

STATE OF NEBRASKA
Department of Banking & Finance

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| IN THE MATTER OF the Application of) | FINDINGS OF FACT |
| First State Bank Nebraska, Lincoln,) | |
| Lancaster County, Nebraska, to Establish a) | CONCLUSIONS OF LAW |
| Branch at 6457 Frances Street, Suite 180,) | |
| Omaha, Douglas County, Nebraska) | AND ORDER |

THIS MATTER comes to the attention of the Nebraska Department of Banking and Finance (“Department”) pursuant to an application filed by First State Bank Nebraska, 2701 Grainger Parkway, Lincoln, Lancaster County, Nebraska (“First”), to establish a branch at 6457 Frances Street, Suite 180, Omaha, Douglas County, Nebraska.

Being fully advised in this matter, the Department, by and through its Director (“Director”), makes the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. On July 16, 2024, First submitted an application to the Department to establish a branch at 6457 Frances Street, Suite 180, Omaha, Douglas County, Nebraska, pursuant to Neb. Rev. Stat. § 8-157 (Reissue 2022).
2. The Department examined the application for form and accepted the application for filing as being substantially complete on July 19, 2024.
3. First filed additional information and documentation with the Department on August 9, 2024, pursuant to instruction from the Department.
4. Notice of the filing of the application was published in the Lincoln Journal Star, Lincoln, Lancaster County, Nebraska, on July 26, 2024, and in The Daily Record, Omaha, Douglas County, Nebraska, on July 26, 2024. The notice stated (i) that objections to the application must

be filed with the Department within fifteen days after the date of publication, and (ii) if substantive objections to the application were filed with the Department, the matter would be scheduled for hearing.

5. No objections to the application were filed with the Department within the fifteen-day time period.

6. First submitted information regarding its business plan and describing the activities to be conducted and the services to be provided at the proposed branch. The proposed branch will be a full-service office.

7. First's business plan shows that the activities and services of the proposed branch do not differ from activities and services presently conducted and provided by First at its other offices. In addition to its main office, First currently operates branches in Cass, Gage, Lancaster, Saline, and Saunders counties, Nebraska.

8. First's business plan indicates that the proposed branch will have adequate staffing and supervision.

9. First will lease space in an existing facility as the site of the new branch. First intends to sublease a portion of the leased space to an affiliated party. First projects an opening date for the branch in October 2024.

10. First submitted an analysis of the projected financial impact the branch will have on First, including pro forma financial statements for the first three years of operation.

11. First has demonstrated that the proposed branch is financially feasible and will not adversely affect First's condition.

12. First proposes to name this branch "First State Bank Nebraska."

13. The proposed name is not similar to the name of any unaffiliated bank or branch in Omaha, Nebraska, or in Douglas County, Nebraska.

14. First does not own or control more than twenty-two percent of the total deposits in Nebraska, nor is it a subsidiary of a bank holding company that owns or controls more than twenty-two percent of the total deposits in Nebraska.

15. The Federal Reserve Bank (“FED”) is First’s primary federal regulator. As such, First filed an application with the FED for approval of the proposed branch. The FED is reviewing the application at this time. Deposit accounts in the proposed branch will, accordingly, be insured by the Federal Deposit Insurance Corporation.

16. First has paid the branch application fee required by Neb. Rev. Stat. § 8-602 (Supp. 2023) to the Department.

CONCLUSIONS OF LAW

1. A decision on whether to approve a bank’s application to establish a branch is to be based on the facts and circumstances surrounding each application, Nebraska law, and the Department’s Rules.

2. Neb. Rev. Stat. § 8-157(2)(a)(i) (Reissue 2022) allows any state-chartered bank located in Nebraska, with the approval of the Director of the Department, to establish and maintain an unlimited number of branches in Nebraska at which all banking transactions allowed by law may be made, unless the bank falls within the limitation provided by Neb. Rev. Stat. § 8-157(2)(a)(ii) (Reissue 2022).

3. Neb. Rev. Stat. § 8-157(2)(a)(ii) (Reissue 2022) restricts the branching rights of a bank which owns or controls more than twenty-two percent of the total deposits in Nebraska, or which

is a subsidiary of a bank holding company that owns or controls more than twenty-two percent of such deposits.

4. Based on Finding of Fact No. 13, First is eligible, with the approval of the Director of the Department, to establish and maintain an unlimited number of branches in Nebraska at which all banking transactions allowed by law may be made, as it does not fall within the limitation provided by Section 8-157(2).

5. 49 NAC 3 provides that an applicant for a bank branch must submit to the Department a written business plan which contains a description of the activities to be conducted and the services to be provided at the proposed branch; a discussion of the expertise available to the applicant if the proposed activities and services differ from applicant's existing business; and a showing of adequate staffing and supervision. The applicant must also provide an analysis of the financial feasibility of the proposed branch, including three years' worth of pro forma financial statements.

6. Based on Findings of Fact Nos. 6 through 11, inclusive, First has made the required submissions under 49 NAC 3. Based on those submissions and the application, the Department concludes that First has the expertise to conduct a full-service branch at the proposed location; that the office will be adequately staffed and supervised; and that First has demonstrated the financial feasibility of the proposed branch.

7. Neb. Rev. Stat. § 8-1902 (Reissue 2022) provides that it is unlawful for two or more financial institutions in the same city, village, or county to have or use the same name or names so similarly alike, as to cause confusion in the transaction of business.

8. Neb. Rev. Stat. § 8-157(6) (Reissue 2022) provides that the name given to any branch shall not be substantially similar to the name of any existing unaffiliated bank or branch located in the same municipality and that the Director of the Department shall approve the name.

9. Based on Findings of Fact Nos. 12 and 13, the Director concludes that the name of the branch complies with the limitations and requirements of Section 8-1902 and Section 8-157(6).

10. Based on the facts and circumstances as disclosed by the record in this matter, the Department concludes that the application for the proposed branch should be approved.

ORDER

IT IS THEREFORE ORDERED that the application of First State Bank Nebraska, 2701 Grainger Parkway, Lincoln, Lancaster County, Nebraska, to establish a branch at 6457 Frances Street, Suite 180, Omaha, Douglas County, Nebraska, under the name “First State Bank Nebraska,” be, and hereby is, approved, subject to the following conditions:

1. The branch is established and in full operation by April 1, 2025, or the approval for the branch shall be null and void, unless good cause is shown to the Department in writing for an extension of the time period, and the Department approves such extension in writing.

2. First shall notify the Department in writing of the effective date of the opening of the branch, and shall do so at least five days prior thereto.

3. No material change occurs in First’s condition prior to the date on which the branch is established and in full operation.

4. The Department reserves the right to amend, suspend, or withdraw its approval should any development occur prior to the effective date of the opening of the branch which the Department deems of sufficient significance to warrant such action.

DATED this 16th day of August, 2024.



**STATE OF NEBRASKA
DEPARTMENT OF BANKING AND FINANCE**

DocuSigned by:

Kelly Lammers

By:

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Kelly Lammers, Director

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