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Comptroller of the Currency  
Administrator of National Banks

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250 E Street, SW  
Washington, DC 20219  
202-649-6260

Licensing Activities

December 12, 2012

C.F. Muckenfuss, III  
Gibson, Dunn & Crutcher LLP  
1050 Connecticut Avenue, N.W.  
Washington, DC 20036-5306

Re: Application by GE Capital Retail Bank, Draper, Utah for approval to purchase certain assets and assume certain liabilities from MetLife Bank, N.A., Bridgewater, New Jersey Charter No. 715044  
OCC Control No.: R1-2012-0093

Dear Mr. Muckenfuss:

The Office of the Comptroller of the Currency (“OCC”) hereby conditionally approves the application by GE Capital Retail Bank, Draper, Utah (“GECRB”) to assume certain deposits and related liabilities, to acquire a retail deposit platform, and a single retail deposit-taking office located in New Jersey and certain related assets, from MetLife Bank, N.A., Bridgewater, New Jersey (“MetLife Bank”). This approval is granted after a thorough evaluation 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 GECRB’s representatives during the application process. The OCC’s approval is subject to the consummation requirements and conditions set out herein.

### **Background**

GECRB is a federal savings association. GECRB’s main office is located in Draper, Utah and GECRB has no branch offices. GECRB does not currently have a retail deposit-taking business. MetLife Bank is a national bank with its main office in Bridgewater, New Jersey. GECRB seeks to assume certain deposits and related liabilities of MetLife Bank, acquire MetLife Bank’s retail deposit-taking business, and its single retail deposit-taking office in New Jersey and related assets (“P&A Transaction” or “Transaction”).

## **Legal Authority**

A federal savings association may engage in a purchase and assumption transaction of the type that GEGRB has proposed, provided that the transaction complies with 12 U.S.C. § 1828(c) (the “Bank Merger Act”), 12 C.F.R. § 163.22, and the Community Reinvestment Act (“CRA”), which are discussed below.

### **Bank Merger Act**

The P&A Transaction is subject to review under the Bank Merger Act, 12 U.S.C. § 1828(c)(2).<sup>1</sup> Under the Bank Merger Act, the OCC generally may not approve a transaction that would substantially lessen competition. The Bank Merger Act also requires the OCC to take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. 12 U.S.C. § 1828(c)(5). The OCC must also consider the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities. 12 U.S.C. § 1828(c)(11). In addition, the OCC may not approve a merger if the resulting insured depository institution (including all insured depository institutions which are affiliates of the resulting insured depository institution), upon consummation of the transaction, would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. 12 U.S.C. § 1828(c)(13). Also, OCC regulations, at 12 C.F.R. § 163.22, require that the fairness of and disclosure concerning the transaction be considered.

We considered these factors and found them consistent with approval under the statutory and regulatory provisions.

### **Dodd-Frank Act**

Furthermore, the OCC must consider the risk of the transaction to the stability of the United States banking or financial system. 12 U.S.C. § 1828(c)(5) (as amended by section 604(f) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203) (“Dodd-Frank Act”). Section 604(f) of the Dodd-Frank Act requires the OCC to consider, when reviewing transactions under the Bank Merger Act, the risk to the stability of the United States banking or financial system. The OCC has looked to six factors when applying this standard: (1) whether the proposed transaction would result in a material increase in risks to financial system stability due to an increase in size of the combining firms; (2) whether the transaction would result in a reduction in the availability of substitute providers for the services offered by the combining firms; (3) whether the transaction would materially increase the extent of the interconnectedness

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<sup>1</sup> The Bank Merger Act applies to “merger transactions,” including an assumption of liability to pay any deposits made in any other insured depository institution. 12 U.S.C. § 1828(c)(2), (3).

of the financial system; (4) whether the transaction would materially increase the extent to which the combining firms contribute to the complexity of the financial system; (5) whether the transaction would materially increase the extent of cross-border activities of the combining firms; and (6) the relative degree of difficulty of resolving the combined firm.

Applying these standards, we conclude that the proposed P&A Transaction does not pose a risk to the stability of the United States banking or financial system.

1. Size

After consummation of the P&A Transaction, the combined bank's size will not pose a material increase in risks to the financial stability of the United States banking or financial system. GEGRB currently accounts for approximately 0.19 percent of total United States banking system assets. GEGRB currently has approximately 0.20 percent of total United States deposits. On a pro forma basis, GEGRB would account for approximately 0.26 percent of total United States banking system assets and 0.28 percent of total United States banking deposits. In addition, following the proposed Transaction, GEGRB, together with its affiliate, GE Capital Bank will have approximately 0.38% of the total United States deposits and 0.34% of the total assets of the United States banking system.

2. Substitutability

GEGRB offers traditional banking products and services, which include primarily credit card loans, prepaid cards and deposits through intermediaries. MetLife Bank offers retail deposit products, including money market accounts, savings accounts, and time deposits and lending products focused primarily on residential mortgage lending. GEGRB will offer traditional retail deposit services following the P&A Transaction. GEGRB is not acquiring MetLife Bank's lending business. These products and services are offered by numerous banks, thrifts, and other financial service providers. A number of substitute providers exist that could perform these activities should the combined entity be unable to engage in these activities. GEGRB and MetLife Bank do not engage in activities or operate in any business lines for which there are not ready substitute providers.

3. Interconnectedness

GEGRB does not currently, and the combined bank will not, engage in any business activities or participate in markets in a manner that, in the event of financial distress of the combined entity, would cause significant risks to other institutions. In addition, the combined bank will not be dependent on short-term or wholesale funding from other financial institutions. The transaction

will not increase exposure to any single counterparty that is currently among the top three counterparties of GEGRB or MetLife Bank before the transaction.

4. Complexity

GEGRB's activities consist primarily of traditional banking activities, and after consummation of the transaction its activities will not present unique or substantial complexities. The transaction will not impact complex activities such as core clearing and settlement services for critical financial markets. Thus, the transaction would not appear to materially increase the extent to which the combined bank contributes to the complexity of the United States banking or financial system.

5. Cross-Border Activity

GEGRB does not have any foreign branches or operating subsidiaries, and is not acquiring any foreign operations from the MetLife. The combined entity will not engage in any cross-border activities. The proposed transaction will have no impact on this factor.

6. Resolution or Financial Stability Factors in Combination

The size, operations, activities, and complexity of the combined organization will not be fundamentally different than GEGRB's current operations. Its limited expansion as a result of the transaction does not alter the relative degree of difficulty of resolving the combined entity.

Accordingly, the OCC finds the transaction to be consistent with the requirements of the Bank Merger Act, including Section 604 of the Dodd-Frank Act, and the OCC merger regulation, 12 C.F.R. § 163.22.

### **Community Reinvestment Act**

The CRA requires the OCC to take into account the records of the institutions' performance in helping to meet the credit needs of their communities, including low- and moderate-income neighborhoods when evaluating applications under the Bank Merger Act.<sup>2</sup> The OCC considered the CRA performance evaluation of both GEGRB and MetLife Bank. The OCC review of GEGRB's plan to meet CRA, including expansion of its assessment area, and the banks' records and other information available to the OCC as a result of its regulatory responsibilities, revealed that the banks' records of helping to meet the credit needs of their communities are consistent with approval of this application. Both GEGRB and MetLife Bank have a "Satisfactory" CRA rating and the OCC has received no comments objecting to the proposed Transaction.

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<sup>2</sup> 12 U.S.C. §§ 2903(a)(2) and 2902(3)(E); 12 C.F.R. § 195.29.

Accordingly, we conclude that approval of the application is consistent with the CRA.

### **Section 1818 Conditions**

- No later than the date of consummation of the Transaction, GEGRB must enter into an Operating Agreement with the OCC on terms and conditions acceptable to the OCC and GEGRB shall thereafter implement and comply with the terms of the Operating Agreement.
- No later than the date of consummation of the Transaction, GEGRB must enter into a Capital Assurance and Liquidity Maintenance Agreement with General Electric Capital Corporation and each Immediate Parent Company (as defined in the Operating Agreement), on terms and conditions acceptable to the OCC, setting forth the obligations of General Electric Capital Corporation and each Immediate Parent Company to provide capital and liquidity support to GEGRB.

The conditions of approval above 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. Accordingly, the conditions are enforceable under 12 U.S.C. § 1818.

### **Consummation Requirements**

The approval set forth herein is granted based on our understanding that other regulatory approvals, non-objections or waivers with respect to all aspects of the Transaction will have been received prior to consummation. Please ensure the below items are completed in a manner satisfactory to the Western District Licensing Office:

- The proposed transaction between GEGRB and MetLife Bank shall be consummated in accordance with the Amended and Restated Purchase Agreement with MetLife Bank dated as of September 21, 2012, not less than fifteen (15) calendar days nor more than 120 days calendar days after the date of this letter, unless an extension is granted for good cause by this office;
- On the business day prior to the date of consummation of the proposed Transaction, the Chief Executive Officer of GEGRB shall certify to this office, in writing, that no material adverse events or material changes have occurred with respect to the financial condition or operations of GEGRB since the date of the financial statements submitted with the application;

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- GEGRB must provide notice to this office within five (5) business days after the effective date of the proposed Transaction that states: (i) the effective date of the transaction; and, (ii) that the transaction was consummated in accordance with the provisions of all applicable laws and regulations, the application, and this approval letter; and
- GEGRB shall advise each accountholder whose withdrawable accounts would increase above \$250,000 as a result of the Transaction of the effect of the transaction of their insurance coverage no later than thirty (30) calendar days after the effective date, and provide evidence of such notification to this office.

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. This approval is based upon GEGRB's representations and submissions, and upon information available to the OCC as of this date. The OCC may modify, suspend, or rescind this decision if a material change in the information on which the OCC relied occurs prior to the date of the Transaction. 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 David Finnegan, Senior Licensing Analyst, at (720) 475-7653 or david.finnegan@occ.treas.gov.

Sincerely,

//signed//

Stephen A. Lybarger  
Deputy Comptroller for Licensing

cc: Kurt Grossheim, President, GE Capital Retail Bank  
Jonathan Mothner, General Counsel, GE Capital Retail Finance