



Comptroller of the Currency
Administrator of National Banks

Bank Organization and Structure
Southwestern District Office
1600 Lincoln Plaza
500 North Akard
Dallas, Texas 75201-3394

Corporate Decision #99-12 June 1999

DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION SUBMITTED BY FIRST NATIONAL BANK OF PADUCAH, PADUCAH TEXAS FOR PRIOR APPROVAL TO PURCHASE THE ASSETS AND ASSUME THE LIABILITIES OF THE “WEST TEXAS NATIONAL BANK, PADUCAH”, A BRANCH OF THE FIRST NATIONAL BANK IN LOCKNEY, LOCKNEY, TEXAS

DECISION

Introduction

On February 4, 1999, application was made to the Office of the Comptroller of the Currency (OCC) by First National Bank of Paducah, Paducah, Texas for prior authorization to acquire the West Texas National Bank, Paducah, a branch of the First National Bank in Lockney, Lockney, Texas. This application was based on an agreement entered into between the banks on February 11, 1999.

Participating Financial Institutions

As of December 31, 1998, the West Texas National Bank, Paducah, a branch of the First National Bank of Lockney, had total deposits of \$8 million. On the same date, First National Bank of Paducah had deposits of \$33 million. First National Bank of Paducah is 100% owned by First Paducah Bancshares of Texas, Inc., Paducah, Texas.

Competitive Analysis

The relevant geographic market for this proposal is Cottle County, Texas. This is the area where competition between First National Bank of Paducah and First National Bank in Lockney is direct and immediate. Within this market, only these two FDIC-insured institutions compete for approximately \$37.3 million in deposits.¹ First National Bank in Paducah is the largest depository institution with approximately

¹Deposit data is as of June 30, 1998.

77.4 percent of the market's deposits. Upon consummation, First National of Paducah would remain the largest depository institution and would control 100% of the market's deposits. While the proposed transaction would eliminate all direct competition in the relevant geographic market,

Cottle County has a population of less than 2,000. The OCC does not consider geographic markets with a population of less than 10,000 to be economically significant. Accordingly, any anticompetitive effects in such a market are considered negligible.

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 First National Bank of Paducah do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served.

Community Reinvestment Act

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

Conclusion

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

_____/s/
Michael K. Hughes
Licensing Manager

04-01-99
Date

ACN #99 SW 02 0009