



Comptroller of the Currency
Administrator of National Banks

Central District Office

Corporate Decision #2001-31 November 2001

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION BY THE NATIONAL BANK AND TRUST COMPANY, WILMINGTON, OHIO TO PURCHASE SUBSTANTIALLY ALL OF THE ASSETS AND ASSUME ALL OF THE DEPOSIT LIABILITIES OF THE SABINA BANK, SABINA, OHIO. (OCC APPLICATION NUMBER: 01-CE-02-036)

Decision

Introduction

On September 10, 2001 an application was made to the Office of the Comptroller of the Currency (OCC) for prior authorization for The National Bank and Trust Company, Wilmington, Ohio (hereinafter "NB of Wilmington") to purchase substantially all of the assets and assume all of the deposit liabilities of The Sabina Bank, Sabina, Ohio (hereinafter "Sabina") under the title and charter of The National Bank and Trust Company. This application was based on an agreement entered into between the proponents on July 9, 2001.

Participating Financial Institutions

As of June 30, 2001 NB of Wilmington had total deposits of \$438 million and operated 16 offices. On the same date, Sabina had total deposits of \$44 million and operated 3 offices. Sabina is a banking subsidiary of Premier Financial Bancorp, Inc., Georgetown, Kentucky. NB of Wilmington is the sole banking subsidiary of NB&T Financial Group, Inc., Wilmington, Ohio.

Competitive Analysis

The relevant geographic market for analyzing the competitive effects of this proposal is the Wilmington, Ohio banking market. This market consists of all the townships in Clinton County except Chester and Marion and only the townships of Dodson and Fairfield in Highland County. The Wilmington, Ohio banking market is the area where competition between NB of Wilmington and Sabina is direct and immediate.

As of June 30, 2000, within the Wilmington, Ohio banking market, nine financial institutions competed for \$504 million in deposits. NB of Wilmington ranked first in the market with \$145 million in deposits, or 29 percent of the market share of total deposits. Sabina ranked sixth with \$28 million in deposits, or 6 percent of the market share of total deposits.

After the transaction, NB of Wilmington will have a 34 percent market share of total deposits and continue to rank first in the market. Following the elimination of Sabina from the market, NB of Wilmington will compete with three banks and four thrifts. Two of the competing banks are large out-of-state institutions with a 23 percent and 7 percent market share of deposits. While the purchase and assumption will eliminate one competitor in the market, any adverse effect would be mitigated by the presence of numerous other banking alternatives. Therefore, consummation of this proposal will not have a significantly adverse effect on competition in this relevant geographic market.

Banking Factors

The Bank Merger Act requires the OCC to consider "...the financial and managerial resources and the convenience and needs of the community to be served." We find that the financial and managerial resources of Empire and Huntington do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable. All existing offices of the applicant will continue operating and no products or services will be discontinued. Given these facts, the resulting bank is expected to meet the convenience and needs of the communities being served.

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 has revealed no evidence that the applicants' records of helping to meet the credit needs of their communities, including low-to-moderate-income neighborhoods, are 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 significantly lessen competition in the relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, this application is approved.

Signed

David J. Rogers, National Bank Examiner

Dated: 10-23-2001