



Office of the Comptroller of the Currency

Interpretations - Corporate Decision #96-33

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**DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE
APPLICATION FOR STAR BANK, NATIONAL ASSOCIATION, INDIANA,
RICHMOND, INDIANA, TO PURCHASE THE ASSETS AND ASSUME THE
LIABILITIES OF FIVE CONNERSVILLE, INDIANA BRANCH OFFICES OF
NATIONAL CITY BANK OF INDIANA, INDIANAPOLIS, INDIANA, UNDER THE
CHARTER AND TITLE OF STAR BANK, NATIONAL ASSOCIATION, INDIANA.**

DECISION

Introduction

On May 2, 1996, an application was made to the Office of Comptroller of the Currency (OCC) for prior authorization for Star Bank, National Association, Indiana, Richmond, Indiana (hereinafter Star Bank) to purchase the assets and assume the liabilities of five Connersville, Indiana branch offices of National City Bank of Indiana, Indianapolis, Indiana, (hereinafter National City), under the charter and title of Star Bank, National Association, Indiana. This application was based on an agreement between the proponents which was executed April 10, 1996.

Participating Financial Institutions

As of December 31, 1995, the five Connersville branch offices of National City subject to the purchase and assumption agreement had total deposits of \$63.7 million. On the same date, Star Bank had total deposits of \$387 million and operated 19 offices. Star Bank is wholly owned by Star Banc Corporation, a multi bank holding company.

Competitive Analysis

The relevant geographic market for this proposal is Fayette County. This is the area where competition between Star Bank and the branches to be acquired is direct and immediate. Within this market, six commercial banks and two thrifts compete for approximately \$300 million in deposits. Star Bank is the sixth largest depository institution with approximately eight percent of the market's total deposits. The Connersville branches of National City to be acquired rank third with approximately twenty percent of the deposits. Consummation of this proposal would result in Star Bank's market share increasing to approximately twenty eight percent, with Star Bank becoming the largest depository institution. While

the proposed transaction would eliminate some direct competition in the relevant geographic market, any significant adverse competitive effect would be mitigated by the presence of a number of other banking alternatives, including a subsidiary of a large regional banking company. Accordingly, consummation of this transaction would not have a significantly adverse effect on competition.

Banking Factors

The Bank Merger Act requires this Office 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 Star Bank 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 this Office 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. 1818 (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.

/s/

David J. Rogers, National Bank Examiner

Dated: 06-20-96

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