



Comptroller of the Currency
Administrator of National Banks

Central District Office
One Financial Place, Suite 2700
440 South LaSalle Street
Chicago, Illinois 60605

Corporate Decision #2002-12 August 2002

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION FOR PEOPLES BANK, NATIONAL ASSOCIATION, MARIETTA, OHIO TO PURCHASE CERTAIN ASSETS AND ASSUME THE DEPOSIT LIABILITIES OF THE MALTA, OHIO BRANCH OFFICE OF CENTURY NATIONAL BANK, ZANESVILLE, OHIO. (OCC APPLICATION NUMBER: 02-CE-02-015)

Decision

Introduction

On June 3, 2002, an application was made to the Office of Comptroller of the Currency (OCC) for prior authorization for Peoples Bank, National Association, Marietta, Ohio (hereinafter "Peoples") to purchase certain assets and assume the deposit liabilities of the Malta, Ohio branch office of Century National Bank, Zanesville, Ohio (hereinafter "Century"). This application was based on an agreement between the proponents that was executed May 3, 2002.

Participating Financial Institutions

As of March 31, 2002, the Malta, Ohio branch office of Century subject to the purchase and assumption agreement had total deposits of \$9.8 million. As of March 31, 2002, Peoples had total deposits of \$844 million and operated forty-three branches in Ohio, Kentucky and West Virginia offices in Illinois.

Competitive Analysis

The relevant geographic market for analyzing the competitive effects of this proposal is Morgan County, Ohio. This is the area where competition between Peoples and Century is direct and immediate. As of June 30, 2001, within Morgan County, five financial institutions competed for \$126 million in deposits. Peoples Bank ranked third in the market with \$24 million in deposits, or 19 percent of the market share of total deposits. Century ranked fourth with \$14 million in deposits, or 11 percent of the market share of total deposits.

Upon consummation of the transaction, Peoples would continue to rank third with \$38 million in deposits or a 30 percent market share of total deposits and would compete with three banks. While all three competing banks are smaller institutions, two of the competing banks are local institutions that control 33 percent and 31 percent of the market share of deposits in Morgan County. The purchase and assumption will eliminate one competitor in the market, however, 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 Peoples and Century 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: July 29, 2002