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

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

**Corporate Decision #97-80  
September 1997**

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION FOR SAN ANGELO NATIONAL BANK, SAN ANGELO, TEXAS TO PURCHASE CERTAIN ASSETS AND ASSUME CERTAIN LIABILITIES OF TEXAS COMMERCE BANK, SAN ANGELO, NATIONAL ASSOCIATION, SAN ANGELO, TEXAS, UNDER THE TITLE AND CHARTER OF SAN ANGELO NATIONAL BANK.

Introduction

On June 2, 1997, application was made to the Office of the Comptroller of the Currency (hereafter "OCC") for prior authorization for San Angelo National Bank, San Angelo, Texas (hereafter "SANB") to purchase certain assets and assume certain liabilities of Texas Commerce Bank, San Angelo, National Association, San Angelo, Texas (hereafter "TCBSA") under the charter and title of San Angelo National Bank. This application was based on an agreement entered into between the proponents on May 27, 1997.

Participating Financial Institutions

As of March 31, 1997, the deposits of TCBSA subject to the purchase and assumption agreement totaled \$156 million. On the same date, SANB had total deposits of \$88 million and operated one office. SANB is 98% owned and controlled by , First Financial Bankshares, Inc., a multi-bank holding company.

Competitive Analysis

The relevant geographic market for the proposal is Tom Green County, Texas. This is the area where TCBSA derives the bulk of its deposits and where it competes directly and immediately with SANB. Within this market, eleven commercial banks compete for approximately \$938 million in deposits. SANB is the sixth largest depository institution with approximately 9 percent of the market's total deposits. TCBSA ranks third with approximately 16 percent of the market's deposits. Upon consummation of this transaction, SANB would become the largest depository institution with 26 percent of the market's deposits. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any adverse competitive factors would be mitigated by the presence of a number of other banking

alternatives, including subsidiaries of some of the largest banking companies in the nation. Accordingly, consummation of this transaction will not have a significantly adverse effect on competition in any banking market.

#### Banking Factors

The Bank Merger Act requires the OCC to consider "...the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of SANB do not raise concerns that would cause the application to be disapproved. All locations of both banks will remain open. SANB currently offers a full line of banking services and there will be no changes in its products or services as a result of the transaction. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served.

#### Community Reinvestment Act

A review of the record of this application and other information available to the OCC as a result of its regulatory responsibilities has revealed no evidence that the applicants' records of helping to meet the credit needs of their communities, including low- and moderate-income neighborhoods, is less than satisfactory.

#### Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

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Michael K. Hughes  
Licensing Manager

Dated: 07-31-97

ACN# 97 SW 02 0042