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Comptroller of the Currency  
Administrator of National Banks

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

January 8, 1997

**Conditional Approval #230  
February 1997**

Mr. Scott D. Miller  
Senior Vice President & Senior Managing Counsel  
KeyCorp Management Company  
127 Public Square  
Cleveland, Ohio 44114-1306

Re: Letter of Intent from Key Trust Company of Alaska, Anchorage, Alaska  
to convert to a national trust bank (OCC Control No. 97-CE-01-006)

Dear Mr Miller:

The Office of the Comptroller of the Currency has reviewed your request, dated December 24, 1996 to convert the Key Trust Company of Alaska, Anchorage, Alaska, to a national trust bank which will engage solely in fiduciary activities. After a thorough review of all information available, we find that your request meets the requirements for preliminary conditional approval to convert to a national trust bank as follows:

Title: ***KeyTrust Company National Association***

Location: 101 West Benson Boulevard  
Anchorage, Alaska

We have made our decision to grant preliminary conditional approval with the understanding that the proposed national trust bank will not be FDIC insured and with the expectation that the proposed bank will become a member of the Federal Reserve System.

Prior to, or as of the date of conversion:

1. Directors must purchase qualifying shares in conformance with 12 U.S.C. §72 and 12 C.F.R. §7.2005.

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2. The bank must have a cashier (see 12 C.F.R. §7.2015).
3. The institution must purchase adequate fidelity bond coverage in accordance with 12 C.F.R. §7.2013, which lists four factors the directors should consider to determine adequacy.
4. The board of directors must adopt and have in place written policies and procedures to ensure the safe and sound operation of the bank. The minimum policies and procedures applicable to national banks are enclosed.
5. The converting institution must obtain any other required regulatory approvals.

This approval also is subject to the following two special conditions which shall be deemed to be "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(b)(1).

1. KeyTrust Company National Association (*hereinafter KTC*), shall assure that the operations of the bank are limited to that of a trust bank and that deposits other than trust funds are not accepted, loans are not made and checks are not paid.
2. The limitations of KTC's activities must be fully enumerated in the bank's articles of association. Specifically, the articles must clearly state:
  - The business of the association will be limited to that of a national trust bank; and
  - The bank must obtain the prior written approval of the OCC before amending its articles of association to expand the scope of its activities and services.

The OCC has no objection to the individuals noted in the application as the proposed directors and trust officers of KTC functioning or assuming that capacity following the conversion to a national trust bank. The OCC also waives the director residency requirement for this institution as requested in your application.

Enclosed is a copy of a letter certifying completion of the conversion steps which should be prepared by you when appropriate. The various forms to be executed in conjunction with this proposal and the enclosed certification letter, along with instructions for their completion, can be found in the Comptroller's Manual for Corporate Activities, Volume 2, dated January 1992. When the institution has satisfactorily completed all of the required items, the OCC will issue a letter officially authorizing the institution to commence business as a national trust bank. At that time, you will receive the charter certificate and trust permit. The OCC will

send you under

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separate cover an appropriate set of handbooks, manuals, issuances, and selected other publications.

If the conversion is not consummated within six months from the date of decision, preliminary conditional approval will be withdrawn. The OCC is opposed to granting extensions, except under the most extenuating circumstances and expects the conversion to occur as soon as possible.

All correspondence and documents concerning this transaction should be directed to National Bank Examiner Brian J. Paul at the District Office. In addition, if you have any other questions, he may be contacted at (312) 360-8858.

Sincerely,

\s\

Thomas M. Fitzgerald  
District Administrator

Enclosures