



Office of the Comptroller of the Currency

Interpretations - Corporate Decision #96-51

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION TO MERGE THE FIRST NATIONAL BANK OF ENFIELD, ENFIELD, ILLINOIS WITH AND INTO THE FIRST NATIONAL BANK OF CARMİ, CARMİ, ILLINOIS UNDER THE CHARTER AND TITLE OF THE FIRST NATIONAL BANK OF CARMİ.

Introduction

On August 7, 1996, application was made to the Office of the Comptroller of the Currency (OCC) for prior authorization to merge The First National Bank of Enfield, Enfield, Illinois (hereinafter "Enfield") with and into The First National Bank of Carmi, Carmi, Illinois (hereinafter "Carmi") under the charter and title of The First National Bank of Carmi. This application was based on an agreement finalized between the proponents on July 12, 1996.

Participating Financial Institutions

As of June 30, 1996, Enfield, an independent unit bank, had total deposits of \$25 million and operated 2 offices in Enfield and Carmi, Illinois. On the same date, Carmi had total deposits of \$62 million and operated 2 offices in Carmi, Illinois. Carmi is 100% owned and controlled by First Carmi Bancshares, Inc., a one bank holding company.

Competitive Analysis

The relevant geographic market for this proposal is White County and the surrounding communities. This is the area where Enfield derives the bulk of its deposits and where it competes directly and immediately with Carmi. Within this market, seven commercial banks compete for approximately \$278 million in deposits. Carmi is the second largest depository institution with approximately twenty percent of the market's total deposits. Enfield ranks sixth with approximately nine percent of the market's deposits. As a result of this transaction, Carmi would become the largest depository institution with approximately nine percent of the market's deposits. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any adverse competitive effects would be mitigated by the presence of a number of other banking alternatives, including subsidiaries of four of the largest banking companies in the region. Therefore, consummation of this proposal would not have a significantly adverse effect on competition in the relevant geographic market.

Banking Factors

The Bank Merger Act requires this Office to consider "...the financial and managerial resources and the 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 Carmi do not raise concerns that would cause the application to be disapproved. The future prospects of the resulting bank

are considered favorable. Carmi presently offers a wider range of commercial and mortgage loan products than Enfield as well as discount brokerage services, additional branches and Saturday business hours, which are not presently available to Enfield customers. Given these facts, the resulting bank is expected to have a favorable impact on 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 this Office as a result of its regulatory responsibilities has 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.

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/

David J. Rogers
Acting Director for Compliance and Bank Supervision

Dated: September 12, 1996

Application Control No. 96-CE-02-037