



Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Corporate Decision #99-29 September 1999

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION OF FIRST NATIONAL BANK SOUTH DAKOTA, YANKTON, SOUTH DAKOTA, TO MERGE WITH COMMERCIAL TRUST AND SAVINGS BANK, MITCHELL, SOUTH DAKOTA, UNDER THE TITLE AND CHARTER OF FIRST NATIONAL BANK SOUTH DAKOTA, YANKTON, SOUTH DAKOTA

September 15, 1999

Introduction

On July 16, 1999, application was made to the Office of the Comptroller of the Currency for prior authorization for First National Bank South Dakota, Yankton, South Dakota (hereinafter, FNBSD) to merge with Commercial Trust and Savings Bank, Mitchell, South Dakota (hereinafter, CTSB). The application was based on an agreement finalized between the proponents on July 14, 1999.

The Financial Institutions Involved

As of March 31, 1999, FNBSD, a BIF-insured national bank, had total deposits of \$216.5 million and operated one office in Yankton, South Dakota. As of the same date, CTSB had total deposits of \$144.7 million and operated five offices in Mitchell, Huron and Woonsocket, South Dakota. FNBSD is wholly owned and controlled by First National of Nebraska, Inc., a multi-bank holding company.

Competitive Analysis

The OCC has reviewed the competitive effects of this proposal by using its standard procedures for determining whether a merger clearly has minimal or no adverse competitive effects. The OCC finds that the proposal satisfies the Office's criteria for a merger that clearly has no or minimal adverse competitive effects. The banks operate in different banking markets.

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 convenience and needs of the community to be served." We find that the financial and managerial resources of FNBSD and CTSB do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable. The resulting bank is expected to meet the convenience and needs of the community to be served. As no offices will be closed, customers of both FNBSD and CTSB, as customers of the resulting bank, will have a greater number of facilities at which to conduct banking business. FNBSD, as the resulting bank, intends to compare each respective institutions' services and products and select or consolidate those that will best serve the financial needs of bank customers. Examples are trust services currently offered by CTSB or internet banking and electronic bill paying services presently offered by FNBSD. Overall, the merger is expected to improve service delivery capability and enhance the overall product line.

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, revealed no evidence that the applicants' record of helping to meet the credit needs of their communities, including low and moderate income neighborhoods, is less than satisfactory. We further note that FNBSD received a "Satisfactory" rating as of May 24, 1999, and that CTSB received a "Satisfactory" rating as of March 10, 1997. We received no comments on this application.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. § 1828(c)), 12 U.S.C. § 215a and 12 C.F.R. § 5.33, and find that it will not significantly lessen competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

_____/s/_____
Alan Herlands
Acting Deputy Comptroller
Bank Organization and Structure
Application Control Number: 99-MW-02-0028

09-15-99
Date