



Comptroller of the Currency
Administrator of National Banks

Midwestern District Office
2345 Grand Boulevard, Suite 700
Kansas City, MO 64108

Corporate Decision #99-39 December 1999

Decision Document

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION TO PURCHASE THE ASSETS AND ASSUME THE LIABILITIES OF THE “HARPER” AND “MAYFIELD” BRANCHES OF HILLCREST BANK, OVERLAND PARK, KANSAS BY THE FIRST NATIONAL BANK OF ANTHONY, ANTHONY, KANSAS, UNDER THE CHARTER AND TITLE OF THE FIRST NATIONAL BANK OF ANTHONY.

Introduction

On November 2, 1999, application was made to the Comptroller of the Currency for prior authorization to purchase the assets and assume the liabilities of the “Harper” and “Mayfield” branches of Hillcrest Bank, Overland Park, Kansas 66214 by The First National Bank of Anthony, Anthony, Kansas 67003 under the charter and title of The First National Bank of Anthony (hereinafter “First National Bank”). This application was based on an agreement entered into between the proponents on November 1, 1999.

Participating Financial Institutions

As of September 30, 1999, the two offices of Hillcrest Bank subject to the purchase and assumption agreement had total deposits of \$27.5 million. On the same date, First National Bank had total deposits of \$46.1 million and operated two offices. First National Bank is 100% owned and controlled by First SCK Financial Corporation, a one-bank holding company.

Competitive Analysis

First National Bank does not operate a branch in Sumner County, where the Mayfield branch of Hillcrest Bank operates. Therefore, consummation of this transaction would result in the replacement of one competitor by another in that market.

For analyzing the competition where the two banks compete, the relevant geographic market for this proposal is Harper County, Kansas, the area from which the Harper branch of Hillcrest Bank derives

the bulk of its deposits. This is an area with a population of approximately 7,124.¹ The

OCC considers an area with such a small population to be economically insignificant from a competitive standpoint. (See decision of the Comptroller of the Currency on the application to merge the National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983.) Therefore, because the OCC does not recognize the market as being economically significant, any anticompetitive effects that may result from this transaction are considered de minimis.

Accordingly, consummation of this transaction would not have a significantly adverse effect on competition in any market.

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 First National Bank and Hillcrest 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. The branches to be acquired will remain open, and no products or services will be discontinued. Therefore, the resulting bank is expected to meet the convenience and needs of the community to be 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- and moderate-income neighborhoods, is less than satisfactory.

Conclusion

We have analyzed this proposal pursuant to the Bank Merger Act (12 USC 1828(c)) and/or 12 CFR 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/
Ellen Tanner Shepherd
Licensing Manager

Dated: 12-02-99

¹ Based on 1990 U.S. Bureau of the Census data. Based on Bureau estimates as of July 1, 1998, the population declined to approximately 6,430.

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