



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

Southeastern District Office
One Marquis Tower, Suite 600
245 Peachtree Center Ave., N.E.
Atlanta, GA 30303

**Corporate Decision #97-11
March 1997**

DECISION

Introduction

On December 17, 1996, application was made to the Office of the Comptroller of the Currency for prior authorization for American National Bank, Union Springs, Alabama (hereinafter, ANB) to merge with First National Bank of Union Springs, Union Springs, Alabama (hereinafter, FNB). This application was based on an agreement finalized between the proponents on November 26, 1996.

The Financial Institutions Involved

As of September 30, 1996, ANB, a BIF-insured, national bank, had total deposits of \$33.8 million and operated 2 offices. As of the same date, the one office of FNB subject to the merger agreement had total deposits of \$38.7 million.

Competitive Analysis

The relevant geographic market for this proposal is the area including and immediately surrounding the community of Union Springs, the area where FNB receives the bulk of its deposits, and where competition between FNB and ANB is considered direct and immediate. This is an area with a population of approximately 4,000 persons. The OCC considers an area with such a small population to be economically insignificant from a competitive standpoint (See Decision of the Comptroller of the Currency on the application to merge The National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983). Therefore, since the market is not recognized as being economically significant, any anticompetitive effects resulting from the transaction are considered *de minimis*.

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 convenience and needs of the community to be served." We find that the financial and managerial resources of ANB and FNB do

not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable.

Convenience and Needs:

No branches will be closed as part of this transaction. While this transaction will have the effect of eliminating a potential competitor, it will result in a stronger bank, able to meet the needs of a wider range of customers, both business and retail customers. ANB will be able to offer a wider range of service and products to an increasingly diversified group of customers. It is therefore concluded that the resultant bank will meet the convenience and needs of the community to be served.

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, revealed no evidence that the applicants' record of helping to meet the credit needs of their communities, including low and moderate income neighborhoods, is 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 significantly lessen competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

_____/s/_____
William J. Abernathy, Jr.
Director for Compliance and Bank Analysis

2/13/97
Dated

Application Control Number: 96-SE-02-0053