



PUBLIC DISCLOSURE

November 04, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Amfirst Bank, National Association
Charter Number 8031

602 West B Street
McCook, NE 69001

Office of the Comptroller of the Currency

7101 College Boulevard
Suite 1600
Overland Park, KS 66210

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.

State Name: Colorado Rating: Satisfactory

State Name: Nebraska Rating: Satisfactory

The bank's overall rating is based on its state ratings and its bank-wide performance under the loan-to-deposit and lending in assessment area criteria.

AmFirst Bank, N.A. (AmFirst) has a satisfactory record of meeting community credit needs. This rating is based upon the following:

- A majority of the bank's loans were originated inside both Assessment Areas (AA).
- The average Loan-to-Deposit ratio is more than reasonable relative to peer.
- The geographic dispersion of loans reflects reasonable penetration in low to moderate-income (LMI) tracts for both the state of Nebraska and the state of Colorado.
- The overall borrower distribution of loans in the state of Nebraska is reasonable. The percentage of consumer loans reflects excellent penetration among LMI households and the percentage of loans to farms with revenues of \$1 million or less is reasonable. The borrower distribution of loans in the state of Colorado is poor.

Scope of Examination

We assessed the record of AmFirst in meeting the credit needs of the local community in accordance with the Community Reinvestment Act (CRA) for the period beginning November 2007 to December 2011. In order to determine the lending performance, we selected primary products based on both the number and dollar amount of loans originated between January 1, 2010 and December 21, 2011. Agricultural and consumer loans were determined to be the primary products in the Nebraska assessment area (AA); commercial loans were the primary product for the Colorado AA with respect to both number and dollar volumes. We selected a random sample of 20 loans of each type to evaluate lending performance within the AAs.

Description of Institution

AmFirst is a \$244 million financial institution with the main office located in McCook, NE. AmFirst has a total of five branches; three in Nebraska and two in Colorado. AmFirst is wholly owned by AmFirst Financial Services, Inc. The branches located in Nebraska focus primarily on agricultural and consumer lending; the Colorado offices primarily promote business products.

AmFirst offers traditional banking products, which are tailored to meet the needs of the individual assessment areas. As of September 30, 2013, loans totaled \$172 million and represented 70 percent of the bank's total assets. According to the September 30, 2013 Call Report, distribution of the loan portfolio is as follows: commercial (43.8 percent), agricultural (36.8 percent), residential real estate (15.3 percent), and consumer (8.5 percent).

There are neither any legal nor financial constraints which would impede AmFirst's CRA efforts. The previous CRA examination (November 13, 2007) rated the institution's performance as "Satisfactory." For additional information, please refer to the public file.

Conclusions with Respect to Performance Criteria

Loan-to-Deposit Ratio

AmFirst's average Loan-to-Deposit Ratio (LTD) is more than reasonable based on the size and lending opportunities available. The LTD, averaged over 20 quarters from December 30, 2008 to September 30, 2013, is 90.12 percent. In comparison to fifteen similarly situated banks, the LTD is above average. The peer group's average LTD is 83 percent.

Lending in Assessment Area

Lending within the AAs exceeds the standards for satisfactory performance. A majority of sampled loans were originated inside both AAs with 90 percent by number and 85 percent by dollar volume. The following table depicts the lending activities within the AA during the evaluation period.

Lending in the Assessment Area										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Agricultural	19	95%	1	5%	20	\$917,898.65	92%	\$80,000	3%	\$997,899
Consumer	18	90%	2	10%	20	\$260,448	94%	\$17,153	6%	\$277,601
Commercial	17	85%	3	15%	20	\$5,243,525	84%	\$1,031,220	16%	\$6,274,746
Total	54	90%	6	10%	60	\$6,421,873	85%	\$1,128,373	15%	\$7,550,247

Source: loan sample

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or C.F.R 195.28(c), in determining a national bank's (bank) or federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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

Nebraska Assessment Area

The Nebraska AA includes a total population of 74,645 persons; 5 percent of which are minority. There are 30,809 households (HHs), and 35,335 total housing units in the AA. AA tract characteristics are as follows: low (0 percent), mod (5 percent), middle (86 percent), and upper (9 percent). Eleven percent of HHs are reported as below the poverty level, and one percent are non-English speaking HHs. The weighted average HUD median family income is \$53,945. Non-farm businesses represent 85 percent of the AA's businesses, with farms accounting for the remainder. Business composition by employee size is as follows: 1-4 (70 percent), 5-9 (6 percent), 10-19 (3 percent), 20-49 (2 percent), and 50 and above (1 percent); the remainder were not reported. Seventy-one percent of local businesses reported revenues below \$500,000. Primary industries include: services, agriculture, retail trade, and finance. For additional details, refer to the chart below.

According to local contacts, the local economy has experienced a period of prosperity over the past several years. Regional agricultural prices remain strong; these profits flow into Main Street enterprises and support commercial growth. As such, retail revenues have been stable, and sales tax revenues have increased. Regional health care and construction projects have also done well in recent years. Unemployment remains low and many local businesses have excess capital with which to make investments. Primary employers include: Parker Hannifan, Valmont Industries, Burlington Northern, the hospital, school system, and government.

Community contacts indicated that there might be some opportunities for local financial institutions to finance tax-increment funding bonds or provide venture capital to start-up firms.

Borrower Distribution

The overall borrower distribution in the state of Nebraska is reasonable.

Agriculture Loans

The borrower distribution of loans to farms indicates reasonable penetration. Ninety percent of the number and 69 percent of the dollar volume are to farms with revenues under \$1 million. These percentages, while below the demographic information, meet the standard for borrower

distribution. Additionally, both number and dollar volumes have improved since the previous CRA examination. Refer to the table below for additional information.

Borrower Distribution of Loans to Farms in Nebraska AA		
Farm Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Farms*	98%	2%
% of Bank Loans in AA by #	90%	10%
% of Bank Loans in AA by \$	69%	31%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

Consumer Loans

The borrower distribution of loans to consumers indicates excellent penetration among low- to moderate-income (LMI) households. Consumer loans to low-income households significantly exceed demographics given that 11 percent of households are below the poverty level. Loans to moderate-income households also significantly exceed the demographic percentages. Refer to the table below for more information.

Borrower Distribution of Consumer Loans in Nebraska AA								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	22.89%	20%	17.81%	30%	20.69%	25%	33.61%	25%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

Geographic Distribution of Loans

The overall geographic distribution of loans in the state of Nebraska is reasonable. Primary weight is given to agricultural loans since less than 2 percent of households are in moderate-income tracts. There are no low-income tracts in this AA.

Agricultural Loans

AmFirst demonstrates excellent geographic dispersion of agricultural loans throughout the Nebraska AA. Loans to farms located in moderate- income tracts exceed the geographic percentages of farms located in such tracts. Refer to the table below for additional information.

Geographic Distribution of Loans to Farms in Nebraska AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans	% of AA Farms	% of Number of Loans
Agricultural	0%	0%	2.1%	10%	87.5%	90%	10.4%	0%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

Consumer Loans

AmFirst demonstrated poor performance in moderate census tracts. The bank did not originate any loans in these geographies. Refer to the table below for details.

Geographic Distribution of Consumer Loans in Nebraska AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans	% of AA Households	% of Number of Loans
Consumer Loans	0%	0%	1.52%	0%	88.19%	100%	10.29%	0%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

Responses to Complaints

The Office of the Comptroller of the Currency and the bank did not receive any complaints about its CRA performance during the evaluation period.

Colorado Assessment Area

The Denver AA includes a total population of 2,092,289 persons; 30 percent of which are minority. There are 820,202 households, and 850,747 total housing units in the AA. AA tract characteristics are as follows: low (4 percent), mod (28 percent), middle (39 percent), and upper (29 percent). Seven percent of HHs are below poverty level, and 12 percent are non-English speaking HHs. The weighted average HUD median family income is \$75,900. Non-farm businesses represent 98 percent of the AA, with farms accounting for the remainder. Local business composition by employee size is as follows: 1-4 (64 percent), 5-9 (5 percent), 10-19 (3 percent), 20-49 (2 percent), and 50 and above (1 percent); the remainder were not reported. Sixty-six percent of local businesses reported revenues below \$500,000. Primary industries include: services, finance, retail trade, and construction.

The Denver economy continues to recover from the recent economic downturn. Economic indicators continue to improve and normalize. Major employers include the University of Colorado, government, local school systems, Centura Health, Lockheed Martin, Coors Brewing Company, Comcast, Denver Health, and Ball Corporation.

Community contacts indicated the community was in need of small business loans, working capital loans for non-profits at reasonable rates, and micro-loans.

Borrower Distribution

Commercial Loans

Based on the sample of 20 business loans in the Colorado AA, the borrower distribution of loans is poor. The percentage of bank loans to businesses with revenues of \$1 million or less is significantly below demographics by both number and dollar volume.

Borrower Distribution of Loans to Businesses in Colorado AA		
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000
% of AA Businesses*	69%	3%
% of Bank Loans in AA by #	40%	60%
% of Bank Loans in AA by \$	16%	84%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

**29% of businesses did not report revenue*

Geographic Distribution of Loans

Commercial Loans

AmFirst demonstrates reasonable geographic dispersion of commercial loans throughout the Colorado AA. Performance in low-income tracts is excellent and exceeds demographics. Performance in moderate-income tracts is reasonable. Refer to the table below for additional information.

Geographic Distribution of Loans to Businesses in Colorado AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans*	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Commercial	4.10%	5%	27.93%	25%	38.67%	20%	28.52%	50%

Source: Bank Reports; 2011 Business Geodemographic Data; 2000 US Census

Responses to Complaints

The Office of the Comptroller of the Currency and the bank did not receive any complaints about its CRA performance during the evaluation period.