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Comptroller of the Currency  
Administrator of National Banks

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Licensing Division  
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August 20, 2009

**Conditional Approval #921**  
**September 2009**

Michael E. Bleier, Esq.  
Reed Smith LLP  
Reed Smith Centre  
225 Fifth Avenue  
Pittsburgh, PA 15222-2716

Re: Application to Merge National Penn Investors Trust Company, Wyomissing, Pennsylvania with and into National Penn Wealth Management, National Association, Greenville, Delaware, an interim national bank

Control Number: 2009 NE 02 0016

Dear Mr. Bleier:

The OCC hereby conditionally approves the application to merge National Penn Investors Trust Company, Wyomissing, Pennsylvania (“NPITC”), an uninsured national bank whose activities are limited to those of a trust company, with and into National Penn Wealth Management, National Association, Greenville, Delaware, an interim national bank, (“Interim”). The resulting bank will be located in Greenville, Delaware, with the title “National Penn Wealth Management, National Association” (“NPWMNA”) and its activities will be limited to those of a trust company and activities related thereto. NPWMNA will not accept deposits and will not be insured by the FDIC. This approval is granted after a thorough review of the application, other materials you have supplied, and other information available to the OCC, including commitments and representations made in the application and by the applicant’s representatives during the application process. This approval is also subject to the conditions set out herein.

The National Bank Act authorizes the chartering of national banks, including those whose operations are limited to those of a trust company and activities related thereto. See, e.g., 12 U.S.C. § 21, 26 & 27. OCC regulations set out special requirements and procedures for chartering a national bank that is an “interim bank” -- *i.e.*, a national bank that does not operate independently but exists solely as a vehicle for a business combination.<sup>1</sup> The transaction for which Interim is being established, the merger of Interim and NPITC, constitutes a business

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<sup>1</sup> See 12 C.F.R. § 5.33(d)(7) and (e)(4). A “business combination” includes mergers between affiliated national banks. See 12 C.F.R. § 5.33(d)(1) & (d)(2)).

combination. The requirements of section 5.33, with respect to interim banks, as well as those in 12 U.S.C. §§ 21, 26 and 27 for chartering a new bank, have been satisfied. Accordingly, the formation of Interim is legally authorized.

NPITC may merge into Interim under 12 U.S.C. § 215a. Under section 215a, a national bank may merge with another national bank “located within the same State.”<sup>2</sup> Interim is located in Delaware. NPITC’s main office is in Pennsylvania, but it has a trust office in Delaware and, thus, NPITC is located in Delaware for purposes of 12 U.S.C. § 215a.<sup>3</sup> Therefore, the merger is legally authorized. NPWMNA, the resulting bank in the merger, will succeed to the fiduciary appointments and activities of NPITC through the merger by operation of the statute.<sup>4</sup> NPWMNA may continue to operate the former main office of NPITC as a trust office.<sup>5</sup>

This approval is subject to the following conditions:

1. NPWMNA shall limit its business to the operations of a trust company and activities related or incidental thereto. NPWMNA 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.
2. At all times, NPWMNA shall maintain minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$4 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 assets<sup>6</sup> shall comprise at least 50% of NPWMNA’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. NPWMNA’s Board shall adopt, implement, and maintain a system to analyze and maintain capital and liquidity commensurate with NPWMNA’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 NPWMNA’s capital and liquidity on at least an annual and quarterly basis, respectively, to determine if NPWMNA requires additional capital or liquidity.

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<sup>2</sup> 12 U.S.C. § 215a(a).

<sup>3</sup> *See, e.g.*, OCC Corporate Decision #2001-29, September 28, 2001.

<sup>4</sup> *See* 12 U.S.C. § 215a(e).

<sup>5</sup> *See* 12 C.F.R. §§ 9.2(j) and 9.7(c).

<sup>6</sup> 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 NPWMNA.

4. If at any time, NPWMNA fails to maintain the Minimum Capital Requirement or the Minimum Liquidity Requirement, then NPWMNA shall be deemed “undercapitalized” and NPWMNA 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 NPWMNA’s capital and liquidity to levels that comply with the Minimum Capital Requirement and the Minimum Liquidity Requirement and any other action deemed advisable by the OCC to address NPWMNA’s capital or liquidity deficiency or the safety and soundness of its operations.
5. NPWMNA: (i) shall give the appropriate OCC Supervisory Office at least sixty-days (60) prior written notice of NPWMNA’s intent to significantly deviate or change from the business plan or operations, as reflected in this application, and (ii) shall obtain the OCC’s written determination of no objection before it engages in any significant deviation or change from its business plan or operations.<sup>7</sup> For purposes of this condition, “significant deviation or change” is the same as defined in Appendix G to the Charters booklet of the Comptroller’s Licensing Manual. The OCC may impose additional conditions it deems appropriate in any written determination of no-objection it issues in response to NPWMNA’s notice.

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.

Please advise the Northeastern District Licensing Division in writing in advance of the desired effective date for the merger so we may issue the necessary certification letter. The OCC will issue a letter certifying consummation of the transaction when we receive:

- An executed merger agreement with Articles of Association for the resulting bank attached.<sup>8</sup>

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. Our approval is based on the

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<sup>7</sup> If a deviation or change is the subject of an application filed with the OCC, the filing and acceptance of such application shall constitute notice to the Supervisory Office for purposes of this condition and no additional notice shall be required.

<sup>8</sup> Please note that both of these documents should show the title of the resulting bank as “National Penn Wealth Management, National Association”

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 approval pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

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

All correspondence relating to this application should include the control number. If you have any questions, please contact Senior Licensing Analyst Steven Maggio, at 212.790.4055.

Sincerely,

*J. Greg Parvin*

J. Greg Parvin  
Director for District Licensing

Enclosures: Survey Letter