



A neighbor. A banker. A friend.

A special message from Rocky

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Member FDIC



This is by far the most important newsletter that I have written. Since September 2010, I have been looking at my succession plan which included the possibility of someone acquiring our bank.

In the acquisition formula, I had 4 goals:

1. The Stockholders of Rose Hill Bank would WIN
2. The acquiring party would WIN
3. The employees would WIN
4. Our customers would WIN

On August 12, 2011, American State Bancshares submitted to the regulatory authorities for approval to purchase Rose Hill Bank.

American State Bancshares is a multi-bank holding company with two Kansas bank charters, American State Bank & Trust in Great Bend and Peoples Exchange Bank in Belleville. They had in their 2010 Strategic Plan the possibility of acquiring a well run bank.

American State Bancshares is seeking to acquire us because we bring expertise, resources and diversification to their existing structure. They have prominent Directors and Stockholders in the Wichita area who have seen how we do business and who recognize the benefits this acquisition can provide. Our strengths on the consumer and real estate lending side complement their strengths in agriculture and energy. Together we have more to offer customers, employees and shareholders alike. Rose Hill Bank will be their third Kansas bank charter. If approved, the acquisition of our bank will bring the consolidated assets of the holding company to over \$620 million. We both hold customer service to the highest degree.

Although ownership will change, our name, employees and locations won't. We will continue to do business as "Rose Hill Bank" and you can expect the overall operation of the bank to continue as usual. This means our way of banking (loan officers at all locations, no centralized lending, phones being answered by a person, no skeleton crews at the branch locations, competitive rates, people being treated like people, etc.) won't change. Your account numbers, direct deposits and communications with the bank will remain the same.

You will still be a customer of Rose Hill Bank and will be dealing with the same employees you have been accustomed to. I really don't expect our business model to change.

If approved, the acquisition could be finalized around December 1, 2011. I will continue my role as President and CEO until the management transition is completed (sometime in 2012). I will also continue to have a vested interest in the future of the bank, as I will be one of the larger stockholders and serve on the Rose Hill Bank's Board of Directors.

During my 32 years (17 years as President) at the bank I have come to think of you as friends not just customers. I know there comes a time in life that handing off the baton will benefit the team. American State is a conservative, well run institution. They have great leadership under Don LacKamp (President & CEO) and Lee Borck (Chairman of the Board). They will help Rose Hill Bank grow for years to come. They will provide more opportunities for our employees and more services for you.

In closing, I would like to say to you, May God Bless you and your family. Thank you for being my customer, but more importantly, thank you for being my friend.

Rocky Waitt

