all provisions of 12 USC 1831o and 12 CFR 6 applicable to an undercapitalized national bank. For purposes of 12 USC 1831o(e)(5), an action “necessary to carry out the purpose of this section” shall include restoration of the Bank’s capital so that it is not “undercapitalized,” and any other action deemed advisable by the OCC to address the Bank’s capital deficiency or the safety and soundness of its operations.
- (2) The Bank: (i) shall give the New England Field Office at least sixty-days (60) prior written notice of the Bank’s intent to significantly deviate or change from its business plan or operations¹ and (ii) shall 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.

Please be advised that all conditions of this approval are conditions "imposed in writing by the agency in connection with the granting of any application or other request" within the meaning of 12 U.S.C. 1818 and, as such, are enforceable under 12 U.S.C. 1818.

This approval is based in part upon the institution’s representation that, prior to conversion, the capital structure will be realigned to comply with the minimum capital requirements of 12 U.S.C. 35, 36, 52, and 371d to the extent applicable.

Pursuant to 12 U.S.C. 92a, you may continue to conduct fiduciary powers as requested in your application. Accordingly, you may begin exercising fiduciary powers simultaneously with your conversion to a national bank. The trust activities should begin within 18 months of this approval, unless we grant an extension. The bank should notify this office in writing within 10 days after commencement of trust activities. If the bank decides to surrender its fiduciary powers, it should notify the OCC in accordance with 12 CFR 9.17(a).

The OCC has no objection to the following officers and directors:

- (1) Paul J. Bisset, Director, President, Chief Executive Officer, and Senior Trust Officer,
- (2) Andrew F. Gallivan, Chairman of the Board,
- (3) Michael J.A. Smith, Vice Chairman of the Board,
- (4) J. Patterson Cooper, Director,
- (5) J. Nicholas Haigh, Director, and
- (6) George Leis, Director.

¹ If such deviation is the subject of an application filed with the OCC, the OCC does not require any further notice to the supervisory office.

Also, the OCC must approve any trust management change the bank makes prior to commencing fiduciary powers.

The board of directors should provide for the establishment and administration of fiduciary operation through adoption of amendments to the bylaws, through appropriate resolutions, or both. After adoption, a copy of those provisions should be furnished to the trust officer (s) for guidance. You will note that 12 CFR 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 Bank is also subject to the following standard conditions:

1. The Bank shall ensure that all transactions between Bank and affiliates, domestic or foreign shall be conducted subject to the applicable provisions of 12 USC 371c, 12 USC 371c-1, and other applicable federal law and regulation. In addition, the board of directors shall review and approve service agreements and other transactions with domestic and foreign affiliates, including in particular any cost allocation, fee-sharing or tax-sharing provisions in such agreements annually.
2. The Bank must notify all potential technology-related vendors in writing of the OCC's examination and regulatory authority under 12 U.S.C. 1867(c). All final technology-related vendor contracts must stipulate that the performance of services provided by the vendors to the Bank is subject to the OCC's examination and regulatory authority. The provisions of 12 C.F.R. 9 would be applicable to any fiduciary activities contracted out to vendors.

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

1. Directors must own qualifying shares in conformance with 12 U.S.C. 72 and 12 C.F.R. 7.2005.
2. The institution must purchase adequate fidelity bond coverage in accordance with 12 C.F.R. 7.2013, which lists four factors directors, should consider in determining adequacy.
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 bank compliance with them. Attached are the minimum policies and procedures applicable to national banks.
4. The converting institution must notify the OCC if the facts described in the filing materially change at any time prior to consummation of the conversion.

5. The converting institution must apply to the Federal Reserve for membership.
6. The converting institution must ensure that all other required regulatory approvals have been obtained.
7. The Bank shall devise a plan acceptable to the New England Field Office that addresses the issues identified during the conversion examination. The plan should outline how the Bank will ensure: (1) adequate audit coverage of fiduciary related activities; (2) an independent audit committee; (3) transactions with domestic and foreign affiliates comply with 12 USC 371, 12 USC 371 c-1, and Regulation W; (4) annual review of service level agreements with specific attention given to compensation arrangements compared with services rendered; (5) accurate call report preparations; and, (6) accurate internal financial statements (see attached copy of the conversion examination report).

Upon completion of the above procedures, please submit to the Northeastern District Licensing Office a letter certifying that you have completed all steps required to convert to a national banking association (see sample enclosed). Your letter should include the following documents as attachments if they have not already been submitted: Secretary's Certificate certifying shareholder approval of the proposed conversion (see sample enclosed); Articles of Association; Bylaws; Organization Certificate properly signed and executed; Oath(s) of directors; and list of directors.

When the institution has satisfactorily completed all of the above steps, the OCC will issue a letter officially authorizing the institution to commence business as a national banking association. At that time, you will receive the charter certificate. If the conversion is not consummated within six months from the approval date, the approval shall automatically terminate unless the OCC grants an extension of the time period.

The OCC will send to you under separate cover an appropriate set of OCC handbooks, manuals, issuances, and selected other publications, including the Comptroller's Handbooks for Fiduciary Activities. The trust officers and staff should become thoroughly familiar with 12 CFR 9, "Fiduciary Activities of National Banks" (copy enclosed.) Information provided will not include the *Comptroller's Licensing Manual*, which is available in electronic form on our website: <http://www.occ.treas.gov/corpapps/corpapplic.htm>.

With respect to the merger, as a reminder, the district office must be advised in writing in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter.

The OCC will issue a letter certifying consummation of the transaction when we have received:

- 1) A Secretary's Certificate for each institution, certifying that a majority of the board of directors approved the transaction, if not previously provided.
- 2) An executed merger agreement, acceptable to the OCC, with Articles of Association for the resulting bank attached, if not previously provided.
- 3) A Secretary's Certificate from each institution, certifying that the shareholder approvals have been obtained.
- 4) Documentation that all other special and standard conditions imposed has been met, and all pre-consummation requirements are satisfied.

If the resulting bank's aggregate par value and/or surplus capital accounts change as a result of the mergers, please provide the exact dollar amount of each change as well as the exact dollar amount of the ending par value and surplus accounts in order that we may properly certify the changes.

If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This 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. 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 numbers. If you have any questions concerning this letter, please contact Senior Licensing Analyst Alfred A. Phillips at (202) 874-5060 or call (212) 790-4055.

Sincerely,

signed

Alfred A. Phillips

Senior Licensing Analyst

Enclosures: Minimum Policies and Procedures
Copy of 12 CFR 9
Sample Letter Certifying Conversion Completion
Sample Notice of Consummation
Conversion Examination Report
Survey Letter