

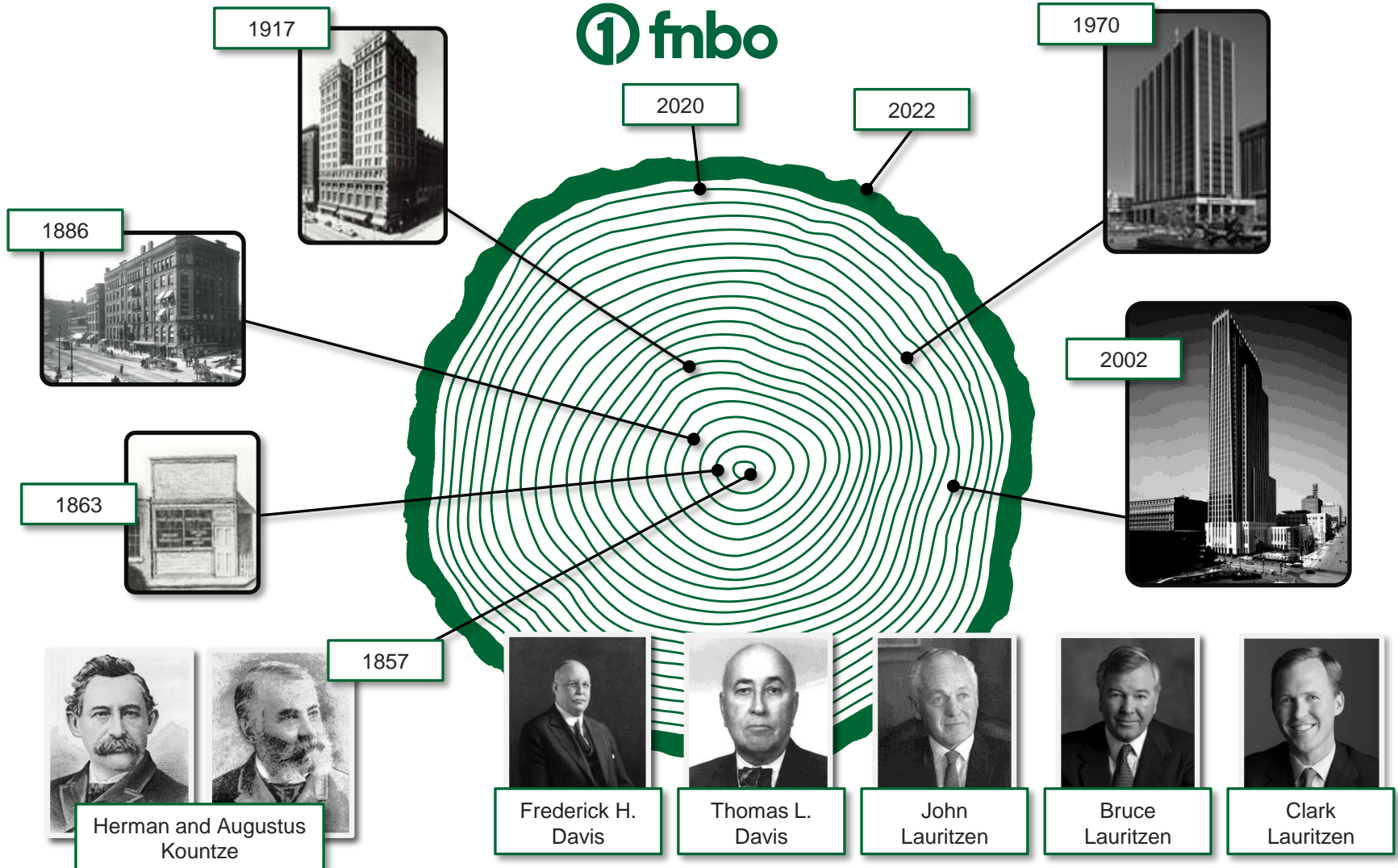
# ANNUAL SHAREHOLDERS' MEETING

May 17, 2023



# Our History

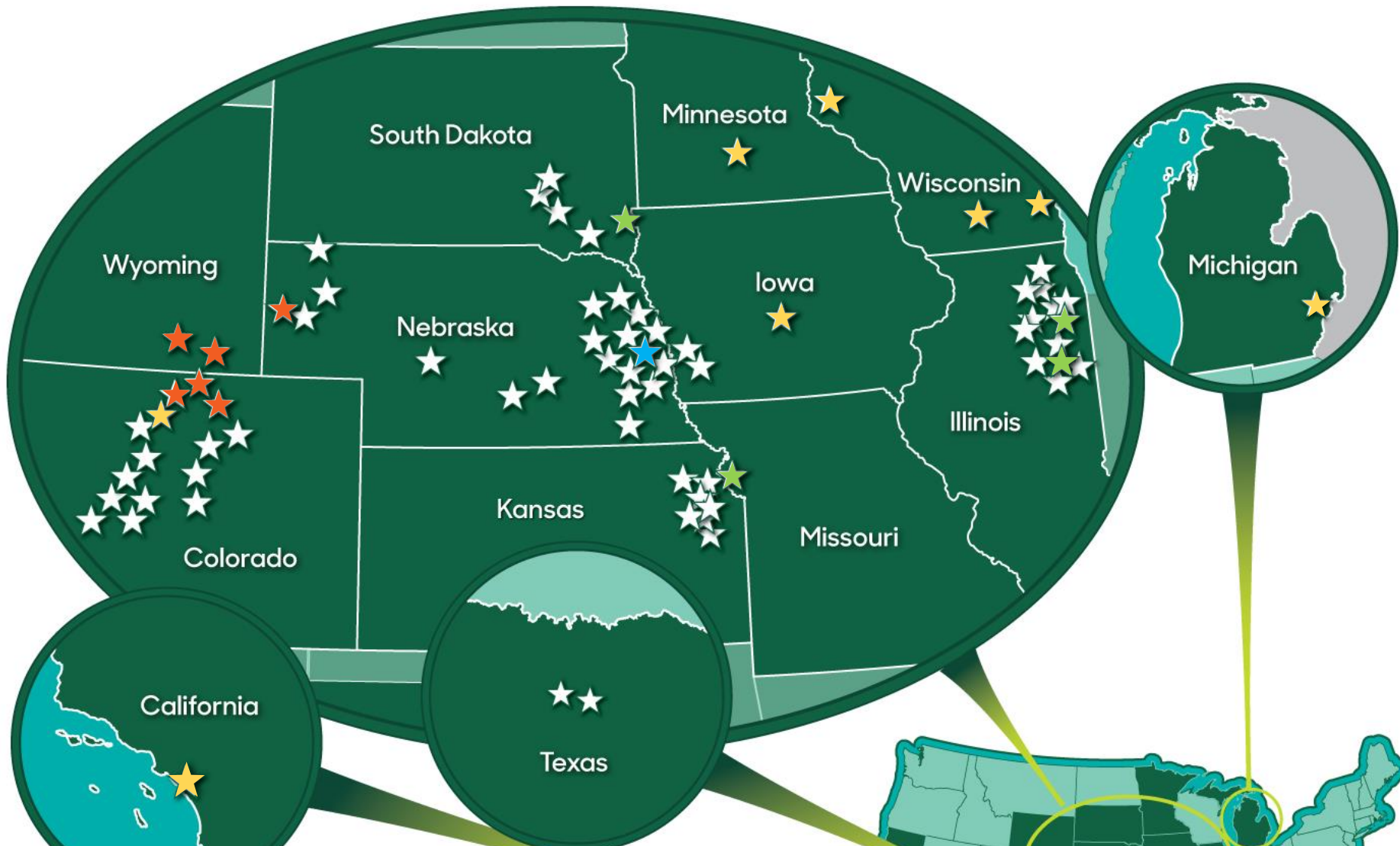
# 165-YEAR HISTORY 6 GENERATIONS FAMILY OWNERSHIP



# Our Focus



Our primary purpose is to improve our customers' financial wellbeing. A financially well customer feels in control of their finances and on-track toward their goals.







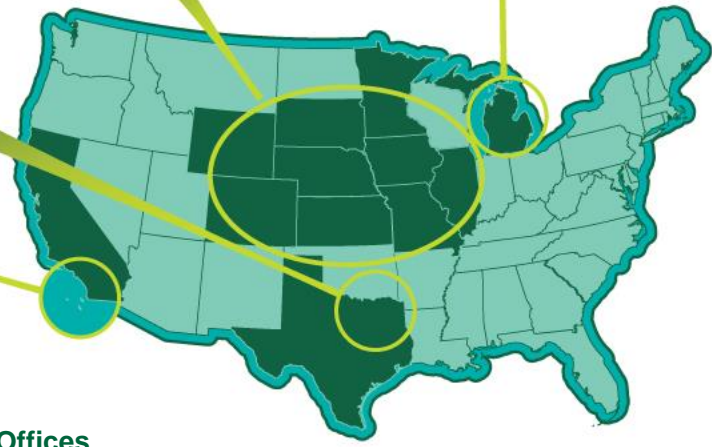









Loan Production Offices



# Our Employees





# Our Communities

# For more than 165 years, FNBO has been committed to doing what's right for our customers, communities & employees.

We envision a future where all our communities are strong and successful. To achieve this, everyone must have the ability to reach their goals and improve their financial well-being.

We embrace our responsibility as an employer, bank, and partner to advance the spirit of belonging, inclusion, diversity, and equity among historically underserved populations.

Our philanthropy, community investments, loans, and banking solutions work to create meaningful impacts toward our four community goals.

## OUR INVESTMENTS MADE POSITIVE IMPACTS

### HOUSING

75

Veterans Now Own a Home



1,280

First-time Homebuyers



2,076

LMI Families Purchased a Home



307

Minority Families Now Own a Home

### FINANCIAL PROSPERITY

15,667

Individuals Are Closer to Financial Well-being



### SMALL BUSINESS

6,735

Small Business Loans Made in Majority-Minority Neighborhoods



\$193M

Goods/Services Purchased From Small Businesses



950

Women-, Minority- and Veteran-Owned Businesses Supported

### ENVIRONMENTAL SUSTAINABILITY

\$2.5M

Invested in Energy-Efficient Operational Improvements



2.8 MILLION POUNDS

Waste Diverted From Landfills



29% REDUCTION in GHG Achieved

# The Franchise

# Best in Our Communities

It's an honor to be named one of the best banks and to be recognized for our dedication, integrity and service by the communities we call home. Proud to have been ranked second by J.D. Power 2023 U.S. Retail Banking Satisfaction Study for the Lower Midwest. As part of FNBO's promise to be customer-led, earning awards and accolades from our customers is what they can expect from doing business with the great big, small bank.

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# Earnings

(\$ in millions)

	2020	2021	2022	FY22 vs. FY21 % Change
Net Interest Income	\$ 1,198	\$ 1,164	\$ 1,456	25%
Non-Interest Income	442	\$ 534	\$ 435	-19%
<b>Total Revenue</b>	<b>1,641</b>	<b>\$ 1,698</b>	<b>\$ 1,891</b>	<b>11%</b>
Non-Interest Expense	929	\$ 1,057	\$ 1,151	9%
<b>Pre-Provision Net Revenue</b>	<b>712</b>	<b>\$ 641</b>	<b>\$ 740</b>	<b>16%</b>
Partner Provision	299	\$ 14	\$ 330	2252%
Individual Provision	3	\$ (0)	\$ 4	-1137%
Business Provision	29	\$ (7)	\$ (10)	52%
<b>Total Provision</b>	<b>331</b>	<b>\$ 7</b>	<b>\$ 323</b>	<b>4579%</b>
Net Income Before Taxes	380	\$ 634	\$ 417	-34%
Taxes	84	\$ 140	\$ 95	-33%
<b>Net Income After Taxes</b>	<b>\$ 296</b>	<b>\$ 493</b>	<b>\$ 323</b>	<b>-35%</b>



# Selected Balance Sheet Data

<i>(\$ in millions)</i>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Partner Loans	\$6,732	\$7,248	\$9,590
Individual Loans	1,658	1,375	1,647
Business Loans	8,234	8,126	8,701
Total Loans	\$16,621	\$16,759	\$19,931
Total Assets	\$24,817	\$26,892	\$28,351
Deposits	\$20,762	\$22,914	\$24,343
Stockholders' Equity	\$2,699	\$2,932	\$2,846

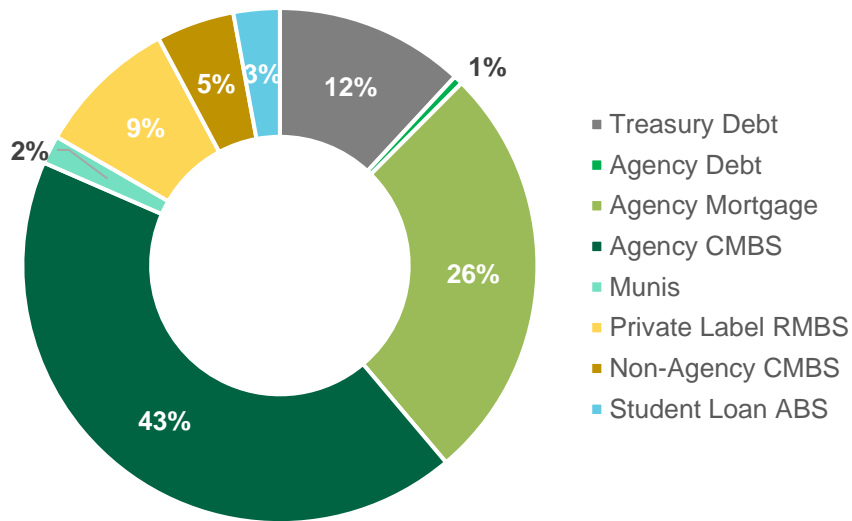


# High Quality Investment Portfolio

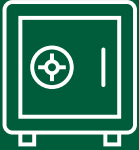
## Composition of AFS Portfolio

As of December 31, 2022

Total available for sale securities  
Period-end balance: \$5.0 billion, at fair value



QTD – December 31, 2022	Average Rate	Duration (yrs)
Treasuries	1.89%	4.1
Agency Debt	1.10%	4.8
Agency Mortgage	2.26%	4.2
Agency CMBS	2.65%	4.0
Municipal	2.18%	7.1
Private Label RMBS	2.78%	4.9
Non-Agency CMBS	2.57%	3.8
Student Loan ABS	6.21%	0.2
<b>Total</b>	<b>2.54%</b>	<b>4.1</b>



# Deposit Portfolio Characteristics

Total number of customers

**635k**

Average balance of accounts<sup>1</sup>

**\$27,220**

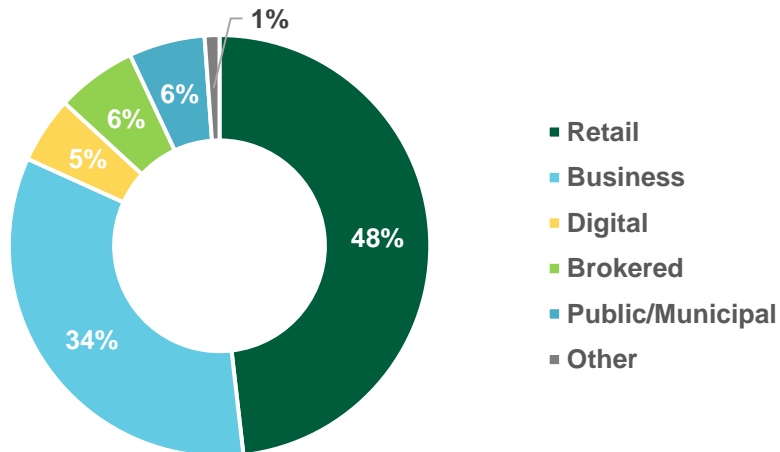
Percent of deposits (\$) uninsured<sup>2</sup>

**34%**

## Diversified Deposit Portfolio

As of December 31, 2022

Period-end balance: \$24.3 billion



Top 10 Commercial Sectors (NAICS Sector / Industry)	% of Total Deposits
Finance and Insurance	6.6%
Public Administration	4.1%
Manufacturing	4.0%
Other Services (except Public Admin.)	3.0%
Real Estate and Rental and Leasing	3.0%
Professional, Scientific, and Technical Services	2.4%
Construction	2.2%
Health Care and Social Assistance	2.0%
Management of Companies & Enterprises	1.3%
Wholesale Trade	1.3%

<sup>1</sup> Based on number of accounts reported in Schedule RC-O at December 31, 2022, approx. 915k in total accounts

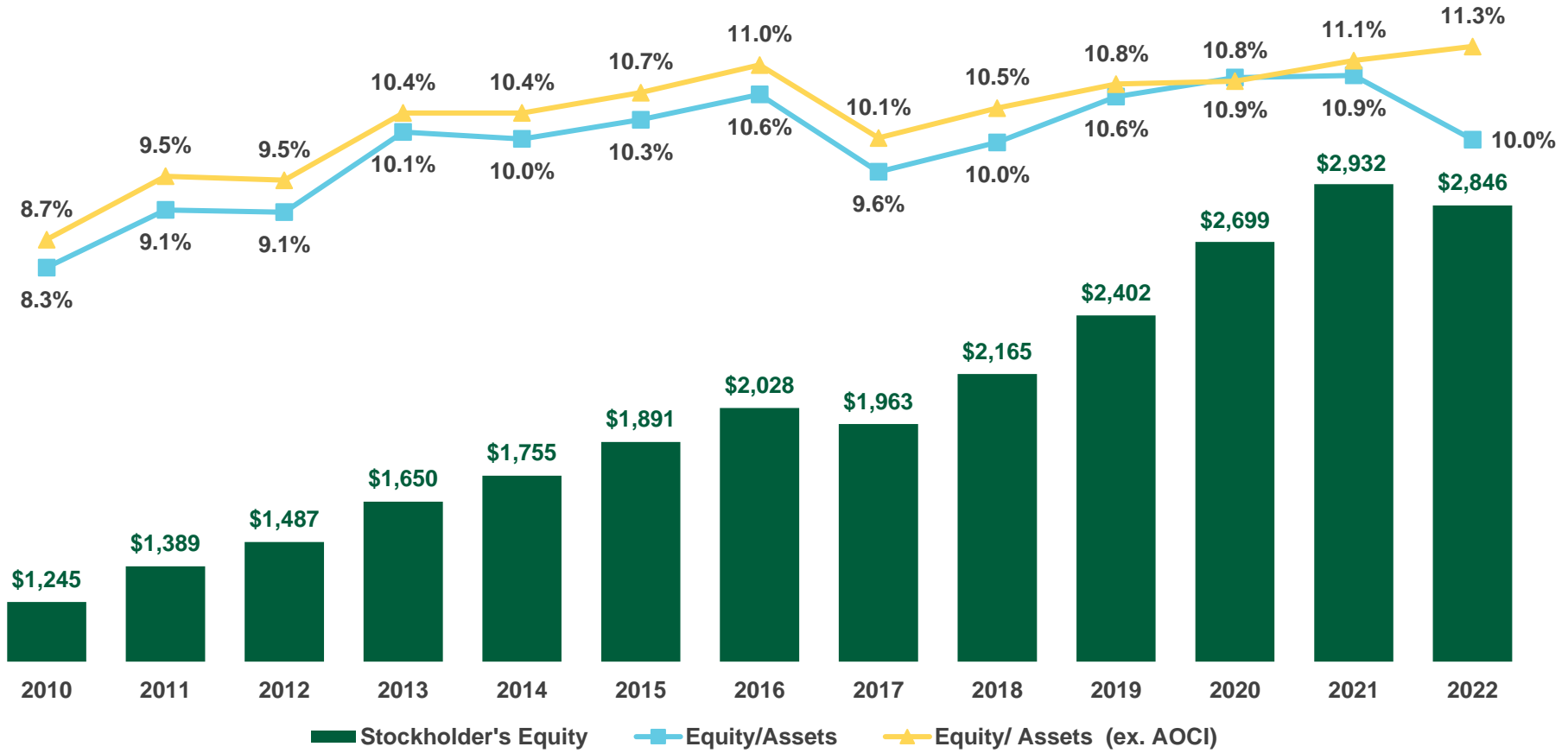
<sup>2</sup> Excludes parent company cash and collateralized deposits





# Capital

(\$ in millions)





# CECL Adoption

	December 31, 2022	Day 1 Adjustment	CECL Day 1
Allowance for Loan Losses	\$416,329		
Unfunded Commitment Reserve	24,477		
<b>Total Reserves</b>	<b>\$440,806</b>	<b>\$386,021</b>	<b>\$826,827</b>
Total Loans	\$19,930,774		\$19,930,774
Deferred Tax Assets	\$299,037	\$91,884	\$390,921
<b>Stockholders' Equity</b>	<b>\$2,845,573</b>	<b>(\$294,137)</b>	<b>\$2,551,436</b>
<b>ALLL / Loans (%)</b>	<b>2.09%</b>		<b>4.15%</b>

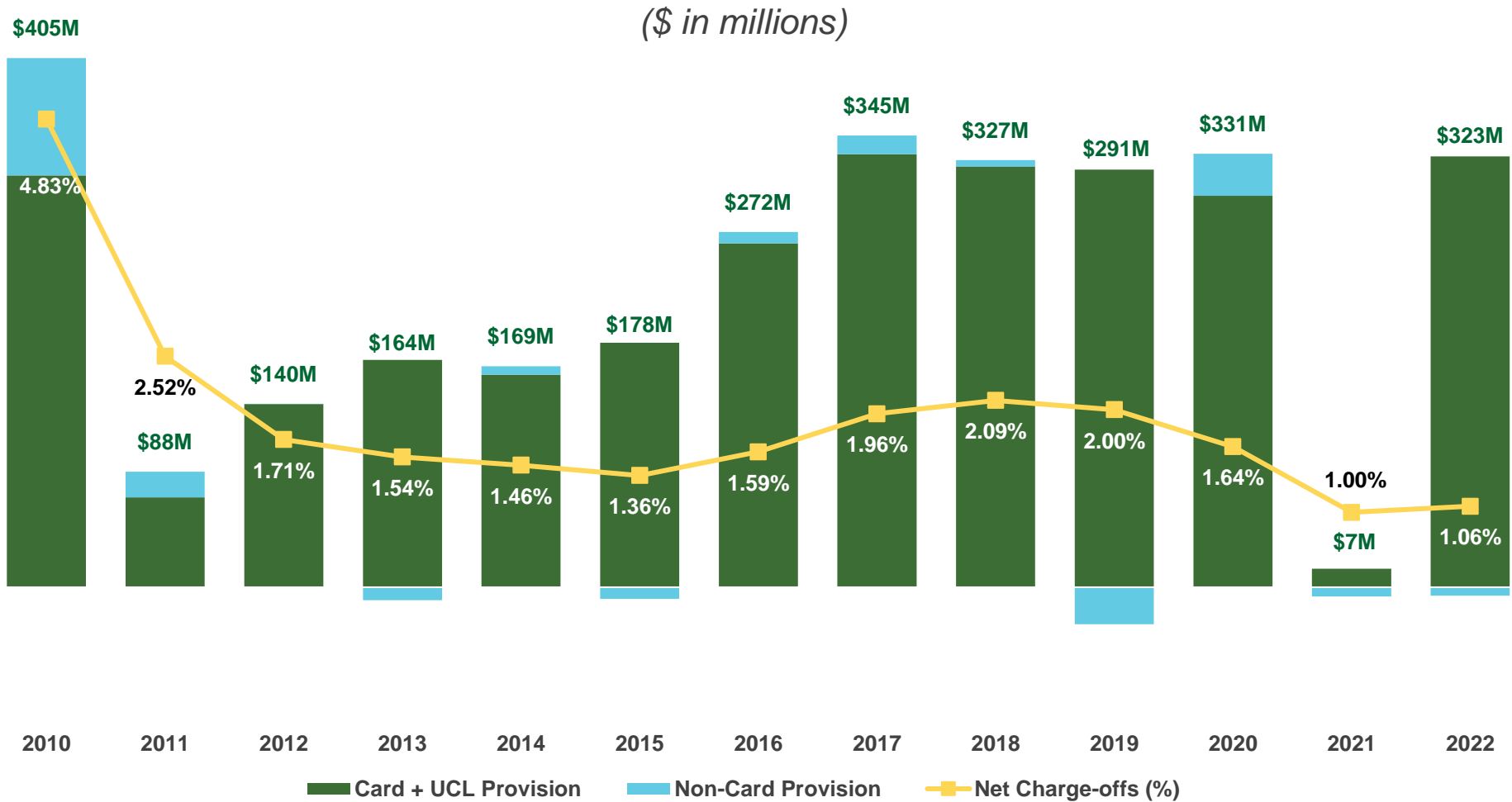
Most peer banks adopted CECL in 2020. However, as a non-SEC registrant, FNNI was not required to adopt the CECL Standard until January 1, 2023.

On January 1, 2023, FNNI recorded a \$386.0 million increase in its Allowance for Credit Losses, resulting in a \$294.1 million after-tax charge to Retained Earnings.

The \$294.1 million after-tax charge is phased into regulatory capital ratios over a four-year period (25% each year). The first 25% will be phased in during 2023 with the remainder to be phased in evenly across 2024 – 2026.



# Credit Quality





# Holding Company & Shareholder Data

*(\$ in millions except per share data)*

	<b>2020</b>	<b>2021</b>	<b>2022</b>
Holding Co Cash	\$ 432	\$ 496	\$ 539
Stockholder's Equity	\$ 2,699	\$ 2,932	\$ 2,846
Shares Outstanding	268,251	261,278	261,211
Book Value per Share	\$ 10,060	\$ 11,222	\$ 10,894
Dividend per Share	\$ 210	\$ 380	\$ 260



# Peer Comparisons

*As of the year ended December 31, 2022*

	<b>FNNI</b>	<b>Industry*</b>	<b>Fed Peers*</b>
Return on average equity	11.4	10.7	10.8
Return on average tangible common equity	12.6	15.7	15.8
Return on average assets	1.20	1.08	1.13
Net interest margin	5.92	3.11	3.23
Deposit cost	0.31	0.35	0.31
Revenue growth	10.6	10.0	11.0
Efficiency ratio	60.6	57.1	54.8
Equity to total assets	10.0	9.9	10.3

*\* Median*

ANOTHER EXTRAORDINARY YEAR

2022

THANK YOU

165   
YEARS

 **First National of Nebraska**