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Comptroller of the Currency  
Administrator of National Banks

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**Licensing Section (Applications)**

Western District Office  
50 Fremont Street, Suite 3900  
San Francisco, CA 94105-2292

**Corporate Decision #97-78**  
**September 1997**

**DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION OF  
ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH, TO PURCHASE CERTAIN  
ASSETS AND ASSUME CERTAIN LIABILITIES OF THE COALVILLE AND PRICE  
BRANCH OFFICES, LOCATED IN THE STATE OF UTAH, OF WELLS FARGO BANK,  
NATIONAL ASSOCIATION, SAN FRANCISCO, CALIFORNIA**

**DECISION**

**Introduction**

On May 9, 1997, application was made to the Office of the Comptroller of the Currency (OCC) for prior authorization for Zions First National Bank (Zions), Salt Lake City, Utah to purchase certain assets and assume certain liabilities of the Coalville, Utah and Price, Utah, Branch Offices of Wells Fargo Bank, National Association (Wells Fargo), San Francisco, California. This application was based on an agreement entered into between the proponents on March 5, 1997.

**Participating Financial Institutions**

As of March 31, 1997, Zions had total assets of \$5,565,763M and total deposits of \$3,237,929M and operated one hundred and five branch offices. As of the same date, the Coalville, and Price Branch Offices had aggregate total deposits of \$47,227M.

**Competitive Analysis**

There are two relevant geographic markets for this proposal. Each relevant geographic market consists of an area surrounding one or more of the two Wells Fargo branches to be acquired. These are the areas where the effect of this transaction on competition will be direct and immediate. The proposed transaction does not include the purchase or assumption of any loans.

**Park City Banking Market.** This is the area where the Coalville branch to be acquired derives the bulk of its deposits, and where competition between Zions and Wells Fargo is direct and immediate. The OCC has reviewed the competitive effects of this proposal by using its standard procedures for determining whether a purchase of assets and assumption of liabilities clearly has minimal or no adverse competitive effects. The OCC finds that the proposal satisfies its criteria for a purchase of assets and assumption of liabilities that clearly has no or minimal adverse competitive effects.

Price Banking Market. This is the area where the Price branch to be acquired derives the bulk of its deposits, and where competition between Zions and Wells Fargo is direct and immediate. Zions is the largest institution with approximately forty-six percent share of the market's total deposits. Upon consummation of this transaction, Zions would obtain approximately sixty-two percent share of the market's total deposits. Zions has committed to the Department of Justice (hereinafter, "DOJ") and to the OCC to divest of this branch within 180 days of the closing of the Price branch purchase, to a competitively suitable purchaser as determined by the DOJ and the OCC. In the event that Zions is unsuccessful in completing the sale of the Price branch within 180 days of the subject branch purchase, the Price branch shall be transferred to an independent trustee for sale. Therefore, the purchase and assumption will not have adverse effect on competition in the Price Banking Market.

The OCC received a comment on the competitive effects of the proposed transaction from one commenter. The commenter indicates that this and a related application should be denied on antitrust grounds since the HHI Index exceeds thresholds used by the DOJ. However, as the protestant points out, the Park City market's HHI Index is not over DOJ threshold levels. Further, the proposed divestiture in the Price market will replace any lost competition in that market. Therefore, both the OCC and the DOJ have reviewed the impact and concluded that the application presents no significant anti-competitive effects.

### **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 Zions do not raise significant concerns that would cause the application to be disapproved.

### **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 is less than satisfactory.

### **Convenience and Needs**

The acquisition by Zions will not result in any significant adverse impact on the convenience and needs for the residents and businesses of the communities where the branch offices are located. Zions will continue to offer comparable financial services and credit products that were offered by Wells Fargo.

**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 the relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

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**James A. Bundy**  
Manager, Licensing  
Western District

Dated: July 2, 1997

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