



Office of the Comptroller of the Currency

Interpretations - Conditional Approval #204

Published in Interpretations and Actions June 1996

May 15, 1996

Mr. William H. Finlay, Counsel
CoreStates Financial Corp
FC 1-1-17-1
Post Office Box 7618
Philadelphia, Pennsylvania 19101-7618

Re: Proposal to merge Meridian Bank, Reading, Pennsylvania, with and into CoreStates Bank, National Association, Philadelphia, Pennsylvania, under the charter and title of the latter Application Control Number: 96-NE-02-0014

Dear Mr. Finlay:

This is to inform you that, on May 15, 1996, the Office of the Comptroller of the Currency (OCC) has granted approval for the proposed merger of Meridian Bank, Reading, Pennsylvania, with and into CoreStates Bank, National Association, Philadelphia, Pennsylvania ("CBNA"), under the charter and title of the latter.

This approval is subject to the following special condition:

- CBNA must comply with any decisions reached by the OCC Community Development Division regarding Meridian Community Partnership Development Corporation and must conform activities conducted by the subsidiary to comply with 12 C.F.R. 24 and other OCC guidelines on community development activities.

This approval is based on a through review of all information available, including representations made by you and your representatives in the applications, subsequent correspondence and telephone conversations. Based on these representations, it is understood that:

1. CBNA will not engage in any practices that may mislead the public as to the continuing existence of the merged banks as separate entities.
2. Prior to consummation, CBNA shall provide a revised CRA statement to the Regional Bank Supervision Unit, for review and acceptance.

Approval is also granted to CBNA's plans to acquire the following operating subsidiaries engaged in activities permissible for national banks:

- Meridian Community Partnership Development Corporation ("MCPDC") - engages in certain redevelopment efforts, through lending and permissible equity investments, which assist Meridian

PA in meeting its obligations under the CRA.

- Meridian Asset Acceptance Corp - an inactive subsidiary that was established to act as an issuer of various asset-backed securities backed by loans originated by Meridian PA and/or its affiliates. The OCC approves the acquisition of MAAC, based on the following representations you make in your May 6, 1996 letter: 1) MAAC is an inactive subsidiary that issues various securities backed by loans originated by Meridian PA and/or its subsidiaries; 2) activities conducted by MAAC are permissible for a national bank; and, 3) CBNA is not planning to conduct activities through MAAC, however, should these plans change, CBNA will notify the OCC prior to conducting any activities. Before MAAC can commence any activities, the OCC must review and have no objections to the proposed activities.
- Meridian Leasing, Inc., - engages in leasing office and business equipment.
- Callowhill Consumer Discount Company - engages in indirect automobile lending.

Also approval of the merger is granted subject to the following standard conditions:

1. If the merger is not consummated within one year from this date, this approval automatically terminates unless the OCC has granted an extension.
2. The Northeastern District Office must be advised in writing at least 10 days in advance of the desired effective date for the merger so that the OCC may issue the necessary certification letter.
3. CBNA must receive any other required regulatory approvals prior to consummation.

We will not issue a letter certifying consummation of the transaction until we have received:

1. A Secretary's Certificate for each applicant institution, certifying that a majority of the board of directors has agreed to the proposed merger,
2. An executed merger agreement with articles of association for the resulting bank attached, and,
3. A Secretary's Certificate for each institution certifying that the required shareholder approvals have been obtained.

Please be advised that all conditions of this approval shall be deemed to be "conditions imposed in writing by the agency in connection with the granting of an application or other request" within the meaning of 12 U.S.C. 1818.

Any questions should be directed to Sandya Reddy, Corporate Analyst in the Northeastern District Office at (212) 790-4055.

Very truly yours,

/s/

WILLIAM P. REINHARDT

Director for Compliance and Bank Analysis