



**Comptroller of the Currency
Administrator of National Banks**

Licensing Department
250 E Street, S.W.
Washington, D.C. 20219

**Conditional Approval #1020
February 2012**

December 23, 2011

C. Andrew Gerlach, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004-2498

Re: RBC Bank (Georgia), NA's, Atlanta, Georgia, request to change the scope of its activities and application to purchase certain assets and assume certain liabilities of RBC Bank (USA), Raleigh, North Carolina
CAIS Control Numbers: 2011-NE-12-0211 and 02-0024

Dear Mr. Gerlach:

The Office of the Comptroller of the Currency (OCC) conditionally approves (i) the request by RBC Bank (Georgia), NA, Atlanta, Georgia ("RBCNA"), to change the scope of its activities and (ii) the application by RBCNA to purchase certain assets and assume certain liabilities of RBC Bank (USA), Raleigh, North Carolina ("RBCUSA"). This approval is granted after a thorough evaluation of the application, other materials you have supplied, and other information available to the OCC, including representations made in the application and by RBCNA's representatives during the application process.

Background

RBCNA and RBCUSA are affiliated banks and are wholly owned subsidiaries of RBC USA Holdco Corporation ("RBC Holdco"), a financial holding company headquartered in New York, New York. RBC Holdco is a wholly owned subsidiary of Royal Bank of Canada (RBC"), which is a Canadian chartered bank headquartered in Toronto, Canada.

RBCNA, a national banking association with its main office in Atlanta, Georgia, currently offers credit card products and services to customers of RBCUSA and RBC's Canadian customers ("cross-border customers"). RBCUSA, a North Carolina state chartered and Federal Reserve member bank, is headquartered in Raleigh, North Carolina and operates branches in Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia.

RBCNA has requested prior approval from the OCC to change the scope of its activities in order to offer both lending and deposit products and services to cross-border and wealth management customers. In addition, the bank has submitted an application for prior approval to purchase certain assets and assume certain liabilities of RBCUSA, in particular, those assets and deposits of cross-border customers of RBCUSA.¹ After consummation, RBCNA will retain and offer personal banking accounts and services to cross-border and wealth management customers.

On June 19, 2011, RBC and The PNC Financial Services Group, Pittsburgh, Pennsylvania (“PNC”), entered into a definitive agreement whereby PNC will acquire RBCUSA after RBCUSA completes the purchase and assumption transaction that is the subject of this approval.²

Legal Authority

The OCC reviewed the proposed merger transactions under the criteria of the Bank Merger Act,³ and applicable OCC regulations and policies. Among other matters, we found that the proposed transactions would not have any anticompetitive effects.⁴ The OCC also considered the financial and managerial resources of the banks, their future prospects, the convenience and needs of the communities to be served, and the risk to the stability of the United States banking or financial system. In addition, the Bank Merger Act requires the OCC to consider “. . . the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities . . .”⁵ The OCC considered these factors and found them to be consistent with approval.

Director Waivers

The OCC also granted approval to your request to waive the residency requirements of 12 U.S.C. 72 for the board of directors of the RBCNA and citizenship requirements for directors W. James Westlake and Tracy Stevenson. These waivers are granted based upon a review of all available information, including the filing and any subsequent correspondence and telephone conversations, and the representation that these waivers will not affect the board’s responsibility

¹ RBCNA will also sell its non-cross-border credit card assets to RBCUSA. Prior regulatory approval, pursuant to the Bank Merger Act, is not required for this proposal because the amount of assets being acquired by RBCUSA is relatively small. The Bank Merger Act requires prior regulatory approval for those transactions involving the acquisition of substantially all assets or assumption of all liabilities of an insured depository institution.

² On August 3, 2011, PNC applied to the Federal Reserve Bank of Cleveland for prior approval to acquire the stock of RBCUSA. In addition, PNC applied to the OCC for prior approval to merge RBCUSA with and into PNC Bank, National Association, on August 2, 2011. Both applications have been approved.

³ 12 U.S.C. § 1828(c).

⁴ The Purchase and Assumption is between affiliated institutions, therefore, the transaction will have no impact on competition.

⁵ 12 U.S.C. § 1828(c) (11).

to direct RBCNA's operations in a safe, sound, and legal manner. The OCC reserves the right to withdraw or modify these waivers and, at its discretion, to request additional information at any time in the future.

Conclusion

This approval is subject to the following condition:

1. Prior to consummation, RBCNA will enter into a written Operating Agreement with the OCC on terms and conditions acceptable to the OCC.

This condition of approval is a condition "imposed in writing by a Federal 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.

As a reminder, the Northeastern District Licensing Office must be advised in writing in advance of the desired effective date for the change in scope of activities and purchase and assumption so that the OCC may issue the necessary authorization to expand the scope of operations of RBCNA and issue the purchase and assumption certification letter.

With respect to the change in scope of activities request, please complete the following items prior to RBCNA's desired consummation date:

- Ensure that all other required regulatory approvals, non-objections, or waivers have been received.
- Ensure fidelity bond coverage is adequate, in light of the expansion of activities, in accordance with 12 CFR 7.2013.
- Ensure that the Board of Directors has adopted minimum policies and procedures or amend existing policies and procedures to incorporate the new types of products and services the bank will offer going forward.
- Provide amended Articles of Association, if necessary.

With respect to the purchase and assumption application, refer to the Business Combination booklet for steps to complete the transaction and ensure that all other required regulatory approvals, non-objections, or waivers have been received. Please also ensure that you have submitted the following prior to the desired consummation date:

- A Secretary's Certificate for each institution certifying that a majority of each bank's board of directors approved the purchase and assumption.

- A Secretary's Certificate from each institution certifying that shareholder approvals have been obtained, if required.
- An executed purchase and assumption agreement.

If the change in scope of activities and purchase and assumption have not been consummated within one year from this approval date, the approvals will automatically terminate unless the OCC grants an extension of the time period.

These conditional approvals and the activities and communications by OCC employees I 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. These approvals are based on the Applicants' representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind these approvals if a material change in the information on which the OCC relied occurs prior to the date of the transactions to which these approvals pertain. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

If you have questions regarding this letter, please contact me at (202) 874-5060 or Senior Licensing Analyst Sandya Reddy at (212)790-4055. Please reference the application control numbers in any correspondence.

Sincerely,

Stephen A. Lybarger

Stephen A. Lybarger
Deputy Comptroller, Licensing