



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

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

**Corporate Decision #98-06
February 1998**

**DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ON
THE APPLICATION TO MERGE ARGENTBANK, THIBODAUX, LOUISIANA
WITH AND INTO HIBERNIA NATIONAL BANK, NEW ORLEANS, LOUISIANA
UNDER THE CHARTER AND TITLE OF HIBERNIA NATIONAL BANK**

DECISION

Introduction

On October 20, 1997, application was made to the Office of the Comptroller of the Currency (OCC) for the merger of ArgentBank, Thibodaux, Louisiana with and into Hibernia National Bank (Hibernia), New Orleans, Louisiana under the charter and title of the latter. This application was based on an agreement entered into between the banks on June 15, 1997.

Participating Financial Institutions

As of June 30, 1997, ArgentBank had total deposits of \$640 million. On the same date, Hibernia had total deposits of \$7 billion. ArgentBank is an independent rural bank with no banking affiliates. Hibernia is owned by Hibernia Corporation which also owns Hibernia National Bank of Texas, Texarkana, Texas.

Competitive Analysis

There are four relevant geographic markets for this proposal: the Federal Reserve markets of Baton Rouge, Morgan City, New Orleans, and Houma-Thibodaux. 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.

The OCC reviewed the competitive effects of this proposal in the Baton Rouge, Morgan City, and New Orleans markets by using its standard procedures for determining whether a merger clearly has minimal or no adverse competitive effects. The OCC finds that the proposal satisfies its criteria for a merger that clearly has no or minimal adverse competitive effects.

Within the Houma-Thibodaux market, twelve banks and two thrift institutions compete for approximately \$1.9 billion in deposits. ArgentBank ranks first with approximately 26 percent of the market's total deposits. Hibernia ranks sixth with approximately 8 percent of the market's total deposits. Upon consummation of the proposed transaction, Hibernia would replace ArgentBank as the largest depository institution in the market. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any adverse competitive effects would be mitigated by the presence of a number of other banking alternatives, including subsidiaries of some of the largest banking companies in the country. Accordingly, consummation of this transaction would not have a significantly adverse effect on competition in any of the relevant geographic markets. In making this determination, the OCC carefully considered the report of the Department of Justice, which similarly found that the proposed transaction would not have a significant adverse effect on competition.¹

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 Hibernia before and after the merger, 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 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 has revealed no evidence that the applicants' records of helping to meet

¹ In reaching this conclusion, the Department of Justice relied on commitments made by Hibernia. Hibernia agrees that as regards their physical facilities in Terrebone and Lafourche Parishes, Louisiana and Hibernia's physical facilities acquired in said Parishes as a result of this transaction that it will not impose any conditions, other than currently exist in deeds or lease agreements, that would preclude the future use by a commercial banking institution of any of Hibernia's properties that Hibernia closes and thereafter leases or sells as a result of the subject transaction. This commitment will remain in effect for three years following the consummation of this transaction. Hibernia agrees to suspend the operation of any existing non-compete agreements and to not enter into any new non-compete agreements with any current Hibernia loan officer or branch manager associated with customer relationships associated with Hibernia commercial bank offices in Terrebonne and Lafourche Parishes, Louisiana. These commitments will remain in effect for a period of 180 days following the date of the consummation of this transaction.

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 lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

_____/s/
Michael K. Hughes
Licensing Manager
Southwestern District

1/8/98
Date

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