

FEDERAL DEPOSIT INSURANCE CORPORATION

RBS National Bank
Bridgeport, Connecticut

Application for Federal Deposit Insurance
(Bank Insurance Fund)

ORDER

The undersigned, acting under delegated authority, has fully considered all relevant facts and information relating to the factors of Section 6 of the Federal Deposit Insurance Act regarding the application for Federal deposit insurance for RBS National Bank, a proposed new limited-purpose credit card bank to be located at 1000 Lafayette Boulevard, Bridgeport, Fairfield County, Connecticut, and has concluded that the application should be approved.

Accordingly, it is hereby ORDERED, for the reasons set forth in the attached Statement, that the application submitted by RBS National Bank (Bank), for Federal deposit insurance be, and the same is hereby approved subject to the following conditions:

1. That the Bank shall commence operations with sufficient capital and surplus to be a well-capitalized bank as defined by its primary Federal regulator, shall maintain at least \$20 million of additional capital over and above that which is necessary to remain well capitalized, and shall provide an adequate Allowance for Loan and Leases Losses;
2. That any changes in proposed Bank management or proposed ownership (10% or more of stock), including new acquisitions of or subscriptions to 10% or more of the stock, will render this commitment null and void unless such proposal is approved by the Regional Director prior to opening the Bank;
3. That Federal deposit insurance shall not become effective unless and until the Bank has been established as a National Bank, that it has authority to conduct a banking business, and that its establishment and operation as a bank have been fully approved by the Office of the Comptroller of the Currency;
4. The Royal Bank of Scotland plc, the foreign corporate parent bank of the Bank, will consent and submit to the personal jurisdiction of any United States Federal court of competent jurisdiction and of any Federal Banking Authority for purposes of any investigation or possible investigation, subpoena, examination, action, or proceeding by any Federal Banking Authority, the United States Department of the Treasury, or

the United States Department of Justice, relating to the administration and enforcement of or pursuant to any Banking Law;

5. The Royal Bank of Scotland plc will at all times maintain in the United States a designated agent, acceptable to the FDIC, to accept service on its behalf, including service of any legal process, notice, order, or subpoena, solely in connection with the consent to jurisdiction. The Royal Bank of Scotland plc will update the designation from time to time, as circumstances warrant, but will not change the designation without the prior written consent of the FDIC;
6. The Federal deposit insurance of the Bank shall not become effective unless The Royal Bank of Scotland plc provides the FDIC with a binding written commitment, satisfactory to the FDIC, making available to the FDIC such information about The Royal Bank of Scotland plc, and any affiliate of The Royal Bank of Scotland plc, that the FDIC deems necessary to disclose fully: (1) the relationship between the Bank and any such affiliate; and (2) the effect of such relationship on the Bank;
7. That until the conditional commitment of the FDIC becomes effective, the FDIC retains the right to alter, suspend, or withdraw its commitment should any interim development be deemed to warrant such action; and
8. That if deposit insurance has not become effective within twelve months from the date of this ORDER, the consent granted herein shall expire, unless the Corporation approves a request for an extension of the deadline prior to the expiration.

Dated at Washington, D.C. this 17th day of February, 2005.

FEDERAL DEPOSIT INSURANCE CORPORATION

/s/

By:

Lisa K. Roy

Associate Director

Division of Supervision and Consumer Protection

FEDERAL DEPOSIT INSURANCE CORPORATION

**IN RE: RBS National Bank
Bridgeport, Connecticut**

**Application for Federal Deposit Insurance
(Bank Insurance Fund)**

STATEMENT

Pursuant to the provisions of Section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815), an application for Federal deposit insurance with membership in the Bank Insurance Fund has been filed on behalf of RBS National Bank (Bank), a proposed new credit card bank that will be located at 1000 Lafayette Boulevard, Bridgeport, Fairfield County, Connecticut.

The Bank involves foreign ownership, with The Royal Bank of Scotland Group plc, Edinburgh, Scotland, United Kingdom, through subsidiaries, owning 100 percent of the Bank's common stock. The Bank is being organized as a nationally chartered, limited-purpose, non-CEBA credit card bank to conduct credit card operations throughout the United States. The applicants are cognizant of and intend to fully comply with the Community Reinvestment Act (CRA).

For the purposes of this proposal, the investment in fixed assets is reasonable and capital is adequate. Future earnings prospects are favorable, and management is considered satisfactory. In conjunction with this proposal, the FDIC has reviewed the bank's proposed CRA plan and has found that it is sufficient to fulfill the CRA requirements of the application. Corporate powers to be exercised are consistent with the purpose of the Federal Deposit Insurance Act, and no undue risk to the Bank Insurance Fund is apparent.

Accordingly, based upon a careful evaluation of all available facts and information, the Associate Director, pursuant to delegated authority, has concluded that approval of the application is warranted.

**ASSOCIATE DIRECTOR
DIVISION OF SUPERVISION AND CONSUMER PROTECTION
FEDERAL DEPOSIT INSURANCE CORPORATION**