

***Case No IV/M.1244 -  
BANK AMERICA /  
NATIONSBANK***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89  
MERGER PROCEDURE**

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Article 6(1)(b) NON-OPPOSITION  
Date: 21/08/1998

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.08.1998

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

to the notifying parties

Dear Sirs,

**Subject: Case No IV/M.1244 - BANKAMERICA/NATIONSBANK**

Notification of 24.07.1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 24 July 1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which BankAmerica Corporation enters into a full merger within the meaning of Article 3(1)(a) of the Council Regulation with NationsBank .
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

**I. THE PARTIES**

3. BankAmerica and NationsBank are multi-bank holding companies in the USA headquartered in California and North Carolina respectively. BankAmerica provides retail banking services principally in the Western United States and Texas and corporate banking services throughout the USA and internationally. NationsBank provides retail banking services in the South Western, Mid-Atlantic and mid-western United States as well as in Texas and New Mexico and corporate banking services throughout the USA and to a limited extent on an international basis.
4. The scale of operations of both banks in the European Community is very much smaller and services are addressed mainly to corporate clients. Although

BankAmerica has branch and subsidiary operations in nine Member States, NationsBank's branch and subsidiary operations are limited to the United Kingdom and Germany, where bank operations overlap with those of BankAmerica.

## **II. CONCENTRATION**

5. NationsBank will form a new subsidiary, NationsBank (DE) and will merge with and into NationsBank (DE) as the surviving corporation. Thereafter BankAmerica will merge with and into NationsBank (DE) with NationsBank (DE) as the surviving corporation which will change its name to BankAmerica Corporation.
6. This transaction constitutes a concentration within the meaning of Article 3(1)(a) of the Regulation.

## **III. COMMUNITY DIMENSION**

7. The combined aggregate world-wide turnover of the undertakings concerned exceeded 5,000 million ECU in the last financial year (BankAmerica: 15,446 million ECU; NationsBank: 14,619 million ECU). The aggregate Community-wide turnover of each of them was more than 250 million ECU (BankAmerica: 1,130.8 million ECU; NationsBank: 652.7 million ECU).
8. The undertakings concerned do not generate more than two-thirds of their aggregated Community-wide turnover within one and the same Member State. Hence, the concentration has a Community dimension.

## **IV. COMPATIBILITY WITH THE COMMON MARKET**

### **A. Relevant product markets**

9. The notifying parties state that there will be horizontal market overlaps in the following relevant segments of activity: corporate banking, money market trading, fixed income trading, foreign exchange, derivatives and project finance operations.
10. However, in the present case it is not necessary to conclusively define the relevant product markets because, even on the narrowest market definition, the concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

### **B. Relevant geographic markets**

11. The notifying parties state that the relevant geographic markets are either national or international in scope depending on the sector.
12. However, in the present case it is not necessary to conclusively define the relevant product markets because, even on the narrowest market definition, the concentration does not create or strengthen a dominant position as a result of which effective

competition would be significantly impeded in the EEA or any substantial part of that area.

### **C. Competitive assessment**

13. The parties market shares in the sectors for commercial banking services, investment banking as well as the other markets identified by the parties will be well below 15%. Moreover, the overlaps will be very small.
14. In view of the market position of the parties to the concentration, it appears that the notified operation will have no or de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

### **V. CONCLUSION**

15. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,