



Office of the Comptroller of the Currency

Interpretations - Corporate Decision #96-34

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**DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE
APPLICATION OF NATIONSBANK OF TEXAS, NATIONAL ASSOCIATION,
DALLAS, TEXAS, TO PURCHASE CERTAIN OF THE ASSETS AND ASSUME
CERTAIN OF THE LIABILITIES OF BLUEBONNET SAVINGS BANK FSB,
DALLAS, TEXAS
DECISION**

Introduction

On May 16, 1996, application was made to the Office of the Comptroller of the Currency ("OCC") for prior authorization to purchase certain of the assets and assume certain of the liabilities of Bluebonnet Savings Bank FSB, Dallas, Texas (hereinafter, "Bluebonnet"), by NationsBank of Texas, N.A., Dallas, Texas (hereinafter, "NationsBank"). This application was based on an agreement entered into by the proponents on April 25, 1996.

Participating Financial Institutions

As of March 31, 1996, the twenty-one offices of Bluebonnet subject to the purchase and assumption agreement had total deposits of approximately \$992 million. On the same date, NationsBank had total deposits of approximately \$26 billion and operated 262 domestic banking offices. NationsBank is owned and controlled by NationsBank Corporation, Charlotte, North Carolina, a multi bank holding company.

Competitive Analysis

There are eight relevant geographic markets for this proposal: the communities of Abilene, Austin, Corpus Christie, San Antonio, El Paso, Odessa-Midland, Lufkin, and Lubbock. Each relevant geographic market consists of an area surrounding one or more of the branches to be acquired. These are the areas where the effect of this transaction on competition would be direct and immediate. While the proposed transaction would eliminate some direct competition in the relevant geographic markets, any adverse competitive effects would be mitigated by the presence of numerous other banking alternatives. Accordingly, consummation of this transaction would not have a significantly adverse effect on competition in any of the relevant geographic markets. Bluebonnet also operates offices in Big Springs, Plainview, and Sweetwater. However, NationsBank does not compete in these markets. Therefore,

consummation of this transaction would merely replace one competitor with another.

Banking Factors

The Bank Merger Act requires the OCC to consider ". . . the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of NationsBank and Bluebonnet do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the communities to be served. While some redundant branches may close as a result of this transaction, other branches will continue to serve the same neighborhoods. Thus, the branch closures should not significantly affect customer access to loan products and services.

Community Reinvestment Act

A review of the record of this application and other information available to the OCC as a result of its regulatory responsibilities has revealed no evidence that the applicants' records of helping to meet the credit needs of their communities, including low- and moderate-income neighborhoods, are less than satisfactory.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

/s/

Mark H. Krysl
Associate Deputy Comptroller

Dated: 06-24-96