



Comptroller of the Currency
Administrator of National Banks

Licensing Activities

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Corporate Decision 2004-13 August 2004

DECISION OF THE COMPTROLLER OF THE CURRENCY (OCC) ON THE APPLICATION BY CENTRAL NATIONAL BANK, JUNCTION CITY, KANSAS, TO ACQUIRE THE BELOIT, KANSAS BRANCH OFFICE OF LANDMARK NATIONAL BANK, MANHATTAN, KANSAS.

Introduction

On June 22, 2004, application was made to the OCC for prior authorization for Central National Bank, Junction City, Kansas to acquire the liabilities and certain assets of the Beloit, Kansas branch office of Landmark National Bank, Manhattan, Kansas. This application was based on an agreement entered into between the proponents on June 15, 2004.

Participating Financial Institutions

As of March 31, 2004 Central National Bank had assets of \$569 million and deposits of \$484 million. Landmark National Bank had assets of \$328 million and deposits of \$263 million. Central National Bank is owned by Central of Kansas, Inc., and Landmark National Bank is owned by Landmark Bancorp, Inc.

Competitive Analysis

The relevant geographic market for this proposal is Mitchell County, Kansas. This is the area where competition between Central National Bank and Landmark National Bank is direct and immediate. Within this geographic area, Central National Bank operates three offices, in Beloit, Tipton, and Glen Elder, Kansas. Landmark National Bank operates one office in Beloit, Kansas. Mitchell County has a population of approximately 6,230 as of 2000. 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 Central National Bank and Landmark National 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 and the resulting bank is expected to meet the convenience and needs of the community to be served. The acquired branch at 125 N. Mill Street, Beloit, Kansas will be consolidated with Central National Bank's existing Beloit office at 120 East Main Street, Beloit, Kansas. The locations are approximately two city blocks apart.

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.

signed

Ellen Tanner Shepherd
Licensing Manager

July 28, 2004

Date

2004-WE-02-0030