



Comptroller of the Currency
Administrator of National Banks

Northeastern District
1114 Avenue of the Americas, Suite 3900
New York, NY 10036-7780

Licensing Unit
Voice (212) 790-4055
Fax (212) 790-4098

Conditional Approval #777
January 2007

December 27, 2006

Mr. B.J. Sanford
Covington & Burling LLP
1201 Pennsylvania Avenue, NW
Washington, D.C. 20004

Re: Application to merge Brown Brothers Harriman Trust Company of Florida, Palm Beach, Florida and Brown Brothers Harriman Trust Company of Pennsylvania, Philadelphia, Pennsylvania into Brown Brothers Harriman Trust Company, National Association, New York, New York under the charter and title of the latter
Control Number: 2006 NE 02 0026 Charter Number: 24429

Dear Mr. Sanford:

This is to inform you that today, the Office of the Comptroller of the Currency (OCC) conditionally approved your proposal, filed on behalf of Brown Brothers Harriman Trust Company, National Association (“BBHNTC”), New York, New York to merge with Brown Brothers Harriman Trust Company of Florida, Palm Beach, Florida and Brown Brothers Harriman Trust Company of Pennsylvania, Philadelphia, Pennsylvania under the charter and title of BBHNTC.¹ This approval is granted based on a thorough review of all information available, including commitments and representations made in the application, the merger agreement and the bank’s representatives.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act and applicable OCC regulations and policies. Among other matters, we found that the proposed transaction would not have significant anticompetitive effects. The OCC considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and their effectiveness in combating money laundering activities. We considered these factors and found them consistent with approval.

¹ BBHNTC also owns as a subsidiary trust company, Brown Brothers Harriman Company of Texas, and will continue to own that trust company after this transaction.

This approval is subject to the following conditions:

1. At all times, BBHNTC shall maintain, on an overall consolidated basis, minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$6.5 million or (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority (“Minimum Consolidated Tier 1 Capital Requirement”). At all times, BBHNTC shall maintain, on a stand-alone adjusted basis, minimum Tier 1 Capital in an amount at least equal to the greater of (a) \$5 million or (b) such other higher amount as may be required by the OCC pursuant to the exercise of its regulatory authority (“Minimum Adjusted Tier 1 Capital Requirement”).² At all times, liquid assets³ shall comprise at least 75% of BBHNTC’s Minimum Adjusted Tier 1 Capital Requirement (the “Minimum Liquid Capital Requirement”). (The Minimum Consolidated Tier 1 Capital Requirement, the Minimum Adjusted Tier 1 Capital Requirement, and the Minimum Liquid Capital Requirement are collectively the “Minimum Capital Requirement”.) For purposes of meeting the Minimum Capital Requirement, the Bank shall not include any liquid assets used to meet the “Liquidity Requirement,” as that term is defined in the condition below.
2. At all times, BBHNTC shall maintain liquidity in the form of liquid assets in an amount at least equal to the greater of (a) \$2 million or (b) sixty (60) days operating expenses, excluding any expenses that are directly related to revenues (i.e., fees paid to a contractor for a service that are a percent of the revenue received by BBHNTC for the service) (the “Liquidity Requirement”). For purposes of meeting the Liquidity Requirement, the BBHNTC’s Minimum Capital Requirement is not an available liquidity source and shall not be included in determining BBHNTC’s compliance with the Liquidity Requirement.
3. If, at any time, the BBHNTC fails to maintain the Minimum Capital Requirement or the Liquidity Requirement, BBHNTC 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 BBHNTC’s capital and liquidity to levels which comply with the Minimum Capital Requirement and the Liquidity Requirement, and any other action deemed advisable by the OCC to address the BBHNTC’s capital or liquidity deficiency or the safety and soundness of its operations.

² For purposes of determining compliance with the Minimum Adjusted Tier 1 Capital Requirement and the Minimum Liquid Capital Requirement (as defined above), BBHNTC shall deduct from its Tier 1 Capital the higher of: (a) the capital that the state regulatory authority requires be maintained at the subsidiary trust company or (b) the aggregate amount of BBHNTC’s outstanding equity investment, including retained earnings, in the subsidiary trust company. Any asset used to satisfy the capital requirement of the subsidiary trust company shall not be included in determining compliance with the Minimum Adjusted Tier 1 Capital and the Minimum Liquid Capital Requirement. The treatment of the subsidiary trust company’s equity is for purposes of calculating BBHNTC’s compliance with these capital requirements only, and is not intended to affect BBHNTC’s financial reporting on its Call Reports.

³ 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. However, liquid assets shall not include any assets encumbered or pledged by lien, right of setoff, preference, or otherwise, or any other asset pledged as security in any transaction with any party.

4. BBHNTC's Board shall adopt, implement and maintain a system to analyze and maintain, in conformance with OCC Bulletin 2000-26, Supervision of National Trust Banks – Capital and Liquidity (and any subsequent OCC guidance), capital and liquidity commensurate with the Bank's risk profile.
5. Within 30 days after the consummation of the merger, BBHNTC and Brown Brothers Harriman & Co. ("BBH") shall execute a Capital Assurances and Liquidity Maintenance Agreement ("CALMA") with the OCC on terms and provisions acceptable to the OCC that replaces the current CALMA. The CALMA shall provide that BBHNTC will maintain its capital and liquidity levels in amounts at least at the minimum levels required in this approval, that BBHNTC will promptly notify and make demand on BBH for financial support needed to maintain BBHNTC's minimum required levels, and that BBH will promptly provide such financial support. Upon execution, BBHNTC and BBH shall provide to the OCC copies of the resolutions adopted by BBHNTC and BBH evidencing their respective approvals and authorizations to enter into and be bound by the CALMA. BBHNTC shall take all actions to exercise its rights and to enforce the terms of the CALMA, if and when necessary, by making a written demand or request on BBH. Within one (1) day following BBHNTC's demand or request to BBH for compliance with the CALMA, BBHNTC shall provide the OCC with a copy of such written demand or request.

These conditions of 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. As such, the conditions are enforceable under 12 U.S.C. § 1818. These conditions of approval supersede and replace conditions #1, #2, #3, and #5 contained in Conditional Approval #696, June 9, 2005 ("Conditional Approval #696"), and conditions #1, #2, #3 and #5 of Conditional Approval #696 shall terminate upon consummation of the merger. All other conditions imposed in Conditional Approval #696 shall remain in full force and effect.

As a reminder, Northeastern 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 merger transaction when we receive a Secretary's Certificate for each institution, certifying that the shareholder approvals have been obtained.

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.

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.

If you have any questions, please contact Wai-Fan Chang, Licensing Analyst, at (212) 790-4055. Please include the control number on all correspondence related to this application.

Sincerely,

/s/

J. Greg Parvin
Director for District Licensing

Enclosure: Survey Letter