



Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

Corporate Decision #97-74 August 1997

DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION TO MERGE UNITED STATES NATIONAL BANK OF OREGON, PORTLAND, OREGON, WITH FIRST BANK NATIONAL ASSOCIATION, EAST GRAND FORKS, MINNESOTA

July 31, 1997

I. INTRODUCTION

On June 18, 1997, First Bank National Association, East Grand Forks, Minnesota, ("FBNA") applied to the Office of the Comptroller of the Currency ("OCC") for approval to merge United States National Bank of Oregon, Portland, Oregon, ("USNB") with and into FBNA under FBNA's charter and with the title "U.S. Bank National Association" (the "Resulting Bank" or "U.S. Bank"), under 12 U.S.C. §§ 215a-1, 1828(c) & 1831u (the "Interstate Merger"). FBNA has its main office in East Grand Forks and operates branches in Minnesota, Colorado, Illinois, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming.¹ USNB has its main office in Portland and operates branches in Oregon, Washington, Idaho, Utah, Nevada, and California.² OCC approval is also requested for the Resulting Bank (U.S. Bank) to retain an existing office of FBNA in Minneapolis as the main office of the Resulting Bank under 12 U.S.C. § 1831u(d)(1) and to retain FBNA's and USNB's main offices and other branches, as branches after the merger under 12 U.S.C. §§ 36(d) & 1831u(d)(1).

¹ FBNA's branches in these states are the result of earlier transactions. See Decision on the Application to Merge First Bank National Association, Minneapolis, Minnesota, and First National Bank of East Grand Forks, Minnesota (OCC Corporate Decision No. 97-__, July 10, 1997); Decision on the Application to Merge Eight Affiliated Banks in Other States with and into First Bank National Association, Minneapolis, Minnesota (OCC Corporate Decision No. 97-36, June 1, 1997); Decision to Approve Applications by First Bank National Association, Minneapolis, Minnesota, to Acquire First Bank, FSB, Fargo, North Dakota, and to Engage in Certain Related Transactions (OCC Corporate Decision No. 97-32, May 31, 1997).

² USNB's branches in these states are the result of earlier transactions. See Decision on the Application to Merge Five Affiliated Banks in Other States with and into United States National Bank of Oregon, Portland, Oregon (OCC Corporate Decision No. 97-29, May 19, 1997).

FBNA is a subsidiary of First Bank System, Inc., a multistate bank holding company headquartered in Minneapolis. USNB is a subsidiary of U. S. Bancorp, a multistate bank holding company headquartered in Portland. First Bank System is acquiring U. S. Bancorp and its bank and nonbank subsidiaries. *See First Bank System, Inc: Order Approving the Acquisition of a Bank Holding Company*, 84 Federal Reserve Bulletin __ (June 23, 1997). The Interstate Merger between FBNA and USNB will occur shortly after the merger between the bank holding companies. Thus, at the time of the Interstate Merger, the two banks will be affiliates.

II. LEGAL AUTHORITY

A. The Interstate Merger is Authorized under 12 U.S.C. §§ 215a-1 & 1831u.

In 1994, Congress enacted legislation to create a framework for interstate mergers and branching by banks. *See Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994*, Pub. L. No. 103-328, 108 Stat. 2338 (enacted September 29, 1994) ("the Riegle-Neal Act"). The Riegle-Neal Act added a new section 44 to the Federal Deposit Insurance Act that authorizes certain interstate merger transactions beginning on June 1, 1997. *See Riegle-Neal Act § 102(a)* (adding new section 44, 12 U.S.C. § 1831u). It also made conforming amendments to the provisions on mergers and consolidations of national banks to permit national banks to engage in such section 44 interstate merger transactions. *See Riegle-Neal Act § 102(b)(4)* (adding a new section, codified at 12 U.S.C. § 215a-1). It also added a similar conforming amendment to the McFadden Act to permit national banks to maintain and operate branches in accordance with section 44. *See Riegle-Neal Act § 102(b)(1)(B)* (adding new subsection 12 U.S.C. § 36(d)).

Section 44 authorizes mergers between banks with different home states:

(1) In General. -- Beginning on June 1, 1997, the responsible agency may approve a merger transaction under section 18(c) [12 U.S.C. § 1828(c), the Bank Merger Act] between insured banks with different home States, without regard to whether such transaction is prohibited under the law of any State.

12 U.S.C. § 1831u(a)(1). The Act permits a state to elect to prohibit such interstate merger transactions involving a bank whose home state is the prohibiting state by enacting a law between September 29, 1994, and May 31, 1997, that expressly prohibits all mergers with all out-of-state banks. *See 12 U.S.C. § 1831u(a)(2)* (state "opt-out" laws). In this Interstate Merger, the home states of the banks are Minnesota and Oregon; neither state has opted out. Accordingly, this Interstate Merger may be approved under 12 U.S.C. §§ 215a-1 & 1831u(a).³

³ For purposes of section 1831u, the following definitions apply: The term "home State" means, with respect to a national bank, "the State in which the main office of the bank is located." The term "host State" means, "with respect to a bank, a State, other than the home State of the bank, in which the bank maintains, or seeks to establish and maintain, a branch." The term "interstate merger transaction" means any merger transaction approved pursuant to section 1831u(a)(1). The term "out-of-State bank" means, "with respect to any State, a bank whose home State is another State." The term "responsible agency" means the agency determined in accordance with 12 U.S.C. § 1828(c)(2) (namely, the OCC if the acquiring, assuming, or resulting bank is a national bank). *See 12 U.S.C. § 1831u(f)(4), (5), (6), (8) & (10).*

In addition, an application to engage in an interstate merger transaction under 12 U.S.C. § 1831u is also subject to certain requirements and conditions set forth in sections 1831u(a)(5) and 1831u(b) of the Riegle-Neal Act. These conditions are: (1) compliance with state-imposed age limits, if any, subject to the Act's limits; (2) compliance with certain state filing requirements, to the extent the filing requirements are permitted in the Act; (3) compliance with nationwide and state concentration limits; (4) community reinvestment compliance; and (5) adequacy of capital and management skills.

The proposed Interstate Merger satisfies all these conditions to the extent applicable. First, the proposal satisfies the state-imposed age requirements permitted by section 1831u(a)(5). Under that section, the OCC may not approve a merger under section 1831u(a)(1) "that would have the effect of permitting an out-of-State bank or out-of-State bank holding company to acquire a bank in a host state that has not been in existence for the minimum period of time, if any, specified in the statutory law of the host State." 12 U.S.C. § 1831u(a)(5)(A). In this Interstate Merger, FBNA is acquiring by merger a bank (USNB) in the host state of Oregon.⁴ Oregon requires that, in a merger with an out-of-state bank in which the out-of-state bank is the surviving bank, the Oregon bank must have been engaged in the business of banking in Oregon for at least three years. See Or. Rev. Stat. § 711.017(1)(a)(A). USNB has been in existence and in continuous operation since 1891. The Interstate Merger satisfies the Riegle-Neal Act's age requirement.

Second, the proposed Interstate Merger meets the applicable filing requirements. A bank applying for an interstate merger transaction under section 1831u(a) must (1) "comply with the filing requirements of any host State of the bank which will result from such transaction" as long as the filing requirement does not discriminate against out-of-state banks and is similar in effect to filing requirements imposed by the host state on out-of-state nonbanking corporations doing business in the host state, and (2) submit a copy of the application to the state bank supervisor of the host state. See 12 U.S.C. § 1831u(b)(1).⁵ The Oregon interstate bank merger statute imposes various filing requirements. See Or. Rev. Stat. §§ 711.017(3)(b) & 713.011. Many of these

⁴ While USNB also has branches in Washington, Idaho, Utah, Nevada, and California, Oregon -- the bank's home state -- is the only state in which FBNA is "acquiring a bank" for purposes of section 1831u(a)(5)(A). Moreover, USNB is more than five years old, and so it meets the maximum age requirement that a state may impose under the Riegle-Neal Act. See 12 U.S.C. § 1831u(a)(5)(B).

⁵ Under this provision, states are permitted to impose a filing requirement on out-of-state banks that will operate branches in the state as a result of an interstate merger transaction under the Riegle-Neal Act, but the states may impose only those requirements that are within the terms specified. Since Congress has specifically set forth and limited what state filing requirements apply for these interstate transactions, it clearly intended that only those requirements would apply, and the states may not impose others. Thus, in a transaction involving only national banks, only the filing requirements allowed under section 1831u(b)(1) must be complied with. However, where a state bank is involved, a state may continue to have authority to impose greater requirements on its own state-chartered banks, because of the reservation of authority in section 1831u(c)(3). Moreover, as a general matter, national banks are formed and incorporated under, and governed by, federal law. Their authority to enter mergers, to establish branches, or to undergo other changes in their corporate existence is determined by federal law, not state law; and any requisite approval is by the OCC, not state authorities. For a fuller discussion of this subject, see, e.g., Decision on the Applications to Merge First Interstate Banks into Wells Fargo Bank, N.A. (OCC Corporate Decision No. 96-29, June 1, 1996) ("OCC Wells Fargo Decision") (at pages 4-5, 12-14 & note 11).

provisions appear similar to provisions for out-of-state nonbanking corporations to qualify to do business in Oregon (e.g., obtain a certificate of authority to transact business; name a registered office and registered agent in the state). As implemented to date, these filing requirements do not appear to discriminate against out-of-state banks or to impose a filing requirement more burdensome than that imposed on nonbanking corporations. The Oregon filing requirements are discussed further in the OCC Wells Fargo Decision (page 14). FBNA provided a copy of its OCC merger application to the Oregon state bank supervisor as required by section 1831u(b)(1) and is complying with the appropriate Oregon filing requirements.

The California interstate bank merger statute incorporates by reference the provisions of the California Corporations Code for out-of-state nonbanking corporations to qualify to do business in California. See Cal. Fin. Code § 3822. The Utah interstate bank merger statute also incorporates by reference the provisions of the Utah Revised Business Corporation Act for out-of-state nonbanking corporations to obtain a certificate of authority to qualify to do business in Utah. See Utah Code Ann. § 7-1-702(12). The bank also must notify the state banking department of its certificate of authority. FBNA provided a copy of its OCC merger application to the California and Utah state bank supervisors as required by section 1831u(b)(1), and is applying in each state for certificates of authority to transact business.

The Idaho, Nevada, and Washington interstate bank merger statutes do not appear to contain any filing requirements applicable to this Interstate Merger.⁶ FBNA submitted a copy of its OCC merger application to the state bank supervisors of these states as required by section 1831u(b)(1) and believes there are no other applicable filing requirements for these states. Thus, the Riegle-Neal Act's filing requirements are met for this Interstate Merger.⁷

⁶ The Idaho statute purports to require the approval of the state bank supervisor prior to a merger with an Idaho bank that would result in an out-of-state bank obtaining branches in Idaho. See Idaho Code § 26-1604(3). It is not clear whether this approval requirement is intended to apply to all mergers, especially mergers between two national banks, or only to mergers involving an Idaho state-chartered bank. To the extent it is asserted to be applicable to mergers between national banks, then it goes beyond the filing requirements permitted to the states under the Riegle-Neal Act and would not be applicable, as discussed in note 5. Moreover, this Interstate Merger does not involve a bank whose home state is Idaho. The Nevada statute requires an application to, and approval of, the Commissioner of Financial Institutions prior to the merger of a Nevada state-chartered bank with an out-of-state depository institution. See Nev. Rev. Stat. § 666.015(1). Moreover, this Interstate Merger does not involve a bank whose home state is Nevada. Similarly, the Washington statute's approval or notice requirements apply only to transactions involving a Washington state bank or to transactions where the resulting bank is an out-of-state state bank. See Wash. Rev. Code §§ 30.49.125(3) & 30.38.070. The Utah, Idaho, Nevada, and Washington filing requirements are discussed further in the OCC Wells Fargo Decision (pages 13-15).

⁷ The filing requirements of section 1831u(b)(1) apply only with respect to the host states that will become host states as a result of the merger transaction under review in the application, not the host states in which the acquiring bank already operates branches. See Decision on the Application to Merge First Interstate Bank of Washington, N.A., into Wells Fargo Bank, N.A. (OCC Corporate Decision No. 96-30, June 6, 1996) (page 7, note 9). Thus, for this merger transaction, FBNA must comply with the filing requirements of section 1831u(b)(1) for Oregon, California, Utah, Idaho, Nevada, and Washington, not for Colorado, Illinois, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming -- the states in which FBNA already operates branches.

Third, the proposed interstate merger transaction does not raise issues with respect to the deposit concentration limits of the Riegle-Neal Act. Section 1831u(b)(2) places certain nationwide and statewide deposit concentration limits on section 1831u(a) interstate merger transactions. However, interstate merger transactions involving only affiliated banks are specifically excepted from these provisions. See 12 U.S.C. § 1831u(b)(2)(E). FBNA and USNB will be affiliates at the time of the merger; thus section 1831u(b)(2) is not applicable to this Interstate Merger.

Fourth, the proposed interstate merger transaction also does not raise issues with respect to the special community reinvestment compliance provisions of the Riegle-Neal Act. In determining whether to approve an application for an interstate merger transaction under section 1831u(a), the OCC must (1) comply with its responsibilities under section 804 of the federal Community Reinvestment Act ("CRA"), 12 U.S.C. § 2903, (2) take into account the CRA evaluations of any bank which would be an affiliate of the resulting bank, and (3) take into account the applicant banks' record of compliance with applicable state community reinvestment laws. See 12 U.S.C. § 1831u(b)(3). However, this provision does not apply to mergers between affiliated banks since it applies only "for an interstate merger transaction in which the resulting bank would have a branch or bank affiliate immediately following the transaction in any State in which the bank submitting the application (as the acquiring bank) had no branch or bank affiliate immediately before the transaction." 12 U.S.C. § 1831u(b)(3). See also H.R. Conf. Rep. No. 651, 103d Cong., 2d Sess. 52 (1994). Here, at the time of the merger, FBNA (the bank submitting the application as the acquiring bank) will be affiliated with USNB. Thus, this Riegle-Neal Act provision is not applicable to the Interstate Merger. However, the Community Reinvestment Act itself is applicable, as discussed below, see Part III-B.

Fifth, the proposed merger satisfies the adequacy of capital and management skills requirements in the Riegle-Neal Act. The OCC may approve an application for an interstate merger transaction under section 1831u(a) only if each bank is adequately capitalized as of the date the application is filed and the resulting bank will continue to be adequately capitalized and adequately managed upon consummation of the transaction. See 12 U.S.C. § 1831u(b)(4). As of the date the application was filed, both FBNA and USNB satisfied all regulatory and supervisory requirements relating to adequate capitalization. Currently, each bank is at least satisfactorily managed. The OCC has also determined that, following the merger, the Resulting Bank will continue to exceed the standards for an adequately capitalized and adequately managed bank. The requirements of 12 U.S.C. § 1831u(b)(4) are therefore satisfied.

B. Following the Merger, the Resulting Bank May Retain the Main Offices and Branches of Both Banks under 12 U.S.C. §§ 36(d) & 1831u(d)(1).

The Applicants have requested that, upon the completion of the Interstate Merger, U. S. Bank (the Resulting Bank in the merger) be permitted to retain and operate one of FBNA's branch offices in Minneapolis, Minnesota, as the main office of the Resulting Bank, and to retain and operate as branches (1) FBNA's former main office in East Grand Forks, Minnesota, and its other branches and (2) the main office and branches of USNB. In an interstate merger transaction under

section 1831u, the resulting bank's retention and continued operation of the offices of the merging banks is expressly provided for:

(1) Continued Operations. -- A resulting bank may, subject to the approval of the appropriate Federal banking agency, retain and operate, as a main office or a branch, any office that any bank involved in an interstate merger transaction was operating as a main office or a branch immediately before the merger transaction.

12 U.S.C. § 1831u(d)(1) (emphasis added). The resulting bank is the "bank that has resulted from an interstate merger transaction under this section [section 1831u(a)]." 12 U.S.C. § 1831u(f)(11). In addition, Congress also added a conforming amendment to the McFadden Act to emphasize that branch retention in an interstate merger transaction under section 1831u occurs under the authority of section 1831u(d):

(d) Branches Resulting From Interstate Merger Transactions. -- A national bank resulting from an interstate merger transaction (as defined in section 44(f)(6) of the Federal Deposit Insurance Act) may maintain and operate a branch in a State other than the home State (as defined in subsection (g)(3)(B)) of such bank in accordance with section 44 of the Federal Deposit Insurance Act.

12 U.S.C. § 36(d) (as added by Riegle-Neal Act § 102(b)(1)(B)).⁸ Therefore, U. S. Bank, the Resulting Bank in this interstate merger transaction, may retain and operate FBNA's branch office in Minneapolis as its main office under section 1831u(d)(1) (emphasized provisions above), and it may retain and continue to operate all of the other banking offices of FBNA and USNB as branches under 12 U.S.C. §§ 36(d) & 1831u(d)(1).⁹

⁸ By its action in adding section 36(d), Congress made it clear that section 44(d)(1) is an express and complete grant of office-retention authority for interstate merger transactions effected under section 44 and that it operates independently of the provisions for branch retention in mergers under 12 U.S.C. § 36(b)(2). Neither section 36(d) nor section 1831u(d)(1) refer to section 36(b)(2). Congress clearly was aware of the McFadden Act's existing provisions for branch retention in mergers at the time it acted on Section 44 and the way in which those provisions applied for interstate national banks, since the OCC had approved interstate main office relocation transactions that also involved mergers with affiliate banks in which the resulting bank's authority to retain branches was based on section 36(b)(2). The Conference Report to the Riegle-Neal Act makes reference to such OCC decisions. See H.R. Conf. Rep. No. 651, 103d Cong., 2d Sess. 57 (1994). By expressly providing for office-retention in section 1831u(d)(1) and then incorporating that into the McFadden Act in section 36(d), Congress clearly intended that those provisions apply to branch retention in interstate merger transactions under section 1831u, rather than the complex branch retention provisions of section 36(b)(2). Of course, section 36(b)(2) continues to govern branch retention in national bank mergers that are not entered into under section 1831u, including mergers involving an interstate bank (such as a merger of an interstate bank into another national bank in its home state).

⁹ USNB previously received approval to open several branches in Oregon, Washington, Idaho, Nevada, and California, some of which will not have opened before the merger. These branches were authorized for USNB or its predecessors under applicable law as in-state branches. We note that, after the merger, U. S. Bank, by virtue of its branches in these states, would be authorized to establish and operate additional branches in these states, including these branches, under 12 U.S.C. § 36(c). As a result, the unopened branches will continue to be approved by the OCC after the merger.

Moreover, at its branches in all the states in which it operates (Oregon, Washington, Idaho, Utah, Nevada, and California, as well as Minnesota, Colorado, Illinois, Iowa, Kansas, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming), U. S. Bank is authorized to engage in all activities permissible for national banks, including fiduciary activities. See, e.g., 12 U.S.C. §§ 215a-1 (Riegle-Neal mergers with a resulting national bank occur under the National Bank Consolidation and Merger Act), 215a(e) (the resulting national bank in a merger succeeds to all the rights, franchises and interests, including fiduciary appointments, of the merging banks), & 1831u(d)(1) (continued operations at retained interstate branches). See also Decision on the Applications of Bank One Wisconsin Trust Company, N.A., and Bank One Trust Company, N.A. (OCC Corporate Decision No. 97-33, June 1, 1997); OCC Interpretive Letter No. 695 (December 8, 1995) (national banks may engage in fiduciary business at trust offices and branches in different states). Cf. 12 U.S.C. § 36(f) (general provisions for host state laws applicable to branches in the host state of out-of-state national banks).

III. ADDITIONAL STATUTORY AND POLICY REVIEWS

A. The Bank Merger Act.

The Bank Merger Act, 12 U.S.C. § 1828(c), requires the OCC's approval for any merger between insured banks where the resulting institution will be a national bank. Under the Act, the OCC generally may not approve a merger which would substantially lessen competition. In addition, the Act also requires the OCC to take into consideration 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. For the reasons stated below, we find the Interstate Merger may be approved under section 1828(c).

1. Competitive Analysis.

Since the two banks will be owned by the same bank holding company at the time of the merger, the merger will have no anticompetitive effects.

2. Financial and Managerial Resources.

The financial and managerial resources of both FBNA and USNB are presently satisfactory. U. S. Bank expects to achieve efficiencies by combining the two banks rather than continuing them as two separate corporate entities. The geographic diversification of its operations will also strengthen the combined bank. The future prospects of the existing institutions, individually and combined, are favorable. Thus, we find the financial and managerial resources factor is consistent with approval of the merger application.

3. Convenience and Needs.

The Resulting Bank will help to meet the convenience and needs of the communities to be served. The Resulting Bank will continue to serve all the same areas in all the same states as

FBNA and USNB before the merger. There will be no reductions in products or services as a result of the merger. The Resulting Bank will continue to offer the full line of banking products and services that FBNA and USNB offer. No branch closings are contemplated as a result of this merger. However, as part of its ongoing business plans, First Bank System, Inc., continually evaluates its branch system, including branches acquired in transactions and, as a part of the normal course of business, may close redundant or unprofitable branches. Any such closures will be made in accordance with applicable statutes and regulations, including notification of customers of the branches, and will consider the needs of the community affected.

Shortly after the announcement of the proposed acquisition of U. S. Bancorp by First Bank System, and before the application to merge the banks was filed with the OCC, the OCC received comment letters from seven individuals and one organization expressing concern about the combination of the two companies and their banks. OCC advised the commenters that it had no application pending for the transaction, and advised them that a public comment period would be provided when the merger application was filed. None of the eight commenters responded. OCC has, nevertheless, considered the issues raised by those commenters.

Seven of these commenters expressed general concerns about the quality of customer service, service charges, and community support that could occur whenever a large bank is taken over by an out-of-state company. We reviewed First Bank System's history of acquisitions and its experience integrating acquired banks. First Bank Systems has acquired and integrated 23 banks in the past six years. In addition, First Bank System has experience acquiring other multi-state companies. We reviewed the historical performance of First Bank System's bank subsidiaries in meeting the credit and banking needs of their various communities subsequent to previous acquisitions and mergers and found that the acquisitions and mergers did not negatively impact the subsidiary banks' records of meeting the needs of their communities. This included the acquisition and merger of banks with operations in Colorado, Illinois, Minnesota and Wisconsin. First Bank System's new operations continued to provide a full range of credit products and banking services and to support community development and redevelopment activities in their communities after being acquired. Based on this experience, we find no reason to expect that the pending merger will adversely impact customers of USNB.

Two of the above seven commenters and a third commenter expressed concern about the expected loss of jobs in Oregon. The effect of the proposed merger on employment is not a factor required to be considered under the Bank Merger Act. Nevertheless, we reviewed First Bank Systems' plans for handling the employment impact of the proposed transaction. We found that the company expects to institute hiring restrictions and has developed plans to redeploy existing USNB employees into other positions to limit the number of current USNB employees who will actually lose jobs. The company also intends to provide career transition services and a severance package to help employees who do lose their jobs.

Accordingly, we believe the impact of the merger on the convenience and needs of the communities to be served is consistent with approval of the Interstate Merger.

B. The Community Reinvestment Act.

The Community Reinvestment Act ("CRA") requires the OCC to take into account the applicants' record of helping to meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, when evaluating certain applications. See 12 U.S.C. § 2903. Both FBNA and USNB have outstanding ratings with respect to CRA performance. No comments concerning CRA performance were received by the OCC on this application, and the OCC has no other basis to question the banks' performance in complying with the CRA.

The merger is not expected to have any adverse effect on the Resulting Bank's CRA performance. The Resulting Bank will continue to serve the same communities that FBNA and USNB currently serve. Both banks' offices will remain in operation as offices of the Resulting Bank. It will continue the current CRA programs and policies of both banks in all the states in which it operates. As a general matter, the Resulting Bank will have the same commitment to helping meet the credit needs of all the communities it serves as FBNA and USNB have today as separate banks. The merger does not alter the Resulting Bank's obligation to help meet the credit needs of its communities in all the states it serves. We find that approval of the proposed merger is consistent with the Community Reinvestment Act.

IV. CONCLUSION AND APPROVAL

For the reasons set forth above, including the representations and commitments of the applicants, we find that the merger of FBNA and USNB is authorized as an interstate merger transaction under the Riegle-Neal Act, 12 U.S.C. §§ 215a-1 & 1831u(a), that the Resulting Bank (U. S. Bank) is authorized to retain and operate the offices of the banks under 12 U.S.C. §§ 36(d) & 1831u(d)(1), and that the merger meets the other statutory criteria for approval. Accordingly, the Interstate Merger is hereby approved.

/s/
Steven J. Weiss
Deputy Comptroller
Bank Organization and Structure

07-31-97
Date

Application Control Number: 97-MW-02-0052