



Office of the Comptroller of the Currency

Interpretations - Corporate Decision #96-59

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DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION TO PURCHASE THE ASSETS AND ASSUME THE LIABILITIES OF THE "HAY SPRINGS BRANCH" OF FIRST NATIONAL BANK OF CHADRON, CHADRON, NEBRASKA BY THE STOCKMENS NATIONAL BANK OF RUSHVILLE, RUSHVILLE, NEBRASKA, UNDER THE CHARTER OF AND TITLE OF THE STOCKMENS NATIONAL BANK OF RUSHVILLE.

Introduction

On July 17, 1996, application was made to the Comptroller of the Currency for prior authorization to purchase the assets and assume the liabilities of the "Hay Springs Branch" of First National Bank of Chadron, Chadron, Nebraska 69337 (hereinafter "Chadron") by The Stockmens National Bank of Rushville, Rushville, Nebraska 69360 (hereinafter "Rushville") under the charter and title of Rushville. This application was based on an agreement entered into between the proponents on May 23, 1996.

Participating Financial Institutions

As of May 31, 1996, the one office of Chadron subject to the purchase and assumption agreement had total deposits of \$ 22.6 million. On the same date, Rushville had total deposits of \$ 42.6 million and operated one office. Rushville is 100% owned and controlled by Stockmen's Financial Corporation, a multi-bank holding company.

Competitive Analysis

The relevant geographic market for this proposal is the area including and immediately surrounding the community of Hay Springs the area from which the branch to be acquired operates and derives the bulk of its deposits. This is an area with a population of less than 7,000 persons. The OCC considers an area with such a small population to be economically insignificant from a competitive standpoint. (See Decision of the Comptroller of the Currency on the application to merge The National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983). Therefore, because the market is not recognized as being economically significant, any anticompetitive effects resulting from the transaction are considered de minimis.

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 Chadron and Rushville do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents,

individually and combined, are considered favorable and all facilities will remain open with no products or services discontinued. The resulting bank is therefore 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/or 12 CFR 5.33, and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

/s/

Ellen Tanner Shepherd
Corporate Manager

Dated: 09-04-96

Application Control Number: 96-MW-02-0022