



Department of Justice

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AT

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**JUSTICE DEPARTMENT WILL NOT CHALLENGE BANKAMERICA/SECURITY
PACIFIC PROPOSED MERGER UPON COMPLETION OF CERTAIN DIVESTITURES**

WASHINGTON, D.C. -- The Department of Justice announced today it will not challenge the proposed merger of BankAmerica and Security Pacific, subject to the completion of certain divestitures committed to by BankAmerica. The Department will advise the Federal Reserve Board that the proposed merger, subject to the divestitures, would not harm competition in any market.

BankAmerica has committed to the Department that it will divest 211 bank branches in five states to address competitive concerns raised by the Antitrust Division of the Department of Justice. This commitment includes divestitures of deposits of over \$8.8 billion, and loan portfolios totaling over \$2.7 billion. The five states that are affected are California, Washington, Oregon, Arizona, and Nevada.

James F. Rill Assistant Attorney General in charge of the Antitrust Division, said, "This action will assure that bank consumers in the western states continue to enjoy the benefits of competition, while permitting BankAmerica to obtain the cost savings it expects to realize from the largest bank merger in history."

BankAmerica, headquartered in San Francisco, California, with over \$115 billion in assets and over \$92 billion in deposits, is the third largest bank holding company in the United States. Security Pacific, headquartered in Los Angeles, California, with over \$76 billion in assets and over \$58 billion in deposits, is the seventh largest bank holding company in the United States. The combined firm would be the second largest bank holding company in the country and the largest bank in California, Washington, Nevada, and Arizona.

The Department said the merger raised concerns that competition might be lessened in various commercial and retail banking markets in Washington, Nevada, California, Arizona and Oregon. The divestitures agreed to by BankAmerica are designed to permit the entry or growth of effective new competition in the affected markets, and to provide the purchasers of the divested assets with the base needed to compete with the leading banks in those markets.

The Department said the Antitrust Division will advise the Federal Reserve Board it has no objection to approval of the merger after BankAmerica provides the Division with an amended application containing its commitment to the agreed-to divestitures.

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