

APPENDIX 1

(referred to in paragraph 1.4)

Submission of evidence by third parties

1. In addition to the material provided by the three main parties the Commission considered representations and evidence submitted by:

Anderson Strathclyde Ltd, Glasgow
Association of Scottish Chambers of Commerce, Glasgow
Banking Insurance & Finance Union, London¹
Bank of England¹
Bank of Scotland, Edinburgh¹
Barclays Bank Ltd, London
William Berry, Solicitor, Edinburgh
Gavin Boyd CBE, Glasgow
Campaign for a Scottish Assembly, Glasgow
Sir Colin Campbell, Dunblane, Perthshire
The General Assembly of the Church of Scotland, Edinburgh
Ian M Dalziel MEP, Edinburgh¹
Edinburgh Chamber of Commerce & Manufactures¹
Edinburgh Financial & General Holdings Ltd¹
End Loans to Southern Africa (ELTSAs), London, on behalf of
 Scottish Anti-Apartheid Committee;
 SEADCAT (the campaigning wing of Scottish Education and
 Action for Development); and
 Scottish War on Want
M A Forrest CA, Edinburgh
Charles A Fraser MVO, Edinburgh
The Fraser of Allander Institute, University of Strathclyde, Glasgow¹
The Rt Hon J Grimond MP, House of Commons
Hodgson & Martin Ltd, Investment Managers, Edinburgh
HM Government, Hong Kong¹
Institute of Directors, Scottish Division, Edinburgh
Ivory & Sime Ltd, Investment Managers, Edinburgh
The Scottish Council of the Labour Party, Glasgow
Iain Noble, Chairman, Lennox Oil Co Ltd, Edinburgh¹
London Chamber of Commerce & Industry, London
Lyle Shipping Co Ltd, Glasgow
Midland Bank Ltd, London
The Rt Hon Bruce Millan MP, House of Commons¹
National Westminster Bank Ltd, London
The Earl of Perth, Stobhall by Perth (a former Director of RBS)
The Scottish Council (Development & Industry), Edinburgh¹
Scottish Development Agency, Glasgow¹
Scottish Economic Planning Department, Scottish Office, Edinburgh¹

¹Indicates that in addition to submitting written evidence, oral evidence was also given at formal hearings held by the Commission.

G M Murray, Deputy General Manager, The Scottish Life Assurance Company, Edinburgh
Scottish National Party, Edinburgh¹
Scottish Trades Union Congress, Glasgow¹
J K Thomson, Edinburgh
Alastair M Dunnett, Director, Thomson Scottish Petroleum Ltd, Edinburgh
HM Treasury
Bill Walker MP, House of Commons

2. The following declined the Commission's invitation to make representations or give views on any aspect of this investigation.

Citibank NA, London
Confederation of British Industry, London
Confederation of British Industry (Scotland), Glasgow
Lloyds Bank Ltd, London
London Discount Market Association, London
Trades Union Congress, London

3. Apart from the written evidence listed above, comments on the proposed mergers were expressed in letters which were received from 21 private individuals and bodies.

¹Indicates that in addition to submitting written evidence, oral evidence was also given at formal hearings held by the Commission.

APPENDIX 2
(referred to in paragraph 3.15)

International networks of certain banks

TABLE 1 Numbers of branches (by region) outside home country

<i>Parent Bank</i>	<i>UK</i>	<i>Europe</i>	<i>North America</i>	<i>W. Indies Caribbean Bahamas</i>	<i>Central and South America</i>	<i>Africa</i>	<i>Near and Middle East</i>	<i>India and Far East</i>	<i>Australasia</i>
Royal Bank Group		1	1					1	
Standard Chartered		11	65	1	1	589	35	185	
HSBC	12	8	302	2	1	8	87	131	1
Barclays Bank Group		52	96	56	5	1,020	5	11	2
National Westminster		17	144	3			2	3	
Midland Bank Group									
Lloyds Bank		33	105	2	67	2	2	5	152
Citibank NA	5	18		18	39	13	15	34	
Bank of America	6	19		11	38	1	2	36	
Chase Manhattan Bank	4	31		12	8	3	3	13	
Royal Bank of Canada	4	2	1	74	20		3	2	
BNP	5	21	3	2	11		1	23	6
Société Générale	6	21	1		13		1	5	5
Algemene Bank Nederland	5	13	8	9	35	10	10	23	
Deutsche Bank	1	5	1		3		2	2	
Dresdner Bank	1	4	3	5				3	
Dai Ichi Kangyo Bank	1	3	1		1			3	
Fuji Bank Tokyo	1	1	2	1				19	
Sumitomo Bank	1	2	48	1				1	

Source: Bankers' Almanac 1980-81.

- Notes: 1. Only branches and subsidiaries (defined as having more than 50 per cent of voting capital) have been included, not agencies, representative offices, associates and affiliates.
2. The figures for Midland Bank Group do not take into account the purchase of Crocker Bank of California.

APPENDIX 2 contd

TABLE 2 Numbers of countries (by region) where they or subsidiaries have branches outside parent's home country

Parent Bank	Europe	North America	W. Indies Caribbean Bahamas	Central and South America	Africa	Near and Middle East	India and Far East	Australasia
Royal Bank Group	1	1					1	
Standard Chartered	9	2	1	1	13	5	13	
HSBC	8	2	2	1	1	8	13	1
Barclays Bank Group	14	2	7	1	11	2	4	2
National Westminster	7	2	1			1	3	
Midland Bank Group	4	2	1			1	3	
Lloyds Bank	8	2	1	11	1	1	5	1
Citibank NA	14		10	11	7	8	6	
Bank of America	11	1	9	12	1	2	13	
Chase Manhattan Bank	13	1	9	6	5	3	10	2
Royal Bank of Canada	2	1	4	4		2	4	1
BNP	10	2	5	4	4	1	6	2
Société Générale	8	2	2	1	2	2	6	2
Algemene Bank Nederland	11	2	2	9	2	5	10	
Deutsche Bank	7	1		3			3	
Dresdner Bank	3	1					3	
Dai Ichi Kangyo	4	1		1			4	
Fuji Bank Tokyo	2	1	1				4	
Sumitomo Bank	1	1					1	

Source: Annual reports and accounts 1980-81.
Bankers' Almanac 1980-81.

Note: Only branches and subsidiaries (defined as having more than 50 per cent of voting capital) have been included, not agencies, representative offices, associates and affiliates.

APPENDIX 3

(referred to in paragraph 8.2)

Press notice Banking mergers and participations

The Bank of England announce, in the context of entry into the European Economic Community, some modifications to their present rules on mergers and participations in the banking field.

In principle, subject to the provisions of the Monopolies and Mergers Act of 1965 and to full consultation in advance, the Bank will no longer object to Clearing Banks taking participations in Accepting Houses of more than 25 per cent. They will also be prepared to treat other EEC banks in the same way as British banks for the purpose of participations in British banks; and hence, in comparable cases, to consider their taking participations exceeding 15 per cent in Accepting Houses as well as in other UK merchant banking enterprises; and, if this question arises, in British overseas banks.

Within these general guidelines the Bank will consider all proposals for mergers—to be interpreted in this context as all participations of more than 15 per cent—on their individual merits. Their concurrence will be conditional in each case on the existence of amicable agreement between the parties concerned and on the satisfaction of tests relating to capital, management, reputation and future intentions. The Bank will pay particular regard to the nature of any proposed alliance with an Accepting House in order to satisfy themselves that it gives proper weight to the skills and talents on each side. In considering proposals for participations by EEC banks, they will also take account of the authorities' attitudes elsewhere in the Community to participations by British banks.

The liberal practice in relation to the establishment by third-country banks of branches or subsidiaries in London will continue and the Bank's attitude to participations by third-country banks will remain unchanged.

It is understood that banks will consult the Bank on all proposals for participations exceeding 15 per cent as early as possible and before any formal negotiation is undertaken; and that they will accept the Bank's ruling in each case and take no irrevocable steps in the meantime.

In order that the application of the provisions of the Monopolies and Mergers Act of 1965 to any proposals for participations in excess of 15 per cent may be handled efficiently and without risk of confusion, the Bank will draw them to the attention of HM Treasury and the Department of Trade & Industry at a stage sufficiently early to avoid any difficulties later on for both the Government and the banks concerned.

The changes in the Bank's rules on banking mergers and participations will take effect from 1 January 1973.

BANK OF ENGLAND

16 November 1972

APPENDIX 4
(referred to in paragraph 11.13)

Results of the survey of 50 Scottish companies

Total replies: 46

1. (a) Do you bank with a Scottish clearing bank?	YES	44
	NO	2
(b) If yes, which bank(s)?	RBS	29
	Bank of Scotland	12
	Clydesdale	17
(c) Is a Scottish clearing bank your principal bank?	YES	41
	NO	5
2. (a) Do you bank with more than one clearing bank in the United Kingdom?	YES	29
	NO	17
(b) If yes, why?		
Geographical spread of operations in United Kingdom		18
Geographical spread of business abroad		6
Tradition		8
Mergers		5
To spread finance		10
Benefit of competition		13
Others		1
3. <i>If you bank with Royal Bank of Scotland</i>		
Would the company be likely to make more use of Royal Bank of Scotland as a consequence of either merger?	YES	2
	POSSIBLY	12
	UNLIKELY	6
	NO	9
<i>If you do not bank with Royal Bank of Scotland</i>		
Would your company be likely to consider use of Royal Bank of Scotland as a consequence of either merger?	YES	1
	POSSIBLY	4
	UNLIKELY	6
	NO	6
4. <i>If your company operates overseas</i>		
Does it obtain better service from indigenous banks including those acting as correspondents of your United Kingdom bank, local branches or subsidiaries of United Kingdom banks?		
Indigenous/no relationship		11
Indigenous/correspondent		5
Branch of United Kingdom bank		7
Subsidiary of United Kingdom bank		1
No difference		8
Not applicable		18
5. With whom in your Scottish bank does your company usually deal when negotiating a loan?		
Local branch manager		13
District office manager/local director		8
Head office		32

APPENDIX 5

(referred to in paragraph 11.15)

Results of the survey of 100 United Kingdom companies

Total replies: 76

1. (a)	Do you bank with a member of the Royal Bank of Scotland Group (Royal Bank of Scotland or Williams & Glyn's)	YES	23
		NO	53
	(b) If so, is your principal banker a member of the Royal Bank of Scotland Group?	YES	3
		NO	73
2. (a)	Do you bank with more than one clearing bank in the United Kingdom?	YES	58
		NO	18
	(b) If so, why?		
	Geographical spread of operations in United Kingdom		22
	Geographical spread of business abroad		12
	Tradition		13
	Mergers		15
	To spread finance		36
	Benefits of competition		38
	Others		1
3.	From which of the following does your company obtain the best foreign trade services?		
	A bank established in the relevant foreign country, having no relationship to a United Kingdom bank		8
	A bank established in the relevant foreign country which is a correspondent of your United Kingdom bank		17
	A branch of a United Kingdom bank		35
	A subsidiary of a United Kingdom bank		19
	A branch of a (non-United Kingdom) multi-national bank		27
	No difference		6