



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

Bank Organization and Structure, 3-8
250 E Street, S.W.
Washington, DC 20219

March 15, 1999

**Conditional Approval #306
April 1999**

Mr. Scott A. Cammarn
Assistant General Counsel
NationsBank, National Association
Legal Department
NC1-002-29-01
101 South Tryon Street
Charlotte, North Carolina 28255

Dear Mr. Cammarn:

Please be advised that, based upon the representations in your February 1, 1999 letter, the Office of the Comptroller of the Currency has granted a conditional approval of the Bank's application to receive a material noncash contribution to its surplus account and immediately thereafter reduce its outstanding capital.

As described in your letter, the Bank's sole shareholder, NB Holdings Corporation, will contribute to the Bank's surplus account all of the common stock of NationsCredit Commercial Corporation ("NationsCredit"). NationsCredit engages exclusively in commercial lending, factoring and other finance activities for which the Bank has previously received OCC approval to engage in through operating subsidiaries. The contribution will be valued at approximately \$5.0 billion. Immediately thereafter, the Bank will repurchase from NB Holdings Corporation 6,464,835 shares of the Bank's common stock. The repurchase will be valued at \$4.7 billion.

This approval is subject to the following conditions:

- 1) The Bank disposing or bringing into conformance any nonconforming assets, including nonconforming subsidiaries, owned by NationsCredit within two years of acquiring that company. Immediately prior to the acquisition, the Bank shall furnish the OCC's Examiner-in-Charge a list briefly identifying the nature of each nonconforming asset and its book value. Subsequent to the acquisition, the Bank shall make a semiannual report to the Examiner-in-Charge, detailing the progress made in disposing or conforming those assets.
- 2) The reduction in capital being effected subsequent to the acquisition of NationsCredit via the material noncash contribution described in your letter.

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

Upon completion of the reduction in capital, please execute and forward to this Office a certificate according to the enclosed format.

In the event of questions, I may be reached at (202) 874-5060.

Sincerely,

/s/

Richard T. Erb
Licensing Manager

99-ML-12-052

enclosure

cc: Examiner-in-Charge William McPherson