

FEDERAL RESERVE SYSTEM

Centura Banks, Inc.
Rocky Mount, North Carolina

Centura Bank
Rocky Mount, North Carolina

Order Approving the Acquisition of a Bank Holding Company, Merger of Banks, and Establishment of Branches

Centura Banks, Inc. (**ACBI@**), a bank holding company within the meaning of the Bank Holding Company Act (**ABHC Act@**), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. ' 1842) to merge with Triangle Bancorp, Inc., Raleigh, North Carolina (**ATriangle@**), and thereby acquire Triangle's wholly owned subsidiary banks, Triangle Bank, Raleigh, and Bank of Mecklenburg (**AMEcklenburg@**), Charlotte, both in North Carolina. CBI's lead bank, Centura Bank, a state member bank, has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. ' 1828(c)) (the **ABank Merger Act@**) to merge with Triangle Bank and Mecklenburg, with Centura Bank as the survivor. Centura Bank has also applied under section 9 of the Federal Reserve Act (12 U.S.C. ' 321) to retain and operate branches at the locations of the main offices and branches of Triangle Bank and Mecklenburg.

In addition, CBI has requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. ' 1843(c)(8)) to acquire Triangle's wholly owned nonbanking subsidiary, Coastal Leasing, L.L.C., Greenville, North Carolina (**ACoastal Leasing@**), and thereby engage in leasing activities in accordance with section 225.28(b)(3) of Regulation Y.

Notice of the applications, affording interested persons an opportunity

to submit comments, has been published (64 Federal Register 63,814 (1999)). As required by the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)), reports on the competitive effects of the merger were requested from the U.S. Attorney General and the other federal banking agencies. The time for filing comments has expired, and the Board has considered the applications and all the facts of record in light of the factors set forth in sections 3 and 4 of the BHC Act, the Bank Merger Act, and section 9 of the Federal Reserve Act.

CBI, with consolidated assets of approximately \$8.8 billion, is the 64th largest commercial banking organization in the United States.^{1/} CBI is the sixth largest commercial banking organization in North Carolina, controlling deposits of \$5.5 billion, representing 5.5 percent of the total deposits in commercial banking organizations in North Carolina. Triangle, with consolidated assets of approximately \$2.3 billion, is the 144th largest commercial banking organization in the United States. Triangle is the eighth largest commercial banking organization in North Carolina, controlling deposits of \$1.8 billion, representing 1.7 percent of the total deposits in commercial banking organizations in North Carolina.

After consummation of the proposal, CBI would become the 58th largest commercial banking organization in the United States, with consolidated assets of approximately \$11 billion and would remain the sixth largest commercial banking organization in North Carolina, controlling deposits of \$7 billion, representing 6.9 percent of the total deposits in commercial banking organizations in

^{1/} Asset data are as of September 30, 1999, and deposit data are as of June 30, 1998.

North Carolina.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or be in furtherance of an attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving a proposal that would substantially lessen competition in any relevant banking market unless the anticompetitive effects of the proposal in that banking market are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.^{1/}

CBI and Triangle compete directly in eighteen banking markets.^{1/} The Board has carefully reviewed the competitive effects of the proposal in each of these banking markets in light of all the facts of record, including the number of competitors that would remain in the market, the share of total deposits in depository institutions^{1/} in the market (Amarket deposits@) controlled by each competitor in the market, the concentration level of market deposits in the market

^{2/} See 12 U.S.C. ' 1842(c).

^{3/} These banking markets are described in Appendix A.

^{4/} In this context, depository institutions include commercial banks, savings banks, and savings associations. Market share data are based on calculations that include the deposits of thrift institutions at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., Midwest Financial Group, 75 Federal Reserve Bulletin 386 (1989); National City Corporation, 70 Federal Reserve Bulletin 743 (1983). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50-percent-weighted basis. See, e.g., First Hawaiian, Inc., 77 Federal Reserve Bulletin 52 (1991).

and the increase in this level as measured by the Herfindahl-Hirschman Index (HHI) under the Department of Justice Merger Guidelines (DOJ Guidelines),⁵ and other characteristics of the market.

Banking Markets without Divestitures. Consummation of the proposal without divestitures would be consistent with Board precedent and the DOJ Guidelines in eleven banking markets: Charlotte-Rock Hill, Durham-Chapel Hill, Fayetteville, Goldsboro, Greenville, New Bern, Raleigh, Richmond County, Robeson County, Wilmington, and Sanford.⁶ In these markets, the Board has

⁵ Under the DOJ Guidelines, 49 Federal Register 26,923 (1984), a market is considered moderately concentrated when the post-merger HHI is between 1000 and 1800, and is considered highly concentrated when the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

⁶ The effects of the proposal on the concentration of banking resources in

determined, in light of the number of competitors that would remain in each market, the characteristics of each market, the projected increase in the concentration of total deposits in depository institutions in each market, and the resulting market share, that consummation of the proposal would not likely result in a significantly adverse effect on competition.

these markets are described in Appendix B.

Banking Markets with Proposed Divestitures. In the seven remaining banking markets in which CBI and Triangle directly compete, the resulting HHI would exceed the DOJ Guidelines. In order to mitigate the potential anticompetitive effects of the proposal in five of these markets (Columbus County, Granville County, Roanoke Rapids, Warren County, and Washington County), CBI has committed to divest a total of eight branches, controlling \$129.5 million in deposits.^{1/} After accounting for the proposed divestitures, consummation of the proposal would be consistent with Board precedents and the DOJ Guidelines in these five markets.^{1/}

Taking into account market size, the number of competitors in each market and the share of total deposits in depository institutions in each market

^{1/} The competitive effects of the proposal in the Granville County, Washington County, Roanoke Rapids, Columbus County, and Warren County markets are summarized in Appendix B.

^{8/} Centura has committed that, if it is unsuccessful in completing the divestitures within the 180-day period, it will transfer the unsold branch(es) to an independent trustee that is acceptable to the Board and will instruct the trustee to sell the branch(es) promptly to an alternative purchaser, or alternative purchasers, acceptable to the Board. See BankAmerica Corporation, 78 Federal Reserve Bulletin 338 (1992); United New Mexico Financial Corporation, 77 Federal Reserve

controlled by each competitor, consummation of the proposal would not likely result in a significantly adverse effect on competition in any of the five markets.

Rocky Mount and Duplin County Markets. Consummation of the proposal in the Rocky Mount and Duplin County markets would exceed the DOJ Guidelines. In both markets, the Board has considered whether other factors either mitigate the competitive effects of the proposal in the markets or indicate that the proposal would have a significantly adverse effect on competition.^{1/} In the Rocky Mount market, CBI has committed to divest ten Triangle Bank branches that control a total of \$188.1 million in deposits to two in-market competitors. With these divestitures, the pro forma HHI increase in the banking market would exceed DOJ Guidelines by a moderate amount.

Centura Bank is the largest depository institution in the Rocky Mount market, controlling deposits of \$733 million, representing approximately 34.4 percent of market deposits. Triangle Bank is the fourth largest depository institution in the market, controlling deposits of \$284.9 million, representing approximately 13.4 percent of market deposits. On consummation of the proposal, and after accounting for the proposed divestitures, Centura Bank would remain the largest depository institution in the market, controlling deposits of \$829.8 million, representing approximately 39 percent of market deposits. The HHI would increase

^{2/} The number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the level of concentration and magnitude of the increase in market concentration. See NationsBank Corporation, 84 Federal

277 points to 2323.

A number of factors indicate that the competitive effects of the proposal are not likely to be significantly adverse in the Rocky Mount market. After consummation of the proposal and the divestitures, ten depository institutions would operate in the market. Two depository institutions other than Centura Bank each would control more than 10 percent of market deposits and another three institutions each would control more than 5 percent of market deposits. In addition, the Rocky Mount banking market appears to be attractive for entry. In December 1998, a de novo savings bank began operations in the banking market, and another commercial savings bank has received a charter and plans to open in February 2000.

CBI does not propose any divestitures in the Duplin County market, and the post-consummation increase in the HHI would exceed the DOJ Guidelines by a small margin. Centura Bank is the second largest depository institution in the Duplin County market, controlling deposits of \$46.7 million, representing approximately 15.8 percent of market deposits. Triangle Bank is the sixth largest depository institution in the market, controlling deposits of \$19 million, representing approximately 6.5 percent of market deposits. After consummation of the proposal, Centura Bank would become the second largest depository institution in the market, controlling deposits of \$65.7 million, representing 22.3 percent of market deposits. The HHI would increase 204 points to 2910, and the market would remain highly concentrated.

Although consummation of this proposal would eliminate some existing competition, certain factors indicate that the competitive effects of the proposal are

Reserve Bulletin 129 (1998).

not likely to be significantly adverse. After consummation of the proposal, five depository institutions would remain in the Duplin County market, including a depository institution other than Centura Bank that would control 45.1 percent of market deposits. Two other depository institutions in the market would each control more than 10 percent of market deposits, and one would have a market share of more than 7 percent.

The Department of Justice has reviewed the proposal, including its effects on the Rocky Mount and Duplin County banking markets, and advised the Board that, in light of the proposed divestitures, consummation of the proposal likely would not have a significantly adverse effect on competition in any relevant banking market. The Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation have been afforded an opportunity to comment and have not objected to consummation of the proposal.

After carefully reviewing all the facts of record, including CBI's divestiture commitments and other the mitigating factors in the Rocky Mount and Duplin County banking markets, the Board concludes that consummation of the proposal would not result in any significantly adverse effects on competition or on the concentration of banking resources in the banking markets in which CBI and Triangle directly compete or in any other relevant banking market.

Other Considerations

In reviewing this proposal under the BHC Act and section 9 of the Federal Reserve Act the Board also has considered the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the communities to be served, and certain other supervisory factors. The Board has reviewed these factors in light of the record,

including supervisory reports of examination assessing the financial and managerial resources of the organizations and financial information provided by CBI. Based on all the facts of record, the Board concludes that the financial and managerial resources and the future prospects of CBI, Triangle, and their respective subsidiary banks are consistent with approval, as are the other supervisory factors the Board must consider. In addition, considerations related to the convenience and needs of the communities to be served,^{10/} including the records of performance of the institutions involved under the Community Reinvestment Act (12 U.S.C. ' 2901 et seq.), are consistent with approval of the proposal.^{11/}

Nonbanking Activities

CBI also has filed a notice under section 4(c)(8) of the BHC Act to acquire Triangle's wholly owned nonbanking subsidiary, Coastal Leasing, and thereby engage in leasing activities. The Board has determined by regulation that

^{10/} The Board received comments from the Southern Rural Development Initiative (SRDI) and the Community Reinvestment Association of North Carolina (CRANC), both in Raleigh, North Carolina. CRANC commented favorably on the records of CBI and Centura Bank in meeting the credit needs of communities in North Carolina, and commended CBI's interest in maintaining a presence in rural North Carolina banking markets. Both commenters stated that they were not protesting the proposal; nevertheless, they expressed concern about CBI's minority equity interest in a subprime lender. SRDI and CRANC noted, however, that CBI and the subprime lender appeared committed to conducting their operations in accordance with applicable law. CRANC also encouraged Centura Bank to improve its lending record to African Americans and in low-income communities, and noted that the bank intended to work with community groups to address concerns in these areas.

^{11/} Centura Bank, Triangle Bank, and Mecklenburg each received a rating of Satisfactory at their most recent CRA performance evaluations as of January 20, 1998, September 15, 1997, and September 14, 1998, respectively.

leasing is closely related to banking for the purposes of the BHC Act.^{12/} CBI has committed to conduct this nonbanking activity in accordance with the limitations set forth in Regulation Y and the Board's orders and interpretations governing leasing activities.

^{12/} See 12 C.F.R. 225.28(b)(3).

In order to approve a notice under section 4(c)(8) of the BHC Act, the Board also must determine that the proposed activities are a proper incident to banking, that is, that the proposal ~~A~~can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.^{13/}

As part of its evaluation of these factors, the Board considers the financial and managerial resources of the notificant and its subsidiaries, including the companies to be acquired, and the effect of the proposed transaction on those resources. For the reasons noted above, and based on all the facts of record, the Board has concluded that financial and managerial considerations are consistent with approval of the notice.

The Board also has considered the competitive effects of the proposed acquisition by CBI of Coastal Leasing. Because CBI does not currently compete with Coastal Leasing in its marketing area, the Board concludes that it is unlikely that significantly adverse competitive effects would result from the nonbanking acquisition proposed in the transaction.

The Board expects that the proposed transaction would give CBI an increased ability to serve the needs of its customers. In addition, there are public benefits to be derived from permitting capital markets to operate so that bank holding companies can make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in

^{13/} 12 U.S.C. ' 1843(c)(8).

the manner they consider to be most efficient when such investments are consistent, as in this case, with the relevant considerations under the BHC Act.

The Board also concludes that the conduct of the proposed nonbanking activity within the framework of Regulation Y and Board precedent is not likely to result in adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of public interest factors that the Board must consider under the proper incident to banking standard of section 4(c)(8) of the BHC Act is favorable and consistent with approval of this proposal.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the applications and notice should be, and hereby are, approved. The Board's approval is specifically conditioned on compliance by CBI with all the commitments made in connection with this application and with the conditions in this order, including CBI's divestiture commitments. The Board's determination on the nonbanking activity also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders thereunder. For purposes of this action, the commitments and conditions relied on by the Board in reaching its decision are deemed to be conditions imposed in writing by the Board in connection

with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The banking acquisitions shall not be consummated before the fifteenth calendar day following the effective date of this order, and the proposal shall not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond, acting pursuant to delegated authority.

By order of the Board of Governors,^{14/} effective January 27, 2000.

(Signed)

Robert deV. Frierson
Associate Secretary of the Board

^{14/} Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Kelley and Gramlich. Absent and not voting: Governor Meyer.

Appendix A

North Carolina Banking Markets in Which CBI and Triangle Directly Compete

Charlotte: Charlotte, North and South Carolina Rand McNally Marketing Area (ARMA@).

Columbus County: Columbus County.

Duplin County: Duplin County.

Durham: Durham, North Carolina RMA and the non-RMA portions of Durham and Orange Counties, and Chatham County.

Fayetteville: Fayetteville, North Carolina RMA and the non-RMA portion of Cumberland County.

Goldsboro: Goldsboro, North Carolina RMA and the non-RMA portion of Wayne County.

Granville County: Granville County, excluding the Durham RMA.

Greenville: Greenville, North Carolina RMA and the non-RMA portion of Pitt County.

New Bern: Craven, Pamlico, and Carteret Counties, and the eastern half of Jones County.

Raleigh: Raleigh, North Carolina RMA and the non-RMA portions of Franklin, Johnston, Wake, and Harnett Counties, excluding the Fayetteville RMA.

Richmond County: Richmond County.

Roanoke Rapids: Halifax and Northampton Counties.

Robeson County: Robeson County.

Rocky Mount: the Rocky Mount RMA, and the non-RMA portions of Edgecombe, Nash, and Wilson Counties.

Sanford: Lee County.

Warren County: Warren County.

Washington County: Washington County.

Wilmington: Wilmington, North Carolina RMA and the non-RMA portion of Brunswick County, excluding the Myrtle Beach-Conway RMA, and Pender County.

*A. Banking Markets Without Divestitures and HHIs Within DOJ Guidelines
Charlotte*

CBI is the tenth largest depository institution in the market, controlling deposits of approximately \$252.3 million, representing less than 1 percent of market deposits. Triangle is the eleventh largest depository institution in the market, controlling approximately \$196.7 million in deposits, representing less than 1 percent of market deposits. After consummation of the proposal, CBI would be the ninth largest depository institution in the market, controlling approximately \$449 million, representing 1.7 percent of market deposits. The HHI would increase 1 point to 3534.

Durham

CBI is the sixth largest depository institution in the market, controlling deposits of approximately \$197.1 million, representing 5.1 percent of market deposits. Triangle is the seventh largest depository institution in the market, controlling approximately \$160.6 million in deposits, representing 4.1 percent of market deposits. After consummation of the proposal, CBI would be the fifth largest depository institution in the market, controlling approximately \$357.6 million, representing 9.2 percent of market deposits. The HHI would increase 42 points to 1710.

Fayetteville

CBI is the fourth largest depository institution in the market, controlling deposits of approximately \$160.3 million, representing 10.8 percent of market deposits. Triangle is the eighth largest depository institution in the market, controlling approximately \$30.2 million in deposits, representing 2 percent of market deposits. After consummation of the proposal, CBI would be the third largest depository institution in the market, controlling approximately \$190.4 million, representing 12.8 percent of market deposits. The HHI would increase 44 points to 1942.

Goldsboro

CBI is the fourth largest depository institution in the market, controlling deposits of approximately \$88.4 million, representing 9.8 percent of market deposits. Triangle is the fifth largest depository institution in the market, controlling approximately \$72.1 million in deposits, representing 8 percent of market deposits. After

consummation of the proposal, CBI would be the third largest depository institution in the market, controlling \$160.5 million, representing approximately 17.9 percent of market deposits. The HHI would increase 157 points to 2215.

Greenville

CBI is the fifth largest depository institution in the market, controlling deposits of approximately \$100.3 million, representing 10 percent of market deposits. Triangle is the sixth largest depository institution in the market, controlling approximately \$47.9 million in deposits, representing 4.8 percent of market deposits. After consummation of the proposal, CBI would be the third largest depository institution in the market, controlling \$148.2 million, representing 14.8 percent of market deposits. The HHI would increase 95 points to 1754.

New Bern

CBI is the fifth largest depository institution in the market, controlling deposits of approximately \$85.6 million, representing 6.2 percent of market deposits. Triangle is the sixth largest depository institution in the market, controlling approximately \$58.6 million in deposits, representing 4.2 percent of market deposits. After consummation of the proposal, CBI would be the fourth largest depository institution in the market, controlling \$144.2 million, representing 10.4 percent of market deposits. The HHI would increase 51 points to 2123.

Raleigh

CBI is the seventh largest depository institution in the market, controlling deposits of approximately \$484.7 million, representing 6.4 percent of market deposits. Triangle is the eighth largest depository institution in the market, controlling approximately \$350.9 million in deposits, representing 4.7 percent of market deposits. After consummation of the proposal, CBI would be the fourth largest depository institution in the market, controlling \$835.6 million, representing 11.1 percent of market deposits. The HHI would increase 60 points to 1217.

Richmond County

CBI is the third largest depository institution in the market, controlling deposits of approximately \$50.7 million, representing 15 percent of market deposits. Triangle is the sixth largest depository institution in the market, controlling approximately \$16.3 million in deposits, representing 4.8 percent of market deposits. After consummation of the proposal, CBI would be the third largest depository institution in the market, controlling \$67 million, representing 19.8 percent of market deposits. The HHI would increase 144 points to 2379.

Robeson County

CBI is the sixth largest depository institution in the market, controlling deposits of approximately \$36.1 million, representing 5.5 percent of market deposits. Triangle is the fourth largest depository institution in the market, controlling approximately \$78.9 million in deposits, representing 11.9 percent of market deposits. After consummation of the proposal, CBI would be the third largest depository institution in the market, controlling \$115 million, representing 17.4 percent of market deposits. The HHI would increase 130 point to 2403.

Sanford

CBI is the second largest depository institution in the market, controlling deposits of approximately \$106.1 million, representing 19.6 percent of market deposits. Triangle is the eighth largest depository institution in the market, controlling approximately \$13.6 million in deposits, representing 2.5 percent of market deposits. After consummation of the proposal, CBI would be the second largest depository institution in the market, controlling \$119.7 million, representing 22.1 percent of market deposits. The HHI would increase 99 points to 2174.

Wilmington

CBI is the fifth largest depository institution in the market, controlling deposits of approximately \$227.9 million, representing 8.9 percent of market deposits. Triangle is the twelfth largest depository institution in the market, controlling approximately \$31.4 million in deposits, representing 1.2 percent of market deposits. After consummation of the proposal, CBI would be the fifth largest depository institution in the market, controlling \$259.3 million, representing approximately 10.2 percent of market deposits. The HHI would increase 22 points to 1539.

B. Banking Markets With Divestitures and HHIs Within DOJ Guidelines.

Columbus County

CBI is the second largest depository institution in the market, controlling deposits of \$66.6 million, representing approximately 14.4 percent of market deposits. Triangle is the fourth largest depository institution in the market, controlling deposits of \$47.2 million, representing approximately 10.2 percent of market deposits. CBI proposes to divest one branch with total deposits of approximately \$24.5 million to an in-market competitor. On consummation of the proposal, and after accounting for the proposed divestiture, CBI would remain the second largest depository institution in the market, controlling deposits of \$89.3 million, representing approximately 19.3 percent of market deposits. The HHI would increase 146 points to 3739.

Granville County

CBI is the third largest depository institution in the market, controlling deposits of \$50.6 million, representing approximately 20.2 percent of market deposits. Triangle is the fourth largest depository institution in the market, controlling deposits of \$40.1 million, representing approximately 16 percent of market deposits. CBI proposes to divest Triangle's two branches in the market to an out-of-market competitor. On consummation of the proposal, and after accounting for the proposed divestitures, CBI would remain the third largest depository institution in the market, controlling deposits of \$50.6 million, representing approximately 20.2 percent of market deposits. The HHI would remain unchanged at 2338.

Roanoke Rapids

CBI is the largest depository institution in the market, controlling deposits of \$190.7 million, representing approximately 36.3 percent of market deposits. Triangle is the fourth largest depository institution in the market, controlling deposits of \$39.1 million, representing approximately 7.4 percent of market deposits. CBI proposes to divest two branches with total deposits of approximately \$23.9 million to an out-of-market competitor. On consummation of the proposal, and after accounting for the proposed divestitures, CBI would remain the largest depository institution in the market, controlling deposits of \$205.9 million, representing approximately 39.2 percent of market deposits. The HHI would increase 183 points to 2772.

Warren County

CBI is the second largest depository institution in the market, controlling deposits of \$20.9 million, representing approximately 20.3 percent of market deposits. Triangle is the fourth largest depository institution in the market, controlling deposits of \$11.1 million, representing approximately 10.8 percent of market deposits. CBI proposes to divest Triangle's one branch in the market to an out-of-market competitor. On consummation of the proposal, and after accounting for the proposed divestiture, CBI would remain the second largest depository institution in the market, controlling deposits of \$20.9 million, representing approximately 20.3 percent of market deposits. The HHI would remain unchanged 3500.

Washington County

CBI is the third largest depository institution in the market, controlling deposits of \$26.4 million, representing approximately 23.8 percent of market deposits. Triangle is the second largest depository institution in the market, controlling deposits of \$30 million, representing approximately 27.1 percent of market deposits. CBI proposes to divest Triangle's two branches in the market to an out-of-market competitor. On consummation of the proposal, and after accounting for the proposed divestitures, CBI would remain the third largest depository institution in the market, controlling deposits of \$26.4 million, representing approximately 23.8 percent of market deposits. The HHI would remain unchanged at 2469.