

**1981
MERGER
DECISIONS**
Volume 2



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BANK ABSORPTIONS APPROVED BY THE CORPORATION

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Old Stone Bank Providence, Rhode Island	1,330,608	35	35
<i>to acquire the assets and assume the deposit liabilities of</i> Nationwide Real Estate Investors Columbus, Ohio	32,867		

Summary report by Attorney General, September 12, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, January 19, 1981

Old Stone Bank, Providence, Rhode Island ("OSB"), an insured state non-member bank with total resources of \$1,330,608,000 and total deposits of \$1,131,359,000, has applied pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets and assume the liabilities of Nationwide Real Estate Investors, Columbus, Ohio ("REIT"), a noninsured, nonbanking entity with total resources of \$32,867,000.

Competition

OSB and REIT operate in two different states, and the latter offers no banking services to the public. REIT's assets consist of real estate owned, real estate mortgages and certificates of deposit, with liabilities being principally borrowings. The transaction would therefore have no effect on competition or the structure of commercial banking in any relevant area.

Based on the foregoing, the Board of Directors is of the opinion that the proposal would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

While the equity capital level of OSB is somewhat lower than desired levels, it is recognized that the proposed transaction will result in a modest increase in

this equity capital level. The bank's overall financial and managerial resources are considered acceptable for purposes of this transaction, and the resultant bank would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would not have any effect on the services presently offered by OSB, and considerations of convenience and needs of the community to be served are consistent with approval of the transaction.

A review of available information, including the Community Reinvestment Act Statement of OSB, and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

After consideration of the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Southeast Bank of Volusia New Smyrna Beach, Florida	54,586	1	2
<i>to merge with</i> Southeast Bank of Deltona Deltona, Florida	28,468	1	

Summary report by Attorney General, August 8, 1980

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation Approval, January 21, 1981

Southeast Bank of Volusia, New Smyrna Beach, Florida, an insured state nonmember bank with total resources of \$54,586,000 and total IPC deposits of \$41,623,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Southeast Bank of Deltona, Deltona, Florida, an insured state nonmember bank with total resources of \$28,468,000 and total IPC deposits of \$25,936,000. Incident to the transaction, the sole office of Southeast Bank of Deltona would be established as a branch of the resultant bank which would commence operations with a total of four approved offices.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Southeast Banking Corporation, Miami, Florida, a multi-bank holding company controlling 23 banks, may consolidate some of its operations. The proponents have been under common control since 1974. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bay Springs Bank Bay Springs, Mississippi (change title to Commonwealth Bank)	42,238	4	6
<i>to merge with</i> First Citizens Bank and Trust Company Poplarville, Mississippi	10,943	2	

Summary report by Attorney General, November 20, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, January 26, 1981

Bay Springs Bank, Bay Springs, Mississippi, an insured state nonmember bank with total resources of \$42,238,000 and total IPC deposits of \$33,777,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge with First Citizens Bank and Trust Company, Poplarville, Mississippi ("First Citizens"), a state member bank with total resources of \$10,943,000 and total IPC deposits of \$6,752,000, under the charter of Bay Springs Bank and with the title "Commonwealth Bank." Incident to the transaction, the two offices of First Citizens would be established as branches of the resultant bank, which would have a total of six offices.

Competition

Bay Springs Bank operates its main office and one branch in Bay Springs, and one branch each in Stringer and Heidelberg, all of which are in Jasper County (1970 population 15,994) in south-central Mississippi. First Citizens, headquartered in Poplarville, operates one branch in Picayune, both of which are in Pearl River County (1970 population 27,802) in extreme southern Mississippi along the Louisiana border.

Pearl River County is regarded as the relevant market in which to assess the competitive impact of the proposed transaction.* The economy of the county is

*Both banks are controlled by Richard W. O'Dom. Since this affiliation between the two banks has not heretofore been subject to regulatory scrutiny, the affiliation is of no persuasive value in determining, for the purposes of the Bank Merger Act, what competitive impact, if any, the proposed transaction may have. Therefore, in accordance with past agency practice, the Board of Directors has ignored the affiliation in its assessment of the competitive impact of the proposal.

primarily agricultural. In the relevant market, three banks with ten offices, control total IPC deposits of \$74,339,000. Of these deposits, First Citizens controls the smallest share, 9.1 percent. Bay Springs Bank is not represented in this market, and its closest office to Poplarville is located some 80 road miles northeast. There is no significant existing competition between the two banks that would be eliminated by the proposed merger, nor would there be any significant effect on the structure of the local market.

Mississippi statutes permit branch banks within a 100-mile radius of a bank's home office, subject to certain minimum capitalization requirements and home office protection provisions. Therefore, each of the proponents could legally branch into some areas served by the other. However, due to the relatively small size of both proponents, the loss of this limited potential for future competition to develop between them is not considered to be of significance.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both proponents are adequate for purposes of this proposal, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The resultant bank would be able to offer a broader range of commercial banking services than presently available at First Citizens, and considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
People's Savings Bank-Bridgeport Bridgeport, Connecticut	1,999,924	33	38
<i>to purchase assets and assume deposit liabilities of</i> First Stamford Bank and Trust Company Stamford, Connecticut	42,592	5	

Summary report by the Attorney General, August 8, 1980

We have reviewed this proposed transaction and conclude that it would not have a significantly adverse effect upon competition.

Basis for Corporation Approval, January 26, 1981

People's Savings Bank-Bridgeport, Bridgeport, Connecticut ("Applicant"), an insured mutual savings bank with total resources of \$1,999,924,000 and total deposits of \$1,732,551,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of and assume the liability to pay deposits made in First Stamford Bank and Trust Company, Stamford, Connecticut ("Other Bank"), an

insured state nonmember bank which has total resources of \$42,592,000 and total IPC deposits of \$32,914,000. Consent is also sought to establish the five operating offices and the one approved, not opened, office of Other Bank as branches of Applicant, increasing to 40 the number of approved offices.*

Competition

Applicant, based in the city of Bridgeport, operates 33 offices (excluding 1 approved, not opened office in Stratford) located principally in Fairfield County which is in southwestern Connecticut. Governing Connecticut statutes provide home office protection for the sole mutual savings bank headquartered in the city of Stamford, prohibiting *de novo* expansion by Applicant into that city. Other Bank, established in 1971, operates five offices (excluding one approved, not opened office), in the city of Stamford.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the city of Stamford (1970 population 108,798; estimated 1978 population 106,600) and the contiguous towns of Greenwich, New Canaan and Darien in the extreme southwestern portion of Fairfield County in close proximity to New York City. This area is described as one of the most affluent in the nation with (1979) median household buying levels ranging from \$25,089 to \$32,158, which are substantially higher than the comparable state figure of \$20,815 or comparable figures for the nearby New York City area. In recent years, the relevant market has experienced substantial economic growth with the corporate headquarters of a number of national firms relocating to the city of Stamford. The adjacent communities have also experienced similar development, however, remain primarily residential.

Applicant has established *de novo* offices in the towns of Greenwich and Darien which are located in close proximity to Other Bank's Stamford offices; the closest offices being approximately 1.5 miles apart, serving similar, and to some extent, an overlapping clientele. The proponents are engaged in distinct lines of commerce, however, and do not compete across the full spectrum of commercial banking services. The actual volume of direct competition between them, for certain overlapping segments of banking services, is not regarded as substantial in the context of this particular banking environment.

Existing legislation bars Applicant from *de novo* entry into the city of Stamford and into the town of New Canaan. Additional potential competition from continued *de novo* branching activity in the adjacent towns of Greenwich and Darien would have little material impact in light of the heavily-banked nature of the market. The potential for increased levels of competition to develop between the proponents is limited, and its loss is regarded as having no significant competitive effect.

Commercial banking in the relevant market is highly concentrated with the market's two largest commercial banks aggregately holding 64 percent of the local IPC commercial bank deposits. Other Bank, holding approximately 2.6 percent of the local commercial bank deposits and only 1.5 percent of the combined commercial and thrift institution local deposit base, is not regarded as a significant competitive force in this market. Applicant is presently the second largest institution in the market, in share of local thrift institution deposits held in area offices (fourth, in share of combined commercial and thrift deposits held), and subsequent to consummation of the proposed transaction, would not emerge as the dominant institution. The proposal would not have any significant adverse impact upon the structure of banking in the local market nor would it

*Office figures exclude 25 remote service facilities operated by Applicant.

have any material effect upon the level of concentration of banking resources in any relevant area.**

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are regarded as acceptable for the purposes of the proposed transaction. The resultant institution is anticipated to have favorable future prospects.

Convenience and Needs of the Community to Be Served

As a direct consequence of this proposal, five commercial banking offices of Other Bank in the city of Stamford would be replaced with offices of the state's largest mutual savings bank. While Applicant is capable of providing most of the present customers of Other Bank with comparable, and in some cases more favorably priced services; some businessmen and merchants will be required to seek an alternate commercial banking source for their particular needs. Only a small number of customers with a relatively modest volume of deposits would be so affected and, in light of the numerous offices of other commercial banks located in the area, this consequence is regarded as having only a modest impact. Considerations of the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Golden State Sanwa Bank San Francisco, California	705,758	23	28
<i>to merge with</i> First City Bank Rosemead, California	151,830	5	

Summary report by Attorney General, December 16, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, January 26, 1981

Golden State Sanwa Bank, San Francisco, California ("Golden State"), an insured state nonmember bank with total resources of \$705,758,000 and total IPC deposits of \$545,518,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with First City Bank, Rosemead,

**Market share figures do not take into account the impact of relatively large banking organizations based in New York City (approximately 35 road miles distant), where many area residents commute for employment and retail services.

California, an insured state nonmember bank with total resources of \$151,830,000 and total IPC deposits of \$118,533,000. Incident to the proposed transaction, the five offices of First City Bank would be established as branches of the resultant bank, which would commence operations with a total of 28 offices.

Competition

Golden State, headquartered in San Francisco, operates a total of 23 offices. In addition to its San Francisco offices, it operates branches in Santa Clara, Alameda, Sacramento, Orange and Los Angeles Counties. Except for directors' qualifying shares, Golden State is a wholly-owned subsidiary of The Sanwa Bank, Ltd., Osaka, Japan.

First City Bank operates its main office and three branches in Los Angeles County and one branch in adjacent Orange County. The proposed merger would have its most direct and immediate impact in Los Angeles County. Golden State operates 14 offices in this county, primarily in the central, western and south-western portions of the Los Angeles metropolitan area. First City Bank has four offices in the county, all of which are to the east of the downtown area of the city of Los Angeles. The proponents' closest offices are Golden State's North Whittier Branch and First City Bank's South El Monte Branch which are located approximately two miles apart. These two offices are, however, separated by the San Gabriel River and the San Gabriel Freeway. The population of Los Angeles County was 7,036,881 in 1970, having increased 16.5 percent between 1960 and 1970. The metropolitan area has a widely diversified economy and is one of the state's major business and financial centers. At June 30, 1979, 85 banks operating 1,160 offices controlled total IPC deposits of \$32,385,242,000 in Los Angeles County. Golden State is the twelfth largest commercial bank with 0.8 percent of the IPC deposits in the county. First City Bank is the twenty-first largest commercial bank with a 0.3 percent share. Holding a 1.1 percent market share, the resultant bank would remain the market's twelfth largest commercial bank. Los Angeles County is dominated by some of the state's largest banks with the two largest together controlling over 49 percent of the market's commercial bank IPC deposits. While some existing competition would be eliminated as a result of the proposed merger, this effect would not be significant.

Under California law, commercial banks may branch *de novo* statewide. Golden State and First City Bank could, therefore, expand further into areas served by the other. In view of the large number of actual and potential competitors which would remain if this merger is consummated, however, the elimination of potential competition which would result from the proposal is not significant.

Financial and Managerial Resources; Future Prospects

Both banks have satisfactory financial and managerial resources, as would the resultant bank. Future prospects for the resultant bank are favorable.

Convenience and Needs of the Community to be Served

Consummation of this proposed transaction would have no perceptible effect in Los Angeles County due to the substantial number and types of banking alternatives available. Considerations relating to convenience and needs of the community to be served are, nevertheless, consistent with approval.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Mitsubishi Bank of California Los Angeles, California	292,564	12	23
<i>to merge with</i> First National Bank of San Diego County Escondido, California	149,766	11	

Summary report by Attorney General, December 8, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, January 29, 1981

The Mitsubishi Bank of California, Los Angeles, California ("Mitsubishi"), an insured state nonmember bank with total resources of \$292,564,000 and total IPC deposits of \$216,930,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with First National Bank of San Diego County, Escondido, California ("FNB"), with total resources of \$149,766,000 and total IPC deposits of \$116,489,000. Incident to the proposed transaction, the eleven offices of FNB would be established as branches of the resultant bank, which would commence operations with a total of 23 offices.

Competition

Mitsubishi operates its main office and five branches in Los Angeles County, five branches in adjacent Orange County and one branch in San Francisco. FNB operates a total of eleven offices, all of which are located in San Diego County.

San Diego County (1970 population 1,357,854) is regarded as the area in which to assess the competitive impact of the proposed transaction. At June 30, 1979, 33 banks with 314 offices controlled total deposits of \$5,847,613,000. FNB is the ninth largest commercial bank in the county controlling a 2.3 percent share of such deposits. Mitsubishi is not represented in San Diego County, and its closest office to FNB is some 40 miles north and separated by a large military installation. Thus, there is no material existing competition between the proponents.

Commercial banking in San Diego County is dominated by offices of some of California's largest banking organizations, and in light of the relatively modest size of the proponents, the proposed transaction would have no adverse impact upon the level of concentration of commercial banking resources in any relevant area. Mitsubishi would merely assume FNB's share of the local market.

California statutes permit statewide *de novo* branching activity. Mitsubishi and FNB could, therefore, branch *de novo* into areas served by the other. In view of the large number of actual and potential competitors which would remain if this merger is consummated, however, the elimination of potential competition which would result from the proposal is not significant.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Both banks have satisfactory financial and managerial resources, as would the resultant bank. Future prospects for the resultant bank are favorable.

Convenience and Needs of the Community to be Served

Consummation of this proposed transaction would have no perceptible effect in San Diego County due to the substantial number and types of banking alternatives available. Considerations relating to convenience and needs of the community to be served are, nevertheless, consistent with approval.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Citizens Bank and Trust Company of Maryland Riverdale, Maryland	613,756	59	63
<i>to merge with</i> Century National Bank Chevy Chase, Maryland	24,918	4	

Summary report by Attorney General, October 10, 1980

Montgomery County (1978 estimated population 593,000) is a suburban, residential area and part of the Washington, D.C., SMSA. This high income area has computer, research and related services, as well as retail trade, as major employers within the county.

The closest offices of merging banks (Applicant's Wisconsin Circle branch and Bank's main office in Chevy Chase) are 0.1 miles apart, with a branch of Equitable Trust Bank in the intervening area. Also in the immediate area are branches of three other banks. Bank's other four branches are located 1.2, 1.0, 1.8 and 0.8 miles from competing offices of Applicant. It appears, therefore, that the proposed merger will eliminate a substantial amount of direct competition.

Commercial banking in Montgomery County is concentrated. Of the 21 banks with 149 offices, the four largest banking organizations, in terms of deposits held in county bank offices, held 57.9 percent of those deposits. Applicant is the fifth largest and Bank is the sixteenth largest banking organization in the county, controlling, respectively, 7.6 percent and 1.2 percent of local deposits. If this acquisition is consummated, the resulting bank would be the third largest bank controlling 8.8 percent of local deposits and concentration among the four largest banks would rise from 57.9 percent to 58.9 percent.

For the reasons stated above, the merger will have an adverse effect on competition.

Basis for Corporation Approval, February 9, 1981

Citizens Bank and Trust Company of Maryland, Riverdale, Maryland ("Citizens Bank"), an insured state nonmember bank with total resources of \$613,756,000 and total IPC deposits of \$522,794,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Century National Bank, Chevy Chase, Maryland, which has total resources of \$24,918,000 and total IPC deposits of \$20,329,000. Incident to the proposed transaction, the four existing

and one approved, but unopened offices of Century National Bank would be established as branches of the resultant bank.

Competition

Citizens Bank operates 59 offices throughout central Maryland and has received necessary regulatory approvals to establish an additional three branch offices. An application for consent to establish a branch at Crofton (Anne Arundel County), Maryland is pending before the Corporation, and is being considered by the Board of Directors in a separate action this day. The majority of Citizens Bank's offices are located in the Washington, D. C. metropolitan area with the main office and 29 branches located in Prince Georges County and 19 offices presently operated in Montgomery County.

Century National Bank, headquartered in the community of Chevy Chase, which lies adjacent to and northwest of the District of Columbia, operates four offices and has received regulatory approval to establish another branch in central and southern Montgomery County whose economy is closely integrated with that of Washington, D. C.

The relevant market in which to assess the competitive impact of the proposed transaction is approximated by Montgomery County, Maryland plus the District of Columbia. It is within this relevant area that Century National Bank operates all of its offices and derives the bulk of its banking business, and it is within this area that its customers may seek alternate sources of commercial banking services. Citizens Bank operates 19 offices in this relevant market, several of which are located in proximity to offices of Century National Bank, and offer direct competition for commercial banking services. Such existing competition would be eliminated by consummation of the proposed transaction. Similarly, the proposed transaction would eliminate some potential for increased levels of competition to develop between the two banks through additional *de novo* branch expansion which, under Maryland statutes, is permitted on a state-wide basis. In light of the relatively modest volume of banking business involved in this proposal, however, and considering the numerous alternative sources of commercial banking services available throughout Montgomery County and the District of Columbia, the loss of some existing and potential competition between the proponents, as a consequence of consummation of the proposed transaction, is not regarded as having a substantial competitive impact.

In the relevant market, 39 insured commercial banks operate 325 offices and hold total deposits in excess of \$7 billion. Three relatively large Washington, D. C. based commercial banking organizations hold more than 50 percent of the market's IPC deposit base, and several of Maryland's largest banking organizations, which hold significant market shares of such deposits, are represented in the Montgomery County portion of the relevant market. Citizens Bank holds approximately 2.3 percent of the market's IPC commercial bank deposits and ranks, by such a measure, as the eighth largest commercial banking organization in the market. In such a banking climate, Citizens Bank's proposed acquisition of Century National Bank, which holds only a 0.3 percent market share of IPC deposits, would have no significant effect upon the structure of commercial banking nor would it have any material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both Citizens Bank and of Century

National Bank are regarded as satisfactory, and each bank would appear to have favorable future prospects, as would the resultant bank.

Convenience and Needs of the Community to be Served

The proposed transaction would, on balance, have no material impact upon the level and pricing of banking services in the metropolitan Washington, D. C. area, and such considerations are regarded as consistent with approval of the application.

Pursuant to the Community Reinvestment Act, the Corporation, in processing an application, must consider the applicant's record in complying with the technical requirements of the Act and its implementing regulation and, more importantly, its record in helping to meet the credit needs of its entire community, including low- and moderate-income neighborhoods therein. Based upon the results of the most recent compliance examination, a supplemental investigation conducted by the Philadelphia Regional Office and a study by Washington Office staff, the Board of Directors has concluded that the applicant's record of performance under the Act is mixed and that the application should be approved only upon agreement by the applicant to the conditions set forth in the accompanying Order.

Under its CRA regulation, the Corporation determines whether an applicant has delineated its community and whether that delineation is "reasonable," i.e., whether, among other things, it does not exclude low- and moderate-income neighborhoods. An important issue in this case was the applicant's decision not to include any portions of the District of Columbia (including areas in which it has regularly made loans to District residents) as part of the local communities of several of its branch offices that lie adjacent to the Maryland-District border. In the applicant's view, the Community Reinvestment Act and its implementing regulation permitted the bank to do so and, moreover, inclusion of portions of the District could result in subjecting the bank to an unreasonable tax burden under District law. Following a careful review of the applicant's position, it is the Corporation's view that the legislative history and purpose of the Act favor inclusion of relevant portions of the District of Columbia in the applicant's community; that the CRA regulation, while establishing State and other geographical boundaries as one option for delineation, also envisions the inclusion of appropriate adjacent areas, absent some physical, economic or legal barrier to that inclusion; and finally, that the District's tax laws posed no threat of unreasonable taxation.

Another assessment factor considered in evaluating performance is the lender's efforts to ascertain credit needs in the community, including efforts to communicate with members of its community regarding the credit services being provided. The applicant appears to be doing a creditable job in this area with respect to small business credit needs. With respect to contacts with nonbusiness segments of its community, the applicant's record indicates that, although its regular marketing and advertising of credit appears to cover its entire community, there was no focus on the low- and moderate-income residents of the community. The bank had no comprehensive view as to where those residents were concentrated and what the credit needs of residents in those areas were.

While the bank has expressed a willingness to identify more specifically areas of low-income residents and to establish contacts with organizations which can help to ascertain the credit needs therein, this aspect of the bank's record of performance will require concerted efforts toward improvement. Other conditions set forth in the Order reflect additional steps the applicant is expected to

take to improve its record of performance under the Community Reinvestment Act.

Accordingly, based on a careful evaluation of all available facts and information relevant to the subject application, and subject to the conditions set forth in the accompanying Order, the Board of Directors has concluded that this application should be approved.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Commercial and Savings Bank Winchester, Virginia	77,211	7	8
<i>to merge with</i> Western Frederick Bank Gore, Virginia	7,665	1	

Summary report by Attorney General, December 8, 1980

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation Approval, February 9, 1981

The Commercial and Savings Bank, Winchester, Virginia, an insured state nonmember bank with total resources of \$77,211,000 and total IPC deposits of \$63,828,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Western Frederick Bank, Gore, Virginia, an insured state nonmember bank with total resources of \$7,665,000 and total IPC deposits of \$6,494,000. Incident to the transaction, the sole office of Western Frederick Bank would be established as a branch of the resultant bank which would commence operations with a total of eight approved full-service offices.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Dominion Bankshares Corporation, Roanoke, Virginia, a multi-bank holding company controlling 14 banks, may consolidate some of its operations. The proponents have been under common control since 1972. The proposed merger would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal, and with the contemplated addition to capital, the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
York County Savings Bank Biddeford, Maine (change title to Coastal Savings Bank)	59,306	6	10
<i>to consolidate with</i> Brunswick Savings Institution Brunswick, Maine	80,042	4	

Summary report by Attorney General, not received

Basis for Corporation Approval, February 23, 1981

York County Savings Bank, Biddeford, Maine ("YCSB"), an insured mutual savings bank with total resources of \$59,306,000 and total deposits of \$53,556,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with Brunswick Savings Institution, Brunswick, Maine ("BSI"), which is an insured mutual savings bank with total resources of \$80,042,000 and total deposits of \$72,777,000, under a new state charter and with the title "Coastal Savings Bank." Incident to the proposed transaction, the six existing offices of YCSB and the four existing offices of BSI would be established as branches of the resultant institution whose main office would be designated as a newly established *de novo* office of YCSB to be located at the junction of Gorham and Foden Roads, South Portland, Maine.*

Competition

BSI, headquartered in the city of Brunswick (1970 population 16,195), operates four offices in eastern Cumberland County and adjacent Sagadahoc County in coastal Maine. BSI primarily competes in a relevant market approximated by the area within a 10-12 road-mile radius of the city of Brunswick. This market, which contains a population estimated at 42,500, lies along the Atlantic coast northeast of the city of Portland.

YCSB, headquartered in the city of Biddeford (1970 population 19,983), operates six offices in York County in the southern portion of the state. Four of its offices are located in the Saco-Biddeford-Kennebunk corridor of the eastern coastal portion of the county, with two relatively small offices operated in the towns of Hollis and Kezar Falls in the interior central and northwestern portion of the county. YCSB primarily competes in a relevant market approximated by a 10-12 road-mile radius of the city of Biddeford. This market, which contains a population estimated at 47,500, lies along the Atlantic coast southwest of the city of Portland.

*A companion application has been filed with the Corporation by YCSB for consent to establish a *de novo* branch office at this South Portland site. Upon consummation of the proposed consolidation, this office would be designated as the main office of the resultant Coastal Savings Bank. The Corporation has approved this companion application by separate action this day.

The proponents' closest offices are located approximately 30 road miles apart, and the two institutions compete in separate, distinct markets. The Portland metropolitan area, which is the state's largest financial and commercial center, lies between the proponents' respective markets, and there is no overlap of service area. No material volume of existing competition between the two institutions would be eliminated by the proposed transaction, nor would its consummation have any adverse impact upon the structure of either market, or upon the level of concentration of resources in any relevant area.

Maine statutes permit statewide merger and *de novo* branching activity, therefore, there is some potential for competition to develop between the two institutions at some future time. The potential for any meaningful level of competition to develop between the proponents is viewed as limited, however, and its loss would have no significant effect.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Both institutions have generally satisfactory financial and managerial resources, and the resultant institution would have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have no material effect upon convenience and needs considerations which are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Buffalo Savings Bank Buffalo, New York	2,548,570	18	20
<i>to merge with</i> Jamestown Savings and Loan Association Jamestown, New York	33,636	2	

Summary report by Attorney General, December 8, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, February 23, 1981

The Buffalo Savings Bank, Buffalo, New York ("Savings Bank"), an insured mutual savings bank with total resources of \$2,548,570,000 and total deposits of \$2,382,130,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Jamestown Savings and Loan Association, Jamestown, New York ("Association"), a state-chartered savings and loan association which has total resources of approximately \$33,636,000 and total

deposits of approximately \$31,921,000. Incident to the proposed transaction, the two existing offices of Association located in the communities of Jamestown and Westfield, and the approved, not opened office of Association to be located in the community of Ellicott, would be established as branches of Savings Bank.

Competition

Savings Bank, headquartered in the city of Buffalo, operates 18 offices in Erie and adjacent Niagara Counties in western New York State.* Association competes in a relevant market approximated by Chautauqua County, which is located in the extreme southwestern portion of the state, southwest of the city of Buffalo. Approximately 45 road miles separate the proponents' closest offices, and the two institutions compete in separate, distinct markets. No material volume of existing competition between the proponents would be eliminated by the proposed merger, nor would its consummation have any adverse impact upon the structure of either market or upon the level of concentration of resources in any relevant area.

New York statutes permit statewide merger and *de novo* branching activity, therefore, there is some potential for competition to develop between the two institutions at some future time as a result of such expansion efforts. Association's modest relative size and level of resources, however, would appear to preclude any meaningful expansion effort on its part into the Buffalo metropolitan area not served by Savings Bank or into other areas in New York State. While it is recognized that Savings Bank does possess the level of resources and branching experience to successfully enter the Chautauqua County market *de novo*, the well established presence of several other relatively large Erie and Niagara County based thrift institutions would make such an entry difficult. The loss of some potential for future competition to develop between the proponents is regarded as having no significant effect.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents and of the resultant institution are regarded as acceptable for the purposes of the proposed transaction. The resultant institution would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have no material effect upon convenience and needs considerations which are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

*Reference to aggregate number of offices exclude EFT Units and remote service facilities.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Tri Counties Bank Chico, California	45,376	5	11
<i>to merge with</i> Shasta County Bank Redding, California	46,186	6	

Summary report by Attorney General, December 16, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, February 25, 1981

Tri Counties Bank, Chico, California, an insured state nonmember bank with total resources of \$45,376,000 and total IPC deposits of \$34,501,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Shasta County Bank, Redding, California, an insured state nonmember bank which has total resources of \$46,186,000 and total IPC deposits of \$37,654,000, subsequent to the merger of Shasta County Bank, under its charter and title, with Tri-Counties Subsidiary Company, a wholly-owned subsidiary of Tri-Counties Bank which is a noninsured California corporation in organization. Incident to the merger transactions, the six offices of Shasta County Bank would be established as branches of Tri Counties Bank, increasing to 11, the number of offices operated. Application has also been made, pursuant to Section 18(i) of the Act, for consent to issue convertible subordinated capital notes as an addition to the capital structure of Tri Counties Bank, and for consent to retire these notes at maturity, seven years and one day after the date of issue, or to convert these notes into common stock of the resultant bank after a one-year period.

Competition

The two banks compete in separate, distinct markets with their closest offices located more than 55 road miles apart in northern California. Tri Counties Bank operates five offices in Butte and adjacent Glenn Counties in the north-central portion of the Sacramento Valley. Shasta County Bank operates five offices in Shasta County in northern California and an office in the adjacent mountainous portion of Lassen County. There is no significant existing or potential competition between the two banks which would be eliminated by their proposed merger.

Tri Counties Bank holds a modest 5.0 percent market share of the IPC deposits in its relevant market and ranks as the sixth largest of nine commercial banks operating in Butte and eastern Glenn Counties. Shasta County Bank holds a 9.3 percent market share of the IPC deposit base in its respective market of Shasta and northwestern Lassen Counties, and ranks as the fifth largest of eight commercial banks. Both of these markets are characterized by numerous offices of several of the state's largest commercial banking organizations, with Bank of America National Trust and Savings Association holding more than a 40.0 percent share of deposits in each respective market. In such a competitive environment, the proposed merger would have no adverse effect upon the structure of commercial banking in either relevant market, nor would it have any material impact upon the level of concentration of commercial banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transactions would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proposed volume of equity capital for the resultant bank is lower than desired, and the overall capital structure will be heavily skewed toward convertible subordinated capital notes. Management, however, has committed to a capital augmentation program which will provide additional equity capital. Other considerations regarding financial and managerial resources have been satisfactorily resolved, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction will have no material impact upon the convenience and needs of the communities to be served. Such considerations are considered to be consistent with approval of the applications.

The Community Reinvestment Act performance of Shasta County Bank has been subject to criticism, while the performance of Tri Counties Bank has been relatively free of such inconsistencies with the purposes of this Act. The resultant Tri Counties Bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Southwest Mississippi Bank Magnolia, Mississippi (change title to First Bank of Southwest Mississippi)	36,639	3	8
<i>to consolidate with</i> Bank of McComb McComb, Mississippi	48,861	5	

Summary report by Attorney General, May 18, 1978

The appropriate area within which to assess the competitive effects of the proposed transaction is Pike County where all the offices of Applicant and Bank are located.

The head offices of the two banks are 10 miles apart. Branches are as close as 5 miles. Within a distance of 13 miles covering four communities are six of the banks' seven offices, the seventh in in Osyka, 18 miles south of Magnolia. These are the only banking communities in the county.

The county's population dropped from 35,000 in 1960 to 31,800 in 1970. Supplemental information reports the 1975 population as 34,000. Two forecasts have been made jointly by U.S. Departments of Agriculture and Commerce. One in 1972 projected a gain to about 40,000 in 2020, and one in 1976 projected a loss to about 31,700 in 2020. Per capita annual income in Pike County of \$2,775 is more than 10 percent below the statewide figure of \$3,098, itself the lowest in the nation. The county does not appear to be a good prospect for new bank entry.

Bank is the second largest in deposits in the county with 24 percent and Applicant is tied for third with 19 percent. Deposit Guaranty National Bank, the State's largest bank, operates five offices in Pike County and First National Bank of Jackson, the State's second largest, operates three offices in the county. All these offices are in McComb. Deposit Guaranty is the largest in the county, with 38 percent of deposits, and First National of Jackson has 19 percent of county deposits; thus, the State's two largest banks have 57 percent of county deposits. First National also has the closest branches in adjoining counties, 85 percent of deposits in the county to the east and 100 percent of deposits to the west of Pike County.

The application lists three Brookhaven banks and one in Tylertown as competitors, as well as two banks in Louisiana. Brookhaven is more than 27 miles north of McComb. Tylertown, 20 miles east, is where First National of Jackson has 85 percent of county deposits. A Brookhaven bank has a branch in Bogue Chitto about 20 miles north of McComb. This may be an alternative for customers roughly midway between McComb and Bogue Chitto but it is hardly a realistic alternative for the bulk of the residents of the McComb-Magnolia area. The other banks are even farther away. None of these banks are in Pike County.

The application itself estimates that at least 15 percent of customers have accounts at both banks and that they account for at least 15 percent of IPC deposits. This means that customers having deposits of about \$17-18 million out of total IPC deposits of \$118 million at both banks would lose the benefit of competition between the banks which presumably led them to open these accounts.

Accordingly, it appears that the proposed transaction is a merger of two direct competitors with 43 percent of deposits in an area now served by four banks and that it would eliminate a significant amount of existing competition without any likelihood of new entry. Consummation of the proposed merger would change market shares in terms of total deposits from 38 percent, 24 percent, 19 percent, and 19 percent to 43 percent, 38 percent and 19 percent.

Overall, the proposed transaction would have a significant adverse effect upon competition in commercial banking in Pike County.

Basis for Corporation Approval, February 25, 1981

Southwest Mississippi Bank, Magnolia, Mississippi, an insured state non-member bank with total resources of \$36,639,000 and total IPC deposits of \$31,527,000 as of June 30, 1980, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior approval to consolidate with Bank of McComb, McComb, Mississippi, an insured state nonmember bank with total resources of \$48,861,000 and total IPC deposits of \$38,509,000 as of June 30, 1980. The banks would consolidate under the charter of Southwest Mississippi Bank with title of First Bank of Southwest Mississippi, the five offices of Bank of McComb would become branches of the resultant bank, and its main office would be redesignated to the present main office site of Bank of McComb.

The Corporation denied the application on May 19, 1978, and, upon reconsideration, affirmed its denial on August 2, 1978 (1978 FDIC Annual Report 105,107). Subsequently, in an action challenging the denial, the United States District Court for the Southern District of Mississippi, in a memorandum opinion dated August 28, 1980 (No. J78-0384(N)), held that the Corporation's determination of Pike County as the relevant geographic market was erroneous, that "demand deposit accounts . . . are the reasonable and peculiarly appropriate

proxy for geographic markets,"* and that by that standard the two banks "... are not in actual, effective or substantial competition in the northern portion of Pike County, ... which is the relevant geographic market in which to measure the proposed consolidation's effect on competition." The district court also held that the proposed transaction would eliminate no potential competition, and remanded the case to the Corporation for reconsideration with the clear implication that the Corporation would not be permitted to reexamine the geographic market issue or any of the court's other findings.

The Corporation appealed the decision to the United States Court of Appeals for the Fifth Circuit (No. 79-3774), which, on August 22, 1980, three days after oral argument, summarily affirmed the decision of the district court in a one sentence order that it directed not be published. On October 22, 1980, the Fifth Circuit denied the Corporation's petition for a rehearing *en banc*.

The Corporation requested that a petition for a writ of certiorari be filed. The Office of the Solicitor General, while agreeing that the district court misapplied the relevant precedents and rendered an erroneous decision, noted particularly that the Fifth Circuit chose to decide the case by unpublished order, rather than by adopting and publishing the decision of the district court, thus precluding the decision from having any precedential value, even in the Fifth Circuit, and decided that the case did not warrant seeking Supreme Court review, given the limited number of cases that the Court practicably can be asked to consider.

The application is, accordingly, approved.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
United Carolina Bank, Whiteville Whiteville, North Carolina (change title to United Carolina Bank)	406,205	56	82
<i>to consolidate with</i> United Carolina Bank, Monroe Monroe, North Carolina	258,065	26	

Summary report by Attorney General, January 13, 1981

The consolidating banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed consolidation is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation Approval, March 6, 1981

United Carolina Bank, Whiteville, Whiteville, North Carolina ("UCB-Whiteville"), an insured state nonmember bank with total resources of \$406,205,000 and total IPC deposits of \$319,592,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with United Carolina Bank, Monroe, Monroe, North Carolina ("UCB-Monroe"), an insured state nonmember bank with total resources of \$258,065,000, and total IPC deposits of \$199,074,000, under a new state charter with the title United Carolina Bank. Incident to the transaction the 26 existing and two approved, unopened offices of UCB-Monroe would be established as branches of the resultant bank which would commence operations

*The district court's treatment of demand deposit accounts as the "proxy" for geographic market determination resulted in the court's *de facto* treatment of demand deposits as also the "proxy" for the commercial banking line of commerce.

with a total of 82 existing and four approved, unopened offices.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which United Carolina Bancshares Corporation, Whiteville, North Carolina, a bank holding company controlling these two banks only, may consolidate its operations. The proposed consolidation would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed consolidation would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
St. Petersburg Bank and Trust Company St. Petersburg, Florida (change title to Rutland Bank)	138,317	3	8
<i>to merge with</i> Rutland Central Bank St. Petersburg, Florida and	28,993	2	
Central Plaza Bank & Trust Co. St. Petersburg, Florida	89,360	3	

Summary report by Attorney General, October 17, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, March 16, 1981

St. Petersburg Bank and Trust Company, St. Petersburg, Florida ("Trust Company"), an insured state nonmember bank with total resources of \$138,317,000 and total IPC deposits of \$98,110,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Rutland Central Bank, St. Petersburg, Florida ("Rutland"), an insured state nonmember bank with total resources of \$28,993,000 and total

IPC deposits of \$22,483,000, and Central Plaza Bank & Trust Co., St. Petersburg, Florida ("Central"), an insured state nonmember bank with total resources of \$89,360,000 and total deposits of \$60,083,000, under the charter of Trust Company and with the title "Rutland Bank." Incident to the proposed transaction, the two existing and one approved, unopened offices of Rutland, and the three existing and one approved, unopened offices of Central would be established as branches of the resultant bank, which would commence operations with a total eight existing and four approved, unopened offices.

Competition

Essentially, the merger represents a corporate reorganization. Rutland and Central were established in 1972 and 1961, respectively, by Trust Company's shareholders, at a time when Florida law did not provide for full service *de novo* branches. The three participating banks have interlocking directorates and common management and, thus, there is no existing competition between them.

Although the participating banks could theoretically compete with each other through branching, due to their common management and control, this is very unlikely. Accordingly, this merger would eliminate no significant potential for competition among the proponents.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Franklin Savings Bank of New York New York (Manhattan), New York (change title to American Savings Bank)	1,514,132	15	34
<i>to merge with</i> American Savings Bank New York (Manhattan), New York and	492,159	8	
Empire Savings Bank New York (Manhattan), New York	772,781	11	

Summary report by Attorney General, January 6, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, March 17, 1981

Franklin Savings Bank of New York, New York (Manhattan), New York ("Franklin"), an insured mutual savings bank with total resources of \$1,514,132,000 and total deposits of \$1,347,873,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with American Savings Bank, New York (Manhattan), New York ("American"), an insured mutual savings bank with total resources of \$492,159,000 and total deposits of \$454,420,000, and with Empire Savings Bank, New York (Manhattan), New York ("Empire"), an insured mutual savings bank with total resources of \$772,781,000 and total deposits of \$660,410,000, under the charter of Franklin and with the title "American Savings Bank." Incident to the proposed transaction, the eight full-service and one public accommodation offices of American and the 11 full-service offices of Empire would be established as offices of the resultant bank which would commence operation with a total of 34 full-service and one public accommodation offices.

Competition

Franklin operates its main office and seven branches in Manhattan (New York County), one branch in Nassau County and three branches each in Kings and Westchester Counties. Empire operates its main office and eight branches in Manhattan, and one branch each in Nassau and Westchester Counties. American operates its main office and three branches in Manhattan, two full-service branches and one public accommodation office in Nassau County, and one branch each in Queens and Kings Counties.

The areas in which the proponents operate, except for Nassau County, are a part of the New York-New Jersey SMSA which consists of the five boroughs of New York City, as well as Putnam, Rockland, and Westchester Counties in New York, and Bergen County in New Jersey. These areas all have close economic ties, with significant commutation among them for employment, shopping and leisure. In addition, thrift institutions, particularly the large New York City-based thrifts, advertise throughout the area and there is intense competition in the region. The 1970 population of the New York State portion of the New York-New Jersey SMSA was 9,075,565, and that of Nassau County was 1,428,838. In this area, 101 thrift institutions controlled total deposits in excess of \$73 billion. Of these deposits, the resultant bank would hold a 3.5 percent share. Thus, the effect of this proposal would be insignificant in this area.

Franklin, Empire and American all have offices located within close proximity to one another in Manhattan. Competition in this densely populated area, however, is intense and there are numerous thrift institution offices. Consummation of the proposed transaction would not eliminate any significant amount of existing competition among the three savings banks.

Under New York statutes mutual savings banks can branch *de novo* statewide. However, the intense competition existing among the numerous large thrift institutions in the New York City area minimizes the competitive significance of additional *de novo* branching activity.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have set forth a definitive analysis of the projected economies of scale and other operating efficiencies which may be realized through their combined operation. These savings, which will flow from a reduced number of officers and other personnel, fewer trustees, the sale of redundant or no longer

needed office space, combined data processing facilities and other labor intensive operations, as well as reduced miscellaneous fees and services, are anticipated to result in significant cost reductions. In addition, future consideration is to be given to consolidation of some branch operations and/or reduced operations at certain locations. Other considerations relating to the proponents' financial and managerial resources have been satisfactorily resolved, and the resultant institution is anticipated to have more favorable future prospects than the three institutions would operating separately.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Because these applicants in this particular proposal were able to demonstrate that their merger would result in clear economic advantages to the resultant institution, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bankers Trust of South Carolina Columbia, South Carolina	892,505	103	110
<i>to merge with</i> Spartanburg Bank and Trust Company Spartanburg, South Carolina	60,189	7	

Summary report by Attorney General, December 18, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, March 17, 1981

Bankers Trust of South Carolina, Columbia, South Carolina ("Bankers Trust"), an insured state nonmember bank with total resources of \$892,505,000 and total IPC deposits of \$629,087,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Spartanburg Bank and Trust Company, Spartanburg, South Carolina ("SBTC"), an insured state nonmember bank with total resources of \$60,189,000 and total IPC deposits of \$49,906,000. Incident to the proposed transaction, the seven existing offices of SBTC would be established as branches of Bankers Trust, increasing to 110, the number of offices operated in the state. Pursuant to Section 18(i) of the Act, the Corporation's consent to repurchase and to subsequently retire common stock of not more than \$3,250,000 is also sought.

Bankers Trust, based in Columbia, operates 103 offices in 22 counties of South Carolina with the majority of these offices located in the central and western portions of the state. The bank has been a party to 17 merger-type transactions since 1955, and has pursued an aggressive branching policy. SBTC, established in 1963, operates six offices in the city of Spartanburg in the

northern portion of the state, and a branch in the community of Inman which is located approximately 12 road-miles northwest of the city in northern Spartanburg County.

Competition

The competitive impact of the proposed transaction will be most direct and immediate in the area within an approximate 15 road-mile radius of the city of Spartanburg in which SBTC operates all of its offices and draws the bulk of its business. The city of Spartanburg (1970 population 44,546; estimated 1979 population 46,900) is one of the state's major commercial centers and enjoys a diversified economic base encompassing both manufacturing and agricultural products. The median household buying level of \$16,388 (1979) is higher than the state figure and compares favorably with other urban communities in the state.

Bankers Trust is not represented in the relevant market, with its closest offices in the city of Greer, which is located in adjacent Greenville County approximately 15 road-miles southwest of SBTC's Inman Branch (IPC deposits \$1.6 million). The proposed transaction would not eliminate any significant volume of existing competition between the proponents, nor would Bankers Trust's succession to the banking business of SBTC have any adverse impact upon the structure of commercial banking in the relevant market.

South Carolina statutes permit statewide merger and *de novo* branching activity, therefore, there is some potential for competition to develop between the two banks at some future time as a result of such expansion efforts. SBTC has, since inception, confined its operation to the immediate vicinity of Spartanburg, and is not viewed as likely to make any meaningful competitive impact in the foreseeable future in more distant areas in which Bankers Trust operates. Bankers Trust, however, with a vast resource base and *de novo* branching experience, must be regarded as a potential entrant into the growing Spartanburg market as this city remains one of the few relatively large communities in the state in which it is not represented. Presently, the state's two largest commercial banks aggregately hold more than 52.0 percent of the IPC deposits in this relevant market and operate forty percent of the total number of commercial banking offices. Bankers Trust is the only one of the state's six largest commercial banking organizations not already established in this market. The proposed acquisition of SBTC, which ranks as the fourth largest of six commercial banks in the market in terms of total commercial bank deposits held, is viewed as a means to accomplish this entry. While *de novo* expansion into Spartanburg by Bankers Trust, rather than direct acquisition, would add an additional competitor, the loss of this potential competition is not viewed as having a significant effect in such a banking environment.

Bankers Trust is presently the third largest commercial bank in South Carolina holding 12.5 percent of the state's commercial bank deposit base. The acquisition of SBTC would increase this share by 0.9 percent, and the resultant bank would become the state's second largest commercial bank by such a measure. Such a consequence, considering the relatively modest volume of banking business involved, is not regarded as unduly increasing the level of concentration of banking resources in the state or in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both proponents are regarded as satisfactory, and the resultant bank would have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have little overall impact upon the level of commercial banking services in the Spartanburg area as this market is presently served by offices of several of the state's largest banking organizations, and comparable services are readily available. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Colonial Bank Waterbury, Connecticut	1,247,073	65	68
<i>to merge with</i> The Bank of Trumbull Trumbull, Connecticut	38,128	3	

Summary report by Attorney General, January 22, 1981

We have reviewed this proposed transaction and conclude that it would not have a significant effect on competition.

Basis for Corporation Approval, March 30, 1981

Colonial Bank, Waterbury, Connecticut, an insured state nonmember bank with total resources of \$1,247,073,000 and total domestic IPC deposits of \$798,280,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with The Bank of Trumbull, Trumbull, Connecticut ("Other Bank"), an insured state nonmember bank which has total resources of \$38,128,000 and total IPC deposits of \$30,615,000. Incident to the proposed transaction, the three offices of Other Bank would be established as branches of the resultant Colonial Bank.

Colonial Bank operates 65 domestic offices in 34 cities and towns in central and western Connecticut. The bank is a wholly-owned subsidiary of Colonial Bancorp, Inc., Waterbury, Connecticut, a one-bank holding company which operates four nonbanking subsidiaries. Other Bank, established in 1974, operates its head office and a branch in the residential community of Trumbull in eastern Fairfield County in southwestern Connecticut. The town of Trumbull (1970 population 31,394; estimated 1979 population 35,000) adjoins the city of Bridgeport which is a major commercial and manufacturing center. A branch office (IPC deposits of less than \$2 million) is also operated in the community of Newtown (estimated 1979 population 17,900), approximately 10 road miles north of Trumbull.

Competition

The relevant market in which to assess the competitive impact of the proposed merger is regarded as that portion of eastern Fairfield County within a 7 to 12

road mile radius of Trumbull, approximated by eight contiguous towns and cities (Bridgeport, Easton, Fairfield, Monroe, Newtown, Shelton, Stratford, and Trumbull) containing an estimated population of 360,000. This area, with some exceptions, is affluent and enjoys a diversified economic base of both heavy and light industry, with an increasing number of corporate offices and research and development facilities. Per capita income and median household buying levels are among the highest in the nation, and the area's future economic growth prospects are favorable.

While Colonial Bank's Brookfield and Southbury offices are located within eight miles of Other Bank's Newtown Branch, the two banks do not directly compete to any significant degree, and serve separate, but contiguous relevant markets. Consummation of the proposed transaction would not eliminate any significant existing competition, nor would it have any adverse impact upon the structure of banking in the Trumbull relevant market.

Connecticut statutes permit statewide merger activity, however, limit *de novo* expansion to a bank's home office community or those towns and cities which do not contain another commercial bank's home office. Colonial Bank, and other regional commercial banks, are thus precluded from *de novo* entry into Trumbull and several contiguous communities. The potential for significant competition to develop between the proponents is limited, and its loss, as a consequence of this proposed transaction, would have no material impact.

In the relevant market, a total of ten commercial banks operate 73 offices and hold deposits of approximately \$1 billion. Several of the state's largest commercial banks are based in the city of Bridgeport and hold substantial shares of the local market's IPC commercial bank deposits. Other Bank holds a mere 2.5 percent share of such deposits, and ranks among the market's smallest commercial banks. In such a competitive environment, the proposed acquisition of Other Bank by the Waterbury-based Colonial Bank would have no adverse effect upon the structure of banking in the relevant market, nor would it have any material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both proponents are regarded as satisfactory for the purposes of the proposed transaction, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed merger will result in a broader range of commercial banking services for the present customers of Other Bank. While it is recognized that such services are generally available at offices of a number of regional and statewide banks in the area now served by Other Bank, consummation of the proposed merger will provide an additional alternate source for these services. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the two banks and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Peoples Bank of South Jersey Clayton, New Jersey	35,374	7	9
<i>to merge with</i> The Community Bank Winslow Township (P. O. Sicklerville) New Jersey	10,469	2	

Summary report by Attorney General, January 22, 1981

We have reviewed this transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, April 13, 1981

Peoples Bank of South Jersey, Clayton, New Jersey ("Peoples Bank"), an insured state nonmember bank with total resources of \$35,374,000 and total IPC deposits of \$25,914,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with The Community Bank, Winslow Township (P. O. Sicklerville), New Jersey ("Community Bank"), which has total resources of \$10,469,000 and total IPC deposits of \$4,752,000. Incident to the proposed transaction, the two offices of Community Bank would be established as branches of Peoples Bank, increasing to nine the number of offices operated.

Peoples Bank is one of the two commercial banking subsidiaries of Citizens Bancorp, Vineland, New Jersey, which holds aggregate deposits of \$155,450,000 and operates 21 commercial banking offices in six counties of southern New Jersey. Peoples Bank, based in Gloucester County, operates two offices in Salem County, four offices in Gloucester County, and a single office in Camden County. The affiliated Citizens United Bank, N. A., operates offices in Cumberland, Burlington and Cape May Counties.

Competition

The relevant market in which to assess the competitive impact of the proposed transaction is approximated by Camden County in southwestern New Jersey. Camden County (estimated 1979 population 474,100) is highly developed, enjoying a diversified economic base. Its median household buying level (1979) of \$21,174 is lower than the state figure of \$22,261, however, it compares favorably with neighboring areas.

Community Bank operates its two offices in Camden County; one office (IPC deposits \$1.2 million) is located in the densely populated northwestern portion in the community of Audubon; the other (IPC deposits \$3.4 million) is located in Winslow Township in the southern portion of the county. Peoples Bank's only Camden County office, which holds IPC deposits of less than \$1 million, is located near the geographic center of the county in Stratford, approximately seven road miles from Community Bank's Audubon Office and approximately 10 road miles north of Community Bank's head office. The intervening area between these offices is highly developed, and contains numerous offices of other commercial banks. Similarly, several offices of the affiliated Citizens United Bank, N. A., which are located in relatively close proximity to Community Bank's Audubon Office, in adjacent Burlington County, are separated by densely populated, heavily-banked communities. The actual volume of existing competi-

tion between the two banking organizations, which would be affected by consummation of this proposed transaction, is modest and of no material competitive significance.

New Jersey statutes permit statewide merger and *de novo* branching activity, subject to certain minimum capitalization requirements and a home office protection provision in municipalities of less than 10,000 population.

Considering the relative size of the proponents in the context of this relevant market, there is little likelihood of a meaningful increase in the level of competition developing between them in the foreseeable future through such expansion efforts. The loss of this limited potential is viewed as having no significant competitive effect.

A total of 15 commercial banks operate more than 100 offices in the relevant market and hold IPC deposits in excess of \$1.5 billion. Several of the state's largest commercial banking organizations are represented in Camden County and hold substantial shares of the local market's deposit base. The market's four largest commercial banks aggregatedly control more than 84 percent of the county's IPC deposits, as contrasted with the less than 1.0 percent aggregate share presently held by the proponents. In such a banking environment, the proposed acquisition of Community Bank, by an affiliate of Citizens Bancorp, would have no adverse affect upon the structure of the local market. Considering the relatively nominal volume of deposits and banking business involved in this proposal, the transaction would have no material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are regarded as acceptable for the purposes of the proposed transaction. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction will result in no material change in the level or pricing of commercial banking services in the areas now served by Community Bank. Such considerations are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is anticipated to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First Bank & Trust Concordia, Kansas	29,127	1	2
<i>to merge with</i> The Fidelity State Bank Concordia, Kansas	19,188	1	

Summary report by Attorney General, June 4, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, April 13, 1981

First Bank & Trust, Concordia, Kansas ("First Bank"), an insured state non-member bank with total resources of \$29,127,000 and total IPC deposits of \$24,032,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge, under its charter and title, with The Fidelity State Bank, Concordia, Kansas ("Fidelity"), an insured state nonmember bank which has total resources of \$19,188,000 and total IPC deposits of \$15,244,000. Incident to the proposed transaction, the only office of Fidelity would be established as a facility of the resultant bank.

Principals holding stock and managerial control of Kansas Bancorp, Inc., Concordia, Kansas, which in turn exercises stock and managerial control over First Bank, acquired the majority of the outstanding shares of stock of Fidelity in July 1980. Factors relating to this affiliation were subject to evaluation by the Corporation pursuant to The Change in Bank Control Act (12 U.S.C. 1817(j)), and a Notice of Acquisition of Control of Fidelity was filed with the Corporation on April 21, 1980.

The proposed affiliation by common control of First Bank and Fidelity was found to have serious anticompetitive effects in that it would eliminate existing and potential competition between the two banks, reduce the number of local banking alternatives, and increase the level of concentration of banking resources in the Concordia market area. Considerations relating to the financial and managerial resources of Fidelity, however, indicated that Fidelity was undercapitalized and its future viability as an independent institution was in doubt. The anticompetitive consequence of the proposal, in the opinion of the Corporation's Board of Directors, was clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served. A letter, indicating the Corporation's intent not to disapprove the proposed change of control, was issued on June 24, 1980.

Competition

Having previously concluded that there was an overriding public interest in allowing the affiliation of First Bank and Fidelity, the Board of Directors has determined that their merger now would not seriously impact competition in the Concordia market.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial resources of First Bank are satisfactory, and the infusion of new capital funds into Fidelity, and other measures, have substantially improved the condition of that institution. The common management has demonstrated its ability to successfully address Fidelity's problems, and the resultant bank would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have no effect upon the level or pricing of commercial banking services in the local community. Such considerations are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is anticipated to

continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

The Board of Directors is of the opinion that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Citizens State Bank Kiel, Wisconsin	14,019	1	2
<i>to consolidate with</i>			
The Glenbeulah State Bank Glenbeulah, Wisconsin	3,806	1	

Summary report by Attorney General, January 19, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, April 13, 1981

The Citizens State Bank, Kiel, Wisconsin ("Citizens Bank"), an insured state nonmember bank with total resources of \$14,019,000 and total IPC deposits of \$10,558,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to consolidate with The Glenbeulah State Bank, Glenbeulah, Wisconsin ("State Bank"), an insured state nonmember bank with total resources of \$3,806,000 and total IPC deposits of \$3,051,000. The two banks would consolidate under the charter and with the title of Citizens Bank and, incident to the transaction, the sole office of State Bank would be established as a branch of the resultant bank.

Competition

Citizens Bank operates its sole office in the city of Kiel (1970 population 2,550) in southwestern Manitowoc County. State Bank operates its sole office in the village of Glenbeulah (1970 population 496) in northwestern Sheboygan County. Sheboygan and Manitowoc Counties are adjacent to one another and are located in eastern Wisconsin bordering on Lake Michigan.

The effects of the proposed consolidation would be most immediate and direct in that area within approximately ten road miles of Glenbeulah. This area, which had an estimated 1970 population of approximately 16,000, encompasses northwestern Sheboygan County and adjoining portions of Manitowoc, Calumet and Fond du Lac Counties. This area is mainly rural with agriculture being the primary economic factor.

Seven banks operating seven offices are located in the relevant market and control total IPC deposits of \$78,027,000. Citizens Bank holds the fourth largest share of such deposits - 13.5 percent, and State Bank holds the smallest share - 3.9 percent. The proponents are located approximately ten road miles apart indicating some existing competition. The volume of such direct competition, however, is modest and consummation of the proposed transaction would have no major impact upon existing competition between the proponents.

The potential for additional competition to develop between Citizens Bank and State Bank through *de novo* branching appears remote. Wisconsin's restrictive branching law precludes Citizens Bank from branching into Glenbeulah. State Bank lacks the financial resources to expand through *de novo* branching, and it is unlikely that either proponent would consider *de novo* expansion in the near future.

In view of the foregoing, the Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Both proponents have adequate financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The resultant bank would be able to offer a broader range of commercial banking services than presently available at State Bank, and considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Oelwein State Bank Oelwein, Iowa	38,505	2	3
<i>to acquire assets and assume deposit liabilities of</i>			
Arlington State Bank Arlington, Iowa	7,706	1	

Summary report by Attorney General, June 12, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, April 13, 1981

Oelwein State Bank, Oelwein, Iowa, an insured state nonmember bank with total resources of \$38,505,000 and total IPC deposits of \$32,454,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume the liability to pay deposits made in Arlington State Bank, Arlington, Iowa, an insured state nonmember bank with total resources of \$7,706,000 and total IPC deposits of \$6,318,000. Incident to the transaction, the sole office of Arlington State Bank would be established as a branch of the resultant bank.

Competition

Oelwein State Bank operates its main office in the city of Oelwein (1970 population 7,735) in southern Fayette County near the Buchanan County border. A branch is also operated in the town of Aurora (1970 population 229) which is located approximately 15 road miles southeast of Oelwein in Buchanan County. Oelwein State Bank is controlled by Northeast Iowa Bancorporation, Oelwein, Iowa, a one-bank holding company. Arlington State Bank operates its sole office in the town of Arlington (1970 population 481) in southeastern Fayette County.

The effects of the proposed transaction would be most immediate and direct in that area within approximately 15 road miles of Arlington. This area includes

most of the southeast quadrant of Fayette County and adjoining portions of northeastern Buchanan County, southwestern Clayton County and northwestern Delaware County. Fayette County (1970 population 26,898), located in northeast Iowa, has an economy which is dominated by agricultural production. The 1979 median household buying level for Fayette County was \$15,040, compared to \$18,779 for the state.

Oelwein State Bank's closest office to Arlington State Bank is its Aurora Branch located approximately 14 road miles southwest of Arlington. The location of these offices indicates there is a slight overlapping of trade areas in the Aurora area, and some competition does exist between the proponents. The volume of such competition is not considered significant, however. Consummation of the proposed transaction would have little impact upon competition between the proponents.

Iowa statutes permit branching in a bank's home office county or in a contiguous county, with certain office protection restrictions. Arlington State Bank, which has operated as a unit bank during its 70 years of existence, has neither the experience nor the resources to embark on any *de novo* expansion. Although Oelwein State Bank is capable of further *de novo* expansion, it is presently prohibited from branching into Arlington. Therefore, consummation of the proposed transaction would not eliminate any significant potential for future competition between the two banks.

In the relevant market, seven banks, each operating one office, controlled June 30, 1980 total IPC deposits of \$44,205,000. Of these deposits, Arlington State Bank held a 12.5 percent share, and Oelwein State Bank held a 6.2 percent share. The proposed transaction would not have a significantly adverse effect on the level of concentration or on the structure of commercial banking in the market or in the state.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Oelwein State Bank and Arlington State Bank have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The resultant bank would be able to offer a broader range of commercial banking services than presently available at Arlington State Bank, and considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Northeast Bank of Lewiston and Auburn Lewiston, Maine (change title to Northeast Bank)	138,372	13	25
<i>to merge with</i> Northeast Bank of Sanford Sanford, Maine and Northeast Bank of Westbrook Westbrook, Maine	52,448	5	
	59,896	7	

Summary report by Attorney General, December 5, 1980

The merging banks are all wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation Approval, April 16, 1981

Northeast Bank of Lewiston and Auburn, Lewiston, Maine, an insured state nonmember bank with total resources of \$138,372,000 and total IPC deposits of \$101,822,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Northeast Bank of Sanford, Sanford, Maine, an insured state member bank with total resources of \$52,448,000 and total IPC deposits of \$39,992,000, and Northeast Bank of Westbrook, Westbrook, Maine, an insured state nonmember bank with total resources of \$59,896,000 and total IPC deposits of \$50,038,000, under the charter of Northeast Bank of Lewiston and Auburn and with the title Northeast Bank, to establish the twelve offices of Northeast Bank of Sanford and Northeast Bank of Westbrook as branches of the resultant bank, which would commence operations with a total of 25 offices. Incident to the proposed transaction the main office location would be redesignated to the present site of Northeast Bank of Westbrook's branch located at 449 Congress Street, Portland, Maine.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Northeast Bankshare Association, Lewiston, Maine, a multi-bank holding company presently controlling eight banks with aggregate total deposits of \$404,839,000, may consolidate some of its operations. The proponents have been under common control since 1973. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal, and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Princeton Bank and Trust Company Princeton, New Jersey	254,572	13	15
<i>to merge with</i> The Fellowship Bank Mount Laurel Township, New Jersey	32,730	2	

Summary report by Attorney General, December 16, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, April 23, 1981

Princeton Bank and Trust Company, Princeton, New Jersey ("Princeton"), an insured state nonmember bank with total resources of \$254,572,000 and total IPC deposits of \$179,644,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Fellowship Bank, Mount Laurel Township, New Jersey ("Fellowship"), with total resources of \$32,730,000 and total IPC deposits of \$28,323,000. Incident to the transaction, the two existing offices and one approved not opened office of Fellowship will be established as branches of the resultant bank.

Competition

Princeton, a wholly-owned subsidiary of Horizon Bancorp, Morristown, New Jersey, operates 13 banking offices in north-central New Jersey. Its main office and 8 branches are located in Mercer County and the other 4 offices are located in adjacent Middlesex County. Horizon Bancorp controls three other commercial banks which operate 47 offices in northern New Jersey and 6 offices in the southernmost part of the state.

Fellowship operates its main office in Burlington County and a branch in Gloucester County. Approval has also been received to open an additional branch in Burlington County. All three office locations are in south-central New Jersey, near the Pennsylvania state line, within commuting distance of Philadelphia. The closest offices of the proponents are separated by 26 road miles and the nearest office of an affiliate of Princeton, to an office of Fellowship is approximately 70 miles.

New Jersey law provides for statewide branching, with certain restrictions. Both proponents could branch into areas served by the other. In view of the number and relative size of banking alternatives that operate in areas served by

the proponents, this loss of potential competition is not considered significant.

For these reasons, the proposed transaction would not eliminate any significant existing or potential competition between the proponents, nor would it materially affect the structure of commercial banking in any relevant area. The Board of Directors, therefore, has concluded that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Financial and managerial resources of Princeton are adequate for purposes of this proposal. With the contemplated addition of equity capital, the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

The proposed transaction would have little material impact upon the level and pricing of commercial banking services in the relevant market area, as such services are readily available at offices of numerous commercial banking alternatives in the area. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of the available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Barnett Bank of Volusia County DeLand, Florida	207,395	4	5
<i>to merge with</i> Barnett Bank of Flagler County Flagler Beach, Florida	11,621	1	

Summary report by Attorney General, December 8, 1980

The merging banks are both wholly-owned subsidiaries of the same bank holding company. As such, their proposed merger is essentially a corporate reorganization and would have no effect on competition.

Basis for Corporation Approval, April 28, 1981

Barnett Bank of Volusia County, DeLand, Florida, an insured state nonmember bank with total resources of \$207,395,000 and total IPC deposits of \$166,331,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Barnett Bank of Flagler County, Flagler Beach, Florida, an insured state non-member bank with total resources of \$11,621,000 and total IPC deposits of \$10,326,000, under the charter and with the title of Barnett Bank of Volusia County, and to establish the sole office of Barnett Bank of Flagler County as a branch of the resultant bank, which would commence operations with a total of five offices.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Barnett Banks of Florida, Inc., Jacksonville, Florida, a multi-bank holding company presently controlling 31 banks with aggregate total deposits of \$3,718,380,000, may consolidate some of its operations. The proponents have been under common control since 1980. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal, and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Wells River Savings Bank Wells River, Vermont	22,453	1	1
<i>to purchase the assets and assume the deposit liabilities of</i>			
The National Bank of Newbury at Wells River Wells River, Vermont	6,891	1	

Summary report by Attorney General, September 26, 1980

We have reviewed this proposed transaction and conclude that it would not have a significantly adverse effect upon competition.

Basis for Corporation Approval, May 11, 1981

Wells River Savings Bank, Wells River, Vermont ("WRSB"), an insured mutual savings bank with total resources of \$22,453,000 and total deposits of \$20,628,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and to assume the liability to pay deposits made in The National Bank of Newbury at Wells River, Wells River, Vermont ("National Bank"), which has total resources of \$6,891,000 and total deposits of \$6,290,000. National

Bank, established in 1833, was instrumental in the formation of WRSB in 1892 for the purpose of offering complementary financial services to the local community. Since that time, the two institutions have shared a common banking lobby and, to some extent, appear to have a common identity in the local community. WRSB presently leases quarters in National Bank's building on Main Street in Wells River.

Competition

Wells River (estimated population 450), a village in Newbury Township (1970 population 1,440), is located in the Connecticut River Valley of east-central Vermont, approximately 21 road miles south of St. Johnsbury and 36 road miles north of Hanover, New Hampshire. Mountainous terrain serves to effectively localize the proponents' common service area which is regarded to be several sparsely populated communities located along the Connecticut, Wells and Ammonoosuc River Valleys in both Vermont and New Hampshire within 7-10 road miles of the village of Wells River. The area's economy is stable, being chiefly predicated on dairy and forest products, however, it is of limited economic significance, containing a population estimated at less than 7,500.

The proponents historically have not, and do not now, directly compete to any significant degree, offering generally complementary financial services. WRSB's management has shown some indication that it wishes to expand its scope of services, as permitted under Vermont statutes, thus increasing competition with National Bank. The potential for any meaningful level of competition to develop between these two modest size institutions, however, is limited. The presence of a new commercial banking office (branch of a Bradford, Vermont-based bank opened in December 1980) and both a savings bank and a commercial bank located in the adjacent "sister" community of Woodsville, New Hampshire, assures the continuation of a competitive environment. The loss of existing and potential competition between the proponents, as a direct consequence of consummation of this proposed transaction, would be modest and would not have any significant competitive impact.

In the relevant market, three commercial banks, one mutual savings bank and a guaranty savings bank operate one office each and hold deposits of approximately \$51.5 million. WRSB is, and subsequent to the proposed acquisition would continue to be, the largest financial institution in this market, in share of local deposits held. The actual dollar volume of deposits involved in this proposal (approximately \$6 million), however, is modest by almost any standard, and the transaction would not have any significant adverse impact upon banking structure in the Wells River-Woodsville area. WRSB is the smallest mutual savings bank in the State of Vermont, and National Bank is the third smallest insured commercial bank in the state, holding, 2.0 percent and 0.3 percent, respectively, of the thrift institution and commercial bank deposits. The proposed acquisition would have no material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are considered adequate for the purposes of this proposal. While the surplus level of the resultant institution will be somewhat lower than desirable, certain economies from a combined operation are anticipated which would permit augmentation of surplus and reserves in future periods from increased earnings retention. The

proposed acquisition is, in part, a vehicle by which WRSB may acquire permanent banking quarters and trained personnel familiar with services which had not been offered by the mutual savings bank. National Bank lacks the resources to develop into an effective competitive force and its prospects as an independent institution would appear to be limited. The resultant institution will have the financial and managerial resources to compete more effectively across a broader spectrum of financial services, and the combined entity would appear to have more favorable future prospects than either of the proponents operated independently.

Convenience and Needs of the Community to be Served

A direct consequence of this proposal will be the *de facto* closing of a commercial banking office. WRSB, however, is anticipated to expand its services to include most of the functions now performed by National Bank, and this result would have no material adverse impact in the local community. Considerations regarding the convenience and needs of the community to be served are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Manufacturers Bank Los Angeles, California (change title to Mitsui Manufacturers Bank)	899,070	8	12
<i>to merge with</i> The Mitsui Bank of California Los Angeles, California	329,626	4	

Summary report by Attorney General, March 2, 1981

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, May 18, 1981

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed on behalf of Manufacturers Bank, Los Angeles, California, an insured state nonmember bank with total resources of \$899,070,000 and total IPC deposits of \$674,269,000, for the Corporation's prior consent to merge, under the charter of Manufacturers Bank, with The Mitsui Bank of California, Los Angeles, California ("Mitsui Bank") which has total resources of \$329,626,000 and total IPC deposits of \$208,117,000. Incident to the proposed transaction, the four existing offices of Mitsui Bank would be established as branches of the resultant bank which would be titled "Mitsui Manufacturers Bank."

Competition

Manufacturers Bank, based in the financial district of the city of Los Angeles, operates seven offices in Los Angeles County and a single office at Newport Beach in adjacent Orange County.* Organized in 1962, Manufacturers Bank has historically served the garment and textile industry of the Los Angeles area, and has developed an expertise in lending to small and medium size domestic firms. Also based in the financial district of Los Angeles, Mitsui Bank operates two offices in the city of Los Angeles and one office each in the cities of San Francisco and San Diego. Mitsui Bank is a wholly-owned subsidiary of The Mitsui Bank, Limited, Tokyo, Japan which is one of Japan's largest international banking organizations. Mitsui Bank's customer base has historically been skewed toward relatively large corporations engaged in international trade.

The two banks generally serve different segments of the banking public, and there is little existing competition between them which would be impacted by their merger. Similarly, there is only a limited potential for any meaningful increase in the level of this competition to develop and its loss, as a direct consequence of consummation of this proposed transaction, would have no significant competitive effect.

The area of geographic overlap of the proponents' service areas and the relevant market in which the competitive impact of the transaction would be most direct and immediate is approximated by Los Angeles County. This is one of the nation's largest banking markets with 90 insured commercial banks holding deposits in excess of \$40 billion. All of California's largest banking organizations are represented in this market and several hold significant shares of the local deposit base. Manufacturers Bank and Mitsui Bank aggregately hold less than a 2.0 percent share of such deposits. In such a banking environment, the proposed merger would not have any material adverse impact upon the structure of commercial banking nor would it have any significant impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both proponents and of the resultant Mitsui Manufacturers Bank are regarded as satisfactory. With experience in both domestic and international banking, the resultant bank would appear to have more favorable future prospects than either of the proponents operated as an independent entity.

Convenience and Needs of the Community to be Served

The proposed transaction would have no material impact upon the level or pricing of banking services in the areas presently served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of

*By separate application, American Pacific State Bank, Los Angeles, California has requested the Corporation's consent to acquire a portion of the assets of and to assume the liability to pay a portion of the deposits made in the Granada Hills Branch (Los Angeles, California) of Manufacturers Bank. The Granada Hills branch held deposits of approximately \$5.3 million as of June 30, 1980.

the Act. The resultant bank is anticipated to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Heritage Bank Anaheim, California	192,301	7	8
<i>to merge with</i> California Coastal Bank San Diego, California	5,992	1	

Summary report by Attorney General, September 12, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, May 20, 1981

Heritage Bank, Anaheim, California ("Heritage"), an insured state non-member bank with total resources of \$192,301,000 and total IPC deposits of \$169,148,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with California Coastal Bank, San Diego, California ("CCB"), with total resources of \$5,992,000 and total IPC deposits of \$4,610,000. The banks would merge under the charter and title of Heritage and, incident to the transaction, the sole office of CCB would become a branch of the resultant bank.

Competition

Heritage operates all seven of its banking offices in Orange County, which is located directly south of Los Angeles County and north of San Diego County. CCB operates its sole office in the city of San Diego. While its operations are confined mainly to the Mission Valley area of the city, it is in direct competition with all banks located in San Diego, and it is within this larger area that the competitive impact of this proposal will be most immediate and direct. There are 149 offices of 29 commercial banks located in the city, controlling \$2.7 billion in IPC deposits. The area is dominated by offices of the state's ten largest commercial banking organizations, which aggregately control over 75 percent of the area's commercial bank IPC deposits. CCB is one of the smallest banks in the area with only 0.2 percent of such deposits. Heritage is not represented and its closest office to CCB is located approximately 80 miles north. Therefore, the proposed transaction would not eliminate any existing competition and would have no significant effect on the structure of commercial banking.

California statutes permit statewide *de novo* branching and, therefore, each bank could branch *de novo* into areas served by the other. The loss of any potential competition, as a result of this merger, is not regarded as significant in light of the intense competition provided in the area by the state's largest banking organizations.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Financial and managerial resources of Heritage are adequate for purposes of this proposal. With the contemplated addition of equity capital, the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

The proposed transaction would have little material impact upon the level and pricing of commercial banking services in the relevant market area, as such services are readily available in the area at offices of the state's largest commercial banking organizations. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of the available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bangor Savings Bank Bangor, Maine	284,975	11	12
<i>to merge with</i> Houlton Savings Bank Houlton, Maine	17,691	1	

Summary report by Attorney General, March 2, 1981

We have reviewed this proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, June 1, 1981

Bangor Savings Bank, Bangor, Maine, an insured mutual savings bank with total resources of \$284,975,000 and total deposits of \$256,188,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Houlton Savings Bank, Houlton, Maine, an insured mutual savings bank with total resources of \$17,691,000 and total deposits of \$16,095,000. Consent is also sought to establish the sole office of Houlton Savings Bank as a branch of the resultant Bangor Savings Bank.

Competition

Bangor Savings Bank, based in the city of Bangor (preliminary 1980 population: 31,645), operates 11 offices in east-central Maine serving a large, but relatively sparsely populated, geographic area of several thousand square miles. Houlton Savings Bank operates its sole office in the rural community of Houlton (preliminary 1980 population 6,753; a decrease of 20 percent from 1970), which is located in southeastern Aroostook County adjacent to the international bound-

dary with Canada. This office, established in 1872, is located approximately 120 road miles northeast of Bangor and more than 70 road miles from the closest office of Bangor Savings Bank.

The city of Bangor serves as a major retail market and focal point for medical and other services for a radius of several hundred miles in the rural northern and eastern portions of the state. Bangor Savings Bank presently holds more than \$1 million in deposits originating from the distant Houlton service area, however, this total represents less than 0.5 percent of its total deposit base. While some economic interaction exists, the proponents service areas are viewed as separate and distinct, and the proposed transaction would have no significant effect on existing competition.

In the Houlton relevant market, Houlton Savings Bank is the larger of two insured thrift institutions and the third largest of the five insured commercial banks and thrift institutions represented. The market's three insured commercial banks are all affiliated with relatively large regional and/or statewide multi-bank bank holding company organizations. In such an environment, Bangor Savings Bank's acquisition of Houlton Savings Bank's relatively modest volume of banking business would have no adverse effect upon banking structure in the Houlton market. Similarly, the proposed transaction would have no material impact upon the level of concentration of banking resources in any relevant area.*

Both institutions, under governing statutes, may merge or branch *de novo* throughout the state of Maine. Houlton Savings Bank, with its relatively limited financial and managerial resources, however, is unlikely to embark upon an expansion campaign into distant areas and, in fact, has been actively seeking a merger partner. While Bangor Savings Bank has the resources and branching experience to enter the Houlton area *de novo*, the heavily-banked situation prevalent and the market's relatively limited economic significance, reduce significantly the attractiveness of such a possibility. Accordingly, the potential for meaningful competition to develop between the proponents, in the absence of the proposed merger, is viewed as limited.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of each institution are regarded as satisfactory, and the resultant institution would appear to have generally favorable future prospects.

Convenience and Needs of the Community to be Served

The merger transaction would establish the state's second largest mutual savings bank in the Houlton market, providing a greater variety of financial services than have been available at the office of Houlton Savings Bank. Such services are also available in the Houlton area at offices of other, relatively large financial institutions, however, Bangor Savings Bank's entry will provide an additional source of such service. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

*It is recognized that the community of Houlton is located along an international border, and that there exists a material volume of economic interaction with the neighboring agrarian-based communities in the Province of New Brunswick. The impact, if any, of financial intermediaries based therein has been excluded from this analysis.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Community Bank & Trust Salt Lake City, Utah (change title to Pioneer Bank)	6,428	1	2
<i>to merge with</i> Pioneer Bank Salt Lake City, Utah	6,953	1	

Summary report by Attorney General, June 5, 1981

We have reviewed the proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, June 1, 1981

Community Bank & Trust, Salt Lake City, Utah, an insured state nonmember bank with total resources of \$6,428,000 and total IPC deposits of \$4,650,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under the charter of Community Bank & Trust, with Pioneer Bank, Salt Lake City, Utah, which is an insured state nonmember bank with total resources of \$6,953,000 and total IPC deposits of \$4,856,000. Incident to the proposed transaction, the existing office of Pioneer Bank would be established as a branch of the resultant bank which would be titled "Pioneer Bank."

Competition

The two banks are under common control and share common management. This affiliation arose in early 1979 when three individuals, who exercised control over Community Bank & Trust, acquired control of Pioneer Bank. At the time of this affiliation, neither bank was a significant factor in the Salt Lake City area, and their common control had no significant competitive effect.

Each proponent presently operates a single banking office, located approximately 3.5 road miles apart, in Salt Lake City, and continues to hold only a nominal share of the local commercial bank deposits. The proposed merger of Community Bank & Trust and Pioneer Bank would not eliminate any significant existing or potential competition, nor would it materially impact the structure of commercial banking or the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have generally satisfactory financial and managerial resources. The resultant bank, with the proposed addition to its equity capital base, is

anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have no material impact upon the level or pricing of commercial banking services in the Salt Lake City area. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
American Pacific State Bank Los Angeles (P.O. Sun Valley) California	75,822	3	4
<i>to acquire assets and assume the deposit liabilities of</i>			
Granada Hills Branch of Manufacturers Bank Los Angeles, California	5,163*	1	

*Total IPC deposits to be transferred by
Manufacturers Bank. Assets not reported by office.

Summary report by the Attorney General, November 14, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, June 8, 1981

American Pacific State Bank, Los Angeles (P.O. Sun Valley), California ("American Bank"), an insured state nonmember bank with total resources of \$75,822,000 and total IPC deposits of \$65,406,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire a portion of the assets of and assume the liability to pay a portion of the deposits made in the Granada Hills Branch of Manufacturers Bank, Los Angeles, California. Incident to this transaction the Granada Hills Branch, located at 16912 Devonshire Street, Los Angeles, California, with total IPC deposits of approximately \$5,163,000, would be established as a branch of American Bank.

Competition

American Bank, established in 1971, operates three offices in the southeastern portion of the San Fernando Valley in the city of Los Angeles, California. American Bank's North Hollywood Office was acquired in 1978 from a San Francisco-based commercial bank, and the Sherman Oaks Office was acquired in 1979 from Manufacturers Bank. The Granada Hills Office to be acquired in this transaction is located in the residential community of Granada Hills which is

in the north-central portion of the San Fernando Valley approximately 10 road miles northwest of American Bank's closest office.

While it is recognized that there is substantial economic interaction throughout the entire metropolitan Los Angeles area, there is no evidence of any significant volume of existing competition which would be impacted by the proposed transaction. As Manufacturers Bank has been in the process of disposing of certain of its retail branches in the San Fernando Valley, there is only a limited potential for increased competition to develop between the proponents as a result of *de novo* branching activity in the future. The proposed transaction would not eliminate any significant existing or potential competition between the proponents.

In the relevant market, approximated by the adjacent communities of Granada Hills and Mission Hills in the San Fernando Valley, a total of six commercial banks each operate one office and hold IPC deposits of approximately \$84 million. This market is dominated by the presence of several of the state's largest banking organizations. The market's three largest commercial banks aggregate control 71.8 percent of the local IPC deposit base. The Granada Hills Branch of Manufacturers Bank is the smallest office, in share of IPC deposits held, in the market. Its acquisition by American Bank, which is not presently represented in this relevant area, would have no adverse impact upon the structure of commercial banking in the market. In light of the modest volume of banking business involved, the proposed acquisition would have no material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are regarded as satisfactory for the purposes of the proposed transaction, however, the equity capital level of the resultant American Bank will be below desired levels. With the proposed addition to the equity capital base of American Bank, the resultant institution would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction will not effect the number of banking offices serving the Granada Hills community, nor is it expected to have any material impact upon the level or pricing of banking services. Considerations of convenience and needs of the community to be served are consistent with approval of the application.

A review of available information including the Community Reinvestment Act Statements of the two respective banks and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bank of Thomasville Thomasville, Alabama	43,169	3	4
<i>to merge with</i> Citizens Bank Thomasville, Alabama	5,103	1	

Summary report by Attorney General, April 2, 1981

Applicant operates three offices in Clarke County. On June 30, 1980, Applicant held total deposits of \$37.26 million (including IPC demand deposits of \$11.2 million) and net loans of \$24.2 million. Its net income for 1979 was \$658,000, above its 1975-78 average of \$346,000.

Bank has one office in Thomasville, Clarke County. On June 30, 1980, it held total deposits of \$4.2 million (including IPC demand deposits of \$876,405) and net loans of \$1.5 million. Since bank's inception (1975), it has suffered loan losses and has incurred operating losses in four of its six years of operation. Bank's only profitable years were 1976, with a net income of \$47,000 and 1977, with a net income of \$36,000.

Applicant and Bank are direct competitors in Thomasville, Clarke County and limited portions of Wilcox and Marengo Counties. Applicant's main office is approximately a half-mile from Bank. (Applicant's other offices are located eight miles and 28 miles from Bank.) According to Applicant, it derives approximately \$27.5 million in total deposits and \$17.8 million in loans from Bank's service area. Bank derives approximately \$4 million in total deposits and \$1.4 million in loans from Applicant's service area. Clarke County (1980 population 27,639) supports the following forestry based activities: logging, lumber, furniture manufacturing, pulp and paper production.

The relevant banking market consists of Clarke County and portions of Wilcox and Marengo Counties. Of the five banks in Clarke County, Applicant ranks first, with 33.8% of total deposits, and Bank ranks fifth, with 3.8% of total deposits. Commercial banking in Clarke County is highly concentrated. Of the five banks operating there, the four largest banks, in terms of deposits, hold 96.15% of county deposits. If the proposed merger is consummated, the resulting bank would control 37.7% of local deposits, and concentration among the four largest banks in the county would increase from 96.15% to 100%.

Two other banks, one in Marengo County and one in Wilcox County, are located in the primary service area of Applicant and in the primary service area of Bank. Inclusion of these banks in the market produces a slight diminution of market shares—for Applicant, a decline from 33.8% to 29%, and for Bank, from 3.8% to 3.3%. The merger would result in a 32.3% share for the resulting bank.

Basis for Corporation Approval, June 8, 1981

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, Bank of Thomasville, Thomasville, Alabama ("Applicant"), an insured state nonmember bank with total resources of \$43,169,000 and total IPC deposits of \$36,290,000, has applied for the Corporation's prior consent to merge, under its charter and title, with Citizens Bank, Thomasville, Alabama which has total resources of \$5,103,000 and total IPC deposits of \$3,979,000. Incident to the proposed transaction, the sole office of Citizens Bank would be established as a branch of the resultant bank.

Competition

Applicant, established in 1952, operates three offices in central and northern Clarke County which is in southwestern Alabama. Its main office is located in the central business district of Thomasville with branches operated at Fulton (8 road miles south) and at Coffeeville (30 road miles southwest). Citizens Bank, established in 1975, operates its sole office in Thomasville in a commercialized portion of the city along U. S. Highway 43, a north-south artery through the western portion of the state.

The community of Thomasville (preliminary 1980 population 4,412) is located in the northeastern portion of Clarke County in southwestern Alabama approximately 90 miles north of Mobile and a similar distance southwest of Montgomery. The relevant market in which to assess the competitive impact of the proposed transaction is approximated by an area within a 15 to 20 road mile radius of Thomasville encompassing the northeastern portion of Clarke County and adjacent portions of Marengo and Wilcox Counties. This area is sparsely populated (estimated population of 20,000) and has an economy chiefly predicated upon timber and related wood products. Clarke County has experienced a relatively high unemployment rate in recent years with a decline in manufacturing employment. The 1979 median household buying levels of Clarke, Marengo and Wilcox Counties (range: \$11,808 to \$6,678) are substantially lower than the comparable state figure of \$14,267. The area is regarded as stable, but is considered to have only limited growth prospects.

The service area of Citizens Bank is wholly contained within that of Applicant. The two banks are clearly in direct competition with Applicant's main office less than one road mile distant from Citizens Bank's office. The proposed merger would, therefore, eliminate existing and potential competition and serve to increase the level of concentration of banking resources in the Thomasville area.

Citizens Bank, however, has limited financial resources and has not proven to be an effective competitor. Its total deposit base of \$4.7 million and its total loans outstanding of only \$1.6 million are nominal by almost any standard and are not indicative of a strong competitive posture in the local community. The actual volume of competition which would be impacted by the proposed transaction is small, and its loss would not have a serious competitive effect.

In the relevant market a total of five commercial banks are represented, aggregately holding IPC deposits of less than \$69 million. Applicant, with two of its three offices in the relevant market, is the largest commercial bank in share of IPC deposits held; Citizens Bank is the smallest. In relative terms, Applicant holds more than 46 percent of the local IPC deposit base and proposes to acquire Citizens Bank's 5.6 percent market share. This banking market is relatively small, however, distorting the comparative significance of the proposed acquisition which actually involves less than \$4 million in IPC deposits.

Citizens Bank is one of the smallest commercial banks in the State of Alabama. Its acquisition by Applicant, which ranks as the state's sixty-eighth largest commercial bank, would have no adverse impact upon the level of concentration of banking resources in the state or in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial resources of Citizens Bank are regarded as inadequate and the bank is in need of additional capital funds to continue its operation. Applicant has a generally sound asset condition and is regarded as possessing an adequate

capital base to support the operations of the combined banks. The resultant institution would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed merger would preclude any interruption of banking services for the customers of Citizens Bank. Considerations of the convenience and needs of the community to be served are consistent with, and add weight in favor of, approval of the application.

A review of available information, including the Community Reinvestment Act Statement of Applicant, disclosed no inconsistencies with the purposes of the Act. The resultant bank is anticipated to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Coastal Bank Hinesville, Georgia	24,571	1	2
<i>to merge with</i> Long State Bank Ludowici, Georgia	2,537	1	

Summary report by the Attorney General, May 28, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, June 8, 1981

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, The Coastal Bank, Hinesville, Georgia, an insured state nonmember bank with total resources of \$24,571,000 and total IPC deposits of \$16,599,000, has applied for the Corporation's prior consent to merge, under its charter and title, with Long State Bank, Ludowici, Georgia, which has total resources of \$2,537,000 and total IPC deposits of \$1,504,000. Incident to the proposed merger, the sole office of Long State Bank would be established as a branch of The Coastal Bank.

The Commissioner, Department of Banking and Finance for the State of Georgia, has advised the Corporation of an emergency situation and requested expeditious action pursuant to paragraph 6 of Section 18(c) of the Federal Deposit Insurance Act. The publication of notice, as required by The Bank Merger Act, has been completed.

Competition

The Coastal Bank operates its sole office in the city of Hinesville which is in Liberty County in southeastern Georgia approximately 40 road miles southwest of Savannah. Hinesville, with a population of 11,152 (preliminary 1980 census data) which represents a substantial increase from the 1970 population figure of 4,115, is located in close proximity to Fort Stewart. This major military installation has grown rapidly in recent years and is a significant factor in the local economy. Long State Bank operates its sole office in the community of Ludowici (preliminary 1980 population, 1,313, a decrease from 1970) in central Long County approximately 12 road miles northeast of the city of Jessup.

The Coastal Bank is located only 15 road miles northeast of Long State Bank, separated by a sparsely populated rural area. Long State Bank is the only insured

commercial banking facility in Long County, however, the bank has failed to develop an adequate customer base, holding IPC deposits of only \$1.5 million. Long State Bank is not a significant competitive force and has a limited potential. The volume of competition, in both actual and relative terms, which would be impacted by the proposed transaction is nominal, and its loss would have no significant competitive effect.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial resources of Long State Bank are regarded as inadequate, and the bank's future viability is in grave doubt. The Coastal Bank has a generally sound asset condition and would appear to have the resources to satisfactorily address the problems facing Long State Bank. The resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction will preclude the possibility of interruption of commercial banking services in Long County. Additionally, The Coastal Bank is expected to offer increased customer hours, a higher lending limit and other increases in the level of commercial banking services. Considerations regarding the convenience and needs of the community to be served are consistent with, and add substantial weight in favor of, approval of the application.

A review of available information, including the Community Reinvestment Act Statement of The Coastal Bank and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is anticipated to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
La Jolla Bank & Trust Company La Jolla, California	117,284	8	9
<i>to merge with</i> Vista National Bank Vista, California	18,206	1	

Summary report by Attorney General, December 16, 1980

We have reviewed this proposed transaction and conclude that it would not have an adverse effect on competition.

Basis for Corporation Approval, June 15, 1981

La Jolla Bank & Trust Company, La Jolla, California ("LJB"), an insured state nonmember bank with total resources of \$117,284,000 and total IPC deposits of \$97,689,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Vista National Bank, Vista, California ("VNB"), with total resources of \$18,206,000 and total IPC deposits of \$14,489,000. Incident to the transaction, the sole office of VNB would be established as a branch of the resultant bank, which would then operate with a total of nine existing offices.

Competition

LJB operates eight offices, all of which are located in San Diego County. Its main office and one branch are located in the southern coastal area of the county, with the remaining six branches located in the northern coastal part of San Diego County. VNB operates its sole office in Vista in northwestern San Diego County. San Diego County has an estimated population of 1,859,623 (1980 preliminary census data), the bulk of which is in the city of San Diego.

In the relevant market, which is approximated by the local Vista area within approximately 5 miles, seven banks operating 13 offices control total IPC deposits of \$139,679,000 as of June 30, 1980. Of these deposits, an aggregate 72.8 percent share is held by four of California's seven largest banks. LJB's closest office to VNB is some 4.5 miles west and there are other banking offices in the intervening areas. The amount of existing competition that would be eliminated by this proposal is not considered to be of significance.

California statutes permit statewide branching. Therefore, each of the proponents could branch into areas served by the other. LJB has the financial and managerial resources to branch *de novo* into the area served by VNB. It is unlikely that VNB would consider *de novo* expansion in the near future. The loss of this limited potential for future competition to increase between the proponents by *de novo* branching is regarded as having little competitive impact.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of LJB and VNB are considered satisfactory, and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Wilmington Savings Fund Society Wilmington, Delaware	811,206	20	20
<i>to acquire assets and assume deposit liabilities of</i>			
Peoples Savings and Loan Association Dover, Delaware	666,000	1	

Summary report by the Attorney General, June 4, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, June 15, 1981

Wilmington Savings Fund Society, Wilmington, Delaware ("Society"), an insured state mutual savings bank with total resources of \$811,206,000 and total deposits of \$744,792,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to acquire the assets of and assume the liability to pay deposits made in Peoples Savings and Loan Association, Dover, Delaware ("Peoples"), a non-insured state-chartered savings and loan association with total resources of \$666,000 and total deposits of \$162,000.

Competition

Society presently operates 20 offices. Its main office and 13 branches are located in New Castle County, and three branches each are located in Kent and Sussex Counties. Peoples operates its sole office in Dover in Kent County.

Although Society and Peoples are both represented in Dover, there is neither existing competition nor potential for competition to develop between them. Peoples lacks the financial and managerial resources to consider any expansion, and in fact is not a viable competitor in the Dover area. Consummation of this proposal would have no effect on existing or potential competition, and would have a *de minimis* impact in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of Society are acceptable for the purposes of this proposal. Peoples has limited and declining resources and its future is not bright. The future prospects of Society, however, would not be affected by the transaction.

Convenience and Needs of the Community to be Served

Although Peoples' office would be closed, numerous banking alternatives would remain in the Dover area, and Peoples' customers would have access to a broader range of services and have the benefits of federal deposit insurance. Considerations relating to convenience and needs are consistent with approval.

A review of available information, including the Community Reinvestment Act Statement of Society, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Continental Bank of New Jersey Gloucester Township (P.O. Laurel Springs) New Jersey	37,244	1	6
<i>to merge with</i> The Mainland Bank Linwood, New Jersey	40,964	5	

Summary report by Attorney General, February 23, 1981

We have reviewed the proposed transaction and conclude that it would not have an adverse effect upon competition.

Basis for Corporation Approval, June 22, 1981

Continental Bank of New Jersey, Gloucester Township (P. O. Laurel Springs), New Jersey ("Continental Bank"), an insured state nonmember bank with total resources of \$37,244,000 and total IPC deposits of \$20,646,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with The Mainland Bank, Linwood, New Jersey, which has total resources of \$40,964,000 and total IPC deposits of \$29,277,000, and for consent to establish the five offices of The Mainland Bank as branches of the resultant bank which would operate a total of six offices. Incident to the transaction, the main office location of the resultant bank will be redesignated to the present site of the main office of The Mainland Bank which is at Maple Avenue and New Road, Linwood, Atlantic County, New Jersey. Pursuant to Section 18(i) of the Act, the Corporation's consent is also sought to issue convertible subordinated debentures as an addition to capital of the resultant bank, and for advance consent to the retirement at maturity or conversion to shares of common stock of said debentures.

Competition

Continental Bank operates its sole office in Gloucester Township in southwestern New Jersey approximately 10 road miles southeast of the city of Philadelphia, and serves a growing relatively affluent residential area of north-central Camden County. The Mainland Bank operates a total of five offices in the east-central portion of Atlantic County, in the southeastern portion of the state, serving a developing area to the west and southwest of Atlantic City. The two banks compete in separate, distinct markets with their closest offices located more than 30 road miles apart. The proposed merger transaction would have no significant effect on existing competition nor would it have a material impact upon the structure of commercial banking in either banking market or on the level of concentration of banking resources in any relevant area.

New Jersey statutes permit statewide merger and *de novo* branching subject to certain home office protection provisions. In the absence of this proposed transaction, it is possible for competition to develop between the proponents at some future time as a result of such expansion efforts. Both banks, however, are of relatively modest size and each faces intense competition from several of the state's largest banking organizations. The potential for meaningful competition to develop between them is considered to be limited, and, in such a banking environment, its loss would be of little competitive significance.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both Continental Bank and The Mainland Bank are regarded as acceptable for the purposes of the proposed merger. The resultant bank, with the proposed additions to its capital base, is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed merger will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the applications.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Dime Savings Bank of New York New York (Brooklyn), New York	5,316,542	23	28
<i>to merge with</i> Union Savings Bank of New York Mamaroneck, New York	231,030	5	

Summary report by Attorney General, June 5, 1981

We have reviewed the proposed transaction and conclude that it would not adversely effect competition.

Basis for Corporation Approval, June 29, 1981

The Dime Savings Bank of New York, New York (Brooklyn), New York ("Dime"), an insured mutual savings bank with total resources of \$5,316,542,000 and total deposits of \$4,746,635,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Union Savings Bank of New York, Mamaroneck, New York ("Union"), an insured mutual savings bank with total resources of \$231,030,000 and total deposits of \$213,627,000, and to establish the six offices of Union as branches of the resultant institution.

Competition

Dime presently operates its main office, 15 branches, three public accommodation offices, and 16 remote service facilities in Kings (Brooklyn), Queens, New York (Manhattan), Nassau, and Suffolk Counties in the metropolitan New York City area, as well as seven branches, one public accommodation office, and six remote service facilities in the Albany area of upstate New York. Union operates its main office, two branches, and one public accommodation office in Westchester County, directly north of New York City, and two branches in adjacent Rockland County.

Westchester and Rockland Counties are both part of the New York-New Jersey SMSA that consists of the five boroughs of New York City, as well as Putnam, Rockland, and Westchester Counties in New York, and Bergen County in New Jersey. These areas all have close economic ties, with significant commutation among them for work, shopping and leisure. In addition, thrift institutions, particularly the large New York City-based thrifts, advertise throughout the area, and there is intense competition in the region. The 1980 population of the New York portion of the New York-New Jersey SMSA was 8,236,036, and there are 731 offices of 112 thrift institutions with total deposits of \$57,391,604,000. The effect of this proposal would be insignificant in this area.

Dime's closest office to Union is located in Manhattan, approximately 23 road miles south of the main office of Union. As the intervening area is densely populated and contains numerous thrift offices, there is no significant existing competition between the two banks which would be eliminated by the proposed merger.

Under New York statutes, mutual savings banks can branch *de novo* state-wide. However, the intense competition existing among the numerous large

thrift institutions in the New York City area minimizes the competitive significance of additional *de novo* branching activity.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have set forth a definitive analysis of the projected economies of scale and other operating efficiencies which may be realized through their combined operation. These savings will flow from elimination of redundant operations such as advertising, data processing, audits and examinations, and consulting fees. In addition, losses taken by Union prior to consummation can be used to offset previous years' income taxes. Other considerations relating to the proponents' financial and managerial resources have been satisfactorily resolved, and the resultant institution is anticipated to have more favorable future prospects than those of the two institutions operating separately.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Because these applicants in this particular proposal were able to demonstrate that their merger would result in clear economic advantages to the resultant institution, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
United Bank & Trust Company Hartford, Connecticut	315,123	18	21
<i>to merge with</i> Vernon National Bank Vernon, Connecticut	31,582	3	

Summary report by Attorney General, June 4, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, July 13, 1981

United Bank & Trust Company, Hartford, Connecticut ("United"), an insured state nonmember bank with total resources of \$315,123,000, and total IPC deposits of \$223,377,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Vernon National Bank, Vernon, Connecticut ("VNB"), with total resources of \$31,582,000 and total IPC deposits of \$27,278,000. Incident to the transaction, the three offices of VNB would be established as branches of the resultant bank, which would operate with a total of 21 offices.

Competition

United operates its main office and twelve branches in Hartford County, three branches in Middlesex County, and one branch each in Litchfield and New London Counties. United is affiliated with First Connecticut Bancorp, Inc., Hartford, a bank holding company which controls two other banks and has aggregate total deposits of \$466,659,000. VNB operates three offices only, all of which are located in the town of Vernon in Tolland County.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the town of Vernon and the towns of Coventry, Tolland, Ellington and Bolton in Tolland County, and the towns of Manchester, East Hartford, Hartford, South Windsor and East Windsor in Hartford County. This area had a 1980 population of 325,064. United operates six offices in the Vernon market area, four of which are in the city of Hartford. There are no offices of any affiliate of United in the relevant market area. United's offices in East Hartford and East Windsor Township, its closest to VNB, are approximately ten miles southwest and northwest, respectively, of Vernon. There are 14 banks, operating 64 offices in the market, aggregately controlling total IPC deposits of \$1,763,940,000 at June 30, 1980. The two largest banks in the area, The Connecticut Bank and Trust Company, Hartford, and Hartford National Bank and Trust Company, Hartford, together hold over 84.0 percent of those deposits. United and VNB hold shares of 5.0 percent and 1.4 percent, respectively. The proximity of the proponents indicates there is some existing competition in the area between Vernon and East Hartford and East Windsor Township. However, in light of the moderate market shares held by the proponents and the presence of numerous other banking alternatives in the market area, the loss of this modest volume of existing competition is not considered to be of significance.

Under Connecticut statutes, banks may establish branches statewide subject to certain capital and home office protection provisions. VNB lacks the resources for further expansion into areas served by United. Under state law, United is prohibited from entering the town of Vernon *de novo*. Acquisition of VNB, the only remaining commercial bank headquartered in Vernon, would remove this home office protection provision, and open the town of Vernon to *de novo* entry by any commercial bank in the state. Therefore, the proposed transaction would not eliminate any significant potential for increased competition between the two banks in the future.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of United and VNB are adequate for purposes of this proposal, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would not significantly affect banking services in the market, but considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Suffolk Franklin Savings Bank Boston, Massachusetts (change title to Mutual Bank for Savings)	647,068	14	25
<i>to merge with</i> Mutual Bank for Savings Newton (P.O. Newton Centre), Massachusetts	527,370	11	

Summary report by Attorney General, June 4, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, July 13, 1981

Suffolk Franklin Savings Bank, Boston, Massachusetts ("Suffolk Franklin"), an insured mutual savings bank with total resources of \$647,068,000 and total deposits of \$583,298,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge, under its charter, with Mutual Bank for Savings, Newton (P. O. Newton Centre), Massachusetts ("Mutual Bank"), also an insured mutual savings bank, which has total resources of \$527,370,000 and total deposits of \$483,794,000. Consent is also sought to establish the eleven existing offices of Mutual Bank as branches of the resultant institution which would be titled "Mutual Bank for Savings" and operate from the present main office site of Suffolk Franklin.

Competition

Suffolk Franklin operates 13 of its 14 offices within the city limits of Boston (Suffolk County) with several branches serving the urban neighborhoods of Roslindale, Dorchester, Hyde Park and West Roxbury. Several other branches are located so as to serve the daily commuters to the city's universities, hospitals, insurance companies, government complex and commercial establishments. A single office (deposits \$20.4 million as of June 30, 1980) is operated on a major commuter artery in the northern residential suburb of Medford (preliminary 1980 population 58,076).

Mutual Bank, based in the city of Newton (preliminary 1980 population 83,622) located adjacent to and west of Boston in Middlesex County, operates 10 of its 11 offices in the relatively affluent residential suburbs to the west and southwest of the city of Boston. A single office was established in 1976 in Boston located between the city's financial district and the government center complex, which is in close proximity to offices of Suffolk Franklin. This office, however, has failed to originate a significant deposit volume (deposits of only \$4.9 million as of June 30, 1980) and serves primarily as a convenience facility for Mutual Bank's suburban customers who work or shop in the city.

The Boston Standard Metropolitan Statistical Area, which consists of the city of Boston plus 77 other incorporated cities and towns (1970 population 2,753,700) is one of the nation's largest urban markets with 1979 retail sales of approximately \$15 billion. There is substantial economic interaction and commutation throughout this entire urban area and, as such, the proponents must be regarded as being in direct competition. The actual volume of existing competition between the two institutions, however, is relatively modest, and the impact of the proposed merger transaction on existing competition would not be significant.

Massachusetts statutes regarding *de novo* expansion by mutual savings banks permit such branching within a bank's home office county, and, in recent years, have been modified to allow the establishment of a single new *de novo* office per annum in adjacent counties, subject to certain other limitations. The potential for meaningful competition to develop between the Suffolk County-based Suffolk Franklin and the Middlesex County-based Mutual Bank by *de novo* expansion is limited, and its loss would have little competitive impact in the context of this market.

The Boston relevant market is characterized by a relatively low level of concentration among traditional thrift institutions. Suffolk Franklin and Mutual Bank rank as the fourth and fifth largest mutual savings banks in this area holding 4.9 percent and 4.0 percent, respectively, of the deposits held by local savings bank offices. This market is somewhat unique, however, in that there are a number of hybrid types of financial intermediaries exercising a variety of banking powers and offering intense competition across a broad spectrum of financial services. Mutual savings banks, state-chartered co-operative banks, and federal savings and loan associations aggregately hold approximately \$16 billion in deposits and operate more than 500 offices in this market area. Of this broader group of "thrift" competitors, the combined Suffolk Franklin and Mutual Bank would aggregately hold a 6.7 percent market share of the total deposit base.* In such a competitive environment, the proposed merger is viewed as having no material effect upon the structure of the market, nor would the transaction have any significant impact upon the level of concentration of financial resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Both Suffolk Franklin and Mutual Bank have a generally sound asset condition and are regarded as being satisfactorily managed. A material reduction in overhead expenses is projected for the resultant institution as a result of the proposed merger. Economies will be realized from the phaseout of redundant operations and from combined budgets for check processing, professional fees, supplies and marketing. Also under consideration is the closing of unprofitable branch office locations. In addition, the sale of low yield assets of Mutual Bank prior to consummation of the merger transaction is anticipated to yield certain tax advantages for the resultant institution as well as provide liquid funds for investment at current market rates. The proposed merger is well planned, and the proposed combined institution would appear to be more favorably positioned to meet future challenges than would either of the proponents operated independently.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction would have little impact upon the level and pricing of financial services in the Boston metropolitan area. The combination of a Boston-based thrift institution with a suburban-based mutual

*A total of 63 insured commercial banks also operate in the Boston market holding another \$15.3 billion of domestic deposits in more than 500 offices. Inclusion of these commercial banking organizations as competitors of mutual savings banks in this market would reduce the share of total area deposits held by the proposed mutual savings bank to less than 3.5 percent.

It is additionally recognized that approximately 300 credit union offices with aggregate deposits of approximately \$1.2 billion and several relatively large "money market funds" are based in the Boston market and offer additional competition to traditional thrift institutions.

savings bank, each with extensive branch networks, should provide additional convenience to the large number of suburban residents who commute to Boston for employment or shopping. The larger resultant institution would, additionally, be able to provide a broader array of services at all offices than presently available. Considerations of convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, and because this proposal has the potential to result in a material economic advantage to the resultant mutual savings bank, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Berlin City Bank Berlin, New Hampshire	60,309	1	2
<i>to merge with</i> Peoples National Bank of Groveton Groveton, New Hampshire	7,916	1	

Summary report by Attorney General, June 5, 1981

We have reviewed the proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, July 13, 1981

The Berlin City Bank, Berlin, New Hampshire ("City Bank"), an insured state nonmember bank with total resources of \$60,309,000 and total IPC deposits of \$50,890,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Peoples National Bank of Groveton, Groveton, New Hampshire ("Peoples"), with total resources of \$7,916,000 and total IPC deposits of \$6,304,000. Incident to the proposed transaction, the sole office of Peoples would be established as a branch of the resultant bank which would operate two offices.

Competition

City Bank operates its sole office in the city of Berlin (1980 population 13,084) which is located in southeastern Coos County, New Hampshire's northernmost county. Peoples operates its sole office in Groveton which is located in southwestern Coos County near the Vermont state border.

The relevant market in which to assess the competitive impact of the proposed transaction appears to be that part of southwestern Coos County and adjoining portion of Essex County in Vermont within approximately 10 road miles of Groveton. This area, in addition to Groveton, includes Northumberland and Lancaster to the south, Stratford to the north and Guildhall, Vermont, to the west, and had a 1980 population of 7,112. There are two banks, each operating one office, located in this area - Peoples and The Lancaster National Bank, Lancaster (together controlling June 30, 1980 total IPC deposits of \$12,523,000). There is no evidence of any material existing competition between the proponents as their respective offices are located approximately 25 miles apart and

are separated by the White Mountains and a national forest. It therefore appears that no significant existing competition between the two banks would be eliminated by the proposed merger transaction.

New Hampshire state statutes allow *de novo* branching statewide with certain population restrictions. Peoples lacks the financial and managerial resources to attempt any *de novo* expansion. It is unlikely, due to the unattractiveness of the Groveton area for *de novo* entry, that City Bank would consider such expansion there. Therefore, consummation of the proposed transaction would not eliminate any significant potential for future competition between the two banks.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

City Bank and Peoples have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Mason Village Savings Bank Greenville, New Hampshire (change title to Village Savings Bank)	11,655	2	3
<i>to merge with</i> Peterborough Co-Operative Bank Peterborough, New Hampshire	7,723	1	

Summary report by Attorney General, April 2, 1981

We have reviewed this proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, July 13, 1981

The Mason Village Savings Bank, Greenville, New Hampshire ("MVS"), an insured mutual savings bank with total resources of \$11,655,000 and total deposits of \$10,674,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge, under its charter and with the title "Village Savings Bank," with Peterborough Co-Operative Bank, Peterborough, New Hampshire ("PCB"), a federally-insured state chartered co-operative bank with total resources of \$7,723,000 and total deposits of \$6,319,000. Incident to the transaction, the sole office of PCB would be established as a branch of the resultant bank which would operate with a total of three offices.

Competition

MVSB operates its main office in the town of Greenville (1980 population 1,988), and a branch in the town of New Ipswich (1980 population 2,433), both located in southwestern Hillsborough County. PCB operates its sole office in the town of Peterborough (1980 population 4,895) in the western part of the county. Hillsborough County (1980 population 276,608) is situated in southern New Hampshire, along the Massachusetts state border.

Banking in the town of Peterborough is dominated by Peterborough Savings Bank (deposits of \$90,671,000 as of June 30, 1980), the only other thrift institution operating there. A single commercial bank, with IPC deposits of \$17,913,000 (as of June 30, 1980), is also based in Peterborough.

The proponents' closest offices are approximately nine road miles apart. The proximity of these offices would indicate some competition does exist between them. The proponents, however, primarily serve separate localized markets with some overlap in the intervening area. The terrain between the Greenville-New Ipswich area and Peterborough is mountainous and the roads connecting the two areas are of a secondary nature. Therefore, the amount of competition that would be eliminated by the proposed transaction is not considered to be of significance.

New Hampshire statutes allow statewide *de novo* branching with certain population restrictions. Neither MVSB nor PCB has the resources to consider any meaningful *de novo* expansion in the near future, and consummation of the proposed transaction would not eliminate any significant potential for future competition to develop between the two institutions.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

MVSB and PCB have satisfactory financial and managerial resources, and the future prospects of the resultant institution appear favorable.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statement of MVSB, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
American Bank and Trust Co. of Pa. Reading, Pennsylvania	1,930,349	69	72
<i>to merge with</i> The Brownstown National Bank Brownstown, Pennsylvania	39,376	3	

Summary report by Attorney General, April 17, 1981

We have reviewed the proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, July 13, 1981

American Bank and Trust Co. of Pa., Reading, Pennsylvania ("American"), an insured state nonmember bank with total resources of \$1,930,349,000, and total IPC deposits of \$1,512,627,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with The Brownstown National Bank, Brownstown, Pennsylvania ("BNB"), with total resources of \$39,376,000 and total IPC deposits of \$32,267,000. Incident to the proposed transaction, the three offices of BNB would be established as branches of the resultant bank, which would operate 72 full-service offices.

Competition

American is headquartered in Reading (Berks County), and operates offices in each of the seven counties comprising its legal branching area. Its main office, 20 branches and six remote service facilities are located in Berks County, and it has nine branches in Lancaster County, four branches in Lebanon County, six branches in Chester County, 12 branches each in Montgomery and Schuylkill Counties, and five branches and one remote service facility in Lehigh County. American has also received approval to establish three more branches; two in Lancaster County and one in Chester County. BNB, headquartered in Brownstown, operates three offices, all of which are in Lancaster County.

The relevant market area is regarded as that area within a 15 mile radius of Brownstown, which consists of the majority of Lancaster County and the adjoining portions of southeastern Lebanon County and southwestern Berks County. This market area, which had a 1980 population of approximately 300,000, supports an economy which includes agriculture, industry and tourism.

Both proponents are represented in the relevant market with American presently operating seven offices there, and it is in the process of establishing two more. The proponents' closest offices are American's Lititz branch and BNB's Rothsville branch which are approximately three miles apart. The location of these offices indicates that some direct competition does exist. However, three other banks operate offices in Lititz, and the market contains numerous other alternatives. The amount of existing competition that would be eliminated by the proposed transaction is not considered significant.

Fifteen commercial banks, operating 95 offices, serve the relevant market and aggregately control June 30, 1980 total IPC deposits of \$1,512,763,000. The four largest banks in the market, Hamilton Bank (Lancaster), Fulton Bank (Harrisburg), Farmers First Bank (Lititz), and The Commonwealth National Bank (Harrisburg), together control over 66 percent of such deposits. American presently controls a 4.7 percent share of the total IPC deposits in the market. Acquisition of BNB would add only 2.2 percent to that share, and would have no material impact upon the level of deposit concentration or on the structure of commercial banking in the market.

Pennsylvania statutes permit branching in a bank's home office county and any county contiguous thereto. Both American and BNB have the financial and managerial resources to branch *de novo* into areas served by the other.

However, the loss of this potential for competition to increase further between the proponents through *de novo* expansion is not regarded as significant in light of the presence of numerous banking alternatives already in the market.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to

create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

American and BNB have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have little effect on banking services in the market, but considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
NorthWest Bank Seattle, Washington	34,190	3	4
<i>to merge with</i> Bank of Kirkland Kirkland, Washington	11,916	1	

Summary report by Attorney General, August 28, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, July 13, 1981

NorthWest Bank, Seattle, Washington, an insured state nonmember bank with total resources of \$34,190,000 and total IPC deposits of \$28,356,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Bank of Kirkland, Kirkland, Washington, an insured state nonmember bank with total resources of \$11,916,000 and total IPC deposits of \$8,914,000. Incident to the proposed transaction, the sole office of Bank of Kirkland would be established as a branch of the resultant bank, which would operate four full-service offices.

Competition

NorthWest Bank operates three full-service offices in the Seattle area of King County. Bank of Kirkland operates its sole office in Kirkland, which is located east of Seattle and separated therefrom by Lake Washington in King County.

The area in which to assess the competitive impact of the proposed transaction is regarded as the Kirkland city limits and those adjacent areas within approximately four miles. In this relevant market, there are seven banks, operating 13 offices, controlling June 30, 1980 total IPC deposits of \$107,991,000. Of these deposits, Bank of Kirkland holds a 6.9 percent share. As NorthWest Bank is not represented in this market, it would merely succeed to that share.

Commercial banking in this market and in the Seattle area is dominated by offices of some of Washington's largest banking organizations, and in light of the

modest size of the proponents, the proposed transaction would have no adverse impact upon the level of concentration of commercial banking resources in any relevant area. NorthWest Bank's closest office to Bank of Kirkland is located some 7 miles northwest, and there does not appear to be any significant amount of competition that would be eliminated by the proposed transaction.

Washington statutes limit *de novo* branching to a bank's home office city, unincorporated areas in the head office county and unbanked incorporated communities throughout the state. Therefore, each of the proponents is prohibited from entering the areas served by the other through *de novo* branching, and no significant potential for competition to develop between the proponents in the future would be eliminated.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

NorthWest Bank and Bank of Kirkland have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Independent Bank and Trust Company Willimantic, Connecticut	89,405	7	10
<i>to merge with</i>			
The Norwich State Bank and Trust Company Norwich, Connecticut	19,593	3	

Summary report by Attorney General, June 12, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, July 20, 1981

The Independent Bank and Trust Company, Willimantic, Connecticut ("Independent"), a state nonmember insured bank with resources of \$89,405,000 and total IPC deposits of \$72,408,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Norwich State Bank and Trust Company, Norwich,

Connecticut ("NSB"), with total resources of \$19,593,000 and total IPC deposits of \$14,836,000.

Competition

Independent operates seven offices in the northeastern corner of Connecticut. Its main office and three branches are located in Windham County, with three additional branches in adjacent Tolland County. Its market area consists of these two counties as well as the northern portion of New London County. NSB operates all three of its offices in the city of Norwich. Norwich is centrally located in New London County, in southeastern Connecticut.

The area within which the competitive effect of the proposed transaction would be most immediate and direct is in New London County. There are 35 offices of nine commercial banks located in New London County. NSB controls the fourth largest share of area commercial bank IPC deposits (4.1 percent). The market is dominated by the state's three largest commercial banks which control 81.9 percent of such deposits. Independent is not represented in the market, and the proponents' closest offices are separated by 17 road miles. Therefore, while there is some overlap in market areas, no significant competition between the two banks presently exists.

Connecticut statutes permit statewide merger activity, however, limit *de novo* expansion to a bank's home office community or those towns and cities which do not contain another commercial bank's home office. Independent is, therefore, precluded from *de novo* entry into Norwich. Consummation of the proposed transaction would, on the other hand, open the city of Norwich to *de novo* branching by any commercial bank in the state. The proposed transaction could therefore serve to increase competition within this area.

Based on the foregoing, the Board of Directors has concluded that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both proponents are regarded as satisfactory, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed merger will result in a broader range of commercial banking services for the present customers of NSB. While it is recognized that such services are generally available at offices of a number of regional and statewide banks in the relevant market area, consummation of the proposed merger will provide an additional alternate source for these services. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the two banks and other relevant material, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Manly State Bank Manly, Iowa (change title to First State Bank)	19,745	4	5
<i>to merge with</i> The Citizens Savings Bank Hanlontown, Iowa	6,835	1	

Summary report by Attorney General, June 5, 1981

We have reviewed the proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, July 20, 1981

Manly State Bank, Manly Iowa ("Manly Bank"), an insured state nonmember bank with total resources of \$19,745,000 and total IPC deposits of \$17,182,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge under the charter of Manly Bank with the title First State Bank, with The Citizens Savings Bank, Hanlontown, Iowa, ("Citizens"), an insured State nonmember bank with total resources of \$6,835,000 and total IPC deposits of \$5,782,000. Incident to the transaction, the sole office of Citizens would be established as a branch of the resultant bank.

Competition

Manly Bank operates its main office and two branches in south-central Worth County, with an additional branch, five miles southeast, in adjacent Cerro Gordo County. Manly Bank is controlled by Manly State BancShares Inc., Manly, Iowa, a one-bank holding company. Citizens operates its sole office in the city of Hanlontown (1980 population 213). Hanlontown is also located in Worth County, approximately 8 miles west of Manly.

The effects of the proposed transaction would be most immediate and direct in that area within approximately 15 road miles of Hanlontown. This area includes the southwestern two-thirds of Worth County, northwestern Cerro Gordo County, southeastern Winnebago County, and northwestern Hancock County. The area is highly agriculturally oriented, with grain and swine production predominant. Mason City (1980 population 30,144) is included in the market area and serves as the area's manufacturing and retail center. There are currently twenty-two offices of eleven commercial banking organizations operating in the area, including representatives of the state's third and fourth largest commercial banking organizations. Both proponents are represented in the area, but they are ranked only eighth and ninth in terms of area commercial bank IPC deposits, and the loss of existing competition is not considered to be significant.

Iowa statutes permit branching in a bank's home office county and in contiguous counties, with certain office protection restrictions. Citizens was chartered in 1900 and operates out of a single office. It has neither the experience nor the resources to embark on any *de novo* expansion. Although Manly Bank is capable of further *de novo* expansion, it is presently prohibited from branching in Hanlontown. Therefore, consummation of the proposed transaction would not eliminate any significant potential for increased future competition between the proponents.

The Board of Directors is of the opinion that the proposed transaction would

not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of Manly Bank are regarded as satisfactory for the purposes of this transaction, and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

The resultant bank would be able to offer a broader range of commercial banking services than presently available at Citizens, and considerations relating to the convenience and needs of the community to be served are consistent with approval.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
MetroBank Birmingham, Alabama	47,971	5	9
<i>to merge with</i> Bank of the Southeast Birmingham, Alabama	28,614	4	

Summary report by Attorney General, June 4, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, July 31, 1981

MetroBank, Birmingham, Alabama, an insured state nonmember bank with total resources of \$47,971,000 and total IPC deposits of \$33,535,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Bank of the Southeast, Birmingham, Alabama ("BSE"), with total resources of \$28,614,000 and total IPC deposits of \$22,336,000. Incident to the transaction, the four offices of BSE would be established as branches of the resultant bank, which would then operate a total of nine offices.

Competition

MetroBank operates its main office in downtown Birmingham, three branches in the western part of Jefferson County and one branch in Bessemer in the southern part of the county. MetroBank is a subsidiary of First Bancgroup-Alabama, Mobile, Alabama, which controls six banks with aggregate total deposits of \$724,313,000 as of December 31, 1980. BSE operates two offices in Birmingham and two branches in the eastern part of Jefferson County. The county had a 1980 population of 650,399, a slight increase over 1970.

Jefferson County appears to be the appropriate area in which to consider the competitive effects of the proposed transaction. There are 146 offices of 14 commercial banks with aggregate IPC deposits of \$2.7 billion as of June 30, 1980. The market is dominated by subsidiaries of some of Alabama's largest

holding companies, and MetroBank has only a 1.1 percent share. Its acquisition of BSE's 0.8 percent share would not have any material effect on the local market structure.

The fact that both banks have offices in downtown Birmingham would normally indicate that there is some existing competition between them. Neither MetroBank nor BSE is a material factor in the market, however, and their merger would not eliminate any significant existing or potential competition. Moreover, the nearest affiliate of MetroBank is about 100 miles to the north.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

MetroBank has satisfactory financial and managerial resources, as would the resultant bank. The proposed merger would resolve BSE's asset, capital and earnings problems, and with the proposed addition to its capital structure, the resultant bank would have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction would have little effect on the delivery of commercial banking services in Jefferson County, and considerations of convenience and need are consistent with approval.

A review of available information, including the Community Reinvestment Act Statement of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First American Bank of Maryland Silver Spring, Maryland	298,179	22	24
<i>to merge with</i> Lincoln National Bank Gaithersburg, Maryland	19,897	2	

Summary report by Attorney General, August 14, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, July 31, 1981

First American Bank of Maryland, Silver Spring, Maryland ("First American"), an insured state nonmember bank with total resources of \$298,179,000 and total IPC deposits of \$236,705,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Lincoln National Bank, Gaithersburg, Maryland, which has total resources of \$19,897,000 and total IPC deposits of \$15,971,000. Consent is also sought to establish the two existing offices of Lincoln National Bank as branches of the resultant bank.

Competition

Based in Silver Spring, in Montgomery County, First American operates 22 offices in central Maryland concentrated chiefly in the suburban areas around

Washington, D. C. Lincoln National Bank operates two offices in north-central Montgomery County. Its main office (established in 1975) is located north of the city of Gaithersburg (preliminary 1980 population 22,462), and a branch (established 1980) is located approximately six miles southwest of Gaithersburg at Darnestown.

The Gaithersburg relevant market area is regarded as lying adjacent to, and on the northwest fringe of, the highly developed Washington metropolitan area. First American is not represented in the localized relevant market, with its closest office (IPC deposits of \$4.2 million) located in the vicinity of Rockville to the southeast of Gaithersburg. It is recognized that there is economic interaction and commutation between the Gaithersburg market and the Washington metropolitan area, and that First American and Lincoln National Bank must be regarded as direct competitors in such a context. The actual volume of existing competition between the two banks, however, is modest, and its loss would have no significant competitive effect in either the Gaithersburg market or the Washington metropolitan area.

Maryland statutes permit statewide merger and *de novo* branching activity, subject to certain minimum capitalization levels. Expansion by First American into the Gaithersburg area is regarded as a distinct possibility, however, the local market is heavily banked with most of the state's largest commercial banking organizations already well established. Lincoln National Bank lacks the resources to pursue any meaningful expansion effort into the suburban Washington areas now served by First American. The potential for increased competition to develop between the proponents in the foreseeable future by means of *de novo* branching is limited, and its loss is of little competitive significance.

In the Gaithersburg relevant market a total of eleven commercial banks operate 22 offices and hold IPC deposits of approximately \$150 million. This local market is dominated by the presence of six of the state's largest commercial banking organizations operating 16 offices and holding more than 85 percent of the local IPC deposit base. The proposed acquisition by First American of Lincoln National Bank's 9.0 percent share of IPC deposits would have no adverse impact upon the structure of commercial banking in the market. Considering the significance of commutation patterns and the relatively nominal volume of deposits and banking business to be acquired, the proposed transaction would have little material effect on the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are regarded as acceptable for the purposes of this transaction, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The resultant bank will be able to offer a broader range of commercial banking services than presently available at the offices of Lincoln National Bank. The transaction will have little effect upon the level or pricing of commercial banking services in the Gaithersburg area, however, considerations relating to the convenience and needs of the community to be served are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statement of First American, as well as its redrawn "delineated community," disclosed no inconsistencies with the purposes of the Act. The resultant bank is

anticipated to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
New BayBank Middlesex (in organization) Burlington, Massachusetts (change title to BayBank Middlesex)			71
<i>to merge with</i> BayBank Middlesex Burlington, Massachusetts and BayBank Winchester Trust Company Winchester, Massachusetts	1,129,661 29,233	68 3	

Summary report by the Attorney General, April 17, 1981

The proposed merger is part of a plan through which the BayBank Middlesex would become a subsidiary of BayBanks, Inc., a bank holding company. The instant transaction would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by the BayBanks, Inc., it would have no effect on competition.

Basis for Corporation Approval, August 4, 1981

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for federal deposit insurance on behalf of New BayBank Middlesex, Burlington, Massachusetts ("New Bank"), a proposed new bank in organization, and for consent to its merger with BayBank Middlesex, Burlington, Massachusetts (total resources as of December 31, 1980 \$1,129,661,000), and BayBank Winchester Trust Company, Winchester, Massachusetts (total resources as of December 31, 1980 of \$29,233,000), both insured state nonmember banks, under the charter of New Bank and with the title of BayBank Middlesex, for consent to establish 71 full-service branches and three remote service facilities, and for consent to exercise full trust powers. The main office of the resultant bank will be the present main office location of BayBank Middlesex.

Formation of New Bank and the transaction are being effected solely to enable BayBanks, Inc., Boston, Massachusetts, a bank holding company which controls BayBank Middlesex and BayBank Winchester Trust Company, to consolidate some of its operations. New Bank will not operate as a commercial bank prior to the proposed transaction. Following its consummation, New Bank will operate the same banking business at the existing locations of the operating banks. The proposal, per se, will not alter the competitive structure of commercial banking in the market served by the operating banks or change the services which the operating banks have provided in the past. All factors required to be considered pertinent to each application have been favorably resolved.

A review of available information, including the Community Reinvestment Act Statements of BayBank Middlesex and BayBank Winchester Trust Company, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Director of the Division of Bank Supervision, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the applicaton is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Farmers First Bank Lititz, Pennsylvania	255,812	14	17
<i>to merge with</i> Elizabethtown Trust Company Elizabethtown, Pennsylvania	55,100	3	

Summary report by Attorney General, June 12, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, August 31, 1981

Farmers First Bank, Lititz, Pennsylvania, an insured state nonmember bank with total resources of \$255,812,000 and total IPC deposits of \$210,784,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Elizabethtown Trust Company, Elizabethtown, Pennsylvania, which has total resources of \$55,100,000 and total IPC deposits of \$46,293,000. Consent is also sought to establish the three existing offices of Elizabethtown Trust Company as branches of the resultant bank.

Competition

Farmers First Bank operates 14 offices in the central and northern portions of Lancaster County (1980 population 361,998) which is in the south-central part of the state. The bank, based in the borough of Lititz (1980 population 7,577), operates the bulk of its offices in the vicinity of Lancaster (1980 population 54,632), in the central portion of the county, and in the agriculturally oriented communities in the vicinity of Ephrata in the north-central part of the county. Elizabethtown Trust Company operates all of its offices in the vicinity of the community of Elizabethtown (1980 population 8,242) which is located in the extreme northwestern portion of Lancaster County.

Elizabethtown Trust Company serves a relatively localized area adjacent to the Dauphin County boundary approximately 17 road miles southeast of the city of Harrisburg (1980 population 53,113). It is recognized that the ethnic character and somewhat unique historic traditions of many of the area's residents contribute to a community-oriented society which is less mobile than in other geographic areas. Elizabethtown's location in a densely populated corridor, approximately equidistant from the relatively large cities of Harrisburg and Lancaster, however, indicates that these cities do provide a reasonable alternate source of retail services and commercial banking choices for local residents. The relevant market in which to assess the competitive impact of the proposed transaction is, therefore, approximated by the area within a corridor running from the city of Harrisburg in the north, southeast to the city of Lancaster. This market, encompassing portions of Dauphin, Lancaster and Lebanon Counties, contains a 1980 population estimated at more than 250,000.

In this relevant market, a total of 13 commercial banks operate 87 offices and aggregately hold deposits in excess of \$1.7 billion. Several of the state's largest

commercial banks are represented in the market, and four relatively large banks based in the cities of Harrisburg and Lancaster aggregately control more than 80 percent of the market's IPC deposit base. Farmers First Bank, which operates six offices in this market, holds a modest 4.9 percent share of these IPC deposits and ranks as the market's fourth largest bank by such a measure. The proposed acquisition of Elizabethtown Trust Company's 2.8 percent market share would not affect this ranking. The merger would not have any adverse impact upon the structure of commercial banking in the market, nor would it have any material effect upon the level of concentration of banking resources in any relevant area.

The actual volume of direct competition between the two banks at this time is modest, and the proposed transaction is viewed as having no significant effect upon existing competition. Pennsylvania statutes would permit additional *de novo* branch expansion by either of the proponents, however, in this heavily-banked market, the potential for a substantial increase in the level of competition between the two banks would appear limited. The loss of some existing and potential competition, as a direct consequence of consummation of the proposed merger, would not have any significant adverse competitive effect.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of both Farmers First Bank and Elizabethtown Trust Company are regarded as satisfactory, and the resultant bank would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The resultant bank will be able to offer a broader range of commercial banking services than presently available at offices of Elizabethtown Trust Company. The transaction would have little effect upon the level and pricing of commercial banking services in the Elizabethtown area, however, considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is anticipated to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bank of Downey Downey, California (change title to Southern California Bank)	70,282	6	12
<i>to merge with</i> National Bank of Whittier Whittier, California	82,978	6	

Summary report by Attorney General, August 28, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, August 31, 1981

Bank of Downey, Downey, California, an insured state nonmember bank with total resources of \$70,282,000 and total IPC deposits of \$57,473,000 has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter, with National Bank of Whittier, Whittier, California ("National Bank"), with total resources of \$82,978,000 and total IPC deposits of \$70,255,000. Incident to the transaction, the six offices of National Bank would be established as branches of the resultant bank which would be titled "Southern California Bank."

Competition

Bank of Downey, headquartered in the city of Downey, operates six offices; four in southern Los Angeles County, and two in northern Orange County. National Bank, which is based in Whittier, operates its main office and three branches in southern Los Angeles county and two other branches in northern Orange County. Los Angeles and Orange Counties are adjacent, located in southern California along the Pacific Coast.

Both proponents have offices in close proximity to one another, and must be regarded as being in direct competition. The actual volume of such existing competition, however, is modest and there are numerous intervening offices of other banks, including some of the state's largest. The loss of some existing competition, as a consequence of the proposed transaction, is not considered significant.

In Los Angeles County, 90 banks operating 1,184 offices, control total IPC deposits of more than \$37.8 billion. Of these deposits Bank of Downey and National Bank each hold a market share of 0.1 percent. In Orange County, 63 banks operating 387 offices control total IPC deposits of \$6.6 billion. Of these deposits Bank of Downey and National Bank hold market shares of 0.1 and 0.2 percent, respectively. The state's five largest banks dominate the Los Angeles County banking market controlling an aggregate share of the IPC deposits exceeding 72 percent, and in the Orange County banking market exceeding 64 percent. Acquisition of National Bank by Bank of Downey would have no material impact on the structure of commercial banking in either area or upon the level of concentration of banking resources in any relevant area.

California statutes permit statewide merger and *de novo* branching activity. The proposed merger would therefore eliminate some potential for increased levels of competition to develop between Bank of Downey and National Bank by such expansion efforts. In light of the modest deposit shares presently held by the proponents, and considering the number of actual and potential competitors in these areas, the loss of such potential competition would have little adverse impact.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Bank of Downey and National Bank have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Branch Banking and Trust Company Wilson, North Carolina	713,336	91	120
<i>to merge with</i> Independence National Bank Gastonia, North Carolina	303,617	29	

Summary report by Attorney General, June 12, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, August 31, 1981

Branch Banking and Trust Company, Wilson, North Carolina ("Branch Banking"), an insured state nonmember bank with total resources of \$713,336,000, and total IPC deposits of \$566,383,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to merge, under its charter and title, with Independence National Bank, Gastonia, North Carolina, with total resources of \$303,617,000 and total IPC deposits of \$235,800,000. Incident to the proposed transaction, the 29 offices of Independence National Bank would be established as branches of the resultant bank which would operate a total of 120 full-service offices and one facility.

Competition

Branch Banking operates 91 full service offices and one facility in 20 North Carolina counties. Its main office, facility and 76 branches are located in 16 counties in the eastern half of the state, and the remaining 14 branches are located in four counties in west-central North Carolina. Independence National Bank operates 29 offices in three counties in western North Carolina along the South Carolina border. The majority of Independence National Bank's offices are located in its home office county of Gaston.

There is presently no substantial competition existing between Branch Banking and Independence National Bank. Their closest offices - Independence National Bank's Mount Holly Branch in eastern Gaston County, and one of Branch Banking's four branches in Charlotte, are approximately 20 miles apart. Branch Banking is not represented in Independence National Bank's relevant market area, and although there is a slight overlapping of trade areas between the city of Charlotte in Mecklenburg County and the city of Gastonia in Gaston County, the volume of such direct, existing competition, is modest. Branch Banking is not a significant factor in the Charlotte banking environment. The state's three largest banks control over 84 percent of Mecklenburg County's total commercial bank deposits. Therefore, consummation of the proposed transaction would have no major impact upon existing competition between the proponents.

North Carolina statutes allow statewide branching, therefore, Branch Banking

and Independence National Bank could branch *de novo* into areas served by the other. Banking in the state is dominated by five banks which hold over 65 percent of the state's total commercial bank deposits of approximately \$18 billion. Acquisition of Independence National Bank would only add 1.4 percent to Branch Banking's share of such deposits. Therefore, the loss of this potential for future competition to increase between the proponents through *de novo* branching is not regarded as significant and the proposed transaction would not have an adverse effect on the level of concentration or on the structure of commercial banking in the market or in the state.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Branch Banking and Independence National Bank have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
City and County Savings Bank Albany, New York (change title to Home and City Savings Bank)	342,792	6	16
<i>to merge with</i> Home Savings Bank of Upstate New York Albany, New York	341,027	10	

Summary report by Attorney General, July 2, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, September 8, 1981

City and County Savings Bank, Albany, New York ("City Bank"), an insured mutual savings bank with total resources of \$342,792,000 and total deposits of \$320,014,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Home Savings Bank of Upstate New York, Albany, New York ("Home Bank"), an insured mutual savings bank with total resources of \$341,027,000 and total deposits of \$320,665,000. The transaction would be effected under the charter of City Bank and with the title of Home and City Savings Bank. Incident to the

transaction the ten offices of Home Bank would be established as branches of the resultant bank.

Competition

City Bank operates its main office and two branches in the city of Albany, one branch in Elsmere (a suburb of Albany), and two branches in the city of Schenectady (approximately 13 miles northwest of downtown Albany). Home Bank operates its main office and one branch in the city of Albany, two branches in the suburbs of Albany, and one branch each in the city of Troy and town of East Greenbush (both located directly east of Albany). Home Bank also operates four offices that are not in the Albany market. Two of these are located north of Albany in Washington County (towns of Fort Edward and Greenwich), one is located north of Albany in Renesselaer County (village of Hoosick Falls), and the other is located south of Albany in Columbia County (city of Hudson).

The effects of the proposed transaction will be most immediate and direct in the Albany market, which consists of all or part of Albany County, Renesselaer County, Saratoga County, and Schenectady County. All of City Bank's offices and all but four of Home Bank's offices are located in the market. The area is served by 62 offices of 14 thrift institutions, including five offices of the state's second largest thrift institution. In terms of total area thrift deposits, City Bank is the market's fourth largest thrift institution, with control of 8.5 percent of such deposits, and Home Bank is the fifth largest, with 6.9 percent. The resultant institution would be elevated to the third position. This loss of existing, as well as potential, competition is mitigated by the number of alternative thrift institutions operating in the area. The proposed transaction would, therefore, not have a substantial competitive effect.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have set forth a definitive analysis of the projected economies of scale and other operating efficiencies which may be realized through their combined operation. These savings will flow from elimination or reduction of various expenses, such as advertising, bank occupancy expense, audits and examinations, and salaries, fees and benefits. Other considerations relating to the proponents' financial and managerial resources have been satisfactorily resolved, and the resultant institution is anticipated to have more favorable future prospects than those of the two institutions operating separately.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of banking services in the area served by the proponents. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Because these applicants in this particular proposal were able to demonstrate that their merger would result in clear economic advantages to the resultant institution, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bank of Mantee Mantee, Mississippi	16,323	2	3
<i>to merge with</i> People's Bank and Trust Olive Branch, Mississippi	13,829	1	

Summary report by Attorney General, June 5, 1981

We have reviewed the proposed transaction and conclude that it would have no effect on competition.

Basis for Corporation Approval, September 15, 1981

Bank of Mantee, Mantee, Mississippi, an insured state nonmember bank with total resources of \$16,323,000 and total IPC deposits of \$12,531,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with People's Bank and Trust ("People's"), Olive Branch, Mississippi, an insured state nonmember bank with total resources of \$13,829,000 and total IPC deposits of \$11,809,000. Incident to the transaction, the sole office of People's would be established as a branch of the resultant bank, which would then operate three offices.

Competition

Bank of Mantee operates two offices in northeastern Mississippi. Its main office is located in the village of Mantee in the northeastern corner of Webster County, and its branch is located in the city of Starkville in Oktibbeha County, some 30 road miles southeast of Mantee. People's operates its sole office in the village of Olive Branch in northeastern De Soto County. De Soto County is adjacent to the city of Memphis, Tennessee, in the extreme northwest corner of Mississippi.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as De Soto County, the city of Byhalia in Marshall County to the east, and the city of Memphis in Tennessee to the north. In the market, 16 banks with 132 offices held total IPC deposits of \$2,467,417,000. Of such deposits, People's held the 13th largest share - 0.4 percent. Bank of Mantee, located nearly 100 miles from Olive Branch, is not represented in the relevant market and would merely succeed to People's share. It therefore appears that no significant existing competition would be eliminated by the proposed transaction.

Mississippi statutes permit branch banks within a 100-mile radius of a bank's home office, subject to certain capitalization requirements and home office protection provisions. Therefore, Bank of Mantee and People's could legally branch *de novo* into some of the areas served by the other. However, due to the relatively small size of both proponents, the loss of this limited potential for competition to increase in the future through *de novo* branching is not considered to be of significance.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Bank of Mantee and People's have satisfactory financial and managerial

resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Gateway Western Bank (in organization) Banning, California	1,360	—	1
<i>to acquire the assets and assume the deposit liabilities of</i>			
Banning Branch of First Trust Bank Ontario, California	3,500*	1	

*Approximate deposits to be transferred by First Trust Bank. Assets not reported by office.

Summary report by Attorney General, August 14, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, September 15, 1981

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for federal deposit insurance on behalf of Gateway Western Bank, Banning, California, a proposed new bank in organization with beginning net capital funds of \$1,360,000, and for consent for it to acquire the assets of and assume the liability to pay deposits made in the Banning branch of First Trust Bank, Ontario, California. The deposits involved are approximately \$3,500,000.

Banning lies about 85 miles east of Los Angeles and is centrally located in both Riverside County and the San Gorgonio Pass area. The primary service area extends approximately 5 miles in all directions from the proposed location. This area includes both the cities of Banning and Beaumont. The secondary service area includes the communities of Cherry Valley, Cabazon, Calimesa, Oak Glen, Yucaipa, West Palm Springs Village and Moreno. The secondary trade area extends the radius from the proposed site to about 15 miles in each direction. In general, this area is bounded by relatively unoccupied areas on three sides and by Moreno Beach Road on the west.

The outlook for economic and population expansion in the area is favorable. The primary trade area is reasonably diversified in residential, commercial and industrial development. At present, the San Gorgonio Pass area is enjoying

steady development due to its location and its relatively low cost of living in comparison to the Los Angeles Metropolitan Area on the west and Palm Springs on the east.

No formal protests have been filed in connection with this application. A review of the proposed bank's Community Reinvestment Act Statement indicates no apparent inconsistencies with the purposes of that Act. This newly organized, locally-owned bank should provide the area's businesses and residents with a convenient and alternate banking choice, and its acquisition of a small existing banking office would not have any significant effect on competition in any relevant area.

Investment in fixed assets is reasonable; capital is considered adequate in relation to projected deposit volume; management is considered acceptable and sufficient business is projected to assure a profitable operation within a reasonable period.

On the basis of the foregoing information, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First-Citizens Bank and Trust Company of South Carolina Columbia, South Carolina	322,270	51	52
<i>to purchase the assets and assume the deposit liabilities of</i> Irby Street Branch First National Bank of South Carolina Columbia, South Carolina	2,722*	1	

*Total IPC deposits of office to be transferred by First National Bank of South Carolina. Assets not reported by office.

Summary report by Attorney General, July 2, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Basis for Corporation Approval, September 21, 1981

First-Citizens Bank and Trust Company of South Carolina, Columbia, South Carolina ("First-Citizens"), an insured state nonmember bank with total resources of \$322,270,000 and total IPC deposits of \$268,080,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase certain assets of and assume the liability to pay certain deposits made in the Irby Street Branch, Florence, South Carolina, of First National Bank of South Carolina, Columbia, South Carolina ("First National"), which has total resources of \$928,395,000 and total IPC deposits of \$660,619,000. Incident to this transaction, the Irby Street Branch, located at 605 South Irby Street, Florence, South Carolina, with total IPC deposits of \$2,722,000 at June 30, 1980, would be established as a branch of First-Citizens.

Competition

First-Citizens, headquartered in Columbia, operates 51 offices in 16 South Carolina counties. First National, headquartered in Columbia, operates 80 full-

service offices and eight facilities in 20 counties in the state. Inasmuch as First-Citizens is not represented in the Florence area, its closest office being some 36 road miles east in Nichols, consummation of the proposed transaction would not eliminate any significant existing or potential competition between the proponents.

In light of the minimal volume of banking business involved, the proposed transaction would have no material impact upon the level of concentration of banking resources in any relevant area. Indeed, the transaction is tantamount to *de novo* expansion by First-Citizens.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are regarded as satisfactory for the purposes of the proposed transaction, and future prospects appear favorable.

Convenience and Needs of the Community to be Served

The proposed transaction will not affect the number of banking offices serving the city of Florence, nor is it expected to have any material impact upon the level or pricing of banking services. Considerations of convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Sun Bank of Jacksonville Jacksonville, Florida	48,440	4	5
<i>to merge with</i> Beach Guaranty Bank Jacksonville Beach, Florida	9,166	1	

Summary report by Attorney General, no report received

Basis for Corporation Approval, September 28, 1981

Sun Bank of Jacksonville, Jacksonville, Florida ("Applicant"), an insured state nonmember bank with total resources of \$48,440,000 and total IPC deposits of \$38,743,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Beach Guaranty Bank, Jacksonville Beach, Florida ("Beach"), an insured state nonmember bank with total resources of \$9,166,000, and total IPC deposits of \$7,894,000. Incident to the transaction, the sole office of Beach would be established as a branch of the resultant bank, which would then operate five offices.

Competition

Sun Bank of Jacksonville operates its main office and one branch near the downtown Jacksonville area and two branches in the southern part of the city of

Jacksonville. Beach operates its sole office in Jacksonville Beach, which is located in the eastern part of Duval County along the Atlantic Coast, approximately twenty miles east of downtown Jacksonville and eighteen miles east of Applicant's nearest office.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the Jacksonville Beach and Neptune Beach portions of Duval County, and the Ponte Vedre area in adjacent St. Johns County, all of which are situated on a peninsula and separated from Jacksonville proper by the Intracoastal Waterway. In the market, four banks with five offices held June 30, 1980 total IPC deposits of \$79,466,000. Beach held the third largest share of these deposits - 10.0 percent. Two other banks have opened three more offices in the market since June 30, 1980, however, and it appears likely that Beach's market share has now been diluted below the 10.0 percent it had as of June 30, 1980. Sun Bank of Jacksonville is not represented in the relevant market and would merely succeed to Beach's share. No significant existing competition would be eliminated by the proposed transaction, nor would there be any significant impact upon the structure of commercial banking in the relevant market.

Florida statutes permit countywide branching and Sun Bank of Jacksonville and Beach could legally branch *de novo* into some of the areas served by the other. Based on the June 30, 1980 deposit totals, the proposal would represent a merger of the tenth and eighteenth largest of twenty banks serving Duval County, and the resultant bank would continue to rank tenth in size. Due to the relatively small size of both proponents and considering the numerous alternate sources of commercial banking services available in the area, the loss of this limited potential for competition to increase in the future through *de novo* branching is not considered significant.

Sun Bank of Jacksonville is a subsidiary of Sun Banks of Florida, Inc. ("Sun Banks"), which as of December 31, 1980 had total consolidated assets of \$3.3 billion and ranked as the third largest commercial bank holding company in Florida. The addition of Beach's deposits to the Sun Banks' existing deposit base would have no material effect on the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Sun Bank of Jacksonville and Beach have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the area served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Heritage Bank-North Monroe Township (P.O. Jamesburg), New Jersey	540,268	31	34
<i>to purchase the assets and assume the deposit liabilities of</i>			
State Bank of Raritan Valley Raritan, New Jersey	42,035	3	

Summary report by Attorney General, October 2, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, September 28, 1981

Heritage Bank-North, Monroe Township (P.O. Jamesburg), New Jersey ("Heritage"), an insured state nonmember bank with total resources of \$540,268,000 and total IPC deposits of \$406,445,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in State Bank of Raritan Valley, Raritan, New Jersey ("State Bank"), a state member bank with total resources of \$42,035,000 and total IPC deposits of \$29,964,000, and for consent to establish the three offices of State Bank as branches of Heritage, which would then operate a total of 34 offices.

Competition

Heritage is headquartered in Middlesex County where it operates a total of ten offices. Heritage also operates branches in Morris County (19 branches) and Mercer County (two branches), all of which are in central and northern New Jersey. Heritage is a subsidiary of Heritage Bancorporation, Cherry Hill, New Jersey, a bank holding company which controls one other commercial bank with offices in the southern half of New Jersey. Heritage Bancorporation has received approval from the Board of Governors of the Federal Reserve System to acquire an additional bank which operates in Salem County in southern New Jersey. State Bank operates three offices. Its main office and one branch are located in central Somerset County, and the other branch is located in the northeastern portion of adjacent Hunterdon County. Hunterdon and Somerset Counties are located in the northern part of the state.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the area within approximately five - eight road miles of State Bank's offices. This market is comprised of central Somerset County and the adjacent portion of northeastern Hunterdon County. In the relevant market, 11 banks with 31 offices at June 30, 1980 held total IPC deposits of \$440,329,000. Of these deposits, State Bank had the fourth largest share - 6.9 percent. Heritage is not represented in the relevant market, and its closest office is approximately 14 road miles north of State Bank's Whitehouse Branch located in Hunterdon County. Further, there is no office of any Heritage affiliate closer to State Bank. There are offices of other banks in the intervening area, and therefore, it appears that there is no significant existing competition between the two banks that would be eliminated by the proposed transaction.

New Jersey statutes permit statewide *de novo* branching, and therefore, each of the proponents could branch into the areas served by the other. It is unlikely that Heritage would consider *de novo* entry into the Raritan area due to the

presence of numerous offices of other banks already competing there, and it is doubtful that State Bank would consider *de novo* expansion in the near future. Therefore, consummation of the proposed transaction would not eliminate any significant potential for competition to develop between the proponents in the future.

Heritage Bancorporation, at December 31, 1980, controlled 4.1 percent of New Jersey's total commercial bank deposits. Heritage's acquisition of State Bank, which controlled only a 0.1 percent share of such funds, would have no material impact upon the level of concentration of commercial banking resources in the state, or in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of Heritage are adequate for the purposes of the proposal, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Firestone Bank Akron, Ohio	409,103	20	20
<i>to merge with</i> Firestone Bancorp, Inc. Akron, Ohio	39,898	—	

Summary report by Attorney General, August 7, 1981

The proposed merger is part of a plan through which the Firestone Bank would become a subsidiary of the Banc One Corporation, a bank holding company. The instant transaction would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by the Banc One Corporation, it would have no effect on competition.

Basis for Corporation Approval, September 21, 1981

Pursuant to Section 18(c) of the Federal Deposit Insurance Act, application has been filed on behalf of The Firestone Bank, Akron, Summit County, Ohio, an insured state nonmember bank with total resources of \$409,103,000 as of June 30, 1981, for consent to its merger with Firestone Bancorp, Inc., Akron, Summit County, Ohio, a registered bank holding company.

Firestone Bancorp, Inc. owns all of the outstanding shares of The Firestone

Bank and the proposed merger of the holding company into the bank is to facilitate a proposed subsequent merger of The Firestone Bank into Bank One of Medina County, National Association, Wadsworth, Ohio, a subsidiary of Banc-One Corporation, Columbus, Ohio. The proposal will not alter the competitive structure of commercial banking in the market served by The Firestone Bank or change the services which The Firestone Bank has provided in the past. All factors required to be considered have been favorably resolved.

A review of available information, including the Community Reinvestment Act Statement of The Firestone Bank, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of the entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Metropolitan Savings Bank New York (Brooklyn), New York	2,216,364	22	32
<i>to merge with</i> Brooklyn Savings Bank New York (Brooklyn), New York	1,575,896	10	

Summary report by Attorney General, August 7, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, October 2, 1981

Metropolitan Savings Bank, New York (Brooklyn), New York ("MSB"), an insured mutual savings bank with total resources of \$2,216,364,000 and total deposits of \$2,033,674,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Brooklyn Savings Bank, New York (Brooklyn), New York ("BSB"), an insured mutual savings bank with total resources of \$1,575,896,000 and total deposits of \$1,442,330,000, and to establish the ten offices of BSB as branches of the resultant institution.

Competition

MSB presently operates its main office, eight branches and two public accommodation offices in Kings County (Brooklyn); three branches and one public accommodation office in New York County (Manhattan); four branches in Nassau County; and, three branches each in Queens and Rockland Counties. BSB operates its main office and four branches in Kings County; three branches in Nassau County; and, one branch each in New York and Westchester Counties.

The areas in which the proponents operate, except for Nassau County, are a part of the New York-New Jersey SMSA which consists of the five boroughs of New York City, as well as Putnam, Rockland, and Westchester Counties in New York State, and Bergen County in New Jersey. These areas all have close economic ties, with significant commutation among them for employment, shopping and leisure. In addition, thrift institutions, particularly the large New

York City-based thrifts, advertise throughout the area and there is intense competition in the region. The 1980 population of the New York State portion of the New York-New Jersey SMSA was 8,274,352, and that of Nassau County was 1,321,582. In this area, 881 offices of 125 thrift institutions controlled deposits in excess of \$68 billion. Thus, the effect of this proposal would be insignificant in this area.

MSB and BSB have offices located within close proximity to one another in Brooklyn. Competition in this densely populated area, however, is intense and there are numerous thrift institution offices. Consummation of the proposed transaction would not eliminate any significant amount of existing competition between the proponents.

Under New York statutes mutual savings banks can branch *de novo* statewide. However, the intense competition existing among the numerous large thrift institutions in the New York City area minimizes the competitive significance of additional *de novo* branching activity.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have set forth a definitive analysis of the projected economies of scale and other operating efficiencies which may be realized through their combined operation. These savings will flow from elimination or reduction of various expenses, such as advertising bank occupancy expense, audits and examinations, and salaries, fees and benefits. Other considerations relating to the proponents' financial and managerial resources, and future prospects have been satisfactorily resolved.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level or pricing of banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Northland State Bank (in organization) Kalkaska, Michigan	3,000	0	2
<i>to acquire assets and assume deposit liabilities of</i>			
Two Kalkaska Branches of The Cadillac State Bank Cadillac, Michigan	31,000*	2	

*Approximate deposits involved to be transferred by The Cadillac State Bank.
Assets not reported by office.

Summary report by Attorney General, July 2, 1981

The proposed merger is part of a plan through which the Cadillac State Bank would become a subsidiary of National Detroit Corporation, a bank holding company. The instant merger, however, would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by National Detroit Corporation, it would have no effect on competition.

Basis for Corporation Approval, October 13, 1981

Pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, applications have been filed for federal deposit insurance on behalf of Northland State Bank, Kalkaska, Michigan ("New Bank") a proposed new bank in organization with beginning net capital funds of \$3,000,000, and for consent to acquire the assets of and assume the liability to pay deposits made in the two Kalkaska branches of The Cadillac State Bank, Cadillac, Michigan, and to establish one branch. The deposits involved are approximately \$31,000,000. The main office of New Bank will be located at 301 South Cedar Street, and the branch location will be 102 Raudman, Northland Plaza, Kalkaska, Michigan.

New Bank is being organized by West Michigan Financial Corporation, Cadillac, Michigan, a bank holding company controlling The Cadillac State Bank and one other bank. West Michigan Financial Corporation is, in turn, controlled by NBD Bancorp, Inc., Detroit - the state's largest bank holding company.

The transaction is essentially a restructuring of an existing subsidiary of the holding companies through the spin-off of two branches of that subsidiary to form a new subsidiary. The net result of the transaction would be to allow, at a future date, further *de novo* expansion under Michigan statutes (with appropriate regulatory approvals).

The proposal, per se, would have no effect on existing or potential competition, nor would it have any effect on banking structure or on the concentration of banking resources in any relevant area.

No formal protests have been filed in connection with this application. A review of the proposed bank's Community Reinvestment Act Statement indicates no apparent inconsistencies with the purposes of that Act.

Investment in fixed assets is reasonable; capital is considered adequate in relation to projected deposit volume, management is considered acceptable and sufficient business is projected to assure a profitable operation within a reasonable period.

On the basis of the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Savings Bank of New London New London, Connecticut (change title to New England Savings Bank)	263,659	10	13
<i>to consolidate with</i> Deep River Savings Bank Deep River, Connecticut	84,787	3	

Summary report by Attorney General, no report received

Basis for Corporation Approval, October 19, 1981

The Savings Bank of New London, New London, Connecticut ("Applicant"), an

insured mutual savings bank with total resources of \$263,659,000 and total deposits of \$236,057,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to consolidate, under its charter, with Deep River Savings Bank, Deep River, Connecticut ("Other Bank"), also an insured mutual savings bank, which has total resources of \$84,787,000 and total deposits of \$78,108,000. Consent is also sought to establish the three existing offices and an approved but unopened office of Other Bank as branches of the resultant institution, which would be titled "New England Savings Bank."

Competition

Applicant operates ten offices including three in New London, two in Stonington, and one each in East Lyme, Montville, Waterford, Ledyard, and Plainfield. With the exception of the latter office, which is located in Windham County, all offices are in New London County in the coastal southeastern portion of Connecticut. Applicant has also received approval to establish another branch in New London and one in Waterford. Other Bank operates offices in Deep River and Clinton, both in Middlesex County, and Old Lyme in New London County. It has received approval to establish a branch in East Lyme.

The relevant market in which to assess the competitive impact of the proposed transaction is Other Bank's market area, which includes the towns of Chester, Clinton, Deep River, Essex, Killingworth, Old Saybrook, and Westbrook, all in Middlesex County, and Lyme and Old Lyme in New London County. Presently competing with Other Bank in this market area are seven thrift institutions with a total of eleven offices. According to June 30, 1980 deposit data for savings banks and March 31, 1980 deposit data for savings and loan associations, Other Bank holds the largest percentage of thrift institution deposits in its market with a 30.3 percent share.

Applicant's market and that of Other Bank do not overlap, but are contiguous and abut in the Lyme, East Lyme, and Old Lyme area. Applicant's branch in East Lyme and Other Bank's branch in Old Lyme are eight miles apart and represent the closest offices of the two institutions at this time. No significant existing competition would be eliminated by the proposed consolidation, nor would it have any material adverse impact upon the structure of thrift institution banking in the relevant market.

Connecticut statutes permit statewide branch expansion, in the case of Applicant and Other Bank, in any town without a savings bank home office, and branching by merger is also permissible. Therefore, Applicant and Other Bank could branch *de novo* into some of the areas now served by the other. The presence of numerous offices of other thrift institutions, including some of the State's largest, indicates that active competition is in place and further expansion by large institutions into the relevant area is probable. The proposed consolidation would also open the town of Deep River to *de novo* branching by other savings banks in the state. The loss of some potential for competition to develop between Applicant and Other Bank is regarded as having no significant effect in this competitive environment.

Applicant and Other Bank rank as the eighteenth and forty-seventh largest mutual savings banks in Connecticut, respectively, in volume of deposits held. The resultant bank would rank as the tenth largest mutual savings bank in deposit size in the state, holding only a 2.2 percent share of thrift institution deposits. The proposed consolidation is viewed as having no material effect upon the structure of thrift institution banking or upon the level of concentration of financial resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would

not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Both the Savings Bank of New London and Deep River Savings Bank have a generally sound asset condition and are regarded as being satisfactorily managed. A material reduction in overhead expenses through combined operation as well as certain tax advantages will be realized by the resultant institution. The proposed consolidation is well planned, and the resultant institution would appear to be more favorably positioned to meet future challenges than would either of the proponents operated independently.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction would have little impact upon the level or pricing of financial services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, and because this proposal has the potential to result in a material economic advantage to the resultant mutual savings bank, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Peoples Westchester Savings Bank Tarrytown, New York	849,426	17	26
<i>to merge with</i> Peekskill Savings Bank Peekskill, New York	174,396	4	
and The Greenburgh Savings Bank Dobbs Ferry, New York	88,622	5	

Summary report by Attorney General, August 7, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, October 19, 1981

Peoples Westchester Savings Bank, Tarrytown, New York ("Peoples"), an insured mutual savings bank with total resources of \$849,426,000 and total deposits of \$793,184,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Peekskill Savings Bank, Peekskill, New York ("Peekskill"), an insured mutual savings bank with total resources of \$174,396,000 and total deposits of \$164,425,000, and with The Greenburgh Savings Bank, Dobbs Ferry, New York ("Greenburgh"), an insured mutual savings bank with total resources of \$88,622,000 and total deposits of \$84,536,000, under the charter and title of Peoples. Incident to the proposed transaction, the four existing offices, and one approved and unopened office, of Peekskill and the five offices of Greenburgh would be established as offices of the resultant bank which would

commence operations with the total of 25 full-service offices, one public accommodation office, and one approved and unopened branch.

Competition

The main office and 16 branches of Peoples, as well as the main office and three branches of Greenburgh and the main office and three existing offices of Peekskill are located in Westchester County. One branch of Greenburgh is located in Dutchess County and the approved and unopened branch of Peekskill is to be located in Putnam County. Westchester County is situated immediately north of New York City and is part of the New York-New Jersey SMSA that consists of the five boroughs of New York City, as well as Putnam, Rockland, and Westchester Counties in New York, and Bergen County in New Jersey. These areas all have close economic ties, with significant commutation among them for employment, shopping and leisure. In addition, thrift institutions, particularly the large New York City-based thrifts, advertise throughout the area and there is intense competition in the region. The 1980 population of the New York-New Jersey SMSA was 8,274,352, and there are 689 offices of 113 thrift institutions with total deposits of \$57,512,671,000. The effect of this proposal would be insignificant in this area.

The closest offices of the proponents are less than three miles apart, but there are numerous alternatives available in the vicinity. In Westchester County alone there are 125 offices of 38 thrift institutions and the commutation patterns of the area residents suggest that the thrift institutions outside the county have a substantial competitive impact within the county. The competition that would be eliminated by this merger is not considered to be substantial. Further, this intense competition existing in the area minimizes that competitive significance of additional *de novo* branching activity.

Based on the foregoing, the Board of Directors is of the opinion that the proposed merger would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The proponents have set forth a definitive analysis of the projected economies of scale and other operating efficiencies which may be realized through their combined operation. These savings will flow from elimination or reduction of various expenses, such as advertising, bank occupancy expense, audits and examinations, and salaries, fees and benefits. Other considerations relating to the proponents' financial and managerial resources have been satisfactorily resolved, and the resultant institution is anticipated to have more favorable future prospects than those of the three institutions operating separately.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of banking services in the area served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Because these applicants in this particular proposal were able to demonstrate that their merger would result in clear economic advantages to the resultant institution, the Board of Directors is persuaded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
New Bedford Institution for Savings New Bedford, Massachusetts	379,442	9	12
<i>to merge with</i> Old Stone Banking Company of Bristol County New Bedford, Massachusetts	19,480	3	

Summary report by Attorney General, October 9, 1981

We have reviewed this proposed transaction and conclude that it would not be significantly adverse to competition.

Basis for Corporation Approval, October 26, 1981

New Bedford Institution for Savings, New Bedford, Massachusetts ("Savings Bank"), a non-federally insured, state-chartered mutual savings bank with total resources of \$379,442,000 and total deposits of \$340,183,000, has applied, pursuant to Sections 5 and 18(c) and other provisions of the Federal Deposit Insurance Act, for federal deposit insurance, and for the Corporation's prior consent to merge, under its charter and title, with Old Stone Banking Company of Bristol County, New Bedford, Massachusetts ("Other Bank"), an insured state nonmember bank which has total resources of \$19,480,000 and total deposits of \$17,704,000. Consent is also sought to establish the three existing offices of Other Bank as branches of the resultant mutual savings bank.

Competition

Savings Bank operates nine offices in a relevant market approximated by the city of New Bedford (1980 population 98,478) and four adjacent municipalities in the coastal southeastern portion of Bristol County, approximately 55 road miles south of Boston and 33 road miles southeast of Providence, Rhode Island.

New Bedford is the largest commercial fishing port on the Atlantic Coast, and the area is home to a variety of manufacturing and wholesale enterprises. The economy is presently regarded as stable, after several decades of decline following the loss of the textile industrial base. The prospects for increased tourism, as a by-product of an extensive renovation program in the harbor and other historic areas, is indicative of healthy future economic prospects.

Other Bank operates a single office in the city of New Bedford, in close proximity to the main office of Savings Bank, and must be considered as offering direct competition for some financial services. Other Bank's office, however, has been operated since 1916 and has generated a limited deposit base of only \$6.3 million. The actual volume of existing competition between the proponents is nominal, and its loss would have little competitive impact.

Offices of Other Bank are also located in the town of Seekonk (1980 population 12,269), which is located near the Rhode Island state line approximately 5 miles east of the city of Providence (1980 population 156,804), and in the industrialized city of Taunton (1980 population 45,001) which is located in central Bristol County approximately 20 road miles northwest of New Bedford. These offices of Other Bank are regarded as competing in separate markets to the west and north of the New Bedford relevant market.

Both Seekonk and Taunton must be regarded as potential areas for *de novo* expansion by Savings Bank, thus some potential for new competition to develop between the proponents would be eliminated. Other Bank's Seekonk office (total

deposits of \$5.9 million) and its Taunton office (total deposits of \$5.5 million) are relatively small, ineffective competitors, and will serve as an attractive entry vehicle by which Savings Bank may expand beyond its present localized service area. The potential for any meaningful level of competition to develop between Savings Bank and Other Bank is limited by state statutes which restrict the services which may be offered by Other Bank. The loss of such limited potential would have no significant competitive effect.

In the relevant market, three mutual savings banks, five commercial banks, a savings and loan association, a co-operative bank, and two Massachusetts banking companies operate 48 offices and hold IPC deposits of just under \$1 billion. Savings Bank is the largest financial institution in southeastern Massachusetts, holding approximately 35 percent of this local IPC deposit base. The proposed acquisition, however, involves a relatively nominal volume of deposits and limited banking business and would not add significantly to the local concentration level. In this instance, the proposed acquisition is viewed as having no adverse effect upon the structure of either commercial or thrift institution banking in the relevant market, nor would it have a material impact upon the level of concentration of financial resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Considerations relating to the financial and managerial resources of both proponents have been satisfactorily resolved. The proposed acquisition will have no adverse impact upon the resultant mutual savings bank which appears to have reasonable prospects for continued profitable operation.

Present and planned investment in fixed assets is considered reasonable, and the level of surplus funds is regarded to be adequate for purposes of granting deposit insurance and to support the proposed acquisition. The resultant institution appears to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposal will have no material impact upon the level and pricing of financial services in the New Bedford area. It will, however, result in the replacing of three offices of a limited-service financial institution with offices of a relatively large mutual savings bank which may offer a substantially enhanced level and variety of services. While it is recognized that Other Bank's New Bedford main office may be discontinued at some future date, considering the numerous offices of other financial institutions located in the immediate area, such a consequence would have little impact. Considerations of the convenience and needs of the community to be served are consistent with approval of the applications.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Metropolitan Savings Bank New York (Brooklyn), New York	2,216,364	25	37
<i>to merge with</i>			
The Greenwich Savings Bank New York (Manhattan), New York	2,529,913	12	

Approved under emergency provisions, no report requested from Attorney General.

Basis for Corporation Approval, November 4, 1981

The Metropolitan Savings Bank, New York (Manhattan), New York, an insured mutual savings bank with total resources of \$2,216,364,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with The Greenwich Savings Bank, New York (Manhattan), New York an insured mutual savings bank with total resources of \$2,529,913,000. As an incident to the proposed merger the 12 offices of The Greenwich Savings Bank would be established as branches of The Metropolitan Savings Bank.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of The Greenwich Savings Bank.

Based on this finding the proposed merger is approved. Under Section 18(c)(6) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Southeast Bank Fort Lauderdale, Florida	735,005	23	27
<i>to merge with</i>			
Bank of Coral Springs Coral Springs, Florida	48,963	4	

Summary report by Attorney General, June 12, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, November 9, 1981

Southeast Bank, Fort Lauderdale, Florida, an insured state nonmember bank with total resources of \$735,005,000 and total IPC deposits of \$567,376,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Bank of Coral Springs, Coral Springs, Florida, an insured state nonmember bank with total resources of \$48,963,000 and total IPC deposits of \$41,503,000. Incident to the transaction, the main office, two branches and one facility of Bank of Coral Springs would be established as three branches and one facility of the resultant bank, which would then operate a total of 27 offices.

Competition

Southeast Bank operates 23 offices in three counties along Florida's southern

Atlantic coast. Its main office (Fort Lauderdale) and ten branches are located in Broward County, three branches are located in Martin County, and nine branches are located in Palm Beach County. Southeast Bank is a subsidiary of Southeast Banking Corporation, a multi-bank holding company headquartered in Miami which controls, at the present time, 19 banks whose total deposits aggregate \$4,380,544,000. Bank of Coral Springs operates a main office, two branches and a drive-in facility, all of which are located in the city of Coral Springs in Broward County.

Broward County had a 1980 population of 1,014,043, an increase of 63.5 percent since 1970. In Broward County, 34 banks operating 140 offices, at June 30, 1980, had total IPC deposits of \$3,182,968,000. Of these deposits, Southeast Bank had a 10.9 percent share, and Bank of Coral Springs had a 1.2 percent share. A limited amount of competition exists between the two banks, their closest offices being about 2.5 miles apart. The loss of this modest competition, however, is not considered to be of significance as there are numerous banking alternatives in the area, nor would there be any significant impact upon the structure of commercial banking in the relevant market.

Florida statutes permit countywide *de novo* branching. Therefore, each of the proponents could branch *de novo* into other areas in Broward County. There are numerous alternate sources of commercial banking services available in the county, many of which are representatives of Florida's largest commercial banking organizations. The loss of this limited potential for competition to increase in the future through *de novo* branching is not considered significant.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Southeast Bank and Bank of Coral Springs have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Sumitomo Bank of California San Francisco, California	2,048,408	48	52
<i>to merge with</i> Pacific Citibank Huntington Beach, California	82,570	4	

Summary report by Attorney General, August 28, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 9, 1981

The Sumitomo Bank of California, San Francisco, California ("Applicant"), an insured state nonmember bank with total resources of \$2,048,408,000 and domestic IPC deposits of \$1,640,210,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Pacific Citibank, Huntington Beach, California ("Pacific"), an insured state nonmember bank with total resources of \$82,570,000 and total IPC deposits of \$64,051,000. Incident to the transaction, the four existing offices and a proposed *de novo* branch office of Pacific would be established as branches of the resultant bank. Application has also been made, pursuant to Section 18(i) of the Act, for consent to issue subordinated capital notes as an addition to the capital structure of Applicant, and for consent to retire these notes at maturity, seven years after the date of issue.

Competition

Applicant presently operates 48 offices from Sacramento to San Diego, centered primarily in the metropolitan San Francisco and Los Angeles areas. Three of Applicant's offices are in Anaheim, Costa Mesa, and La Palma, all of which are in Orange County. All four of Pacific's offices are in Orange County, including the main office and one branch in Huntington Beach, one branch in Garden Grove, and one branch in Mission Viejo. Pacific's application for the Corporation's consent to establish a *de novo* branch in Santa Ana, which is also in Orange County, has been approved by the Corporation's Board of Directors, by separate action this day.

Orange County, the only area in which there is any evidence of existing competition between Applicant and Pacific, is considered to be the relevant market area in which to assess the competitive impact of the proposed transaction. It is situated between the Santa Ana Mountains to the east and the Pacific Ocean to the west, and is bordered by Los Angeles, San Bernardino, Riverside, and San Diego Counties. Orange County is one of the fastest growing counties in California and has a well-diversified economic structure with balanced industrial, commercial, and residential growth. Its 1980 population was 1,931,570. Direct competition between the two banks is nominal and the impact of the proposed merger on existing competition would not be significant.

There are presently 418 banking offices in Orange County. According to June 30, 1980 deposit data, Applicant held a 0.72 percent market share of the IPC deposit base in Orange County and Pacific held a 0.83 percent share. There were 386 offices representing 63 banks in this market, including 273 offices of the eight largest banks in California which aggregately controlled 73.66 percent of total bank deposits in Orange County. The proposed transaction would have no material impact upon the structure of this market.

California statutes permit statewide *de novo* branching and there is theoretically some potential for increased levels of competition to develop between the proponents at some future time. In such a competitive environment, however, the loss of this potential would not be significant.

Applicant and Pacific rank as the tenth and 79th largest California commercial banks, respectively, in share of deposits held (December 31, 1980), and the resultant bank would continue to rank as tenth with 1.29 percent of the state's commercial bank deposits. The five largest California commercial banks held

more than 73 percent of total bank deposits in the state. The proposed merger is viewed as having no material effect upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

With the contemplated additions to its capital structure, the financial and managerial resources of The Sumitomo Bank of California appear sufficient to support the acquisition of Pacific Citibank, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction would have little impact upon the level or pricing of financial services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
First-Citizens Bank & Trust Company Raleigh, North Carolina	1,385,665	235	239
<i>to merge with</i> Commercial & Savings Bank Boonville, North Carolina and Commercial & Farmers Bank Rural Hall, North Carolina	13,707 28,656	1 3	

Summary report by Attorney General, October 6, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 9, 1981

First-Citizens Bank & Trust Company, Raleigh, North Carolina ("First"), an insured state nonmember bank with total resources of \$1,385,665,000 and total IPC deposits of \$1,123,088,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Commercial & Savings Bank, Boonville, North Carolina ("Boonville"), an insured state nonmember bank with total resources of \$13,707,000 and total IPC deposits of \$11,925,000, and with Commercial & Farmers Bank, Rural Hall, North Carolina ("Rural Hall"), an insured state nonmember bank with total resources of \$28,656,000 and total IPC deposits of \$25,862,000. Incident to the proposed transactions, the sole office of Boonville and the three offices of Rural Hall would be established as branches of the resultant bank.

Competition

First-Citizens Bank & Trust Company is the fifth largest commercial bank in North Carolina and currently operates 235 offices throughout the state. The nearest offices of Boonville and Rural Hall are more than 25 miles apart, and there is no existing competition between the two.

Boonville is located in north-central Yadkin County, approximately 25 miles west of Winston-Salem. The effect of the proposed merger of First and Boonville would be most pronounced in the market area served by Boonville, which consists of most of Yadkin County and the southern portion of Surry County. The relevant market area is served by 14 offices of five banks, including the sole office of Boonville with 9.6 percent of commercial bank IPC deposits in the relevant market area as of June 30, 1980, and is dominated by The Northwestern Bank with eight offices and 61.7 percent of IPC deposits. First is not represented in the relevant market area and its nearest office is approximately 20 miles north of Boonville. First would merely succeed to Boonville's share of the market, and no existing competition would be eliminated by the proposed transaction.

Rural Hall is located in north-central Forsyth County, approximately eight miles north of Winston-Salem. It operates its main office and one branch in Rural Hall and one branch in Stanleyville, some three miles south. All locations are in Forsyth County. Its primary service area includes the southern portion of Stokes County and the northern portion of Forsyth County to approximately the center of Winston-Salem, and this is the area which would be most affected by the proposed merger of First and Rural Hall. The relevant market area is served by 46 offices of ten banks, including the three offices of Rural Hall and two offices of First. The nearest competing offices of First and Rural Hall are approximately four miles apart. Rural Hall, according to June 30, 1980 deposit data, has 2.9 percent, or the sixth largest share, and First has 0.8 percent, or the ninth largest share, of total commercial bank IPC deposits in the relevant market area. Upon consummation of the proposal, First would have a 3.7 percent share, which would be the fifth largest share in the relevant market area. Existing competition between the proponents is nominal and, because of the substantial number of competing bank offices in the relevant market area, its elimination would not be considered significant.

Under North Carolina statutes, First, Boonville, and Rural Hall could establish *de novo* branches in areas served by each other. Because of limited resources, Boonville and Rural Hall are unlikely to engage in any substantial amount of *de novo* branching activity, and First has little incentive to expand its operation in the relevant market areas through *de novo* branching because of the number of existing commercial banking offices in the relevant market area. It therefore appears unlikely that any significant potential competition would be eliminated by the proposed mergers.

According to December 31, 1980 deposit data, First is the fifth largest commercial bank in North Carolina with approximately 6.8 percent of the state's total commercial bank deposits. Acquisition of Boonville and Rural Hall would increase First's deposit share to 7.0 percent, leaving it the fifth largest commercial bank in the state, and would have no material effect upon the level of concentration of commercial banking resources in the state or any relevant area.

Based on the foregoing, the Board of Directors is of the opinion that the proposed mergers would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Each of the proponents has satisfactory financial and managerial resources, as would the resultant bank. Future prospects appear favorable.

Convenience and Needs of the Community to be Served

Consummation of the proposed mergers will have little effect on the level and pricing of banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the applications.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the applications is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Tokai Bank of California Los Angeles, California	159,187	7	12
<i>to merge with</i> Continental Bank Alhambra, California	174,612	5	

Summary report by Attorney General, August 28, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 9, 1981

An application has been filed on behalf of Tokai Bank of California, Los Angeles, California ("Tokai Bank"), an insured state nonmember bank with total resources of \$159,187,000 and total IPC deposits of \$106,308,000, and on behalf of Continental Bank, Alhambra, California, an insured state nonmember bank which has total resources of \$174,612,000 and total IPC deposits of \$135,889,000, for the prior consent of the Corporation to effect a series of related merger-type transactions resulting in the combination of Tokai Bank with Continental Bank. Consent is sought to merge Continental Bank, under its charter and title, with Tokai Acquisition Corporation, a California corporation in organization; and subsequently for Tokai Bank to purchase certain assets of Continental Bank. The remaining Continental Bank entity, including its direct and indirect subsidiaries, will be merged with Tokai Bank, and the four existing offices and an approved not opened remote service facility of Continental Bank will be established as branches of Tokai Bank. Tokai Bank is a wholly-owned commercial banking subsidiary of The Tokai Bank, Limited, Nagoya (Japan), a multinational financial organization with consolidated assets in excess of \$43 billion.

Competition

Tokai Bank operates four of its seven offices in, and derives the bulk of its commercial banking business from, the metropolitan Los Angeles area in southern California. Other offices are operated in Orange County, which is also in southern California, and in the city of San Francisco. Continental Bank, established in 1972, operates all of its offices in municipalities within Los Angeles County in close proximity to the city of Los Angeles. In view of the substantial

economic interaction and commutation throughout this highly developed area, the relevant market in which to assess the competitive impact of the proposed transactions is approximated by Los Angeles County (1980 population 7,477,657).

There are more than 100 insured commercial banks operating more than 1,200 banking offices in this relevant market which held IPC deposits of approximately \$37.9 billion as of June 30, 1980. Most of the state's largest commercial banking organizations are either based in or well represented in this market which is considered relatively concentrated with the five largest competitors holding more than 75 percent of the IPC deposit base. Tokai Bank, with only a 0.19 percent share of these deposits, would acquire Continental Bank's 0.27 percent market share. Such a consequence is viewed as having no material impact upon the structure of commercial banking or upon the level of concentration of banking resources in this market or in any relevant area.

As both proponents operate commercial banking offices in the relevant market, they must be regarded as being in direct competition. The actual volume of such existing competition, however, is modest and its loss would have no significant competitive effect. Similarly, while California statutes would permit statewide merger and *de novo* branch expansion possibilities for the proponents, their size is modest in relation to other commercial banks with established statewide branching systems. The loss of some potential for competition to develop between the proponents, as a consequence of consummation of the proposed transactions, would have little significance.

The Board of Directors is of the opinion that the proposed transactions would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of the proponents are considered acceptable for the purposes of the proposed transactions, and the resultant bank would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposal will have no material impact upon the level and pricing of commercial banking services in the Los Angeles County area. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors is of the opinion that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Barnett Bank of Lakeland Lakeland, Florida	74,355	3	7
<i>to merge with</i> Barnett Bank of East Polk County Winter Haven, Florida	166,061	4	

Summary report by the Attorney General, August 7, 1981

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive effect.

Basis for Corporation Approval, November 16, 1981

Barnett Bank of Lakeland, Lakeland, Polk County, Florida, an insured State nonmember bank with total resources of \$74,355,000 and total IPC deposits of \$57,635,000 as of June 30, 1981, has applied pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act for the Corporation's prior consent to merge with Barnett Bank of East Polk County, Winter Haven, Polk County, Florida, an insured State nonmember bank with total resources of \$166,061,000 and total IPC deposits of \$118,947,000 as of June 30, 1981, under the charter and with the title of Barnett Bank of Lakeland, and to establish the four offices of Barnett Bank of East Polk County as branches of the resultant bank, which would commence operation with a total of seven offices.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Barnett Banks of Florida, Inc., Jacksonville, Florida, a multibank holding company, which as of December 31, 1981 controlled 31 banks with aggregate deposits of \$3,718,380,000, might consolidate some of its operations. The proponents have been under common control since 1973. The proposed transaction would not effect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed transaction would not in any section of the country substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market area by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act Statements of the proponents and the most recent assessment of their CRA records, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Regional Director of the Atlanta Regional Office, acting on behalf of the Board of Directors of the Corporation under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Merchants and Planters Bank Hazlehurst, Mississippi	25,072	2	3
<i>to merge with</i> Bank of Wesson Wesson, Mississippi	13,599	1	

Summary report by the Attorney General, October 9, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 16, 1981

Merchants and Planters Bank, Hazlehurst, Mississippi, an insured state non-member bank with total resources of \$25,072,000 and total IPC deposits of \$20,716,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Bank of Wesson, Wesson, Mississippi, an insured state nonmember bank with total resources of \$13,599,000 and total IPC deposits of \$10,255,000. Incident to the transaction, the sole office of Bank of Wesson would be established as a branch of the resultant bank, which would then have a total of three offices.

Competition

Merchants and Planters Bank presently operates two offices, both of which are located in Copiah County. Its main office is located in Hazlehurst, in the central portion of the county, and its branch is located 15 road miles east in Georgetown. Bank of Wesson operates one office in the city of Wesson in the extreme southern portion of Copiah County near the Lincoln County border. Wesson is approximately 10 road miles south of Hazlehurst. Lincoln and Copiah Counties are in the southwestern part of the state.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as that area within approximately 10 road miles of Wesson. This market extends south to the city of Brookhaven in Lincoln County and as far as Hazlehurst to the north, and consists of the southern half of Copiah County and the northern half of Lincoln County. In this market, six banks operating 15 offices have total IPC deposits of \$177,140,000. Of these deposits, Merchants and Planters Bank has the fourth largest share, 10.1 percent, and Bank of Wesson the fifth largest share, 5.8 percent. Inasmuch as both proponents are represented in the market, it is evident that a certain amount of competition does exist between them, however, the loss of this limited amount of competition is not considered to be of significance.

Mississippi statutes permit branch banks within a 100-mile radius of a bank's home office, subject to certain minimum capitalization requirements and home office protection provisions. Bank of Wesson has always operated as a unit bank in its 88 years of existence, and is unlikely to consider *de novo* branching in the near future. Merchants and Planters Bank is presently prohibited from branching into the city of Wesson under Mississippi statutes due to its low population. Therefore, consummation of the proposed transaction would not eliminate any significant potential for future competition between the two banks.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Merchants and Planters Bank and Bank of Wesson have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act

Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Albany Savings Bank Albany, New York	1,389,854	22	26
<i>to merge with</i> Newburgh Savings Bank Newburgh, New York	221,131	4	

Summary report by Attorney General, October 23, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 16, 1981

Albany Savings Bank, Albany, New York, an insured mutual savings bank with total resources of \$1,389,854,000 and total deposits of \$1,298,754,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Newburgh Savings Bank, Newburgh, New York, an insured mutual savings bank with total resources of \$221,131,000 and total deposits of \$206,799,000. Incident to the transaction, the four existing offices of Newburgh Savings Bank would be established as branches of Albany Savings Bank.

Competition

Albany Savings Bank operates 22 offices in 12 counties of central and northern New York State, primarily serving the Hudson and Mohawk River Valley south and west from its Albany-area base. A total of five merger-type transactions with thrift institutions based in Glens Falls, Johnstown, Troy, Oneida and Kingston have been effected since 1970, significantly expanding Albany Savings Bank's geographic service area and deposit base.

Newburgh Savings Bank operates three of its four offices in the immediate vicinity of the city of Newburgh (1980 population 23,438), in northern Orange County, in the Hudson River Valley located approximately 100 road miles south of Albany and 60 road miles north of New York City. A single *de novo* branch office is also operated in Rockland County located approximately 25 road miles south of Newburgh.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as Newburgh Savings Bank's primary service area encompassing portions of northern Orange County and adjacent portions of southern Ulster County within a 10-12 road mile radius of the city of Newburgh. While it is recognized that both Albany Savings Bank and Newburgh Savings Bank each operate a single office in relatively close proximity in Rockland County, neither of these offices is a significant competitive factor. The proposed transaction would have little effect upon competition or upon the structure of thrift institution banking in this separate banking market.

Albany Savings Bank is not represented in the Newburgh relevant market, and the proposed transaction would not eliminate any significant competition

between the two institutions. It is recognized that Albany Savings Bank operates two offices in the Beacon area (Dutchess County), located approximately 5 road miles (across the Hudson River) from Newburgh, and that such proximity of offices would indicate some direct competition between the proponents. The Beacon area, however, is accessible from Newburgh only by a single (toll) bridge, and analysis of the local commutation patterns and deposit origination data would indicate that Albany Savings Bank's Dutchess County offices are not a reasonable alternate source of banking services for a meaningful number of the residents of the Newburgh area. There is no evidence of any significant volume of existing competition between the proponents which would be eliminated by their proposed merger.

Under New York statutes, each of the proponents has the potential to expand, by means of *de novo* branching, into the areas now served by the other. With the exception of its Rockland County office, Newburgh Savings Bank has confined its operation to the immediate vicinity of the community of Newburgh, and it is not viewed as likely to embark upon any significant *de novo* expansion effort in the foreseeable future.* Albany Savings Bank, with a substantial resource base and experience operating a geographically diverse branch network, must be regarded as a potential *de novo* entrant into the Newburgh market. The heavily-banked nature of this particular localized area, however, would reduce the attractiveness of such *de novo* entry. Considering the number of institutions already established in the Newburgh area, the loss of some potential for future competition to develop between the proponents, as a consequence of their proposed merger, would have little impact.

In the relevant market, a total of 11 thrift institutions and nine commercial banks operate 45 offices and hold deposits in excess of \$680 million. Newburgh Savings Bank is the largest financial institution in this market, in share of local deposits held, with a 27.8 percent market share. Albany Savings Bank's acquisition of Newburgh Savings Bank would have no adverse effect upon the structure of either thrift institution or commercial banking in this market, nor would it have any material impact upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources: Future Prospects

The financial and managerial resources of the proponents are regarded as satisfactory, and the resultant institution would have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed merger will have little effect upon the level and pricing of financial services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

*The Rockland County office of Newburgh Savings Bank was established in 1974 and has failed to generate a substantial volume of deposits, remaining as one of the smallest thrift institution offices in the county.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Bank of Miami Miami, Florida	261,402	5	6
<i>to purchase the assets and assume the deposit liabilities of</i>			
LeJeune Road Branch Popular Bank of Florida Hialeah, Florida	3,037*	1	

*Total IPC deposits to be transferred from Popular Bank of Florida. Assets not reported by office.

Summary report by the Attorney General, September 2, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 18, 1981

Pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, an application has been filed by The Bank of Miami, Miami, Dade County, Florida, an insured State nonmember bank with total resources of \$261,402,000 and total IPC deposits of \$192,151,000 as of June 30, 1981, for the Corporation's prior consent to purchase the assets and assume the liabilities of the LeJeune Road Branch of Popular Bank of Florida, Hialeah, Dade County, Florida, an insured State nonmember bank with total resources of \$38,689,000 and IPC deposits of \$28,942,000 as of June 30, 1981. The total IPC deposits of the LeJeune Road Branch were \$3,037,000 as of June 30, 1981. The Bank of Miami presently operates five offices and has one approved but unopened office. Popular Bank of Florida, subsequent to the consummation of the subject purchase and assumption transaction, would operate solely out of its main office.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which The Bank of Miami could acquire an existing office in the Hialeah market area. The Bank of Miami and Popular Bank of Florida have been under common control by Popular Bancshares Corporation, Miami, Florida, for the last seven years. The proposed transaction, per se, would not affect the structure of commercial banking or the concentration of banking resources within the relevant market to any significant extent.

In view of the foregoing, the Corporation is of the opinion that the proposed transaction would not in any section of the country substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The Bank of Miami's financial and managerial resources are considered adequate for the purposes of this proposal and the future prospects of that institution appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market area by the acquiring bank would not differ materially from those presently offered at the subject branch office by the selling bank.

A review of available information, including the Community Reinvestment Act Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The acquiring institution is expected to continue to meet the credit needs

of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Regional Director of the Atlanta Regional Office, acting on behalf of the Board of Directors of the Corporation under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Auburn Bank & Trust Company Auburn, Alabama (change title to SouthTrust Bank)	16,689	1	3
<i>to merge with</i> Southern Bank of Lee County Smiths, Alabama	7,823	2	

Summary report by the Attorney General, October 9, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 20, 1981

Auburn Bank & Trust Company, Auburn, Alabama, an insured State non-member bank with total resources of \$16,689,000 and total IPC deposits of \$13,985,000, has applied pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Southern Bank of Lee County, Smiths, Alabama, an insured State nonmember bank with total resources of \$7,823,000 and total IPC deposits of \$6,362,000, under the charter of Auburn Bank & Trust Company with the title SouthTrust Bank, and to establish the two offices of Southern Bank of Lee County as branches of the resultant bank, which would commence operations with three offices. The two banks have been affiliated since August 10, 1981 through common control by SouthTrust Corporation (formerly Southern Bancorporation of Alabama), Birmingham, Alabama. The holding company presently controls 16 banks with aggregate total deposits of \$1,465,841,000 - 10.0% of Alabama's total commercial bank deposits.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which SouthTrust Corporation, Birmingham, Alabama, a multibank holding company, may consolidate some of its operations. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents' financial and managerial resources are considered adequate for the purposes of this proposal, and the future prospects of the resultant bank appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market area by the resultant bank would not differ materially from those presently offered by each proponent.

A review of available information, including the Community Reinvestment Act

Statements of the proponents, discloses no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Regional Director of the Atlanta Regional Office, acting on behalf of the Board of Directors under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Michigan Bank — Midwest Jackson, Michigan	60,090	7	10
<i>to acquire the assets and assume deposit liabilities of</i>			
Three Branches of Michigan Bank — Mid South Litchfield, Michigan	2,822*	3	

*Total IPC deposits to be transferred by Michigan Bank - Mid South. Assets not reported by office.

Summary report by Attorney General, May 4, 1981

The proposed consolidation is part of a plan through which the Midwest Bank would become a subsidiary of Michigan National Corporation, a bank holding company. The instant transaction would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by Michigan National Corporation, it would have no effect on competition.

Basis for Corporation Approval, November 25, 1981

Michigan Bank - Midwest, Jackson, Michigan, an insured state nonmember bank with total resources of \$60,090,000 and total IPC deposits of \$46,026,000 has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act for the Corporation's prior consent to acquire the assets of and assume liability to pay deposits in three branches of Michigan Bank - Mid South, Litchfield, Michigan, and for consent to establish branches at Paka Plaza, 1103 Boardman Road, Blackman Township; Westwood Mall, 2009 West Michigan Avenue, Summit Township; and 2550 Airport Road, Blackman Township, all locations within Jackson County, Michigan. Total IPC deposits to be assumed are approximately \$2,822,000.

Competition

Essentially a corporate reorganization, the proposal would provide a means by which Michigan National Corporation, Bloomfield Hills, Michigan, a multi-bank holding company presently controlling 27 banks with aggregate December 31, 1980, total deposits of \$4,710,266,000, may consolidate some of its operations. The three branches were all established by Michigan Bank - Mid South in suburban Jackson in early 1981. Michigan National Corporation acquired control of Michigan Bank - Midwest September 17, 1981. The proposed transaction would not affect the structure of commercial banking or the concentration of banking resources within the relevant market.

In view of the foregoing, the Corporation is of the opinion that the proposed

transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Proponents financial and managerial resources are considered adequate for the purposes of this proposal, and the future prospects of Applicant appear favorable.

Convenience and Needs of the Community to be Served

Services to be offered in the relevant market by Applicant would not differ materially than those presently offered.

A review of available information, including the Community Reinvestment Act Statement, discloses no inconsistencies with the purposes of the Act. Applicant is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

On the basis of the foregoing information, the Regional Director, Madison Region, acting on behalf of the Board of Directors, under delegated authority, has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bucks County Bank and Trust Company Perkasie, Pennsylvania	268,049	13	17
<i>to merge with</i> The Morrisville Bank Morrisville, Pennsylvania	73,123	4	

Summary report by Attorney General, no report received

Basis for Corporation Approval, November 23, 1981

Bucks County Bank and Trust Company, Perkasie, Pennsylvania ("Bucks County Bank"), an insured state nonmember bank with total resources of \$268,049,000 and total IPC deposits of \$185,280,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with The Morrisville Bank, Morrisville, Pennsylvania, an insured state nonmember bank with total resources of \$73,123,000 and total IPC deposits of \$63,272,000. Incident to the transaction, the four existing offices and one approved, unopened office of The Morrisville Bank would be established as branches of the resultant bank which would then have a total of 18 approved offices.

Competition

Bucks County Bank operates 12 offices, including its main office, in the upper half of Bucks County, and one other office in lower Bucks County. The Morrisville Bank presently operates four offices and has approval for another, all of which are located in the southeastern portion of lower Bucks County.

The relevant market in which to assess the competitive impact of the proposed transaction is regarded as lower Bucks County plus the city of Trenton, New Jersey. The city of Trenton is located directly across the Delaware River from Morrisville, Pennsylvania, and there is some commutation between the two cities. In the market, 17 banks operating 60 offices held total IPC deposits aggregating \$1,092,163,000 as of June 30, 1980. Of these deposits, Bucks County Bank held the smallest share, 0.3 percent, and The Morrisville Bank held

the eighth largest share, 5.3 percent. Bucks County Bank would merely replace The Morrisville Bank in the market and would remain the eighth largest bank. The amount of direct competition that exists between the two banks is modest, and their closest offices are about eight miles apart with numerous bank offices in the intervening area. Therefore, no significant amount of existing competition would be eliminated by the proposed transaction.

Pennsylvania statutes allow branching in a bank's home office county and in any county contiguous thereto. Bucks County Bank and The Morrisville Bank both have the same legal branching area which consists of Bucks, Northampton, Lehigh, Montgomery and Philadelphia Counties, therefore, each bank could branch into areas served by the other. However, there are numerous alternatives in the area, many of which are among the state's largest commercial banks. The loss of this limited potential for competition to increase between the banks in the future is not considered to be of significance.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Bucks County Bank and The Morrisville Bank have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Penobscot Savings Bank Bangor, Maine (change title to Independence Savings Bank)	150,568	4	8
<i>to merge with</i> Waterville Savings Bank Waterville, Maine	142,083	4	

Summary report by Attorney General, July 8, 1981

Applicant's main office is located in Bangor, Penobscot County. It operates one other office in Bangor and one each in Ellsworth (Hancock County) and Newport (Penobscot County). As of December 31, 1980, Applicant had total assets of \$145.1 million, total deposits of \$126.7 million (including \$125.3 million in time and savings deposits*), and net loans and discounts of \$102 million.

*"Time and savings deposit" figures include NOW accounts.

Bank, with its main office in Waterville (Kennebec County), operates three other offices, with one each in Pittsfield (Somerset County), Fairfield (Somerset County), and Oakland (Kennebec County). As of December 31, 1980, Bank had total assets of \$138.2 million, total deposits of \$127.2 million (including \$126.5 million in time and savings deposits) and net loans and discounts of \$103.1 million.

Bangor and Waterville are located in east-central Maine in an area that is largely rural and sparsely populated. As of 1970, Bangor had a population of 32,200, making it the third largest city in the state, while Waterville had a population of 18,400, making it the eighth largest in the state. The cities are approximately 55 miles apart, connected by I-95. Bangor's economy is based on retailing, while Waterville's is based on manufacturing.

There are 6 commercial banks and 3 mutual savings banks in the Waterville market.** In the Bangor market*** there are 6 commercial banks and 4 mutual savings banks. Both markets are highly concentrated, with the top three financial institutions in the Waterville market accounting for 86.3% of that market's savings, and the top 4 financial institutions in the Bangor market accounting for 81.2% of that market's savings. Both banks are the largest in their respective markets, with Bank accounting for 60.1% of the Waterville market savings, and Applicant accounting for 36.9% of the Bangor market savings.

With their geographic location in adjacent markets (their nearest offices are only 6 miles apart) and their current market share, each bank is thus one of the most likely potential entrants into the other's market. As a result, elimination of each as a potential competitor will have an adverse effect on competition in both the Waterville and the Bangor markets.

Basis for Corporation Approval, November 23, 1981

Penobscot Savings Bank, Bangor, Maine, an insured mutual savings bank with total resources of \$150,568,000 and total deposits of \$128,455,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter, with Waterville Savings Bank, Waterville, Maine, an insured mutual savings bank with total resources of \$142,083,000 and total deposits of \$130,791,000. The four offices of Waterville Savings Bank would be established as branches of the resultant institution, and, incident to the transaction, the main office of Waterville Savings Bank would be designated as the main office of the resultant mutual savings bank which would be titled "Independence Savings Bank."

Competition

Penobscot Savings Bank operates its main office and one branch in Bangor, one branch in Newport (Penobscot County), and one branch in Ellsworth (Hancock County) in east-central Maine. Its service area contains thirty-five communities in Penobscot County, all of Hancock County, and adjacent communities in Piscataquis, Somerset and Waldo Counties. The 1980 population of this service area was 177,787.

Waterville Savings Bank operates its main office in Waterville, one branch in Oakland (both in Kennebec County), one branch in Pittsfield and one branch in Fairfield (both in Somerset County) in south-central Maine. Its service area

**The Waterville market includes Waterville, Benton, Benton Falls, Fairfield, Shawmut, Oakland, Winslow, and Vassalboro.

***The Bangor market includes Bangor, Brewer, Orono, Old Town, Hampden, Orrington, Hermon, Holden, Milford, Veazie, Glenburn, Bradley, and Kenduskeag.

consists of eleven communities in Kennebec County, ten communities in Somerset County, and adjoining communities in Penobscot and Waldo counties. The 1980 population of this service area was 81,047.

The main offices of the proponents are approximately 54 miles apart and their service areas are essentially separate and distinct. These service areas do overlap, however, in the vicinity of Waterville Savings Bank's Pittsfield office and Penobscot Savings Bank's Newport office in the central part of the state. These two branches are seven miles apart, and hold only a modest volume of deposits (\$12.3 million and \$7.0 million, respectively). The area of overlap is rural with a 1980 population of only 12,665, however, it is served by eight offices of commercial and mutual savings banks. No material volume of existing competition between the two institutions would be eliminated by the proposed transaction.

Maine statutes permit statewide merger and *de novo* branching activity, therefore, there is some potential for increased levels of competition to develop between the two institutions at some future time. Considering the relatively modest size of the proponents and the number of other competitors in the state, the loss of some potential competition would have no significant effect.

The proposed transaction would result in a merger of the state's fifth and sixth largest mutual savings banks. The resultant institution would rank third in size in the state among thrift institutions, holding approximately 8.2 percent of the thrift institution deposit base, and less than 4.3 percent of the combined thrift and commercial bank deposits in Maine.

Consummation of the proposed transaction would not have any adverse impact upon the structure of either thrift institution or commercial banking, nor would it have any material effect upon the level of concentration of financial resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of each institution are regarded as satisfactory, and the resultant institution would appear to have generally favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would have no material effect upon convenience and needs considerations which are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Gorham Savings Bank Gorham, New Hampshire (change title to SouthTrust Bank)	15,855	1	
<i>to merge with</i>			
Berlin Co-operative Bank Berlin, New Hampshire (change title to The Home Cooperative Bank)	34,781	2	2

Summary report by Attorney General, November 20, 1981

Applicant, a mutual savings bank chartered in 1872 under New Hampshire law, operates its only office in Gorham, Coos County, New Hampshire. As of December 31, 1980, it had total assets of \$15.5 million, total deposits of \$14.3 million, and net loans and discounts of \$12.2 million. Applicant's net income dropped between 1976 and 1977, rose considerably in 1978, then dropped again in 1979 and 1980.

Bank, a state-chartered cooperative bank organized in 1890, operates its main office in Berlin and a branch office in Gorham, both in Coos County. As of December 30, 1980, Bank had total assets of \$33.4 million, total deposits of \$30.7 million, and net loans and discounts of \$28.5 million. Bank's net income has been declining since 1976.

The main offices of Applicant and Bank are located 6 miles from each other; and Bank's Gorham branch is only ½ mile from Applicant. Thus the merger would eliminate significant direct competition. Banking is highly concentrated in the Berlin-Gorham market. There are presently two commercial banks, two savings banks, one cooperative bank, and two credit unions, all operating a total of 8 offices in the area. The top 4 account for 84.1% of the market's time and savings deposits and 85.1% of its total deposits as of June 30, 1981. Bank is the second largest, with 21.7% of the market's time and savings deposits and 21.6% of its total deposits. Applicant is the fourth largest, with 10.1% of the area's time and savings deposits and 9.6% of its total deposits.

The merger would create an institution ranking a close second in size, with 31.9% of the market's time and savings deposits and 31.2% of its total deposits. As a result of the merger, the top two institutions alone (Berlin City Bank and Applicant/Bank) would account for 67.3% of the market's time and savings deposits and 68.4% of its total deposits. The four-firm concentration ratio would increase from 84.1% to 91.4% of the market's time and savings deposits, and from 85.1% to 91.9% of the total deposits. The Herfindahl Index would increase from .2208 (4.53 equivalency) to .2646 (3.78 equivalency) in terms of time and savings deposits, and from .2302 (4.34 equivalency) to .2714 (3.68 equivalency) in terms of total deposits.

The Berlin-Gorham banking market has experienced a significant amount of merger activity during the past several years. For example, in 1980 The Saver's Bank, Littleton, New Hampshire (deposits of \$85.1 million as of March 31, 1981), merged with White Mountain Bank and Trust Company, Gorham, New Hampshire. Moreover, Berlin City Bank, the largest institution in the market, recently received approval to merge with People's National Bank of Groveton, Northumberland, New Hampshire (deposits of \$6.8 million as of March 31, 1981). It may be argued that a merger of Applicant with another institution is necessary for Applicant to compete more effectively with these larger institutions, espe-

cially in view of its declining net income. Nonetheless, a merger with a smaller institution or one outside this market would have fewer overall anticompetitive effects than a merger with Bank.

The proposed merger will eliminate direct competition and increase concentration levels significantly in the Berlin-Gorham market. We therefore conclude that the merger would have a significantly adverse effect on competition.

Basis for Corporation Approval, November 23, 1981

Gorham Savings Bank, Gorham, New Hampshire ("GSB"), an insured mutual savings bank with total resources of \$15,855,000 and total deposits of \$14,432,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with the Berlin Co-operative Bank, Berlin, New Hampshire ("Berlin Bank"), a non-FDIC insured financial institution with total resources of \$34,781,000 and total deposits of \$32,545,000. The transaction would be effected under the charter of Berlin Bank and with the title of "The Home Cooperative Bank." Deposits of the resultant institution would be insured by the Federal Savings and Loan Insurance Corporation.

Competition

GSB operates its sole office in the town of Gorham (1980 population 3,322) which is located in southeastern Coos County, New Hampshire's northernmost county. Berlin Bank operates its main office in the nearby city of Berlin (1980 population 13,084) and one branch in Gorham. The Gorham office, which is located only one-half mile from GSB's office, is scheduled to be closed.

Both banks operate in the same banking market, which is approximated by the area within a 10-15 mile radius of the town of Gorham and the city of Berlin. The area is surrounded by mountainous terrain which effectively isolates the market.

In this relevant market, three thrift institutions and two commercial banks operate six offices and hold aggregate total deposits of approximately \$116 million. GSB is the smallest, in terms of total assets, among these local competitors and has been experiencing an eroding market share. In addition, there are also two credit unions represented in the area and they control approximately \$17,500,000 in deposits. The effect of the loss of existing competition between the proponents is mitigated by the relatively modest volume of deposits involved, the competition afforded by nonbank financial institutions and the nature of the market area. Moreover, it is felt that the resulting institution will be in a better position to more effectively compete with the larger institutions presently represented in the relevant market, and consummation of the proposed transaction will remove the home office protection presently afforded Gorham Savings Bank.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

GSB and Berlin Bank have satisfactory financial and managerial resources for the purposes of this proposal and the resultant institution, through anticipated economies of scale, appears to have more favorable future prospects than those of the two institutions operating separately.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level or pricing of financial services in the area served by the proponents. Considerations relating to convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Plymouth Guaranty Savings Bank Plymouth, New Hampshire	62,062	2	4
<i>to purchase assets and assume the deposit liabilities of</i>			
Granite State Trust Company Lincoln, New Hampshire	5,848	2	

Summary report by Attorney General, October 23, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 30, 1981

Plymouth Guaranty Savings Bank, Plymouth, New Hampshire ("PGSB"), an insured state-chartered financial institution with total resources of \$62,062,000 and total IPC deposits of \$55,397,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to purchase the assets of and assume the liability to pay deposits made in Granite State Trust Company, Lincoln, New Hampshire ("GSTC"), an insured state nonmember bank with total resources of \$5,848,000 and total IPC deposits of \$4,950,000. Incident to the transaction, the two existing offices of GSTC will be established as branches of the resultant institution.

Competition

PGSB, established in 1899, operates two offices in the vicinity of the town of Plymouth (1980 population 5,094) in southern Grafton County in north-central New Hampshire. Plymouth is located in the foothills of the White Mountains approximately 45 road miles north of Concord. GSTC, established in 1963 to provide banking service in a relatively remote area of the White Mountains, operates its main office in the town of Lincoln (1980 population 1,313, a 2.1 percent decrease from 1970) and a *de novo* branch in the neighboring community of North Woodstock. Both communities are located in the mountainous north central portion of Grafton County and are approximately 20 road miles north of Plymouth.

The communities of Lincoln and North Woodstock are located at the confluence of three river valleys, surrounded by several mountain peaks which have elevations approaching the 5,000 foot level. Such terrain features effectively localize the banking market, as year-round travel is inhibited except in a north-south direction. This relevant market is somewhat isolated with a permanent population of less than 5,000. The local economy, still impacted by the 1980 closing of a paper mill, is subject to dramatic economic fluctuations due to its remaining dependence upon winter sports-oriented activities at nearby ski resorts.

GSTC is the only banking organization located in this relevant market, with the

next closest banking facility located approximately 15 road miles south of Lincoln. There is no evidence of any material volume of direct competition between PGSB and GSTC, therefore, the proposed acquisition would have no significant effect upon existing competition.

New Hampshire statutes (revised in 1979) permit statewide *de novo* branch expansion into communities with a population of greater than 25,000. This population restriction will be lifted in June of 1982. In smaller communities such as Lincoln, however, several restrictions on *de novo* entry are set forth which would effectively preclude PGSB's *de novo* entry until the community's population increases to 2,500. The market's sparse population and limited economic significance would be additional deterrents to such *de novo* expansion into the area. The potential for a meaningful level of competition to develop between the proponents in the foreseeable future is limited, and its loss would have no significant adverse competitive effect.

PGSB holds only a 1.5 percent share of New Hampshire's thrift institution deposits, ranking it as the 24th largest of 48 insured thrift institutions. Its share of the combined thrift institution and commercial bank deposit base is less than 1.0 percent. GSTC is the state's second smallest commercial bank, holding only 0.2 percent of the commercial bank deposit base and less than 0.1 percent of the combined thrift institution and commercial bank deposits in New Hampshire. In light of the modest volume of deposits and banking business involved, consummation of the proposed transaction would have no adverse effect upon the structure of either thrift institutions or commercial banks, nor would it have any material impact upon the level of concentration of financial resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

GSTC is in a weakened condition with continuing operating losses. Its resources are declining and its future prospects as an independent entity are limited. PGSB has satisfactory financial and managerial resources with profitable operations and an acceptable level of capitalization. The resultant institution will be able to provide the framework within which the problems facing GSTC may be addressed, and would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will result in the replacing of two small commercial banking offices with offices of a relatively larger and stronger financial institution which essentially functions as a thrift institution under New Hampshire statutes. While the resultant institution does not offer some of the deposit services now available at GSTC's offices, those customers directly affected will be offered comparable depository services. Additionally, PGSB will be able to offer some other services which are not available at GSTC, as well as a generally lower interest charge on some consumer-oriented loans. The number of customers which would be adversely impacted by these changes is small, and the transaction would serve to assure the continuation of banking service in the Lincoln-North Woodstock community. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant institution is expected to continue to meet the credit needs of its entire community, consistent with its safe and sound operation.

Based on the foregoing, the Board of Directors is of the opinion that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
California Valley Bank Fresno, California	42,407	3	4
<i>to purchase assets and assume the deposit liabilities of</i>			
Woodland office of Cache Creek Bank Woodland, California	6,436*	1	

*Total IPC deposits to be transferred from
Cache Creek Bank. Assets not reported by office.

Summary report by Attorney General, no report received

Basis for Corporation Approval, November 30, 1981

California Valley Bank, Fresno, California ("Applicant"), an insured state nonmember bank with total resources of \$42,407,000 and total IPC deposits of \$31,415,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of and assume the liability to pay deposits made in the Woodland office of Cache Creek Bank, Woodland, California ("Other Bank"), also an insured state nonmember bank, with total resources of \$13,431,000 and total IPC deposits of \$9,752,000. The Woodland office of Other Bank has total resources of approximately \$6,958,000 and total IPC deposits of \$6,436,000 and would be established as a branch of Applicant. Other Bank has received consent to interchange its main office in Woodland and its branch office in Sacramento so that Other Bank would be headquartered in Sacramento.

Competition

Applicant operates its main office in Fresno, one branch in Sacramento, and one branch in Visalia. Other Bank has its main office in Woodland and one branch in Sacramento. The relevant market in which to assess the competitive impact of the proposed transaction is regarded as the city of Woodland, which had a 1980 population of 30,235.

The market areas of Applicant and Other Bank overlap only in Sacramento, which is separate and distinct from the relevant market, and the proposed acquisition would have no significant effect upon existing competition between the proponents.

Applicant is permitted, under existing California statutes, to branch *de novo* into the Woodland relevant market and, as such, the proposed transaction is regarded as eliminating the possibility for increased competition to develop between the proponents at some future time. In light of the nominal volume of business involved and the dominance of some of the state's largest banks in the market, the loss of this potential is viewed as having no adverse competitive impact.

A total of seven commercial banks, including Other Bank, each operate one banking office in the relevant market. The market is dominated by Bank of America, National Trust and Savings Association and Wells Fargo Bank together controlling nearly 75 percent of the market area's IPC deposits as of June 30, 1980. Other Bank's Woodland office has only 4.1 percent of the market area's

IPC deposits and has not, after almost six years of operation, established a significant market penetration. The proposed transaction would have no adverse impact upon the structure of commercial banking nor, in light of the modest volume of deposits being acquired, would it have any material effect upon the level of concentration of banking resources in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Applicant's financial and managerial resources are regarded as satisfactory. The impact of the proposed acquisition would be modest, and the Applicant would appear to have favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would result in no material change in the level or pricing of commercial banking services in the community to be served. Considerations relating to the convenience and needs of the community to be served are regarded as consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents and other relevant material, disclosed no inconsistencies with the purposes of the Act. The Applicant is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the bank.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Northwestern Bank North Wilkesboro, North Carolina	1,828,728	175	180
<i>to merge with</i> Gateway Bank Greensboro, North Carolina	44,373	5	

Summary report by Attorney General, October 23, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 30, 1981

The Northwestern Bank, North Wilkesboro, North Carolina, an insured state nonmember bank with total resources of \$1,828,728,000 and total IPC deposits of \$1,366,707,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge, under its charter and title, with Gateway Bank, Greensboro, North Carolina, an insured state nonmember bank with total resources of \$44,373,000 and total IPC deposits of \$33,849,000. Incident to the transaction, the five existing offices of Gateway Bank would be established as branches of the resultant bank, which would then operate a total of 180 full-service offices.

Competition

The Northwestern Bank operates 175 full-service offices throughout the western half of North Carolina, and also operates one foreign branch. Gateway Bank presently operates five offices, all of which are in the city of Greensboro in Guilford County. Gateway Bank also has regulatory approval to open another

branch to be located in Greensboro.

Guilford County had a 1980 population of 317,154, an increase of nearly 10 percent in the past decade. The city of Greensboro is the center of population for the county, with approximately 155,600 persons. There were, at June 30, 1980, 14 banks operating 91 offices in Guilford County, with total IPC deposits aggregating \$899,468,000. Of these deposits, Gateway Bank held the 6th largest share - 2.9 percent, and The Northwestern Bank the 8th largest share - 2.2 percent. Consummation of the proposed transaction would result in The Northwestern Bank assuming Gateway Bank's present 6th place with a 5.1 percent share. The Northwestern Bank operates five branches in the city of Greensboro, and their presence indicates that the two banks do compete with one another. The amount of competition is modest, however, in light of the dominance of two of North Carolina's largest banks controlling nearly 60 percent of the total IPC deposits in Guilford County. The loss of the existing competition is not considered to be of significance as there are numerous banking alternatives in the city of Greensboro and in the county, nor would there be any significant impact upon the structure of commercial banking in either area.

North Carolina statutes permit statewide branching. Therefore, Gateway Bank could expand *de novo* into other areas in the state where The Northwestern Bank operates. Gateway Bank's approved unopened branch in Greensboro will be abandoned by The Northwestern Bank if the proposal is consummated. The proposed transaction will eliminate this potential for competition to increase further between the proponents. The loss of this potential competition is not considered significant, however, in light of the modest share of deposits held by the proponents and the existence of numerous competitors.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The financial and managerial resources of The Northwestern Bank and Gateway Bank are satisfactory, and future prospects of the resultant bank are favorable.

Convenience and Needs of the Community to be Served

Consummation of the proposed transaction will have little effect on the level and pricing of commercial banking services in the areas served by the proponents. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of this application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Farmers Bank of the State of Delaware Dover, Delaware (change title to Farmers Bank)	473,785	29	29
<i>to merge with</i> Girard Interim Bank (in organization) Wilmington, Delaware	—	—	

Summary report by Attorney General, September 18, 1981

The proposed merger is part of a plan through which the Farmers Bank of the State of Delaware would become a subsidiary of The Girard Company, a bank holding company. The instant transaction would merely combine an existing bank with a non-operating institution; as such, and without regard to the acquisition of the surviving bank by The Girard Company, it would have no effect on competition.

Basis for Corporation Approval, November 30, 1981

Pursuant to Sections 18(c) and 18(i) and other provisions of the Federal Deposit Insurance Act, Farmers Bank of the State of Delaware, Dover, Delaware ("Farmers"), an insured state nonmember bank with total resources of \$473,785,000 and total IPC deposits of \$240,553,000, has applied for the Corporation's prior consent to merge, under its charter and with the title "Farmers Bank," with Girard Interim Bank, Wilmington, Delaware ("New Bank"), a noninsured state bank in organization. In conjunction with the proposed transaction, outstanding common and preferred stock of Farmers will be retired.

Formation of New Bank and the merger transaction are being effected solely to enable The Girard Company, a Pennsylvania-based bank holding company, to acquire all of the voting shares of the commercial bank resulting from the proposed transaction. The Board of Governors of the Federal Reserve System approved the acquisition on November 24, 1981.

The proposal, per se, will not alter the competitive structure of commercial banking in the markets served by Farmers or significantly change the services which Farmers has provided in the past. All facts required to be considered pertinent to the application have been favorably resolved.

A review of available information, including the Community Reinvestment Act Statement of Farmers disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors is of the opinion that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Bank of Greenville Greenville, Florida (change title to Bank of Madison County)	13,570	1	2
<i>to merge with</i> Bank of Madison Madison, Florida	17,284	1	

Summary report by Attorney General, November 6, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, November 30, 1981

Bank of Greenville, Greenville, Florida, an insured state nonmember bank with total resources of \$13,570,000 and total IPC deposits of \$9,666,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Bank of Madison, Madison, Florida, an insured state nonmember bank with total resources of \$17,284,000 and total IPC deposits of \$15,454,000, under the charter of Bank of Greenville and with the title "Bank of Madison County," and to establish the sole office of Bank of Madison as a branch of the resultant bank, which would then operate two offices. Incident to the proposed transaction, the main office location would be redesignated to the present main office site of Bank of Madison.

Competition

Bank of Greenville, established in 1905, operates its sole office in the city of Greenville in western Madison County. Bank of Madison operates its sole office in the city of Madison in central Madison County, some 13 miles east of Greenville.

Essentially, the merger represents a corporate reorganization. Bank of Madison was organized in 1972 under the direction and guidance of the management of Bank of Greenville at a time when Florida law did not provide for full-service *de novo* branches. The two participating banks have three directors common to both, one of whom is chairman of both banks. Thus, there is no existing competition between them.

Although the participating banks could theoretically compete with each other through disaffiliation, due to the nature of the origin of their common management and control, this is very unlikely. Accordingly, this merger would eliminate no significant potential competition between the proponents.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

Bank of Greenville and Bank of Madison have satisfactory financial and managerial resources, and the resultant bank is anticipated to have favorable future prospects.

Convenience and Needs of the Community to be Served

Services to be offered by the resultant bank would not differ materially from those presently offered by each proponent. Considerations relating to convenience and needs of the community to be served are, however, consistent with approval of the application.

A review of available information, including the Community Reinvestment Act

Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Central Savings Bank New York (Manhattan), New York (change title to Harlem Savings Bank)	918,649	8	
<i>to merge with</i> Harlem Savings Bank New York (Manhattan), New York	833,942	8	16

Approved under emergency provisions, no report requested from Attorney General.

Basis for Corporation Approval, December 4, 1981

Central Savings Bank, New York (Manhattan), New York, an insured mutual savings bank with total resources of \$918,649,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Harlem Savings Bank, New York (Manhattan), New York, an insured mutual savings bank with total resources of \$833,942,000, under the charter and title of Harlem Savings Bank. As an incident to the proposed merger, the main office, seven branches and one public accommodation office of Central Savings Bank would be established as eight branches and one public accommodation office of Harlem Savings Bank.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of Central Savings Bank.

Based on this finding the proposed merger is approved. Under Section 18(c)(6) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The Buffalo Savings Bank Buffalo, New York	2,906,807	20	29
<i>to merge with</i> Union Dime Savings Bank New York (Manhattan), New York	1,437,702	9	

Approved under emergency provisions, no report requested from Attorney General.

Basis for Corporation Approval, December 18, 1981

The Buffalo Savings Bank, Buffalo, New York, an insured mutual savings bank with total resources of \$2,906,807,000, has applied, pursuant to Section 18(c) of the Federal Deposit Insurance Act, for the Corporation's prior consent to merge with Union Dime Savings Bank, New York (Manhattan), New York, an insured

mutual savings bank with total resources of \$1,437,702,000, under the charter and title of The Buffalo Savings Bank. As an incident to the proposed merger, the nine offices of Union Dime Savings Bank would be established as branches of The Buffalo Savings Bank.

The Board of Directors has determined that the Corporation must act immediately in order to prevent the probable failure of Union Dime Savings Bank.

Based on this finding the proposed merger is approved. Under Section 18(c)(6) of the Federal Deposit Insurance Act, the transaction may be consummated immediately.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
The State Bank Fort Dodge, Iowa	101,358	3	4
<i>to acquire assets and assume deposit liabilities of</i>			
Iowa State Bank and Trust Company Dayton, Iowa	10,214	1	

Summary report by Attorney General, November 27, 1981

We have reviewed this proposed transaction and conclude that it would be not significantly adverse to competition.

Basis for Corporation Approval, December 21, 1981

The State Bank, Fort Dodge, Iowa, an insured state nonmember bank with total resources of \$101,358,000 and total IPC deposits of \$78,270,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to acquire the assets of and assume the liability to pay deposits made in Iowa State Bank and Trust Company, Dayton, Iowa, Dayton, Iowa ("ISB"), an insured state nonmember bank with total resources of \$10,214,000 and total IPC deposits of \$8,968,000, and to establish the sole office of ISB as a branch. The State Bank would then operate a total of four offices.

Principals holding stock and managerial control of The State Bank have made an agreement to purchase the shares of ISB owned by its major shareholder. Upon acquisition of those shares, and in addition to the shares already owned, these same principals would then exercise stock and managerial control over ISB. Notice of Acquisition of Control of ISB was filed with the Corporation on August 12, 1981, and factors relating to this affiliation were evaluated by the Corporation pursuant to The Change in Bank Control Act (12 U.S.C. 1817(j)).

The proposed affiliation by common control of The State Bank and ISB was found to have no significant adverse competitive consequences. ISB serves a small localized rural market in and around the community of Dayton (1980 population 941). The closest commercial bank to ISB is located some 11 road distant. The State Bank is located approximately 21 road miles from ISB. A letter, indicating the Corporation's intent not to disapprove the proposed change of control, was issued on September 9, 1981.

Competition

Having previously concluded that there was no significant existing or potential competition between The State Bank and ISB, the Corporation has determined that consummation of this proposed transaction would not seriously impact competition in the Dayton area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The State Bank and ISB have satisfactory financial and managerial resources, and the resultant bank has favorable future prospects.

Convenience and Needs of the Community to be Served

The proposed transaction would result in the customers of ISB being offered a wider range of commercial banking services, including a substantially higher lending limit, than presently available. Considerations relating to the convenience and needs of the community to be served are consistent with approval of the application.

A review of available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act. The resultant bank is expected to continue to meet the credit needs of its entire community, consistent with the safe and sound operation of the institution.

Based on the foregoing, the Board of Directors has concluded that approval of the application is warranted.

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Commercial Bank Thomasville, Georgia	62,737	1	2
<i>to purchase assets and assume deposit liabilities of</i>			
Peoples Banking Company Boston, Georgia	9,826	1	

Approved under emergency provisions. No report requested from Attorney General.

Basis for Corporation Approval, March 17, 1981

Commercial Bank, Thomasville, Georgia, an insured state nonmember bank with total resources of \$62,737,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of and assume the liability to pay deposits made in Peoples Banking Company, Boston, Georgia, an insured state nonmember bank with total resources of \$9,826,000. Incident to the transaction, the sole office of Peoples Banking Company would become a branch of Commercial Bank.

As of March 17, 1981, Peoples Banking Company had deposits of approximately \$7,400,000 and operated one office. On March 17, 1981, the Federal Deposit Insurance Corporation was appointed as Receiver of Peoples Banking Company.

The Board of Directors finds that the failure of Peoples Banking Company requires it to act immediately and thus waives publication of notice, dispenses with the solicitation of competitive reports from other agencies, and authorizes the transaction to be consummated immediately.

Merger transactions were involved in the acquisitions of banks by holding companies in the following approvals in 1981. In each instance, the Attorney General's report stated that the proposed transaction would have no effect on competition. The Corporation's basis for approval in each case stated that the proposed transaction would not, per se, change the competitive structure of banking, nor affect the banking services that the (operating) bank has provided in the past, and that all other factors required to be considered pertinent to the application were favorably resolved.

Sunbelt State Bank, Brownwood, Texas, in organization (resources \$0); to merge with *The Southwest State Bank*, Brownwood, Texas (resources \$41,119,000). Approved January 12.

CG Bank, Cary, Illinois, in organization (resources \$88,000); to merge with *Suburban Bank of Cary-Grove*, Cary, Illinois (resources \$27,119,000). Approved January 22.

First State Bank of East Detroit, East Detroit, Michigan (resources \$110,463,000); to consolidate with *F.S.B. Bank*, East Detroit, Michigan, in organization (resources \$120,000). Approved January 23.

Jersey Village Bank, Houston, Texas (resources \$18,819,000); to merge with *New Jersey Village Bank*, Houston, Texas, in organization (resources \$200,000). Approved January 27.

The FTB Third Bank, West Union, Ohio, in organization (resources \$6,902,000); to purchase the assets and assume the deposit liabilities of *The Farmers Bank*, West Union, Ohio (resources \$36,363,000). Approved January 28.

First State Bank & Trust Company, Valdosta, Georgia (resources \$51,711,000); to merge with *First State Interim Company*, Valdosta, Georgia, in organization (resources \$0). Approved February 9.

The Bank of San Diego, San Diego, California (resources \$32,358,000); to merge with *BSD Merger Company*, San Diego, California, in organization (resources \$0). Approved February 19.

Spring Branch Bank, Houston, Texas (resources \$159,914,000); to merge with *Katy State Bank*, Houston, Texas, in organization (resources \$200,000). Approved February 24.

Montgomery County Bank, Crawfordsville, Indiana, in organization (resources \$200,000); to merge with *Elston Bank & Trust Company*, Crawfordsville, Indiana (resources \$100,921,000). Approved February 25.

Republic Bank of Edgewood, Countryside, Illinois, in organization (resources \$87,500); to merge with *Edgewood Bank*, Countryside, Illinois (resources \$50,872,000). Approved March 3.

Texas Bank of Beaumont, Texas, Beaumont, Texas (resources \$40,718,000); to merge with *Dowlen Bank*, Beaumont, Texas, in organization (resources \$203,000). Approved March 3.

Valley View Bank, Dallas, Texas (resources \$59,196,000); to merge with *New Valley View Bank*, Dallas, Texas, in organization (resources \$200,000). Approved March 10.

Windsor Park Bank, San Antonio, Texas (resources \$70,050,000); to merge with *New Windsor Park Bank*, San Antonio, Texas, in organization (resources \$200,000). Approved March 12.

The Bank of South Texas, Alice, Texas (resources \$116,718,000); to merge with *New Bank of South Texas*, Alice, Texas, in organization (resources \$100,000). Approved March 13.

Columbus Bank and Trust Company, Columbus, Georgia (resources \$265,250,000); to merge with *The New CB&T Second Mortgage Company*,

Columbus, Georgia, in organization (resources \$663,000). Approved March 20.

Peoples Banking Company of Martins Ferry, Ohio, Martins Ferry, Ohio, in organization (resources \$312,500); to merge with *The Peoples Savings Bank Company*, Martins Ferry, Ohio (resources \$55,008,000). Approved March 24.

Putnam County Bank, Roachdale, Indiana, in organization (resources \$100,000); to merge with *Tri-County Bank & Trust Company*, Roachdale, Indiana (resources \$29,966,000). Approved March 24.

First Citizens Bank, Glennville, Georgia (resources \$15,737,000); to merge with *FCB-Interim, Inc.*, Glennville, Georgia, in organization (resources \$1,000). Approved March 31.

Porter County Bank, Valparaiso, Indiana, in organization (resources \$200,000); to merge with *Northern Indiana Bank and Trust Company*, Valparaiso, Indiana (resources \$180,844,000). Approved April 8.

Cornelia Bank, Cornelia, Georgia (resources \$45,059,000); to merge with *Community Interim, Inc.*, Cornelia, Georgia, in organization (resources \$0). Approved April 16.

The Bank of Newport, Newport, Oregon (resources \$71,033,000); to merge with *Interim Bank of Newport*, Newport, Oregon, in organization (resources \$10,000). Approved April 10.

Bank of the South, Clayton County, Forest Park, Georgia, in organization (resources \$500); to consolidate with *Bank of Forest Park*, Forest Park, Georgia (resources \$54,821,000), and *Bank of the South*, Riverdale, Georgia (resources \$43,889,000). Approved April 23.

The Citizens & Southern Bank of Milledgeville, Milledgeville, Georgia (resources \$47,343,000); to merge with *C&S Interim, Inc.*, Milledgeville, Georgia, in organization (resources \$500). Approved April 23.

Central Park Bank, San Antonio, Texas (resources \$112,322,000); to merge with *New Central Park Bank*, San Antonio, Texas, in organization (resources \$200,000). Approved April 27.

The Commercial National Bank of Beeville, Beeville, Texas (resources \$52,383,000); to consolidate with *The Commercial Bank of Beeville*, Beeville, Texas, in organization (resources \$75,000). Approved April 28.

Bank of Oregon, Woodburn, Oregon (resources \$123,392,000); to merge with *Interim Bank of Oregon*, Woodburn, Oregon, in organization (resources \$10,000). Approved April 30.

The Farmers Bank, Douglas, Georgia (resources \$57,221,000); to merge with *Southern Interim Company*, Douglas, Georgia, in organization (resources \$0). Approved May 7.

First State Bank of Mathis, Mathis, Texas (resources \$18,916,000); to merge with *New First State Bank of Mathis*, Mathis, Texas, in organization (resources \$50,000). Approved May 14.

The Murfreesboro Bank & Trust Company, Murfreesboro, Tennessee (resources \$130,128,000); to merge with *MBT Bank*, Murfreesboro, Tennessee, in organization (resources \$1,000). Approved May 14.

Community Bank, Bad Axe, Michigan (resources \$83,476,000); to consolidate with *CB Bank*, Bad Axe, Michigan, in organization (resources \$120,000). Approved May 14.

Greens Road State Bank, Houston, Texas, in organization (resources \$200,000); to merge with *Greenspoint Bank*, Houston, Texas (resources \$59,687,000). Approved May 15.

Orange Bank, Orange, Texas (resources \$45,652,000); to merge with *First Orange Bank*, Orange, Texas, in organization (resources \$100,000). Approved May 22.

Northwest Bank, Oil City, Pennsylvania, in organization (resources \$305,000); to merge with *Northwest Pennsylvania Bank & Trust Co.*, Oil City, Pennsylvania (resources \$404,606,000). Approved May 29.

Citizens State-Interim Bank, Kingsland, Georgia, in organization (resources \$0); to merge with *Citizens State Bank*, Kingsland, Georgia (resources \$4,037,000). Approved May 29.

Alma Exchange-Interim Bank and Trust, Alma, Georgia, in organization (resources \$0); to merge with *Alma Exchange Bank & Trust*, Alma, Georgia (resources \$18,433,000). Approved May 29.

Planters Trust & Savings Bank of Opelousas, Opelousas, Louisiana (resources \$68,644,000); to merge with *New Planters Trust and Savings Bank*, Opelousas, Louisiana, in organization (resources \$150,000). Approved June 1.

ABT Bank and Trust Company, Lafayette, Louisiana, in organization (resources \$300,000); to merge with *American Bank and Trust Company*, Lafayette, Louisiana (resources \$203,820,000). Approved June 1.

Greater Houston Bank, Houston, Texas (resources \$149,485,000); to merge with *New Greater Houston Bank*, Houston, Texas, in organization (resources \$200,000). Approved June 1.

Ohio Valley State Bank, Hanover, Indiana, in organization (resources \$100,000); to merge with *The Madison Bank & Trust Company*, Madison, Indiana (resources \$102,285,000). Approved June 4.

First State Bank and Trust Company, Albany, Georgia (resources \$111,301,000); to merge with *First State Interim Corporation*, Albany, Georgia, in organization (resources \$0). Approved June 11.

First Interstate Bank of Albuquerque, Albuquerque, New Mexico (resources \$156,518,000); to consolidate with *New Bank of New Mexico*, Albuquerque, New Mexico, in organization (resources \$500,000). Approved June 22.

First State Bank at Gallup, Gallup, New Mexico (resources \$81,548,000); to consolidate with *New First State Bank at Gallup*, Gallup, New Mexico, in organization (resources \$500,000). Approved June 22.

First Bank and Trust, Carnesville, Georgia (resources \$21,596,000); to merge with *First Interim Incorporated*, Carnesville, Georgia, in organization (resources \$100,000). Approved June 24.

First Interstate Bank of Lea County, Hobbs, New Mexico (resources \$156,518,000); to consolidate with *New New Mexico Bank and Trust Company*, Hobbs, New Mexico, in organization (resources \$500,000). Approved June 30.

Texas Commerce Bank - Friendswood, Friendswood, Texas, in organization (resources \$75,000); to merge with *Friendswood Bank*, Friendswood, Texas (resources \$30,264,000). Approved June 30.

Northeastern Interim Bank, Mount Pocono, Pennsylvania, in organization (resources \$155,000); to merge with *Northeastern Bank of Pennsylvania*, Mount Pocono, Pennsylvania (resources \$814,524,000). Approved June 30.

Eldorado Bank, Tustin, California (resources \$102,712,000); to merge with *EB Service Corporation*, Tustin, California, in organization (resources \$0). Approved July 6.

Texas Commerce Bank-Hillcrest, Dallas (University Park), Texas, in organization (resources \$200,000); to merge with *The Hillcrest State Bank*, Dallas (University Park), Texas (resources \$64,536,000). Approved July 10.

University State Bank of Champaign, Champaign, Illinois, in organization (resources \$480,000); to merge with *The Commercial Bank of Champaign*, Champaign, Illinois (resources \$55,363,000). Approved July 17.

American Banking Company, Moultrie, Georgia (resources \$28,326,000); to merge with *ABC Interim, Inc.*, Moultrie, Georgia, in organization (resources \$500,000). Approved July 22.

SNB Bank and Trust, Battle Creek, Michigan (resources \$106,417,000); to consolidate with *DBT State Bank*, Battle Creek, Michigan, in organization (resources \$120,000). Approved July 22.

The Midwest Bank, Jackson, Michigan (resources \$52,011,000); to consolidate with *MW Bank*, Jackson, Michigan, in organization (resources \$120,000). Approved July 22.

The Amanda Banking Company, Amanda, Ohio, in organization (resources \$312,500) to merge with *The Clear Creek Valley Banking Company*, Amanda, Ohio (resources \$11,096,000). Approved July 24.

Allied Jetero Bank, Westfield, Texas, in organization (resources \$200,000) to merge with *Jetero Bank*, Westfield, Texas (resources \$62,330,000). Approved July 27.

Bank of Hawaii, Honolulu, Hawaii (resources \$2,048,504,000) to merge with *BOH Bank*, Honolulu, Hawaii, in organization (resources \$1,000,000). Approved July 29.

Lorenzo State Bank at Lorenzo, Lorenzo, Texas (resources \$23,048,000) to merge with *First Lorenzo Bank*, Lorenzo, Texas, in organization (resources \$50,000). Approved July 30.

Century Bank, Los Angeles, California (resources \$83,961,000) to merge with *CH Subsidiary Corporation*, in organization (resources \$0). Approved July 31.

American Bank and Trust Co. of Pa., Reading, Pennsylvania (resources \$1,930,349,000) to merge with *Sixth Street Bank and Trust Company*, Reading, Pennsylvania, in organization (resources \$300,000). Approved August 3.

First National Bank of Alvin, Alvin, Texas (resources \$38,933,000) to consolidate with *First State Bank of Alvin*, Alvin, Texas, in organization (resources \$75,000). Approved August 4.

First Interstate Bank of Glacier County, Cut Bank, Montana (resources \$33,316,000); to consolidate with *New Bank of Glacier County*, Cut Bank, Montana (resources \$55,000); Approved August 4.

Bank of Downey, Downey, California (resources \$56,062,000); to merge with *SC Merger Company*, Downey, California, in organization (resources \$0). Approved August 4.

West Coast Bank, Encino, California (resources \$70,282,000); to merge with *West Coast Merger Corporation*, Encino, California (resources \$0). Approved August 4.

New Empire Bank, Dallas, Texas, in organization (resources \$200,000); to merge with *Empire Bank*, Dallas, Texas (resources \$25,968,000). Approved August 11.

Alvarado State Bank, Alvarado, Texas (resources \$12,939,000); to merge with *Bank of Alvarado*, Alvarado, Texas, in organization (resources \$50,000). Approved August 24.

New Fondren Southwest Bank, Houston, Texas, in organization (resources \$200,000); to merge with *Fondren Southwest Bank*, Houston, Texas (resources \$44,876,000). Approved August 24.

American Bank & Trust Company of Houma, Houma, Louisiana (resources \$67,210,000); to merge with *New American Bank*, Houma, Louisiana, in organization (resources \$300,000). Approved August 24.

Cinterim State Bank, Jeffersonville, Indiana, in organization (resources \$200,000); to merge with *Citizens State Bank & Trust Co.*, Jeffersonville, Indiana (resources \$114,249,000). Approved August 24.

California Heritage Bank, San Diego, California (resources \$13,266,000); to merge with *MBC Financial Corporation*, San Diego, California, in organization (resources \$1,500,000). Approved August 25.

Wolverine State Bank, Sandusky, Michigan (resources \$90,558,000); to consolidate with *WSB State Bank*, Sandusky, Michigan, in organization (resources \$120,000). Approved August 28.

Roscommon State Bank, Roscommon, Michigan (resources \$107,162,000); to consolidate with *RSB State Bank*, Roscommon, Michigan, in organization (resources \$120,000). Approved August 28.

Citizens Interim Bank, Folkston, Georgia, in organization (resources \$0); to merge with *The Citizens Bank*, Folkston, Georgia (resources \$29,906,000). Approved August 28.

Proposed domestic branch to be located at 111 South Wabash Avenue, Chicago, Illinois, in organization, of *The Dai-Ichi Kangyo Bank, Ltd.*, Tokyo, Japan, to purchase the assets and assume the deposit liabilities of *The First Pacific Bank of Chicago*, Chicago, Illinois (resources \$170,882,000). Approved August 28.

Meadowbrook National Bank, Fort Worth, Texas (resources \$25,256,000); to consolidate with *Meadowbrook State Bank*, Fort Worth, Texas, in organization (resources \$200,000). Approved August 31.

New Bank of North Texas, North Richland, Texas, in organization (resources \$1,000,000); to merge with *Bank of North Texas*, North Richland, Texas (resources \$48,702,000). Approved August 31.

State Bank of Cuba, Cuba, Missouri, in organization (resources \$30,000); to merge with *Peoples Bank of Cuba*, Cuba, Missouri (resources \$26,085,000). Approved August 31.

General Bank of Commerce, Los Angeles, California (resources \$70,449,000); to merge with *GBC Merger Company*, Los Angeles, California, in organization (resources \$0). Approved August 31.

Marine Bank, Meadville, Pennsylvania (resources \$404,083,000); to merge with *Marine Interim Bank*, Meadville, Pennsylvania, in organization (resources \$200,000). Approved September 1.

East Texas State Bank, Buna, Texas (resources \$13,288,000); to merge with *New East Texas State Bank*, Buna, Texas, in organization (resources \$50,000). Approved September 4.

Beaver Street Bank, York, Pennsylvania, in organization (resources \$512,000); to merge with *The York Bank and Trust Company*, York, Pennsylvania (resources \$498,840,000). Approved September 11.

SBW Bank of Woodstock, Woodstock, Illinois, in organization (resources \$175,000); to merge with *The State Bank of Woodstock*, Woodstock, Illinois (resources \$54,761,000). Approved September 14.

T.F.B. Bank, Carmel, Indiana, in organization (resources \$200,000); to merge with *The Fidelity Bank of Indiana*, Carmel, Indiana (resources \$44,006,000). Approved September 14.

New Farmers Branch Bank, Farmers Branch, Texas, in organization (resources \$200,000); to merge with *Farmers Branch Bank*, Farmers Branch, Texas (resources \$6,230,000). Approved September 15.

First Citizens Bank, Fayetteville, Georgia (resources \$13,190,000); to merge with *Interim FCB, Inc.*, Griffin, Georgia, in organization (resources \$500). Approved September 18.

First Bank & Trust, Tomball, Texas (resources \$21,087,000); to merge with *Tomball Bank*, Tomball, Texas, in organization (resources \$50,010). Approved September 18.

ZB Bank and Trust Company, Zion, Illinois, in organization (resources \$175,000); to merge with *Zion State Bank and Trust Company*, Zion, Illinois (resources \$95,601,000). Approved September 22.

Vaca Valley Bank, Vacaville, California (resources \$50,839,000); to merge

with *IBC Investment, Inc.*, San Rafael, California, in organization (resources \$0). Approved September 23.

Vallette Bank, Elmhurst, Illinois, in organization (resources \$200,000); to merge with *York State Bank and Trust Company*, Elmhurst, Illinois (resources \$83,397,000). Approved September 25.

CB&T Interim Bank of Glynn County, St. Simons Island, Georgia, in organization (resources \$4,000,000); to merge with *The Coastal Bank of Georgia*, St. Simons Island, Georgia (resources \$26,739,000). Approved September 25.

Kirby State Bank, Kirby, Texas (resources \$14,960,000); to merge with *New Bank of Kirby*, Kirby, Texas, in organization (resources \$75,000). Approved September 28.

Republic Bank, Gardena, California (resources \$97,140,000); to merge with *Sub-Merge Corporation*, Gardena, California, in organization (resources \$0). Approved September 28.

Hampton Avenue Bank, St. Louis, Missouri, in organization (resources \$420,000); to merge with *Hampton Metro Bank*, St. Louis, Missouri (resources \$171,884,000). Approved September 29.

State Bank of Colfax, Colfax, Indiana, in organization (resources \$100,000); to merge with *Clinton County Bank and Trust Company*, Frankfort, Indiana (resources \$92,851,000). Approved September 29.

SWB Corporation, Vista, California, in organization (resources \$0); to merge with *Southwest Bank*, Vista, California (resources \$218,923,000). Approved September 29.

Watson Road Bank, Crestwood, Missouri, in organization (resources \$210,000); to merge with *Crestwood Metro Bank*, Crestwood, Missouri (resources \$94,521,000). Approved September 29.

Plaza Bank of Commerce, San Jose, California (resources \$41,833,000); to merge with *Plaza Subsidiary Co.*, San Jose, California, in organization (resources \$0). Approved October 5.

North Valley Bank, Redding, California (resources \$56,583,000); to merge with *North Valley Subsidiary Co.*, Redding, California, in organization (resources \$0). Approved October 5.

Peoples State Bank of East Tawas, East Tawas, Michigan (resources \$44,615,000); to consolidate with *PS Bank*, East Tawas, Michigan, in organization (resources \$120,000). Approved October 6.

FSB Bank, Glen Ellyn, Illinois, in organization (resources \$200,000); to merge with *First Security Bank of Glen Ellyn*, Glen Ellyn, Illinois (resources \$40,681,000). Approved October 8.

Republic Bank of Boone County, Belvidere, Illinois, in organization (resources \$350,000); to merge with *Boone State Bank*, Belvidere, Illinois (resources \$21,044,000). Approved October 15.

Patuxent Bank and Trust Company, Prince Frederick, Maryland, in organization (resources \$900,000); to merge with *Calvert Bank and Trust Company*, Prince Frederick, Maryland (resources \$24,150,000). Approved October 15.

Clarksville Street State Bank, Paris, Texas, in organization (resources \$100,000); to merge with *Paris Bank of Texas*, Paris, Texas (resources \$45,033,000). Approved October 16.

First State Bank of Lansing, Lansing, Illinois, in organization (resources \$175,000); to merge with *Bank of Lansing*, Lansing, Illinois (resources \$64,526,000). Approved October 19.

Silver King State Bank, Park City, Utah (resources \$11,405,000); to merge with *PC Bank*, Salt Lake City, Utah, in organization (resources \$20,000). Approved October 19.

JSB State Bank and Trust Company, Maquoketa, Iowa, in organization (resources \$170,000); to merge with *Jackson State Bank and Trust Company*, Maquoketa, Iowa (resources \$67,968,000). Approved October 20.

The Central Bank, Swainsboro, Georgia (resources \$19,727,000); to merge with *CB Interim Corporation*, Swainsboro, Georgia, in organization (resources \$500). Approved October 26.

Mansfield State Bank, Mansfield, Texas (resources \$35,407,000); to merge with *Main Bank*, Mansfield, Texas, in organization (resources \$75,000). Approved October 28.

Citizens Valley Bank, Albany, Oregon (resources \$111,503,000); to merge with *Northwest Interim Bank*, Albany, Oregon, in organization (resources \$0). Approved October 30.

First National Bank of Rio Grande City, Rio Grande City, Texas (resources \$38,916,000); to consolidate with *Second State Bank of Rio Grande City*, Rio Grande City, Texas, in organization (resources \$75,000). Approved October 30.

Chino Valley Bank, Chino, California (resources \$68,049,000); to merge with *CVB Merger Corporation*, Chino, California, in organization (resources \$0). Approved October 31.

McPherson State Bank, Howell, Michigan (resources \$77,357,000); to consolidate with *MSB Bank*, Howell, Michigan, in organization (resources \$120,000). Approved November 4.

SBT Bank, Mt. Carmel, Illinois, in organization (resources \$87,500); to merge with *Security Bank and Trust Company*, Mt. Carmel, Illinois (resources \$96,475,000). Approved November 5.

Citizens Commercial & Savings Bank, Flint, Michigan (resources \$1,052,363,000); to consolidate with *C-B State Bank*, Flint, Michigan, in organization (resources \$240,000). Approved November 6.

New Allen State Bank, Allen, Texas, in organization (resources \$200,000); to merge with *Allen State Bank*, Allen, Texas (resources \$12,755,000). Approved November 6.

The Terrell State Bank, Terrell, Texas (resources \$28,655,000); to merge with *New Terrell State Bank*, Terrell, Texas, in organization (resources \$100,000). Approved November 6.

Treasure Coast Bank of Port St. Lucie, Inc., Port St. Lucie, Florida, in organization (resources \$0); to merge with *Port St. Lucie Bank*, Port St. Lucie, Florida (resources \$33,965,000). Approved November 9.

CF Bank and Trust, Cedar Falls, Iowa, in organization (resources \$125,000); to purchase the assets and assume the deposit liabilities of *Cedar Falls Trust & Savings Bank*, Cedar Falls, Iowa (resources \$54,085,000). Approved November 12.

The Mattituck Bank and Trust Company, Mattituck, New York, in organization (resources \$150,000); to merge with *The North Fork Bank and Trust Company*, Mattituck, New York (resources \$132,608,000). Approved November 13.

First Alief Bank, Alief, Texas (resources \$32,523,000); to merge with *Kirkwood Road State Bank*, Alief, Texas, in organization (resources \$200,000). Approved November 17.

Heritage Bank, Anaheim, California (resources \$212,261,000); to merge with *Heritage Merger Corporation*, Anaheim, California (resources \$0). Approved November 18.

Montcalm Central Bank, Stanton, Michigan (resources \$59,438,000); to consolidate with *Chemical Bank Stanton*, Stanton, Michigan, in organization (resources \$120,000). Approved November 18.

The Bank of Quitman, Quitman, Georgia (resources \$15,323,000); to merge

with *New Quitman, Inc.*, Quitman, Georgia, in organization (resources \$500). Approved November 20.

Jacinto City Bank, Jacinto City, Texas (resources \$35,618,000); to merge with *New Jacinto City Bank*, Jacinto City, Texas, in organization (resources \$5,000). Approved November 23.

The Lake Jackson Bank of Lake Jackson, Texas, Lake Jackson, Texas (resources \$49,222,000); to merge with *New Lake Jackson Bank*, Lake Jackson, Texas, in organization (resources \$200,000). Approved November 24.

The Bank of Brooksville, Brooksville, Florida, in organization (resources \$0); to merge with *Hernando State Bank*, Brooksville, Florida (resources \$130,158,000). Approved November 24.

Warren Bank, Warren, Michigan (resources \$182,560,000); to consolidate with *WB Bank*, Warren, Michigan, in organization (resources \$120,000). Approved November 24.

BC State Bank, Lebanon, Indiana, in organization (resources \$200,000); to merge with *The Boone County State Bank*, Lebanon, Indiana (resources \$83,661,000). Approved November 25.

FSB Cary-Grove Bank, Cary, Illinois, in organization (resources \$87,500); to merge with *First Security Bank of Cary-Grove*, Cary, Illinois (resources \$24,122,000). Approved November 25.

Crawford County Bank, Roberta, Georgia (resources \$13,557,000); to merge with *CCB Interim, Inc.*, Roberta, Georgia, in organization (resources \$500). Approved November 25.

Bank of Zebulon, Zebulon, Georgia (resources \$20,578,000); to merge with *BZ Interim, Inc.*, Zebulon, Georgia, in organization (resources \$500). Approved November 25.

Lamar State Bank, Barnesville, Georgia (resources \$20,037,000); *LSB Interim, Inc.*, Barnesville, Georgia, in organization (resources \$500). Approved November 25.

Farmers & Merchants Interim Bank, Preston, Minnesota, in organization (resources \$0); to merge with *Farmers & Merchants State Bank of Preston*, Preston, Minnesota (resources \$30,120,000). Approved November 25.

Allied Bank, Dallas, Texas, in organization (resources \$200,000); to merge with *Metro Bank of Dallas*, Dallas, Texas (resources \$54,842,000). Approved November 25.

Allied Bank, Southwest, Dallas, Texas, in organization (resources \$200,000); to merge with *First Continental Bank*, Dallas, Texas (resources \$47,509,000). Approved November 25.

Allied Community Bank, Houston, Texas, in organization (resources \$200,000); to merge with *Community Bank*, Houston, Texas (resources \$27,893,000). Approved November 25.

Allied Bank, Interstate 10, Houston, Texas, in organization (resources \$200,000); to merge with *Interstate Bank*, Houston, Texas (resources \$20,650,000). Approved November 25.

Iola State Bank, Iola, Texas (resources \$4,619,000); to merge with *New Iola State Bank*, Iola, Texas, in organization (resources \$5,000). Approved November 27.

Peoples Bank and Trust of Alpena, Alpena, Michigan (resources \$104,961,000); to consolidate with *PBT Bank*, Alpena, Michigan, in organization (resources \$120,000). Approved November 25.

Northshore Bank, Houston, Texas (resources \$39,057,000); to merge with *First Northshore Bank*, Houston, Texas, in organization (resources \$200,000). Approved November 27.

First State Bank of Saginaw, Saginaw, Michigan (resources \$105,399,000); to

consolidate with *FS Bank*, Saginaw, Michigan, in organization (resources \$120,000). Approved November 27.

NBD Commerce Bank, Lansing, Michigan (resources \$53,131,000); to consolidate with *NCB Bank*, Lansing, Michigan, in organization (resources \$20,000). Approved November 27.

Mid-State Bank and Trust Company, Altoona, Pennsylvania (resources \$484,005,000) to merge with *Mid-State Interim Bank*, Altoona, Pennsylvania, in organization (resources \$310,000). Approved November 30.

West State Bank of Rockford, Rockford, Illinois, in organization (resources \$350,000) to merge with *First State Bank and Trust Company*, Rockford, Illinois (resources \$21,616,000). Approved November 30.

Second Bank of Central Florida, Orlando, Florida, in organization (resources \$100) to merge with *Bank of Central Florida*, Orlando, Florida (resources \$34,110,000). Approved November 30.

Simpson County Bank, Franklin, Kentucky (resources \$19,835,000) to merge with *Simpson Bank, Inc.*, Franklin, Kentucky, in organization (resources \$37,500). Approved November 30.

Garland Bank & Trust Co., Garland, Texas (resources \$44,857,000) to merge with *New Garland Bank & Trust Co.*, Garland, Texas, in organization (resources \$200,000). Approved November 30.

Raymondville Bank of Texas, Raymondville, Texas (resources \$29,976,000) to merge with *RBT Bank*, Raymondville, Texas, in organization (resources \$5,000). Approved November 30.

Allied Bank, Marshall, Texas, in organization (resources \$100,000) to merge with *The Peoples State Bank*, Marshall, Texas (resources \$23,933,000). Approved November 30.

Citizens Bank of Oregon, Eugene, Oregon (resources \$148,430,000) to merge with *Citizens Interim Bank of Oregon*, Eugene, Oregon, in organization (resources \$0). Approved November 30.

New First Enterprise Bank, Oakland, California, in organization (resources \$0) to merge with *First Enterprise Bank*, Oakland, California (resources \$42,898,000). Approved November 30.

Bank of Poplar Bluff, Poplar Bluff, Missouri (resources \$64,244,000) to merge with *The Old Reliable Bank of Poplar Bluff*, Poplar Bluff, Missouri, in organization (resources \$210,000). Approved December 1.

First National Bank of West University Place, Houston, Texas (resources \$28,873,000) to consolidate with *West University Bank*, Houston, Texas, in organization (resources \$200,000). Approved December 1.

First State Bank, Aransas Pass, Texas (resources \$42,683,000) to merge with *New First State Bank*, Aransas Pass, Texas, in organization (resources \$75,000). Approved December 1.

The Harlingen National Bank, Harlingen, Texas (resources \$86,568,000) to consolidate with *HNB Bank*, Harlingen, Texas, in organization (resources \$5,000). Approved December 1.

Bonham State Bank, Bonham, Texas (resources \$59,231,000) to merge with *Bonham Bank*, Bonham, Texas, in organization (resources \$75,000). Approved December 1.

Allied Bank, Rockport/Fulton, Fulton, Texas, in organization (resources \$75,000) to merge with *Live Oak State Bank*, Fulton, Texas (resources \$32,986,000). Approved December 3.

Jay County Bank, Redkey, Indiana, in organization (resources \$100,000) to merge with *The Peoples Bank*, Portland, Indiana (resources \$79,424,000). Approved December 4.

Bushnell State Bank, Bushnell, Illinois, in organization (resources \$87,500) to merge with *Farmers and Merchants State Bank of Bushnell*, Bushnell, Illinois (resources \$47,556,000). Approved December 4.

The Bank of Orange County, Fountain Valley, California (resources \$28,054,000) to merge with *BOC Merger Company*, Fountain Valley, California, in organization (resources \$0). Approved December 9.

Bank of the South, Cobb County, Marietta, Georgia, in organization (resources \$0), to merge with *Cobb Bank & Trust Company*, Smyrna, Georgia (resources \$25,543,000). Approved December 21.

First Interstate Bank of Roswell, Roswell, New Mexico (resources \$94,536,000), to consolidate with *New First Interstate Bank of Roswell*, Roswell, New Mexico, in organization (resources \$500,000). Approved December 16.

The Bank of San Francisco, San Francisco, California (resources \$32,089,000) to merge with *BSF Financial Corporation*, San Francisco, California, in organization (resources \$0). Approved December 24.

Bank of Alex Brown, Walnut Grove, California (resources \$144,826,000), to merge with *Alex Brown Merger Corporation*, Walnut Grove, California, in organization (resources \$0). Approved December 24.

State Savings Bank of Scottville, Scottville, Michigan (resources \$41,690,000) to consolidate with *West Shore State Bank*, Scottville, Michigan, in organization (resources \$120,000). Approved December 16.

APPLICATIONS DENIED BY THE BOARD OF DIRECTORS

	Resources (in thousands of dollars)	Banking offices in operation	
		Before	After
Santa Ana State Bank Santa Ana, California <i>to acquire assets and assume deposit liabilities of</i> The Main Office and Whittier-Vancouver Unit Branch of Pan American National Bank of Los Angeles Los Angeles, California	8,395	1	3
	25,454*	2	

*Total IPC deposits of offices to be transferred by Pan American National Bank of Los Angeles. Assets not reported by office.

Summary report by Attorney General, December 30, 1980

We have reviewed this proposed transaction and conclude that it would not have a substantial competitive impact.

Statement Upon Reconsideration, September 21, 1981

On June 1, 1981, Santa Ana State Bank, Santa Ana, California ("SAS"), an insured state nonmember bank, was denied the Corporation's consent to purchase certain assets of and assume the liability to pay certain deposits made in the Main Office and the Whittier-Vancouver Unit Branch of Pan American National Bank of Los Angeles, Los Angeles, California, and to establish these offices as branches of the resultant bank, and for prior consent to retire capital notes. The proponents subsequently petitioned the Corporation to reconsider its denial.

The Board of Directors concluded in its earlier decision that the proposed transaction would have a substantial negative impact upon the financial resources and future prospects of SAS and that it was questionable as to whether the existing management of SAS could handle a transaction of this magnitude. The material submitted in connection with the petition for reconsideration shows the financial and managerial resources, as well as future prospects, of the resultant institution to be adequate for the purposes of this proposal. The Board of Direc-

tors, after having reviewed the newly submitted information, concludes that the proposed transaction is now warranted and should be approved.

Basis for Corporation Denial, June 1, 1981

Santa Ana State Bank, Santa Ana, California ("SAS"), an insured state non-member bank with total resources of \$8,395,000 and total IPC deposits of \$6,350,000, has applied, pursuant to Section 18(c) and other provisions of the Federal Deposit Insurance Act, for the Corporation's consent to purchase the assets of and assume the liability to pay deposits made in the Main Office and Whittier-Vancouver Unit Branch (total IPC deposits \$25,454,000; total deposits \$32,559,000) of Pan American National Bank of Los Angeles, Los Angeles, California ("Pan American"), which has total resources of \$64,418,000 and total IPC deposits of \$46,958,000. These two offices would be established as branches of SAS. Consent is also requested for advance consent to retire \$1,000,000 in capital notes that would be issued in connection with this transaction.

Competition

The two banks compete in separate, distinct markets with their closest offices separated by 25 road miles. SAS operates its sole office in Santa Ana, Orange County, California, approximately 33 miles southeast of downtown Los Angeles. Pan American operates its main office and one branch in East Los Angeles and one branch in Monterey Park, approximately 5 miles east of its main office. All three of these offices are located in Los Angeles County.

Pan American proposes to sell its main office and branch office in East Los Angeles to SAS, and to make its Monterey Park office its main office. Both existing and potential competition would be increased through such a transaction, since SAS would acquire branches located within the area served by Pan American. The proposed transaction would, therefore, have no adverse effect upon the structure of commercial banking or level of concentration of commercial banking in any relevant area.

The Board of Directors is of the opinion that the proposed transaction would not, in any section of the country, substantially lessen competition, tend to create a monopoly, or in any other manner be in restraint of trade.

Financial and Managerial Resources; Future Prospects

The overall financial condition of SAS is generally satisfactory, but the Corporation has serious reservations as to the ability of SAS to absorb this volume of assets with only a nominal increase in equity capital. Of great concern to the Corporation is the structure of the merger proposal, whereby nearly all of the problem assets of Pan American would be acquired by SAS. The transaction would have a substantial negative impact upon the financial resources and future prospects of SAS and it is questionable as to whether existing management of SAS could handle a transaction of this magnitude.

Convenience and Needs of the Community to be Served

The proposed transaction would have little material impact upon the level and pricing of commercial banking services in the relevant market area, as such services are readily available in the area at offices of the state's largest commercial banking organizations. Considerations relating to the convenience and needs of the community to be served add no support in favor of approval of the proposed transaction.

A review of the available information, including the Community Reinvestment Act Statements of the proponents, disclosed no inconsistencies with the purposes of the Act.

The Board of Directors, accordingly, believes that the application should be denied and hereby is, denied.