

**CPP ANNUAL USE OF CAPITAL SURVEY - 2010**



NAME OF INSTITUTION  
(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

Point of Contact:	Donald D. Kinley, EVP	RSSD: (For Bank Holding Companies)	1250398
UST Sequence Number:	505	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,000,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	N/A	City:	Gering
Date Repaid <sup>1</sup> :	N/A	State:	Nebraska

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

**Increase lending or reduce lending less than otherwise would have occurred.**

Average loans decreased by 6.6% from 2009 levels. Without CPP funds the organization would have been forced to reduce loans further.

**To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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**Increase securities purchased (ABS, MBS, etc.).**

With the reduction in loans the organization had excess funds to invest. These funds were invested in municipal securities, mortgage backed securities and SBA Securities

**Make other investments.**

**Increase reserves for non-performing assets.**

**Reduce borrowings.**

The organization reduced borrowings from the FHLB, but funds primarily came from an increase in core deposits.

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Increase charge-offs.

Empty response box for 'Increase charge-offs.'

Purchase another financial institution or purchase assets from another financial institution.

Empty response box for 'Purchase another financial institution or purchase assets from another financial institution.'

Held as non-leveraged increase to total capital.

The organization's subsidiary bank was able to increase total risk based capital from 11.7% at the end of 2009 to 13.0% at the end of 2010. This increase came from earnings retention and a decrease in risk based assets. The original CPP funds received in 2009 were used to increase Bank capital.

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**What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?**

The organization received its CPP funds in early 2009, and primarily used the funds to increase capital levels of its subsidiary bank. Without these funds the organization would have found it necessary to use other means to increase capital.

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**What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

The CPP funds allowed the organization to aggressively clean up non-performing assets on its subsidiary bank's balance sheet in both 2009 and 2010. All of the CPP funds received in 2009 were effectively used to increase capital levels of its subsidiary bank.

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**Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.**

A large, empty rectangular box with a black border, intended for the respondent to provide a detailed description of actions taken with the capital infusion of CPP/CDCI funds.