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

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Southwestern District Office  
Analysis Division  
1600 Lincoln Plaza  
500 North Akard  
Dallas, Texas 75201-3394

**Corporate Decision #97-25  
May 1997**

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION OF TEXAS NATIONAL BANK, SWEETWATER, TEXAS TO PURCHASE THE ASSETS AND ASSUME THE LIABILITIES OF THE SWEETWATER, TEXAS BRANCH OF STATE NATIONAL BANK OF WEST TEXAS, LUBBOCK, TEXAS.

**DECISION**

**Introduction**

On March 10, 1997, application was made to the Office of the Comptroller of the Currency (OCC), pursuant to the Bank Merger Act, 12 U.S.C. 1828(c), for prior authorization for Texas National Bank, Sweetwater, Texas (TNB) to purchase the assets and assume the liabilities of the Sweetwater, Texas branch of State National Bank of West Texas, Lubbock, Texas (State National).

**The Financial Institutions Involved**

As of December 31, 1996, TNB, a wholly-owned subsidiary of Mesa Financial Corporation, Sweetwater, Texas, had total assets of \$40 million, total deposits of \$35 million and operated one office. On the same date, the target branch of State National had total deposits of \$25 million.

**Competitive Analysis**

The relevant geographic market for this proposal is the area including and surrounding the community of Sweetwater where both banks compete and where the Sweetwater branch of State National derives the bulk of its deposits. Within this market, seven banks compete for deposits of approximately \$260 million. TNB is the third largest depository institution with approximately twelve percent of the total deposits. State National ranks fourth in the market with approximately eleven percent of the deposits. As a result of this transaction, TNB would become the second largest depository institution with approximately twenty-three percent of the market's deposits. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any adverse effects would be mitigated by the presence of a number of other banking alternatives. In addition, a number of other financial institutions located on the periphery of the relevant geographic market serve as competitive alternatives. Therefore,

## DECISION

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consummation of this proposal would not have a significantly adverse effect on competition in the relevant geographic market.

### **Banking Factors**

The Bank Merger Act requires this Office 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 both institutions do not raise concerns that would cause the application to be disapproved. The future prospects of the combined entity are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served.

State National's Sweetwater, Texas branch premises will be acquired by TNB. However, the branch will be closed after an undetermined interim period of time (most likely within 90 days of consummation). Branch closing procedures will be utilized. Current customers of State National's Sweetwater, Texas branch will continue to be served by TNB's Sweetwater, Texas head office. No change in community services is planned.

### **Community Reinvestment Act (CRA)**

A review of the record of this application and other information available to this Office as a result of its regulatory responsibilities has revealed no evidence that the applicant's 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 to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not significantly lessen competition in the relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

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/s/

**Michael K. Hughes**  
**Licensing Manager**

**Date:** April 21, 1997  
**Control #:** 97-SW-02-0024