



PUBLIC DISCLOSURE

November 4, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NebraskaLand National Bank
Charter Number 23645
121 North Dewey
North Platte, NE 68103

Office of the Comptroller of the Currency
13710 FNB Parkway, Suite 110
Omaha, NE 68154-5298

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

NebraskaLand National Bank satisfactorily meets the needs of its assessment areas (AAs).

- The loan-to-deposit (LTD) ratio is reasonable compared to similarly situated banks in the AAs.
- A majority of the bank's loans are originated within its AAs.
- The bank's distribution of loans among business and farms of different sizes and borrowers of different income levels is satisfactory.
- There was only one complaint regarding the bank's performance in meeting the credit needs of the AA. Management responded to the complaint appropriately.
- The bank's community development (CD) performance demonstrates excellent responsiveness to the CD needs in its AAs through CD loans, qualified investments, and services.

Scope of Examination

This Community Reinvestment Act (CRA) performance evaluation assessed the bank's record of meeting the credit needs of the communities in which it operates.

NebraskaLand National Bank was evaluated under the intermediate small bank examination procedures, which include a lending test and a CD test.

The lending test evaluates the bank's record of meeting the credit needs of its AAs through its lending activities. The evaluation period for the lending test covers loans originated or purchased from January 1, 2010 through December 31, 2011. Business and home loans are the bank's primary products. We randomly selected 20 loans for each of these primary products in the AAs to assess borrower distribution. We could not sample the primary products for the Hooker County AA due to an insufficient amount of loans originated in the AA to provide us with an adequate sample. We determined farm loans to be the primary product for this AA and sampled all farm loans originated during our evaluation period to assess borrower distribution. When making conclusions on overall performance, we gave equal weight to business, home, and farm lending. Additionally, we did not include the Buffalo County AA in the lending test as the branch in this AA had been open for less than four months.

In addition to lending performance, we evaluated the bank's responsiveness to CD needs. The evaluation period for the CD test covered lending activities, qualified investments, and services from May 19, 2008 through October 31, 2013. When

considering the bank’s performance, we placed greater emphasis on activity generated after January 1, 2011 as this was the date the bank became subject to intermediate small bank CRA procedures. We reviewed CD activity for all AAs including Buffalo County; however, Buffalo County received less weight given the fact the branch in this AA had been open for less than four months as of our review.

Description of Institution

NebraskaLand National Bank is a nationally chartered bank headquartered in North Platte, Nebraska. As of September 30, 2013, the bank had total assets of \$508 million and tier one capital of \$53 million. This bank is an interstate financial institution with seven full service branch locations serving Lincoln, Hooker, and Buffalo counties in Nebraska and Sweetwater County in Wyoming. Each full service branch has an automated teller machine (ATM). The bank has nine ATMs located throughout the AAs.

The bank is a wholly owned by NebraskaLand Financial Services Inc., a one-bank holding company located in North Platte, Nebraska. Since the last CRA evaluation, the holding company merged Commerce Bank of Wyoming into NebraskaLand National Bank in September 2009. Additionally, the bank opened a new branch in Kearney, Nebraska in July 2013.

The bank offers a full range of deposit and loan products and services to its customers. NebraskaLand National Bank’s business strategy is community banking, specializing in business lending. As of September 30, 2013, NebraskaLand National Bank reported total net loans of \$363 million and has a net loans and leases to total assets ratio of 68 percent. The following table summarizes the percentage of each loan type originated from January 1, 2010 through December 31, 2011.

Loan Type	% by Dollars of Loans Originated/Purchased During Evaluation Period	% by Number of Loans Originated/Purchased During Evaluation Period
Farm Loans	7	10
Consumer Loans	1	12
Home Loans	19	37
Business Loans	73	41
Total	100	100

Source: Bank Reports

There are no legal or financial impediments to NebraskaLand National Bank’s ability to meet the credit and community development needs of its AAs. The bank was rated Satisfactory at its last CRA examination dated May 19, 2008.

Conclusions with Respect to Performance Criteria

Lending Test

The bank's performance with regard to the lending test is satisfactory.

Loan-to-Deposit Ratio

NebraskaLand National Bank's average LTD ratio is reasonable given its size, financial condition, and AAs credit needs. The bank's quarterly LTD ratio averaged 89.7 percent over 21 quarters from June 30, 2008 to June 30, 2013. The low and high LTD ratios during that same period were 78.3 percent and 105.9 percent, respectively.

The bank's LTD ratio compares reasonably with other similarly situated institutions within the AAs. The average LTD ratio for three other financial institutions operating in the AAs was 93.7 percent, ranging from a low of 85.9 percent and a high of 105.9 percent.

Lending in Assessment Area

A majority of NebraskaLand National Bank's loans are made within the bank's AAs. Overall, the bank originated 72.5 percent by number and 76.8 percent by dollar amount of its primary products within its AAs. The following table details the bank's lending within the AAs by number and dollar amount of loans.

Lending in NebraskaLand National Bank AAs										
Loan Type	Number of Loans					Dollars of Loans (\$000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Business Loans	12	60.0	8	40.0	20	6,094	82.6	1,284	17.4	7,378
Home Loans	17	85.0	3	15.0	20	2,205	64.2	1,229	35.8	3,434
Total	29	72.5	11	27.5	40	8,299	76.8	2,513	23.2	10,812

Source: Bank reports

COMMUNITY DEVELOPMENT TEST

NebraskaLand National Bank demonstrates excellent responsiveness to CD needs throughout the AAs. CD activities target low- and moderate-income individuals and families.

Number and Amount of Community Development Loans

The bank originated 44 CD loans totaling \$18.8 million over the evaluation period.

Number and Amount of Qualified Investments

The bank made two qualified investments totaling \$2.1 million during the evaluation period. Additionally, the bank made \$79 thousand in donations and grants primarily benefiting low- and moderate-income individuals and distressed or underserved geographies.

Extent to Which the Bank Provides Community Development Services

The bank provides a satisfactory level of CD services throughout its AAs. Branch locations are reasonable, and the products and services offered by the bank help to meet the needs of the community. Employees provide their financial expertise to a variety of organizations that primarily benefit low- and moderate-income individuals or areas.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c) in determining a national bank's CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance.

We found no evidence or other illegal credit practices inconsistent with helping to meet community credit needs.

State Rating

State of Nebraska

CRA Rating for Nebraska: Satisfactory.

The Lending test is rated: Satisfactory.

The Community development test is rated: Outstanding.

The major factors supporting this rating include:

- The borrower distribution of loans among businesses and farms of different sizes and borrowers of different income levels is satisfactory.
- CD activity reflects an excellent responsiveness to CD needs throughout the State.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEBRASKA

The bank's AAs meet the requirements of the regulation and do not arbitrarily exclude low- or moderate-income (LMI) geographies. Due to the locations of NebraskaLand National Bank's branches, management has designated three AAs in the state of Nebraska.

Lincoln County AA

The Lincoln County AA includes all eight census tracts in Lincoln County, which is located in southwest Nebraska. There are two upper-income and six middle-income census tracts. According to the 2000 United States Census data, the total population of the AA is 34,642. The Housing and Urban Development 2011 weighted average median family income was \$56,200. Approximately 16 percent of families residing in the AA are low-income, 17 percent are moderate-income, 23 percent are middle-income, and 44 percent are upper-income. Ten percent of the AA households are below the poverty level.

The local economy is stable. The primary industries in the AA include farms, railroad companies, and government entities. The unemployment rate is low at three percent. Competition from other financial institutions is average. The bank's competitors include several local community banks, large regional institutions, and branches of large banks. NebraskaLand National Bank ranked first among these financial institutions in the percentage of deposits in the market.

We conducted one community contact with a local organization. The contact indicated the credit needs in the community include affordable housing for special interest groups. The contact indicated the banks in the AA meet the credit needs of the community.

Hooker County AA

The Hooker County AA consists of one census tract and is designated as a distressed and underserved middle-income nonmetropolitan geography located north of Lincoln County. According to the 2000 United States Census data, the total population of the designated AA is 783. The Housing and Urban Development 2011 weighted average median family income was \$56,200. Approximately 18 percent of families residing in the AA are low-income, 28 percent are moderate-income, 26 percent are middle-income, and 28 percent are upper-income. Ten percent of the AA households are below the poverty level.

The village of Mullen is the county seat of Hooker County. Mullen is home to two elite golf courses, which brings commerce and jobs to the AA. The unemployment rate in the designated AA is 0.80 percent. There is only one other bank in the AA. NebraskaLand National Bank held the majority of deposits in this market.

Buffalo County AA

The Buffalo County AA includes all eleven census tracts in Buffalo County located southeast of North Platte, Nebraska. There are four upper-income census tracts, six middle-income census tracts, and one moderate-income census tract. Buffalo County is a new AA for the bank and was not considered in the lending test analysis. However, if the bank generated any community development activities during the time the Kearney branch was in operation, we considered it for the community development test.

According to the 2010 United States Census data, the total population of the AA is 46,102. The Housing and Urban Development 2012 weighted average median family income was \$63,800. The local economy is stable and employment opportunities are diverse with farming, government, medical, and retail industries.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEBRASKA

LENDING TEST

The bank's performance under the lending test in Nebraska is rated Satisfactory.

Lending to Businesses and Farms of Different Sizes and Borrowers of Different Incomes

The overall borrower distribution of loans in the AAs is reasonable. We could not sample the bank's primary products for the Hooker County AA due to an insufficient amount of loans originated in the AA to provide us with an adequate sample. We determined farm loans to be the primary product for this AA and sampled all farm loans originated during our evaluation period to assess borrower distribution. When making

conclusions on overall performance, we gave equal weight to business, home, and farm lending.

Performance in the Lincoln County AA

NebraskaLand National Bank has reasonable distribution among small businesses of different sizes in the Lincoln County AA. The bank originated 80 percent by number and 51 percent by dollar volume to business operations with gross annual revenues less than \$1 million. The bank’s lending exceeds the demographic comparator, which shows 70 percent of the AA businesses with gross annual revenues less than \$1 million. There is a high percentage of businesses that did not report revenues.

The following table shows the distribution of loans to businesses of different sizes compared to AA demographics.

Borrower Distribution of Loans to Businesses in Lincoln County AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Business	70.2	2.3	27.6	100
% of Bank Loans in AA by #	80.0	20.0	0.0	100
% of Bank Loans in AA by \$	50.8	49.2	0.0	100

Source: 2011 Business Geodemographic Data

The distribution of home loans to borrowers of different income levels in the Lincoln County AA is poor. The bank’s percentage of home loans to low- and moderate-income borrowers is well below the demographic comparator. Discussions with management and the community contact revealed that affordable housing in Lincoln County is limited. Additionally, ten percent of Lincoln County households live below the poverty level and 28 percent of the housing in Lincoln County is rented, which contribute to the below average penetration to low- and moderate-income borrowers. Lastly, low-income families tend to have more difficulty qualifying for home loans given the industry’s conservative underwriting standards.

The following table shows the distribution of home loans among borrowers of different income levels as compared to the percent of families in each income category.

Borrower Distribution of Home Loans in Lincoln County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans						
Home Loans	16.23	5.0	16.7	5.0	23.1	10.0	44.0	70.0

Note: Sample contained one borrower that was a business, and it was not compared to demographic information
Source: 2000 U.S. Census

Performance in the Hooker County AA

NebraskaLand National Bank has reasonable distribution to farms of different sizes in the Hooker County AA. The bank originated 100 percent by number and 100 percent by dollar volume to farms with gross annual revenues less than \$1 million. The bank's lending is comparable to the demographic comparator, which also shows 100 percent of the AA farms have gross annual revenues less than \$1 million.

The following table shows the distribution of loans to farms of different sizes compared to AA demographics.

Borrower Distribution of Loans to Farms in Hooker County AA				
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Farms	100.0	0.0	0.0	100
% of Bank Loans in AA by #	100.0	0.0	0.0	100
% of Bank Loans in AA by \$	100.0	0.0	0.0	100

Source: 2011 Business Geodemographic Data

Geographic Distribution of Loans

A geographic analysis of the bank's AAs in the state of Nebraska was not meaningful as the AAs consist of only middle- and upper-income geographies. Future evaluations may include geographic distribution analysis given that the new Buffalo County AA currently has a moderate-income census tract.

Responses to Complaints

The bank received one CRA-related complaint originating from the Nebraska AAs since the previous CRA examination. Management appropriately responded to the complaint and maintains a copy of the response in the CRA public file.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Nebraska is rated Outstanding. The bank originated eight CD loans for a total of \$4,471,881. Additionally, the bank made 21 qualified CD investments totaling \$1,201,446. NebraskaLand National Bank provided CD services to seven different organizations during the evaluation period.

Performance in the Lincoln County AA

NebraskaLand National Bank demonstrated excellent responsiveness to the CD needs of this AA, considering its performance context and the needs and opportunities within the AA.

Performance in the Hooker County AA

NebraskaLand National Bank demonstrated adequate responsiveness to the CD needs of this AA, considering its performance context and the needs and opportunities within the AA.

Performance in the Buffalo County AA

NebraskaLand National Bank demonstrated adequate responsiveness to the CD needs of this AA, considering its performance context and the needs and opportunities within the AA.

Number and Amount of Community Development Loans

Performance in the Lincoln County AA

The bank originated six CD loans totaling \$3,786,881 over the evaluation period. The majority of loans were Small Business Administration (SBA) 504 loans totaling \$3,714,831. Proceeds were used to fund small businesses with the purpose of providing economic development and job creation. Since the bank is effectively meeting the credit needs of the AA, all SBA 504 loans were included as CD loans regardless of whether it was originated in the AA.

Performance in the Hooker County AA

The bank originated one CD loan for \$25,000 to fund a grocery store located in a distressed and underserved middle-income nonmetropolitan geography.

Performance in the Buffalo County AA

The bank originated one CD loan for \$660,000 to provide affordable housing to LMI individuals.

Number and Amount of Qualified Investments

Performance in the Lincoln County AA

The bank invested in a \$1,125,452 mortgage-backed security used to fund a low-income multifamily housing project.

Additionally, the bank donated \$50,994 to eight different organizations. The more notable donations include:

- \$24,000 donation to an organization providing affordable housing to LMI families.
- \$13,500 in donations to a local elementary school serving LMI children.
- \$12,500 in donations to an organization providing services to LMI individuals.

Performance in the Hooker County AA

The bank invested \$25,000 in a community center benefiting the local community, including LMI families in this distressed and underserved middle-income nonmetropolitan geography. The community center helps revitalize and stabilize the AA.

Performance in the Buffalo County AA

There are no CD investments or donations reported in this AA.

Extent to Which the Bank Provides Community Development Services

Performance in the Lincoln County AA

The bank has four full-service branch locations and five ATMs within the AA. While branches are not located within low- or moderate-income CTs, they are reasonably accessible to individuals of different income levels.

Bank employees provided 405 hours of CD services to the AA. Officers used their financial expertise to assist local organizations that provide affordable housing programs or serve LMI families. Additionally, a member of the bank provided 340 hours to a regional organization that provides extensive programs for affordable housing, economic development, and small businesses. This service has the potential to benefit all of NebraskaLand National Bank's AAs.

Performance in the Hooker County AA

The bank has one full-service branch and one ATM within the AA that reasonably service individuals of different income levels. Hooker County is designated as a distressed and underserved middle-income nonmetropolitan geography.

Bank employees provided 90 hours of CD services to a local community project that revitalized and stabilized the community. Additionally, a member of the bank provided 340 hours to a regional organization that provides extensive programs for affordable housing, economic development, and small businesses. This service has the potential to benefit all of NebraskaLand National Bank's AAs.

Performance in the Buffalo County AA

The bank has one full-service branch and one ATM within the AA. Although the branch is not located in a low- or moderate-income CT, the branch reasonably services individuals of different income levels.

A member of the bank provided 340 hours to a regional organization that provides extensive programs for affordable housing, economic development, and small businesses. This service has the potential to benefit all of NebraskaLand National Bank's AAs.

No other community development services were reported in this AA.

Responsiveness to Community Development Needs

Performance in the Lincoln County AA

NebraskaLand National Bank's CD activities demonstrate excellent responsiveness to the needs and opportunities in this AA. CD loans, investments, and services targeted LMI individuals and families in the AA and met the credit needs of the community.

Performance in the Hooker County AA

NebraskaLand National Bank's CD activities demonstrate adequate responsiveness to the needs and opportunities in this AA. The bank's CD activity in this AA helped revitalize and stabilize the community in this distressed and underserved middle-income nonmetropolitan geography. The bank satisfactorily met the credit needs of the community.

Performance in the Buffalo County AA

NebraskaLand National Bank's CD activities demonstrate adequate responsiveness to the needs and opportunities in this AA given the length of time the bank has been operating in the AA. The bank originated one CD loan to provide affordable housing. The bank did not have any specific CD investments or services that served this AA.

State Rating

State of Wyoming

CRA Rating for Wyoming: Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

The major factors supporting this rating include:

- The borrower distribution of loans among businesses and farms of different sizes and borrowers of different income levels is satisfactory.
- CD activity reflects an excellent responsiveness to CD needs throughout the state.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WYOMING

The bank's AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. Management has designated one AA in the state of Wyoming.

Sweetwater County AA

The Sweetwater County AA includes all twelve census tracts in Sweetwater County, which is located in southwest Wyoming. There are five upper-income and seven middle-income census tracts. The middle-income census tracts are designated as distressed nonmetropolitan geographies. According to the 2000 United States Census data, the total population of the AA is 37,613. The Housing and Urban Development 2011 weighted average median family income was \$67,400. Approximately 14 percent of families residing in the AA are low-income, 14 percent are moderate-income, 22 percent are middle-income, and 50 percent are upper-income. Seven percent of the AA households are below the poverty level.

The local economy is impacted by economic trends of the region as the county is centered around the mineral extraction industry. The majority of the county's workforce is employed by mining, petroleum, and power generation industries. The unemployment rate is low at four percent. Competition from other financial institutions is average. The bank's competitors include local community banks, large regional institutions, and branches of large banks. NebraskaLand National Bank ranked fifth among these financial institutions in the percentage of deposits in the market.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WYOMING

LENDING TEST

The bank’s performance under the lending test in Wyoming is rated Satisfactory.

Lending to Businesses of Different Sizes and Borrowers of Different Incomes

NebraskaLand National Bank has reasonable distribution among businesses of different sizes in the Sweetwater County AA. The bank originated 80 percent by number and 51 percent by dollar volume to business operations with gross annual revenues less than \$1 million. The bank’s lending exceeds the demographic comparator, which shows 70 percent of the AA businesses with gross annual revenues less than \$1 million. There is a high percentage of businesses that did not report revenues.

The following table shows the distribution of loans to businesses of different sizes compared to AA demographics.

Borrower Distribution of Loans to Businesses in Sweetwater County AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Business	69.1	2.9	28.0	100
% of Bank Loans in AA by #	65.0	35.0	0.0	100
% of Bank Loans in AA by \$	40.0	60.0	0.0	100

Source: 2011 Business Geodemographic Data

The distribution of home loans to borrowers of different income levels in the Sweetwater County AA is reasonable. The bank’s percentage of home loans to low- and moderate-income borrowers was satisfactory as it reasonably reflected the demographic comparator.

The following table shows the distribution of home loans among borrowers of different income levels as compared to the percent of families in each income category.

Borrower Distribution of Home Loans in Sweetwater County AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Loans	13.6	10.0	14.5	15.0	22.4	20.0	49.5	45.0

Note: Sample contained one borrower that was a business, and it was not compared to demographic information
 Source: 2000 U.S. Census

Geographic Distribution of Loans

A geographic analysis of the bank's AA in the state of Wyoming was not meaningful as the AA consists of only middle- and upper-income geographies.

Responses to Complaints

NebraskaLand National Bank has not received any CRA-related complaints from the Wyoming AA since the previous CRA examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the community development test in Wyoming is rated Outstanding.

Number and Amount of Community Development Loans

NebraskaLand National Bank originated 36 CD loans totaling \$14,383,187 over the evaluation period.

- The bank offers home loans through the USDA's Rural Development Program and originated \$5,849,982 to moderate-income borrowers to provide affordable housing.
- The bank originated \$8,533,205 SBA 504 loans with proceeds used to fund small businesses for the purpose of providing economic development and job creation. Since the bank is effectively meeting the credit needs of the AA, all SBA 504 loans were included as CD loans regardless of whether it was originated in the AA.

Number and Amount of Qualified Investments

The bank invested in a \$1,000,000 bond to build a community and recreation center in this distressed, middle-income, nonmetropolitan geography in order to revitalize the AA. Additionally, the bank donated \$2,550 to two different organizations.

Extent to Which the Bank Provides Community Development Services

The bank has one full-service branch and two ATMs within the AA. While the branch is not located within low- or moderate-income CTs, it reasonably serves individuals of different income levels.

A member of the bank provided 340 hours to a regional organization that provides extensive programs for affordable housing, economic development, and small businesses. This service has the potential to benefit all of NebraskaLand National Bank's AAs.

No other community development services were reported in this AA.

Responsiveness to Community Development Needs

NebraskaLand National Bank's CD activities demonstrate excellent responsiveness to the needs and opportunities in this AA. The bank originated CD loans providing affordable housing to moderate-income borrowers and made an investment in the community to revitalize the AA. The bank did not have any specific CD services that served this AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test: January 1, 2010 to December 31, 2011 Community Development Test: May 19, 2008 to October 31, 2013	
Financial Institution	Products Reviewed	
NebraskaLand National Bank North Platte, Nebraska	Business and Home Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Lincoln County AA Hooker County AA Sweetwater County AA Buffalo County AA	Full Scope Full Scope Full Scope Limited Scope	Considered in CD test only

Appendix B: Summary of State Ratings

	Lending Test Rating	Community Development Test Rating	Overall Bank/State Rating
NebraskaLand National Bank	Satisfactory	Outstanding	Satisfactory
Nebraska	Satisfactory	Outstanding	Satisfactory
Wyoming	Satisfactory	Outstanding	Satisfactory