

Comptroller of the Currency Administrator of National Banks

Licensing Operations

Western District Office 1225 17th Street, Suite 300 Denver, Colorado 80202-5534 (720) 475-7650 (720) 475-7691

Corporate Decision #2004-10
June 2004

DECISION OF THE COMPTROLLER OF THE CURRENCY (OCC) ON THE APPLICATION TO MERGE FIRST NATIONAL BANK AND TRUST, ST. JOHN, KANSAS WITH AND INTO AMERICAN STATE BANK & TRUST COMPANY, N.A., GREAT BEND, KANSAS UNDER THE CHARTER AND TITLE OF AMERICAN STATE BANK & TRUST COMPANY, NATIONAL ASSOCIATION.

Introduction

On April 15, 2004, application was made to the OCC for prior authorization to merge First National Bank and Trust, St. John, Kansas with and into American State Bank & Trust Company, N.A., Great Bend, Kansas, under the charter and title of American State Bank & Trust Company, N.A. This application was based on an agreement entered into between the proponents on March 12, 2004.

Participating Financial Institutions

As of 12/31/03 First National Bank and Trust had assets of \$50MM and deposits of \$38MM. American State Bank & Trust Company, N.A. had assets of \$106MM and deposits of \$89MM. First United Holding Company owns First National Bank and Trust and American State Bank & Trust Company, N.A. is owned by American State Bancshares, Inc.

Competitive Analysis

The relevant geographic market for this proposal is Stafford County, Kansas. This is the area where competition between First National Bank and Trust and American State Bank & Trust, N.A. is direct and immediate. Within this geographic area, American State Bank & Trust, N.A. operates one office in Macksville and First National Bank and Trust operates one office in St. John. Stafford County has a population of 4,662 as of 2002. The OCC considers an area with such a small population to be economically insignificant from a competitive standpoint. (See decision of the OCC on the application to merge National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983.) Because the OCC does not recognize the market as being

economically significant, any anti-competitive effects resulting from this transaction are considered de minimis.

Banking Factors

The Bank Merger Act requires the OCC to consider "....the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of American State Bank & Trust Company, N.A. and the First National Bank and Trust do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served. No branches or services will be eliminated as a result of this combination.

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-and moderate-income neighborhoods, is less than satisfactory.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. § 1828(c) and/or 12 C.F.R. § 5.33, and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

/s/ Geryl Race	5/27/04
Geryl Race, Acting Licensing Manager	Date