

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

RIGGS NATIONAL CORP

CIK: **350847** | IRS No.: **521217953** | State of Incorporation: **DE** | Fiscal Year End: **1231**
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SIC: **6021** National commercial banks

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1998
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-9756

RIGGS NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

52-1217953

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1503 PENNSYLVANIA AVENUE, N.W., WASHINGTON, D.C.

20005

(Address of principal executive offices)

(Zip Code)

(301) 887-6000

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
None	None

Securities Registered Pursuant to Section 12(g) of the Act:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
Common Stock, par value \$2.50 per share	NASDAQ National Market System

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X. No. ___.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. []

The aggregate market value of the Corporation's voting stock held by non-affiliates of the registrant as of February 26, 1999, was \$341,684,289.

The number of shares outstanding of the registrant's common stock, as of March 12, 1999, was 28,255,747.

DOCUMENT INCORPORATED BY REFERENCE

Portions of Riggs National Corporation's definitive Proxy Statement dated March 17, 1999 to Stockholders are incorporated by reference, except for Items 402 (k) and (l) of Regulation S-K, in Parts I and III of this Annual Report.

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(A) PORTIONS OF RIGGS NATIONAL CORPORATION'S DEFINITIVE PROXY STATEMENT TO STOCKHOLDERS ARE INCORPORATED BY REFERENCE, EXCEPT FOR ITEMS 402 (K) AND (L) OF REGULATION S-K, IN PART III OF THIS ANNUAL REPORT.

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PART I

ITEM 1.

BUSINESS

RIGGS NATIONAL CORPORATION

Riggs National Corporation ("the Corporation") is a bank holding company registered under the Bank Holding Company Act of 1956, as amended (the "BHCA"), and incorporated in the State of Delaware. Founded in 1980, the Corporation engages in a variety of banking-related activities through its bank and non-bank subsidiaries. The Corporation currently has banking operations or separate subsidiaries in the Washington, D.C. metropolitan area; New Haven, Connecticut; Miami, Florida; London, England; and Nassau, Bahamas. Additionally, the Corporation provides investment advisory services domestically through subsidiaries registered under the Investment Advisers Act of 1940. A subsidiary located in the Bahamas provides trust and corporate services, as well as traditional banking services. At December 31, 1998, the Corporation and its subsidiaries had 1,598 full-time equivalent employees.

The Corporation's reportable segments are strategic business units providing diverse products and services within the financial services industry. The Corporation's segments include Banking, International Banking, Riggs & Company, and Treasury. The Banking segment provides traditional banking services such as lending and deposit taking to retail, corporate and commercial customers. The International Banking segment includes the Corporation's Washington, D.C. based embassy-banking business and the London based banking subsidiary, Riggs Bank Europe Limited. The Riggs & Company segment is a division of the Corporation providing trust and investment management services to a broad customer base. The Treasury segment is responsible for asset and liability management throughout the Corporation. Financial information about foreign and domestic operations is included in Footnote 15 to the Financial Statements-Foreign Activities and Footnote 17 to the Financial Statements-Segment Profitability (see Item 8).

Key elements of the Corporation's business strategy for its subsidiaries are to continue to focus on: growth opportunities through the additional accumulation of assets under management in its financial services division--Riggs & Company, the orientation of its retail banking branches toward money management relationships, the development and specialization in relationship banking of banking products and services in specific growth industries and the continued preeminence in the embassy banking operations coupled with growth in selected international business lines. Such growth will entail internally developed

programs as well as possible alliances or acquisitions in these areas. The Corporation will continue to serve the varied financial needs of the Washington, D.C. metropolitan area and to meet its commitments under the Community Reinvestment Act.

RIGGS BANK NATIONAL ASSOCIATION

The Corporation's principal subsidiary is Riggs Bank National Association (the "Riggs Bank N.A.", formerly The Riggs National Bank of Washington, D.C., and successor to The Riggs National Bank of Virginia and The Riggs National Bank of Maryland, which entities merged on March 28, 1996), a national banking association founded in 1836 and incorporated under the national banking laws of the United States in 1896. Riggs Bank N.A. had assets of \$5.0 billion, deposits of \$4.1 billion, and stockholder's equity of \$426.5 million at December 31, 1998.

Riggs Bank N.A. operates 32 branches and an investment advisory subsidiary in Washington, D.C., 15 branches in Virginia, seven branches in Maryland, a second investment advisory subsidiary in New Haven, Connecticut, a commercial bank in London, England, an Edge Act subsidiary in Miami, Florida, branch offices in London, England and Nassau, Bahamas, and a Bahamian bank and trust company.

As a commercial bank, Riggs Bank N.A. provides a wide array of financial services to customers in the Washington, D.C., metropolitan area, throughout the United States and internationally.

Riggs Bank N.A.'s Corporate and Commercial Banking Groups provide services to customers ranging from small regional businesses to major multinational companies. These services include lines of credit, secured and unsecured term loans, letters of credit, credit support facilities, foreign currency transactions and cash management.

Riggs Bank N.A.'s financial services division, Riggs & Company provides fiduciary and administrative services, including financial management and tax planning for individuals, investment and accounting services for governmental, corporate and non-profit organizations, estate planning and trust administration.

Riggs Bank N.A. provides investment advisory services through Riggs Investment Management Corporation ("RIMCO") and J. Bush & Company Incorporated, both of which are wholly-owned subsidiaries incorporated under the laws of Delaware and registered under the Investment Advisers Act of 1940.

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Riggs Bank N.A.'s Retail Banking Group provides a variety of services including checking, NOW, savings and money market accounts, loans and personal lines of credit, certificates of deposit and individual retirement accounts. Additionally, the Retail Banking Group provides 24-hour banking services through its telebanking operations and a network of Riggs Bank N.A.'s automated teller machines ("ATMs") as well as national and regional ATMnetworks.

Riggs Bank N.A.'s International Banking Group furnishes a variety of financial services including issuing letters of credit in connection with trade and other transactions, taking deposits, foreign exchange, private banking and cash management. Customers include embassies and foreign missions in Washington, D.C., foreign governments, central banks, and over 200 correspondent banks around the world. These services are provided through both domestic and international offices.

Additional international operations of Riggs Bank N.A. include:

- o Riggs Bank Europe Limited, located in London, England, providing traditional corporate banking services, commercial property financing and trade finance;
- o The Riggs Bank and Trust Company (Bahamas)Limited, in Nassau, providing trust services for international private banking customers;
- o A London branch located in the U.S. Embassy, serving the Embassy, its employees and official visitors.

RIGGS CAPITAL

Riggs Capital, a wholly-owned subsidiary of the Corporation, issued 150,000 shares of 8.625% Trust Preferred Securities, Series A, with a liquidation preference of \$1,000 per share, in December 1996. The Trust Preferred Securities, Series A qualify as Tier I Capital with certain limitations, see "Notes to Consolidated Financial Statements-Note 1 and Note 11" on pages 32 and 48, respectively, of this Form 10-K.

Riggs Capital II, a wholly-owned subsidiary of the Corporation, issued 200,000 shares of 8.875% Trust Preferred Securities, Series C, with a liquidation preference of \$1,000 per share, in March 1997. The Trust Preferred Securities,

Series C qualify as Tier I Capital with certain limitations, see "Notes to Consolidated Financial Statements-Note 1 and Note 11" on pages 32 and 48, respectively, of this Form 10-K.

SUPERVISION AND REGULATION

The Corporation and Riggs Bank N.A. are subject to the supervision of and regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). The Corporation's national banking subsidiaries and certain of their subsidiaries are subject to the supervision of and regulation by the Office of the Comptroller of the Currency (the "OCC"). Other federal, state and foreign laws govern many aspects of the businesses of the Corporation and its subsidiaries.

Under the BHCA, bank holding companies may not directly or indirectly acquire the ownership or control of five percent or more of the voting shares or substantially all of the assets of any company, including a bank, without the prior approval of the Federal Reserve Board. The BHCA also restricts the types of businesses and activities in which a bank holding company and its subsidiaries may engage. Generally, activities are limited to banking and activities found by the Federal Reserve Board to be so closely related to banking as to be a proper incident thereto.

The Corporation is required to maintain minimum levels of qualifying capital under Federal Reserve Board risk-based capital guidelines. For full discussion of these guidelines, see "Management's Discussion and Analysis--Capital Resources" and "Notes to Consolidated Financial Statements-Note 10."

Under Federal Deposit Insurance Corporation ("FDIC") regulations, the assessment rate for an insured depository institution varies according to the level of risk incurred in its activities. An institution's risk category is based partly upon whether the institution is assigned to one of the following "supervisory subgroups": "healthy"; "supervisory concern"; or "substantial supervisory concern."

The OCC must take "prompt corrective action" in respect of depository institutions that do not meet minimum capital requirements. The OCC has established levels at which an insured institution would be considered "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," and "critically undercapitalized."

The following table details the minimum capital levels for each category:

CAPITAL CATEGORY

<TABLE>

<CAPTION>

	TIER I	COMBINED TIER I AND II	LEVERAGE	TANGIBLE EQUITY
<S>	<C>	<C>	<C>	<C>
RATIOS:				
Well Capitalized	6% or above	10% or above	5% or above	N/A
Adequately Capitalized	4% or above	8% or above	4% or above	N/A
Under Capitalized	Less than 4%	Less than 8%	Less than 4%	N/A
Significantly Under Capitalized	Less than 3%	Less than 6%	Less than 3%	N/A
Critically Under Capitalized	N/A	N/A	N/A	2% or less

</TABLE>

Beyond the minimum capital levels, well capitalized institutions may not be subject to any order or written directive to meet and maintain a specific capital level.

Riggs Bank N.A. exceeds current minimum regulatory capital requirements, and qualifies as "well capitalized." The applicable federal bank regulator for a depository institution may, under certain circumstances, reclassify a "well capitalized" institution as "adequately capitalized" or require an "adequately capitalized" or "undercapitalized" institution to comply with supervisory actions as if it were in the next lower category. Such a reclassification may be made if the regulatory agency determines that the institution is in an unsafe or unsound condition (which could include unsatisfactory examination ratings). A summary of applicable regulatory capital ratios and the minimums required by the OCC under its capital guidelines for Riggs Bank N.A., on a historical basis, is

A depository institution may not make any capital distribution (including payment of a dividend) or pay any management fee to its holding company if the depository institution would thereafter be undercapitalized. Undercapitalized depository institutions are subject to increased regulatory monitoring and growth limitations and are required to submit capital restoration plans.

The Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Act"), authorizes interstate acquisitions of banks and bank holding companies without geographic limitation. In addition, beginning June 1, 1997, the Interstate Act authorized a bank to merge with a bank in another state as long as neither of the states had opted out of interstate branching between the date of enactment of the Interstate Act and May 31, 1997. A bank may establish and operate a de novo branch in a state in which the bank does not maintain a branch if that state expressly permits de novo branching. Once a bank has established branches in a state through an interstate merger transaction, the bank may establish and acquire additional branches at any location in the state where any bank involved in the interstate merger transaction could have established or acquired branches under applicable federal or state law. A bank that has established a branch in a state through de novo branching may establish and acquire additional branches in such state in the same manner and to the same extent as a bank having a branch in such state as a result of an interstate merger. If a state opts out of interstate branching within the specified time period, no bank in any other state may establish a branch in the opting out state, whether through an acquisition or de novo.

Effective June 1995, coinciding with the mandatory 1.25% funding of the Bank Insurance Fund ("BIF") reserve, insurance rates were reduced from a range of \$.23 to \$.26 per \$100 in deposits insured to a range of \$.04 to \$.07 per \$100 in deposits insured. Further, in November 1995, based on the continuing increase in reserves with BIF, the FDIC announced an additional reduction of insurance rates to zero percent, however, banks must pay a mandatory minimum of \$2 thousand per year.

On September 30, 1996, Congress passed and the President signed an omnibus funding bill which included legislation for the recapitalization of the Savings Association Insurance Fund ("SAIF"), which is administered by the FDIC. This legislation includes a provision requiring the merger of the BIF, which is also administered by the FDIC, and SAIF in 1999, assuming that bank charters and thrift charters are combined by that time. The legislation provided for a new Financing Corporation ("FICO") sharing formula between BIF and SAIF insured institutions, which imposes a surcharge of 1.3 cents per one-hundred dollars of BIF-insured deposits. The Corporation is subject to the FICO surcharge and is required to pay one-fifth of the rate that SAIF institutions pay for three years, ending in 1999.

There are legal restrictions on the extent to which the Corporation and its non-bank subsidiaries may borrow or otherwise obtain credit from Riggs Bank N.A. Subject to certain limited exceptions, a bank subsidiary may not extend credit to the Corporation or to any other affiliate (as defined) in an amount which exceeds 10% of its capital stock and surplus and may not extend credit in the aggregate to such affiliates in an amount which exceeds 20% of its capital stock and surplus. Further, there are legal requirements as to the type, amount and quality of collateral which must secure such extensions of credit by each bank subsidiary to the Corporation or to other affiliates. Finally, extensions of credit and other transactions between a bank subsidiary and the Corporation or other affiliates must be on terms and under circumstances, including credit standards, that are substantially the same or at least as favorable to such a bank subsidiary as those prevailing at the time for comparable transactions with non-affiliated companies.

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Under Federal Reserve Board policy, bank holding companies are expected to act as a source of financial strength to their subsidiary banks and to commit resources to support such banks in circumstances where a bank holding company might not do so absent such policy. In addition, any capital loans by a bank holding company to any of its subsidiary banks are subordinate in right of payment to deposits and to certain other indebtedness of such subsidiary bank. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulatory agency to maintain the capital of a subsidiary bank will be assumed by the bankruptcy trustee and entitled to a priority of payment.

The Corporation's subsidiaries face substantial competition in their operations from banking and nonbanking institutions, including savings and loan associations, credit unions, money market funds and other investment vehicles, mutual fund advisory companies, brokerage firms, insurance companies, mortgage banking companies, finance companies and other types of financial services providers.

ITEM 2.

PROPERTIES

The Corporation owns properties located in Washington, D.C. which house its executive offices, 15 of its branches, and certain operational units of Riggs Bank N.A. The Corporation also owns an office building in Maryland, where additional operational units of Riggs Bank N.A. are located. Further, the Corporation owns an office building in London, England, and leases various properties in Washington, D.C.; London, England; Miami, Florida; New Haven, Connecticut; Northern Virginia and Maryland.

ITEM 3.

LEGAL PROCEEDINGS

In the normal course of business, the Corporation is involved in various types of litigation, including litigation with borrowers who are in default under their loan agreements. In the opinion of management, litigation which is currently pending against the Corporation will not have a material impact on the financial condition or future operations of the Corporation as a whole.

ITEM 4.

SUBMISSION OF MATTERS TO A VOTE OF
SECURITY HOLDERS

No matters were submitted to security holders for vote during the fourth quarter of 1998.

EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning the executive officers of the Corporation is included in Item 10--"Directors and Executive Officers of the Registrant" which is incorporated herein by reference.

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PART II

ITEM 5.

MARKET FOR REGISTRANT'S COMMON EQUITY AND
RELATED STOCKHOLDER MATTERS

The common stock of Riggs National Corporation is traded on the NASDAQ National Market tier of The Nasdaq Stock Market under the symbol:"RIGS."

A history of the Corporation's stock prices and dividends can be found under "Quarterly Stock Information" on Page 69 of this Form 10-K.

As of February 26, 1999, there were 2,457 stockholders of record.

Other information required by this item is set forth in the "Notes to Consolidated Financial Statements--Notes 10 and 11" on Pages 46 and 48, respectively, of this Form 10-K.

ITEM 6.

SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Interest Income	\$ 353,802	\$ 330,792	\$ 293,198	\$ 298,799	\$ 266,005
Interest Expense	163,450	151,501	139,891	147,821	112,723
Net Interest Income	190,352	179,291	153,307	150,978	153,282
Less: Provision for Loan Losses	--	(12,000)	--	(55,000)	6,300

Net Interest Income after Provision for Loan Losses	190,352	191,291	153,307	205,978	146,982
Noninterest Income Excluding Securities Gains, Net	99,259	84,424	89,007	73,493	85,298
Securities Gains, Net	15,023	3,500	7,170	511	226
Noninterest Expense	193,752	186,030	176,947	191,834	199,020

Income before Taxes and Minority Interest	110,882	93,185	72,537	88,148	33,486
Applicable Income Tax Expense (Benefit)	29,088	24,690	6,174	346	(533)
Minority Interest in Income of Subsidiaries, Net of Taxes	19,947	17,616	420	--	--
=====					
NET INCOME	\$ 61,847	\$ 50,879	\$ 65,943	\$ 87,802	\$ 34,019
Less: Dividends on Preferred Stock	9,854	10,750	10,750	10,750	12,124
Less: Excess of Call Price over Carrying Amount of Preferred Stock	13,808	--	--	--	--
=====					
Net Income Available for Common Stock	\$ 38,185	\$ 40,129	\$ 55,193	\$ 77,052	\$ 21,895
EARNINGS PER COMMON SHARE					
Basic	\$ 1.25	\$ 1.32	\$ 1.82	\$ 2.55	\$.72
Diluted	1.21	1.27	1.79	2.54	.72
DIVIDENDS DECLARED AND PAID PER COMMON SHARE					
(See Note 10 to the Financial Statements)	.20	.20	.15	--	--
YEAR-END BALANCES					
Assets	\$5,502,331	\$5,846,426	\$5,135,100	\$4,732,533	\$4,425,665
Earning Assets	5,000,044	5,347,736	4,621,463	4,196,339	3,979,588
Loans	3,258,135	2,884,373	2,637,834	2,571,959	2,549,924
Deposits	4,144,848	4,297,918	4,050,683	3,885,179	3,602,794
Long-Term Debt	191,525	191,525	191,525	217,625	217,625
Stockholders' Equity	392,728	463,182	425,776	376,669	267,663

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ITEM 7.

MANAGEMENT'S DISCUSSION AND
ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

OVERVIEW

Riggs National Corporation achieved 21% earnings growth in 1998, as net income for the Corporation was \$61.8 million compared to \$50.9 million in 1997. Income before taxes and minority interest for 1998 reached a record \$110.9 million, representing a 19% increase over the 1997 total of \$93.2 million.

The growth in earnings was attributable to increases in both of the major components of the Corporation's revenue. Net interest income for 1998 was \$190.4 million, an increase of 6% over \$179.3 million for 1997. Noninterest income, excluding securities gains, totaled \$99.3 million in 1998, an 18% increase from \$84.4 in 1997.

Diluted earnings per share for 1998 and 1997 were \$1.21 and \$1.27, respectively. 1998 diluted earnings per share were reduced by a one-time charge of \$.44 from the redemption of \$100 million of 10.75% preferred stock.

The Corporation's success in 1998 is reflected in the key measurements of profitability, return on average assets, and return on average stockholders' equity. Return on average assets was 1.11% for 1998, compared to a ratio of 0.97% for 1997, and the return on average stockholders' equity was 13.61% in 1998, compared to 11.69% for 1997.

RESULTS OF OPERATIONS

Net Interest Income

Net interest income is the difference between interest income on earning assets and interest expense on deposits and borrowed funds. Net interest income is affected by changes in the level of interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities (see Tables A and B).

Net interest income on a tax-equivalent basis totaled \$193.3 million in 1998, an

increase of \$10.2 million, or 6%, over 1997 and an increase of \$36.3 million, or 23%, over 1996. The net interest margin was 3.78% for 1998, a decrease of 3 basis points from the prior year. Average interest-earning assets increased during 1998 by \$309.7 million, while the average rate earned was relatively unchanged between the years. This increase in average assets led to a \$22.2 million increase in interest income. Average interest-bearing funds increased by \$340.3 million during the year with the average rate paid declining six basis points, resulting in an \$11.9 million increase in interest expense.

The increase in average earning assets during 1998 was generated by loan growth of \$426.9 million and \$130.6 million in additions to short-term investments, offset by a \$247.8 million decline in the securities portfolio. Loan growth was strong in the commercial, residential and commercial real estate, and foreign loan portfolios and investments were shifted from the available for sale portfolio to shorter term time-deposit placements. The average rates earned on loans and investment securities were down modestly in 1998 due to overall declines in the interest rate environment, while the rate on time deposit placements increased 33 basis points from 1997. The net impact of these changes was minimal on the average rate for earning assets which totaled 6.98% for 1998, relatively unchanged from the prior year.

The increase in average interest-bearing funds during 1998 was due mostly to the growth of \$209.4 million in interest-bearing deposits and \$129.6 million in federal funds purchased and repurchase agreements which were used by the Corporation to fund loan growth. The average rate paid on interest-bearing funds decreased six basis points over 1997 with a four basis point decrease in total interest-bearing deposits and a 19 basis point drop in federal funds purchased and repurchase agreements.

Noninterest Income

The Corporation's revenue mix shifted in the most recent year, primarily through increased trust and investment advisory income from Riggs & Company. Noninterest revenue, excluding securities gains, accounted for 34% of combined revenue in 1998 compared to 32% in the prior year. Total noninterest income for 1998 was up \$26.4 million, or 30%, over 1997 and \$18.1 million, or 19%, over 1996. Excluding securities gains of \$15.0 million and \$3.5 million for 1998 and 1997, noninterest income increased 18% in the current year. Trust and investment advisory income growth was \$8.5 million in 1998, an increase of 23% over 1997. Service charges and fees also contributed to the growth in noninterest income, with an increase of \$2.3 million during the year, primarily from increases in merchant credit card and debit card fees. The Corporation also recognized a \$3.6 million gain in 1998 resulting from the termination of the Riggs Bank Europe Limited pension plan, which was replaced by a defined contribution plan. This gain is reported in other operating income on the Consolidated Statements of Income.

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Noninterest Expense

Noninterest expense for the year ended December 31, 1998 was \$193.8 million, an increase of \$7.7 million or 4% over 1997 and an increase of \$16.8 million, or 9%, over 1996. This increase is substantially the result of \$7.2 million in added personnel costs during the year, primarily attributable to increased incentive-based compensation and staff costs associated with new business initiatives. The number of employees at December 31, 1998 increased 1% from December 31, 1997, with a year-end total of 1,598.

Income Taxes

The Corporation's provision for income taxes includes federal, state, local and international tax obligations. Income tax expense increased \$4.4 million in 1998 to \$29.1 million from \$24.7 million in 1997. The increased expense is a direct result of increased earnings, as the effective tax rate of 26.2% for 1998 was relatively unchanged from the effective tax rate of 26.5% for 1997. During 1998 and 1997, the Corporation reversed valuation allowances related to deferred tax assets which reduced income tax expense. As substantially all of the valuation allowances have been reversed it is likely that the effective tax rate will increase in 1999.

FINANCIAL POSITION AND LIQUIDITY

Earning Assets

Loans and investments are the primary earning assets of the Corporation. For 1998, earning assets averaged \$5.1 billion compared to \$4.8 billion for 1997. Average earning assets were over 90% of average total assets in both years. Average loans represented 60% of earning assets in 1998 while average securities and short-term investments were 40% of earning assets. In 1997, the mix was 55% in average loans and 45% in average investments (see Table A).

Loans

Total loans at December 31, 1998 were \$3.3 billion, an increase of 13% from year-end 1997. About one-half of the loan portfolio consists of residential mortgage, home equity, and consumer loans which are generated through community banking. Commercial loans generated through both the relationship banking and international banking activities represent the balance of the portfolio (see Tables C, D and E).

Total loan growth was \$377.8 million with increases in excess of \$100 million in three primary areas: residential mortgage, commercial and financial, and foreign loans. The increase in residential mortgage loans was due primarily to the purchase of \$261.7 million of bulk loans offset by prepayments of loans during the year. Commercial and financial growth was 26% year over year and resulted from the Corporation's increased focus on new loan production along with increased demand due to a strong economy in the Washington, D.C. metropolitan area. Foreign lending increased 34% in 1998 with the primary increases noted in Riggs Bank Europe Limited. RBEL's loans are commercial in nature and are made predominantly in the United Kingdom. RBEL experienced growth in 1998 in each of its three lending areas, property finance, trade finance and general corporate lending.

Cross-Border Outstandings

The Corporation extends credit to borrowers domiciled outside of the United States through several of its banking subsidiaries. Cross-border outstandings include loans, acceptances, interest-bearing deposits with other banks, investments, and other monetary assets that are denominated in U.S. dollars or other currencies. In addition, cross-border outstandings include legally enforceable guarantees issued on behalf of non-local third parties and local currency outstandings to the extent they are not funded by local currency borrowings. These assets may be impacted by changing economic conditions in the respective countries. Management routinely reviews these credits and continually monitors the international economic climate and assesses the impact of these changes on foreign domiciled borrowers.

At December 31, 1998, the Corporation had no cross-border outstandings exceeding 1% of its total assets to countries experiencing difficulties in repaying their external debt. At December 31, 1998, the United Kingdom was the only foreign country with cross-border outstandings in excess of 1% of the Corporation's total assets that had loans in either a nonperforming, past-due or potential problem loan status (see Tables F and G).

Short-Term Investments

Short-term investments include time deposits with other banks, federal funds sold and reverse repurchase agreements. These investments are liquid assets with original maturities of less than 90 days. Short-term investments are lower-yielding assets that are highly interest-rate sensitive. Funds available for short-term investments generally are a function of daily movements in the Corporation's securities, loans and deposit portfolios, combined with the Corporation's overall interest-rate risk and asset/liability strategy. Liquidity is also available to the Corporation through credit facilities with Federal Home Loan Banks. The Corporation has secured and unsecured lines of credit that exceed \$1 billion which could be drawn upon to meet potential funding requirements.

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At December 31, 1998, total short-term investments decreased by \$19.6 million, or 3%, when compared to year-end 1997 due to normal daily fluctuations from the Corporation's ongoing liquidity management process. On average short-term investments increased \$130.6 million in 1998 partially due to decreases in the securities portfolio.

Securities

Securities of the Corporation consist of securities available for sale that are carried on the Statements of Condition at market value. The unrealized gains and losses on these securities are reported net of tax in stockholders' equity. The securities portfolio totaled \$970.7 million at December 31, 1998, with an average duration of 3.7 years and an average yield of 5.75%. These securities consisted primarily of U.S. Treasuries, U.S. government agency and mortgage-backed securities. At December 31, 1998, securities available for sale had \$1.8 million of unrealized losses before taxes (see Table H).

At December 31, 1997, the portfolio totaled \$1.67 billion with an average life of 2.2 years and an average yield of 6.06%. The securities portfolio decreased \$247.8 million on average in 1998. The decrease in average securities was mainly due to repositioning of the balance sheet resulting from loan growth and redemption of preferred stock by the Corporation of \$109 million. These decreases were offset by an increase in average short-term investments in 1998.

As part of the Corporation's asset/liability strategy, securities available for sale may be sold in response to changes in interest rates, risk characteristics and other factors. The Corporation realized net gains of \$15.0 million in 1998 compared with \$3.5 million in 1997. These sales were the result of a repositioning of the securities portfolio as the Corporation replaced U.S. Treasuries with mortgage-backed securities and extended the portfolio duration to 3.7 years. The yield declined approximately 31 basis points due to the declining interest rate environment in 1998.

ASSET QUALITY

Credit Risk Management

A key objective of management is to maintain the quality of the loan portfolio through high underwriting standards and regular evaluation of credit risk in the portfolio. The potential for loss is intrinsic to the lending process and management attempts to minimize these losses. However, the amount of loss will fluctuate depending on the risk characteristics of the loan portfolio.

The Corporation has comprehensive policies and procedures that cover both loan origination and management of risk. The Corporation's Credit Administration group establishes credit policies including approval of underwriting standards, lending limit authorities and concentration limits. Business unit managers throughout the Corporation have primary responsibility to evaluate, monitor and manage credit risk within policy guidelines for each portfolio. Credit Administration reports to the Chief Credit Officer and works with business units to ensure the integrity of the credit process. An independent loan review function monitors compliance with the Corporation's credit policies and further ensures the integrity of the credit process.

Provision and Reserve for Loan Losses

The provision for loan losses is a charge to earnings to maintain the reserve for loan losses at a level adequate to absorb estimated losses inherent in the loan portfolio. The reserve for loan losses is based on management's assessment of existing conditions and of potential losses determined to be probable and subject to reasonable estimation. The Corporation determines the appropriate balance of the reserve for loan losses based upon an analysis of inherent risk and other factors that include: primary sources of repayment on individual loans and groups of similar loans, liquidity and financial condition of the borrowers and guarantors, historical charge-offs/writedowns within loan categories, loan trends and general economic conditions. On a quarterly basis, the Loan Loss Reserve Committee evaluates the adequacy of the reserve for loan losses.

In 1998, no provisions were made to the reserve for loan losses compared to a negative provision of \$12.0 million for 1997. The reserve for loan losses was \$54.5 million, or 1.67% of total loans, at December 31, 1998, compared to \$52.4 million, or 1.82% of total loans, at December 31, 1997 (see Table I).

The reserve for loan losses is reduced by loans charged off during the year and increased by recoveries of loans that were previously charged off. The loan portfolio remained strong in 1998 as evidenced by net recoveries totaling \$2.0 million compared with \$472 thousand of net recoveries for 1997. Net recoveries for 1998 were mostly attributed to \$4.4 million recovered from commercial real estate loans. These recoveries were partially offset by relatively low levels of charge-offs, including \$2.2 million related to consumer loans and \$937 thousand in foreign loans.

The net recoveries experienced during 1998 contributed to the Corporation's decision to not record a provision for loan losses during the year. Net recoveries were experienced in 1997 and 1996 as well, which contributed to the decision to reverse \$12.0 million from the reserve for loan losses in the fourth quarter of 1997.

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Foreign exchange translation adjustments in the reserve for loan losses were \$94 thousand and \$(577) thousand in 1998 and 1997, respectively. These adjustments relate to reserves for the Bank's London branch and Riggs Bank Europe Limited, recorded in British pounds sterling, and are made to account for changes in the Corporation's reserve for loan losses resulting from fluctuating foreign exchange rates.

The estimated allocation of the reserve for loan losses by loan category is detailed in Table J and represents management's assessment of existing conditions and risk factors within these categories. Changes in the risk characteristics and commitment amounts within the loan portfolio impact the overall level of required reserves.

During 1998, the commercial and financial allocation increased substantially because of the increased lending in this area along with the specific reserve assigned to a \$25.0 million commercial loan which was placed on nonaccrual

status in the fourth quarter. The reserve allocation for real estate-residential and commercial/construction loans decreased while the combined balances in these portfolios remained relatively stable during 1998. The decreased allocation for commercial/construction loans is primarily the result of significant criticized loan balances in one industry concentration being paid down or upgraded in the fourth quarter of the most recent year. Also, additions to the residential real estate portfolio resulted from bulk loan purchases that are well-secured with relatively low risk characteristics. The reduced allocation for home equity and consumer loans is a direct result of continued low charge-off levels, as reserves for this classification are determined based upon the Corporation's historical charge-off experience. The allocation for foreign loans increased in 1998 in proportion to the overall balance increase in this portfolio.

Nonperforming Assets

Nonperforming assets include nonaccrual loans, renegotiated loans, and other real estate owned. Nonaccrual loans are loans for which recognition of interest income has been discontinued. Impaired loans are nonaccrual loans for which it is probable that all amounts due will not be collected according to the contractual terms of the loan agreement (see Tables K and L).

Loans are placed on nonaccrual when, in management's opinion, there is doubt as to the ability to collect either interest or principal, or when interest or principal is 90 days or more past due, and the loan is not well-secured and in the process of collection. Nonaccrual loans totaled \$26.8 million at December 31, 1998, an increase of \$23.0 million from December 31, 1997. This increase during 1998 was primarily attributable to a \$25.0 million commercial loan entering nonaccrual status in the fourth quarter of 1998.

A specific reserve was assigned to the \$25.0 million commercial loan that entered nonaccrual status in the fourth quarter of 1998; however, this specific reserve did not cause an increase in the total amount of reserve for loan losses as improvements in other factors offset the need for a provision. These factors included the removal of certain commercial loans from the Corporation's criticized loan classification and a reduction in the Corporation's overall qualitative reserves. The reduction in qualitative reserves resulted from the analysis of various factors, the most significant of which were a reduction in industry concentration risk and an improvement in the Corporation's credit process as determined by a series of independent loan reviews in 1998. The low level of nonaccrual loans in 1997 contributed to the decision to reverse \$12.0 million from the provision for loan losses in the prior year.

Renegotiated loans are those where there have been extensions of the original repayment period or a reduction of principal or interest because of a deterioration in the borrower's financial position. At December 31, 1998 and 1997, all renegotiated loans were not accruing interest. Renegotiated loans remained at a low level during 1998 and ended the year at \$2.9 million, compared with \$101 thousand at year-end 1997. The increase of \$2.8 million during 1998 is attributable to two foreign loans.

Loans are transferred to other real estate owned when collateral securing the loans is acquired through foreclosure. Other real estate owned decreased to \$1.7 million at December 31, 1998, from \$5.1 million at December 31, 1997. The remaining balance consists of two tracts of land in the Washington, D.C. metropolitan area.

Past-Due and Potential Problem Loans

Past-due loans generally consist of residential real estate and consumer loans that are well-secured and in the process of collection for which the Corporation is accruing interest. At December 31, 1998 the past-due loan category also included a foreign government overdraft of \$15.8 million, on which the Corporation is accruing interest. Past-due loan increases at year-end 1998 were primarily the result of this foreign government loan.

Potential problem loans are defined as loans that are currently performing but which management believes have certain attributes that may lead to nonaccrual or past-due status in the foreseeable future. At December 31, 1998, the Corporation had not identified any such loans compared to \$10.0 million in potential problem loans at December 31, 1997. At year-end 1997, the potential problem loans consisted primarily of commercial and financial loans.

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DEPOSITS AND FUNDING SOURCES

Deposits, short-term borrowings, long-term debt and trust preferred securities are the primary funding sources of the Corporation. For 1998, interest-bearing funds averaged \$4.0 billion compared to \$3.6 billion for 1997. Average interest-bearing funds were over 80% of average total liabilities in 1998 and 1997. Noninterest-bearing demand deposits represent an additional 15% of total liabilities (see Table A).

Deposits

Deposits remained the primary source of funding for the Corporation's activities during 1998. On average in 1998 deposits totaled \$4.09 billion compared with \$3.97 billion in 1997. The average 1998 balance consisted of \$3.37 billion in interest-bearing deposits and \$723.1 million of noninterest-bearing demand deposits. Demand deposits decreased during 1998 partially due to a new program in which certain noninterest-bearing accounts are transferred to the money market classification, thereby reducing the level of required reserves. Domestic and foreign time deposits increased \$293.5 million on average in 1998 with the largest portion of growth occurring in deposits where individual balances are in excess of \$100,000. The increase in time deposits was partially offset by an average decrease of \$43.6 million in money market accounts. The rates paid on time deposits in domestic offices were 4.55% and 4.34% in 1998 and 1997, respectively, compared to rates of 2.96% and 2.59%, respectively, for time deposits with denominations in excess of \$100,000. The lower rate on larger deposits is due primarily to the impact of balances maintained by corporate and government customers for which interest rates are based on an analysis of all banking services provided.

Short-Term Borrowings

Short-term borrowings consist primarily of federal funds purchased, repurchase agreements, and U.S. Treasury demand notes. These short-term obligations are an additional source of funds used to meet certain asset/liability and daily cash management objectives. On average, short-term borrowings increased \$130.9 million, or 46%, to \$415.3 million at December 31, 1998. The increase in the balances during 1998 was used to fund loan growth during the year (see Table M).

Long-Term Debt

Long-term debt totaled \$191.5 million at December 31, 1998 and 1997. Included in long-term debt were subordinated debentures of \$66.5 million due in 2009 and subordinated notes of \$125.0 million due in 2006. The debentures due in 2009 have a fixed interest rate of 9.65% and are not callable in advance of maturity. The notes due in 2006 have a fixed interest rate of 8.50% and are callable beginning February 1, 1999 at a price 104.25%. The call premium on these Notes is reduced by .85% annually until the Notes are callable at par beginning February 1, 2004.

Trust Preferred Securities

(Guaranteed Preferred Beneficial Interests in Junior Subordinated Deferrable Interest Debentures)

Trust Preferred Securities totaled \$350 million at December 31, 1998 and 1997. Included in these securities are \$200 million of 8.875% securities issued in 1997 and \$150 million of 8.625% securities issued in 1996. The securities were issued by wholly owned subsidiaries of the Corporation and are classified on the Consolidated Statements of Condition as Guaranteed Preferred Beneficial Interests in Junior Subordinated Deferrable Interest Debentures. The related expense is classified on the Consolidated Statements of Income as Minority Interest in Income of Subsidiaries, Net of Taxes. Dividends are paid semi-annually and the Trust Preferred Securities cannot be redeemed for ten years from the date of issuance. The securities have a final maturity of 30 years from their issuance date. Dividends are cumulative and deferrable for a period not to exceed five years. The Trust Preferred Securities qualify as Tier I Capital, with certain limitations.

Sensitivity to Market Risk

The Corporation is exposed to various market risks. It has determined that interest-rate risk has a material impact on the Corporation's financial performance, and as such has established the Asset/Liability Committee ("ALCO") to manage interest-rate risk and liquidity. Asset/liability management is the process of managing earning assets and funding sources in changing interest rate environments. The primary goal of asset/liability management is to manage the asset/liability mix of the Corporation and maximize net interest income within an acceptable range of risk.

The Corporation manages its interest-rate risk through the use of an income simulation model that forecasts the impact on net interest income of a variety of different interest-rate scenarios. The model evaluates the impact on net interest income of rates moving significantly higher or lower than a "most likely" scenario. The results are compared to risk-tolerance limits set by corporate policy for 12 and 36-month horizons. The interest rate scenarios monitored by ALCO are based upon a 100 basis point (1%) gradual increase or decrease in rates (versus the "most likely" scenario) over a 12-month time period and a 300 basis point (3%) gradual increase or decrease in rates (versus the "most likely" scenario) over a 36-month time period. The results of the simulation for year-end 1998 and 1997 indicated that the Corporation was within the established guidelines (see Table N).

In managing the Corporation's interest-rate risk, ALCO uses financial derivative instruments, such as foreign currency and interest-rate swaps. Financial derivatives are employed to assist in the management and/or reduction of the interest-rate risk and currency risk of the Corporation. All of these instruments are considered off-balance sheet, as they do not materially affect the level of assets or liabilities of the Corporation. At December 31, 1998, the Corporation's use of derivatives was limited. First, the Corporation had an interest rate swap for a notional amount of \$25 million on a pool of mortgage loans. This swap diminishes the risk of holding long-term, fixed-rate loans. The Corporation also had foreign currency exchange contracts for a notional amount of \$87 million to hedge the equity investment at Riggs Bank Europe Limited. The foreign currency contracts mitigate the risk of changes in exchange rates. In addition, Riggs Bank Europe Limited used interest-rate swaps to convert fixed rate loans into floating rate assets. There were 28 such interest-rate swap agreements outstanding at December 31, 1998 for RBEL totaling \$90.3 million in notional principal balance. Also, the Corporation had approximately \$33 million in commitments to sell foreign exchange contracts for the purpose of hedging intercompany loans.

Management finds that the methodologies discussed above provide a meaningful representation of the Corporation's interest-rate and market risk sensitivity, though factors other than changes in the interest rate environment, such as levels of non-earning assets, and changes in the composition of earning assets, may affect net interest income. Management believes its current interest-rate sensitivity level is appropriate, considering the Corporation's economic outlook and conservative approach taken in the review and monitoring of the Corporation's sensitivity position.

CAPITAL RESOURCES

A fundamental objective of management is to maintain a level of capitalization that is sufficient to take advantage of favorable investment opportunities and to promote depositor and investor confidence. The Corporation places an emphasis on capital strength and the ability of the Corporation to withstand unfavorable economic and/or business losses. The Corporation continues to maintain a strong capital position at December 31, 1998.

Total stockholders' equity at December 31, 1998 was \$392.7 million, down \$70.5 million from year-end 1997. The decrease was the result of the Corporation redeeming all outstanding shares of its \$100 million Non-cumulative Perpetual Series B Preferred Stock. The preferred stock had an annual dividend rate of 10.75% and a redemption price of \$27.25 per share, resulting in a reduction to the Corporation's equity of \$109 million. This reduction in equity was offset by earnings for the year totaling \$61.8 million, less dividends paid on preferred and common stock.

Regulators have issued risk-based capital guidelines for banks and bank holding companies. These requirements provide minimum Total, Tier I, and Leverage capital ratios that measure capital adequacy. Total capital measures combined Tier I and Tier II capital to risk-weighted assets. Tier I capital measures Tier I capital to risk-weighted assets. The Leverage ratio measures Tier I capital to quarterly average assets. At December 31, 1998, the Corporation's and the Bank's capital ratios exceed the "well-capitalized" levels under each of the regulatory ratios (see Table O).

The Corporation's policy is to ensure that its bank subsidiary is capitalized in accordance with regulatory guidelines. The Corporation's national bank subsidiary is subject to minimum capital ratios as prescribed by the Office of the Comptroller of the Currency, which are the same as those prescribed by the Federal Reserve Board for bank holding companies.

YEAR 2000 READINESS DISCLOSURE

General

Advances and changes in technology can have a significant impact on the Corporation's business. Financial institutions are dependent on information systems and also have many external interdependencies with other companies. Many computer programs were designed to recognize calendar years by their last two digits. Calculations performed using these digits may not work properly with dates beginning in the Year 2000 and beyond. The Year 2000 issue creates risk for the Corporation from unforeseen problems in its computer systems and from Year 2000 issues with the Corporation's vendors, service providers and customers.

The Corporation began to identify the risks associated with the Year 2000 in 1995. Management established a corporate oversight structure to ensure timely risk assessments, remediation plans, systems testing, conversions, and centralized management of the project. The structure of the effort entails a number of groups, each addressing a different aspect of the project, and reporting to the Year 2000 Program Manager. Oversight of the entire project is performed by the Year 2000 Advisory Group. This is a management committee appointed by the Board of Directors that reports to the Board on a quarterly basis.

Management determined that an enterprise-wide business risk-assessment approach is most appropriate for addressing and remediating Year 2000 problems. This included an assessment of the information technology resources of each of the functional areas in the Corporation, as well as separate assessments of information technology vendors and suppliers, mainframe applications, third party suppliers, alternative platforms, and non-information technology and facilities risks.

In addition to systems-related risks, the Corporation undertook a review of risks created by potential business interruptions suffered by the Corporation's major business counterparties, both domestic and foreign. The Corporation divided its business counterparties into three broad categories: Funds Takers (primarily borrowers), Funds Providers (depositors and other funding sources), and Capital Markets Partners (trading counterparties and fiduciary relationships). For those business partners that would have a significant impact on the Corporation's liquidity, income or capital markets activities, should they encounter significant business interruption due to the Year 2000, management has worked through the functional areas involved to assess readiness and contingency plans for recovering from an abrupt interruption.

After the assessment phase, Year 2000 efforts have focused on remediation and verification. The Corporation has developed detailed action plans to address mainframe systems, third party servicers, embedded technology and facilities and non-information technology issues. For purchased systems and software and third party servicers, the Year 2000 efforts have involved contacting the vendors or suppliers and determining the Year 2000 status of the various systems and of the plans to bring the systems into compliance. For in-house systems, the Year 2000 efforts include correction of the programs to ensure proper data processing. The Corporation's action plans also include testing mission-critical systems to verify the remediation efforts. Riggs records and tracks information to keep management aware of the status of the Corporation's information technology systems. The Program Manager is working with the functional areas of the Corporation to develop contingency plans for a variety of situations, such as the failure of a vendor to remediate Year 2000 issues by a particular date or a system not being available for processing.

Inherent in the Year 2000, the failure to correct a material problem could result in an interruption in or failure of certain business operations. Year 2000 risks and uncertainties include increased credit losses, service delays, funding delays, counterparty failures, inaccurate information processing, ATM failures, and problems with international accounts. There can be no assurance that the Year 2000 issue will not have a material adverse impact on the Corporation's financial position, results of operations, or relationships with customers, vendors, or others.

State of Readiness

While there is general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the readiness of third party vendors and customers, the Corporation's progress toward completing the enterprise-wide risk assessment and remediating Year 2000 problems is on target. Management substantially completed remediation and verification of all mission-critical internal systems by December 31, 1998. Management expects to substantially complete remediation and verification of mission-critical third party servicers by March 31, 1999. This is in accordance with guidelines established by Bank regulatory authorities. Verification of non-mission-critical system changes, including non-information technology issues, will be performed throughout 1999. The Corporation presently believes that the Year 2000 issue will not cause significant operational problems.

Costs

The total cost to become Year 2000 compliant is not expected to be material to the Corporation's financial position. The Corporation estimates the total cost of the Year 2000 project will be approximately \$7.6 million, with funds provided from operating cash flows. As of December 31, 1998, the total amount expended was \$3.6 million, with \$2.8 million of this expense incurred in 1998. The future cost of completing the Year 2000 project is estimated to be \$4.0 million. The most significant components of the total estimated cost consist of 66% for personnel related costs, including consultants and special Year 2000 incentives, and 26% for data processing services. The Corporation does not separately track all internal costs incurred for the Year 2000 project. Internal costs are principally the payroll-related costs for the information systems group.

The Year 2000 expense represents approximately 9% of the Corporation's total actual information technology expenditures for 1998. Other significant or critical non-Year 2000 information technology efforts have not been materially delayed or impacted by Year 2000 initiatives.

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Contingency Plans

To prepare for the possibility that certain information systems or third-party vendors and servicers will not be Year 2000 compliant, the Corporation is developing detailed contingency plans. The Corporation has two types of contingency plans, remediation plans and business resumption plans.

The remediation plans address those information systems that the Corporation determines are not currently, or may not be, Year 2000 compliant through our testing. These plans describe and schedule alternative provisions, including, if necessary, the replacement of vendors or third party servicers to ensure compliance. These remediation plans are complete.

The business-resumption plans address how the Corporation will continue operations in the event a Year 2000 related interruption occurs. The business-resumption plans for its mission-critical systems and third-party servicers are scheduled to be complete by June 30, 1999. While implementation of the business-resumption plans is not expected to be necessary, it will ensure the Corporation has the ability to process transactions and serve its customers under circumstances in which a Year 2000 problem actually occurs.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from estimates. Such forward-looking statements include, but are not limited to, (1) projections on the Corporation's 1999 tax rate and tax expense in Management's Discussion and Analysis (MD&A), (2) discussions of loans and loan losses in MD&A, (3) comments related to the redemption of Preferred Stock and buyback of Common Stock in MD&A, (4) discussions of Asset/Liability Management and related risk in MD&A, and (5) disclosures related to the Year 2000 in MD&A.

The risks and uncertainties associated with forward-looking statements include, among other things, significant changes in general economic conditions, both domestic and international; the impact of market and economic conditions on debt, equity and assumptions made in the redemption of preferred stock; sharp changes in credit quality or interest rates; changes in the Corporation's tax liability and rates; and the Corporation's ability and resources to execute its business strategies and manage risks associated with potential expansion plans or the Year 2000 issue.

FOURTH QUARTER 1998 VS. FOURTH QUARTER 1997

For the fourth quarter of 1998, the Corporation reported net income of \$14.4 million, or \$(.04) per diluted share, compared with \$17.0 million, or \$.45 per diluted share, for the fourth quarter of 1997. Results for the fourth quarter of 1998 included \$13.8 million in costs (and \$(.44) per share) for redemption of the Corporation's preferred stock. Results for the fourth quarter of 1997 included a credit of \$12.0 million in the provision for loan losses (see the table on page 69).

Net interest income for the fourth quarter of 1998 was \$46.6 million, a decrease of \$500 thousand, or 1%, year-to-year, reflecting the impact of relatively stable average earning assets combined with a decline in the net interest margin from the loss of funds related to the preferred stock redemption.

Noninterest income for the fourth quarter of 1998 was \$28.0 million, an increase of \$5.0 million, or 22%, when compared with the same period in 1997. This increase was attributable to a \$3.6 million gain from termination of the RBEL pension plan in the fourth quarter of 1998, combined with an increase in trust and investment advisory income of \$1.2 million.

Noninterest expense for the fourth quarter of 1998 totaled \$49.1 million, compared to \$51.6 million a year earlier, a decrease of \$2.5 million, or 5%. This decrease was primarily the result of a decrease in data processing expenses.

1997 VS. 1996

In 1997, the Corporation achieved consolidated net earnings of \$50.9 million compared with net earnings of \$65.9 million in 1996. Earnings per diluted share for 1997 and 1996 were \$1.27 and \$1.79, respectively. Net income for 1997 benefited from a \$12.0 million reduction in the reserve for loan losses, as continued improvement in credit quality resulted in the recording of these reserve adjustments. Return on average assets was 0.97% for 1997 compared with

1.40% for 1996. Return on average stockholders' equity was 11.69% in 1997 compared with 16.48% for 1996.

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Net interest income (before the provision for loan losses) totaled \$179.3 million, an increase of \$26.0 million from 1996's total. This is attributable to an increase of \$578.3 million in average earning assets, partially offset by an increase in average interest-bearing liabilities of \$188.4 million. The net interest margin was 3.81% for 1997, an increase of nine basis points from 3.72% in 1996.

Noninterest income for 1997, excluding securities gains, totaled \$84.4 million, compared to 1996's total of \$89.0 million. The decrease from 1996, totaling \$4.6 million, was partially due to \$5.1 million in interest on tax settlements in the 1996 year, and \$3.2 million from the sale of a portion of the corporate trust business in 1996.

Noninterest expense for 1997 rose to \$186.0 million, a 5% increase totaling \$9.1 million from 1996's total of \$176.9 million. The increase in expenses during 1997 was primarily the result of a \$6.0 million increase in salaries and wages, which was partially offset by a \$2.8 million reduction in pension and benefit expenses.

The Corporation's 1997 provision for income tax expense of \$24.7 million increased from a provision of \$6.2 million in 1996. This represents an effective tax rate of 26.5% for 1997, compared with an effective tax rate of 8.5% for 1996.

In October 1997, the Corporation acquired J. Bush & Co., a privately-held investment advisor. At acquisition, J. Bush & Co. had approximately \$250 million in assets under management. This acquisition was accounted for as a purchase, the impact of which was not material to the Corporation.

The securities portfolio consisted of securities available for sale which increased \$510.0 million, or 44%, to a balance of \$1.67 billion at year-end 1997. The increase in securities from 1996 was mainly due to fund inflows from the minority interest-trust preferred securities as well as increases in the deposit and borrowing portfolios. Sale of securities in 1997 resulted in securities gains of \$3.5 million.

Loans, net of premiums, discounts and deferred fees totaled \$2.88 billion at December 31, 1997, an increase of \$246.5 million, or 9%, from the prior year.

The commercial loan portfolio increased \$86.3 million at year-end 1997 and the real estate-commercial/construction portfolio increased \$58.0 million over year-end 1996. These increases were related to improved loan demand and a strong local economy. Residential mortgage loans declined \$69.6 million as a result of paydowns and payoffs in excess of new loan production while the home-equity portfolio increased \$35.8 million in 1997. Foreign loans increased to \$389.6 million at year-end 1997 from the balance at year-end 1996 of \$251.8 million due to strengthening of the economy in the United Kingdom, together with the expansion of the recently established Embassy Banking division in London and a regional Trade Finance office in Manchester, England.

Nonperforming assets decreased \$29.1 million, or 77%, during the year to \$9.0 million at December 31, 1997. This decrease in nonperforming assets during 1997 was primarily attributable to sales and paydowns of \$26.8 million. At year-end 1997, the Corporation's reserve for loan losses totaled \$52.4 million, a decrease of \$12.1 million from year-end 1996's balance, mainly due to a \$12.0 million reduction in loan loss provisions as a result of increased credit quality in the loan portfolio. Other real estate owned decreased 82% to \$5.1 million at December 31, 1997, from sales and repayments totaling \$22.4 million.

Total deposits at December 31, 1997 were \$4.30 billion, compared with \$4.05 billion at year-end 1996, an increase of \$247.2 million, or 6%. The increase in balances was concentrated in two categories, demand and time deposits in foreign offices. The rise in demand deposits of \$90.3 million is the result of increased seasonal fluctuations above the prior year. Foreign time deposits increased \$142.1 million, due in part to increases in the funding of the Corporation's London operations through inter-bank sources.

Average short-term borrowings for 1997 totaled \$284.4 million, up from 1996's average of \$241.0 million, primarily due to increases in repurchase agreements, which are a funding vehicle for the Corporation. Long-term debt totaled \$191.5 million at December 31, 1997 and 1996, respectively. On March 12, 1997, Riggs Capital II, a newly formed, wholly-owned subsidiary of the Corporation, sold \$200 million of preferred equity capital through the private placement of redeemable trust preferred securities. These securities mature in 2027 and have an annual dividend rate of 8.875%. The net proceeds from this sale will be available for general corporate purposes.

Total stockholders' equity at December 31, 1997 was \$463.2 million, or 7.9% of total assets, up \$37.4 million from year-end 1996. The increase was the result of earnings for the year totaling \$50.9 million, partially offset by dividends on preferred stock and common stock.

The Corporation's Total and Tier I capital ratios were 31.52% and 18.45%, respectively, at December 31, 1997, compared with 28.47% and 20.04%, respectively, at December 31, 1996. The Corporation's capital ratios were enhanced by the inclusion of the proceeds from the trust preferred securities. The Corporation's leverage ratio was 11.15% at December 31, 1997, compared with a leverage ratio of 11.84% at the prior year-end.

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Table A:
THREE-YEAR AVERAGE CONSOLIDATED STATEMENTS OF CONDITION AND RATES¹
<TABLE>
<CAPTION>

(IN THOUSANDS)	1998			1997			1996		
	AVERAGE BALANCES	INCOME/EXPENSE	YIELDS/RATES	AVERAGE BALANCES	INCOME/EXPENSE	YIELDS/RATES	AVERAGE BALANCES	INCOME/EXPENSE	YIELDS/RATES
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS									
Loans:									
Commercial-Taxable	\$ 551,179	\$ 39,830	7.23%	\$ 388,865	\$ 30,458	7.83%	\$ 359,303	\$ 30,483	8.48%
Commercial-Tax-Exempt	57,232	4,598	8.03	47,768	4,041	8.46	29,180	2,748	9.42
Real Estate-									
Commercial/Construction	408,314	35,468	8.69	346,404	30,245	8.73	327,594	28,953	8.84
Residential Mortgage	1,247,988	89,265	7.15	1,196,090	85,727	7.17	1,258,669	89,674	7.12
Home Equity	326,837	25,179	7.70	306,470	24,932	8.14	273,860	22,555	8.24
Consumer	69,199	8,685	12.55	75,383	9,177	12.17	76,006	9,285	12.22
Foreign	427,062	36,705	8.59	299,892	24,606	8.20	232,800	18,689	8.03
Total Loans, Including Fees	3,087,811	239,730	7.76	2,660,872	209,186	7.86	2,557,412	202,387	7.91
Securities Available for Sale ²	1,178,271	71,331	6.05	1,426,082	86,702	6.08	1,115,466	65,739	5.89
Time Deposits with Other Banks	618,964	33,379	5.39	167,235	8,470	5.06	208,108	10,288	4.94
Federal Funds Sold and Reverse Repurchase Agreements	225,219	12,351	5.48	546,358	30,283	5.54	341,279	18,487	5.42
TOTAL EARNING ASSETS AND AVERAGE RATE EARNED	5,110,265	356,791	6.98	4,800,547	334,641	6.97	4,222,265	296,901	7.03
Less: Reserve for Loan Losses	53,625			63,768			59,556		
Cash and Due from Banks	144,761			158,531			192,024		
Premises and Equipment, Net	179,379			165,710			160,354		
Other Assets	185,931			191,094			201,282		
TOTAL ASSETS	\$5,566,711			\$5,252,114			\$4,716,369		
LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY									
Interest-Bearing Deposits:									
Savings and NOW Accounts	\$ 244,604	\$ 4,967	2.03%	\$ 285,068	\$ 6,359	2.23%	\$ 645,258	\$ 13,944	2.16%
Money Market Deposit Accounts	1,558,482	41,260	2.65	1,602,131	51,375	3.21	1,173,179	38,363	3.27
Time Deposits in Domestic Offices	989,658	45,029	4.55	809,133	35,091	4.34	834,759	38,738	4.64
Time Deposits in Foreign Offices	574,022	34,873	6.08	461,045	26,738	5.80	340,262	18,931	5.56
Total Interest-Bearing Deposits	3,366,766	126,129	3.75	3,157,377	119,563	3.79	2,993,458	109,976	3.67
Short-Term Borrowings:									
Federal Funds Purchased and Repurchase Agreements	396,438	19,442	4.90	266,828	13,569	5.09	212,206	10,036	4.73
U.S. Treasury Demand Notes and Other Short-Term Borrowings	18,824	406	2.16	17,563	896	5.10	28,747	1,267	4.41
Long-Term Debt	191,525	17,473	9.12	191,525	17,473	9.12	210,494	18,612	8.84
TOTAL INTEREST-BEARING FUNDS AND AVERAGE RATE INCURRED	3,973,553	163,450	4.11	3,633,293	151,501	4.17	3,444,905	139,891	4.06
Demand Deposits ³	723,138			815,690			812,515		
Other Liabilities	65,481			56,358			51,095		
Minority Interest in Preferred Stock of Subsidiary	350,000			311,644			7,787		
Stockholders' Equity	454,539			435,129			400,067		

TOTAL LIABILITIES, MINORITY INTEREST AND STOCKHOLDERS' EQUITY	\$5,566,711		\$5,252,114		\$4,716,369	
NET INTEREST INCOME AND SPREAD	\$193,341	2.87%	\$183,140	2.80%	\$157,010	2.97%
NET INTEREST MARGIN ON EARNING ASSETS		3.78%		3.81%		3.72%

</TABLE>

1 INCOME AND RATES ARE COMPUTED ON A TAX-EQUIVALENT BASIS USING A FEDERAL INCOME TAX RATE OF 35% FOR 1998, 1997, AND 1996, IN ADDITION TO LOCAL TAX RATES AS APPLICABLE. AVERAGE FOREIGN ASSETS AND AVERAGE FOREIGN LIABILITIES ARE FOUND ON PAGE 70.

2 THE AVERAGES AND RATES FOR THE SECURITIES AVAILABLE FOR SALE PORTFOLIO ARE BASED ON AMORTIZED COST.

3 1998 DEMAND DEPOSIT BALANCES EXCLUDE CERTAIN ACCOUNTS TRANSFERRED TO THE MONEY MARKET CLASSIFICATION TO REDUCE THE LEVEL OF DEPOSIT RESERVES REQUIRED.

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Table B: NET INTEREST INCOME CHANGES 1

<TABLE>
<CAPTION>

(IN THOUSANDS)	1998 VERSUS 1997			1997 VERSUS 1996		
	DUE TO RATE	DUE TO VOLUME	TOTAL CHANGE	DUE TO RATE	DUE TO VOLUME	TOTAL CHANGE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Interest Income:						
Loans, Including Fees	\$(2,916)	\$ 33,460	\$ 30,544	\$(2,411)	\$ 9,210	\$ 6,799
Securities Available for Sale	(367)	(15,004)	(15,371)	2,173	18,790	20,963
Time Deposits with Other Banks	584	24,325	24,909	253	(2,071)	(1,818)
Federal Funds Sold and Reverse Repurchase Agreements	(318)	(17,614)	(17,932)	429	11,367	11,796
Total Interest Income	(3,017)	25,167	22,150	444	37,296	37,740
Interest Expense:						
Savings and NOWAccounts	(539)	(853)	(1,392)	442	(8,027)	(7,585)
Money Market Deposit Accounts	(8,748)	(1,367)	(10,115)	(757)	13,769	13,012
Time Deposits in Domestic Offices	1,793	8,145	9,938	(2,481)	(1,166)	(3,647)
Time Deposits in Foreign Offices	1,322	6,813	8,135	845	6,962	7,807
Federal Funds Purchased and Repurchase Agreements	(499)	6,372	5,873	798	2,735	3,533
U.S. Treasury Demand Notes and Other Short-Term Borrowings	(550)	60	(490)	177	(548)	(371)
Long-Term Debt	--	--	--	581	(1,720)	(1,139)
Total Interest Expense	(7,221)	19,170	11,949	(395)	12,005	11,610
Net Interest Income	\$ 4,204	\$ 5,997	\$ 10,201	\$ 839	\$25,291	\$26,130

</TABLE>

1 THE DOLLAR AMOUNT OF CHANGES IN INTEREST INCOME AND INTEREST EXPENSE ATTRIBUTABLE TO CHANGES IN RATE/VOLUME (CHANGE IN RATE MULTIPLIED BY CHANGE IN VOLUME) HAS BEEN ALLOCATED BETWEEN RATE AND VOLUME VARIANCES BASED ON THE PERCENTAGE RELATIONSHIP OF SUCH VARIANCES TO EACH OTHER. INCOME AND RATES ARE COMPUTED ON A TAX-EQUIVALENT BASIS USING A FEDERAL INCOME TAX RATE OF 35% FOR 1998, 1997 AND 1996, IN ADDITION TO LOCAL TAX RATES AS APPLICABLE.

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Table C:
YEAR-END LOANS
DECEMBER 31,
<TABLE>
<CAPTION>

(IN THOUSANDS)	1998	1997	1996	1995	1994
----------------	------	------	------	------	------

<S>	<C>	<C>	<C>	<C>	<C>
Domestic:					
Commercial and Financial	\$ 668,778	\$ 529,894	\$ 443,557	\$ 400,280	\$ 400,660
Real Estate-Commercial/Construction	409,586	410,011	352,015	326,965	323,835
Residential Mortgage	1,276,257	1,156,493	1,226,110	1,284,193	1,317,169
Home Equity	314,347	317,669	281,867	251,798	220,910
Consumer	69,419	78,932	78,617	79,867	75,887

Total Domestic	2,738,387	2,492,999	2,382,166	2,343,103	2,338,461
Foreign:					
Governments and Official Institutions	74,676	50,606	17,131	30,849	26,013
Banks and Other Financial Institutions	9,451	8,506	5,457	6,570	11,517
Commercial and Industrial	395,552	293,609	213,236	171,070	146,153
Other	42,353	36,911	15,958	15,761	20,875

Total Foreign	522,032	389,632	251,782	224,250	204,558
Total Loans	3,260,419	2,882,631	2,633,948	2,567,353	2,543,019
Net Deferred Loan Fees, Premiums and Discounts					
	(2,284)	1,742	3,886	4,606	6,905

Loans	3,258,135	2,884,373	2,637,834	2,571,959	2,549,924
Reserve for Loan Losses	(54,455)	(52,381)	(64,486)	(56,546)	(97,039)
=====					
Total Net Loans	\$3,203,680	\$2,831,992	\$2,573,348	\$2,515,413	\$2,452,885

</TABLE>

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Table D:
YEAR-END MATURITIES AND RATE SENSITIVITY
DECEMBER 31, 1998
<TABLE>
<CAPTION>

(IN THOUSANDS)	LESS THAN 1 YEAR 1	1-5 YEARS	OVER 5 YEARS	TOTAL
<S>	<C>	<C>	<C>	<C>
Maturities:				
Commercial and Financial	\$146,068	\$256,567	\$ 266,143	\$ 668,778
Real Estate-Commercial/Construction	50,836	179,505	179,245	409,586
Residential Mortgage	28,758	136,608	1,110,891	1,276,257
Home Equity	135,512	23,193	155,642	314,347
Consumer	47,535	20,764	1,120	69,419
Foreign	418,944	82,964	20,124	522,032
=====				
Total Loans	\$827,653	\$699,601	\$1,733,165	\$3,260,419
Rate Sensitivity:				
With Fixed Interest Rates	\$125,761	\$413,342	\$1,203,082	\$1,742,185
With Floating and Adjustable Interest Rates	701,892	286,259	530,083	1,518,234

Total Loans	\$827,653	\$699,601	\$1,733,165	\$3,260,419
=====				

</TABLE>

1 INCLUDES DEMAND LOANS, LOANS HAVING NO STATED SCHEDULE OF REPAYMENTS OR MATURITY, AND OVERDRAFTS.

Table E:
REAL ESTATE-COMMERCIAL/CONSTRUCTION LOANS
GEOGRAPHIC DISTRIBUTION BY TYPE
DECEMBER 31, 1998
<TABLE>
<CAPTION>

GEOGRAPHIC LOCATION

(IN THOUSANDS)	DISTRICT OF COLUMBIA	VIRGINIA	MARYLAND	UNITED KINGDOM	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Land Acquisition and Construction Development	\$ 13,500	\$ 4,120	\$ 3,616	\$ --	\$ 21,236
Multi-Family Residential	15,189	10,169	2,653	--	28,011
Commercial:					
Office Buildings	91,623	38,959	25,514	--	156,096
Shopping Centers	13,015	10,586	48,232	--	71,833
Hotels	1,132	--	--	--	1,132
Industrial/Warehouse	2,202	16,263	3,302	--	21,767
Churches	22,117	792	39,986	--	62,895
Other	14,318	17,533	14,765	--	46,616
Total Commercial	\$144,407	\$84,133	\$131,799	\$ --	\$360,339
Total Domestic Real Estate- Commercial/Construction Loans	173,096	98,422	138,068	--	409,586
Foreign	--	--	--	178,083	178,083
Total Real Estate- Commercial/Construction Loans	\$173,096	\$98,422	\$138,068	\$178,083	\$587,669

</TABLE>

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Table F:
CROSS-BORDER OUTSTANDINGS THAT EXCEED 1% OF TOTAL ASSETS 1
<TABLE>
<CAPTION>

(IN THOUSANDS)	GOVERNMENTS AND OFFICIAL INSTITUTIONS	BANKS AND OTHER FINANCIAL INSTITUTIONS	COMMERCIAL AND INDUSTRIAL	OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
As of December 31, 1998					
United Kingdom	\$313	\$ (73,380)	\$344,081	\$ 3,874	\$274,888
United States ²	--	378,419	--	21,262	399,681
As of December 31, 1997					
United Kingdom	472	(112,033)	264,549	1,724	154,712
As of December 31, 1996					
United Kingdom	419	727	167,701	27,480	196,327

</TABLE>

1 CROSS-BORDER OUTSTANDINGS INCLUDE LOANS, ACCEPTANCES, INVESTMENTS, ACCRUED INTEREST AND OTHER MONETARY ASSETS, NET OF INTEREST-BEARING DEPOSITS WITH OTHER BANKS THAT ARE DENOMINATED IN U.S. DOLLARS OR OTHER NON-LOCAL CURRENCIES.

2 UNITED STATES CROSS-BORDER OUTSTANDINGS CONSIST OF DEPOSITS PLACED BY THE CORPORATION IN FOREIGN BRANCHES OF UNITED STATES BANKS.

Table G:
CROSS-BORDER OUTSTANDINGS THAT EXCEED 1% OF TOTAL ASSETS
WITH NONPERFORMING OR PAST-DUE LOANS

(IN THOUSANDS)	NONACCRUAL LOANS	TOTAL NONPERFORMING LOANS	PAST-DUE LOANS
<S>	<C>	<C>	<C>
As of December 31, 1998			
United Kingdom	\$2,843 1	\$2,843	\$21

As of December 31, 1997

United Kingdom	1,421	1,421	--

As of December 31, 1996			
United Kingdom	287	287	--

</TABLE>

1 AS OF DECEMBER 31, 1998, ALL NONACCRUAL LOANS ARE ALSO CLASSIFIED AS RENEGOTIATED LOANS.

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Table H:
MATURITIES OF SECURITIES AVAILABLE FOR SALE
DECEMBER 31, 1998

(IN THOUSANDS)	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	BOOK/MARKET VALUE
<S>	<C>	<C>	<C>	<C>
U.S. Treasury Securities:				
Mature after 10 years	\$113,677	\$ --	\$1,927	\$111,750
Government Agencies Securities:				
Due within 1 year	299,237	1	2	299,236
Due after 1 year but within 5 years	49,961	56	--	50,017
Due after 5 years but within 10 years	41,967	124	--	42,091
Mortgage Backed Securities:				
Due after 5 years but within 10 years	13,314	--	25	13,289
Mature after 10 years	410,838	249	873	410,214
Other Securities:				
Mature within 1 year	12,603	--	--	12,603
Mature after 10 years	30,974	927	373	31,528
=====				
Total Securities Available for Sale	\$972,571	\$1,357	\$3,200	\$970,728

</TABLE>

Table I:
RESERVE FOR LOAN LOSSES AND SUMMARY OF CHARGE-OFFS (RECOVERIES)
DECEMBER 31,

(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Balance, January 1	\$ 52,381	\$ 64,486	\$ 56,546	\$ 97,039	\$ 86,513
Provision for Loan Losses	--	(12,000)	--	(55,000)	6,300
Loans Charged Off:					
Commercial and Financial	579	146	764	243	593
Real Estate-Commercial/Construction	183	--	1,061	697	6,800
Residential Mortgage	5	10	11	--	409
Home Equity	186	448	67	438	98
Consumer	2,232	2,047	1,513	906	1,511
Foreign	937	593	260	6,106	3,219

Total Loans Charged Off	4,122	3,244	3,676	8,390	12,630
Recoveries on Charged-Off Loans:					
Commercial and Financial	72	220	397	2,084	695
Real Estate-Commercial/Construction	4,410	2,263	3,802	11,408	8,847
Residential Mortgage	--	10	--	84	136
Home Equity	58	47	27	114	4
Consumer	546	510	512	838	942
Foreign	1,016	666	5,513	8,400	5,034

Total Recoveries on Charged-Off Loans	6,102	3,716	10,251	22,928	15,658
Net Charge-Offs (Recoveries)	(1,980)	(472)	(6,575)	(14,538)	(3,028)
Foreign Exchange Translation Adjustments	94	(577)	1,365	(31)	1,198
=====					

Balance, December 31	\$ 54,455	\$ 52,381	\$ 64,486	\$ 56,546	\$ 97,039

Ratio of Net Charge-Offs (Recoveries) to Average Loans	(.06)%	(.02)%	(.26)%	(.57)%	(.12)%
Ratio of Reserve for Loan Losses to Total Loans	1.67 %	1.82 %	2.44 %	2.20 %	3.81 %

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Table J:
RESERVE FOR LOAN LOSSES ALLOCATION AND LOAN DISTRIBUTION
DECEMBER 31,

Allocation of the Reserve for Loan Losses
<TABLE>
<CAPTION>

(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Commercial and Financial Real Estate-Residential and Commercial/Construction	\$20,990	\$ 5,524	\$ 6,838	\$ 9,334	\$11,658
Home Equity and Consumer	5,714	9,109	8,191	9,543	11,988
Foreign	2,612	3,593	4,236	2,717	6,178
Based on Qualitative Factors	7,845	4,765	4,752	5,030	11,981
	17,294	29,390	40,469	29,922	55,234
=====					
Balance, December 31	\$54,455	\$52,381	\$64,486	\$56,546	\$97,039

Distribution of Year-End Loans

(IN THOUSANDS)	1998	1997	1996	1995	1994
Commercial and Financial Real Estate-Residential and Commercial/Construction	20.5 %	18.4 %	16.8 %	15.6 %	15.8 %
Home Equity and Consumer	51.7	54.3	59.9	62.9	64.5
Foreign	11.8	13.8	13.7	12.8	11.7
	16.0	13.5	9.6	8.7	8.0
=====					
Balance, December 31	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

</TABLE>

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Table K:
NONPERFORMING ASSETS AND PAST-DUE LOANS
DECEMBER 31,
<TABLE>
<CAPTION>

(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
NONPERFORMING ASSETS:					
Nonaccrual Loans:					
Domestic	\$ 26,831	\$ 1,916	\$ 9,133	\$ 7,542	\$ 11,518
Foreign	--	1,877	743	1,784	15,865

Total Nonaccrual Loans	26,831	3,793	9,876	9,326	27,383
Renegotiated Loans:1					
Domestic	77	101	125	3,410	288
Foreign	2,843	--	--	--	267

Total Renegotiated Loans	2,920	101	125	3,410	555
Other Real Estate Owned, Net:					
Domestic	1,638	4,993	27,722	32,627	44,068
Foreign	42	83	399	570	3,695

Total Other Real Estate Owned, Net	1,680	5,076	28,121	33,197	47,763
Total Nonperforming Assets, Net	\$ 31,431	\$ 8,970	\$ 38,122	\$ 45,933	\$ 75,701
PAST-DUE LOANS:					
Domestic	\$ 25,254	\$ 7,279	\$ 3,849	\$ 5,423	\$ 6,091
Foreign	15	--	--	36	30
Total Past-Due Loans	\$ 25,269	\$ 7,279	\$ 3,849	\$ 5,459	\$ 6,121
Total Loans, Net of Deferred Loan Fees, Premiums and Discounts	\$3,258,135	\$2,884,373	\$2,637,834	\$2,571,959	\$2,549,924
Ratio of Nonaccrual Loans to Total Loans	.82%	.13 %	.37%	.36%	1.07%
Ratio of Nonperforming Assets to Total Loans and Other Real Estate Owned, Net	.96%	.31 %	1.43%	1.76%	2.91%

</TABLE>

1 RENEGOTIATED LOANS DO NOT INCLUDE \$6.5 MILLION IN LOANS RENEGOTIATED AT MARKET TERMS THAT HAVE PERFORMED IN ACCORDANCE WITH THEIR RESPECTIVE RENEGOTIATED TERMS.

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Table L:
INTEREST INCOME ON NONACCRUAL AND RENEGOTIATED LOANS
DECEMBER 31,
<TABLE>
<CAPTION>

(IN THOUSANDS)	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
Interest Income at Original Terms:					
Nonaccrual Loans:					
Domestic	\$ 751	\$ 385	\$ 972	\$ 1,230	\$ 3,571
Foreign	--	65	228	1,156	2,476
Renegotiated Loans	586	18	68	54	444
Total	\$ 1,337	\$ 468	\$ 1,268	\$ 2,440	\$ 6,491
Actual Interest Income Recognized:					
Nonaccrual Loans:					
Domestic	\$ --	\$ 5	\$ 254	\$ 214	\$ 458
Foreign	--	--	37	186	1,075
Renegotiated Loans	--	--	--	--	--
Total	\$ --	\$ 5	\$ 291	\$ 400	\$ 1,533

</TABLE>

Table M:
SHORT-TERM BORROWINGS
<TABLE>
<CAPTION>

(IN THOUSANDS)	FEDERAL FUNDS PURCHASED AND REPURCHASE AGREEMENTS			U.S. TREASURY DEMAND NOTES AND OTHER SHORT-TERM BORROWINGS		
	1998	1997	1996	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31	\$353,303	\$327,579	\$237,166	\$21,077	\$24,929	\$ 18,068
Average Amount Outstanding ¹	396,438	266,828	212,206	18,824	17,563	28,747
Weighted-Average Rate Paid ¹	4.90%	5.09%	4.73%	2.16%	5.10%	4.41%
Maximum Amount Outstanding at any Month-End	547,934	346,086	347,017	27,014	26,522	125,145

</TABLE>

1 AVERAGE AMOUNTS ARE BASED ON DAILY BALANCES. AVERAGE RATES ARE COMPUTED ON ACTUAL INTEREST EXPENSE DIVIDED BY AVERAGE AMOUNTS OUTSTANDING.

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Table N:
INTEREST-RATE SENSITIVITY ANALYSIS 1
<TABLE>
<CAPTION>

(IN THOUSANDS)	MOVEMENTS IN INTEREST RATES FROM DECEMBER 31, 1998			
	SIMULATED IMPACT OVER NEXT TWELVE MONTHS		SIMULATED IMPACT OVER NEXT THIRTY-SIX MONTHS	
	+100BP	-100BP	+300BP	-300BP
<S>	<C>	<C>	<C>	<C>
Simulated Impact Compared with a Most Likely Scenario:				
Net Interest Income Increase/(Decrease)	(0.4)%	0.0%	0.6%	(4.7)%
Net Interest Income Increase/(Decrease)\$	(813)	\$ 65	\$ 3,622	\$ (28,401)

</TABLE>

<TABLE>
<CAPTION>

(IN THOUSANDS)	MOVEMENTS IN INTEREST RATES FROM DECEMBER 31, 1997			
	SIMULATED IMPACT OVER NEXT TWELVE MONTHS		SIMULATED IMPACT OVER NEXT THIRTY-SIX MONTHS	
	+100BP	-100BP	+300BP	-300BP
<S>	<C>	<C>	<C>	<C>
Simulated Impact Compared with a Most Likely Scenario:				
Net Interest Income Increase/(Decrease)	1.0%	0.1%	6.3%	0.7%
Net Interest Income Increase/(Decrease)\$	\$1,945	\$156	\$36,354	\$ 3,844

</TABLE>

1 KEY ASSUMPTIONS:

ASSUMPTIONS WITH RESPECT TO THE MODEL'S PROJECTION OF THE EFFECT OF CHANGES IN INTEREST RATES ON NET INTEREST INCOME INCLUDE:

1. TARGET BALANCES FOR VARIOUS ASSET AND LIABILITY CLASSES, WHICH ARE SOLICITED FROM THE MANAGEMENT OF THE VARIOUS UNITS OF THE CORPORATION.
2. INTEREST RATE SCENARIOS WHICH ARE GENERATED BY ALCO FOR THE "MOST LIKELY" SCENARIO AND ARE DICTATED BY POLICY FOR THE ALTERNATIVE SCENARIOS.
3. SPREAD RELATIONSHIPS BETWEEN VARIOUS INTEREST RATE INDICES, WHICH ARE GENERATED BY THE ANALYSIS OF HISTORICAL RELATIONSHIPS AND ALCO CONSENSUS.
4. ASSUMPTIONS ABOUT THE EFFECT OF EMBEDDED OPTIONS AND PREPAYMENT SPEEDS: INSTRUMENTS THAT ARE CALLABLE ARE ASSUMED TO BE CALLED AT THE FIRST OPPORTUNITY IF AN INTEREST RATE SCENARIO MAKES IT ADVANTAGEOUS FOR THE OWNER OF THE CALL TO DO SO. PREPAYMENT ASSUMPTIONS FOR MORTGAGE PRODUCTS ARE DERIVED FROM ACCEPTED INDUSTRY SOURCES.
5. REINVESTMENT RATES FOR FUNDS REPLACING ASSETS OR LIABILITIES THAT ARE ASSUMED (THROUGH EARLY WITHDRAWAL, PREPAYMENT, CALLS, ETC.) TO RUN OFF THE BALANCE SHEET, WHICH ARE GENERATED BY THE SPREAD RELATIONSHIPS.
6. MATURITY STRATEGIES WITH RESPECT TO ASSETS AND LIABILITIES, WHICH ARE SOLICITED FROM THE MANAGEMENT OF THE VARIOUS UNITS OF THE CORPORATION.

Table O:
CAPITAL RATIOS
DECEMBER 31,
<TABLE>
<CAPTION>

	1998	1997	REQUIRED MINIMUMS	WELL CAPITALIZED
<S>	<C>	<C>	<C>	<C>
Riggs National Corporation				
Tier I	14.63 %	18.45 %	4.00 %	6.00 %
Combined Tier I and Tier II	27.51	31.52	8.00	10.00

Leverage	9.33	11.15	4.00	5.00
Riggs Bank N.A.				
Tier I	12.17	14.35	4.00	6.00
Combined Tier I and Tier II	13.43	15.60	8.00	10.00
Leverage	8.26	8.64	4.00	5.00

</TABLE>

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ITEM 7A.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this Item is set forth in the "Management's Discussion and Analysis of Financial Condition and Results of Operations--Sensitivity to Market Risk and Table N" on Pages 12 and 26, respectively, of this Form 10-K.

ITEM 8.

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

PAGE(S)

(a) The following consolidated financial statements and related documents are set forth in this Annual Report on Form 10-K as follows:

Riggs National Corporation and Subsidiaries:	
Consolidated Statements of Income	28
Consolidated Statements of Condition	29
Consolidated Statements of Changes in Stockholders' Equity	30
Consolidated Statements of Cash Flows	31
Notes to Consolidated Financial Statements	32-65
Management's Report on Financial Statements	66
Report of Independent Public Accountants	67

(b) The following supplementary data is set forth in this Annual Report on Form 10-K as follows:

Quarterly Financial Information	68
Consolidated Financial Ratios and Other Information	68
Quarterly Stock Information	69

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CONSOLIDATED STATEMENTS OF INCOME

<TABLE>

<CAPTION>

FOR THE YEARS ENDED DECEMBER 31,
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	1998	1997	1996
--	------	------	------

<S>	<C>	<C>	<C>
INTEREST INCOME			
Interest and Fees on Loans	\$ 238,564	\$208,100	\$201,414
Interest and Dividends on Securities Available for Sale	69,508	83,939	63,009
Interest on Money Market Assets:			
Time Deposits with Other Banks	33,379	8,470	10,288
Federal Funds Sold and Reverse Repurchase Agreements	12,351	30,283	18,487
Total Interest on Money Market Assets	45,730	38,753	28,775
TOTAL INTEREST INCOME	353,802	330,792	293,198

INTEREST EXPENSE

Interest on Deposits:

Savings and NOW Accounts	4,967	6,359	13,944
Money Market Deposit Accounts	41,260	51,375	38,363
Time Deposits in Domestic Offices	45,029	35,091	38,738
Time Deposits in Foreign Offices	34,873	26,738	18,931
Total Interest on Deposits	126,129	119,563	109,976

Interest on Short-Term Borrowings and Long-Term Debt:			
Federal Funds Purchased and Repurchase Agreements	19,443	13,569	10,036
U.S. Treasury Demand Notes and Other Short-Term Borrowings	405	896	1,267
Long-Term Debt	17,473	17,473	18,612

Total Interest on Short-Term Borrowings and Long-Term Debt	37,321	31,938	29,915

TOTAL INTEREST EXPENSE	163,450	151,501	139,891

NET INTEREST INCOME	190,352	179,291	153,307
Less: Provision for Loan Losses	--	(12,000)	--

NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	190,352	191,291	153,307

NONINTEREST INCOME			
Trust and Investment Advisory Income	45,847	37,343	33,303
Service Charges and Fees	39,161	37,590	36,689
Interest on Tax Receivables	--	--	5,135
Other Noninterest Income	14,251	9,491	13,880
Securities Gains, Net	15,023	3,500	7,170

TOTAL NONINTEREST INCOME	114,282	87,924	96,177

NONINTEREST EXPENSE			
Salaries and Wages	74,185	67,097	61,086
Pensions and Other Employee Benefits	11,109	11,046	13,860
Occupancy, Net	18,329	19,095	20,917
Data Processing Services	17,663	21,427	17,998
Furniture and Equipment	10,170	9,333	7,779
Credit Card Processing	6,643	5,857	5,154
Outsourcing Fees	5,761	5,893	4,995
Consultants	5,338	3,302	1,851
Advertising and Public Relations	3,992	5,405	4,898
FDIC Insurance	415	435	4
Other Real Estate Owned (Income) Expense, Net	107	(1,392)	431
Other Noninterest Expense	40,040	38,532	37,974

TOTAL NONINTEREST EXPENSE	193,752	186,030	176,947

Income before Taxes and Minority Interest	110,882	93,185	72,537
Applicable Income Tax Expense	29,088	24,690	6,174
Minority Interest in Income of Subsidiaries, Net of Taxes	19,947	17,616	420
=====			
NET INCOME	\$ 61,847	\$ 50,879	\$ 65,943
Less: Dividends on Preferred Stock	9,854	10,750	10,750
Excess of Call Price over Carrying Amount of Preferred Stock	13,808	--	--

NET INCOME AVAILABLE FOR COMMON STOCK	\$ 38,185	\$ 40,129	\$ 55,193

EARNINGS PER COMMON SHARE			
Basic	\$ 1.25	\$ 1.32	\$ 1.82
Diluted	1.21	1.27	1.79

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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CONSOLIDATED STATEMENTS OF CONDITION

<TABLE>

<CAPTION>

DECEMBER 31,

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	1998	1997
<S>	<C>	<C>

ASSETS		
Cash and Due from Banks	\$ 155,003	\$ 186,091
Federal Funds Sold and Reverse Repurchase Agreements	75,000	549,000

Total Cash and Cash Equivalents	230,003	735,091
Time Deposits with Other Banks	696,181	241,813
Securities Available for Sale (at Market Value)	970,728	1,672,550
Loans	3,258,135	2,884,373
Reserve for Loan Losses	(54,455)	(52,381)

Total Net Loans	3,203,680	2,831,992
Premises and Equipment, Net	203,071	165,377
Other Real Estate Owned, Net	1,680	5,076
Other Assets	196,988	194,527
=====		

TOTAL ASSETS	\$5,502,331	\$5,846,426

LIABILITIES		
Deposits:		
Noninterest-Bearing Demand Deposits	\$ 732,099	\$ 982,865
Interest-Bearing Deposits:		
Savings and NOW Accounts	434,649	436,337
Money Market Deposit Accounts	1,414,278	1,492,842
Time Deposits in Domestic Offices	917,442	867,772
Time Deposits in Foreign Offices	646,380	518,102

Total Interest-Bearing Deposits	3,412,749	3,315,053
Total Deposits	4,144,848	4,297,918
Short-Term Borrowings:		
Federal Funds Purchased and Repurchase Agreements	353,303	327,579
U.S. Treasury Demand Notes and Other Short-Term Borrowings	21,077	24,929

Total Short-Term Borrowings	374,380	352,508
Other Liabilities	48,850	191,293
Long-Term Debt	191,525	191,525

TOTAL LIABILITIES	4,759,603	5,033,244
GUARANTEED PREFERRED BENEFICIAL INTERESTS IN JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURES	350,000	350,000

STOCKHOLDERS' EQUITY		
Preferred Stock - \$1.00 Par Value Shares Authorized - None at December 31, 1998, and 25,000,000 at December 31, 1997 Liquidation Preference - \$25 per share		
Non-cumulative Perpetual Series B - None issued at December 31, 1998, and 4,000,000 shares issued at December 31, 1997	--	4,000
Common Stock - \$2.50 Par Value		
Shares Authorized - 50,000,000 at December 31, 1998, and 1997 Shares Issued - 31,555,345 at December 31, 1998, and 31,461,786 at December 31, 1997	78,888	78,654
Surplus - Preferred Stock	--	91,192
Surplus - Common Stock	160,760	159,160
Undivided Profits	184,794	152,732
Accumulated Other Comprehensive Income (Loss)	(2,548)	1,167
Treasury Stock - 1,175,798 shares at December 31, 1998, and 900,798 at December 31, 1997	(29,166)	(23,723)
TOTAL STOCKHOLDERS' EQUITY	392,728	463,182
=====		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$5,502,331	\$5,846,426

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996

<TABLE>

<CAPTION>

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	PREFERRED STOCK \$1.00 PAR	COMMON STOCK \$2.50 PAR	SURPLUS	UNDIVIDED PROFITS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY STOCK	TOTAL STOCKHOLDERS' EQUITY
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1995	\$ 4,000	\$77,938	\$247,512	\$ 68,038	\$ 2,904	\$(23,723)	\$ 376,669
Comprehensive Income:							
Net Income				65,943			\$ 65,943
Other Comprehensive Income (Loss), Net of Tax:							
Unrealized Gain/(Loss) on Securities Available for Sale, Net of Reclassification Adjustments					(4,506)		(4,506)
Foreign Exchange Translation Adjustments					1,984		1,984

Total Other Comprehensive Income (Loss)							(2,522)

Total Comprehensive Income							\$ 63,421

Issuance of Common Stock for							

	245	740		985
Stock Option Plans - 98,082 shares				
Cash Dividends Declared:				
Common Stock, \$.15 Per Share			(4,549)	(4,549)
Series B Preferred Stock, \$2.6875 Per Share			(10,750)	(10,750)

Balance, December 31, 1996	\$ 4,000	\$78,183	\$248,252	\$118,682

Comprehensive Income:				
Net Income			50,879	\$ 50,879
Other Comprehensive Income				
(Loss), Net of Tax:				
Unrealized Gain/(Loss) on Securities				
Available for Sale, Net of				
Reclassification Adjustments			2,768	2,768
Foreign Exchange Translation Adjustments			(1,983)	(1,983)

Total Other Comprehensive Income (Loss)				785

Total Comprehensive Income				\$ 51,664

Issuance of Common Stock for				
Stock Option Plans - 188,442 shares	471	2,100		2,571
Cash Dividends Declared:				
Common Stock, \$.20 Per Share			(6,079)	(6,079)
Series B Preferred Stock, \$2.6875 Per Share			(10,750)	(10,750)

Balance, December 31, 1997	\$ 4,000	\$78,654	\$250,352	\$152,732

Comprehensive Income:				
Net Income			61,847	\$ 61,847
Other Comprehensive Income				
(Loss), Net of Tax:				
Unrealized Gain/(Loss) on Securities				
Available for Sale, Net of				
Reclassification Adjustments			(3,238)	(3,238)
Foreign Exchange Translation Adjustments			(477)	(477)

Total Other Comprehensive Income (Loss)				(3,715)

Total Comprehensive Income				\$ 58,132

Issuance of Common Stock for				
Stock Option Plans - 93,559 shares	234	1,600		1,834
Cash Dividends Declared:				
Common Stock, \$.20 Per Share			(6,123)	(6,123)
Series B Preferred Stock, \$2.6875 Per Share			(9,854)	(9,854)
Redemption of Preferred Stock	(4,000)	(91,192)	(13,808)	(109,000)
Common Stock Repurchase-275,000 Shares				(5,443)
=====				
BALANCE, DECEMBER 31, 1998	\$ --	\$78,888	\$160,760	\$184,794

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

FOR THE YEARS ENDED DECEMBER 31,

(IN THOUSANDS)	1998	1997	1996
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 61,847	\$ 50,879	\$ 65,943
Adjustments to Reconcile Net Income to Cash			
(Used in) Provided by Operating Activities:			
Provision for Loan Losses	--	(12,000)	--
Provision for Other Real Estate Owned Losses	1,036	1,437	906
Depreciation Expense and Amortization of Leasehold Improvements	11,459	11,659	11,165
Interest on Tax Receivables	--	--	(5,135)
Gains on Sale of Securities Available for Sale	(15,023)	(3,500)	(7,170)
Gains on Sale of Other Real Estate Owned	(918)	(2,694)	(920)
Increase in Other Assets	(719)	(23,216)	(13,968)
(Decrease) Increase in Other Liabilities	(142,443)	129,411	10,297

Total Adjustments	(146,608)	101,097	(4,825)

Net Cash (Used In) Provided by Operating Activities	(84,761)	151,976	61,118
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net (Increase) Decrease in Time Deposits with Other Banks	(454,368)	39,313	(49,752)
Proceeds from Maturities of Securities Available for Sale	5,555,730	7,197,217	1,041,282
Proceeds from Sale of Securities Available for Sale	1,706,165	475,956	745,247
Purchase of Securities Available for Sale	(6,550,030)	(8,175,479)	(1,978,684)
Net Increase in Loans	(371,688)	(247,467)	(59,813)
Proceeds from Sale and Other Payments of Other Real Estate Owned	3,278	25,109	7,007
Net Increase in Premises and Equipment	(49,153)	(10,962)	(22,469)
Other, Net	--	16	(39)
Net Cash Used In Investing Activities	(160,066)	(696,297)	(317,221)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (Decrease) Increase in Demand, Savings, NOW and Money Market Deposit Accounts	(331,018)	58,095	143,703
Net Increase in Time Deposits	177,948	189,140	21,801
Net Increase in Federal Funds Purchased and Repurchase Agreements	25,724	90,413	51,157
Net (Decrease) Increase in U.S. Treasury Demand Notes and Other Short-Term Borrowings	(3,852)	6,861	2,602
Proceeds from the Issuance of Common Stock	1,834	2,571	985
Repayments of Long-Term Debt	--	--	(26,100)
Proceeds from Preferred Stock of Subsidiaries	--	200,000	150,000
Dividend Payments - Preferred	(9,854)	(10,750)	(10,750)
- Common	(6,123)	(6,079)	(4,549)
Redemption of Preferred Stock	(109,000)	--	--
Repurchase of Common Shares	(5,443)	--	--
Net Cash (Used In) Provided by Financing Activities	(259,784)	530,251	328,849
Effect of Exchange Rate Changes	(477)	(1,983)	1,984
Net (Decrease) Increase in Cash and Cash Equivalents	(505,088)	(16,053)	74,730
Cash and Cash Equivalents at Beginning of Year	735,091	751,144	676,414
Cash and Cash Equivalents at End of Year	\$ 230,003	\$ 735,091	\$ 751,144
Supplemental Schedule of Non-cash Investing and Financing Activities:			
Loans Transferred to Other Real Estate Owned	\$ --	\$ 823	\$ 1,878
Supplemental Disclosures:			
Interest Paid (Net of Amount Capitalized)	\$ 161,424	\$ 150,642	\$ 141,773
Income Tax Payments	23,178	7,630	23,131

</TABLE>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS AND AS INDICATED)

NOTE 1. SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of Riggs National Corporation (the "Corporation"), including its principal subsidiaries, Riggs Bank National Association (the "Riggs Bank N.A." or the "Bank") and Riggs Bank Europe Limited ("RBEL").

The Corporation engages in a variety of banking and financial services activities, either directly or through its subsidiaries, serving a broad customer base. These services include community banking, corporate and commercial banking, international banking and trust and investment management services.

Basis of Presentation

The accounting and reporting policies of the Corporation are in accordance with generally accepted accounting principles and conform to general practice within the banking industry. The consolidated financial statements include the accounts of the Corporation and its subsidiaries, after elimination of all intercompany transactions. For purposes of comparability, certain prior period amounts have been reclassified to conform with current year presentation. None of these reclassifications had any effect on net income or earnings per share for the periods presented.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that

affect the amounts reported in the consolidated financial statements and accompanying footnotes. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include cash on hand, amounts due from banks, federal funds sold and reverse repurchase agreements. Cash equivalents have original maturities of 30 days or less.

Acquisitions and Additions

In October 1997, the Corporation acquired J. Bush & Co., a privately-held investment advisor. At acquisition, J. Bush & Co. had approximately \$250 million in assets under management. J. Bush & Co. is a separate subsidiary of Riggs Bank N.A. This acquisition was accounted for as a purchase, the impact of which was not material to the Corporation.

In November 1996 and March 1997, the Corporation formed two Delaware business trusts, Riggs Capital and Riggs Capital II, respectively, with all of the common securities of each trust owned by the Corporation. Subsequently, in December 1996 and March 1997, respectively, each of the trusts sold preferred securities. The preferred securities represent a minority interest in each trust, which is reflected separately in the Consolidated Statements of Condition under the caption "Guaranteed Preferred Beneficial Interests in Junior Subordinated Deferrable Interest Debentures." Dividends on the trust preferred securities are reflected in the Consolidated Statements of Income as a deduction from income before taxes and minority interest under the caption of "Minority Interest in Income of Subsidiaries, Net of Taxes" (See Note 11, "Common and Preferred Stock").

Securities

All of the Corporation's securities are classified as securities available for sale and are carried at fair value, with unrealized gains and losses, net of tax, included as a separate component of stockholders' equity. Management has established policies that require the periodic review of the securities portfolio for proper classification of securities (See Note 2, "Securities").

Loans

Loans are carried at the principal amount outstanding, net of unearned discounts, unamortized premiums and deferred fees and costs. Interest on loans and amortization of unearned discounts/premiums and deferred fees and costs are computed by methods that generally result in level rates of return on principal amounts outstanding over the estimated lives of the loans. Loan origination fees and certain direct loan origination costs are deferred, and the net amount is amortized as an adjustment of the related loan's yield.

The Corporation discontinues the accrual of interest on loans based on delinquency status, an evaluation of the related collateral and the financial strength of the borrower. Generally, loans are placed on nonaccrual status when the loans are contractually in default in either principal or interest for 90 days or more and the loans are not well-secured and in the process of collection. Income recognition on consumer loans is discontinued and the loans are charged off after a delinquency period of 120 days. At that point, any accrued interest that actually has not been collected is reversed.

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Impaired loans are defined as specifically reviewed loans for which it is probable that the Corporation will be unable to collect all amounts due according to the terms of the loan agreement. The Corporation's impaired loans generally are defined as nonaccrual loans. Impaired loans do not include large groups of smaller-balance loans with similar collateral characteristics such as residential mortgages and consumer installment loans, which are evaluated collectively for impairment. Impaired loans are therefore primarily commercial and financial loans and real estate-commercial/ construction loans.

Reserve for Loan Losses

The reserve for loan losses is maintained at a level that, in the opinion of management, is adequate to absorb potential losses in the loan portfolio. The adequacy of the reserve is based on management's review and evaluation of the individual credits in the loan portfolio, historical loss experience by loan type, current and anticipated economic conditions, and where applicable, the estimated value of the underlying collateral. The determination of the adequacy of the reserve for loan losses involves uncertainties and matters of judgment and, therefore, could result in adjustments to future results of operations.

The provision for loan losses is charged against, or credited to, earnings in amounts necessary to maintain an adequate reserve for loan losses. A loan is charged off if, in the opinion of management, the loan cannot be fully

collected. Recoveries of loans previously charged off are added to the reserve.

The specific reserves for impaired loans are included in the reserves for loan losses. Impaired loans are valued based on the fair value of the related collateral if the loans are collateral dependent. For all other impaired loans, the specific reserves are based on the present values of expected future cash flows discounted at each loan's initial effective interest rate.

Other Real Estate Owned

Other real estate owned is property for which the Corporation has foreclosed and taken title. Other real estate owned is recorded at the lower of fair value less estimated costs to sell, or cost. Initial writedowns at the time of foreclosure of other real estate owned are charged to the reserve for loan losses. Revenues and expenses incurred in connection with ownership of the properties, and subsequent writedowns and gains and losses upon sale, are included in other noninterest expense.

Premises and Equipment

Premises, leasehold improvements and furniture and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are generally computed using the straight-line method over the estimated useful lives of the assets. Ranges of useful lives for computing depreciation and amortization are 25 to 35 years for premises, 5 to 20 years for leasehold improvements and 5 to 15 years for furniture and equipment.

Major improvements and alterations to premises and leaseholds are capitalized. Leasehold improvements are amortized over the shorter of the terms of the respective leases or the estimated useful lives of the improvements. Interest costs relating to the construction of certain fixed assets were capitalized at the Bank's weighted-average cost of liabilities.

Other Assets

Included in other assets are intangible assets, such as goodwill and core deposit intangibles. Goodwill is the excess of cost over net assets of acquired entities and core deposit intangibles represent the net present value of the future income streams related to deposits acquired through mergers or acquisitions. In October 1997, the Corporation acquired J. Bush & Co. and goodwill related to this transaction is being amortized using the straight-line method over a 15-year period. All other goodwill is being amortized using the straight-line method over 25 years. Core deposit intangibles are amortized on an accelerated basis over 10 years. The Corporation had unamortized goodwill of \$8.6 million and \$9.1 million at December 31, 1998, and 1997, respectively. The unamortized core-deposit intangibles totaled \$5.2 million and \$8.3 million at December 31, 1998, and 1997.

Income Taxes

The Corporation records a provision for income taxes based upon the amounts of current taxes payable (or refundable) and the change in net deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognized for the tax effects of differing carrying values of assets and liabilities for tax and financial statement reporting purposes that will reverse in future periods. Using management's judgment and estimates concerning the likelihood of realization in future periods, deferred tax assets are reduced by a valuation allowance as necessary.

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Benefit Plans

Riggs Bank N.A. maintains a non-contributory defined benefit pension plan for substantially all employees of the Corporation and its subsidiaries. The net periodic pension expense includes a service cost component and an interest cost component, reflecting the expected return on plan assets, and the effect of deferring and amortizing certain actuarial gains and losses, prior service costs, and the unrecognized net transition asset over 12 years. The net periodic pension expense is based on management's estimates and judgment through actuarial assumptions and computations.

The Corporation also provides health care and a portion of the life insurance benefits for retired employees. The estimated cost of retiree health insurance benefits is accrued for active employees. As of January 1, 1998, the Corporation no longer provides life insurance benefits for persons retiring on or after January 1, 1998. The Corporation recognized a transition asset, which is amortized over 20 years, when it adopted the current accounting treatment for postretirement benefits. The accrual of postretirement benefit costs is based on management's judgment and estimates through actuarial assumptions and computations.

Earnings Per Common Share

In March 1997, Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share," was issued. SFAS No. 128 supersedes Accounting Principles Board (the "APB") Opinion No. 15 to conform earnings per share with international standards as well as to modify the computation under APB No. 15. Basic earnings per share is calculated by dividing net income, after deduction for preferred stock dividends, by the weighted-average number of shares of common stock. Diluted earnings per share is calculated by dividing net income, after deduction for preferred stock dividends, by the weighted-average number of shares of common stock and common stock equivalents, unless determined to be anti-dilutive. The weighted-average shares outstanding were 30,603,384, 30,422,822, and 30,317,572 for 1998, 1997, and 1996. The dilutive effect of stock option plans on weighted-average shares outstanding was 1,032,096, 1,164,568, and 547,492 for the same periods, respectively.

Foreign Currency Translation

The functional currency amounts of assets and liabilities of foreign entities are translated into U.S. dollars at year-end exchange rates. Income and expense items are translated using appropriate weighted-average exchange rates for the period. Functional currency to U.S. dollar translation gains and losses, net of related hedge transactions, are credited or charged directly to the stockholders' equity account, Foreign Exchange Translation Adjustments.

Foreign Exchange Income

Open foreign currency trading and exchange positions, including spot and forward exchange contracts, are valued monthly, and the resulting profits and losses are recorded in other noninterest income. The amount of net foreign exchange trading gains included in the accompanying Consolidated Statements of Income was \$3.2 million for 1998, \$2.3 million for 1997 and \$2.2 million for 1996.

Financial Derivatives

Gains and losses on futures and forward contracts to hedge certain interest-sensitive assets and liabilities are amortized over the life of the hedged transaction as an adjustment to yield. Fees received or paid when entering certain derivative transactions are deferred and amortized over the lives of the agreements.

Interest rate agreements are entered into as hedges against fluctuations in the interest rates of specifically identified assets or liabilities. The notional amounts of the contracts do not affect total assets or liabilities of the Corporation. Net receivables or payables under agreements designated as hedges are recorded as adjustments to interest income or interest expense related to the hedged asset or liability. Gains or losses resulting from early termination of interest-rate agreements are deferred and amortized over the remaining terms of the agreements.

New Financial Accounting Standards

In June 1997, SFAS No. 130, "Reporting Comprehensive Income," was issued. SFAS No. 130 requires that certain financial activity typically disclosed in stockholders' equity be reported in the financial statements as an adjustment to net income in determining comprehensive income. Items applicable to the Corporation would include activity in foreign exchange translation adjustments and unrealized gain (loss) on securities available for sale. Items identified as comprehensive income are reported in the Consolidated Statements of Condition and the Consolidated Statements of Changes in Stockholders' Equity, under separate captions. SFAS No. 130 was effective for the Corporation on January 1, 1998, including the restatement of prior periods reported, consistent with this pronouncement.

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In June 1997, SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information," was issued. SFAS No. 131 requires the reporting of selected segmented information in quarterly and annual reports. Information from operating segments is derived from methods used by the Corporation's management to allocate resources and measure performance. The Corporation is required to disclose profit (loss), revenues and assets for each segment identified, including reconciliations of these items to the consolidated results. The Corporation is also required to disclose the basis for identifying the segments and the types of products and services within each segment. SFAS No. 131 was effective for the Corporation on January 1, 1998, including the restatement of prior periods reported consistent with this pronouncement.

In February 1998, SFAS No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits--an amendment of FASB Statements No. 87, 88, and 106" was issued. SFAS No. 132 revises employers' disclosures about pension and other postretirement benefit plans. It standardizes the disclosure requirements for pensions and other postretirement benefits and requires additional information on changes in the benefit obligations and fair values of plan assets. SFAS No.

132 also eliminates certain disclosures that were required by SFAS Nos. 87, "Employers' Accounting for Pensions," No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits" and No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 132 was effective for the Corporation on January 1, 1998. The required disclosures are included in the Notes to the Financial Statements.

In June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. SFAS No. 133 will require the Corporation to record derivative instruments, such as interest-rate swap agreements on the Consolidated Statements of Condition as assets or liabilities, measured at fair value. Currently the Corporation treats such instruments as off-balance sheet items. Gains or losses resulting from changes in the values of those derivatives would be accounted for depending on the specific use of each derivative instrument and whether it qualifies for hedge accounting treatment as stated in the standard. SFAS No. 133 will be effective for the Corporation on January 1, 2000. The Corporation does not anticipate any material impact from the implementation of SFAS No. 133.

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NOTE 2. SECURITIES

SECURITIES AVAILABLE FOR SALE

DECEMBER 31,

<TABLE>

<CAPTION>

	1998				1997			
	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	BOOK/ MARKET VALUE	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	BOOK/ MARKET VALUE
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
U.S. Treasury Securities	\$113,677	\$ --	\$1,927	\$111,750	\$ 504,990	\$2,003	\$272	\$ 506,721
Government Agencies Securities	391,165	181	2	391,344	966,277	291	112	966,456
Mortgage-Backed Securities	424,152	249	898	423,503	156,997	126	97	157,026
Other Securities	43,577	927	373	44,131	41,150	1,197	--	42,347
Total Securities Available for Sale	\$972,571	\$1,357	\$3,200	\$970,728	\$1,669,414	\$3,617	\$481	\$1,672,550

</TABLE>

Gross gains from the sale of securities totaled \$18.1 million during the year, while gross losses totaled \$3.1 million, compared with gross gains of \$6.8 million and gross losses of \$3.3 million for 1997. At December 31, 1998, a \$1.2 million unrealized loss, net of tax, was recorded in stockholders' equity (included in accumulated other comprehensive income (loss)), compared to a \$2.0 million unrealized gain, net of tax, in 1997. Securities available for sale pledged to secure deposits and other borrowings amounted to \$727.4 million at December 31, 1998, and \$810.9 million at December 31, 1997.

The "Other Securities" category consists of \$17.4 million of Federal Home Loan Bank of Atlanta ("FHLB-Atlanta") Stock, \$9.4 million of Federal Reserve Stock, \$12.2 million of U.S. Treasury money market mutual funds and \$5.1 million of equity securities at year-end 1998. The FHLB-Atlanta and Federal Reserve Stock have no readily available market value quotation and therefore their year-end book values are an approximation of their market values.

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The maturity distribution of securities at December 31, 1998 follows:

SECURITIES AVAILABLE FOR SALE

<TABLE>

<CAPTION>

	U.S. TREASURY SECURITIES	GOVERNMENT AGENCIES SECURITIES	MORTGAGE- BACKED SECURITIES	OTHER SECURITIES	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Within 1 year					
Amortized Cost	\$ --	\$299,237	\$ --	\$12,603	\$311,840
Book/Market	--	299,236	--	12,603	311,839
Yield	--	5.04%	--	4.34%	5.01%
After 1 but within 5 years					

Amortized Cost	--	49,961	--	--	49,961
Book/Market	--	50,017	--	--	50,017
Yield1	--	6.09%	--	--	6.09%
After 5 but within 10 years					
Amortized Cost	--	41,967	13,314	--	55,281
Book/Market	--	42,091	13,289	--	55,380
Yield1	--	6.53%	5.92%	--	6.38%
After 10 years					
Amortized Cost	113,677	--	410,838	30,974	555,489
Book/Market	111,750	--	410,214	31,528	553,492
Yield 1	5.24%	--	6.35%	5.40%	6.07%

=====
Total Securities Available for Sale

Amortized Cost	\$113,677	\$391,165	\$424,152	\$43,577	\$972,571
Book/Market	111,750	391,344	423,503	44,131	970,728
Yield 1	5.24%	5.33%	6.34%	5.09%	5.75%

</TABLE>

1 WEIGHTED-AVERAGE YIELD TO MATURITY AT DECEMBER 31, 1998.

NOTE 3. LOANS AND RESERVE FOR LOAN LOSSES

The following schedule details the composition of the loan portfolio at year-end:

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Commercial and Financial	\$ 668,778	\$ 529,894
Real Estate--		
Commercial/Construction	409,586	410,011
Residential Mortgage	1,276,257	1,156,493
Home Equity	314,347	317,669
Consumer	69,419	78,932
Foreign	522,032	389,632

Total Loans	3,260,419	2,882,631
Net Deferred Loan Fees,		
Premiums and Discounts	(2,284)	1,742
=====		
Loans	\$3,258,135	\$2,884,373

</TABLE>

A summary of nonperforming and renegotiated loans, loans contractually past-due 90 days or more and potential problem loans at year-end follows:

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Nonaccrual Loans	\$26,831	\$ 3,793
Renegotiated Loans	2,920	101
Past-Due Loans	25,269	7,279
Potential Problem Loans	--	10,000

</TABLE>

The nonaccrual loans of \$26.8 million and \$3.8 million do not include renegotiated loans that are also not accruing interest. At December 31, 1998, nonaccrual loans included no foreign loans, while renegotiated loans included \$2.8 million of foreign loans. There were no transfers from nonaccrual loans to foreclosed properties in 1998, while \$823 thousand was transferred in 1997.

An analysis of the changes in the reserve for loan losses follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Balance, January 1	\$ 52,381	\$ 64,486	\$ 56,546
Provision for Loan Losses	--	(12,000)	--
Loans Charged Off	4,122	3,244	3,676
Less:Recoveries on Charged-Off Loans	6,102	3,716	10,251
Net Charge-Offs (Recoveries)	(1,980)	(472)	(6,575)
Foreign Exchange Translation Adjustments	94	(577)	1,365
Balance, December 31	\$ 54,455	\$ 52,381	\$ 64,486

Foreign exchange translation adjustments in the reserve for loan losses were \$94 thousand and \$(577) thousand in 1998 and 1997, respectively. These adjustments relate to reserves for the Bank's London branch and Riggs Bank Europe Limited, recorded in British pounds sterling, and are made to account for changes in the Corporation's reserve for loan losses resulting from fluctuating foreign exchange rates.

Included in the Corporation's nonaccrual and renegotiated loans are certain impaired loans. Impaired loans totaling \$28.8 million at December 31, 1998 were comprised of \$26.0 million in domestic loans and \$2.8 million in foreign loans. At December 31, 1997, domestic and foreign impaired loan balances were \$621 thousand and \$1.4 million, respectively. The 1998 average investments in impaired loans were \$9.5 million in domestic loans and \$1.1 million in foreign loans. For 1997, the average investments for domestic and foreign portfolios were \$1.2 million and \$276 thousand, respectively.

All impaired loans had an allocated reserve for loan losses at December 31, 1998 and 1997. The allocated reserves on impaired loans were \$14.1 million for 1998, and \$300 thousand for 1997.

Consistent with the Corporation's method for nonaccrual loans, cash payments received on impaired loans are generally applied to principal. The proforma interest income that would have been earned in 1998 and 1997, if such loans had not been classified as impaired, was \$817 thousand and \$133 thousand, respectively. No interest income was included in net interest income for impaired loans in 1998 and 1997.

The Corporation's charge-off policy for impaired loans is consistent with its policy for loan charge-offs to the reserve; impaired loans are charged-off when, in the opinion of management, the impaired loan cannot be fully collected. Collateral dependent impaired loans are measured at the fair value of the collateral. All other impaired loans are measured based on the present value of expected cash flows.

NOTE 4. TRANSACTIONS WITH RELATED PARTIES

In the ordinary course of banking business, loans are made to officers and directors of the Corporation and its affiliates as well as to their associates. In the opinion of management, these loans are consistent with sound banking practices and do not involve more than the normal risk of collectibility. At December 31, 1998 and 1997, loans to executive officers and directors of the Corporation and its affiliates, including loans to their associates, totaled \$44.6 million and \$75.5 million, respectively. During 1998, loan additions were \$20.4 million, and loan repayments were \$51.3 million.

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In addition to the transactions set forth above, the Corporation's banking subsidiaries had \$322 thousand of letters of credit outstanding at December 31, 1998 to related parties. There were no related party loans that were impaired, nonaccrual, past due, restructured or potential problems at December 31, 1998.

During 1998, Allbritton Communications Company ("ACC"), a company indirectly owned by Mr. Allbritton (Chairman of the Board and Chief Executive Officer of the Corporation), paid Riggs Bank N.A. \$383 thousand to lease space in an office building owned by Riggs Bank N.A. under a lease that has been extended through 2001. ACC paid \$689 thousand and \$484 thousand in 1997 and 1996, respectively, to lease space from Riggs Bank N.A. During 1998 the Corporation paid ACC \$1.0 million for a sublicense agreement to obtain an equal share of ACC's interest in an entertainment suite at a sports complex. This transaction was at market value based on a recent sale of a similar entertainment suite. In addition, ACC reimbursed the Corporation \$80,302 for use of a separate entertainment suite at a sports stadium.

During 1997, the Corporation purchased equipment from Wang Federal, Inc. Ronald Cuneo (a member of the Corporation's Board of Directors in 1997) was President of Wang Federal, Inc. at the time of the purchase. Total expenditures equaled \$1.3 million in 1997, and were capitalized by the Corporation.

NOTE 5. OTHER REAL ESTATE OWNED

Other real estate owned at December 31, 1998, and 1997 is summarized as follows:

<TABLE>

<CAPTION>

	1998	1997
<S>	<C>	<C>
Foreclosed Property - Domestic	\$1,638	\$4,993
Foreclosed Property - Foreign	42	83
Total Foreclosed Property	1,680	5,076
Less: Reserve for Other Real Estate Owned	-	-
Total Other Real Estate Owned, Net	\$1,680	\$5,076

</TABLE>

An analysis of the changes in the reserves for other real estate owned follows:

<TABLE>

<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Balance, January 1	\$ --	\$2,154	\$2,349
Additions:			
Provision for Other Real Estate Owned Losses	1,036	1,437	906
Total Additions	1,036	1,437	906
Deductions:			
Loss on Sales/Selling Expenses	--	1,111	199
Writedowns	1,036	2,478	906
Total Deductions	1,036	3,589	1,105
Foreign Exchange Translation Adjustments	--	(2)	4
Balance, December 31	\$ --	\$ --	\$2,154

</TABLE>

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NOTE 6. PREMISES AND EQUIPMENT

Investments in premises and equipment at year-end were as follows:

<TABLE>

<CAPTION>

	1998	1997
<S>	<C>	<C>
Premises and Land	\$ 175,377	\$ 170,369
Furniture and Equipment	113,738	73,440
Leasehold Improvements	45,231	43,350
Accumulated Depreciation and Amortization	(131,275)	(121,782)
Total Premises and Equipment, Net	\$ 203,071	\$ 165,377

</TABLE>

Depreciation and amortization expense amounted to \$11.5 million in 1998, \$11.7 million in 1997 and \$11.2 million in 1996.

At December 31, 1998, the Corporation is committed to the following future minimum lease payments under non-cancelable operating lease agreements covering equipment and premises. These commitments expire intermittently through 2018 in varying amounts.

<TABLE>
<CAPTION>

	OPERATING LEASES
1999	\$ 6,980
2000	5,647
2001	4,946
2002	3,382
2003	2,521
2004 and thereafter	8,915
=====	
Total Minimum Lease Payments	\$32,391

</TABLE>

Total minimum operating lease payments included in the preceding table have not been reduced by future minimum payments from sublease rental agreements that expire intermittently through 2000. Minimum sublease rental income for 1999 is expected to be approximately \$44 thousand. Rental expense for all operating leases (cancelable and non-cancelable), less rental income for leased properties, consisted of the following:

<TABLE>
<CAPTION>

	1998	1997	1996
Rental Expense	\$8,947	\$9,037	\$10,926
Rental Income	(96)	(102)	(15)
=====			
Net Rental Expense	\$8,851	\$8,935	\$10,911

</TABLE>

In the normal course of business, the Corporation also leases space in buildings it owns. This rental income amounted to \$2.3 million in 1998, \$2.0 million in 1997 and \$1.9 million in 1996. Minimum lease commitments from buildings owned for 1999 total approximately \$2.2 million, compared with \$2.1 million in 1998.

NOTE 7. TIME DEPOSITS, \$100 THOUSAND OR MORE

The aggregate amount of time deposits, each with a minimum denomination of \$100 thousand, was \$522,746 and \$439,948 at December 31, 1998 and 1997, respectively. The average rate paid on time deposits of \$100 thousand or more for 1998 was 2.96% compared with the average rate of 2.59% paid during 1997. A majority of time deposits in foreign offices were in denominations of \$100 thousand or more.

Total time deposits at December 31, 1998, had the following scheduled maturities:

<TABLE>
<CAPTION>

	<C>
1999	\$1,488,580
2000	45,588
2001	14,870
2002	6,310
2003	3,089
2004 and thereafter	5,385
=====	
Total	\$1,563,822

</TABLE>

NOTE 8. BORROWINGS

Short-Term Borrowings

Short-term borrowings outstanding at year-end and other related information follow:

<TABLE>
<CAPTION>

<S>	FEDERAL FUNDS PURCHASED AND REPURCHASE AGREEMENTS			U.S. TREASURY DEMAND NOTES AND OTHER SHORT-TERM BORROWINGS		
	1998	1997	1996	1998	1997	1996
Balance, December 31	\$353,303	\$327,579	\$237,166	\$21,077	\$24,929	\$ 18,068
Average Amount Outstanding 1	396,438	266,828	212,206	18,824	17,563	28,747
Weighted-Average Rate Paid 1	4.90%	5.09%	4.73%	2.16%	5.10%	4.41%
Maximum Amount Outstanding at any Month-End	547,934	346,086	347,017	27,014	26,522	125,145

</TABLE>

1 AVERAGE AMOUNTS ARE BASED ON DAILY BALANCES. AVERAGE RATES ARE COMPUTED ON ACTUAL INTEREST EXPENSE DIVIDED BY AVERAGE AMOUNTS OUTSTANDING.

Federal funds purchased consisted of borrowings from other financial institutions that have maturities ranging from 1 to 180 days. Repurchase agreements are transactions with customers and brokers secured by investment securities. At December 31, 1998, the Corporation had one repurchase agreement with a customer that individually exceeded 10% of total stockholders' equity. This repurchase agreement was for \$62.4 million, and matured overnight. U.S. Treasury demand notes consisted of Treasury tax and loan funds transferred to interest-bearing demand notes with no fixed maturity, subject to call by the Federal Reserve. Other short-term borrowings were primarily borrowings from other financial institutions. At December 31, 1998, unused lines of credit totaled approximately \$1.5 billion. Of this total, \$800 million is secured by a blanket lien agreement with the Federal Home Loan Bank of Atlanta. Another portion of these unused lines of credit is secured by residential mortgage loans totaling \$31.2 million. Long-Term Debt

Long-term debt outstanding at year-end and other related information follow:

<TABLE>
<CAPTION>

<S>	INTEREST RATE DECEMBER 31, 1998	BALANCE OUTSTANDING DECEMBER 31,	
		1998	1997
Parent Corporation:			
Fixed-Rate Subordinated Debentures due 2009	9.65%	\$ 66,525	\$ 66,525
Fixed-Rate Subordinated Notes due 2006	8.50%	125,000	125,000
Total Long-Term Debt		\$191,525	\$191,525

</TABLE>

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Fixed-Rate Subordinated Debentures Due 2009

On June 6, 1989, the Corporation issued \$100 million of 9.65% Subordinated Debentures due June 15, 2009. These unsecured subordinated obligations may not be redeemed prior to maturity. These debentures qualify as Tier II capital for regulatory purposes. Expenses relating to the issuance of the debentures are being amortized to maturity on a straight-line basis.

Fixed-Rate Subordinated Notes Due 2006

On February 1, 1994, the Corporation sold \$125 million of 8.5% Subordinated Notes due 2006. The notes were priced at par. The first call date is scheduled for February 1, 1999, at a call price of 104.25%. The call price is reduced annually thereafter. These notes qualify as Tier II capital for regulatory purposes. Expenses relating to the issuance of the notes are being amortized to maturity on a straight-line basis.

Off-Balance Sheet Risk

In the normal course of business, the Corporation enters into various transactions that, in accordance with generally accepted accounting principles, are not included on the consolidated statements of condition. These transactions are referred to as "off-balance sheet" commitments and differ from the Corporation's balance sheet activities in that they do not give rise to funded assets or liabilities. The Corporation enters into derivative transactions to manage its own risks arising from movements in interest and currency rates. The Corporation also offers such currency products to its customers to meet their financing objectives and to manage their currency rate risk.

Off-balance sheet activities involve varying degrees of credit, interest-rate or liquidity risk in excess of amounts recognized on the consolidated statements of condition. The Corporation's management believes that financial derivatives, such as interest-rate agreements, can be an important element of prudent balance sheet and interest-rate risk management. The Corporation seeks to minimize its exposure to loss under these commitments by subjecting them to credit approval and monitoring procedures. Outstanding commitments and contingent liabilities that do not appear in the consolidated financial statements at December 31, 1998 and 1997, are as follows:

<TABLE>

<CAPTION>

	1998	1997
<S>	<C>	<C>

Commitments to Extend Credit:		
Commercial	\$ 821,776	\$526,061
Real Estate:		
Commercial/Construction	46,670	59,113
Mortgage	14,595	6,719
Home Equity	189,544	192,230

Total Real Estate	250,809	258,062
Consumer	97,085	89,671
=====		
Total Commitments to Extend Credit	\$1,169,670	\$873,794
Letters of Credit:		
Commercial	\$ 74,729	\$ 72,731
Standby - Performance	11,386	10,208
Standby - Financial	30,619	49,831
=====		
Total Letters of Credit	\$ 116,734	\$132,770
Derivative Instruments:		
Foreign Currency Contracts -		
Commitments to Purchase	\$ 138,727	\$111,215
Commitments to Sell	225,846	190,324
Interest-Rate Swap Agreements -		
Notional Principal Amount	115,343	352,131

</TABLE>

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Commitments to Extend Credit

Commitments to extend credit are agreements to lend to a customer provided there is no violation of any condition established in the contract. Commitments to extend credit normally have fixed expiration dates or termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total contractual amounts do not necessarily represent future funding requirements. The Corporation evaluates each customer's creditworthiness on a case-by-case basis. The amount and type of collateral obtained, if it is deemed necessary, is based upon management's credit evaluation of the customer. Of the \$1.2 billion of commitments at December 31, 1998, \$663.1 million are scheduled to expire in 1999.

Concentration of Credit Risk

The Corporation regularly assesses the quality of its commercial credit exposures and assigns risk ratings to substantially all extensions of credit in its commercial, real estate and international portfolios. The Corporation seeks to identify, as early as possible, problems that may result from economic downturns or deteriorating conditions in certain markets or with respect to specific credits. Lending officers have the primary responsibility of monitoring credit quality, identifying problem credits and recommending changes in risk ratings. When signs of credit deterioration are detected, credit or other specialists may become involved to minimize the Corporation's exposure to future credit losses. The Corporation's independent loan review function provides an assessment of credit ratings, credit quality and the credit management process. This assessment is achieved through regular reviews of loan documentation, collateral, risk ratings and problem loan classifications.

Credit risk is reduced by maintaining a loan portfolio that is diverse in terms of type of loan, as well as industry and borrower concentration, thus minimizing the adverse impact of any single event or set of occurrences.

Geographically, the Corporation's domestic loans are concentrated in the Washington, D.C. metropolitan area. Loans originated by the Corporation's United Kingdom subsidiary represent 77% of foreign loans and are predominantly to borrowers located in the United Kingdom.

At December 31, 1998, approximately \$587.7 million, or 18.0%, of the Corporation's loan portfolio consisted of loans secured by real estate, excluding single-family residential loans, of which approximately 70% and 30% were secured by properties located in the Washington, D.C. area and in the United Kingdom, respectively. In addition, the Corporation had \$1.7 million in other real estate owned at December 31, 1998.

Approximately 49% of the Corporation's loan portfolio is secured by the primary residence of the borrower. At December 31, 1998, residential mortgage loans were \$1.28 billion and home equity loans were \$314.3 million.

Letters of Credit

There are two major types of letters of credit: commercial and standby letters of credit. Commercial letters of credit are normally short-term instruments used to finance a commercial contract for the shipment of goods from seller to buyer. Commercial letters of credit are contingent upon the satisfaction of specified conditions; therefore, they represent a current exposure if the customer defaults on the underlying transaction.

Standby letters of credit can be either financial or performance-based. Financial standby letters of credit obligate the Corporation to disburse funds to a third party if the Corporation's customer fails to repay an outstanding loan or debt instrument. Performance standby letters of credit obligate the Corporation to disburse funds if the customer fails to perform some contractual or non-financial obligation. The Corporation's policies generally require that all standby letter of credit arrangements contain security and debt covenants similar to those contained in loan agreements.

Foreign Currency Contracts

Foreign currency contracts include commitments to purchase and sell foreign currencies in the spot and forward markets. The Corporation utilizes these products to manage its exposure to movements in currency rates and to generate revenue by assisting customers in managing their foreign currency exposure. These products normally include the exchange of currency at an agreed upon rate at some time in the future. Risks associated with these contracts include credit risk and currency risk. Credit risk relates to the ability of the counterparty to meet its obligation under the contract and is limited to the costs of replacing the contract at prevailing rates. Currency risk arises from changes in the market value of the positions.

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The Corporation enters foreign currency contracts to hedge foreign currency risk. Hedges ensure that the Corporation will have a specific currency at a specific rate at the maturity of the contract. Additional contracts are entered to serve customer needs. The Corporation has established limits on the aggregate amounts of contracts used for non-hedging purposes, as well as trading gaps, counterparty limits and country limits.

At December 31, 1998, commitments to purchase and sell foreign exchange were \$138.7 million and \$225.8 million, respectively. At year-end 1998, the Corporation had approximately \$87 million in commitments to sell foreign exchange contracts, for the purpose of hedging the Corporation's Sterling equity investment (Riggs Bank Europe Limited) and French Franc equity investment (Riggs National Bank (Europe) S.A.). Also, the Corporation had approximately \$33 million in commitments to sell foreign exchange contracts for the purpose of hedging intercompany loans between Riggs Bank N.A. and the Corporation's United Kingdom operations. The remaining foreign exchange contracts are related to

customer transactions.

Interest-Rate Agreements and Contracts

Financial derivatives, such as interest rate swaps, provide the Corporation with the tools to effectively manage the balance sheet and interest rate risk. These financial derivatives are entered into as hedges against fluctuations in the interest rate of specifically identified assets or liabilities.

At December 31, 1998, the Corporation had an open interest rate swap with a notional amount of \$25 million. This agreement was contracted in January 1996 and effectively converted a portion of the fixed rate real estate mortgage loan portfolio into a floating rate asset. The swap agreement entails the payment of a 5.36% fixed rate and the receipt of a floating rate equal to the three-month LIBOR. The swap resets quarterly and matures in January of 1999. At December 31, 1997 an additional swap was open for \$25 million to convert another portion of the fixed rate real estate mortgage loan portfolio into a floating rate asset. This swap matured in January 1998.

In 1997 new derivative activity for the Corporation included callable swaps with notional amounts of \$175 million. These swaps were designed to convert a portion of the floating rate home equity loan portfolio into fixed rate loans. The \$175 million of swaps consisted of seven separate agreements, each with a \$25 million notional amount. Five of these swaps were terminated during 1997 and two remained open at December 31, 1997. One of the \$25 million swaps open at year-end 1997 was called in January 1998 and the second was called in February 1998.

In March 1998, the Corporation closed its \$200 million interest rate swap position that was to mature in July 1998 and incurred a loss of \$219 thousand.

Derivatives are also used by Riggs Bank Europe Limited to manage its interest rate risk. Interest rate swaps are used to convert fixed rate loan assets into floating rate assets. There were 28 different interest rate swap agreements outstanding at December 31, 1998 for RBEL, totaling \$90.3 million. The RBEL swaps had notional amounts ranging from \$1.7 million to \$12.9 million, with an average notional amount of \$3.2 million. The maturity dates range from March 2000 to October 2004. The swap agreements entail the payment of a fixed rate and the receipt of a floating rate. The fixed rate payments averaged 6.96% and the variable rates received averaged 7.15% at December 31, 1998.

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INTEREST-RATE SWAP AGREEMENTS
DECEMBER 31, 1998

<TABLE>
<CAPTION>

	NOTIONAL AMOUNT	UNREALIZED GAIN (LOSS)	WEIGHTED- AVERAGE RATE 1 RECEIVE	ACCRUED RATE PAY	ACCRUED INTEREST RECEIVABLE	ACCRUED INTEREST PAYABLE	1998 NET INTEREST INC./ (EXP)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Receive variable/pay fixed Matures January 1999	\$ 25,000	\$ --	5.20%	5.36%	\$ 239	\$ 242	\$ 78
Receive variable/pay fixed Riggs Bank Europe Limited	90,343	(3,600)	7.15	6.96	2,002	1,929	(64)
Receive fixed/pay variable Terminated March 1998	--	--	--	--	--	--	(219)
=====							
Total Interest-Rate Swap Agreements	\$115,343	\$ (3,600)	-	-	\$2,241	\$2,171	\$ (205)

</TABLE>

1 UNREALIZED GAIN (LOSS) OBTAINED FROM THIRD-PARTY MARKET QUOTES FOR
REPLACEMENT OF DERIVATIVE POSITIONS.

The Corporation's notional amount of interest-rate swap activity for the year ended December 31, 1998 is as follows:

<TABLE>
<CAPTION>

	DECEMBER 31, 1997	ADDITIONS	MATURITIES	TERMINATIONS/ CALLS	DECEMBER 31, 1998
<S>	<C>	<C>	<C>	<C>	<C>

Interest-Rate Swaps:

Receive fixed/pay variable	\$250,000	\$ --	\$ --	\$250,000	\$ --
Receive variable/pay fixed	50,000	--	25,000	--	25,000
Riggs Bank Europe Limited	52,131	40,868	2,656	--	90,343

Total	\$352,131	\$40,868	\$27,656	\$250,000	\$115,343
-------	-----------	----------	----------	-----------	-----------

</TABLE>

Other Commitments

During the first quarter of 1998, the Corporation renegotiated its contract for the management of operations directly associated with its computer and telecommunications functions. Payments for the remaining five years of the contract are approximately \$52.3 million, with \$13.3 million of expense expected in 1999. Total expense under this new contract was \$11.8 million in 1998. Total expense under the previous contract was \$17.7 million in 1997 and \$15.1 million in 1996.

Litigation

In the normal course of business, the Corporation is involved in various types of litigation. In the opinion of management, based on its assessment and consultation with outside counsel, litigation that is currently pending against the Corporation will not have a material impact on the financial condition or future operations of the Corporation, as a whole.

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NOTE 10. RESERVE BALANCES, FUNDS RESTRICTIONS
AND CAPITAL REQUIREMENTS

Reserve Balances

Riggs Bank N.A. must maintain reserves against deposits and Eurocurrency liabilities in accordance with Regulation D of the Federal Reserve Act (the "Act"). The total average balances maintained with the Federal Reserve amounted to \$22.6 million in 1998 and \$23.8 million in 1997.

Funds Restrictions

The Act imposes restrictions upon the amount of loans or advances that banks, such as Riggs Bank N.A., may extend to the Corporation and its non-bank subsidiaries ("affiliates"). Loans by any bank to any one affiliate are limited to 10% of the bank's capital stock and surplus. Further, aggregate loans by any one bank to all of its affiliates may not exceed 20% of its capital stock and surplus. In addition, the Act requires that borrowings by affiliates be secured by designated amounts of collateral.

The National Bank Act limits dividends payable by national banks without approval of the OCC to net profits retained in the current and preceding two calendar years, plus additional amounts for dividends in excess of a given year's earnings. The payment of dividends by the Corporation's national bank subsidiaries may also be affected by other factors, such as requirements for the maintenance of adequate capital.

Cash dividends paid by national bank subsidiaries to Riggs National Corporation in 1998, 1997, and 1996 were \$129.0 million, \$112.0 million and \$481 thousand, respectively. Riggs Bank N.A. had combined net income of \$210.7 million for 1998, 1997, and 1996.

Capital Requirements

The Corporation and the Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory (and possibly additional discretionary) actions by regulators that, if undertaken, could have a direct material effect on the Corporation's and Bank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Corporation and the Bank must meet specific capital guidelines that involve quantitative measures of the Corporation's and the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Corporation's and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

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Quantitative measures established by regulation to ensure capital adequacy require the Corporation and the Bank to maintain minimum amounts and ratios (set forth in the following table) of Total and Tier I capital to risk-weighted assets (as defined in the regulations), and of Tier I capital to average assets

(as defined). Management believes, as of December 31, 1998, that the Corporation and the Bank met all capital adequacy requirements to which they are subject.

As of December 31, 1998, the most recent notification from the Office of the Comptroller of the Currency categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized the Corporation and the Bank must maintain total risk-based, Tier I risk-based, and Tier I leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the institutions' categories. The Corporation's and the Bank's actual capital amounts and ratios are also presented in the table.

<TABLE>
<CAPTION>

(DOLLAR AMOUNTS IN MILLIONS)

	ACTUAL		MINIMUM REQUIREMENTS FOR CAPITAL ADEQUACY PURPOSES		TO BE WELL CAPITALIZED UNDER PROMPT CORRECTIVE ACTION PROVISIONS	
	AMOUNT	RATIO	AMOUNT	RATIO	AMOUNT	RATIO
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AS OF DECEMBER 31, 1998						
Total Capital (to Risk-Weighted Assets):						
Consolidated	\$ 972	27.51%	\$283	8.0%	\$353	10.0%
Riggs Bank N.A.	457	13.43	272	8.0	340	10.0
Tier I Capital (to Risk-Weighted Assets):						
Consolidated	517	14.63	141	4.0	212	6.0
Riggs Bank N.A.	414	12.17	136	4.0	204	6.0
Tier I Leverage (to Average Assets):						
Consolidated	517	9.33	222	4.0	277	5.0
Riggs Bank N.A.	414	8.26	200	4.0	251	5.0
AS OF DECEMBER 31, 1997						
Total Capital (to Risk-Weighted Assets):						
Consolidated	\$1,035	31.52%	\$263	8.0%	\$328	10.0%
Riggs Bank N.A.	507	15.60	260	8.0	325	10.0
Tier I Capital (to Risk-Weighted Assets):						
Consolidated	606	18.45	131	4.0	197	6.0
Riggs Bank N.A.	466	14.35	130	4.0	195	6.0
Tier I Leverage (to Average Assets):						
Consolidated	606	11.15	217	4.0	272	5.0
Riggs Bank N.A.	466	8.64	216	4.0	270	5.0

</TABLE>

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NOTE 11. COMMON AND PREFERRED STOCK

Common Stock

The Corporation is authorized to issue 50 million shares of Common Stock, par value \$2.50 (the "Common Stock"). At December 31, 1998, the Corporation had 31,555,345 shares issued and 30,379,547 shares outstanding. On October 14, 1998, the Board of Directors approved a plan authorizing the purchase of up to three million shares of its Common Stock in the open market, subject to market conditions. During 1998, the Corporation purchased 275,000 shares of its Common Stock at an average price of \$19.79. The shares purchased are recorded as an addition to Treasury Stock at December 31, 1998.

Preferred Stock

The Corporation is authorized to issue 25 million shares of Preferred Stock, the conditions of which are set at the time of issuance. On October 21, 1993, the Corporation issued four million shares of 10.75% Non-cumulative Perpetual Preferred Stock, Series B ("Series B Preferred"), in transactions exempt from the registration requirements of the Securities Act of 1933. The Series B Preferred shares had a liquidation preference of \$25 per share, no preemptive

rights, limited public market and were non-voting (subject to certain limited exceptions).

On October 1, 1998, the Corporation called for the redemption of all four million shares outstanding of the Series B Preferred Stock. The redemption price was \$27.25 per share plus accrued but unpaid dividends. This resulted in a one-time charge of \$13.8 million to undivided profits.

Minority Interest in Preferred Stock of Subsidiaries

On December 13, 1996, Riggs Capital, a wholly owned subsidiary of the Corporation, issued 150 thousand shares of its 8.625% Trust Preferred Securities, Series A. The Trust Preferred Securities, Series A, have a liquidation preference of \$1,000 per share and are not redeemable until December 31, 2006, with a final maturity on December 31, 2026. Dividends are payable semi-annually on June 30 and December 31 of each year and are cumulative and deferrable for a period not to exceed five years. Riggs Capital invested all of the proceeds of the sale of the Trust Preferred Securities, Series A, in Junior Subordinated Deferrable Interest Debentures, Series A, issued by the Corporation on December 13, 1996. The Trust Preferred Securities also qualify as Tier I Capital, with certain limitations, and are accounted for as minority interest (see Note 1, "Summary of Significant Accounting Policies").

On March 12, 1997, Riggs Capital II, a wholly owned subsidiary of the Corporation, issued 200 thousand shares of 8.875% Trust Preferred Securities, Series C, with a liquidation preference of \$1,000 per share. Dividends are payable semi-annually on June 30 and December 31 of each year. The Trust Preferred Securities, Series C, cannot be redeemed until March 15, 2007, and have a maturity of March 15, 2027. Riggs Capital II invested all of the proceeds from its common and preferred stock sales in Junior Subordinated Deferrable Interest Debentures, Series C, issued by the Corporation on March 12, 1997, at a rate of 8.875%, with comparable interest payment dates and maturity to the Trust Preferred Securities, Series C. Interest is cumulative and deferrable on the Junior Subordinated Deferrable Interest Debentures for a period not to exceed five years and thus is also cumulative and deferrable for the same periods for the Trust Preferred Securities, Series C. The Trust Preferred Securities qualify as Tier I Capital for regulatory purposes with certain limitations, and are accounted for as a minority interest (see Note 1, "Summary of Significant Accounting Policies").

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NOTE 12. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each major class of financial instrument for which it is practicable to estimate that value:

Cash and Money Market Assets

For short-term investments that reprice or mature in 90 days or less, the carrying amounts are a reasonable estimate of fair value. Money market assets include federal funds sold, reverse repurchase agreements and time deposits with other banks.

Securities

Fair values are based on quoted market prices or dealer quotes. Quoted market prices were not available for \$26.8 million of securities at year-end 1998 and \$24.8 million at year-end 1997. These securities were comprised of Federal Reserve and Federal Home Loan Bank-Atlanta stock and management believes that these assets' carrying values approximate their fair value.

Loans

The fair values of loans are estimated by discounting the expected future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. For short-term loans, defined as those maturing or repricing in 90 days or less, management believes the carrying amounts are a reasonable estimate of fair value. Criticized loans are predominantly collateral-dependent; therefore, their carrying values, net of related reserves, are a reasonable estimate of fair value.

Deposit Liabilities

The fair values of demand deposit, savings and NOW accounts and money market deposit accounts are the amounts payable on demand at the reporting date. The fair values of investment and negotiable certificates of deposit, and foreign time deposits with a repricing or maturity date extending beyond 90 days, are estimated using discounted cash flows at the rates currently offered for deposits of similar remaining maturities.

Short-Term Borrowings

For short-term liabilities, defined as those repricing or maturing in 90 days or less, the carrying amounts are a reasonable estimate of fair value.

Long-Term Debt

For the Corporation's long-term debt, fair values are based on dealer quotes.

Commitments to Extend Credit and Other Off-Balance Sheet Financial Instruments

The fair values of loan commitments and letters of credit, both standby and commercial, are assumed to equal their carrying values, which are immaterial. Extensions of credit under these commitments, if exercised, would result in loans priced at market terms.

The fair values of financial derivatives are equal to their replacement values. The replacement value is defined as the amount the Corporation would receive or pay to terminate the agreement at the reporting date, taking into account the current market rate of interest and the current creditworthiness of the derivative counterparties.

Foreign Exchange Contracts

The fair values of foreign exchange contracts represent the net asset or liability already recorded by the Corporation, since these contracts are revalued on a daily basis.

Changes in interest rates, assumptions or estimation methodologies may have a material effect on these estimated fair values. As a result, the Corporation's ability to actually realize these derived values cannot be assured. Reasonable comparability between financial institutions may not be likely because of the wide range of permitted valuation techniques and numerous estimates that must be made, given the absence of active secondary markets for many of the financial instruments. In addition, the estimated fair values exclude non-financial assets, such as premises and equipment, and certain intangibles. Thus, the aggregate fair values presented do not represent the underlying market value or entity value of the Corporation.

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Estimated Fair Values of Financial Instruments

The estimated fair values of the Corporation's financial instruments are as follows:

<TABLE>

<CAPTION>

	DECEMBER 31, 1998		DECEMBER 31, 1997	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Financial Assets:				
Cash and Due from Banks	\$ 155,003	\$ 155,003	\$ 186,091	\$ 186,091
Money Market Assets	771,181	771,181	790,813	790,813
Securities Available for Sale	970,728	970,728	1,672,550	1,672,550
Total Net Loans	3,203,680	3,313,479	2,831,992	2,887,201
Financial Liabilities:				
Deposits	4,144,848	4,148,140	4,297,918	4,298,831
Short-Term Borrowings	374,380	374,380	352,508	352,508
Long-Term Debt	191,525	206,176	191,525	209,062
Off-Balance Sheet Commitments- Asset (Liability):				
Foreign Exchange Contracts	502	502	217	217
Interest-Rate Swaps	70	(3,530)	(116)	(764)

</TABLE>

NOTE 13. INCOME TAXES

The Corporation accounts for income taxes under SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires an asset and liability approach in accounting for income taxes.

Deferred income taxes are recorded using enacted tax laws and rates for the years in which taxes are expected to be paid. In addition, deferred tax assets are recognized for tax loss and tax credit carryforwards, to the extent that

realization of such assets is more likely than not.

Income, before income taxes and minority interest, relating to the operations of domestic offices and foreign offices was as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Domestic Offices	\$ 99,651	\$89,289	\$66,629
Foreign Offices	11,231	3,896	5,908
Total	\$110,882	\$93,185	\$72,537

</TABLE>

The current and deferred portions of the income tax provision were as follows:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Current Provision (Benefit):			
Federal	\$25,299	\$17,921	\$ 17,527
State	4,671	1,868	(225)
Foreign	64	(79)	(56)
Total Current Provision (Benefit)	30,034	19,710	17,246
Deferred Provision (Benefit):			
Federal	1,488	6,801	(8,863)
State	(352)	(1,821)	(2,209)
Foreign	(2,082)	--	--
Total Deferred Provision (Benefit)	(946)	4,980	(11,072)
Provision for Income Tax Expense	\$29,088	\$24,690	\$ 6,174

</TABLE>

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At December 31, 1998, and 1997, the Corporation maintained a valuation allowance of approximately \$1.0 million and \$6.9 million, respectively, to reduce the net deferred tax asset to \$25.4 million and \$21.4 million, respectively. The net change in the valuation allowance for deferred tax assets during 1998 was a decrease of \$5.9 million. Substantially all of the decrease related to the reversal of foreign and state valuation allowances.

The net deferred tax asset is included in other assets in the Consolidated Statements of Condition. Management believes that it is more likely than not that the net deferred tax asset will be realized. The components of income tax liabilities (assets) that result from temporary differences in the recognition of revenue and expenses for income tax and financial reporting purposes at December 31, 1998, and 1997 are detailed in the table below:

Reconciliation of Statutory Tax Rates to Effective
Tax Rates:

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Income Tax Computed at Federal Statutory Rate of 35% for 1998, 1997 and 1996	\$38,809	\$32,615	\$ 25,388

Add (Deduct):
State Tax, Net of

Federal Tax Benefit	2,661	2,766	256
Tax-Exempt Loan			
Interest	(1,201)	(975)	(638)
Amortization of Fair Value			
Adjustments	123	(63)	37
ESOP Loans	--	--	(495)
Amortization of			
Core Deposits	231	231	231
Reversal of Valuation			
Allowance	(5,869)	(9,316)	(17,524)
Other, Net	(5,666)	(568)	(1,081)
=====			
Provision for Income			
Tax Expense	\$29,088	\$24,690	\$ 6,174
Effective Tax Rate	26.2 %	26.5 %	8.5 %

</TABLE>

Sources of Temporary Differences Resulting in Deferred Tax Liabilities (Assets):

<TABLE>
<CAPTION>

	1998	1997
<S>	<C>	<C>
Excess Tax Over Book		
Depreciation	\$ (763)	\$ 482
Pension Plan and Post-Retirement	5,959	3,610
Discount Accretion, Net		
of Securities Gains	275	1,193
Other, Net	2,777	3,712

Total Deferred Tax Liabilities	8,248	8,997
Accrual to Cash Basis		
Conversion	588	(165)
Allowance for Loan Losses	(22,364)	(21,968)
Other Real Estate Owned	(1,736)	(2,228)
Other Tax Credit Carryforward	(2,106)	(1,660)
Net Operating Loss Carryforward	(4,296)	(5,783)
Capitalized Costs	(769)	(3,535)
Other, Net	(3,957)	(1,964)

Total Deferred Tax Assets	(34,640)	(37,303)
Valuation Allowance	991	6,860
=====		
Net Deferred Tax Asset	\$ (25,401)	\$ (21,446)

</TABLE>

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NOTE 14. BENEFIT PLANS

Pension Plans

RIGGS NATIONAL CORPORATION

Under the Corporation's non-contributory defined benefit pension plan, available to substantially all employees who qualify with respect to age and length of service, benefits are normally based on years of service and the average of the highest base annual salary for a consecutive five-year period prior to retirement.

The Corporation's funding policy is to contribute an amount at least equal to the minimum required contribution under the Employee Retirement Income Security Act.

The assets of the Corporation's pension plan consist of an Immediate Participation Guarantee contract with a life insurance company and funds held in trust by the Corporation. The monies held in trust are invested primarily in fixed-income and equity pooled funds.

RIGGS BANK EUROPE LIMITED

Prior to October 1, 1998 Riggs Bank Europe Limited operated a defined benefit pension plan. Effective October 1, 1998, future service benefits are being provided on a defined contribution basis. The majority of active members and a number of deferred eligible retirees opted to convert their past service rights to the defined contribution plan elective under the plan. The assets of the plan are held separately from the Bank in trustee-administered funds.

As a result of the settlement of the liabilities for those retirees who elected to convert their past service rights to the new defined contribution plan, the Corporation recognized a gain of \$3.6 million in 1998. Any unamortized gains, together with any future gains or losses, will be amortized over a period of 12 years. No further pension benefits accrue under the prior plan effective October 1, 1998.

Postretirement Benefits

The Corporation and its subsidiaries provide certain health care and life insurance benefits for retired employees. Three benefit plans are provided: medical and hospitalization insurance, dental insurance and life insurance. As of January 1, 1998, the Corporation no longer provides life insurance benefits for persons retiring on or after January 1, 1998. Substantially all active employees may become eligible for benefits if they reach normal retirement age or if they retire earlier with at least 10 years' service. Similar benefits for active employees are provided through an insurance company and several health maintenance organizations. The Corporation recognizes the cost of providing those benefits by expensing the annual insurance premiums, which were \$3.8 million in 1998, \$2.7 million in 1997 and \$3.2 million in 1996.

The Corporation accounts for postretirement benefits under SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions." SFAS No. 106 required a significant change in the Corporation's historical practice of accounting for postretirement benefits on a pay-as-you-go (cash) basis by requiring accrual of the expected cost of benefits during the years that the employee renders the necessary service. Adoption of SFAS No. 106 in 1993 resulted in an accumulated transition obligation of \$13.0 million, which the Corporation elected to recognize over a 20-year period. The Corporation incurred \$1.4 million in 1998 for postretirement health and life insurance expenses, which included \$357 thousand relating to the amortization of the transition obligation. This compares to \$1.6 million in health and life insurance expenses for 1997 and \$2.7 million for 1996, with transition obligation amortization of \$453 thousand and \$651 thousand, respectively.

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CHANGE IN PENSION BENEFIT OBLIGATION

<TABLE>
<CAPTION>

	RIGGS NATIONAL CORPORATION		RIGGS BANK EUROPE LIMITED	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Benefit Obligation at Beginning of Year	\$76,167	\$68,708	\$ 13,106	\$12,545
Service (Benefit) Cost	(403)	1,017	481	562
Interest Cost	4,996	5,131	748	932
Actuarial Gain	(2,210)	--	--	--
Actuarial Loss Due to Discount Rate	7,317	6,959	3,151	288
Benefits Paid	(6,199)	(5,648)	(549)	(722)
Settlements	--	--	(12,161)	--
Other 1	--	--	114	(499)
Benefit Obligation at End of Year	\$79,668	\$76,167	\$ 4,890	\$13,106

</TABLE>

1 REPRESENTS FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS

CHANGE IN PLAN ASSETS

<TABLE>
<CAPTION>

	RIGGS NATIONAL CORPORATION		RIGGS BANK EUROPE LIMITED	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Fair Value of Plan Assets at				
Beginning of Year	\$88,278	\$80,143	\$ 17,771	\$16,311
Actual Return on Plan Assets	6,105	13,783	2,994	2,829
Settlements	--	--	(12,161)	--

Plan Participants' Contribution	--	--	(125)	--
Benefits Paid	(6,199)	(5,648)	(549)	(722)
Other 1	--	--	153	(647)

Fair Value of Plan Assets at End of Year	\$88,184	\$88,278	\$ 8,083	\$17,771

Funded Status	\$ 8,516	\$12,111	\$ 3,193	\$ 4,665
Unrecognized Net Actuarial Gain/(Loss)	10,159	3,437	(1,275)	(5,581)
Unrecognized Net Transition Asset	--	--	(149)	(762)
Unrecognized Prior Service Cost	(718)	(830)	--	--

Prepaid (Accrued) Pension Cost	\$17,957	\$14,718	\$ 1,769	\$ (1,678)
=====				

</TABLE>

1 REPRESENTS FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS

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WEIGHTED-AVERAGE ASSUMPTIONS
AS OF DECEMBER 31,

<TABLE>
<CAPTION>

	RIGGS NATIONAL CORPORATION		RIGGS BANK EUROPE LIMITED	
	1998	1997	1998	1997
<S>	<C>	<C>	<C>	<C>
Discount Rate	6.75%	7.25%	5.00%	8.08%
Expected Return on Plan Assets	9.00	9.00	5.00	8.50
Rate of Compensation Increase	4.00	4.00	N/A	6.00

</TABLE>

COMPONENTS OF NET PERIODIC PENSION COST

<TABLE>
<CAPTION>

	1998		1997	
	<C>	<C>	<C>	<C>
<S>	<C>	<C>	<C>	<C>
Service (Benefit) Cost	\$ (403)	\$ 1,017	\$ 606	\$ 562
Interest Cost	4,996	5,131	748	932
Expected Return on Plan Assets	(7,720)	(6,988)	(941)	(1,145)
Amortization of Transition Amount	--	(727)	(220)	(224)
Amortization of Prior Service Cost	(112)	(112)	--	--
Recognized Net Actuarial Loss	--	--	(173)	(90)
Settlements	--	--	(3,609)	--
Other 1	--	--	119	--

Net Periodic (Benefit) Cost	\$ (3,239)	\$ (1,679)	\$ (3,470)	\$ 35
=====				

</TABLE>

1 REPRESENTS FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS

The funded status of the postretirement projected benefit obligation is as follows:

<TABLE>
<CAPTION>

	RIGGS NATIONAL CORPORATION	
	1998	1997
<S>	<C>	<C>
Benefit Obligation at Beginning of Year	\$14,463	\$18,750
Service Cost	434	305
Interest Cost	903	1,003
Actuarial (Gain) Loss due to Discount Rate	2,562	(1,061)
Benefits Paid	(972)	(1,363)
Plan Amendments	(1,447)	(3,171)

Benefit Obligation at End of Year	\$15,943	\$14,463

Unrecognized Net Actuarial Loss	\$ 4,883)	\$(3,868)
Unrecognized Prior Service Cost	1,043	1,391
Unrecognized Transition Obligation	(6,442)	(6,799)

Accrued Postretirement Benefit Cost	\$ 5,661	\$ 5,187
--	----------	----------

</TABLE>

The net periodic costs for postretirement health and life insurance benefits are as follows:

<TABLE>
<CAPTION>

RIGGS NATIONAL CORPORATION

	1998	1997
<S>	<C>	<C>
Service Cost	\$ 434	\$ 305
Interest Cost	903	1,003
Amortization of Transition Amount	357	453
Amortization of Prior Service Costs	(348)	(348)
Recognized Net Actuarial Loss	100	175
Net Periodic Benefit Cost	\$1,446	\$1,588

</TABLE>

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The assumed health care cost trend rate averaged 8.0% for 1998, gradually decreasing to 6.0% by the year 2002 and remaining constant thereafter. A range of 6.0% to 8.0% was used in 1997. A discount rate of 6.75% was used at December 31, 1998 and a rate of 7.25% was used at December 31, 1997 to determine the projected postretirement benefit obligation. Increasing the assumed health care cost trend rate by one percentage point would increase the net periodic postretirement benefit cost for 1998 by \$272 thousand and increase the accumulated postretirement benefit obligation at December 31, 1998 by \$2.3 million. Decreasing the assumed health care cost trend rate by one percentage point would decrease the net periodic postretirement benefit cost for 1998 by \$257 thousand and decrease the accumulated postretirement benefit obligation at December 31, 1998 by \$2.2 million.

Stock Option Plans

The Board of Directors and stockholders of the Corporation approved stock option plans in 1993, 1994, and 1996 under which options to purchase shares of common stock of the Corporation may be granted to key employees. The exercise price cannot be less than the fair market value of the common stock at the date of grant. For options under these plans, the vesting periods have ranged from zero to three years. The total number of shares of common stock reserved for issuance upon exercise of options granted is 1,250,000, 1,250,000 and 4,000,000 for the 1993, 1994 and 1996 Plans, respectively. Unless previously terminated by the Board of Directors, the 1993, 1994 and 1996 Plans will terminate on March 10, 2003, February 9, 2004 and March 26, 2006, respectively.

A summary of the stock option activity under the 1993, 1994 and 1996 Plans follows:

<TABLE>
<CAPTION>

	STOCK OPTIONS	WEIGHTED- AVERAGE EXERCISE PRICE
<S>	<C>	<C>
Outstanding at December 31, 1995	1,296,500	\$ 9.90
Granted	1,519,500	12.25
Exercised	98,082	10.04
Terminated	67,668	10.80
Outstanding at December 31, 1996	2,650,250	\$11.22
Granted	771,000	20.29
Exercised	188,442	9.60

Terminated	10,000	17.43

Outstanding at December 31, 1997	3,222,808	\$13.46
Granted	1,708,000	30.00
Exercised	48,559	10.58
Terminated	23,949	18.70
=====		
Outstanding at December 31, 1998	4,858,300	\$19.28

</TABLE>

Members of the Board of Directors of the Corporation are eligible to participate in the 1997 Non-employee Directors Stock Option Plan ("the 1997 Plan"). Under the 1997 Plan, options to purchase up to 350,000 shares of common stock may be granted to non-employee directors of the Corporation or a subsidiary. The exercise price cannot be less than the fair market value of the common stock at the date of grant, with vesting occurring at the date of grant. Unless previously terminated by the Board of Directors, the 1997 Plan will terminate on July 8, 2007.

A summary of the stock option activity under the 1997 Plan follows:

<TABLE>
<CAPTION>

	STOCK OPTIONS	WEIGHTED- AVERAGE EXERCISE PRICE
<S>	<C>	<C>
Outstanding at December 31, 1996	--	\$ --
Granted	307,500	20.50
Exercised	--	--
Terminated	--	--

Outstanding at December 31, 1997	307,500	\$20.50
Granted	2,500	21.00
Exercised	45,000	20.50
Terminated	--	--
=====		
Outstanding at December 31, 1998	265,000	\$20.50

</TABLE>

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The Corporation accounts for its stock option plans under Accounting Principles Board Opinion No. 25, and is providing the fair value-based disclosures required on a proforma basis (see Note 1, Summary of Significant Accounting Policies). Accordingly, the stated net income and earnings per share in the Consolidated Statements of Income, in addition to the proforma net income and earnings per share reflecting the compensation costs for stock options granted in 1998, 1997 and 1996, are disclosed in the following table.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
NET INCOME:			
As Reported	\$61,847	\$50,879	\$ 65,943
Proforma	48,182	42,039	55,687
EARNINGS PER SHARE:			
As Reported - Basic	\$ 1.25	\$ 1.32	\$ 1.82
- Diluted	1.21	1.27	1.79
Proforma - Basic	\$.80	\$ 1.03	\$ 1.48
- Diluted	.78	0.99	1.46
WEIGHTED-AVERAGE FAIR VALUE OF OPTIONS			
GRANTED	\$ 15.68	\$ 10.24	\$ 6.62
WEIGHTED-AVERAGE ASSUMPTIONS:			
Expected Lives (Years)	9.99	9.87	9.89
Risk-Free Interest Rate	4.72%	5.80%	6.44%
Expected Volatility	37.28%	35.43%	46.27%
Expected Dividends (Annual Per Share)	\$ 0.20	\$ 0.20	\$ 0.20
=====			

</TABLE>

The Corporation did not record any compensation costs in 1998, 1997 or 1996 relating to its stock option plans. In addition, no significant modifications to the plans were made during the periods. The fair values of the stock options outstanding are used to determine the proforma impact of the options to compensation expense. Net income and earnings per share were based on the Black-Scholes option pricing model for each grant made, using the key assumptions detailed above.

At December 31, 1998, additional weighted-average details for all stock options outstanding follow:

<TABLE>
<CAPTION>

VESTED OPTIONS					
RANGE OF EXERCISE PRICE	STOCK OPTIONS OUTSTANDING AT DECEMBER 31, 1998	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED-AVERAGE EXERCISE PRICE	STOCK OPTIONS OUTSTANDING AT DECEMBER 31, 1998	WEIGHTED-AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>	<C>	<C>
\$ 9.00 to \$12.15	1,397,700	6.19	\$10.63	1,397,700	\$10.63
\$12.16 to \$18.22	1,007,100	7.50	12.38	1,007,100	12.38
\$18.23 to \$21.26	1,013,000	8.50	20.35	847,691	20.44
\$21.27 to \$27.33	70,000	9.35	24.94	45,000	25.88
\$27.34 to \$30.38	1,635,500	9.30	30.22	1,150,000	30.38
Total	5,123,300	7.94	\$19.35	4,447,491	\$18.16

</TABLE>

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Other Benefit Plans

The Corporation has a Supplemental Executive Retirement plan to provide supplemental retirement income and preretirement death benefits to certain key employees. The amount of benefits is based on the participant's corporate title, functional responsibility and service as a member of the Board of Directors. Upon the later of a participant's termination of employment or attainment of age 62, the participant will receive the vested portion of the supplemental retirement benefit, payable for the life of the participant, but for no more than 15 years. At December 31, 1998, the Corporation had a \$3.3 million pension benefit obligation for this supplemental plan, compared with \$2.5 million at year-end 1997. Accrued pension costs were \$2.0 million at year-end 1998 and \$1.6 million at year-end 1997. This supplemental plan has no assets and incurred \$413 thousand in net periodic costs in 1998, compared with \$369 thousand and \$339 thousand for 1997 and 1996, respectively.

The Corporation sponsors a defined contribution plan under Section 401(k) of the Internal Revenue Code, that is available to substantially all employees (the "401(k) Plan"). The Board of Directors also approved a matching program for the 401(k) Plan in 1996, equating to 100% of the first one-hundred dollars contributed and 50% on the balance of contributions made thereafter, up to 6% of the employees' eligible earnings. The Board of Directors also approved a discretionary profit sharing contribution into the 401(k) Plan of up to 2% of the employees' eligible earnings in 1998 and 1997, based on the Corporation's financial performance during those years. Expenses relating to both of these programs totaled \$2.1 million and \$1.8 million for 1998 and 1997, respectively.

The Corporation has a deferred compensation plan to allow non-employee directors to defer directors' fees. Under the plan, non-employee directors may elect to defer fees and have the deferred amounts treated as having been invested in cash, shares of the Corporation's Common Stock, or a combination of cash and stock.

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NOTE 15. FOREIGN ACTIVITIES

Foreign activities are those conducted with customers domiciled outside the United States, regardless of the location of the banking office. Foreign business activity is integrated within the Corporation. As a result, it is not possible to definitively classify the business of most operating activities as entirely domestic or foreign. The Foreign Consolidated Statements of Condition shown below reflect the portion of the Corporation's consolidated statements of condition derived from transactions with customers that are domiciled outside the United States.

<TABLE>
<CAPTION>

	1998	1997	1996
<S>	<C>	<C>	<C>
Assets			
Deposits with Banks in Foreign Countries:			
Interest-Bearing	\$ 555,081	\$ 173,963	\$ 161,982
Other	8,538	6,633	5,257

Total Deposits with Banks in Foreign Countries	563,619	180,596	167,239
Loans to Foreign Customers:			
Governments and Official Institutions	74,676	50,606	17,095
Banks and Financial Institutions	9,451	8,506	5,445
Commercial and Industrial and Commercial Property	390,217	291,077	211,928
Other	42,353	36,911	15,924

Total Loans, Net of Unearned Discount	516,697	387,100	250,392
Less: Reserve for Loan Losses	10,617	15,219	15,218

Total Net Loans	506,080	371,881	235,174
Pool Funds Provided, Net 1	274,625	831,292	704,957
Other Assets	50,568	44,334	45,934
=====			
Total Assets	\$ 1,394,892	\$ 1,428,103	\$1,153,304

Liabilities			
Foreign Deposits:			
Banks in Foreign Countries	\$ 218,183	\$ 164,160	\$ 99,941
Governments and Official Institutions	272,573	254,215	255,818
Other	615,746	723,768	570,236

Total Deposits 2	1,106,502	1,142,143	925,995
Short-Term Borrowings	141,876	161,805	99,337
Other Liabilities	146,514	124,155	127,972
=====			
Total Liabilities	\$ 1,394,892	\$ 1,428,103	\$1,153,304

Supplemental Data on Foreign Deposits			
Demand	\$ 125,695	\$ 149,287	\$ 158,725
Savings, NOW and Money Market	243,511	468,821	382,409
Time 3	737,296	524,035	384,861
=====			
Total Foreign Deposits	\$ 1,106,502	\$ 1,142,143	\$ 925,995

</TABLE>

1 POOL FUNDS PROVIDED, NET ARE AMOUNTS CONTRIBUTED BY FOREIGN ACTIVITIES TO FUND DOMESTIC ACTIVITIES.

2 FOREIGN DEPOSITS IN DOMESTIC OFFICES TOTALED \$494.4 MILLION, \$656.9 MILLION AND \$553.2 MILLION AT DECEMBER 31, 1998, 1997 AND 1996, RESPECTIVELY.

3 A MAJORITY OF TIME DEPOSITS ARE IN AMOUNTS OF \$100 THOUSAND OR MORE.

The table to the right reflects changes in the reserve for loan losses on loans to customers domiciled outside the United States. Allocations of the provision for loan losses are based upon actual charge-off experience and additional amounts deemed necessary in relation to risks inherent in the foreign loan portfolio.

The table below reflects foreign assets by geographical location for the last three years and selected categories of the Consolidated Statements of Income. Loans made to, or deposits placed with, a branch of a foreign bank located outside the foreign bank's home country are considered as loans to, or deposits

with, the foreign bank. To measure profitability of foreign activity, the Corporation has established a funds pricing system for units that are users or providers of funds. Noninterest income and expense allocations are based on earning assets identified in each geographical area.

FOREIGN RESERVE FOR LOAN LOSSES

<TABLE>
<CAPTION>

	1998	1997	1996
Balance, January 1	\$15,219	\$15,218	\$11,968
Provision for Loan Losses	(4,776)	221	(3,368)
Loans Charged Off	937	593	260
Less: Recoveries on Charged-Off Loans	1,016	666	5,513
Net (Recoveries)Charge-Offs	(79)	(73)	(5,253)
Foreign Exchange Translation Adjustments	95	(293)	1,365
Balance, December 31	\$10,617	\$15,219	\$15,218

</TABLE>

GEOGRAPHICAL PERFORMANCE

<TABLE>
<CAPTION>

	TOTAL ASSETS DECEMBER 31,		TOTAL REVENUE	TOTAL EXPENSES	INCOME BEFORE TAXES AND MINORITY INTEREST		NET INCOME
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Middle East and Africa	1998	\$ 73,417	\$ 5,102	\$ 4,227	\$ 875	\$ 645	
	1997	45,895	6,188	5,276	912	670	
	1996	33,747	9,404	7,480	1,924	1,760	
Europe	1998	\$ 643,835	\$51,766	\$42,890	\$ 8,876	\$ 6,548	
	1997	454,233	65,880	56,181	9,699	7,129	
	1996	376,890	44,803	35,637	9,166	8,387	
Asia/Pacific	1998	\$ 8,435	\$ 1,491	\$ 1,235	\$ 256	\$ 189	
	1997	7,129	1,056	900	156	115	
	1996	7,696	3,057	2,431	626	572	
South and Central America	1998	\$ 58,462	\$ 5,340	\$ 4,423	\$ 917	\$ 676	
	1997	48,285	6,575	5,607	968	711	
	1996	5,067	926	736	190	174	
Caribbean	1998	\$ 332,362	\$28,746	\$23,816	\$ 4,930	\$ 3,637	
	1997	32,369	1,496	1,276	220	162	
	1996	13,042	3,721	2,960	761	696	
Other	1998	\$ 3,756	\$ 461	\$ 381	\$ 80	\$ 59	
	1997	8,900	2,686	2,290	396	291	
	1996	11,905	2,012	1,600	412	377	
Total Foreign ¹	1998	\$1,120,267	\$92,906	\$76,972	\$15,934	\$11,754	
	1997	596,811	83,881	71,530	12,351	9,078	
	1996	448,347	63,923	50,844	13,079	11,966	
Percentage of Foreign to Consolidated	1998	20%	20%	22%	14%	19%	
	1997	10	20	22	13	18	
	1996	9	16	16	18	18	

</TABLE>

1 FOREIGN ASSETS AT DECEMBER 31, 1998, 1997 AND 1996, EXCLUDE NET POOL FUNDS CONTRIBUTED BY FOREIGN ACTIVITIES TO FUND DOMESTIC ACTIVITIES.

STATEMENTS OF INCOME

<TABLE>
<CAPTION>

YEARS ENDED DECEMBER 31,

	1998	1997	1996
<S>	<C>	<C>	<C>
REVENUES			
Distributed Earnings from Subsidiaries 1	\$ 74,878	\$63,819	\$ 481
Interest on Time Deposit Placements	23,911	--	--
Interest on Reverse Repurchase Agreements	2,685	26,187	5,228
Interest and Dividends on Securities Available for Sale	3,772	--	233
Other Operating Income	1,598	1,065	2,989
Total Revenues	106,844	91,071	8,931
OPERATING EXPENSES			
Interest Expense	49,108	45,411	19,280
Other Operating Expenses	2,594	1,334	2,556
Total Operating Expenses	51,702	46,745	21,836
Income (Loss) before Taxes	55,142	44,326	(12,905)
Applicable Income Tax Benefit 2	(6,705)	(6,553)	(5,501)
Income (Loss) before Undistributed Earnings of Subsidiaries	61,847	50,879	(7,404)
Undistributed Earnings of Subsidiaries 1	--	--	73,347
Net Income	\$ 61,847	\$50,879	\$ 65,943

</TABLE>

1 FOR THE PURPOSE OF PARENT COMPANY ONLY FINANCIAL ACTIVITY, "DISTRIBUTED EARNINGS FROM SUBSIDIARIES" ARE INCLUDED IN THE REVENUES OF THE PARENT CORPORATION.

2 APPLICABLE INCOME TAXES ARE PROVIDED FOR BASED ON PARENT CORPORATION INCOME ONLY, AND DO NOT REFLECT THE TAX EXPENSE OR BENEFIT OF THE SUBSIDIARIES' OPERATIONS.

STATEMENTS OF CONDITION

<TABLE>
<CAPTION>

DECEMBER 31,

	1998	1997
<S>	<C>	<C>
ASSETS		
Cash	\$ 231	\$ 977
Time Deposits with Other Banks	469,000	--
Intercompany Reverse Repurchase Agreements	7,700	497,375
Securities Available for Sale (at Market Value)	4,671	5,197
Investment in Subsidiaries	439,113	496,522
Other Assets	29,909	21,129
TOTAL ASSETS	\$ 950,624	\$1,021,200
LIABILITIES		
Other Liabilities	\$ 5,563	\$ 5,685
Long-Term Debt:		
Subordinated Debentures due 2009	66,525	66,525
Subordinated Notes due 2006	125,000	125,000
Junior Subordinated Deferrable Interest Debentures, Series A, due 2026	154,640	154,640
Junior Subordinated Deferrable Interest Debentures, Series C, due 2027	206,168	206,168
Total Long-Term Debt	552,333	552,333
TOTAL LIABILITIES	557,896	558,018

Stockholders' Equity	392,728	463,182
Total	\$ 950,624	\$1,021,200

</TABLE>

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PARENT CORPORATION FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

YEARS ENDED DECEMBER 31,

	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 61,847	\$ 50,879	\$ 65,943
Adjustments to Reconcile Net Income to Net Cash Provided by (Used In) Operating Activities:			
Depreciation and Purchase Accounting Adjustments	--	--	592
Gain on Securities Available for Sale	--	--	(1,200)
(Increase) Decrease in Other Assets	(8,549)	(5,512)	961
(Decrease) Increase in Other Liabilities	(122)	(1,419)	1,784
(Undistributed) Excess Earnings of Subsidiaries	54,122	--	(73,347)
Total Adjustments	45,451	(6,931)	(71,210)
Net Cash Provided by (Used in) Operating Activities	107,298	43,948	(5,267)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Securities Available for Sale	(133)	(4,000)	--
Proceeds from Maturities of Securities Available for Sale	--	--	5,000
Dividends from Subsidiaries in Excess of Earnings	--	48,181	--
Net Decrease (Increase) in Premises	--	4,457	(10)
Net Increase in Investment in Subsidiaries	--	(6,168)	(4,640)
Net Cash (Used in) Provided by Investing Activities	(133)	42,470	350
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Proceeds from the Issuance of Long-Term Debt and Trust Preferred Securities	--	206,168	154,640
Repayments of Long-Term Debt	--	--	(26,100)
Net Proceeds from Issuance of Common Stock	1,834	2,571	985
Dividend Payments - Preferred Shares	(9,854)	(10,750)	(10,750)
- Common Shares	(6,123)	(6,079)	(4,549)
Redemption of Preferred Stock	(109,000)	--	--
Repurchase of Common Stock	(5,443)	--	--
Net Cash (Used in) Provided by Financing Activities	(128,586)	191,910	114,226
Net (Decrease) Increase in Cash and Cash Equivalents	(21,421)	278,328	109,309
Cash and Cash Equivalents at Beginning of Year	498,352	220,024	110,715
Cash and Cash Equivalents at End of Year	\$476,931	\$498,352	\$220,024
Supplemental Disclosures:			
Interest Paid	\$ 48,815	\$ 46,334	\$ 18,295
Income Tax Refunds	--	(4,842)	(5,042)

</TABLE>

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NOTE 17. SEGMENT PROFITABILITY

DECEMBER 31, 1998

<TABLE>

<CAPTION>

(IN THOUSANDS)	INTERNATIONAL		RIGGS &	TREASURY	OTHER	RECONCILIATION	RIGGS NATIONAL
	BANKING	BANKING	COMPANY				CORPORATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
NET INTEREST INCOME							
Interest Income	\$ 192,335	\$ 53,195	\$ 12,750	\$ 106,536	\$ 61,871		
Interest Expense	72,381	66,004	14,724	31,653	48,584		
Funds Transfer Income (Expense)	15,382	41,734	14,309	(77,814)	6,389		

Net Interest Income (Loss),							
Tax-Equivalent	135,336	28,925	12,335	(2,931)	19,676		
Tax-Equivalent Adjustment	(1,209)	--	--	(1,780)	--		

Net Interest Income (Loss)	\$ 134,127	\$ 28,925	\$ 12,335	\$ (4,711)	\$ 19,676	--	\$ 190,352

NONINTEREST INCOME							
Noninterest Income - External							
Customers	\$ 39,442	\$ 7,116	\$ 48,386	\$ 17,586	\$ 1,752		
Intersegment Noninterest Income	-	4,426	442	2	1,766		

Total Noninterest Income	\$ 39,442	\$ 11,542	\$ 48,828	\$ 17,588	\$ 3,518	\$ (6,636)	\$ 114,282

NONINTEREST EXPENSE							
Depreciation and Amortization	\$ 7,006	\$ 624	\$ 1,614	\$ 14	\$ 6,921		
Direct Expense	55,217	20,671	29,215	1,483	77,623		
Overhead and Support	63,850	9,387	10,309	1,434	(84,980)		

Total Noninterest Expense	\$ 126,073	\$ 30,682	\$ 41,138	\$ 2,931	\$ (436)	\$ (6,636)	\$ 193,752

Income (Loss) Before Taxes							
and Minority Interest	\$ 47,496	\$ 9,785	\$ 20,025	\$ 9,946	\$ 23,630	--	\$ 110,882
=====							
Total Average Assets	\$2,656,497	\$723,158	\$204,269	\$1,850,848	\$1,184,302	\$(1,052,363)	\$5,566,711
</TABLE>							

The Corporation's reportable segments are strategic business units that provide diverse products and services within the financial services industry. The Corporation has five reportable segments: Banking, International Banking, Riggs & Company, Treasury and Other. The Banking segment provides traditional banking services such as lending and deposit taking to retail, corporate and commercial customers. The International Banking segment includes the Corporation's Washington, D.C. based embassy-banking business and the London-based banking subsidiary, Riggs Bank Europe Limited. The Riggs & Company segment is a division of the Corporation providing trust and investment management services to a broad customer base. The Treasury segment is responsible for asset and liability management throughout the Corporation. "Other" consists of the Corporation's unallocated parent company income and expense, net interest income from unallocated equity and foreclosed real estate activities.

The Corporation evaluates segment performance based on net income before taxes and minority interest. The accounting policies of the segments are substantially the same as those described in the summary of significant accounting policies. The Corporation accounts for intercompany transactions as if the transactions were to third parties under market conditions. Overhead and support expenses are allocated to each operating segment based on number of employees, service usage and other factors relevant to the expense incurred. Geographic financial information is provided in a separate footnote entitled Foreign Activities.

Reconciliations are provided from the segment totals to the Corporation's consolidated financial statements. The reconciliations of noninterest income and noninterest expense offset as these items result from intercompany transactions. The reconciliation of net income before taxes and minority interest includes a \$12 million addition in 1997 from the Corporation reducing the reserve for loan losses. For years in which the Corporation has either no provision for loan losses or a reduction to the reserve for loan losses, an allocation of loan loss is not provided to the segments. The reconciliation of total average assets represents the elimination of intercompany transactions.

DECEMBER 31, 1997

<TABLE>
<CAPTION>

(IN THOUSANDS)	INTERNATIONAL		RIGGS &	TREASURY	OTHER	RECONCILIATION	RIGGS NATIONAL
	BANKING	BANKING	COMPANY				CORPORATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
NET INTEREST INCOME:							
Interest Income	\$ 174,564	\$ 37,085	\$ 12,062	\$ 140,397	\$ 54,239		
Interest Expense	72,304	57,507	12,500	47,458	45,437		
Funds Transfer Income (Expense)	23,754	47,447	11,798	(93,822)	10,822		

Net Interest Income (Loss),							
Tax-Equivalent	126,014	27,025	11,360	(883)	19,624		
Tax-Equivalent Adjustment	(1,121)	--	--	(2,728)	--		

Net Interest Income (Loss)	\$ 124,893	\$ 27,025	\$ 11,360	\$ (3,611)	\$ 19,624	\$ --	\$ 179,291

NONINTEREST INCOME:							
Noninterest Income - External							
Customers	\$ 38,952	\$ 3,891	\$ 39,921	\$ 4,857	\$ 303		
Intersegment Noninterest Income	--	3,491	3,753	6	1,486		

Total Noninterest Income	\$ 38,952	\$ 7,382	\$ 43,674	\$ 4,863	\$ 1,789	\$ (8,736)	\$ 87,924

NONINTEREST EXPENSE:							
Depreciation and Amortization	\$ 7,104	\$ 524	\$ 1,254	\$ 18	\$ 7,214		
Direct Expense	54,332	18,491	29,145	1,729	74,955		
Overhead and Support	63,006	9,120	11,199	1,024	(84,349)		

Total Noninterest Expense	\$ 124,442	\$ 28,135	\$ 41,598	\$ 2,771	\$ (2,180)	\$ (8,736)	\$ 186,030

Income (Loss) Before Taxes							
and Minority Interest	\$ 39,403	\$ 6,272	\$ 13,436	\$ (1,519)	\$ 23,593	\$ 12,000	\$ 93,185
=====							
Total Average Assets	\$2,393,464	\$525,684	\$192,653	\$2,418,662	\$1,057,786	\$ (1,336,135)	\$5,252,114

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DECEMBER 31, 1996

<TABLE>
<CAPTION>

(IN THOUSANDS)	INTERNATIONAL		RIGGS &	TREASURY	OTHER	RECONCILIATION	RIGGS NATIONAL
	BANKING	BANKING	COMPANY				CORPORATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
NET INTEREST INCOME:							
Interest Income	\$ 175,658	\$ 27,392	\$ 13,696	\$ 103,319	\$ 6,214		
Interest Expense	75,786	37,497	11,320	25,547	19,120		
Funds Transfer Income (Expense)	24,778	34,476	9,881	(79,488)	10,354		

Net Interest Income (Loss),							
Tax-Equivalent	124,650	24,371	12,257	(1,716)	(2,552)		
Tax-Equivalent Adjustment	(966)	--	--	(2,737)	--		

Net Interest Income (Loss)	\$ 123,684	\$ 24,371	\$ 12,257	\$ (4,453)	\$ (2,552)	\$ --	\$ 153,307

NONINTEREST INCOME:							
Noninterest Income - External							
Customers	\$ 37,684	\$ 5,618	\$ 37,851	\$ 7,559	\$ 7,465		
Intersegment Noninterest Income	--	3,629	5,666	16	1,709		

Total Noninterest Income	\$ 37,684	\$ 9,247	\$ 43,517	\$ 7,575	\$ 9,174	\$ (11,020)	\$ 96,177

NONINTEREST EXPENSE:							
Depreciation and Amortization	\$ 6,769	\$ 618	\$ 1,145	\$ 13	\$ 6,117		
Direct Expense	50,418	16,097	28,550	1,681	76,559		
Overhead and Support	57,900	6,657	9,174	1,063	(74,794)		

Total Noninterest Expense	\$ 115,087	\$ 23,372	\$ 38,869	\$ 2,757	\$ 7,882	\$ (11,020)	\$ 176,947

Net Income (Loss) Before Taxes
and Minority Interest \$ 46,281 \$ 10,246 \$ 16,905 \$ 365 \$ (1,260) \$ -- \$ 72,537

=====
Total Average Assets \$2,403,813 \$416,412 \$260,951 \$1,858,161 \$366,098 \$(589,066) \$4,716,369
</TABLE>

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NOTE 18. COMPREHENSIVE INCOME

OTHER COMPREHENSIVE INCOME (LOSS)

<TABLE>
<CAPTION>

	BEFORE TAX AMOUNT	TAX (EXPENSE) / BENEFIT	NET OF TAX AMOUNT
<S>	<C>	<C>	<C>
Twelve Months Ended December 31, 1998:			
Foreign Currency Translation Adjustments	\$ (734)	\$ 257	\$ (477)
Unrealized Gain (Loss) on Securities:			
Unrealized Holding Gain (Loss) Arising During Period	10,042	(3,515)	6,527
Less: Reclassification Adjustment for (Gains)			
Losses Included in Net Income	(15,023)	5,258	(9,765)
Net Unrealized Gain (Loss)	(4,981)	1,743	(3,238)
Other Comprehensive Income	\$ (5,715)	\$ 2,000	\$ (3,715)
Twelve Months Ended December 31, 1997:			
Foreign Currency Translation Adjustments	\$ (3,051)	\$ 1,068	\$ (1,983)
Unrealized Gain (Loss) on Securities:			
Unrealized Holding Gain (Loss) Arising During Period	758	(265)	493
Less: Reclassification Adjustment for (Gains)			
Losses Included in Net Income	3,500	(1,225)	2,275
Net Unrealized Gain (Loss)	4,258	(1,490)	2,768
Other Comprehensive Income	\$ 1,207	\$ (422)	\$ 785
Twelve Months Ended December 31, 1996:			
Foreign Currency Translation Adjustments	\$ 3,052	\$ (1,068)	\$ 1,984
Unrealized Gain (Loss) on Securities:			
Unrealized Holding Gain (Loss) Arising During Period	(14,102)	4,936	(9,166)
Less: Reclassification Adjustment for (Gains)			
Losses Included in Net Income	7,170	(2,510)	4,660
Net Unrealized Gain (Loss)	(6,932)	2,426	(4,506)
Other Comprehensive Income (Loss)	\$ (3,880)	\$ 1,358	\$ (2,522)

</TABLE>

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BALANCES

<TABLE>
<CAPTION>

	FOREIGN CURRENCY TRANSLATION ADJUSTMENT	UNREALIZED GAIN/ (LOSS) ON SECURITIES	ACCUMULATED OTHER COMPREHENSIVE INCOME/ (LOSS)
<S>	<C>	<C>	<C>
Twelve Months Ended December 31, 1998			
Balance, December 31, 1997	\$ (872)	\$ 2,039	\$ 1,167
Current Period Change	(477)	(3,238)	(3,715)
Balance, December 31, 1998	\$ (1,349)	\$ (1,199)	\$ (2,548)

Twelve Months Ended December 31, 1997			
Balance, December 31, 1996	\$ 1,111	\$ (729)	\$ 382
Current Period Change	(1,983)	2,768	785
=====			
Balance, December 31, 1997	\$ (872)	\$ 2,039	\$ 1,167

Twelve Months Ended December 31, 1996			
Balance, December 31, 1995	\$ (873)	\$ 3,777	\$ 2,904
Current Period Change	1,984	(4,506)	(2,522)
=====			
Balance, December 31, 1996	\$ 1,111	\$ (729)	\$ 382

</TABLE>

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MANAGEMENT'S REPORT ON FINANCIAL STATEMENTS

TO OUR STOCKHOLDERS:

Management is responsible for the integrity of all financial data included in this Annual Report. The consolidated financial statements and related notes are prepared in accordance with generally accepted accounting principles and include certain amounts based on management's best estimates and judgment. Financial information beyond the consolidated financial statements is presented in a manner consistent with the Corporation's financial statements.

Management maintains a system of accounting internal controls that includes an internal audit program. The internal control system provides reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are properly authorized and accounting records are reliable for the timely preparation of financial statements. The foundation of the internal control system is the Corporation's Code of Ethics, which provides a guide to all employees consistent with the highest standards of business conduct. The internal control system is further supported by management's policies and established accounting procedures. The internal control system is monitored and modified continually to improve the system and respond to changes in business environment and operations.

The Board of Directors has an Audit Committee composed of three outside and independent directors. The Committee meets periodically with the independent public accountants, internal auditors and management to determine the effectiveness of the internal control system and to review the scope and/or results of audits and other related matters. The independent public accountants and internal auditors have direct access to the Corporation's Audit Committee.

The consolidated financial statements have been audited by Arthur Andersen LLP, independent public accountants, in accordance with generally accepted auditing standards, whose audit includes a review of the system of internal controls, test of accounting records and other auditing procedures considered necessary to formulate an opinion on the consolidated financial statements. Management recognizes that there are inherent limitations within any system of internal controls, including the Corporation's, which relate to the overall cost of the internal control system and the resulting effectiveness thereof. Management believes that the Corporation's system of internal controls provides reasonable assurance that financial data are recorded properly and in a timely manner for the preparation of reliable financial statements.

/S/ JOE L. ALLBRITTON	/S/ TIMOTHY C. COUGHLIN	/S/ JOHN L. DAVIS
Joe L. Allbritton Chairman of the Board and Chief Executive Officer	Timothy C. Coughlin President	John L. Davis Chief Financial Officer

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO RIGGS NATIONAL CORPORATION:

We have audited the accompanying consolidated statements of condition of RIGGS NATIONAL CORPORATION (a Delaware corporation) and its subsidiaries as of December 31, 1998, and 1997, and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These consolidated financial statements are the responsibility of Riggs National Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Riggs National Corporation and its subsidiaries as of December 31, 1998, and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/S/ ARTHUR ANDERSEN LLP

Washington, D.C.,
January 20, 1999

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SUPPLEMENTAL FINANCIAL DATA (UNAUDITED)

QUARTERLY FINANCIAL INFORMATION

<TABLE>
<CAPTION>

UNAUDITED FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	1998			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<S>	<C>	<C>	<C>	<C>
Interest Income	\$86,932	\$87,068	\$93,772	\$86,030
Interest Expense	39,247	39,706	45,020	39,477
Net Interest Income	47,685	47,362	48,752	46,553
Less: Provision for Loan Losses	-	-	-	-
Net Interest Income after Provision for Loan Losses	47,685	47,362	48,752	46,553
Noninterest Income	28,137	25,227	32,890	28,028
Noninterest Expense	47,408	47,070	50,134	49,140
Income before Taxes and Minority Interest	28,414	25,519	31,508	25,441
Applicable Income Tax Expense (Benefit)	7,792	5,987	9,206	6,103
Minority Interest in Income of Subsidiaries, Net of Taxes	4,987	4,986	4,987	4,987
Net Income	15,635	14,546	17,315	14,351
Less: Dividends on Preferred Stock	2,688	2,687	2,688	1,791
Excess of Call Price over Carrying Amount of Preferred Stock-	-	-	-	13,808
Net Income (Loss) Available for Common Stock	\$12,947	\$11,859	\$14,627	\$(1,248)
EARNINGS (LOSS) PER COMMON SHARE - BASIC	\$.42	\$.39	\$.48	\$(.04)
- DILUTED	.41	.37	.46	(.04)

</TABLE>

CONSOLIDATED FINANCIAL RATIOS AND OTHER INFORMATION

<TABLE>
<CAPTION>

	1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>
NET INCOME TO AVERAGE:					
Earning Assets	1.21%	1.06%	1.56%	2.13%	.84%
Total Assets	1.11	.97	1.40	1.92	.76
Stockholders' Equity	13.61	11.69	16.48	28.25	12.01
AVERAGE:					
Loans to Deposits	75.50%	66.97%	67.19%	67.91%	69.80%
Stockholders' Equity to Loans	14.72	16.35	15.64	12.22	10.89
Stockholders' Equity to Deposits	11.11	10.95	10.51	8.30	7.60
Stockholders' Equity to Assets	8.17	8.28	8.48	6.80	6.29
AT DECEMBER 31:					
Reserve for Loan Losses to Total Loans	1.67%	1.82%	2.44%	2.20%	3.81%
Common Stockholders	2,466	2,754	3,058	3,236	3,712
Employees	1,598	1,580	1,519	1,576	1,624
Banking Offices	60	62	63	65	68
PER SHARE DATA:					
Dividend Payout Ratio	16.53%	15.75%	8.38%	n/a	n/a
Average Common Shares Outstanding	30,603,384	30,422,822	30,317,572	30,257,585	30,230,213
Book Value per Common Share	\$12.93	\$12.04	\$10.88	\$9.30	\$5.70

</TABLE>

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<TABLE>
<CAPTION>

<S>	1997				1996			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
\$77,069	\$83,120	\$83,717	\$ 86,886	\$74,570	\$71,740	\$72,811	\$74,077	
35,652	37,527	38,529	39,793	35,638	34,467	35,059	34,727	
41,417	45,593	45,188	47,093	38,932	37,273	37,752	39,350	
--	--	--	(12,000)	--	--	--	--	
41,417	45,593	45,188	59,093	38,932	37,273	37,752	39,350	
19,641	21,089	24,242	22,952	25,575	25,742	21,174	23,686	
43,812	45,660	44,998	51,560	43,004	43,931	44,047	45,965	
17,246	21,022	24,432	30,485	21,503	19,084	14,879	17,071	
4,069	5,454	6,625	8,542	52	(2,370)	3,062	5,430	
2,711	4,932	4,986	4,987	--	--	--	420	
10,466	10,636	12,821	16,956	21,451	21,454	11,817	11,221	
2,688	2,687	2,688	2,687	2,688	2,687	2,688	2,687	
--	--	--	--	--	--	--	--	
\$ 7,778	\$ 7,949	\$10,133	\$ 14,269	\$18,763	\$18,767	\$ 9,129	\$ 8,534	
\$.26	\$.26	\$.33	\$.47	\$.62	\$.62	\$.30	\$.28	
.25	.25	.32	.45	.61	.62	.29	.27	

</TABLE>

QUARTERLY STOCK INFORMATION 1

<TABLE>
<CAPTION>

DIVIDENDS

		PRICE RANGE		DECLARED
		HIGH	LOW	AND PAID 2
<S>		<C>	<C>	<C>
1998	Fourth Quarter	\$26.25	\$19.00	\$.05
	Third Quarter	30.25	22.00	.05
	Second Quarter	30.625	26.688	.05
	First Quarter	28.25	23.25	.05
1997	Fourth Quarter	\$28.50	\$21.625	\$.05
	Third Quarter	24.00	19.75	.05
	Second Quarter	20.625	17.375	.05
	First Quarter	22.00	17.25	.05
1996	Fourth Quarter	\$18.00	\$15.625	\$.05
	Third Quarter	17.125	11.50	.05
	Second Quarter	12.75	11.875	.05
	First Quarter	14.25	11.75	--

</TABLE>

1 THE STOCK INFORMATION LISTED ABOVE REPRESENTS HIGH AND LOW SALES PRICES AS REPORTED ON THE NASDAQ NATIONAL MARKET SYSTEM, BASED ON DAILY CLOSING PRICES.

2 SEE NOTE 10 TO THE FINANCIAL STATEMENTS.

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THREE-YEAR FOREIGN AVERAGE CONSOLIDATED STATEMENTS OF CONDITION AND RATES

<TABLE>

<CAPTION>

(IN THOUSANDS)	1998			1997			1996		
	AVERAGE BALANCES	INCOME/ EXPENSE	YIELDS/ RATES	AVERAGE BALANCES	INCOME/ EXPENSE	YIELDS/ RATES	AVERAGE BALANCES	INCOME/ EXPENSE	YIELDS/ RATES
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS									
Loans, Net of Unearned Discounts	\$ 425,938	\$35,609	8.36%	\$ 299,367	\$23,574	7.87%	\$232,716	\$18,064	7.76%
Time Deposits with Other Banks	485,477	27,136	5.59	124,979	7,350	5.88	153,717	8,623	5.61
Pool Funds Provided, Net 1	364,692	20,130	5.52	822,831	47,065	5.72	536,683	29,517	5.50

Total Earning Assets and									
Average Rate Earned	1,276,107	82,875	6.49	1,247,177	77,989	6.25	923,116	56,204	6.09
Less: Reserve for Loan Losses	11,635			15,197			13,162		
Cash and Due from Banks	25,178			24,526			26,946		
Premises and Equipment, Net	16,544			15,587			15,025		
Other Assets	12,814			9,231			8,121		
=====									
Total Assets	\$1,319,008			\$1,281,324			\$960,046		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Interest-Bearing Deposits:									
Savings, NOW and Money Market	\$ 278,519	\$ 9,426	3.38%	\$ 445,874	\$18,186	4.08%	\$302,031	\$10,189	3.37%
Other Time	626,153	37,336	5.96	451,864	25,927	5.74	340,215	19,728	5.80

Total Interest-Bearing Deposits	904,672	46,762	5.17	897,738	44,113	4.91	642,246	29,917	4.66
Short-Term Borrowings	142,218	6,973	4.90	111,558	5,631	5.05	52,492	2,525	4.81

Total Interest-Bearing Funds and									
Average Rate Incurred	1,046,890	53,735	5.13	1,009,296	49,744	4.93	694,738	32,442	4.67
Demand Deposits	134,358			152,382			155,205		
Other Liabilities and									
Stockholders' Equity	137,760			119,646			110,103		
=====									
Total Liabilities and									
Stockholders' Equity	\$1,319,008			\$1,281,324			\$960,046		
=====									
Net Interest Income and Spread		\$29,140	1.36%		\$28,245	1.32%		\$23,762	1.42%
Net Interest Margin on Earning Assets			2.28%			2.26%			2.57%

</TABLE>

1 POOL FUNDS PROVIDED, NET, ARE AMOUNTS CONTRIBUTED BY FOREIGN ACTIVITIES TO FUND DOMESTIC ACTIVITIES.

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ITEM 9.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10.

DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item pertaining to directors of the Corporation is included in the Corporation's proxy statement for its 1999 Annual Meeting of Stockholders, which is incorporated by reference. The information required by this Item pertaining to executive officers of the Corporation is as follows:

<TABLE>

<CAPTION>

EXECUTIVE OFFICER* <S>	POSITION <C>	AGE <C>
Joe L. Allbritton	Chairman of the Board and Chief Executive Officer of the Corporation and Chairman of the Board and Chief Executive Officer of Riggs Bank N.A.	74
Robert L. Sloan	Vice Chairman of the Board	52
Timothy C. Coughlin	President of the Corporation	56
John L. Davis	Chief Financial Officer and Treasurer of the Corporation and Executive Vice President and Chief Financial Officer of Riggs Bank N.A.	57
Joseph W. Barr	Executive Vice President of Riggs Bank N.A. Community Banking	49
Joseph M. Cahill	Executive Director of Legal Affairs, Riggs Bank N.A.	45
Henry A. Dudley, Jr.	Executive Vice President and Chief Trust Officer of Riggs Bank N.A.	52
J. David Hoffman	Executive Vice President and Chief Information Officer of Riggs Bank N.A.	36
Timothy A. Lex	Executive Vice President and Chief Operating Officer of Riggs Bank N.A.	41
Raymond M. Lund	Executive Vice President of Riggs Bank N.A. International Banking Group	37
W. E. Tige Savage	Executive Vice President of Riggs Bank N.A.	30
David W. Scott	Executive Vice President and Chief Credit Officer of Riggs Bank N.A.	37
Alfred J. Serafino	Executive Vice President of Riggs Bank N.A. Relationship Banking	50

</TABLE>

* EXECUTIVE OFFICERS OF RIGGS NATIONAL CORPORATION, INCLUDING CERTAIN EXECUTIVE OFFICERS OF RIGGS BANK N.A., AS OF MARCH 1, 1999.

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EXPERIENCE OF MANAGEMENT

Joe L. Allbritton has been Chairman of the Board and Chief Executive Officer of the Corporation since 1981. He has served as Chairman of the Board of Riggs Bank N.A. since 1983 and has served as Chief Executive Officer of Riggs Bank N.A. since 1997. He also served as Chief Executive Officer of Riggs Bank N.A. from 1982 to June 1993. Mr. Allbritton is the beneficial owner of approximately 40% of the Common Stock of the Corporation as of February 26, 1999. He also serves as Chairman of the Board of, and is the owner of, Perpetual Corporation, Allbritton Communications Company, and Westfield News Advertiser, Inc.

Robert L. Sloan was appointed Vice Chairman of the Board in July, 1994. Mr. Sloan has served as a Director of the Corporation since May 1993. Mr. Sloan also is Chief Executive Officer of Sibley Memorial Hospital.

Timothy C. Coughlin has served as President of the Corporation since 1992. He served as President and Chief Operating Officer of Riggs Bank N.A. from 1983 to 1992. He has been a Director of the Corporation since 1988 and was a Director of Riggs Bank N.A. from 1983 to 1996.

John L. Davis has served as Chief Financial Officer of the Corporation and Executive Vice President and Chief Financial Officer of Riggs Bank N.A. since

June 1993. Mr. Davis served as Senior Vice President and Controller of First Florida Bank, N.A. from 1990 to 1992 and as Senior Vice President and Chief Financial Officer of First Union National Bank of Georgia from 1987 to 1990.

Joseph W. Barr has served as Executive Vice President in charge of Community Banking since July 1993. He served as Executive Vice President in charge of Retail Banking at First American Metro Corp. from 1992 to June 1993 and as Executive Vice President in charge of Community Banking at Perpetual Savings Bank, F.S.B. from 1989 to 1992.

Joseph M. Cahill was appointed Executive Director of Legal Affairs of Riggs Bank N.A. in 1998. Mr. Cahill served as the Litigation Manager of Riggs Bank N.A. from 1996 to 1997, and Associate Litigation Manager from 1993 to 1995. Prior to 1993, Mr. Cahill practiced law in private practice.

Henry A. Dudley, Jr., Executive Vice President, has served as Chief Trust Officer in charge of Financial Services, which includes the Trust Division, Riggs Investment Management Corporation (RIMCO), and the Domestic Private Banking Division, since 1994. He previously served as Executive Vice President of the Domestic Private Banking Division, Senior Vice President of Corporate Banking and Vice President of the International Division.

J. David Hoffman, Executive Vice President, has served as Chief Information Officer since June 1997. Prior to joining Riggs, Mr. Hoffman was with the Financial Markets Business Consulting practice of Arthur Andersen LLP from 1986 to May 1997.

Timothy A. Lex, Executive Vice President, has served as Chief Operating Officer of Riggs Bank N.A. since 1995. Mr. Lex has served in various management positions during the past 13 years, including such positions as Managing Director of Riggs Bank Europe Limited and President and Chief Executive Officer of the subsidiary formerly known as The Riggs National Bank of Virginia.

Raymond M. Lund serves as Executive Vice President-International Banking Group. Mr. Lund has served in various management positions during the past 10 years, including Head of the International and Domestic Private Banking Divisions. Prior to 1988, Mr. Lund was an Assistant Vice President and Trust Officer with First RepublicBank in Texas.

W. E. Tige Savage has served as Executive Vice President of Riggs Bank N.A. since 1998, supporting the activities of Riggs Capital Partners, the Corporation's venture capital operation, and the Office of the Chairman. He has also served at Riggs Bank N.A. as Vice President and Executive Assistant to the Chairman and as a commercial lender. In addition, Mr. Savage has served as an associate at Dillon Read & Co. Inc, a New York investment bank.

David W. Scott, Executive Vice President, has served as Chief Credit Officer of Riggs Bank N.A. since 1995. Mr. Scott has served in various management positions during the past 11 years, including such positions as Head of Loan Review and Chief Credit Officer of Riggs Bank Europe Limited.

Alfred J. Serafino serves as Executive Vice President-Relationship Banking. He also has served as Executive Vice President in Commercial Banking and President and Chief Executive Officer of the subsidiary formerly known as The Riggs National Bank of Maryland. Mr. Serafino served as Regional Executive Officer in charge of the Maryland West Commercial Division at Sovran Bank for 12 years.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Since the filing of the Corporation's definitive Proxy Statement to Stockholders, which is incorporated by reference, it has come to the attention of the Corporation that Eddie N. Williams, a director of the Corporation, filed a Form-4 report late with respect to three transactions effected through the Corporation's Buy Direct program administered in connection with the dividend reinvestment plan by the Corporation's transfer agent.

ITEM 11.

EXECUTIVE COMPENSATION

The information required by this Item is included in Riggs National Corporation's definitive Proxy Statement to Stockholders, which is incorporated by reference.

ITEM 12.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is included in Riggs National Corporation's definitive Proxy Statement to Stockholders, which is incorporated

by reference.

ITEM 13.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is included in the "Notes to Consolidated Financial Statements-Note 4" of this Form 10-K and in Riggs National Corporation's definitive Proxy Statement to Stockholders, which is incorporated by reference.

PART IV

ITEM 14.

EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS
ON FORM 8-K

14(A) FINANCIAL STATEMENTS PAGE(S)

The following are submitted under Item 8:

Consolidated Statements of Income-- Years Ended December 31, 1998, 1997 and 1996.	28
Consolidated Statements of Condition-- At December 31, 1998 and 1997.	29
Consolidated Statements of Changes in Stockholders' Equity-- Years Ended December 31, 1998, 1997 and 1996.	30
Consolidated Statements of Cash Flows-- Years Ended December 31, 1998, 1997 and 1996.	31
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Management's Report on Financial Statements	66
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14(B) REPORTS ON FORM 8-K

None.

14(C) EXHIBITS

The exhibits listed on the Index to Exhibits on Pages 75 through 76 hereof are incorporated by reference or filed herewith in response to this item.

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RIGGS NATIONAL CORPORATION	JOE L. ALLBRITTON* ----- Joe L. Allbritton Chairman of the Board and Chief Executive Officer March 26, 1999
----------------------------	--

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

TIMOTHY C. COUGHLIN* ----- Timothy C. Coughlin	President
--	-----------

/s/ JOHN L. DAVIS ----- John L. Davis	Chief Financial Officer (Principal Financial Officer)
---	--

/s/ ELEANOR L. RUTLAND ----- Eleanor L. Rutland	Comptroller (Principal Accounting Officer)
---	---

ROBERT L. ALLBRITTON* Director

(Robert L. Allbritton)

JOHN M. FAHEY, JR.* Director

(John M. Fahey, Jr.)

LAWRENCE I. HEBERT* Director

(Lawrence I. Hebert)

STEVEN B. PFEIFFER* Director

(Steven B. Pfeiffer)

JOHN E.V. ROSE* Director

(John E.V. Rose)

ROBERT L. SLOAN* Vice Chairman
----- of the Board
(Robert L. Sloan)

JACK VALENTI* Director

(Jack Valenti)

EDDIE N. WILLIAMS* Director

(Eddie N. Williams)

*By: /s/ JOSEPH M. CAHILL

Joseph M. Cahill, Attorney-in-fact
March 26, 1999

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INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION	PAGES
<S>	<C>	<C>
(3.1)	Certificate of Incorporation as Amended (Incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 1989, SECFile No. 0-9756.) and Certificate of Amendment of Certificate of Incorporation of Riggs National Corporation.	Exhibit 3.1
(3.2)	By-laws of the Registrant with amendments through April 10, 1996.	Exhibit 3.2
(4.1)	Indenture dated June 1, 1989 with respect to \$100 million 9.65% Subordinated Debentures due 2009 (Incorporated by reference to the Registrant's Form 8-K dated June 20, 1989, SECFile No. 0-9756.)	
(4.2)	Indenture dated January 1, 1994 with respect to \$125 million, 8.5% Subordinated Debentures due 2006. (Incorporated by reference to the Registrant's Form 10-Q for the quarter ended March 31, 1994, SECFile No. 0-9756.)	
4.3)	Indenture dated December 13, 1996 with respect to \$150 million, 8.625% Trust Preferred Securities, Series A due 2026 (Incorporated by reference to the Registrant's S-3 dated February 6, 1997, SECFile No. 333-21297.)	
(4.4)	Indenture dated March 12, 1997, with respect to \$200 million, 8.875% Trust Preferred Securities, Series C due 2027 (Incorporated by reference to the Registrant's S-3 dated May 2, 1997, SECFile No. 333-26447.)	
(10.1)	Split Dollar Life Insurance Plan Agreements.	Exhibit 10.1
(10.2)	The 1993 Stock Option Plan, the 1994 Stock Option Plan, and the 1996 Stock Option Plan, as amended April 15, 1998, and the 1997 Non-Employee Directors Stock Option Plan (Incorporated by reference to the Registrant's Annual Meeting Proxy Statement filed March 18, 1998.)	

(10.3) Deferred Compensation Plan for Directors.	Exhibit 10.3
(10.4) Description of 1998 General Incentive Plan.	Exhibit 10.4
(10.5) Description of 1999 General Incentive Plan.	Exhibit 10.5

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION	PAGES
<S>	<C>	<C>
(10.6)	Supplemental Executive Retirement Plan, as amended and restated July 12, 1995.	Exhibit 10.6
(10.7)	Trust Agreement, dated July 12, 1995, for the Supplemental Executive Retirement Plan and the Split Dollar Life Insurance and Supplemental Death Benefit Plans.	Exhibit 10.7
(11)	Computation of Per Share Earnings	Exhibit 11
(21)	Subsidiaries of the Registrant: The Corporation's only significant subsidiaries, as defined in Regulation S-X, are Riggs Bank N.A., organized under the national banking laws of the United States and Riggs Capital and Riggs Capital II, organized under the state laws of Delaware.	
(23)	Consent of Independent Public Accountants	Exhibit 23
(24)	Power of Attorney	Exhibit 24
(27)	Financial Data Schedule	Exhibit 27

</TABLE>

Exhibits omitted are not required or not applicable.

PORTIONS OF RIGGS NATIONAL CORPORATION'S DEFINITIVE PROXY STATEMENT TO STOCKHOLDERS, EXCEPT FOR ITEMS 402 (K) AND (L) OF REGULATION S-K ARE INCORPORATED BY REFERENCE IN PARTS I AND III OF THIS ANNUAL REPORT.

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF RIGGS NATIONAL CORPORATION

* * * * *

RIGGS NATIONAL CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That at a meeting held on April 15, 1998, of the Shareholders of RIGGS NATIONAL CORPORATION (the "Corporation"), the following amendment to the Certificate of Incorporation of said corporation was presented to the Shareholders:

"NINTH: Each holder of the Common Stock of the Corporation shall have a preemptive right, to the extent permitted by law, to purchase or subscribe for any stock of any class of the Corporation, whether now or hereafter authorized, or to purchase or subscribe for any security or obligation convertible into or exchangeable for or evidencing the right to purchase stock of any class, which the Corporation may from time to time issue, unless in approving the issuance, or any transaction resulting in the issuance, of any stock of any class of the Corporation, or any securities or obligations convertible into or exchangeable for or evidencing the right to purchase stock of any class, the Board of Directors of the Corporation unanimously, with at least a majority of the Directors voting, votes to eliminate such preemptive rights. No holder of any other class of stock of the Corporation, including the Class B Common Stock and the Preferred Stock, shall have any preemptive rights."

SECOND: That the Annual Meeting of Shareholders of said corporation was duly called and held, at which meeting the necessary number of shares as required by statute was voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the foregoing amendment shall become effective at the time and on the day this Certificate of Amendment is filed in accordance with Section 103 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said RIGGS NATIONAL CORPORATION has caused this certificate to be signed by Timothy C. Coughlin, its President, and attested by Mary B. LeMont, its Assistant Corporate Secretary, this 30th day of June, 1998.

RIGGS NATIONAL CORPORATION

By:

Timothy C. Coughlin
President

ATTEST:

By:

Mary B. LeMont
Assistant Corporate Secretary

RIGGS NATIONAL CORPORATION

BY-LAWS

As Adopted January 7, 1981

With Amendments through April 10, 1996

BY-LAWS OF

RIGGS NATIONAL CORPORATION

As Adopted January 7, 1981

(With Amendments through April 10, 1996)

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RIGGS NATIONAL CORPORATION

* * * * *

B Y - L A W S

Adopted January 7, 1981
(With Amendments through April 10, 1996)

ARTICLE I

OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 1.2 Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

THE STOCKHOLDERS

Section 2.1 Place of Meetings. All meetings of the stockholders of the Corporation for the election of directors or for any other purpose shall be held in the City of Washington, District of Columbia, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

Section 2.2 Annual Meeting. The Annual Meeting of the stockholders shall be held on the first business day in May of each year at 9:30 a.m., or at such other date and time before the 30th day thereafter as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, for the election of directors and for the transaction of such other business as may properly come before the meeting.

Section 2.3 Special Meetings. Special meetings of the stockholders, may be called at any time by the Board of Directors, or the Chairman of the Board, and shall be called upon the request in writing of the holders of at least one-fifth of the shares of capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 2.4 Notice of Meetings. Written or printed notice stating the place, date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each stockholder of record entitled to vote at such meeting not less than ten or more than sixty days before the date of the meeting.

Section 2.5 Voting Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 2.6 Quorum. At all meetings of the stockholders the holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 2.7 Manner of Acting. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question properly brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 2.8 Voting. Unless otherwise provided in the Certificate of Incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote for each share of the capital stock having voting power held by such stockholder. All elections of directors shall be by written ballot, unless otherwise provided in the Certificate of Incorporation. Cumulative voting for the election of directors shall not be permitted. Each stockholder entitled to vote may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 2.9 Inspectors of Election. The Board of Directors shall appoint

three or more inspectors of election, and three or more alternates, to serve at any meeting of the stockholders at which a vote is to be taken, the inspectors of election shall examine proxies, pass upon their regularity, receive the votes and act as tellers, and perform any other duties which the chairman may require of them at said meeting.

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ARTICLE III

THE DIRECTORS

Section 3.1 General Powers. The business of the Corporation shall be managed by or under the direction of its Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 3.2 Number, Tenure and Qualifications. The number of directors which shall constitute the whole Board shall be not less than five nor more than twenty-five. The initial Board shall consist of the six directors named in the Certificate of Incorporation who shall serve until the first Annual Meeting of the stockholders, unless earlier replaced. Thereafter, within the limits above specified, the number of directors shall be fixed from time to time by resolution of the Board of Directors. The directors shall be elected at the Annual Meeting of the stockholders, except as provided in Section 3.3 of this Article, and each director elected shall hold office until his successor is elected and qualified or until his earlier resignation or removal. No reduction in the number of directors shall have the effect of shortening the term of any incumbent director, but any director affected thereby shall continue to hold office until the next annual election. Each director shall, during the full term of his directorship, own a minimum of \$1,000 par value of stock of the Corporation. No person shall be eligible to become a director after he has attained age sixty-five; and, no person, who at the time he was first elected to be a director was a principal officer or official of the organization with which he is affiliated on a full-time basis, will be eligible to be re-elected after he ceases to be a principal officer or official of such organization; provided, however, that any person who was first elected or appointed to the Board at or prior to the April 15, 1987 meeting of stockholders shall be eligible to become a director until he has attained the age of seventy-two; and provided further, that the Chairman of the Board, at his discretion, may waive the foregoing age or organization requirements. Notwithstanding the foregoing, there shall be no age or organization requirements for the director serving as Chairman of the Board.

Section 3.3 Resignation, Filling Vacancies. Any director may resign at any time upon written notice to the Corporation. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a

quorum, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3.4 Place of Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 3.5 Annual Meeting. The first meeting of each newly elected Board of Directors shall be held immediately following the Annual Meeting of the stockholders, for the purpose of electing officers and transaction of other business and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present; or it may meet at such place and time as shall be fixed by the consent in writing of all of the directors.

Section 3.6 Notice of Meetings. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board may be called by the Chairman of the Board, or by the President on two days' notice to each director, either personally or by mail or by telegram; special meetings shall be called by the Chairman of the Board or the Secretary in like manner and on like notice on the written request of three directors.

Section 3.7 Quorum. At all meetings of the Board a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.8 Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 3.9 Conference Call Meetings. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.10 Compensation of Directors. The Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated retainer or both as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.11 Removal of Directors. Unless otherwise restricted by the Certificate of Incorporation or by law, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

Section 3.12 Committees of the Board. The Board of Directors may, by resolution passed by a majority of the whole board, designate an Executive Committee and one or more other committees and prescribe their powers and authority. Each committee shall consist of one or more directors of the Corporation as fixed by resolution of the Board. The Board may designate one or more alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee.

ARTICLE IV

THE EXECUTIVE COMMITTEE

Section 4.1 Appointment, Tenure and Quorum. The Board of Directors shall appoint the Chairman of the Executive Committee who shall preside at all meetings of the Committee. The Chairman of the Board of Directors shall, with the advice, consent and approval of the Board, appoint the other members of the Executive Committee. The Chairman of the Board, the Senior Chairman, if any, the Vice Chairmen, if any, and the President shall be ex-officio members of the Executive Committee. The members of the Executive Committee shall serve at the pleasure of the Board of Directors. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business.

Section 4.2 Powers of the Executive Committee. During the intervals between meetings of the Board of Directors, the Executive Committee shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation; except that the Executive Committee shall not have the power or authority to amend the Certificate of Incorporation, adopt an agreement of merger or consolidation, recommend to the stockholders the sale, lease, or exchange of all or substantially all of the Corporation's property and assets, recommend to the stockholders a dissolution of the Corporation or a revocation of a dissolution,

or amend the By-Laws of the Corporation, or declare a dividend, or authorize the issuance of stock, or take any other corporate action which under the General Corporation Law of Delaware is specifically required to be taken by the Board of Directors.

Section 4.3 Place and Time of Meetings. Meetings of the Executive Committee may be held at the office of the Corporation, or elsewhere, and at such time as they may appoint, but the Executive Committee shall at all times be subject to the call of the Chairman of the Board or any two or more members of the committee.

Section 4.4 Minutes of Proceedings. The Executive Committee shall keep regular minutes of its proceedings and shall report the same to the Board of Directors when requested.

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ARTICLE V

THE OFFICERS

Section 5.1 Number and Qualifications. The officers of the Corporation shall consist of a Chairman of the Board, a President, one or more Executive Vice-Presidents, one or more other Vice-Presidents, a Treasurer, a Secretary and a Comptroller. The Corporation may also have a Senior Chairman of the Board, one or more Vice Chairmen of the Board, and one or more Assistant Treasurers, Assistant Secretaries and Assistant Comptrollers as determined by the Board of Directors. None of the officers except the Chairman of the Board, the Senior Chairman, if any, the Vice Chairmen, if any, and the President need be directors of the Corporation. Any number of offices may be held by the same person including that of Chairman of the Board and President.

Section 5.2 Term of Office. The officers of the Corporation shall be elected annually at the first meeting of the Board of Directors after each Annual Meeting of the stockholders and shall hold office until their respective successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Any vacancy occurring among the officers shall be filled by the Board of Directors, but the person so elected to fill the vacancy shall hold office only until the first meeting of the Board of Directors after the next Annual Meeting of the

stockholders.

Section 5.3 Compensation. The compensation of the Chairman of the Board, the Senior Chairman, if any, the Vice Chairmen, if any, and the President shall be fixed by the Board of Directors. The Board of Directors may delegate to the Chairman of the Board, or the President the authority to fix the compensation of the other officers and agents of the Corporation.

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Section 5.4 The Chairman of the Board. The Chairman of the Board shall be the Chief Executive Officer of the Corporation. He shall preside at all meetings of the stockholders and of the Board of Directors, and shall have, subject to the supervision and direction of the Board of Directors and the Executive Committee, general charge of the business, property and affairs of the Corporation and may exercise the powers vested in him by the Board of Directors, by law or these By-Laws, or which usually attach or pertain to such office.

Section 5.5. The Senior Chairman and Vice Chairmen. The Senior Chairman and Vice Chairmen shall perform such duties as the Board of Directors, the Executive Committee or the Chairman of the Board may prescribe. In the absence or inability of the Chairman of the Board to act, the Senior Chairman or the Vice Chairman designated by the Board shall preside at meetings of the stockholders and of the Board of Directors.

Section 5.6 The President. The President shall be the Chief Administrative Officer of the Corporation. He shall have, under the direction of the Chairman of the Board, general supervision and care of the affairs of the Corporation and, in general perform all acts incident to the office of President as prescribed by law, by these By-Laws, or by the Board of Directors. In the absence or inability of the Chairman of the Board, the Senior Chairman, or a Vice Chairman to act, he shall preside at the meetings of the stockholders and of the Board of Directors.

Section 5.7 Executive Vice-Presidents. An Executive Vice-President shall perform such duties as the Board of Directors, the Executive Committee, the Chairman of the Board, or the President may prescribe, and in the absence or disability of the President, the Executive Vice-President, or if there be more than one Executive Vice-President, the Executive Vice-President designated by the Board, shall perform the duties and exercise the powers of the President.

Section 5.8 Vice-Presidents. A Vice-President shall perform such duties as shall be assigned to him by the Board of Directors, the Executive Committee, the Chairman of the Board, the President or by an Executive Vice-President.

Section 5.9 The Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors or the Executive Committee at regular meetings, or whenever they may request it, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, he shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 5.10 Assistant Treasurer. An Assistant Treasurer shall perform such duties as may be assigned to him by the Board of Directors, the Executive Committee, the Chairman of the Board, the President or the Treasurer. In the absence or disability of the Treasurer, his duties may be performed by any Assistant Treasurer.

Section 5.11 The Secretary. The Secretary shall attend all meetings of the Board of Directors and of the stockholders, and shall record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any standing committees when required. He shall give or cause to be given notice of all meetings of the stockholders and of the Board of Directors, and shall keep the seal of the Corporation in safe custody. He shall perform such other duties as may be prescribed by the Board of Directors, or the Executive Committee, or the Chairman of the Board under whose supervision he shall be.

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Section 5.12 Assistant Secretary. An Assistant Secretary shall perform such duties as may be assigned to him by the Board of Directors, the Executive Committee, the Chairman of the Board, the President or the Secretary. In the absence or disability of the Secretary, his duties may be performed by any Assistant Secretary.

Section 5.13 The Comptroller. The Comptroller shall be the chief accounting officer of the Corporation, and shall have general supervision and control of all accounting matters, including the books of account of the Corporation. He shall also perform such other duties and services as may from time to time be prescribed by the Board of Directors, the Executive Committee, the Chairman of the Board, the President, or an Executive Vice-President.

Section 5.14 Assistant Comptroller. An Assistant Comptroller shall perform such duties as may be assigned to him by the Board of Directors, the Executive Committee, the Chairman of the Board, the President or the Comptroller. In the absence or disability of the Comptroller, his duties may be performed by any Assistant Comptroller.

ARTICLE VI

NOTICES

Section 6.1 Manner of Giving. Whenever notice is required to be given to any director or stockholder under the provisions of the General Corporation Law of Delaware or under the Certificate of Incorporation or under these By-Laws, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

Section 6.2 Waiver of Notice. Whenever any notice is required to be given under the General Corporation Law of Delaware or under the Certificate of Incorporation or under these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

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ARTICLE VII

CERTIFICATES OF STOCK

Section 7.1 Stock Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the Chairman of the Board of Directors, or the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 7.2 Facsimile Signatures. Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such

certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 7.3 Designations, Preferences, Participating and Optional Rights. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 7.4 Lost Certificates. The Board of Directors may direct a new certificate of stock to be issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. The Board of Directors may, in its discretion and as a condition precedent to the issuance of a new certificate, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 7.5 Transfer of Stock. The shares of stock shall be transferable on the books of the Corporation by the registered owner or owners thereof or by attorney, lawfully constituted in writing, and upon surrender of the certificate therefor duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation or its transfer agent shall issue a new certificate to the person or persons entitled thereto.

Section 7.6 Registered Stockholders. The Corporation shall be entitled to treat the registered holder of any share or shares of its stock as the actual owner thereof and as such the person possessing the exclusive right to receive dividends and to vote such stock, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

FIXING RECORD DATE

Section 8.1 Record Date. The Board of Directors may fix, in advance, a date, not more than sixty nor less than ten days before the date of any stockholders meeting nor more than sixty days prior to any dividend payment date or other date for the distribution or allotment of any rights, as a record date for the determination of the stockholders entitled to notice of and to vote at such meeting, or entitled to receive such dividends or rights, as the case may be; and only stockholders of record on such date shall be entitled to notice of and to vote at such meeting or to receive such dividends or rights. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE IX

INSPECTION OF BOOKS AND RECORDS

Section 9.1 Right and Conditions of Inspection. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the Corporation's stock ledger, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in the State of Delaware or at its principal place of business.

ARTICLE X

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 10.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 10.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 10.3 Checks, Drafts, etc. All checks, drafts or other orders for

the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in the manner as shall from time to time be determined by resolution of the Board of Directors.

Section 10.4 Deposits. All funds of the Corporation shall be deposited in such banks, trust companies or other depositaries as the Board of Directors may select.

Section 10.5 Voting Stock and Other Corporations. The Chairman of the Board, the President or any Executive Vice-President may execute proxies on behalf of the Corporation for the purpose of voting any shares of stock of any other corporation owned by the Corporation.

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ARTICLE XI
FISCAL YEAR

Section 11.1 Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January in each year and end on the last day of December in each year.

ARTICLE XII

SEAL

Section 12.1 Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE XIII

AMENDMENTS

Section 13.1 Amendments. These By-Laws may be altered, amended or repealed or new by-laws may be adopted by the Board of Directors at any regular or special meeting of the Board provided notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such meeting. Nothing herein shall be construed so as to divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

ARTICLE XIV
ADVANCEMENT OF EXPENSES

Section 14.1 Advancement of Expenses. In connection with the provisions of Article ELEVENTH of the Corporation's Certificate of Incorporation, the Corporation shall pay or reimburse expenses incurred by any person entitled to indemnification under such Article in defending any pending or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, with respect to which such person is a party or is threatened to be made a party. Such payment or reimbursement shall be made promptly upon receipt by the Corporation of an undertaking of such person to repay such expenses if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation.

DESIGNATED PARTICIPANT
SPLIT DOLLAR LIFE INSURANCE AGREEMENT

THIS SPLIT DOLLAR LIFE INSURANCE AGREEMENT ("the Agreement"), is made as of , 1998 by and between "NAME" ("Executive") and RIGGS BANK N.A., its affiliates and subsidiaries and its successors or assigns ("Riggs"). The Agreement is effective as of , 1998, without the consent of the Executive, in accordance with Paragraph 9(a) of the Agreement and restates and replaces any prior Split Dollar Agreement between Riggs and Executive.

RECITALS:

A. Executive is an employee of Riggs, holding the title of senior vice president or a more senior title and is (or was) a Designated Participant.

B. Riggs has determined that it is in the best interest of Riggs and the senior officers of Riggs to establish and maintain a split dollar life insurance program. Riggs desires to encourage Executive to remain in Riggs employ by entering into a split dollar life insurance agreement with Executive.

C. Executive consents to Riggs' purchasing insurance on the life of Executive and agrees to participate in the split dollar life insurance program as hereinafter provided by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Purchase of Insurance. Riggs shall acquire a life insurance policy (the "Policy") on the life of Executive with a face amount not less than an amount sufficient to pay the Executive's Named Beneficiary (as defined in paragraph 4 below) the benefits described in paragraph 7(a) (i) below and to recover Riggs' Interest in the Policy (as defined in paragraph 7 below), which Policy is described on the attached Schedule A (the issuer of the Policy shall hereinafter be referred to as the "Insurer"). Riggs may increase or decrease the face amount of the Policy from time to time and may apply earnings on the accumulating cash value of the Policy in excess of the guaranteed rate for the purpose of carrying out the objectives of this Agreement in such manner as it shall determine in its sole discretion. In the event of such increased or decreased coverage, the rights, duties and benefits of the parties to such coverage shall continue to be subject to the terms of this Agreement.

2. Application and Consent. Executive hereby consents to the purchase of the Policy and agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer on such form(s) as Riggs shall provide. If Riggs elects to increase the face amount of the Policy for the purpose of carrying out the objectives of the Agreement, Executive hereby agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer (including such medical examinations as may be required) and to execute any other documents as may be required by the Insurer to effectuate the increase.

3. Ownership of Policy. The Policy shall be owned by Riggs. Executive shall have the beneficiary designation rights contained in paragraph 4 of this Agreement, but except as otherwise provided herein, each and every other right of ownership of the Policy shall be reserved to Riggs even though the exercise of such right or rights would adversely affect or extinguish the payment of any benefits to which Executive or the Executive's Named Beneficiary would otherwise be entitled to under this Agreement or the Policy or the right of Executive to designate a beneficiary pursuant to paragraph 4 hereof.

4. Beneficiary Designation Rights. Executive shall have the right and power to designate, in writing and on such form(s) as Riggs shall provide, a beneficiary or beneficiaries ("Executive's Named Beneficiary") to receive the amounts described in paragraph 7, and to elect and change a payment option for such beneficiary. Any change in beneficiary or payment option shall become effective as provided in the terms of the Policy. If Executive fails to make a valid notification or if the Executive's Named Beneficiary fails to survive Executive or otherwise fails to receive the amounts described in paragraph 7, Executive's Named Beneficiary shall be the personal representative of Executive's estate.

5. Premium Payments. Riggs shall remit each premium due on the Policy in accordance with the mode of premium payment as provided in the Policy on or before the due date provided therein.

6. Policy Loans or Cash Withdrawals. Riggs alone shall have the right, without the consent of Executive, to make policy loans or withdrawals of the Policy cash value, but Riggs shall not permit the indebtedness on the Policy or withdrawals to exceed Riggs' Investment in the Policy (as defined in paragraph 7 below).

7. Division of Death Proceeds of Policy; Definitions. Except as provided in paragraph 21 below, Policy Proceeds shall be divided as provided in this paragraph 7.

(a) Pre-Retirement Division.

(1) If Executive dies before Retirement, Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to three times Executive's Highest Base Annual Compensation.

(2) Riggs shall receive any remaining Policy Proceeds.

(b) Post-Retirement Division.

(1) If Executive dies on or after Retirement, Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to one and one-half times Executive's Highest Base Annual Compensation.

(2) Riggs shall receive any remaining Policy Proceeds.

(c) Certain Pre-Retirement Terminations, (Effective December 14, 1994):

(1) If Executive (i) is (or was) a Designated Participant, (ii) terminates employment from Riggs before Retirement within the 6-month period before or after the date of the public announcement of a Change of Control as a result of either a termination by Riggs without Cause or a Termination for Good Reason by the Executive, or after a Change of Control, and (iii) dies, then Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to one and one-half times Executive's Highest Base Annual Compensation.

(2) Riggs shall receive any remaining Policy Proceeds.

(d) Definitions. For purposes of this Agreement (Effective December 14, 1994):

(1) "Cause" means any act materially detrimental to the best interests of Riggs and that constitutes on the part of the Executive personal dishonesty, willful misconduct in clear conflict with reasonable standards of employee conduct, breach of fiduciary duty involving personal profit, intentional failure to perform duties of the Executive's position, willful violation of law, governmental rule or regulation (other than traffic violations or similar offenses) or final cease and desist order, or for any reason which would constitute grounds for removal from office by the appropriate Federal banking agencies under applicable law.

(2) "Change of Control" means (1) the sale of substantially all of Riggs National Corporation its affiliates and subsidiaries ("RNC") assets (2) the acquisition, whether directly, indirectly, beneficially (within the meaning of Rule 13d-3 of the Securities Act of 1933 (the "Act"), or of record, of securities of RNC representing twenty-five percent (25%) or more in the aggregate voting power of RNC's then-outstanding Common Stock by any "person" (within the meaning of Sections 13(d) and 14(d) of the Act), including any corporation or group of associated persons acting in concert, other than (i) RNC or its subsidiaries and/or (ii) any employee pension benefit plan (within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) of RNC or of its subsidiaries, including a trust established pursuant to any such plan; (3) RNC is merged or consolidated with or into another corporation in any transaction or series of transactions, in which either (A) the persons who were the beneficial owners of RNC's voting securities immediately prior to such transaction do not beneficially own immediately after such transaction at least fifty percent (50%) of the total outstanding voting power of the surviving corporation or (B) any "person" (within the meaning of Section 13(d) and 14(d) of the Act), including any corporation or group of associated persons acting in concert is or becomes the direct, indirect or beneficial owner (within the meaning of Rule 13d-3 of the Act) of twenty-five percent (25%) or more of the aggregate voting power of resulting entity, provided that such person was not a twenty-five percent (25%) or more owner of RNC prior to the transaction nor transactions; or (4) RNC is liquidated or dissolved or adopts a plan of liquidation or dissolution. Notwithstanding the foregoing, a Change of Control will not result from (A) a transfer of RNC's voting securities by a person who is the beneficial owner, directly or indirectly, of twenty-five percent (25%) or more of the voting securities of RNC (a "25 Percent Owner") to (i) a member of such 25 Percent Owner's immediate family (within the meaning of Rule 16a-1(e) of the Act) either during such 25 Percent Owner's lifetime or by will or the laws of descent and distribution; (ii) any trust as to which the 25 Percent Owner or a member (or members) of 25 Percent Owner's immediate family (within the meaning of Rule 16a-1(e) of the Act) is the beneficiary; (iii) any trust as to which the 25 Percent Owner is the settlor with sole power to revoke; or (iv) any entity over which such 25 Percent Owner has the power, directly or indirectly, to direct or cause the direction of the management and policies of the entity, whether through the ownership of voting securities, by contract, or otherwise; or (v) any charitable trust, foundation or corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), that is funded by the 25 Percent Owner; or (B) the acquisition of voting securities of RNC or the resulting entity in the event of a merger or consolidation by either (i) a person who was a 25 Percent Owner on the effective date of the Plan or (ii) a person, trust or other entity described in the foregoing clauses (a)(i)-(v) of this subsection.

(3) "Highest Base Annual Compensation" shall mean Executive's highest base salary during the period of employment with Riggs as a senior executive officer, rounded to the next higher multiple of \$500. Base annual salary shall not include bonus and other contingent compensation.

(4) "Policy Proceeds" shall mean the death benefits payable under the Policy, net of any outstanding policy loans or cash withdrawals.

(5) "Riggs' Investment in the Policy" shall mean an amount equal to the premiums paid from Riggs' funds less any policy loans, cash withdrawals, or refund of unearned premiums.

(6) "Retirement" shall mean the first day of the month in which Executive retires from employment with Riggs and such retirement is under the terms of the Riggs Bank N.A. Amended Pension Plan (or its successor) either: (A) on or after his or her normal retirement date with a normal or late retirement pension; or (B) on or after attaining age 55, with at least ten years of service. Executive shall not be deemed to have retired during the period of time that he or she is receiving a disability benefit under such plan.

(7) "Riggs' Interest in the Policy" at any given time shall mean an amount equal to the sum of: (A) Riggs' Investment in the Policy at such time; and (B) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment on the policy until the date Riggs receives its share of the Policy Proceeds from the insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, or payments made by Executive under paragraph 8 below, assuming the maximum income tax rates payable by Riggs in the year such Policy Proceeds or payments are included in taxable income by Riggs).

(8) "Termination for Good Reason" shall mean a voluntary termination by the Executive within six months of the date (i) Riggs has notified the Executive that the Executive has been transferred to a position with a permanent regular place of employment more than twenty-five (25) miles from the Executive's prior permanent regular place of employment, (ii) a material reduction by Riggs in the Executive's base rate of pay, or (iii) Riggs, without the consent of the Executive, implements a change in Executive's duties or responsibilities in the nature of a demotion. Reducing an Executive's title to below senior vice president (or equivalent title) shall in all cases be treated as a change in duties in the nature of a demotion.

(e) Any refund of unearned premium as provided in the Policy shall be

refunded in total to Riggs.

8. Termination of Agreement. This Agreement shall terminate 31 days after the first to occur of the following events: (A) the receipt of a written notice of termination by either party from the other party to this Agreement, with or without the consent of the other party; or (B) except as provided in paragraph 7(c), the date of Executive's termination of employment with Riggs for any reason other than Retirement. If Riggs gives notice of its intent to terminate this Agreement under clause (A) above or Executive terminates employment with Riggs under clause (B) above, Executive shall have the right, until the termination of this Agreement, to purchase the Policy from Riggs by payment to Riggs of an amount equal to the greater of: (i) the cash surrender value of the Policy; or (ii) Riggs' Interest in the Policy. Upon receipt of the purchase price, Riggs shall execute such documents as may be required by the Insurer to transfer ownership of the Policy to Executive. Notwithstanding the first sentence of this paragraph, this Agreement shall terminate immediately upon receipt of the purchase price and transfer of ownership of the Policy to Executive. In the event of the termination of this Agreement under any circumstances whereby Executive cannot, or does not, purchase the Policy, Executive agrees, upon request to him or her by Riggs, to execute such documents as may be required by the Insurer to designate Riggs as sole beneficiary of the Policy (and Executive shall have no further right or interest in the Policy).

9. Amendment or Revocation of Agreement. Notwithstanding Riggs' intent to continue this Agreement indefinitely and notwithstanding any other provision of this Agreement:

(a) Before Executive's Retirement, Riggs retains the right to amend or terminate this Agreement at any time and for any reason, with or without the consent of Executive or any other person, even though the exercise of such right or rights would adversely affect or extinguish Executive's (or Executive's Named Beneficiary's) right to receive any benefits under this Agreement or Executive's right to change the Executive's Named Beneficiary under this Agreement; however, Riggs shall not terminate this Agreement or amend it in a manner that would adversely affect Executive's rights hereunder without Executive's consent, unless done in conjunction with a substantially similar amendment, or termination, of the split dollar life insurance agreements of all or a significant group of Executives who are parties to similar split dollar life insurance agreements between Riggs and senior officers of Riggs.

(b) On or after Executive's Retirement, Riggs shall not terminate this Agreement or amend it in any manner that adversely affects Executive's rights hereunder without Executive's consent.

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(c) Notwithstanding subparagraphs (a) and (b) above, no amendment or termination effected after Executive's death shall adversely affect the rights

of Executive's Named Beneficiary under this Agreement, but an amendment or termination may be effective up to 60 days before Riggs notifies Executive of such action. See paragraph 16 below.

10. Change of Control (Effective December 14, 1994): Upon the Change of Control of Riggs, as defined in Paragraph 7, the rights and duties of Riggs shall be modified in accordance with the provisions of this paragraph if the Executive is a Designated Participant.

(a) Notwithstanding the provisions of paragraph 5 above, as soon as practicable after (but in no event later than 30 days following) a Change of Control, Riggs shall make an irrevocable contribution to the trust maintained to provide certain benefits under the SERP in an amount at least equal to the present value of premiums payable under the Policy with a face amount sufficient to pay the Executive's Named Beneficiary the benefits described in paragraph 7 above as of the date of the Change in Control.

(b) Notwithstanding the provisions of paragraph 1, after a Change of Control, Riggs shall be limited in its ability to increase or decrease the face amount of the Policy. The face amount of the Policy shall be maintained so that it shall be not less than an amount sufficient to pay the Executive's Named Beneficiary the benefits described in paragraph 7 above.

(c) Notwithstanding the provisions of paragraph 3 above, after a Change of Control, Riggs shall not be permitted to surrender the Policy, or to exercise any other ownership right in the Policy which would adversely affect or extinguish the payment of any benefits to which either the Executive or the Executive's Named Beneficiary would otherwise be entitled under this Agreement.

(d) Notwithstanding the provisions of paragraph 6 above, after a Change of Control, Riggs shall not be permitted to make any further policy loans or withdrawals of the Policy cash value for any purpose, including, without limitation, the payment of premiums due or loan interest payments on outstanding policy loans.

11. Rights Under the Agreement.

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(a) Nothing in this Agreement shall confer upon Executive the right to continue in the employ of Riggs or shall interfere with or restrict in any way the rights of Riggs to discharge Executive at any time for any reason whatsoever, with or without good cause. Benefits payable under this Agreement shall not be considered salary or other compensation to Executive for the purpose of computing benefits to which Executive may be entitled under any pension or profit-sharing plan or any other arrangement of Riggs for the benefit of the Executive or for the benefit of its employees or any class of its employees.

(b) The rights of Executive and Executive's Named Beneficiary under this Agreement shall be limited to the right to death benefits pursuant to paragraph 7, the right to designate a beneficiary for such benefits pursuant to paragraph 4, and the rights to terminate this Agreement and purchase the Policy pursuant to paragraph 8.

12. Assignment. Executive (or his or her assignee) may, at any time, assign to any individual, trust or other organization all the Executive's right, title and interest in the Policy and all rights, options, privileges and duties created under this Agreement. All rights and obligations of this Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors or assigns.

13. Named Fiduciary. The Riggs Bank N.A. Pension and Benefits Committee (or its successor) is hereby designated the "Named Fiduciary" until resignation or removal by Riggs' Board of Directors. The Named Fiduciary shall be responsible for, and shall have the sole discretion to decide all matters pertaining to the management, control, interpretation and administration of this Agreement. Such discretion includes, but is not limited to, determining the qualification for, and the amount of, benefits payable under this Agreement, and employment or retirement status. The Named Fiduciary shall apply its discretion in good faith and any decisions made in good faith shall be binding upon all parties to this Agreement. The Named Fiduciary may delegate to others certain aspects of the management and operational responsibilities of this Agreement, including the employment of advisors and the delegation of any ministerial duties to qualified individuals.

14. Claims Procedure.

(a) (i) Claim forms or claim information as to the Policy can be obtained by contacting the Director of Human Resources of Riggs Bank N.A., at the address listed in paragraph 15(a) of this Agreement.

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(ii) When a claimant has a claim which may be covered under the Policy, he or she should contact the Named Fiduciary who will contact the office or the person named above, who will either complete a claim form and forward it to an authorized representative of the Insurer or advise the Named Fiduciary what further requirements are necessary. Under normal circumstances, the Insurer will evaluate the claim and make a decision as to payment within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the Named Fiduciary is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied within the applicable period of time set out above, the Named Fiduciary shall

receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Policy on which the denial is based, and the claim review procedure under the Policy.

(iii) If the claim is payable, a benefit check will be issued to Executive's Named Beneficiary in an amount equal to the benefits payable to such person(s) pursuant to paragraph 7 above and a benefit check will be issued to Riggs in an amount equal to the remaining Policy Proceeds. Benefit checks will be forwarded through the Director of Human Resources of Riggs Bank N.A.

(iv) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(A) First, in the event that the Named Fiduciary does not timely receive the above-described written notification, the Named Fiduciary's request for benefits shall be deemed to be denied as of the last day of the relevant period.

(B) Second, the Named Fiduciary shall, in its discretion, take any and all reasonable action as it deems necessary to perfect the claim.

(b) (i) Once a decision has been rendered as to the distribution of proceeds under the claim procedure described above as to the Policy, claims for any benefits due under this Agreement may be made in writing by Riggs or the Executive's Named Beneficiary, as the case may be, to the Named Fiduciary. Under normal circumstances, a final decision on a claimant's request for benefits shall be made within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the claimant is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied, in whole or in part, within the applicable period of time set out above, the claimant shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Agreement on which the denial is based, and the claim review procedure under the Agreement.

(ii) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

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(A) First, in the event that the claimant does not timely receive the above-described written notification, the claimant's request for benefits shall be deemed to be denied as of the last day of the relevant

period.

(B) Second, a claimant is entitled to a full review of his or her claim after actual or constructive notification of a denial. A claimant desiring a review must make a written request to the Named Fiduciary requesting such a review, which may include whatever comments or arguments the claimant wishes to submit. Incident to the review, the claimant may represent himself or herself or appoint a representative to do so, and will have the right to inspect all documents pertaining to the issue. The Named Fiduciary, in its sole discretion, may schedule any meeting(s) with the claimant and/or the claimant's representative it deems necessary or appropriate to facilitate or expedite its review of a denied claim.

(iii) A request for a review must be filed with the Named Fiduciary within 60 days after the denial of the claim for benefits was actually or constructively received by the claimant. If no request is received within the 60-day time limit, the denial of benefits will be final. However, if a request for review of a denied claim is timely filed, the Named Fiduciary must render its decision under normal circumstances within 45 days of the receipt of the request for review. In special circumstances the decision may be delayed if prior to expiration of the initial 45-day period the claimant is notified of the extension, but must in any event be rendered no later than 90 days after the receipt of the request. If the decision on review is not furnished to the claimant within the applicable time period(s) set out above, the claim shall be deemed denied on the last day of the relevant period. All decisions of the Named Fiduciary shall be in writing and shall include specific reasons for whatever action has been taken, and the provisions of the Agreement on which the decision is based.

15. Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, return receipt requested and postage prepaid) as follows:

- (a) If to Riggs, to:
Riggs Bank N.A.
800 17th Street, N.W.
4th Floor, Human Resources
Washington, D.C. 20006
Attention: Director of Human Resources
of Riggs Bank N.A.

- (b) If to Executive, to: The Executive at the last known address contained in the records of Riggs' Human Resources Department.

or to such other person at such other address as the party to whom notice is to be given may have furnished to the other party in writing from time to time. If mailed, any such communication shall be deemed to have been given on the third business day following the date on which it was posted.

16. Entire Agreement. This Agreement sets forth the entire understanding between the parties. No subsequent changes or amendments to this Agreement shall be binding unless they are in writing, signed by Riggs, and notice of such change has been duly given to the Executive no later than 60 days following the date of such action. If notice of a change or amendment is provided by the date stipulated in the immediately preceding sentence, the effective date of such change or amendment shall be as provided in the change or amendment, and shall not be delayed until the date of the notice.

17. Severability and Enforcement. If any provision of this Agreement is void or unenforceable, or so declared, that provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

18. Governing Law. The provisions of this Agreement shall be construed and enforced according to the laws of the District of Columbia.

19. Insurer Not A Party To Agreement. Insurer shall not be deemed a party to this Agreement, but will respect the rights of the parties as herein described upon receiving an executed copy of this Agreement. Payment or other performance of its contract obligations in accordance with the terms of the Policy shall completely discharge the Insurer from all claims, suits and demands of all persons whatsoever.

20. Withholding. Riggs shall withhold from Executive's current compensation or require Executive to remit to Riggs any amount required to be withheld under applicable Federal, State, or local law during the term of this Agreement.

21. Exclusions.

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(a) Except as expressly provided in this paragraph 21, Executive's Named Beneficiary shall receive benefits under paragraph 7 of this Agreement only from Policy Proceeds and Riggs shall have no liability or obligation other than the duty to make premium payments as provided in paragraph 5 and 10(a) of the Agreement. If the Insurer does not pay the full amount of the death benefit otherwise due under the Policy, Policy Proceeds shall be divided as follows:

(i) If the reduced payment is because (A) misrepresentations, whether or not intentional, have been made by Executive or someone acting on behalf of Executive in the process of applying for the Policy, or (B) Executive,

whether sane or insane, dies by suicide within two years from the issue date of the Policy (or within two years from the issue date of an Unscheduled Increase, as defined in paragraph 21(b) below, in the face amount of the Policy), Executive's Named Beneficiary shall be entitled to receive the lesser of (C) the amount of Policy Proceeds applicable under paragraph 7, or (D) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise applicable amount under paragraph 7.

(ii) If the reduced payment is due to a failure by Riggs to comply with the terms of this Agreement, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

(iii) If the cause of the reduced payments is not described in either paragraphs 21(a)(i) or (ii) above and the amount of Policy Proceeds is less than the sum of the amount described in paragraph 7, as the case may be, and Riggs' Interest in the Policy, Riggs and Executive's Named Beneficiary shall divide the reduced payment in the same ratio as the Policy Proceeds would have been divided under paragraph 7 had the amount of Policy Proceeds equaled the sum of the amount described in paragraph 7, as the case may be, and Riggs' Interest in the Policy. If the cause of the reduced payments is not described in either paragraph 21(a)(i) or (ii) above and the amount of Policy Proceeds is greater than or equal to the sum of the amount described in paragraph 7, and Riggs' Interest in the Policy, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

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(b) Riggs will use its best efforts to maintain an amount of insurance sufficient to pay Executive's Named Beneficiary the benefits described in paragraph 7, and to recover Riggs' Interest in the Policy. Accordingly, the face amount of the Policy is scheduled to increase for estimated increases in Executive's compensation and Riggs' Interest in the Policy ("Scheduled Increases"). Riggs may also attempt to cause Unscheduled Increases (increases in the face amount of the Policy that are not Scheduled Increases) in the Policy if necessary to maintain the appropriate face amount of insurance. If such an Unscheduled Increase requires evidence of insurability and Riggs is unable to purchase the increased coverage under the Policy with an underwriting rating no worse than standard risk, or the rating used to initially purchase the Policy if that rating was less favorable than standard risk, Riggs shall not be obligated to purchase such increased coverage and Executive's Named Beneficiary shall be entitled to receive the lesser of (i) the amount of Policy Proceeds described in paragraph 7, as the case may be, or (ii) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise applicable amount under paragraph 7.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"NAME"

Executive's Signature

RIGGS BANK N.A.

By: _____

Title: _____

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SCHEDULE A

Pursuant to the SPLIT DOLLAR LIFE INSURANCE AGREEMENT (the "Agreement") dated , 1998 by and between "NAME" ("Executive") and RIGGS BANK N.A., the following described or attached policy of life insurance shall be subject to the provisions of the Agreement.

Insurer: _____

Policy Number: _____

Policy Issue Date: _____

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SENIOR EXECUTIVE
SPLIT DOLLAR LIFE INSURANCE AGREEMENT

THIS SPLIT DOLLAR LIFE INSURANCE AGREEMENT ("the Agreement"), is made as of , 1998 by and between ("Executive") and RIGGS BANK N.A., its affiliates and subsidiaries and its successors or assigns ("Riggs"). The Agreement is effective

as of , without the consent of the Executive, in accordance with Paragraph 9(a) of the Agreement and restates and replaces any prior Split Dollar Agreement between Riggs and Executive.

RECITALS:

Executive is an employee of Riggs, or one of its affiliated companies (collectively, "Riggs"), holding the title of senior vice president or a more senior title.

Riggs has determined that it is in the best interest of Riggs and the senior officers of Riggs to establish and maintain a split dollar life insurance program. Riggs desires to encourage Executive to remain in Riggs employ by entering into a split dollar life insurance agreement with Executive.

Executive consents to Riggs' purchasing insurance on the life of Executive and agrees to participate in the split dollar life insurance program as hereinafter provided by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Purchase of Insurance. Riggs shall acquire a life insurance policy (the "Policy") on the life of Executive with a face amount not less than an amount sufficient to pay the Executive's Named Beneficiary (as defined in paragraph 4 below) the benefits described in paragraph 7(a)(i) below and to recover Riggs' Interest in the Policy (as defined in paragraph 7 below), which Policy is described on the attached Schedule A (the issuer of the Policy shall hereinafter be referred to as the "Insurer"). Riggs may increase or decrease the face amount of the Policy from time to time and may apply earnings on the accumulating cash value of the Policy in excess of the guaranteed rate for the purpose of carrying out the objectives of this Agreement in such manner as it shall determine in its sole discretion. In the event of such increased or decreased coverage, the rights, duties and benefits of the parties to such coverage shall continue to be subject to the terms of this Agreement.

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2. Application and Consent. Executive hereby consents to the purchase of the Policy and agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer on such form(s) as Riggs shall provide. If Riggs elects to increase the face amount of the Policy for the purpose of carrying out the objectives of the Agreement, Executive hereby agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer (including such medical examinations as may be required) and to execute any other documents as may be required by the Insurer to effectuate the

increase.

3. Ownership of Policy. The Policy shall be owned by Riggs. Executive shall have the beneficiary designation rights contained in paragraph 4 of this Agreement, but except as otherwise provided herein, each and every other right of ownership of the Policy shall be reserved to Riggs even though the exercise of such right or rights would adversely affect or extinguish the payment of any benefits to which Executive or the Executive's Named Beneficiary would otherwise be entitled to under this Agreement or the Policy or the right of Executive to designate a beneficiary pursuant to paragraph 4 hereof.
4. Beneficiary Designation Rights. Executive shall have the right and power to designate, in writing and on such form(s) as Riggs shall provide, a beneficiary or beneficiaries ("Executive's Named Beneficiary") to receive the amounts described in paragraph 7, and to elect and change a payment option for such beneficiary. Any change in beneficiary or payment option shall become effective as provided in the terms of the Policy. If Executive fails to make a valid notification or if the Executive's Named Beneficiary fails to survive Executive or otherwise fails to receive the amounts described in paragraph 7, Executive's Named Beneficiary shall be the personal representative of Executive's estate.
5. Premium Payments. Riggs shall remit each premium due on the Policy in accordance with the mode of premium payment as provided in the Policy on or before the due date provided therein.
6. Policy Loans or Cash Withdrawals. Riggs alone shall have the right, without the consent of Executive, to make policy loans or withdrawals of the Policy cash value, but Riggs shall not permit the indebtedness on the Policy or withdrawals to exceed Riggs' Investment in the Policy (as defined in paragraph 7 below).
7. Division of Death Proceeds of Policy; Definitions. Except as provided in paragraph 20 below, Policy Proceeds shall be divided as provided in this paragraph 7.

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1. Pre-Retirement Division.

1. If Executive dies before Retirement, Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to three times Executive's Highest Base Annual Compensation.

2. Riggs shall receive any remaining Policy Proceeds.

2. Post-Retirement Division.

1. If Executive dies on or after Retirement, Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to one and one-half times Executive's Highest Base Annual Compensation.

2. Riggs shall receive any remaining Policy Proceeds.

3. Definitions. For purposes of this Agreement:

1. "Highest Base Annual Compensation" shall mean Executive's highest base salary during the period of employment with Riggs as a senior executive officer, rounded to the next higher multiple of \$500. Base annual salary shall not include bonus and other contingent compensation.

2. "Policy Proceeds" shall mean the death benefits payable under the Policy, net of any outstanding policy loans or cash withdrawals.

3. "Riggs' Investment in the Policy" shall mean an amount equal to the premiums paid from Riggs' funds less any policy loans, cash withdrawals, or refund of unearned premiums.

4. "Retirement" shall mean the first day of the month in which Executive retires from employment with Riggs and such retirement is under the terms of the Riggs Bank N.A. Amended Pension Plan (or its successor) either: (A) on or after his or her normal retirement date with a normal or late retirement pension; or (B) on or after attaining age 55, with at least ten years of service. Executive shall not be deemed to have retired during the period of time that he or she is receiving a disability benefit under such plan.

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5. "Riggs' Interest in the Policy" at any given time shall mean an amount equal to the sum of: (A) Riggs' Investment in the Policy at such time; and (B) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment on the policy until the date Riggs receives its share of the Policy Proceeds from the insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time

to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, or payments made by Executive under paragraph 8 below, assuming the maximum income tax rates payable by Riggs in the year such Policy Proceeds or payments are included in taxable income by Riggs).

8. Termination of Agreement. This Agreement shall terminate 31 days after the first to occur of the following events: (A) the receipt of a written notice of termination by either party from the other party to this Agreement, with or without the consent of the other party; or (B) the date of Executive's termination of employment with Riggs for any reason other than Retirement. If Riggs gives notice of its intent to terminate this Agreement under clause (A) above or Executive terminates employment with Riggs under clause (B) above, Executive shall have the right, until the termination of this Agreement, to purchase the Policy from Riggs by payment to Riggs of an amount equal to the greater of: (i) the cash surrender value of the Policy; or (ii) Riggs' Interest in the Policy. Upon receipt of the purchase price, Riggs shall execute such documents as may be required by the Insurer to transfer ownership of the Policy to Executive. Notwithstanding the first sentence of this paragraph, this Agreement shall terminate immediately upon receipt of the purchase price and transfer of ownership of the Policy to Executive. In the event of the termination of this Agreement under any circumstances whereby Executive cannot, or does not, purchase the Policy, Executive agrees, upon request to him or her by Riggs, to execute such documents as may be required by the Insurer to designate Riggs as sole beneficiary of the Policy (and Executive shall have no further right or interest in the Policy).
9. Amendment or Revocation of Agreement. Notwithstanding Riggs' intent to continue this Agreement indefinitely and notwithstanding any other provision of this Agreement:

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1. Before Executive's Retirement, Riggs retains the right to amend or terminate this Agreement at any time and for any reason, with or without the consent of Executive or any other person, even though the exercise of such right or rights would adversely affect or extinguish Executive's (or Executive's Named Beneficiary's) right to receive any benefits under this Agreement or Executive's right to change the Executive's Named Beneficiary under this Agreement; however, Riggs shall not terminate this Agreement or amend it in a manner that would adversely affect Executive's rights hereunder without Executive's consent, unless done in conjunction with a

substantially similar amendment, or termination, of the split dollar life insurance agreements of all or a significant group of Executives who are parties to similar split dollar life insurance agreements between Riggs and senior officers of Riggs.

2. On or after Executive's Retirement, Riggs shall not terminate this Agreement or amend it in any manner that adversely affects Executive's rights hereunder without Executive's consent.
3. Notwithstanding subparagraphs (a) and (b) above, no amendment or termination effected after Executive's death shall adversely affect the rights of Executive's Named Beneficiary under this Agreement, but an amendment or termination may be effective up to 60 days before Riggs notifies Executive of such action. See paragraph 15 below.

10. Rights Under the Agreement.

1. Nothing in this Agreement shall confer upon Executive the right to continue in the employ of Riggs or shall interfere with or restrict in any way the rights of Riggs to discharge Executive at any time for any reason whatsoever, with or without good cause. Benefits payable under this Agreement shall not be considered salary or other compensation to Executive for the purpose of computing benefits to which Executive may be entitled under any pension or profit-sharing plan or any other arrangement of Riggs for the benefit of the Executive or for the benefit of its employees or any class of its employees.
2. The rights of Executive and Executive's Named Beneficiary under this Agreement shall be limited to the right to death benefits pursuant to paragraph 7, the right to designate a beneficiary for such benefits pursuant to paragraph 4, and the rights to terminate this Agreement and purchase the Policy pursuant to paragraph 8.

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11. Assignment. Executive (or his or her assignee) may, at any time, assign to any individual, trust or other organization all the Executive's rights, title and interest in the Policy and all rights, options, privileges and duties created under this Agreement. All rights and obligations of this Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors or assigns.
12. Named Fiduciary. The Riggs Bank N.A. Pension and Benefits Committee (or its successor) is hereby designated the "Named Fiduciary" until resignation or removal by Riggs' Board of Directors. The Named Fiduciary shall be responsible for, and shall have the sole discretion

to decide all matters pertaining to the management, control, interpretation and administration of this Agreement. Such discretion includes, but is not limited to, determining the qualification for, and the amount of, benefits payable under this Agreement, and employment or retirement status. The Named Fiduciary shall apply its discretion in good faith and any decisions made in good faith shall be binding upon all parties to this Agreement. The Named Fiduciary may delegate to others certain aspects of the management and operational responsibilities of this Agreement, including the employment of advisors and the delegation of any ministerial duties to qualified individuals.

13. Claims Procedure.

1. i. Claim forms or claim information as to the Policy can be obtained by contacting the Director of Human Resources of Riggs Bank N.A. at the address listed in paragraph 14(a) of this Agreement.

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ii. When a claimant has a claim which may be covered under the Policy, he or she should contact the Named Fiduciary who will contact the office or the person named above, who will either complete a claim form and forward it to an authorized representative of the Insurer or advise the Named Fiduciary what further requirements are necessary. Under normal circumstances, the Insurer will evaluate the claim and make a decision as to payment within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the Named Fiduciary is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied within the applicable period of time set out above, the Named Fiduciary shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Policy on which the denial is based, and the claim review procedure under the Policy.

iii. If the claim is payable, a benefit check will be issued to Executive's Named Beneficiary in an amount equal to the benefits payable to such person(s) pursuant to paragraph 7 above and a benefit check will be issued to Riggs in an amount equal to the remaining Policy Proceeds. Benefit checks will be forwarded through the Director of Human Resources of Riggs Bank N.A.

iv. In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(1) First, in the event that the Named Fiduciary does not timely receive the above-described written notification, the Named Fiduciary's request for benefits shall be deemed to be denied as of the last day of the relevant period.

(2) Second, the Named Fiduciary shall, in its discretion, take any and all reasonable action as it deems necessary to perfect the claim.

2. i. Once a decision has been rendered as to the distribution of proceeds under the claim procedure described above as to the Policy, claims for any benefits due under this Agreement may be made in writing by Riggs or the Executive's Named Beneficiary, as the case may be, to the Named Fiduciary. Under normal circumstances, a final decision on a claimant's request for benefits shall be made within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the claimant is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied, in whole or in part, within the applicable period of time set out above, the claimant shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Agreement on which the denial is based, and the claim review procedure under the Agreement.

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ii. In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(1) First, in the event that the claimant does not timely receive the above-described written notification, the claimant's request for benefits shall be deemed to be denied as of the last day of the relevant period.

(2) Second, a claimant is entitled to a full review of his or her claim after actual or constructive notification of a denial. A claimant desiring a review must make a written

request to the Named Fiduciary requesting such a review, which may include whatever comments or arguments the claimant wishes to submit. Incident to the review, the claimant may represent himself or herself or appoint a representative to do so, and will have the right to inspect all documents pertaining to the issue. The Named Fiduciary, in its sole discretion, may schedule any meeting(s) with the claimant and/or the claimant's representative it deems necessary or appropriate to facilitate or expedite its review of a denied claim.

- iii. A request for a review must be filed with the Named Fiduciary within 60 days after the denial of the claim for benefits was actually or constructively received by the claimant. If no request is received within the 60-day time limit, the denial of benefits will be final. However, if a request for review of a denied claim is timely filed, the Named Fiduciary must render its decision under normal circumstances within 45 days of the receipt of the request for review. In special circumstances the decision may be delayed if prior to expiration of the initial 45-day period the claimant is notified of the extension, but must in any event be rendered no later than 90 days after the receipt of the request. If the decision on review is not furnished to the claimant within the applicable time period(s) set out above, the claim shall be deemed denied on the last day of the relevant period. All decisions of the Named Fiduciary shall be in writing and shall include specific reasons for whatever action has been taken, and the provisions of the Agreement on which the decision is based.

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14. Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, return receipt requested and postage prepaid) as follows:

1. If to Riggs, to:
Riggs Bank N.A.
800 17th Street, N.W.
4th Floor, Human Resources
Washington, D.C. 20006
Attention: Director of Human Resources
of Riggs Bank N.A.

2. If to Executive, to:

The Executive at the last known address contained in the records of Riggs Bank N.A.'s Human Resources Department.

or to such other person at such other address as the party to whom notice is to be given may have furnished to the other party in writing from time to time. If mailed, any such communication shall be deemed to have been given on the third business day following the date on which it was posted.

15. Entire Agreement. This Agreement sets forth the entire understanding between the parties. No subsequent changes or amendments to this Agreement shall be binding unless they are in writing, signed by Riggs, and notice of such change has been duly given to the Executive no later than 60 days following the date of such action. If notice of a change or amendment is provided by the date stipulated in the immediately preceding sentence, the effective date of such change or amendment shall be as provided in the change or amendment, and shall not be delayed until the date of the notice.
16. Severability and Enforcement. If any provision of this Agreement is void or unenforceable, or so declared, that provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.
17. Governing Law. The provisions of this Agreement shall be construed and enforced according to the laws of the District of Columbia.

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18. Insurer Not A Party To Agreement. Insurer shall not be deemed a party to this Agreement, but will respect the rights of the parties as herein described upon receiving an executed copy of this Agreement. Payment or other performance of its contract obligations in accordance with the terms of the Policy shall completely discharge the Insurer from all claims, suits and demands of all persons whatsoever.
19. Withholding. Riggs shall withhold from Executive's current compensation or require Executive to remit to Riggs any amount required to be withheld under applicable Federal, state, or local law during the term of this Agreement.
20. Exclusions.
 1. Except as expressly provided in this paragraph 20, Executive's Named Beneficiary shall receive benefits under paragraph 7 of this Agreement only from Policy Proceeds and Riggs shall have no liability or obligation other than the duty to make premium payments as provided in paragraph 5 of the Agreement. If the Insurer does not pay the full amount of the death benefit otherwise due under the Policy, Policy Proceeds shall be divided as follows:

- i. If the reduced payment is because (A) misrepresentations, whether or not intentional, have been made by Executive or someone acting on behalf of Executive in the process of applying for the Policy, or (B) Executive, whether sane or insane, dies by suicide within two years from the issue date of the Policy (or within two years from the issue date of an Unscheduled Increase, as defined in paragraph 20(b) below, in the face amount of the Policy), Executive's Named Beneficiary shall be entitled to receive the lesser of (C) the amount of Policy Proceeds applicable under paragraph 7, or (D) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise applicable amount under paragraph 7.
- ii. If the reduced payment is due to a failure by Riggs to comply with the terms of this Agreement, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

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- iii. If the cause of the reduced payments is not described in either paragraphs 20(a)(i) or (ii) above and the amount of Policy Proceeds is less than the sum of the amount described in paragraph 7, as the case may be, and Riggs' Interest in the Policy, Riggs and Executive's Named Beneficiary shall divide the reduced payment in the same ratio as the Policy Proceeds would have been divided under paragraph 7 had the amount of Policy Proceeds equaled the sum of the amount described in paragraph 7, as the case may be, and Riggs' Interest in the Policy. If the cause of the reduced payments is not described in either paragraph 20(a)(i) or (ii) above and the amount of Policy Proceeds is greater than or equal to the sum of the amount described in paragraph 7, and Riggs' Interest in the Policy, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

2. Riggs will use its best efforts to maintain an amount of insurance sufficient to pay Executive's Named Beneficiary the benefits described in paragraph 7, and to recover Riggs' Interest in the Policy. Accordingly, the face amount of the Policy is scheduled to increase for estimated increases in Executive's compensation and Riggs' Interest in the Policy ("Scheduled Increases"). Riggs may also attempt to cause Unscheduled Increases (increases in the face amount of the Policy that are not Scheduled Increases) in the Policy if necessary to maintain the appropriate face amount of insurance. If such an Unscheduled Increase requires evidence of insurability and Riggs is unable to purchase the increased coverage

under the Policy with an underwriting rating no worse than standard risk, or the rating used to initially purchase the Policy if that rating was less favorable than standard risk, Riggs shall not be obligated to purchase such increased coverage and Executive's Named Beneficiary shall be entitled to receive the lesser of (i) the amount of Policy Proceeds described in paragraph 7, as the case may be, or (ii) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise applicable amount under paragraph 7.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Executive's Signature

RIGGS BANK N.A.

By:

Title:

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SCHEDULE A

Pursuant to the SPLIT DOLLAR LIFE INSURANCE AGREEMENT (the Agreement") dated , 1998 by and between ("Executive") and RIGGS BANK N.A. ("Riggs"), the following described or attached policy of life insurance shall be subject to the provisions of the Agreement.

Insurer:

Policy Number:

SENIOR VICE PRESIDENT
SUPPLEMENTAL DEATH BENEFIT AGREEMENT

THIS SUPPLEMENTAL DEATH BENEFIT AGREEMENT (the "Agreement") is made as of the day of , 1997, by and between "NAME" ("Executive") and RIGGS BANK N.A. ("Riggs").

RECITALS:

A. Executive is an employee of Riggs, or one of its wholly owned subsidiaries (collectively, "Riggs"), currently holding the title of senior vice-president or amore senior title and has been a full-time employee of Riggs for at least seven years.

B. Riggs has determined that it is in the best interest of Riggs and the vice-presidents of Riggs to establish this death benefit program for the vice-presidents, which may provide the Executive's Named Beneficiary with a supplemental death benefit in the event Riggs receives death benefits from the life insurance policy that is the subject matter of the Senior Vice President Split Dollar Life Insurance Agreement between Executive and Riggs of even date therewith (the "Policy") in excess of a predetermined formula amount. Riggs also desires to encourage Executive to remain in Riggs' employ by entering into this Agreement with Executive. Executive consents to Riggs purchasing such insurance.

C. Executive recognized that there may be no excess death benefits from the Policy and no supplemental death benefits payable under this Agreement. In addition, any benefits under this Agreement are unfunded and will be paid from the general assets of Riggs. Executive and Executive's Named Beneficiary (as defined in paragraph 2 below) have no claim or right to any life insurance policy, or proceeds therefrom, because of this Agreement and any reference to a life insurance policy in this Agreement is only for purposes of measuring the amount of the benefits, if any, payable by Riggs.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Death Benefits.

(a) Pre-Retirement Death Benefit.

If Executive dies before Retirement (as defined in paragraph 1(c) (iv) below), Riggs shall pay to the Executive's Named Beneficiary (as defined in

paragraph 2 below) an amount equal to the lesser of:

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(i) one-half of Executive's Base Annual Compensation (as defined in paragraph (1)(c)(i) below); or

(ii) the excess of the Policy Proceeds (as defined in paragraph 1 (c) (ii) below), if any, over the sum of:

(A) an amount equal to three times Executive's Base Annual Compensation, less the amount payable to Executive's beneficiary under any group term life insurance plan of Riggs; and

(B) an amount equal to the sum of: (1) Riggs' Investment in the Policy at such time; and (2) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment by Riggs on the Policy until the date Riggs receives its share of the Policy Proceeds from the Insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, assuming the maximum marginal income tax rate payable by Riggs in the year such proceeds are included in taxable income by Riggs).

(b) Post-Retirement Death Benefit.

If Executive dies on or after Retirement, Riggs shall pay to Executive's Named Beneficiary an amount equal to the lesser of:

(i) one-half of Executive's Base Annual Compensation; or

(ii) the excess of the Policy Proceeds, if any over the sum of:

(A) an amount equal to one and one-half times Executive's Base Annual Compensation determined as of Executive's date of retirement, less the amount payable to Executive's beneficiary under any group term life insurance plan of Riggs; and

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(B) an amount equal to the sum of: (1) Riggs' Investment in the Policy at such time; and (2) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment by Riggs on the Policy until the date Riggs receives its share of the Policy Proceeds from the Insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, assuming the maximum marginal income tax rate payable by Riggs in the year such proceeds are included in taxable income by Riggs).

(c) For purpose of this Agreement:

(i) "Base Annual Compensation" shall mean Executive's annual base salary excluding bonus and other contingent compensation, rounded to the next higher multiple of \$500, as of Executive's date of death if Executive dies before Retirement and as of Retirement if Executive dies on or after Retirement.

(ii) "Policy Proceeds" shall mean the death benefits payable under the life insurance policy purchased by Riggs on the life of the Executive pursuant to the Split Dollar Life Insurance Agreement between Executive and Riggs executed on even date herewith, net of any outstanding policy loans or cash withdrawals.

(iii) "Bank's Investment in the Policy" shall mean an amount equal to the premiums paid from Riggs funds less any policy loans, cash withdrawals or refunds of unearned premiums.

(iv) "Retirement" shall mean the first day of the month in which Executive retires from employment with Riggs and on or prior to the date of retirement, Executive either: (A) had attained age 65; or (B) had attained age 55 and been a full-time employee of Riggs for at least ten years. Executive shall not be deemed to have retired during the period of time that he or she is receiving a disability benefit under the terms of The Riggs National Bank Amended Pension Plan (or its successor).

2. Executive's Designated Beneficiary. Executive shall have the right and power to designate, in writing and on such form(s) as Riggs shall provide, a beneficiary or beneficiaries ("Executive's Designated Beneficiary") to receive the amounts described in paragraphs 1(a) or 1(b), as the case may be, and Executive shall retain the right to change such beneficiary or beneficiaries at any time prior to Executive's death. No beneficiary election or change of an election shall be effective until received in writing by Riggs. If Executive fails to make a valid notification or if the Executive's Designated Beneficiary fails to survive Executive or otherwise fails to receive the applicable amounts described in paragraph 1, Executive's Designated Beneficiary shall be the personal representative of Executive's estate.

3. Termination of Agreement. This Agreement shall terminate 31 days after the first to occur of the following events: (a) the receipt of a written notice of termination by either party from the other party to this Agreement, with or without the consent of the other party; or (b) the date of Executive's termination of employment with Riggs for any reason other than Retirement. Notwithstanding the immediately preceding sentence, this Agreement shall terminate immediately upon the transfer to Executive of ownership of the life insurance policy which is the subject of the Senior Vice President Split Life Insurance Agreement between Riggs and Executive executed on even date herewith.

4. Amendment or Revocation of Agreement. Notwithstanding Riggs' intent to continue this Agreement indefinitely and notwithstanding any other provision of this Agreement:

(a) Riggs retains the right to amend or terminate this Agreement at any time and for any reason, without the consent of Executive or any other person, even though the exercise of such right or rights would adversely affect or extinguish Riggs' obligation to pay any benefits pursuant to paragraph 1 hereof or Executive's right to change the Executive's Designated Beneficiary pursuant to paragraph 2 hereof; however, Riggs shall not terminate this Agreement or amend it in a manner that would adversely affect Executive's rights hereunder, without Executive's consent, unless done in conjunction with a substantially similar amendment, or termination, of the supplemental death benefit agreements of all or a significant group of Executives who are parties to similar supplemental death benefit agreements between Riggs and vice-presidents of Riggs.

(b) Notwithstanding subparagraph (a) above, no amendment or termination effected after Executive's death shall adversely affect the rights of Executive's Designated Beneficiary under this Agreement, but an amendment or termination may be effective up to 60 days before Riggs notifies Executive of such action. See paragraph 9 below.

5. Rights Under the Agreement.

(a) The rights of Executive and Executive's Designated Beneficiary under this Agreement shall be limited to the right to death benefits pursuant to paragraph 1 and the right to designate a beneficiary for such benefits pursuant to paragraph 2. Participation in this Agreement and the right to receive payments under this Agreement shall not give Executive or Executive's Designated

Beneficiary any proprietary interest in Riggs or any of its assets. Executive and Executive's Designated Beneficiary have no claim or right to any life insurance policy, or proceeds therefrom, because of this Agreement and any reference to a life insurance policy in this Agreement is only for purposes of measuring the amount of the benefits, if any, payable by Riggs. No trust fund shall be created in connection with this Agreement, and there shall be no required funding of amounts that may become payable under this Agreement. No fiduciary relationship between Riggs and Executive is created by this Agreement and Executive and Executive's Designated Beneficiary shall, for all purposes, be general creditors of Riggs. The interest of Executive and Executive's Designated Beneficiary in this Agreement cannot be assigned, anticipated, sold, encumbered or pledged and shall not be subject to the claims of their creditors.

(b) Nothing in this Agreement shall confer upon Executive the right to continue in the employ of Riggs or shall interfere with or restrict in any way the rights of Riggs to discharge Executive at any time for any reason whatsoever, with or without good cause.

(c) Benefits payable under this Agreement shall not be considered salary or other compensation to Executive for the purpose of computing benefits to which Executive may be entitled under any pension or profit-sharing plan or any other arrangement of Riggs for the benefit of Executive or for the benefit of its employees or any class of its employees.

6. Assignment. Subject to the provisions of paragraph 4(a), all rights and obligations of this Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors or assigns.

7. Administration. The Riggs Bank N.A. Committee (or its successor, hereafter the "Administrator") shall be the "Named Fiduciary" and shall be responsible for, and shall have the sole discretion to decide all matters pertaining to, the management, control, interpretation and administration of this Agreement. Such discretion includes, but is not limited to, determining the qualification for, and the amount of benefits payable under this Agreement, and employment or retirement status. The Administrator shall apply its discretion in good faith and any decisions made in good faith shall be binding upon all parties to this Agreement. The Administrator may delegate to others certain aspects of the management and operational responsibilities of this Agreement, including the employment of advisors and the delegation of any ministerial duties to qualified individuals.

8. Claims Procedure.

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(a) When a claimant has a claim which may be covered under the Agreement, a claim should be submitted to Riggs' Human Resources office. Under normal circumstances, a final decision on a claimant's request for benefits

shall be made within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the claimant is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied within the applicable period of time set out above, the claimant shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Agreement on which the denial is based, and the claim review procedure under the Agreement.

(b) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(i) First, in the event that the claimant does not timely receive the above-described written notification, the claimant's request for benefits shall be deemed to be denied as of the last day of the relevant period and the claimant shall be entitled to a full review of his or her claim by the Administrator.

(ii) Second, a claimant is entitled to a full review of his or her claim after actual or constructive notification of a denial. A claimant desiring a review must make a written request to the Administrator requesting such a review, which may include whatever comments or arguments the claimant wishes to submit. Incident to the review, the claimant may represent himself or herself or appoint a representative to do so, and will have the right to inspect all documents pertaining to the issue. The Administrator, in its sole discretion, may schedule any meeting(s) with the claimant and/or the claimant's representative it deems necessary or appropriate to facilitate or expedite its review of a denied claim.

(c) A request for review must be filed with the Administrator within 60 days after the denial of the claim for benefits was actually or constructively received by the claimant. If no request is received within the 60-day time limit, the denial of benefits will be final. However, if a request for review of a denied claim is timely filed, the Administrator must render its decision under normal circumstances within 45 days of the receipt of the request for review. In special circumstances the decision may be delayed if prior to expiration of the initial 45-day period the claimant is notified of the extension, but must in any event be rendered no later than 90 days after the receipt of the request. If the decision on review is not furnished the claimant within the applicable time period(s) set out above, the claim shall be deemed denied on the last day of the relevant period. All decisions of the Administrator shall be in writing and shall include specific reasons for whatever action has been taken, and the provisions of the Agreement on which the decision is based.

(d) This Agreement shall be construed consistently with the construction applied to the payments of death benefits under the Policy.

9. Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, return receipt requested and postage prepaid) as follows:

(a) If to Riggs, to:

Riggs Bank N.A.
1120 Vermont Ave., N.W.
5th Floor, Human Resources
Washington, D.C. 20005
Attention: Director of Human Resources of
Riggs Bank N.A.

(b) If to Executive, to:

The Executive at the last known address contained in the records of Riggs' Human Resources Department.

or to such other person at such other address as the party to whom notice is to be given may have furnished to the other party in writing from time to time. If mailed, any such communication shall be deemed to have been given on the third business day following the date on which it was posted.

10. Entire Agreement. This Agreement sets forth the entire understanding between the parties. No subsequent changes or amendments to this Agreement shall be binding unless they are in writing, signed by Riggs, and notice of such change has been duly given to the Executive within 60 days of such action. If notice of a change or amendment is provided by the date stipulated in the immediately preceding sentence, the effective date of such change or amendment shall be provided in the change or amendment, and shall not be delayed until the date of the notice.

11. Severability and Enforcement. If any provision of this Agreement is void or unenforceable, or so declared, that provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

12. Governing Law. The provisions of this Agreement shall be construed and enforced according to the laws of the District of Columbia.

13. Withholding. Riggs shall withhold any amounts required by applicable Federal, state or local law to be withheld from payments due under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"NAME"

Executive's Signature

RIGGS BANK N.A.

By:

Title:

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VICE PRESIDENT
SPLIT DOLLAR LIFE INSURANCE AGREEMENT
Tier II

THIS SPLIT DOLLAR LIFE INSURANCE AGREEMENT ("the Agreement") is made as of this day of , 1997 by and between "NAME" ("Executive") and RIGGS BANK N.A. ("Riggs").

RECITALS:

A. Executive is an employee of Riggs, or one of its wholly-owned subsidiaries (collectively, "Riggs"), currently holding the title of vice-president and has been a full-time employee of Riggs for at least seven

years.

B. Riggs has determined that it is in the best interest of Riggs and the vice-presidents of Riggs to establish a split-dollar life insurance program for the vice-presidents. Riggs desires to encourage Executive to remain in Riggs employ by entering into a split-dollar life insurance agreement with Executive.

C. Executive consents to Riggs' purchasing insurance on the life of Executive and agrees to participate in the split dollar life insurance program as hereinafter provided by entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Purchase of Insurance. Riggs shall apply for a life insurance policy (the "Policy") on the life of Executive with a face amount not less than an amount sufficient to pay the Executive's Named Beneficiary (as defined in paragraph 4 below) the benefits described in paragraph 7(a)(i) below and to recover Riggs' Interest in the Policy (as defined in paragraph 7(c)(v) below), which Policy is described on the attached Schedule A (the issuer of the Policy shall hereinafter be referred to as the "Insurer"). Riggs may increase or decrease the face amount of the Policy from time to time and may apply earnings on the accumulating cash value of the Policy in excess of the guaranteed rate for the purpose of carrying out the objectives of this Agreement in such manner as it shall determine in its sole discretion. In the event of such increased or decreased coverage, the rights, duties and benefits of the parties to such coverage shall continue to be subject to the terms of this Agreement.

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2. Application and Consent. Executive hereby consents to the purchase of the Policy and agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer on such form(s) as Riggs shall provide. If Riggs elects to increase the face amount of the Policy for the purpose of carrying out the objectives of the Agreement, Executive hereby agrees to answer all questions concerning his or her insurability and to submit such evidence of insurability as may be required by the Insurer (including such medical examinations as may be required) and to execute any other documents as may be required by the Insurer to effectuate the increase.

3. Ownership of Policy. The Policy shall be owned by Riggs. Executive shall have the beneficiary designation rights contained in paragraph 4 of this Agreement, but except as otherwise provided below, each and every other right of

ownership of the Policy shall be reserved to Riggs even though the exercise of such right or rights would adversely affect or extinguish the payment of any benefits to which Executive or the Executive's Named Beneficiary would otherwise be entitled to under this Agreement or the Policy or the right of Executive to designate a beneficiary pursuant to paragraph 4 hereof.

4. Beneficiary Designation Rights. Executive shall have the right and power to designate, in writing and on such form(s) as Riggs shall provide, a beneficiary or beneficiaries ("Executive's Named Beneficiary") to receive the sum of the amounts described in paragraph 7(a)(i) or 7(b)(i), hereof, as the case may be, and to elect and change a payment option for such beneficiary. Any change in beneficiary or payment option shall become effective as provided in the terms of the Policy. If Executive fails to make a valid notification or if the Executive's Named Beneficiary fails to survive Executive or otherwise fails to receive the amounts described in paragraph 7(a)(i) or 7(b)(i), hereof, as the case may be, Executive's Named Beneficiary shall be the personal representative of Executive's estate.

5. Premium Payments. Riggs shall remit each premium due on the Policy in accordance with the mode of premium payment as provided in the Policy on or before the due date provided therein.

6. Policy Loans or Cash Withdrawals. Riggs alone shall have the right, without the consent of Executive, to make policy loans or withdrawals of the Policy cash value, but Riggs shall not permit the indebtedness on the Policy or withdrawals to exceed Riggs' Investment in the Policy (as defined in paragraph 7(c)(iii) below).

7. Division of Death Proceeds of Policy. Except as provided in paragraph 20 below, Policy Proceeds (as defined in paragraph 7(c) below) shall be divided as provided in this paragraph 7.

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(a) Pre-Retirement Division.

(i) If Executive dies before Retirement (as defined in paragraph 7(c)(iv) below), Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to three times Executive's Base Annual Compensation (as defined in paragraph 7(c)(i) below).

(ii) Riggs shall receive any remaining Policy Proceeds.

(b) Post-Retirement Division.

(i) If Executive dies on or after Retirement, Executive's Named Beneficiary shall be entitled to an amount of the Policy Proceeds equal to one

and one-half times Executive's Base Annual Compensation determined as of Executive's date of retirement.

(ii) Riggs shall receive any remaining Policy Proceeds.

(c) For purposes of this Agreement:

(i) "Base Annual Compensation" shall mean Executive's annual base salary excluding bonus and other contingent compensation, rounded to the next higher multiple of \$500, as of Executive's date of death if Executive dies before Retirement and as of Retirement if Executive dies on or after Retirement.

(ii) "Policy Proceeds" shall mean the death benefits payable under the Policy, net of any outstanding policy loans or cash withdrawals.

(iii) "Riggs' Investment in the Policy" shall mean an amount equal to the premiums paid from Riggs' funds less any policy loans, cash withdrawals, or refund of unearned premiums.

(iv) "Retirement" shall mean the first day of the month in which Executive retires from employment with Riggs and on or prior to the date of retirement, Executive either: (A) had attained age 65; or (B) had attained age 55 and been a full-time employee of Riggs for at least ten years. Executive shall not be deemed to have retired during the period of time that he or she is receiving a disability benefit under the terms of the Riggs National Bank Amended Pension Plan (or its successor).

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(v) "Riggs' Interest in the Policy" at any given time shall mean an amount equal to the sum of: (A) Riggs' Investment in the Policy at such time; and (B) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment by Riggs on the policy until the date Riggs receives its share of the Policy Proceeds from the insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, or payments made by Executive under paragraph 8 below, assuming the maximum income tax rates payable by Riggs in the year such Policy Proceeds or payments are included in taxable income by Riggs).

(d) Any refund of unearned premium as provided in the Policy shall be refunded in total to Riggs.

8. Termination of Agreement. This Agreement shall terminate 31 days after the first to occur of the following events: (a) the receipt of a written notice of termination by either party from the other party to this Agreement, with or without the consent of the other party; or (b) the date of Executive's termination of employment with Riggs for any reason other than Retirement. If Riggs gives notice of its intent to terminate this Agreement under clause (a) above or Executive terminates employment with Riggs under clause (b) above, Executive shall have the right, until the termination of this Agreement, to purchase the Policy from Riggs by payment to Riggs of an amount equal to the greater of: (i) the cash surrender value of the Policy; or (ii) Riggs' Interest in the Policy. Upon receipt of the purchase price, Riggs shall execute such documents as may be required by the Insurer to transfer ownership of the Policy to Executive. Notwithstanding the first sentence of this paragraph, this Agreement shall terminate immediately upon receipt of the purchase price and transfer of ownership of the Policy to Executive. In the event of the termination of this Agreement under any circumstances whereby Executive cannot, or does not, purchase the Policy, Executive agrees, upon request to him or her by Riggs, to execute such documents as may be required by the Insurer to designate Riggs as sole beneficiary of the Policy (and Executive shall have no further right or interest in the Policy).

9. Amendment or Revocation of Agreement. Notwithstanding Riggs' intent to continue this Agreement indefinitely and notwithstanding any other provision of this Agreement:

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(a) Riggs retains the right to amend or terminate this Agreement at any time and for any reason, with or without the consent of Executive or any other person, even though the exercise of such right or rights would adversely affect or extinguish Executive's (or Executive's Named Beneficiary's) right to receive any benefits under this Agreement or Executive's right to change the Executive's Named Beneficiary under this Agreement; however, Riggs shall not terminate this Agreement or amend it in a manner that would adversely affect Executive's rights hereunder without Executive's consent, unless done in conjunction with a substantially similar amendment, or termination, of the split dollar life insurance agreements of all or a significant group of Executives who are parties to similar split dollar life insurance agreements between Riggs and vice-presidents of Riggs.

(b) Notwithstanding subparagraph (a) above, no amendment or termination effected after Executive's death shall adversely affect the rights of Executive's Named Beneficiary under this Agreement, but an amendment or termination may be effective up to 60 days before Riggs notifies Executive of

such action. See paragraph 15 below.

(c) Any termination of this Agreement shall not terminate Executive's right to the benefits he or she would otherwise be entitled to, if any, under a group term life insurance plan of Riggs.

10. Rights Under the Agreement.

(a) Nothing in this Agreement shall confer upon Executive the right to continue in the employ of Riggs or shall interfere with or restrict in any way the rights of Riggs to discharge Executive at any time for any reason whatsoever, with or without good cause. Benefits payable under this Agreement shall not be considered salary or other compensation to Executive for the purpose of computing benefits to which Executive may be entitled under any pension or profit-sharing plan or any other arrangement of Riggs for the benefit of the Executive or for the benefit of its employees or any class of its employees.

(b) The rights of Executive and Executive's Named Beneficiary under this Agreement shall be limited to the right to death benefits pursuant to paragraph 7, the right to designate a beneficiary for such benefits pursuant to paragraph 4, and the rights to terminate this Agreement and purchase the Policy pursuant to paragraph 8.

11. Assignment. Executive (or his or her assignee) may, at any time, assign to any individual, trust or other organization all the Executive's right, title and interest in the Policy and all rights, options, privileges and duties created under this Agreement. All rights and obligations of this Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors or assigns.

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12. Named Fiduciary. The Riggs National Bank Pension Committee (or its successor) is hereby designated the "Named Fiduciary" until resignation or removal by Riggs' Board of Directors. The Named Fiduciary shall be responsible for, and shall have the sole discretion to decide all matters pertaining to the management, control, interpretation and administration of this Agreement. Such discretion includes, but is not limited to, determining the qualification for, and the amount of, benefits payable under this Agreement, and employment or retirement status. The Named Fiduciary shall apply its discretion in good faith and any decisions made in good faith shall be binding upon all parties to this Agreement. The Named Fiduciary may delegate to others certain aspects of the management and operational responsibilities of this Agreement, including the employment of advisors and the delegation of any ministerial duties to qualified individuals.

13. Claims Procedure.

(a) (i) Claim forms or claim information as to the Policy can be obtained by contacting the Director of Human Resources of Riggs Bank N.A. at the address listed in paragraph 14(a) of this Agreement.

(ii) When a claimant has a claim which may be covered under the Policy, he or she should contact the Named Fiduciary who will contact the office or the person named above, who will either complete a claim form and forward it to an authorized representative of the Insurer or advise the Named Fiduciary what further requirements are necessary. Under normal circumstances, the Insurer will evaluate the claim and make a decision as to payment within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the Named Fiduciary is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied within the applicable period of time set out above, the Named Fiduciary shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Policy on which the denial is based, and the claim review procedure under the Policy.

(iii) If the claim is payable, a benefit check will be issued to Executive's Named Beneficiary in an amount equal to the benefits payable to such person(s) pursuant to paragraph 7(a) or 7(b) above, as the case may be, and a benefit check will be issued to Riggs in an amount equal to the remaining Policy Proceeds. Benefit checks will be forwarded through the Director of Human Resources of Riggs Bank N.A.

(iv) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

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(A) First, in the event that the Named Fiduciary does not timely receive the above-described written notification, the Named Fiduciary's request for benefits shall be deemed to be denied as of the last day of the relevant period.

(B) Second, the Named Fiduciary shall, in its discretion, take any and all reasonable action as it deems necessary to perfect the claim.

(b) (i) Once a decision has been rendered as to the distribution of proceeds under the claim procedure described above as to the Policy, claims for any benefits due under this Agreement may be made in writing by Riggs or the Executive's Named Beneficiary, as the case may be, to the Named Fiduciary. Under normal circumstances, a final decision on a claimant's request for benefits shall be made within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of

the initial 45-day period the claimant is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied, in whole or in part, within the applicable period of time set out above, the claimant shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Agreement on which the denial is based, and the claim review procedure under the Agreement.

(ii) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(A) First, in the event that the claimant does not timely receive the above-described written notification, the claimant's request for benefits shall be deemed to be denied as of the last day of the relevant period.

(B) Second, a claimant is entitled to a full review of his or her claim after actual or constructive notification of a denial. A claimant desiring a review must make a written request to the Named Fiduciary requesting such a review, which may include whatever comments or arguments the claimant wishes to submit. Incident to the review, the claimant may represent himself or herself or appoint a representative to do so, and will have the right to inspect all documents pertaining to the issue. The Named Fiduciary, in its sole discretion, may schedule any meeting(s) with the claimant and/or the claimant's representative it deems necessary or appropriate to facilitate or expedite its review of a denied claim.

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(iii) A request for a review must be filed with the Named Fiduciary within 60 days after the denial of the claim for benefits was actually or constructively received by the claimant. If no request is received within the 60-day time limit, the denial of benefits will be final. However, if a request for review of a denied claim is timely filed, the Named Fiduciary must render its decision under normal circumstances within 45 days of the receipt of the request for review. In special circumstances the decision may be delayed if prior to expiration of the initial 45-day period the claimant is notified of the extension, but must in any event be rendered no later than 90 days after the receipt of the request. If the decision on review is not furnished to the claimant within the applicable time period(s) set out above, the claim shall be deemed denied on the last day of the relevant period. All decisions of the Named Fiduciary shall be in writing and shall include specific reasons for whatever action has been taken, and the provisions of the Agreement on which the decision is based.

14. Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, return receipt requested and postage prepaid) as follows:

(a) If to Riggs, to:
Riggs Bank N.A.
800 17th Street, N.W.
4th Floor, Human Resources
Washington, D.C. 20006
Attention: Director of Human Resources
of the Riggs Bank N.A.

(b) If to Executive, to: The Executive at the last known address contained in the records of Riggs' Bank N.A. Human Resources Department.

or to such other person at such other address as the party to whom notice is to be given may have furnished to the other party in writing from time to time. If mailed, any such communication shall be deemed to have been given on the third business day following the date on which it was posted.

15. Entire Agreement. This Agreement sets forth the entire understanding between the parties. No subsequent changes or amendments to this Agreement shall be binding unless they are in writing, signed by Riggs, and notice of such change has been duly given to the Executive no later than 60 days following the date of such action. If notice of a change or amendment is provided by the date stipulated in the immediately preceding sentence, the effective date of such change or amendment shall be as provided in the change or amendment, and shall not be delayed until the date of the notice.

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16. Severability and Enforcement. If any provision of this Agreement is void or unenforceable, or so declared, that provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

17. Governing Law. The provisions of this Agreement shall be construed and enforced according to the laws of the District of Columbia.

18. Insurer Not A Party To Agreement. Insurer shall not be deemed a party to this Agreement, but will respect the rights of the parties as herein described upon receiving an executed copy of this Agreement. Payment or other performance of its contract obligations in accordance with the terms of the Policy shall completely discharge the Insurer from all claims, suits and demands of all persons whatsoever.

19. Withholding. Riggs shall withhold from Executive's current compensation or require Executive to remit to Riggs any amount required to be withheld under applicable Federal, state, or local law during the term of this Agreement.

20. Exclusions.

(a) Except as expressly provided in this paragraph 20, Executive's Named Beneficiary shall receive benefits under paragraph 7 of this Agreement only from Policy Proceeds and Riggs shall have no liability or obligation other than the duty to make premium payments as provided in paragraph 5 of the Agreement. If the Insurer does not pay the full amount of the death benefit otherwise due under the Policy, Policy Proceeds shall be divided as follows:

(i) If the reduced payment is because (A) misrepresentations, whether or not intentional, have been made by Executive or someone acting on behalf of Executive in the process of applying for the Policy, or (B) Executive, whether sane or insane, dies by suicide within two years from the issue date of the Policy (or within two years from the issue date of an Unscheduled Increase, as defined in paragraph 20(b) below, in the face amount of the Policy), Executive's Named Beneficiary shall be entitled to receive the lesser of (C) the amount of Policy Proceeds described in paragraph 7(a)(i) or 7(b)(i), as the case may be, or (D) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise relevant amount described in paragraph 7.

(ii) If the reduced payment is due to a failure by Riggs to comply with the terms of this Agreement, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

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(iii) If the cause of the reduced payments is not described in either paragraphs 20(a)(i) or (ii) above and the amount of Policy Proceeds is less than the sum of the amount described in paragraph 7(a)(i) or 7(b)(i), as the case may be, and Riggs' Interest in the Policy, Riggs and Executive's Named Beneficiary shall divide the reduced payment in the same ratio as the Policy Proceeds would have been divided under paragraph 7 had the amount of Policy Proceeds equaled the sum of the amount described in paragraph 7(a)(i) or 7(b)(i), as the case may be, and Riggs' Interest in the Policy. If the cause of the reduced payments is not described in either paragraphs 20(a)(i) or (ii) above and the amount of Policy Proceeds is greater than or equal to the sum of the amount described in paragraph 7(a)(i) or 7(b)(i), as the case may be, and Riggs' Interest in the Policy, Executive's Named Beneficiary shall receive benefits in accordance with paragraph 7.

(b) Riggs will use its best efforts to maintain an amount of insurance sufficient to pay Executive's Named Beneficiary the benefits described in paragraph 7(a)(i) or 7(b)(i), as the case may be, and to recover Riggs' Interest in the Policy. Accordingly, the face amount of the Policy is scheduled to increase for estimated increases in Executive's compensation and Riggs'

Interest in the Policy ("Scheduled Increases"). Riggs may also attempt to cause Unscheduled Increases (increases in the face amount of the Policy that are not Scheduled Increases) in the Policy if necessary to maintain the appropriate face amount of insurance. If such an Unscheduled Increase requires evidence of insurability and Riggs is unable to purchase the increased coverage under the Policy with an underwriting rating no worse than standard risk, or the rating used to initially purchase the Policy if that rating was less favorable than standard risk, Riggs shall not be obligated to purchase such increased coverage and Executive's Named Beneficiary shall be entitled to receive the lesser of (i) the amount of Policy Proceeds described in paragraph 7(a)(i) or 7(b)(i), as the case may be, or (ii) the amount of Policy Proceeds payable in excess of Riggs' Interest in the Policy, rather than the otherwise relevant amount described in paragraph 7.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"NAME"

Executive's Signature

RIGGS BANK N.A.

By:

Title:

SCHEDULE A

Pursuant to the SPLIT DOLLAR LIFE INSURANCE AGREEMENT (the "Agreement") dated , 1997, by and between "NAME" ("Executive") and RIGGS BANK N.A., the following described or attached policy of life insurance shall be subject to the provisions of the Agreement.

Insurer: _____

Policy Number: _____

Policy Issue Date: _____

VICE PRESIDENT
SUPPLEMENTAL DEATH BENEFIT AGREEMENT

THIS SUPPLEMENTAL DEATH BENEFIT AGREEMENT (the "Agreement") is made as of the day of , 1997, by and between "NAME" ("Executive") and RIGGS BANK N.A. ("Riggs").

RECITALS:

A. Executive is an employee of Riggs, or one of its wholly owned subsidiaries (collectively, "Riggs"), currently holding the title of vice-president and has been a full-time employee of Riggs for at least seven years.

B. Riggs has determined that it is in the best interest of Riggs and the vice-presidents of Riggs to establish this death benefit program for the vice-presidents, which may provide the Executive's Named Beneficiary with a supplemental death benefit in the event Riggs receives death benefits from the life insurance policy that is the subject matter of the Vice President Split Dollar Life Insurance Agreement between Executive and Riggs of even date therewith (the "Policy") in excess of a predetermined formula amount. Riggs also desires to encourage Executive to remain in Riggs' employ by entering into this Agreement with Executive. Executive consents to Riggs purchasing such insurance.

C. Executive recognized that there may be no excess death benefits from the Policy and no supplemental death benefits payable under this Agreement. In addition, any benefits under this Agreement are unfunded and will be paid from the general assets of Riggs. Executive and Executive's Named Beneficiary (as defined in paragraph 2 below) have no claim or right to any life insurance policy, or proceeds therefrom, because of this Agreement and any reference to a life insurance policy in this Agreement is only for purposes of measuring the amount of the benefits, if any, payable by Riggs.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Death Benefits.

(a) Pre-Retirement Death Benefit.

If Executive dies before Retirement (as defined in paragraph 1(c) (iv) below), Riggs shall pay to the Executive's Named Beneficiary (as defined in paragraph 2 below) an amount equal to the lesser of:

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(i) one-half of Executive's Base Annual Compensation (as defined in paragraph (1)(c)(i) below); or

(ii) the excess of the Policy Proceeds (as defined in paragraph 1 (c) (ii) below), if any, over the sum of:

(A) an amount equal to three time Executive's Base Annual Compensation, less the amount payable to Executive's beneficiary under any group term life insurance plan of Riggs; and

(B) an amount equal to the sum of: (1) Riggs' Investment in the Policy at such time; and (2) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment by Riggs on the Policy until the date Riggs receives its share of the Policy Proceeds from the Insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, assuming the maximum marginal income tax rate payable by Riggs in the year such proceeds are included in taxable income by Riggs).

(b) Post-Retirement Death Benefit.

If Executive dies on or after Retirement, Riggs shall pay to Executive's Named Beneficiary an amount equal to the lesser of:

(i) one-half of Executive's Base Annual Compensation; or

(ii) the excess of the Policy Proceeds, if any over the sum of:

(A) an amount equal to one and one-half times Executive's Base Annual Compensation determined as of Executive's date of retirement, less the amount payable to Executive's beneficiary under any group term life insurance plan of Riggs; and

(B) an amount equal to the sum of: (1) Riggs' Investment in the Policy at such time; and (2) a return on Riggs' Investment in the Policy as it may have existed from time to time, calculated from the date of the first premium payment by Riggs on the Policy until the date Riggs receives its share of the Policy Proceeds from the Insurer, at a rate equal to the greater of: seven percent per annum, compounded annually, or a rate two hundred basis points below the crediting rate applied by the Insurer to the accumulating cash value of the Policy, as determined from time to time by the Insurer (such rate of return being adjusted so that Riggs' return rate is no less than the rate described in this sentence after the payment of any and all income taxes payable by Riggs because of the receipt of the Policy Proceeds, assuming the maximum marginal income tax rate payable by Riggs in the year such proceeds are included in taxable income by Riggs).

(c) For purpose of this Agreement:

(i) "Base Annual Compensation" shall mean Executive's annual base salary excluding bonus and other contingent compensation, rounded to the next higher multiple of \$500, as of Executive's date of death if Executive dies before Retirement and as of Retirement if Executive dies on or after Retirement.

(ii) "Policy Proceeds" shall mean the death benefits payable under the life insurance policy purchased by Riggs on the life of the Executive pursuant to the Split Dollar Life Insurance Agreement between Executive and Riggs executed on even date herewith, net of any outstanding policy loans or cash withdrawals.

(iii) "Bank's Investment in the Policy" shall mean an amount equal to the premiums paid from Riggs' funds less any policy loans, cash withdrawals or refunds of unearned premiums.

(iv) "Retirement" shall mean the first day of the month in which Executive retires from employment with Riggs and on or prior to the date of retirement, Executive either: (A) had attained age 65; or (B) had attained age 55 and been a full-time employee of Riggs for at least ten years. Executive shall not be deemed to have retired during the period of time that he or she is receiving a disability benefit under the terms of The Riggs National Bank Amended Pension Plan (or its successor).

2. Executive's Designated Beneficiary. Executive shall have the right and power to designate, in writing and on such form(s) as Riggs shall provide, a beneficiary or beneficiaries ("Executive's Designated Beneficiary") to receive the amounts described in paragraphs 1(a) or 1(b), as the case may be, and Executive shall retain the right to change such beneficiary or beneficiaries at any time prior to Executive's death. No beneficiary election or change of an election shall be effective until received in writing by Riggs. If Executive

fails to make a valid notification or if the Executive's Designated Beneficiary fails to survive Executive or otherwise fails to receive the applicable amounts described in paragraph 1, Executive's Designated Beneficiary shall be the personal representative of Executive's estate.

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3. Termination of Agreement. This Agreement shall terminate 31 days after the first to occur of the following events: (a) the receipt of a written notice of termination by either party from the other party to this Agreement, with or without the consent of the other party; or (b) the date of Executive's termination of employment with Riggs for any reason other than Retirement. Notwithstanding the immediately preceding sentence, this Agreement shall terminate immediately upon the transfer to Executive of ownership of the life insurance policy which is the subject of the Vice President Split Life Insurance Agreement between Riggs and Executive executed on even date herewith.

4. Amendment or Revocation of Agreement. Notwithstanding Riggs' intent to continue this Agreement indefinitely and notwithstanding any other provision of this Agreement:

(a) Riggs retains the right to amend or terminate this Agreement at any time and for any reason, without the consent of Executive or any other person, even though the exercise of such right or rights would adversely affect or extinguish Riggs' obligation to pay any benefits pursuant to paragraph 1 hereof or Executive's right to change the Executive's Designated Beneficiary pursuant to paragraph 2 hereof; however, Riggs shall not terminate this Agreement or amend it in a manner that would adversely affect Executive's rights hereunder, without Executive's consent, unless done in conjunction with a substantially similar amendment, or termination, of the supplemental death benefit agreements of all or a significant group of Executives who are parties to similar supplemental death benefit agreements between Riggs and vice-presidents of Riggs.

(b) Notwithstanding subparagraph (a) above, no amendment or termination effected after Executive's death shall adversely affect the rights of Executive's Designated Beneficiary under this Agreement, but an amendment or termination may be effective up to 60 days before Riggs notifies Executive of such action. See paragraph 9 below.

5. Rights Under the Agreement.

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(a) The rights of Executive and Executive's Designated Beneficiary

under this Agreement shall be limited to the right to death benefits pursuant to paragraph 1 and the right to designate a beneficiary for such benefits pursuant to paragraph 2. Participation in this Agreement and the right to receive payments under this Agreement shall not give Executive or Executive's Designated Beneficiary any proprietary interest in Riggs or any of its assets. Executive and Executive's Designated Beneficiary have no claim or right to any life insurance policy, or proceeds therefrom, because of this Agreement and any reference to a life insurance policy in this Agreement is only for purposes of measuring the amount of the benefits, if any, payable by Riggs. No trust fund shall be created in connection with this Agreement, and there shall be no required funding of amounts that may become payable under this Agreement. No fiduciary relationship between Riggs and Executive is created by this Agreement and Executive and Executive's Designated Beneficiary shall, for all purposes, be general creditors of Riggs. The interest of Executive and Executive's Designated Beneficiary in this Agreement cannot be assigned, anticipated, sold, encumbered or pledged and shall not be subject to the claims of their creditors.

(b) Nothing in this Agreement shall confer upon Executive the right to continue in the employ of Riggs or shall interfere with or restrict in any way the rights of Riggs to discharge Executive at any time for any reason whatsoever, with or without good cause.

(c) Benefits payable under this Agreement shall not be considered salary or other compensation to Executive for the purpose of computing benefits to which Executive may be entitled under any pension or profit-sharing plan or any other arrangement of Riggs for the benefit of Executive or for the benefit of its employees or any class of its employees.

6. Assignment. Subject to the provisions of paragraph 4(a), all rights and obligations of this Agreement shall be binding upon the parties hereto, their heirs, legal representatives, successors or assigns.

7. Administration. The Riggs National Bank Pension Committee (or its successor, hereafter the "Administrator") shall be the "Named Fiduciary" and shall be responsible for, and shall have the sole discretion to decide all matters pertaining to, the management, control, interpretation and administration of this Agreement. Such discretion includes, but is not limited to, determining the qualification for, and the amount of benefits payable under this Agreement, and employment or retirement status. The Administrator shall apply its discretion in good faith and any decisions made in good faith shall be binding upon all parties to this Agreement. The Administrator may delegate to others certain aspects of the management and operational responsibilities of this Agreement, including the employment of advisors and the delegation of any ministerial duties to qualified individuals.

8. Claims Procedure.

(a) When a claimant has a claim which may be covered under the Agreement, a claim should be submitted to Riggs' Human Resources office. Under normal circumstances, a final decision on a claimant's request for benefits shall be made within 45 days after receipt of the claim. However, if special circumstances require an extension of time to process a claim, a final decision may be deferred up to 90 days after receipt of the claim if prior to the end of the initial 45-day period the claimant is furnished written notice of the special circumstances requiring the extension and the anticipated date of a final decision. If the claim is denied within the applicable period of time set out above, the claimant shall receive written notification of the denial, which notice shall set forth the specific reasons for the denial, the relevant provisions of the Agreement on which the denial is based, and the claim review procedure under the Agreement.

(b) In the event a claim is denied or in the event no action is taken on the claim within the above-described period(s) of time, the following procedure shall be used:

(i) First, in the event that the claimant does not timely receive the above-described written notification, the claimant's request for benefits shall be deemed to be denied as of the last day of the relevant period and the claimant shall be entitled to a full review of his or her claim by the Administrator.

(ii) Second, a claimant is entitled to a full review of his or her claim after actual or constructive notification of a denial. A claimant desiring a review must make a written request to the Administrator requesting such a review, which may include whatever comments or arguments the claimant wishes to submit. Incident to the review, the claimant may represent himself or herself or appoint a representative to do so, and will have the right to inspect all documents pertaining to the issue. The Administrator, in its sole discretion, may schedule any meeting(s) with the claimant and/or the claimant's representative it deems necessary or appropriate to facilitate or expedite its review of a denied claim.

(c) A request for review must be filed with the Administrator within 60 days after the denial of the claim for benefits was actually or constructively received by the claimant. If no request is received within the 60-day time limit, the denial of benefits will be final. However, if a request for review of a denied claim is timely filed, the Administrator must render its decision under normal circumstances within 45 days of the receipt of the request for review. In special circumstances the decision may be delayed if prior to expiration of the initial 45-day period the claimant is notified of the extension, but must in any event be rendered no later than 90 days after the receipt of the request. If the decision on review is not furnished the claimant within the applicable time period(s) set out above, the claim shall be deemed denied on the last day of the relevant period. All decisions of the Administrator shall be in writing and shall include specific reasons for whatever action has been taken, and the provisions of the Agreement on which the

decision is based.

(d) This Agreement shall be construed consistently with the construction applied to the payments of death benefits under the Policy.

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9. Notices. All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or mailed (by registered or certified mail, return receipt requested and postage prepaid) as follows:

(a) If to Riggs, to:

Riggs Bank N.A.
800 17th Street, N.W.
4th Floor, Human Resources
Washington, D.C. 20006
Attention: Director of Human Resources of Riggs Bank N.A.

(b) If to Executive, to:

The Executive at the last known address contained in the records of Riggs' Human Resources Department.

or to such other person at such other address as the party to whom notice is to be given may have furnished to the other party in writing from time to time. If mailed, any such communication shall be deemed to have been given on the third business day following the date on which it was posted.

10. Entire Agreement. This Agreement sets forth the entire understanding between the parties. No subsequent changes or amendments to this Agreement shall be binding unless they are in writing, signed by Riggs, and notice of such change has been duly given to the Executive within 60 days of such action. If notice of a change or amendment is provided by the date stipulated in the immediately preceding sentence, the effective date of such change or amendment shall be provided in the change or amendment, and shall not be delayed until the date of the notice.

11. Severability and Enforcement. If any provision of this Agreement is void or unenforceable, or so declared, that provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

12. Governing Law. The provisions of this Agreement shall be construed and enforced according to the laws of the District of Columbia.

13. Withholding. Riggs shall withhold any amounts required by applicable Federal, state or local law to be withheld from payments due under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"NAME"

Executive's Signature

RIGGS BANK N.A.

By:

Title:

Exhibit 10.3

RIGGS NATIONAL CORPORATION

and

RIGGS BANK N.A.

DEFERRED COMPENSATION PLAN FOR DIRECTORS
(As Revised May 14, 1997)

ARTICLE I

INTRODUCTION

This Deferred Compensation Plan (the "Plan") is established by Riggs National Corporation (the "Company") and Riggs Bank N.A. (the "Bank") for the benefit of their Directors and their Beneficiaries, and it shall be maintained according to the terms hereof. The Plan allows Directors to defer receipt and taxation of Director's Fees and to invest deferred fees in Shares of the Company.

ARTICLE II

DEFINITIONS

0.1 DEFINITIONS. When used herein, the following words and phrases shall have the meanings assigned to them, unless the context clearly indicates otherwise:

(a) "Bank" means Riggs Bank N.A. (formerly known as The Riggs National Bank of Washington, D.C.).

(b) "Beneficiary" means the person or persons, natural or otherwise, designated by a Director under section 8.1 to receive any death benefit payable under section 7.3.

(c) "Board of Directors" means the board of directors of the Company unless otherwise stated.

(d) "Cash Deferred Fee Account" means an account established in the name of a Director to which is credited any Director's Fees that are deferred by the Director under section 3.1(a) and directed into the Cash Deferred Fee Account under section 3.1(c), any Prior Deferred Fees which the Director elected to have transferred to the Plan, any interest that is credited under section 5.1, any dividends that are credited under sections 6.1(c) and 7.2(b) and from which is debited payments made under Article VII.

(e) "Common Stock" means the common shares, \$2.50 par value per share, of the Company.

(f) "Company" means the Riggs National Corporation.

(g) "Deferred Fee Accounts" means a Director's Cash Deferred Fee Account and Stock Deferred Fee Account.

(h) "Deferred Fee Agreement" means the written agreement, substantially in

the form of Exhibit A hereto, between the Director and the Company or the Bank, as appropriate, that together with the Plan, governs the Director's rights to payment of deferred Director's Fees (adjusted for investment performance) under the Plan.

(i) "Director" means a non-employee member of the board of directors of the Company, the Bank or any subsidiaries or affiliates whose participation is approved by the board of directors of the Company.

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(j) "Director's Fees" means the retainer paid to a Director, any fees paid to a Director for attending meetings of the board of directors or any committee of the board of directors and any fees paid to a Director for serving as chairman of a committee of the board of directors.

(k) "Fair Market Value" means, with respect to a share of the Common Stock, (i) if the Common Stock is listed on a national securities exchange or traded on the National Market System, the closing price of the Common Stock on the determination date or if there are no sales on such date, then on the next preceding date on which there were sales of Common Stock, all as published in the Eastern Edition of The Wall Street Journal, (ii) if the Common Stock is not listed on a national securities exchange or traded on the National Market System, the closing price last reported by the National Association of Securities Dealers, Inc. for the over-the-counter market on the determination date or, if no sales are reported on such date, then on the next preceding date on which there were such quotations, or (iii) if the Common Stock is not listed on a national securities exchange or traded on the National Market System and quotations for the Common Stock are not reported by the National Association of Securities Dealers, Inc., the fair market value determined by Board of Directors. In no case, however, shall the Fair Market Value be less than the par value of the Common Stock.

(l) "Interest" means the amount of interest credited to a Director's Cash Deferred Fee Account at an annual rate determined in accordance with section 5.2.

(m) "Plan" means the Riggs National Corporation and Riggs Bank N.A. Deferred Compensation Plan for Directors set forth in this document, as amended from time to time.

(n) "Plan Year" means the twelve-month period beginning January 1 and ending the following December 31 (February 1 through January 31 for periods prior to January 1, 1998).

(o) "Prior Deferred Fees" means Director's Fees earned prior to June 30, 1994 and deferred under a previous deferred compensation arrangement sponsored by the Company or the Bank.

(p) "Quarterly Payment Period" means each quarterly period for which Directors Fees are paid to a Director.

(q) "Shares" means the phantom shares of Common Stock credited to a Director's Stock Deferred Fee Account.

(r) "Stock Deferred Fee Account" means an account established in the name of a Director to which is credited Shares for any Director's Fees that are deferred by the Director under section 3.1(a) and directed into the Stock Deferred Fee Account under section 3.1(c), any Prior Deferred Fees that the Director elected to have transferred to the Stock Deferred Fee Account and any additional Shares that are credited under section 6.1(b) and from which are debited payments made under Article VII.

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ARTICLE III

DEFERRAL OF DIRECTOR'S FEES

0.1 ELECTION TO DEFER FEES. (a) Before the beginning of a Quarterly Payment Period, a Director may elect to defer all or part of his or her Director's Fees to be earned in such Quarterly Payment Period and following Quarterly Payment Periods. For a new Director, the election to defer Director's Fees earned during his or her initial quarter of service shall be made within thirty (30) days following the Director's election or appointment and shall be effective for Director's Fees earned as of the first day of the month after the election is made.

(b) Any election to defer shall continue in effect for subsequent Quarterly Payment Periods unless modified or revoked in accordance with section 3.4.

(c) When a Director elects to defer Director's Fees under section 3.1(a) the Director shall also elect whether amounts deferred should be credited to his or her Cash Deferred Fee Account, to his or her Stock Deferred Fee Account, or both, in the percentages authorized in the Director's Deferred Fee Agreement.

0.2 LIMITATION ON STOCK DEFERRED FEES. (a) A Director cannot elect to credit more than \$10,000 of Director's Fees each Plan Year to the Director's Stock Deferred Fee Account. The \$10,000 limit shall apply to the Plan Year beginning February 1, 1997 and ending December 31, 1997, and each subsequent Plan Year beginning on January 1 thereafter. The \$10,000 limit shall not apply to dividends credited to the Director's Stock Deferred Fee Account under section 6.1(b).

(b) In the event that a Director or Directors elect to defer Director's Fees in the form of Shares and the total number of Shares to be credited to all Directors' Stock Deferred Fee Accounts at such time exceeds the number of shares

of Common Stock then available under the Plan, the number of Shares credited to each Director's Stock Deferred Fee Account shall be reduced on a pro rata basis and the remaining Director's Fees shall be credited to the Director's Cash Deferred Fee Account. The excess Director's Fees credited to the Director's Cash Deferred Fee Account cannot thereafter be transferred to the Director's Stock Deferred Fee Account.

(c) There is no limit on the amount of Director's Fees that can be credited to the Director's Cash Deferred Fee Account.

0.3 CREDITING TO DEFERRED FEE ACCOUNTS. (a) When a Director elects under section 3.1(c) to have Director's Fees credited to his or her Cash Deferred Fee Account, the Director's Cash Deferred Fee Account shall be credited with the amount of such Director's Fees as of the day such Director's Fees would have been paid to the Director were they not deferred under the Plan.

(b) When a Director elects under section 3.1(c) to have Director's Fees credited to his or her Stock Deferred Fee Account, the Director's Stock Deferred Fee Account shall be credited with a number of Shares as of the day such Director's Fees would have been paid to the Director were they not deferred under the Plan. Subject to sections 3.2(a) and 3.2(b), the number of Shares credited to the Stock Deferred Fee Account shall be the quotient of the amount of Director's Fees to be credited to the Stock Deferred Fee Account divided by the Fair Market Value of the Common Stock on such date.

0.4 MODIFICATION OR REVOCATION OF DEFERRAL. A Director may, on a prospective basis for future Quarterly Payment Periods, change the amount of Director's Fees to be deferred by executing a new Deferred Fee Agreement or revoke his or her election to defer Director's Fees by executing a written revocation to the Secretary of the Company, but no new Deferred Fee Agreement or revocation of an election to defer Director's Fees shall be effective in the Quarterly Payment Period in which it is executed.

0.5 MODIFICATION OF INVESTMENT DIRECTION. A Director may, on a prospective basis for future Director's Fees, modify his or her election regarding the Deferred Fee Accounts to which his or her deferred Director's Fees are credited, but no modification of such an election shall affect amounts previously deferred. Modifications must be made prior to the first day of the month of the Quarterly Payment Period for which such election is effective.

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ARTICLE IV

CHANGE IN CAPITAL STRUCTURE

0.1 CHANGE IN CAPITAL STRUCTURE. If the Company shall effect a subdivision or consolidation of shares or other capital readjustment, the payment of a stock dividend, or other increase or reduction of the number of shares of the Common

Stock outstanding, without receiving compensation therefore in money, services or property, then (i) the number, class, and per share price of shares of Common Stock credited to the Director's Stock Deferred Fee Account shall be appropriately adjusted in such a manner as to entitle the Director to receive upon distribution the same total number and class of shares as he would have received had the Director received the distribution of Common Stock under section 7.1 immediately prior to the event requiring the adjustment; and (ii) the number and class of shares then reserved for issuance under the Plan shall be adjusted by substituting for the total number and class of shares of Common Stock then reserved the number and class of shares of Common Stock that would have been received by the owner of an equal number of outstanding shares of each class of Common Stock as the result of the event requiring the adjustment.

ARTICLE V

INTEREST

0.1 INTEREST. Interest shall be credited to each Director's Cash Deferred Fee Account, as of the end of each quarter, at an annual rate determined pursuant to section 5.2. Interest shall be credited during each quarter that a Director has any amount credited to his or her Cash Deferred Fee Account under the Plan.

0.2 RATE OF INTEREST. Interest shall be credited during the Plan Year at a rate equal to the interest rate paid by the Bank on its certificates of deposit having a one-year maturity as of February 1 of that Plan Year for periods prior to January 1, 1998 and as of January 1 of that Plan Year for periods after December 31, 1997.

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ARTICLE VI

DIVIDENDS

0.1 CREDITING OF DIVIDENDS. (a) Each Director with shares credited to his or her Stock Deferred Fee Account on the record date of a dividend on the Common Stock shall be credited on the payment date of the dividend with an amount determined by the product of the number of Shares credited to the Director's Stock Deferred Fee Account on the dividend record date and the dividend per share on the Common Stock.

(b) If the Director is currently deferring all or a portion of his or her Director's Fees to the Director's Stock Deferred Fee Account, the Director's Stock Deferred Fee Account shall be credited on the dividend payment date with a number of Shares determined by dividing the amount of the dividends for the Director as determined under section 6.1(a) by the Fair Market Value of the Common Stock on the dividend payment date.

(c) If the Director is not currently deferring all or a portion of his or her Director's Fees to the Director's Stock Deferred Fee Account, the amount of dividends determined under section 6.1(a) shall be credited on the dividend payment date to the Director's Cash Deferred Fee Account.

ARTICLE VII

PAYMENT OF DEFERRED FEES

0.1 FORM OF PAYMENT OF DEFERRED FEES. A Director shall be entitled to receive a benefit equal to the amounts credited to his or her Deferred Fee Accounts at the time or times specified in such Director's Deferred Fee Agreement. Amounts credited to a Director's Cash Deferred Fee Account shall be paid in cash. Shares credited to a Director's Stock Deferred Fee Account shall be paid by the delivery by the Company of certificates representing a like number of the Common Stock.

0.2 TIMING OF PAYMENT OF DEFERRED FEES. (a) At the election of a Director, the amount credited to the Director's Cash Deferred Fee Account shall be paid in a lump sum or in installments in accordance with the terms of such Director's Deferred Fee Agreement. Amounts credited to a Director's Cash Deferred Fee Account shall bear interest at the rate specified in section 5.2 during the installment payout period.

(b) The Shares credited to the Director's Stock Deferred Fee Account shall be issued to the Director in a lump sum. The Director's Cash Deferred Fee Account shall be credited with dividends for Shares credited to a Director's Stock Deferred Fee Account from the date on which the Director ceases to be a Director until such lump sum payment is made.

(c) Notwithstanding the foregoing, no payment of Shares from a Director's Stock Deferred Fee Account shall be made until at least six months and one day that an individual ceases to be a Director. Furthermore, no payment of Shares from a Director's Stock Deferred Fee Account shall be made unless the Company may validly issue Common Stock at such time pursuant to all applicable rules and regulations, including but not limited to corporate law, securities law and stock exchange rules. If Common Stock may not be issued, subject to compliance with applicable securities laws requirements, the Fair Market Value of the Shares credited to a Director's Stock Deferred Fee Account shall be distributed in cash.

0.3 DEATH OF A DIRECTOR. If a Director dies with any amount credited to his or her Deferred Fee Accounts, then his or her Beneficiary shall be entitled to receive the entire amount in a lump sum in cash and/or shares of common stock, as appropriate. Such payment shall be made as soon as practicable after the end of the calendar quarter in which the Director's death occurred.

ARTICLE VIII

BENEFICIARIES

0.1 DESIGNATION OF BENEFICIARY. Each Director may designate from time to time any person or persons, natural or otherwise, as his or her Beneficiary or Beneficiaries to whom benefits under section 7.3 are to be paid if he or she dies while entitled to benefits. Each Beneficiary designation shall be made either in the Deferred Fee Agreement or on a form prescribed by the Secretary of the Company and shall be effective only when filed with the Secretary during the Director's lifetime. Each Beneficiary designation filed with the Secretary shall revoke all Beneficiary designations previously made by the Director. The revocation of a Beneficiary designation shall not require the consent of any designated Beneficiary.

ARTICLE IX

ADMINISTRATION

0.1 SHARES AVAILABLE UNDER THE PLAN. (a) As of the effective date of the Plan, 25,000 shares of Common Stock shall be available to be credited to the Directors' Stock Deferred Fee Accounts and issued under the Plan.

(b) The number of shares of Common Stock available for crediting to the Directors' Deferred Fee Accounts and issued under the Plan may be increased upon the approval of the Shareholders of the Company.

0.2 RIGHT TO AMEND OR TERMINATE THE PLAN. The Company may amend or terminate the Plan at any time in whole or in part. No amendment or termination of the Plan shall reduce any amounts credited to a Director's Deferred Fee Accounts, any amount owed to him or her as of the date of amendment or termination, or the amount of Interest accrued or number of Shares to be credited, as of such date, to his or her account.

0.3 NO FUNDING OBLIGATION. Obligations to pay any benefits under the Plan shall be unfunded and unsecured, and any payments under the Plan shall be made from the general assets of the Company or the Bank, as appropriate. The Company or the Bank, as appropriate, in its discretion, may set aside assets or purchase annuity or life insurance contracts to discharge all or part of the obligations under the Plan. The assets set aside or the annuity or life insurance contracts shall remain in the name of the Company or the Bank, as appropriate, and no trust shall be created by setting aside the assets or purchasing annuity or life insurance contracts. A Director's rights under the Plan are not assignable or transferable other than by will or the laws of descent and distribution, and such rights are exercisable during the Director's lifetime only by him or her, or by his or her guardian or legal representative.

0.4 APPLICABLE LAW. This Plan shall be construed and enforced in accordance with the laws of the District of Columbia, except to the extent superseded by federal law.

0.5 ADMINISTRATION AND INTERPRETATION. The President of the Company shall have the authority and responsibility to administer and interpret the Plan. Benefits due and owing to a Director or Beneficiary under the Plan shall be paid when due without any requirement that a claim for benefits be filed. However, any Director or Beneficiary who has not received the benefits to which he or she believes himself or herself entitled may file a written claim with the President, who shall act on the claim within thirty days, and such action on any such claim shall be conclusive.

0.6 EFFECTIVE DATE. This amended Plan shall become effective as of May 14, 1997 with respect to Directors of the Company and on the date the amended Plan is approved by Directors of the Bank with respect to its Directors.

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EXHIBIT A
DEFERRED FEE AGREEMENT

This Agreement between _____ (the "Company/Bank") and _____ (the "Director") is made the ___ day of _____, 19___, under the Riggs National Corporation and Riggs Bank, N.A. Deferred Compensation Plan for Directors (the "Plan").

1. DEFERRED FEE PLAN. The Director agrees to the terms and conditions of the Plan, a copy of which has been delivered to the Director and constitutes a part of this Agreement. Capitalized words and phrases in this Agreement shall have the meaning given to them in the Plan, unless the context clearly indicates otherwise.

2. ELECTION TO DEFER FEES. The Director authorizes and directs the Company/Bank to defer _____ [insert percentage or dollar amount] of the Director's Fees earned for the Quarterly Payment Period, beginning _____ 19__ and in each subsequent Quarterly Payment Period. The Director may at any time change this election on a prospective basis for Quarterly Payment Periods beginning after the date of such change or revocation by executing a new Deferred Fee Agreement; the Director may at any time revoke this election on a prospective basis for Quarterly Payment Periods beginning after the date of such revocation by delivering to the Secretary of the Company a written revocation of the election. No change or revocation shall be effective for the Quarterly Payment Period in which it is executed.

3. INVESTMENT OF DEFERRED FEES. The Director elects to have his or her deferred Director's Fees apportioned between the Cash and Stock Deferred Fee Accounts as follows: (circle appropriate percentages):

Cash Deferred Fee Account: 0% 25% 50% 75% 100%
 Stock Deferred Fee Account: 0% 25% 50% 75% 100%

4. FORM OF PAYMENT. (a) Cash Deferred Fees Account. The Director elects to receive the amount of Director's Fees credited to his or her Cash Deferred Fee Accounts pursuant to this Agreement in (check one):

- () a lump sum; or
- () substantially equal annual installments over a period of ___ years (not to exceed ten).

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Payments shall commence (check one):

- () _____, 19__; or
- () upon termination of service as director.

(b) Stock Deferred Fee Account. The Director shall receive the amount of Director's Fees credited to his or her Stock Deferred Fee Account in a lump sum no earlier than the date which is six (6) months and one day after the Director ceases to be a Director.

5. BENEFICIARY. The Director requests that, upon his or her death, any amounts remaining in his or her Deferred Fees Account be paid to the Beneficiary or Beneficiaries he or she has designated in this Agreement or in a Notice of Designation of Beneficiary filed with the Secretary of the Company. This designation revokes all prior beneficiary designations.

Beneficiary	Address	Percentage of Deferred Fees Account
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

 Witness Director

RIGGS NATIONAL CORPORATION
 RIGGS BANK N.A.

By: _____

Name: _____
Title: _____

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Exhibit 10.4

1998 Senior Executive Incentive Plan

General Information: For those senior executives whose performance is key to the organization, incentive awards will be determined based on two components: the financial performance of the Bank and a discretionary component based on the executive=s overall contribution to the Bank.

Plan Features: Financial Measurements (50% of Incentive):

ROA (50% weighting)

Net Income (30% weighting)

Fee Income (excluding security gains) (20% weighting)

Discretionary Component (50% of Incentive)

Plan Year: January 1, 1998 - December 31, 1998

Plan Management: Human Resources

1998 General Incentive Plan

General Information: The General Incentive Plan is based on the following factors:

Bank Financial Performance

Individual Performance

Grade Level (55 - 61)

Length of Participation in the Plan (prorated by months)

Plan Features: The Bank uses the following measurements to

evaluate financial performance:

ROA
Net Income
Fee Income (excluding security gains)

Plan Year: January 1, 1998 - December 31, 1998

Participants: Employees in grade 55 and above are included in one of the Bank's incentive plans. Those employees can either be exclusively a participant in the General Incentive Plan, exclusively in another incentive plan, or a combination of the plans.

An employees who joins Riggs or is promoted to a grade 55 or above during the period of performance is eligible, but his/her incentive share is prorated to reflect the number of full months he/she participates. Participation for a new plan participant starts on the first day of the first full month of employment.

Plan Management: Human Resources Division

Payout of Incentive: Incentive awards are a percentage of the participant's market rate of pay. Referring to the Range of Award table below, there is a percentage range relative to each grade and corresponding performance rating. For example, a grade 55 employee with a "4" rating could be eligible for an incentive between 4 - 16% of that employee's market rate. Awards increase as Bank performance increases.

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If the Bank meets its targeted budget goals, the participant could be eligible for an award at the minimum of the range, such as 4% of market rate for a grade 55 rated a "4". As the Bank continues to exceed its budget goals, the percentage of potential award increases. For example, if the Bank far exceeds its financial budget goals, the grade 55 employee with a "4" rating could be eligible for an award of 16% of that employee's market rate.

Payouts will be paid to eligible plan participants during the first quarter of 1999. To receive a payout, participants must be actively employed by the Bank on

the date of distribution, unless the participant has become totally disabled, deceased, or retired where the payout is prorated for the period of active employment.

Range of Award*

Grade	3 - Rating	4 - Rating	5 - Rating
55	3 - 12%	4 - 16%	5 - 20%
56	3 - 12%	4 - 16%	5 - 20%
57	4.5 - 18%	6 - 24%	7.5 - 30%

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Exhibit 10.5

1999 Senior Executive Incentive Plan

General Information: For those senior executives whose performance is key to the organization, incentive awards will be determined based on two components: the financial performance of the Bank and a discretionary component based on the executive's overall contribution to the Bank.

Plan Features: Financial Measurements (50% of Incentive):

ROA (50% weighting)

Net Income (30% weighting)

Fee Income (excluding security gains) (20% weighting)

Discretionary Component (50% of Incentive)

Plan Year: January 1, 1999 - December 31, 1999

Plan Management: Human Resources

1999 General Incentive Plan

General Information: The General Incentive Plan is based on the following

factors:

Bank Financial Performance
Individual Performance
Grade Level (55 - 61)
Length of Participation in the Plan (prorated by months)

Plan Features: The Bank uses the following measurements to evaluate financial performance:

ROA
Net Income
Fee Income (excluding security gains)

Plan Year: January 1, 1999 - December 31, 1999

Participants: Employees in grade 55 and above are included in one of the Bank's incentive plans. Those employees can either be exclusively a participant in the General Incentive Plan, exclusively in another incentive plan, or a combination of the plans.

An employee who joins Riggs or is promoted to a grade 55 or above during the period of performance is eligible, but his/her incentive share is prorated to reflect the number of full months he/she participates. Participation for a new plan participant starts on the first day of the first full month of employment.

Plan Management: Human Resources Division

Payout of Incentive: Incentive awards are a percentage of the participant's market rate of pay. Referring to the Range of Award table below, there is a percentage range relative to each grade and corresponding performance rating. For example, a grade 55 employee with a "4" rating could be eligible for an incentive between 4 - 16% of that employee's market rate. Awards increase as Bank performance increases.

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If the Bank meets its targeted budget goals, the participant could be eligible for an award at the minimum of the range, such as 4% of market rate for a grade 55 rated a "4". As the Bank continues to exceed its budget goals, the percentage of potential award increases. For example, if the Bank far exceeds its

financial budget goals, the grade 55 employee with a "4" rating could be eligible for an award of 16% of that employee's market rate.

Payouts will be paid to eligible plan participants during the first quarter of 2000. To receive a payout, participants must be actively employed by the Bank on the date of distribution, unless the participant has become totally disabled, deceased, or retired where the payout is prorated for the period of active employment.

Range of Award*

Grade	3 - Rating	4 - Rating	5 - Rating
55	3 - 12%	4 - 16%	5 - 20%
56	3 - 12%	4 - 16%	5 - 20%
57	4.5 - 18%	6 - 24%	7.5 - 30%
58	4.5 - 18%	6 - 24%	7.5 - 30%
59	4.5 - 18%	6 - 24%	7.5 - 30%
60	6 - 24%	8 - 32%	10 - 40%
61	6 - 24%	8 - 32%	10 - 40%

* The Bank's financial performance will determine the payout amount within each designated range

58	4.5 - 18%	6 - 24%	7.5 - 30%
59	4.5 - 18%	6 - 24%	7.5 - 30%
60	6 - 24%	8 - 32%	10 - 40%
61	6 - 24%	8 - 32%	10 - 40%

* The Bank=s financial performance will determine the payout amount within each designated range.

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Exhibit 10.6

RIGGS NATTONAL BANK
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective January 1, 1993,
Amended and Restated As of July 12, 1995

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RIGGS NATIONAL BANK
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Article I
Purpose, Effective Date

1.1 Purpose. The purpose of this Supplemental Executive Retirement Plan (the "Plan"), as established by Riggs National Corporation (the "Corporation") and initially effective as of January 1, 1993, and assumed by The Riggs National Bank of Washington, D.C. and its subsidiaries and affiliates (the "Bank") effective as of July 12, 1995, is to provide supplemental retirement benefits to certain key employees of the Corporation and the Bank. It is intended that the Plan will aid in retaining and attracting individuals of exceptional ability by providing them with these benefits.

1.2 Effective Date. This Restated Plan shall be effective as of July 12, 1995.

Article II

Definitions

For the purposes of this Plan, the following terms shall have the meanings indicated unless the context clearly indicates otherwise:

2.1 Administrative Committee. "Administrative Committee" means the Pension and Benefits Committee of The Riggs National Bank of Washington, D.C. or its successor committee as may be appointed by its Board to administer the Plan pursuant to Article VII.

2.2 Beneficiary. "Beneficiary" means the person, persons or entity as designated by the Participant, entitled under Article VI to receive any Plan benefits payable after the Participant's death.

2.3 Board. "Board" means the Board of Directors of The Riggs National Bank of Washington, D.C.

2.4 Cause. "Cause" means any act materially detrimental to the best interests of the Employer and that constitutes on the part of the Participant personal dishonesty, willful misconduct in clear conflict with reasonable standards of employee conduct, breach of fiduciary duty involving personal profit, intentional failure to perform duties of the Participant's position, willful violation of law,, governmental rule or regulation (other than traffic violations or similar offenses) or final cease and desist order, or for any reason which would constitute grounds for removal from office by the appropriate Federal banking agencies under applicable law.

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2.5 Change of Control. "Change of Control" means a sale of substantially all of the Corporation's assets or the acquisition, whether directly, indirectly, beneficially (within the meaning of Rule 13d-3 of the Securities Act of 1933 (the "Act")), or of record, of securities of the corporation representing twenty-five percent (25%) or more in the aggregate voting power of the Corporation's then-outstanding Common Stock by any "person" (within the meaning of Sections 13(d) and 14(d) of the Act), including any corporation or group of associated persons acting in concert, other than (i) the Corporation or its subsidiaries and/or (ii) any employee pension benefit plan (within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended (11ERISA11)) of the Corporation or of its subsidiaries, including a trust established pursuant to any such plan; provided, that a Change of Control will not result from (A) a transfer of the corporation's voting securities by a

person who is the beneficial owner, directly or indirectly, of twenty-five percent (25%) or more of the voting securities of the Corporation (a 1125 Percent owner") to (i) a member of such 25 Percent Owner's immediate family (within the meaning of Rule 16a-1(e) of the Act) either during such 25 Percent owner's lifetime or by will or the laws of descent and distribution; (ii) any trust as to which the 25 Percent owner or a member (or members) of 25 Percent owner's immediate family (within the meaning of Rule 16a-1(e) of the Act) is the beneficiary; (iii) any trust as to which the 25 Percent Owner is the settlor with sole power to revoke; or (iv) any entity over which such 25 Percent owner has the power, directly or indirectly, to direct or cause the direction of the management and policies of the entity, whether through the ownership of voting securities, by contract, or otherwise; or (v) any charitable trust, foundation or corporation under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is funded by the 25 Percent Owner; or (B) the acquisition of voting securities of the Corporation by either (i) a person who was a 25 Percent Owner on the effective date of the Plan or (ii) a person, trust or other entity described in the foregoing clauses (A) (i)-(v) of this subsection.

2.6 Compensation Committee. "Compensation Committee" means the compensation committee of the Bank.

2.7 "Designated Participant". "Designated Participant" means a Participant who occupies one of the following positions or whose Participation Agreement states that he is a Designated Participant:

Chairman of the Board of Riggs National Corporation or The Riggs National Bank of Washington, D.C. President, Riggs National Corporation President, The Riggs National Bank of Washington, D.C.

The following personnel of The Riggs National Bank of Washington, D.C.:

Chief Credit officer
Chief Financial officer

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Chief Technology officer General Counsel Head of Retail Banking Head of Risk Management Head of Special Assets Head of Financial Services Head of Human Resources Head of Relationship Banking Head of Marketing Head of communications Head of CRA/Fair Lending

An employee who is a Designated Participant at any time during the six-month period preceding the date of the public announcement of a Change of Control shall continue to be treated as a Designated Participant for purposes of Sections 5.2(c) and 10.5, notwithstanding any change in his employment status or

the terms and conditions of his employment during such period.

2.8 Disability. "Disability" in the case of a Participant covered by a long-term disability plan maintained by the Employer shall mean that the Participant has a disability qualifying for benefits under the long-term disability plan covering such Participant. In the case of a Participant not covered by a longterm disability plan maintained by the Employer, "Disability" shall mean the Participant is unable as a result of medically diagnosed disease, or injury, to perform the duties of the position which he or she occupies with the Employer. For purposes of the preceding sentence, any Disability which begins within twenty-four (24) months of the date of the Participant's commencement of employment for the Employer will not be determined to be a disability if it is caused, contributed to by, or results from a pre-existing condition. A pre-existing condition means any sickness or injury for which the Participant has received medical treatment, consultation, care or services, including diagnostic measures, or for which the Participant has taken prescribed drugs or medicines within a twelve (12) month period prior to the date of the Participant's commencement of employment. In no event shall a Participant be treated as having a Disability if such disability results from a self-inflicted injury, participation in a felony or service in the armed forces of any country. The Administrative Committee shall determine the existence of a Disability and may rely on advice from a medical examiner satisfactory to the Administrative Committee in making the determination.

2.9 Eligible Employee. "Eligible Employee" means a key employee of the Corporation or the Bank holding the title of senior vice-president or a more senior title and who, if his or her first day of employment with an Employer based on his or her most recent date of hire with an Employer, is on or after December 1, 1992, has reached the first anniversary of his or her

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first day of employment.

2.10 Employer. "Employer" means the Corporation and the Bank, as the case may be.

2.11 Joint Annuitant. "Joint Annuitant" means the person designated as such by the Participant in this Plan under the joint and survivor life form of payment.

2.12 Participant. "Participant" means any Employee who has been made eligible pursuant to Article III to participate in this Plan, and who has not yet received all of the benefits to which he is entitled hereunder.

2.13 Participation Agreement. "Participation Agreement" means the

agreement provided by the Compensation Committee (or its predecessor) and agreed to by a Participant which entitles the Participant to participate in the Plan.

2.14 Supplemental Retirement Benefit. "Supplemental Retirement Benefit" means the benefit stated in the Participation Agreement and payable under Article V of this Plan.

2.15 Termination for Good Reason. "Termination for Good Reason" shall mean a voluntary termination by the Participant within six months of the date (i) the Employer has notified the Participant that the Participant has been transferred to a position with a permanent regular place of employment more than twenty-five (25) miles from the Participant's prior permanent regular place of employment, (ii) a material reduction by the Employer in the Participant's base rate of pay, or (iii) the Employer, without the consent of the Participant, implements a change in Participant's duties or responsibilities in the nature of a demotion. Reducing a Participant's title to below senior vice president (or equivalent title) shall in all cases be treated as a change in duties in the nature of a demotion.

2.16 Years of Participation. "Years of Participation" means the number of complete years of service by the Participant with the Employer beginning on the date the Participant's participation in this Plan commences and ending on the earlier of (i) the date the Participant terminates employment with the Employer or (ii) as provided in Section 5.2(f), the date the Participant ceases to be an Eligible Employee. A Participant who has incurred a Disability shall continue to receive years of service during the period of such Disability for purposes of determining his or her "Years of Participation."

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Article III

Eligibility and Participation

3.1 Eligibility. Eligibility to participate in the Plan shall be limited to those Eligible Employees who are designated by management, from time to time, and approved by the Compensation Committee.

3.2 Participation. The effective date of an Eligible Employee's participation in the Plan shall be the date specified in the Participation Agreement provided to the Employee by the Compensation Committee (or its predecessor). An Eligible Employee shall become a Participant only if he or she has executed the Participation Agreement and taken all other action required by the Compensation Committee and the Administrative Committee to commence participation.

Article IV

Death Benefits

4.1 Pre-Termination Death Benefit. If prior to the commencement date of a Participant's Supplemental Retirement Benefit under Article V, a Participant dies while employed by an Employer or during a period of Disability for which the Participant continues to receive Years of Participation, the Corporation shall pay a death benefit to the Participant's Beneficiary. The pre-termination death benefit shall be payable monthly in equal payments of one-twelfth the annual amount of the Participant's Supplemental Retirement Benefit. The pre termination death benefit shall be payable to the Participant's Beneficiary for a term certain of fifteen (15) years and shall commence as soon as practical after death of the Participant, but in no event later than ninety (90) days after the Administrative Committee receives notice of the Participant's death.

4.2 Post-Termination Death Benefit. If a Participant with a vested interest in his or her Supplemental Retirement Benefit dies following termination of employment from the Employer, prior to the commencement date of his or her benefit under Article V and with a surviving Beneficiary on the date the Participant would have attained age sixty-two (62), the Corporation shall pay a post-termination death benefit to the Participant's Beneficiary. The annual amount of the post-termination death benefit is fifty percent (50%) of the Participant's vested percentage of the annual amount of the Participant's Supplemental Retirement Benefit (i.e., one-half the vested Supplemental Retirement Benefit). The post-termination death benefit shall be made in equal monthly payments of one-twelfth the annual amount. The post-termination death benefit shall be payable to the Participant's Beneficiary commencing on the first day of the month following the date on which the Participant would have attained age sixty-two (62) and ending on the earlier of the

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Beneficiary's death or the payment of fifteen (15) years of payments. If a Participant designates more than one person as a Beneficiary to share in his or her post-termination death benefit, each person shall be treated as the Beneficiary of that percentage of the post-termination death benefit as is designated by the Participant and must survive until the Participant would have attained age sixty-two (62) to receive the portion of the post-termination death benefit for which such person is designated as Beneficiary. Any portion of the post-termination benefit not payable to a Beneficiary as a result of such Beneficiary's failure to survive until the Participant would have attained age sixty-two (62) or failure to survive the fifteen (15) year payment period shall not be payable to any other Beneficiary.

Article V

Supplemental Retirement Benefits

5.1 Supplemental Retirement Benefit. If a Participant terminates employment with Employer prior to Disability or death, the Participant shall receive the vested portion of the Supplemental Retirement Benefit provided for in the Participant's Participation Agreement, payable as provided for in Section 5.3. The amount of the Participant's Supplemental Retirement Benefit shall be specified by the Compensation Committee in the Participant's Participation Agreement.

5.2 Vesting of Benefits.

a. Vesting Schedule for Initial Participants. Except as provided herein or within the Participant's Participation Agreement, Participants whose effective date of participation is January 1, 1993 shall become vested in the benefits provided under this Plan based upon Years of Participation in the following manner:

Years of ParticiT)ation	Vested Percentage
Less than 5	0%
5 but less than 6	50%
6 but less than 7	60%
7 but less than 8	70%
8 but less than 9	80%
9 but less than 10	90%
10 or more	100%

b. Vesting Schedule for Other Participants. Except as provided herein or within the Participant's Participation Agreement, Participants whose effective date of participation is after January 1, 1993 shall become vested in benefits provided under this Plan based upon Years of Participation in the following manner:

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Years of Participation	Vested Percentage
Less than 10	0%
10 or more	100%

C. vesting of Designated Participants in Connection With Change of Control. Notwithstanding subparagraphs a. and b. above, (i) in the event of a Designated Participant's termination of employment from the Employer occurring within the 6-month period before or after the date of the public announcement of a Change of Control as a result of either a termination by the Employer without Cause or a Termination for Good Reason by the Employee, or (ii) in the event of a Change of Control, the Designated Participant shall be 100% vested in his entire Supplemental Retirement Benefit. For purposes of this Section 5.2(c), a termination shall be deemed to occur within the 6-month period specified in the preceding sentence if the Employee is notified of his termination during such

period, even if his employment terminates after the end of such period.

d. Vesting of Certain-Terminated Participants in Connection With Change of Control. Notwithstanding subparagraphs a. and b. above, in the event of a Participant's termination of employment from the Employer occurring within the one-year period after a Change of Control as a result of either (i) a termination by the Employer without Cause, or (ii) a Termination for Good Reason by the Employee, the Participant shall be 100% vested in his entire Supplemental Retirement Benefit. For purposes of this subparagraph, a termination of a Participant's employment by the Employer made within the 6-month period prior to a Change of control shall be treated as occurring on the date of such Change of Control.

e. Vesting Upon Death. Notwithstanding subparagraphs a. and b., above, in the event of the Participant's termination of employment with an Employer due to the Participant's death, the Participant shall be 100% vested in the pre termination death benefit as stated in Paragraph 4.1, above.

f. Change in Subsidiary. In the event a Participant is employed by an entity which is not (or ceases to be) an Employer under the terms of the Plan, the Participant shall be treated as continuing in employment with an Employer while employed by such entity.

9. Demotion. In the event a Participant remains employed by the Employer, but ceases to hold the title of senior vice president (or equivalent title) or higher, the Participant shall cease to receive Years of Participation during the period the Participant fails to hold such title, unless the Compensation Committee, in its discretion, determines

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otherwise.

h. Accelerated Vesting. Notwithstanding any provision of this Plan to the contrary, the Compensation Committee may, in its sole discretion, accelerate the vesting of benefits for any Participant.

5.3 Form and Timing of Payment. The vested percentage of the Supplemental Retirement Benefit specified in a Participant's Participation Agreement- is the annual amount paid for the life of the Participant,*but for no more than fifteen (15) years. The annual benefit shall be paid in monthly installments of onetwelfth of the annual benefit and shall commence as soon as practicable after the later of Participant's termination of employment from an Employer or attainment of age sixty-two (62), but not later than ninety (90) days after all information necessary to calculate the benefit amount has been received by Employer. All payments shall be made as of first day of the month. If the Participant elects to receive his or her vested benefit amount in unreduced form as described in this paragraph, benefits are paid to the Participant for up to fifteen (15) years and, in the event of the Participant's death before fifteen

(15) years of benefit payments, no further benefits will be paid.

The Participant may request benefits to be paid in reduced form through a joint and survivor life type of payment. Any such request must comply with any rules or regulations adopted by the Administrative Committee. such rules and regulations may include deadlines for electing or changing a Participant request for payment in the joint and survivor type. Under the joint and survivor type of payment, the Participant shall receive a benefit of seventy-five percent (75%) of his or her vested Supplemental Retirement Benefit amount for his or her life, but not more than fifteen (15) years. In the event of the Participant's death before fifteen (15) years of benefit payments, the Participant's Joint Annuitant, if then living, shall receive a monthly benefit of fifty percent (50%) of the Participant's vested benefit until the earlier of the Joint Annuitant's death or payment of benefits for a period equal to fifteen (15) years reduced by the number of years of payments to the Participant.

For example, if a Participant's total vested benefit is \$10,000 per year and the Participant elects to receive a joint and survivor life type of payment, the Participant would receive \$7,500 per year for life or fifteen (15) years, whichever comes first. If the Participant dies prior to receipt of fifteen (15) years of payments, the Participant's Joint Annuitant, if Surviving, would receive \$5,000 per year, until the end of the earlier of the remaining portion of the fifteen (15) years or the Joint Annuitant's death.

For purposes of commencement of benefits, a Participant who

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is 100% vested and remains employed by an Employer after age 62, but for less than 60 hours per month, shall be treated as having terminated employment. A Participant who is receiving Supplemental Retirement Benefits and who is rehired by an Employer and/or who performs more than 60 hours of service per month shall at the discretion of the Administrative Committee have his or her benefit payments suspended. Unless the Administrative Committee determines otherwise at the time it determines to suspend a benefit payment, any payments suspended shall not reduce the total payments to which the Participant or his or her Beneficiary is entitled to receive from the Corporation under this Plan.

5.4 Disabled Participant. A Participant with a Disability shall be eligible to elect to commence the vested percentage of his or her Supplemental Retirement Benefit on the later of (i) attainment of age sixty-two (62), or (ii) the first day of the month following the month during which the Participant attains a more than a zero percent vested interest in his or her Supplemental Retirement Benefit. If the Participant elects to commence benefits prior to the date the Participant has attained a one-hundred percent (100%) vested interest,

the Participant shall be treated as no longer having a Disability and shall receive no additional Years of Participation service.

Article VI

Beneficiary Designation

6.1 Beneficiary Designation. Each Participant shall have the right to designate one (1) or more persons as Beneficiary (both primary as well as secondary) to whom death benefits under Article IV of this Plan shall be paid in the event of a Participant's death. Each Beneficiary designation shall be in a written form prescribed by the Administrative Committee and shall be effective only when filed with the Administrative Committee during the Participant's lifetime.

6.2 Changing Beneficiary. Any Beneficiary designation may be changed by a Participant without the consent of the previously named Beneficiary by the filing of a new Beneficiary designation with the Administrative committee. The filing of a new designation shall cancel all designations previously filed.

6.3 No Beneficiary Designation. If any Participant fails to designate a Beneficiary in the manner provided above, or if the designation is void, the Participant's beneficiary shall be the person in the first of the following classes in which there is a survivor:

(a) The Participant's surviving spouse.

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(b) The Participant's children in equal shares, except that if any of the children predeceases the Participant but leaves issue surviving, then such issue shall take the right of representation the share the deceased child would have taken if living.

(c) The personal representative of the Participant's or Beneficiary's estate, as the case may be.

6.4 Effect of Payment. Payment to the Beneficiary shall completely discharge the Employer's obligations under this Plan.

Article VII

Administration

7.1 Committee. The Plan shall be administered by the Administrative Committee, which shall be appointed by the Board. The initial Administrative Committee shall be the same as the Pension and Benefits Committee of The Riggs National Bank of Washington, D.C. (or its successor) and shall continue to serve

in this capacity until such time that it is replaced by its Board. A majority vote of the Administrative Committee members shall control any decision. Members of the Administrative Committee may be Participants under this Plan, provided that no member of such Administrative Committee shall act on any matter directly affecting such member's benefit entitlements under the

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Plan.

7.2 Duties.. The Administrative Committee shall have the authority to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of the Plan and decide or resolve any and all questions, including interpretations of the Plan, as may arise in such administration. Such authority includes, but is not limited to, the authority to interpret and decide all questions involving a Participant's vested interest in his or her Supplemental Retirement Benefit under Section 5.2.

7.3 Agents. The Administrative Committee may, from time to time, employ agents and delegate to them such administrative duties as it sees fit, and may from time to time consult with counsel who may be counsel to the Employer.

7.4 Binding Effect of Decisions. The decision or action of the Administrative Committee with respect to any question arising out of or in connection with the administration, interpretation and application of the Plan and the rules and regulations promulgated hereunder shall be final, conclusive and binding upon all persons having any interest in the Plan.

Article VIII

Claims Procedure

8.1 Claim. Any person or entity claiming a benefit, requesting an interpretation or ruling under the Plan, or requesting information under the Plan (hereinafter referred to as "Claimant") shall present the request in writing to the Administrative Committee, which shall respond in writing as soon as practicable.

8.2 Denial of Claim. If the claim or request is denied, the written notice of denial shall state:

(a) The reason for denial, with specific reference to the Plan provisions on which the denial is based;

(b) A description of any additional material or information required and an explanation of why it is necessary; and

(c) An explanation of the Plan's claims review procedures.

8.3 Review of Claim. Any Claimant whose claim or request is denied or who has not received a response within sixty (60) days may request a review by notice given in writing to the Administrative Committee. Such request must be made within sixty (60) days after receipt by the Claimant of the written notice of

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denial, or in the event Claimant has not received a response sixty (60) days after receipt by the Administrative Committee of Claimant's claim or request. The claim or request shall be reviewed by the Administrative Committee which may, but shall not be required to, grant the Claimant a hearing. on review, the Claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

8.4 Final Decision. The decision on review shall normally be made within sixty (60) days after the Administrative Committee's receipt of Claimant's claim or request. If an extension of time is required for a hearing or other special circumstances, the Claimant shall be notified and the time limit shall be one hundred twenty (120) days. The decision shall be in writing and shall state the reason and the relevant Plan provisions. All decisions on review shall be final and bind all parties concerned.

Article IX Termination, Suspension or Amendment

9.1 Termination, Suspension or Amendment of Plan. The Board may, in its sole discretion, terminate or suspend the Plan at any time, in whole or in part. The Board may amend the Plan at any time. Any amendment may provide different benefits or amounts of benefits from those herein set forth. However, no such termination, suspension or amendment (including an amendment to a Participant's Participation Agreement) shall reduce or adversely affect benefits in pay status or the Supplemental Retirement Benefit in which the Participant has vested under any provision of Article 5. in connection with the termination of the Plan, the Board may, in its sole discretion, accelerate vesting in some or all Supplemental Retirement Benefits provided for in the Participation Agreements in effect prior to the date of the termination and/or accelerate payment of some or all benefits due under the Plan. If the Board elects to accelerate payments due under the Plan, the lump-sum present value of benefits due to a Participant under the Plan shall be determined by an actuary selected by the Board, which actuary shall apply reasonable actuarial assumptions. Payment by the Corporation to the Participant of the lump-sum present value determined by the actuary shall discharge the Corporation from any further liability to the Participant under the Plan.

Article X Miscellaneous

10.1 Unfunded Plan. This Plan is intended to be an unfunded plan maintained primarily to provide deferred compensation benefits for a select group of "management or highly compensated employees" within the meaning of Sections 201, 301, and 401 of ERISA, and therefore is exempt from the provisions of

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Parts 2, 3 and 4 of Title I of ERISA. Accordingly, to the extent necessary, the Board may remove certain employees as Participants if it is determined by the United States Department of Labor, a court of competent jurisdiction, or an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA (as currently in effect or hereafter amended) which is not so exempt.

10.2 Exclusions; Misrepresentation. No benefit shall be paid to a Participant's Beneficiary if the Participant's death occurs as a result of injuries received from participation in a felony, as a result of attempted or actual suicide or as a result of injuries received while serving in the armed forces of any country. The Administrative Committee may also deny payment if the Participant has made a material misrepresentation in any form or document provided by the Participant to or for the benefit of the Corporation. A material misrepresentation includes, but is not limited to, any statement or representation to an insurance company from which an Employer purchases one or more contracts as an investment in order to assist in meeting its contractual promises under this Plan and which misrepresentation results in the failure or refusal of such insurer to honor the terms of or pay the death benefit due under such contract(s).

10.3 Sole Obligation of the Employer. The obligation to make benefit payments to any Participant under the Plan shall be an obligation solely of the Employer and its successors and assigns, and shall not be an obligation of any other person.

10.4 Unsecured General Creditor. Except as provided in Section 10.5, Participants and Beneficiaries shall be unsecured general creditors, with no secured or preferential right to any assets of any Employer or any other party for payment of benefits under this Plan. Any property held by an Employer for the purpose of generating the cash flow for benefit payments shall remain its general, unpledged and unrestricted assets. An Employer's obligation under the Plan shall be an unfunded and unsecured promise to pay money in the future.

10.5 Trust. The Employer shall be responsible for the payment of all benefits provided under the Plan. At its discretion, an Employer may establish (or jointly establish) one (1) or more trusts, with such trustees as the Compensation Committee may approve, for the purpose of providing for the payment of such benefits. Whether such trust is revocable or irrevocable, its assets

shall be held for payment of all the general creditors of the Employer in the event of bankruptcy or insolvency. To the extent any benefits provided under the Plan are paid from any such trust, the Employer shall have no further obligation to pay that portion of the benefit due. If not paid from the trust, such benefits shall remain the obligation of the Employer. Notwithstanding any provision of the Plan to the

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contrary, upon a Change of Control, each Employer shall, as soon as possible, but in no event later than 30 days following the change of Control, make irrevocable contributions to the trust, in cash or property of any kind, in an amount that is sufficient (taking into account the then current value of any other assets held in such trust) to pay each Designated Participant (and Beneficiary) the benefits in which each Designated Participant (and Beneficiary) is vested pursuant to Article 5 of the Plan on the day after the Change of Control has occurred.

10.6 Nonassignability. Neither a Participant, a Beneficiary nor any other person shall have any right to commute, sell, assign, transfer, pledge, anticipate, mortgage or otherwise encumber, transfer, hypothecate or convey in advance of actual receipt the amounts, if any, payable hereunder, or any part thereof, which are, and all rights to which are, expressly declared to be unassignable and nontransferable. No part of the amounts payable shall, prior to actual payment, be subject to seizure or sequestration for the payment of any debts, judgments, alimony or separate maintenance owed by a Participant, a Beneficiary or any other person, nor be transferable by operation of law in the event of a Participant's, a Beneficiary's or any other person's bankruptcy or insolvency.

10.7 Not a Contract of Employment. This Plan shall not constitute a contract of employment between Employer and the Participant. Nothing in this Plan shall give a Participant the right to be retained in the service of Employer or to interfere with the right of Employer to discipline or discharge a Participant at any time.

10.8 Protective Provisions. A Participant shall cooperate with Employer by furnishing any and all information requested by Employer in order to facilitate the payment of benefits hereunder, and by taking such physical examinations as Employer may deem necessary and by taking such other' action as may be requested by Employer.

10.9 Governing Law. The provisions of this Plan shall be construed and interpreted according to the laws of the District of Columbia, except as preempted by federal law.

10.10 Validity. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the

remaining parts hereof, but this Plan shall be construed and enforced as if such illegal and invalid provision had never been inserted herein. In the event that the Employer shall be prevented from making payment of benefits under this Plan as a result of any law, regulation or other governmental action, the Corporation, the Employer, the Administrative Committee, the Compensation Committee, and the employees and officers of each shall have no liability to any

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Participant or Beneficiary for any payments due under the Plan.

10.11 Notice. Any notice or filing required or permitted under the Plan shall be sufficient if in writing and hand delivered or sent by registered or certified mail. Such notice shall be deemed given as of the date of delivery or, if delivery is made by mail, as of the date shown on the postmark on the receipt for registration or certification. Mailed notices shall be directed to the following addresses:

(a) If to the Bank, to:

The Riggs National Bank of Washington, D.C.
P.O. Box 1912
4th Floor, Human Resources
Washington, D.C. 20074
Attention: Director of Human Resources of
The Riggs National Bank of Washington, D.C.

(b) If to Participant or a Beneficiary, to:

The Participant or Beneficiary at the last known address contained in the records of Riggs' Human Resources department.

10-12 Withholding Payroll Taxes. The Employer shall withhold from payments hereunder any taxes required to be withheld from such payments under local, state or federal law. A Beneficiary may, if then permitted under applicable law, elect not to have withholding of federal income tax pursuant to Section 3405(a)(2) of the Code, or any successor provision thereto.

10-13 Payment to Guardian. If a Plan benefit is payable to minor or a person declared incompetent or a person incapable of handling the disposition of property, the Administrative Committee may direct payment to the guardian, legal representative or person having the care and custody of such minor, incompetent or person. The Administrative Committee may require proof of incompetency, minority, incapacity or guardianship as it may deem appropriate prior to distribution. Such distribution shall completely discharge the Administrative Committee and the Employer from all liability with respect to such benefit.

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Trust Agreement

AGREEMENT, dated July 12, 1995 by and between Riggs National Corporation ("Corporation") and The Riggs National Bank of Washington, D.C. ("Bank"), each being a District of Columbia corporation having its principal office in Washington, D.C. (individually and collectively, the "Company"), as settlors, and The Riggs National Bank of Washington, D.C., as trustee (the "Trustee").

WHEREAS, the Riggs National Bank Supplemental Executive Retirement Plan and the Riggs National Bank Split Dollar Life Insurance and Supplemental Death Benefit Plan for Senior Executive Officers (each a "Plan") provide for the payment of benefits to certain present and former employees of the Company and to beneficiaries designated by such employees (each such employee, and after his death his beneficiary or each of his beneficiaries, are hereinafter referred to as "Participant").

WHEREAS, Company wishes to establish a trust (hereinafter called "Trust") and to contribute to the Trust assets that shall be held therein, subject to the claims of creditors of the Company and any of its subsidiaries or affiliates in the event of Insolvency of the Company or any of its subsidiaries and affiliates, as herein defined, until paid to Plan Participants and their beneficiaries in such manner and at such times as specified in each Plan;

WHEREAS, it is the intention of the parties that this Trust shall constitute an unfunded arrangement under the Internal Revenue Code of 1986, as amended (the "Code") and shall not affect the status of each Plan as an unfunded plan maintained for the purpose of providing deferred compensation or death benefits for a select group of management or highly compensated employees for purposes of Title I of the Employee Retirement Income Security Act of 1974, as amended; and

WHEREAS, it is the intention of Company to make contributions to the Trust to provide itself with a source of funds to assist it in meeting its liabilities under each Plan;

NOW, THEREFORE, the parties do hereby establish the Trust and agree that the Trust shall be comprised, held and disposed of as follows:

Section 1. Establishment of Trust

- (a) Bank hereby deposits \$100.00 with Trustee in trust, which shall become the principal of the Trust to be held, administered and disposed of by Trustee as provided in this Trust Agreement.
- (b) The Trust hereby established is revocable by the Bank; it shall become irrevocable upon a Change of Control, as defined herein.
- (c) The Trust is intended to be a grantor trust, of which Company (and, in the case of the Bank, its subsidiaries and affiliates) are the grantors, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Code, and shall be construed

accordingly.

- (d) The principal of the Trust, and any earnings thereon, shall be held separate and apart from other assets of Company and its subsidiaries and affiliates, and shall be used exclusively for the uses and purposes of Plan participants and general creditors as herein set forth. Plan participants and their beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under each Plan and this Trust Agreement shall be mere unsecured contractual rights of Plan participants and their beneficiaries against Company and its subsidiaries and affiliates. Any assets held by the Trust will be subject to the claims of general creditors of the Company and its subsidiaries and affiliates under federal and state law in the event of insolvency, as defined in Section 3 (a) herein.
- (e) Company, in its sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust with Trustee to augment the principal to be held, administered and disposed of by Trustee as provided in this Trust Agreement. Neither Trustee nor any Plan participant or beneficiary shall have any right to compel such additional deposits.
- (f) Notwithstanding subsection (e), upon a Change of Control, Company shall, as soon as possible, but in no event later than 30 days following the Change of Control, as defined herein, make irrevocable contributions, in cash or property of any kind, to the Trust in an amount that is sufficient (taking into account the then current value of any other assets held hereunder) to pay each Plan participant who is a Designated Participant of that Company (as defined in the Supplemental Executive Retirement Plan) or beneficiary the benefits to which such Designated Participants or their beneficiaries would be entitled pursuant to the terms of each Plan as of the day after the Change of Control occurred.

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Section 2. Payments to Plan Participants and Their Beneficiaries.

- (a) Bank shall deliver to Trustee a schedule (the "Payment Schedule") that indicates the amounts payable in respect of each Plan participant (and his or her beneficiaries), that provides a formula or other instructions acceptable to Trustee for determining the amounts so payable, the form in which such amount is to be paid (as provided for or available under each Plan),

and the time of commencement for payment of such amounts. Except as otherwise provided herein, Trustee shall make payments to the Plan participants and their beneficiaries in accordance with such Payment Schedule. The Trustee shall make provision for the reporting and withholding of any federal, state or local taxes that may be required to be withheld with respect to the payment of benefits pursuant to the terms of each Plan and shall pay amounts withheld to the appropriate taxing authorities or determine that such amounts have been reported, withheld and paid by Company.

- (b) The entitlement of a Plan participant or his or her beneficiaries to benefits under each Plan shall be determined by Company or such party as it shall designate under each Plan, and any claim for such benefits shall be considered and reviewed under the procedures set out in each Plan.
- (c) Company may make payment of benefits directly to Plan participants or their beneficiaries as they become due under the terms of each Plan. Company shall notify Trustee of its decision to make payment of benefits directly prior to the time amounts are payable to participants or their beneficiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of each Plan, Company shall make the balance of each such payment as it falls due. Trustee shall notify Company where principal and earnings are not sufficient.

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Section 3. Trustee Responsibility Regarding Payments To Trust Beneficiary When Company or Any of Its Subsidiaries or Affiliates is Insolvent.

- (a) Trustee shall cease payment of benefits to Plan participants and their beneficiaries if the Company or any of its subsidiaries or affiliates is Insolvent. Company or any of its subsidiaries or affiliates shall be considered "Insolvent" for purposes of this Trust Agreement if Company or any of its subsidiaries or affiliates (i) is unable to pay its debts as they become due, (ii) is subject to a pending proceeding as a debtor under the United States Bankruptcy Code, or (iii) is determined to be insolvent by any federal or state banking authority to which it is subject.
- (b) At all times during the continuance of this Trust, as provided in Section 1 (d) hereof, the principal and income of the Trust shall be

subject to claims of general creditors of Company and its subsidiaries and affiliates under federal and state law as set forth below.

- (1) The Board of Directors and the Chief Executive Officer of Bank shall have the duty to inform Trustee in writing of Insolvency of Company or any of its subsidiaries or affiliates. If a person claiming to be a creditor of Company alleges in writing to Trustee that Company or any of its subsidiaries or affiliates has become Insolvent, Trustee shall determine whether Company or any of its subsidiaries and affiliates is Insolvent and, pending such determination, Trustee shall discontinue payment of benefits to Plan participants or their beneficiaries.
- (2) Unless Trustee has actual knowledge of Insolvency of Company or any of its subsidiaries or affiliates, or has received notice from Company or a person claiming to be a creditor alleging that Company or any of its subsidiaries or affiliates is Insolvent, Trustee shall have no duty to inquire whether Company or any of its subsidiaries or affiliates is Insolvent. Trustee may in all events rely on such evidence concerning solvency of Company or any of its subsidiaries or affiliates as may be furnished to Trustee and that provides Trustee with a reasonable basis for making a determination concerning solvency of Company or any of its subsidiaries or affiliates.
- (3) If at any time Trustee has determined that Company or any of its subsidiaries or affiliates is Insolvent, Trustee shall discontinue payments to Plan participants or their beneficiaries and shall hold the assets of the Trust for the benefit of general creditors of Company or its subsidiaries or affiliates, as the case may be. Nothing in this Trust Agreement shall in any way diminish any rights of Plan participants or their beneficiaries to pursue their rights as general creditors of Company with respect to benefits due under each Plan or otherwise.
- (4) Trustee shall resume the payment of benefits to Plan participants or their beneficiaries in accordance with section 2 of this Trust Agreement only after Trustee has determined that Company or any of its subsidiaries or affiliates is not Insolvent (or is no longer Insolvent).
- (c) Provided that there are sufficient assets, if Trustee discontinues the payment of benefits from the Trust pursuant to Section 3 (b) hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of

all payments due to Plan participants or their beneficiaries under the terms of each Plan for the period of such discontinuance, less the aggregate amount of any payments made to Plan participants or their beneficiaries by Company in lieu of the payments provided for hereunder during any such period of discontinuance.

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Section 4. Payments to Company.

Except as provided in Section 3 hereof, after the Trust has become irrevocable, Company shall have no right or power to direct Trustee to return to Company or to divert to others any of the Trust assets before all payments of benefits has been made to Plan participants and their beneficiaries pursuant to the terms of each Plan.

Section 5. Investment Authority.

- (a) Trustee shall have, with respect to the Trust, power in its discretion to invest and reinvest in any property, real, personal or mixed, wherever situated, foreign or domestic, including, without limitation, common and preferred stocks (including stock of the Company), bonds, notes and debentures (including obligations of the Company); leaseholds; mortgages (including, without limitation, any collective or part interest in any bond and mortgage or note and mortgage); certificates of deposit; insurance policies and contracts; and oil, mineral or gas properties, royalties, interests or rights (including equipment pertaining thereto). All rights associated with assets of the Trust shall be exercised by Trustee or the person designated by Trustee, and shall in no event be exercisable by or rest with Plan participants, except that, with respect to Trust assets, voting rights will be exercised by, and dividend rights will rest with, the Bank; provided, however, that the investment authority exercised by the Trustee hereunder shall be subject to any written investment policy guidelines (which may include asset classes specified therein) delivered by the Bank to the Trustee.
- (b) Company shall have the right at any time, and from time to time in its sole discretion, to substitute assets of equal fair market value for any asset held by the Trust. This right is exercisable by Company in a nonfiduciary capacity without the

approval or consent of any person in a fiduciary capacity.

Section 6. Disposition of Income.

During the term of this Trust, all income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested.

Section 7. Accounting by Trustee.

Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between Company and Trustee. Trustee shall maintain separate accounts for each Plan and for each Participant of each such Plan; provided, however, that the maintenance of such separate accounts shall not affect the ability of the Trustee to invest Trust assets on a collective basis. Within 60 days following the close of each calendar year and within 60 days after the removal or resignation of Trustee, Trustee shall deliver to Company a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation, setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

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Section 8. Responsibility of Trustee.

- (a) Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval given by Company which is contemplated by, and in conformity with, the terms of each Plan or this Trust and is given in writing by Company. In the event of a dispute between Company and a party, Trustee may apply to a court of competent jurisdiction to resolve the dispute.
- (b) If Trustee undertakes or defends any litigation arising in connection with this Trust (other than any litigation resulting from the gross negligence or willful neglect of the Trustee), Company agrees to indemnify Trustee against Trustee's costs, expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. If Company does not pay such costs, expenses and liabilities in a reasonably timely

- manner, Trustee may obtain payment from the Trust.
- (c) Trustee may consult with legal counsel (who may also be counsel for Company generally) with respect to any of its duties or obligations hereunder.
 - (d) Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder and charge the reasonable fees and expenses of such persons against the assets of the Trust (unless paid by Company).
 - (e) Trustee shall have, without exclusion, all powers conferred on Trustees by applicable law, unless expressly provided otherwise herein, provided, however, that if an insurance policy is held as an asset of the Trust, Trustee shall have no power to name a beneficiary of the policy, other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against such policy.
 - (f) Notwithstanding the provisions of Section 8 (e) above, Trustee may loan to the Bank the proceeds of any borrowing against an insurance policy held as an asset of the Trust.
 - (g) Notwithstanding any powers granted to Trustee pursuant to this Trust Agreement or applicable law, Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.

Section 9. Compensation and Expenses of Trustee.

The Bank shall pay all administrative and Trustee's fees and expenses. If not so paid, the fees and expenses shall be paid from the Trust.

Section 10. Resignation and Removal of Trustee.

- (a) Trustee may resign at any time by written notice to the Bank, which shall be effective 60 days after receipt of such notice unless Company and Trustee agree otherwise.
- (b) Trustee may be removed by the Bank on 30 days notice or upon shorter notice accepted by Trustee.
- (c) Upon resignation or removal of Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within 60 days after receipt of notices of resignation, removal or transfer, unless Bank extends the time limit.
- (d) If Trustee resigns or is removed, a successor shall be appointed, in accordance with Section 11 hereof, by the effective date of resignation or removal under paragraphs (a) or (b) of this section. If

no such appointment has been made, Trustee may apply to a court of competent jurisdiction for appointment of a successor or for instructions. All expenses of Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

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Section 11. Appointment of Successor.

If Trustee resigns or is removed in accordance with Section 10 hereof, the Bank may appoint any third party, such as a bank trust department or other party that may be granted corporate trustee powers under state law, to replace Trustee upon resignation or removal. The appointment shall be effective when accepted in writing by the new Trustee, who shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust assets. The former Trustee shall execute any instrument necessary or reasonably requested by Bank or the successor Trustee to evidence the transfer.

Section 12. Amendment or Termination.

- (a) This Trust Agreement may be amended by a written instrument executed by Trustee and the Bank. Notwithstanding the foregoing, no such amendment shall conflict with the terms of each Plan or shall make the Trust revocable after it has become irrevocable in accordance with section 1 (b) hereof.
- (b) The Trust shall not terminate until the date on which Plan participants and their beneficiaries are no longer entitled to any benefits pursuant to the terms of each Plan unless sooner revoked in accordance with Section 1 (b) hereof. Upon termination of the Trust, any assets remaining in the Trust shall be returned to the Bank.

Section 13. Miscellaneous

- (a) Any provision of this Trust agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
- (b) Benefits payable to Plan participants and their beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.
- (c) This Trust Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, to the extent not preempted by federal law.

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- (d) For purposes of this Trust Agreement, "Change of Control" means a sale of substantially all of the Corporation's assets or the acquisition, whether directly, indirectly, beneficially (within the meaning of Rule 13d-3 of the Securities Act of 1933 (the "Act"), or of record, of securities of the Corporation representing twenty-five percent (25%) or more in the aggregate voting power of the Corporation's then-outstanding Common Stock by any "person" (within the meaning of Sections 13 (d) and 14 (d) of the Act), including any corporation or group of associated persons acting in concert, other than (i) the Corporation or its subsidiaries and/or (ii) any employee pension benefit plan (within the meaning of Section 3 (2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) of the Corporation or of its subsidiaries, including a trust established pursuant to any such plan; provided, that a Change of Control will not result from (A) a transfer of the Corporation's voting securities by a person who is the beneficial owner, directly or indirectly, of twenty-five percent (25%) or more of the voting securities of the Corporation (a "25 Percent Owner") to (i) a member of such 25 Percent Owner's immediate family (within the meaning of Rule 16a-1 (e) of the Act) either during such 25 Percent Owner's lifetime or by will or the laws of descent and distribution; (ii) any trust as to which the 25 Percent Owner or a member (or members) of 25 Percent Owner's immediate family (within the meaning of Rule 16a-1 (e) of the Act) is the beneficiary; (iii) any trust as to which the 25 Percent Owner is the settlor with sole power to revoke; or (iv) any entity over which such 25 Percent Owner has the power, directly or indirectly, to direct or cause the direction of the management and policies of the entity, whether through the ownership of voting securities, by contract, or otherwise; or (v) any charitable trust, foundation or corporation under Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is funded by the 25 Percent Owner; or (B) the acquisition of voting securities of the Corporation by either (i) a person who was a 25 Percent Owner on the effective date of the Plan or (ii) a person, trust or other entity described in the foregoing clauses (A) (i)-(v) of this subsection.
- (e) Any reference in this Trust to a subsidiary or affiliate of

Company shall not include any subsidiary or affiliate who has not at any time employed an individual who is a Participant (or beneficiary) in a Plan and who is or may be entitled to payment hereunder.

IN WITNESS WHEREOF, Riggs National Corporation and the The Riggs National Bank of Washington, D.C. have executed this Agreement of Trust as of the day and year first above written.

ATTEST: Riggs National Corporation
As Settlor

Dated: _____ BY: _____
Timothy C. Coughlin, President

ATTEST: THE RIGGS NATIONAL BANK
OF WASHINGTON, D.C.
As Settlor

Dated: _____ BY: _____
Timothy A. Lex, Executive Vice
President & Chief Operating
Officer

ATTEST: THE RIGGS NATIONAL BANK
OF WASHINGTON, D.C.
As Trustee

Dated: _____ BY: _____
John L. Davis, Executive Vice
President & Chief Financial
Officer

Exhibit 11

Riggs National Corporation
 Computation of Per Share Earnings
 (In thousands, except per share data)

<TABLE>
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	Years Ended December 31,		
	1998	1997	1996
	<C>	<C>	<C>
Basic Earnings Per Share:			
Net Income Available to Common Shareholders	\$38,185	\$40,129	\$55,193
Weighted-Average Shares Outstanding	30,603,384	30,422,822	30,317,572
Basic Earnings Per Share	\$ 1.25	\$ 1.32	\$ 1.82
Diluted Earnings Per Share:			
Net Income Available to Common Shareholders	\$38,185	\$40,129	\$55,193
Diluted Weighted-Average Shares Outstanding:			
Weighted-Average Shares Outstanding	30,603,384	30,422,822	30,317,572
Dilutive Effect of Stock Option Plans	1,032,096	1,164,568	547,492
Diluted Weighted-Average Shares Outstanding	31,635,480	31,587,390	30,865,064
Diluted Earnings Per Share	\$ 1.21	\$ 1.27	\$ 1.79

</TABLE>

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report included in this Form 10-K, into the Riggs National Corporation's previously filed registration statements, listed as follows:

Form ----	Registration Statement Number -----
S-8	333-50185
S-8	333-50181
S-3	333-26447, 333-26447-01
S-3	333-21297, 333-21297-01
S-8	333-14609
S-8	33-56485
S-8	33-52451
S-8	33-51711

/s/ ARTHUR ANDERSEN LLP

Washington, D.C.
March 26, 1999

POWER OF ATTORNEY

Know all men by these presents that each person whose signature appears below constitutes and appoints Joseph M. Cahill his true and lawful attorney in fact and with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign the Form 10-K for the Riggs National Corporation for the fiscal year ending December 31, 1998, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing required and necessary to be done in and about the premises, or fully to all intent and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ JOE L. ALLBRITTON ----- Joe L. Allbritton (Signature)	Chairman of the Board (Capacity)	January 25, 1999 ----- (Date)
/s/ ROBERT L. ALLBRITTON ----- Robert L. Allbritton (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ TIMOTHY C. COUGHLIN ----- Timothy C. Coughlin (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ JOHN M. FAHEY, JR. ----- John M. Fahey, Jr. (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ LAWRENCE I. HEBERT ----- Lawrence I. Hebert (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ STEVEN B. PFEIFFER ----- Steven B. Pfeiffer (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ JOHN E.V. ROSE ----- John E.V. Rose (Signature)	Director (Capacity)	January 20, 1999 ----- (Date)
/s/ ROBERT L. SLOAN	Vice Chairman of	January 20, 1999

Robert L. Sloan (Signature)

the Board
(Capacity)

(Date)

/s/ JACK VALENTI

Director

January 25, 1999

Jack Valenti (Signature)

(Capacity)

(Date)

/s/ EDDIE N. WILLIAMS

Director

January 20, 1999

Eddie N. Willliams (Signature)

(Capacity)

(Date)

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-K DATED DECEMBER 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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