

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

| | | | |
|--------------------------------|-------------------|--|----------|
| Point of Contact: | Donald D. Kinley | 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: | 5,000,000 | Credit Union Charter Number: (For Credit Unions) | |
| Date Funded (first funding): | February 06, 2009 | City: | Gering |
| Date Repaid ¹ : | 2/15/2012 | State: | Nebraska |

¹If 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 2.5% from 2010 levels.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

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.).

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.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

Increase reserves for non-performing assets.

Reduce borrowings.

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

Increase charge-offs.

Charge-offs would not have been much different with or without the CPP funds, but the funds did help the organization meet minimum capital standards put in place by regulators.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

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, to 13.92% at the end of 2011. This increase came from earnings retention in 2010 and 2011. The original CPP funds rec. in 2009 were used to inc. capital.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

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

The organization received its CPP in 2009. The funds were used 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.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

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

Nothing. The funds were primarily used to strengthen the subsidiary bank's capital account.

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Express of Nebraska, Inc.

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

The organization was able to clean up non-performing assets most of which were discovered mid to late 2009, without having to worry about maintaining minimum capital standards.