



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

July 15, 1997

Mr. David F. Freeman, Jr.
Arnold & Porter
555 Twelfth Street, N.W.
Washington, DC 20004-1202

Dear Mr. Freeman:

This letter responds to your correspondence dated June 4, 1997, requesting that PNC Bank Corp., Pittsburgh, Pennsylvania ("PNC"), be granted relief from a commitment PNC made in connection with its notice to engage in the operation of certain private investment limited partnerships ("Partnerships").

In April 1997, the Board approved a notice filed by PNC to establish a wholly owned nonbanking subsidiary, PNC GPI, Inc., Wilmington, Delaware ("Subsidiary"), to serve as general partner to Partnerships.^{1/} In its notice, PNC committed that Subsidiary would not permit Partnerships to enter into foreign exchange forward, futures, and options on futures contracts. PNC requests modification of this commitment to permit Partnerships to enter into foreign exchange forward contracts for the purpose of hedging foreign currency exposure related to Partnerships' investments in foreign securities that are denominated in a foreign currency.

Based on all the facts of record, including PNC's commitment that Partnerships will enter into foreign exchange forward contracts only for hedging purposes, the Director of Banking Supervision and Regulation, acting pursuant to authority delegated under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 C.F.R. § 265.7(a)(2)), has approved PNC's

^{1/} See Letter from Jennifer J. Johnson, Deputy Secretary of the Board, to David F. Freeman, Jr. (April 17, 1997).

request for relief. This approval does not grant PNC, Subsidiary, or Partnerships relief from any other conditions or commitments to which they may be subject.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long horizontal flourish extending to the right.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of Cleveland