

CAPITAL MARKETS ANNOUNCEMENT

First National of Nebraska, Inc. (OTC Pink: FINN; Omaha, NE) Closes 144A Offering of \$150.0 Million of Subordinated Notes due 2028

Sandler O'Neill + Partners, L.P. served as the lead initial purchaser for this offering.

The 4.375% fixed coupon, representing a 154 basis point spread to the yield on 10 Year US Treasuries at the time of issuance, is the lowest such spread for any new issue of subordinated debt by a Bank Holding Company with less than \$35 billion in assets since 2007.¹

This transaction is the 132nd subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter, book runner, or initial purchaser. Since January 1, 2016, Sandler O'Neill has raised approximately \$4.8 billion for its clients, capturing a 63.5% market share of announced transactions.¹

About the Offering:

OMAHA, Neb. March 16, 2018. – First National of Nebraska, Inc. ("First National" or the "Company") (OTC Pink: "FINN") completed today the sale of \$150 million in aggregate principal amount of its 4.375% fixed-to-floating rate subordinated notes due 2028 (the "Notes"). It was the Company's first capital issuance since 2005. The Notes were sold at par, resulting in net proceeds, after discounts and estimated offering expenses, of approximately \$148 million. The Notes were rated Baa2 by Moody's Investors Service, Inc., BBB- by Fitch Ratings Inc. and BBB+ by Kroll Bond Rating Agency, Inc.

First National intends to use the net proceeds from the offering to support the Company's regulatory capital ratios and for general corporate purposes.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

About the Company:

First National of Nebraska, Inc. is an interstate financial holding company that is primarily engaged in banking. As of December 31, 2017, First National and its subsidiaries had total assets of over \$20.4 billion. First National is a closely-held Nebraska corporation headquartered in Omaha, Nebraska. First National's common stock is traded on the OTC "pink sheets" under the stock symbol FINN. The Company has operations in seven states with over 4,700 employees.

First National's primary investment, First National Bank of Omaha ("FNBO"), has been in business continuously for over 150 years. The assets of FNBO represented over 99% of First National's total assets. FNBO operates in a seven-state region of the Midwest consisting of Nebraska, Colorado, Iowa, Illinois, South Dakota, Texas and Kansas.

(1) Source: Sandler O'Neill Syndicate Desk, Bloomberg. Deal count includes nationwide subordinated debt or senior note offerings for Community Banks reported by Bloomberg; Community Banks defined as banks or bank holding companies with less than \$35 billion in assets.

(2) Financial data is not pro forma for the subordinated notes offering

March 16, 2018

4.375% Fixed-to-Floating Rate
Subordinated Notes due 2028
\$150.0 Million

 **First National of Nebraska**

Lead Initial Purchaser

SANDLER O'NEILL + PARTNERS

Financial Highlights as of December 31, 2017²

(Dollars in millions)

Total Assets	\$20,435
Net Loans	14,700
Total Deposits	16,716
Total Equity	1,963
Tang. Common Equity/ Tang. Assets (%)	8.5
LTM ROAA (%)	0.70
LTM ROAE (%)	6.7

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