



October 24, 2013

**Conditional Approval #1082**  
**December 2013**

Mr. Jeremy E. Hill, Attorney  
Bingham Greenebaum Doll LLP  
2700 Market Tower  
10 West Market Street  
Indianapolis, Indiana 46204

Re: Applications by First Merchants Bank, National Association, Muncie, Indiana to establish eight *de novo* branch offices in Illinois and then to merge with Citizens Financial Bank, a federal savings bank, Munster, Indiana.

OCC Application Numbers: 2013-CE-BranchNew-135479, 135503-135505, 135507-135510, and 2013-CE-Combination-134612

Dear Mr. Hill:

The Office of the Comptroller of the Currency (OCC) hereby approves the applications submitted by First Merchants Bank, National Association (First Merchants) to establish eight *de novo* branches listed in the enclosed attachment. This is also the official authorization given to First Merchants to operate the branch offices listed in the enclosed attachment. If any of the subject branch offices are subsequently closed, a 90-day advance notice of proposed branch closing must be submitted to the OCC pursuant to 12 USC 1831r-1. Following the closing of the branch office, a final closing notice should also be submitted to this office.

The OCC also conditionally approves your proposal to merge Citizens Financial Bank, a federal savings bank (Citizens) with and into First Merchants.

These approvals are granted based on a thorough review of all information available, including commitments and representations made in the applications, merger agreement, and those of your representatives during the application process.

The OCC reviewed the proposed merger transaction under the criteria of the Bank Merger Act, 12 U.S.C. § 1828(c), and applicable OCC regulations and policies. Under the Bank Merger Act, the OCC generally may not approve a merger that would substantially lessen competition. The Bank Merger Act also requires the OCC to take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, the

convenience and needs of the communities to be served, and the constituent institutions' record of performance under the CRA. 12 U.S.C § 1828(c)(5). The OCC must also consider the effectiveness of any insured depository institution involved in the proposed merger transaction in combating money laundering activities. 12 U.S.C. § 1828(c)(11). In addition, the OCC may not approve a merger if the resulting insured depository institution (including all insured depository institutions which are affiliates of the resulting insured depository institution), upon consummation of the transaction, would control more than 10 percent of the total amount of deposits of insured depository institutions in the United States. 12 U.S.C. § 1828(c)(13). Furthermore, the OCC must consider the risk of the transaction to the stability of the United States banking or financial system. 12 U.S.C. § 1828(c)(5)(as amended by section 604 of Dodd Frank). We considered these factors and found them consistent with approval under the statutory and regulatory provisions.

This approval is subject to the following condition:

- First Merchants shall ensure that its Board of Directors' resolution, passed on October 17, 2013, is timely implemented and adhered to thereafter.

This condition of approval is a condition "imposed in writing by a Federal banking agency in connection with any action on any application, notice, or other request" within the meaning of 12 U.S.C. § 1818. As such, the condition is enforceable under 12 U.S.C. § 1818.

The Central District Office must be advised in writing in advance of the desired effective date for the merger so it may issue the necessary certification letter. The effective date must follow the applicable Department of Justice's injunction period and any other required regulatory approval. If the merger is not consummated within one year from the approval date, the approval shall automatically terminate, unless the OCC grants an extension of the time period.

This approval and the activities and communications by OCC employees in connection with the filing do not constitute a contract, express or implied, or any other obligation binding upon the OCC, the United States, any agency or entity of the United States, or any officer or employee of the United States, and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. Our approval is based on the bank's representations, submissions, and information available to the OCC as of this date. The OCC may modify, suspend or rescind this approval if a material change in the information on which the OCC relied occurs prior to the date of the transaction to which this decision pertains. The foregoing may not be waived or modified by any employee or agent of the OCC or the United States.

A separate letter is enclosed requesting your feedback on how the OCC handled your application. We would appreciate your response so we may continue to improve our service.

All correspondence regarding this application should reference the control numbers. If you have any questions, contact Senior Licensing Analyst John O'Brien at (312) 660-8720 or e-mail [john.obrien@occ.treas.gov](mailto:john.obrien@occ.treas.gov).

Sincerely,

*Travis W. Wilbert*

Travis W. Wilbert  
Director for District Licensing

Enclosures: Branch Authorization Attachment  
Survey Letter

**Attachment**

***BRANCH AUTHORIZATIONS***

**BRANCH NAME:** Palos Heights Banking Center (2013-CE-BranchNew-135479)  
**LOCATION:** 7101 West 127<sup>th</sup> Street  
Palos Heights, Illinois 60463  
**BRANCH NO.:** 155663A

**BRANCH NAME:** Tinley Park Banking Center (2013-CE-BranchNew-135503)  
**LOCATION:** 7231 171<sup>st</sup> Street  
Tinley Park, Illinois 60477  
**BRANCH NO.:** 155664A

**BRANCH NAME:** Flossmoor Banking Center (2013-CE-BranchNew-135504)  
**LOCATION:** 3301 West Vollmer Road  
Flossmoor, Illinois 60422  
**BRANCH NO.:** 155665A

**BRANCH NAME:** Darien Banking Center (2013-CE-BranchNew-135505)  
**LOCATION:** 8301 South Cass Avenue  
Darien, Illinois 60561  
**BRANCH NO.:** 155666A

**BRANCH NAME:** Hegewisch Banking Center (2013-CE-BranchNew-135507)  
**LOCATION:** 13323 South Baltimore  
Chicago, Illinois 60633  
**BRANCH NO.:** 155667A

**BRANCH NAME:** Harvey Banking Center (2013-CE-BranchNew-135508)  
**LOCATION:** 135 East 154<sup>th</sup> Street  
Harvey, Illinois 60426  
**BRANCH NO.:** 155668A

**BRANCH NAME:** South Holland Banking Center (2013-CE-BranchNew-135509)  
**LOCATION:** 601 East 162<sup>nd</sup> Street  
South Holland, Illinois 60473  
**BRANCH NO.:** 155669A

**BRANCH NAME:** Willowbrook Banking Center (2013-CE-BranchNew-135510)  
**LOCATION:** 7229 South Kingery Highway  
Willowbrook, Illinois 60527  
**BRANCH NO.:** 155670A