A MESSAGE FROM THE CEO

The past year has undoubtedly brought significant, unplanned hardships and continued evolution to the Nebraska banking industry, our economy, our communities and our customers. These impacts were felt on main street, and in our banks, schools, businesses, homes and at the NBA. I am pleased to share the 2019-2020 NBA Annual Report which highlights a number of activities and focus areas where the NBA committed leadership and resources to help the banking industry navigate these taxing times.

Despite the monumental personal and professional challenges created by the coronavirus pandemic, I have never been prouder to be associated with the banking industry and our NBA member institutions! Consider that our Nebraska banks, for example, worked tirelessly to roll out the Paycheck Protection Program (PPP) Phase I by making more than 23,200 small business loans totaling more than $3 billion in a ten-day period without a great deal of direction or clarity. The national media coverage Nebraska banks received for their PPP loan success rates is truly a testament to our Nebraska bankers!

While responding to COVID-19 has been an area of focus, the NBA was also heavily involved in offering flood relief grants, stepping up efforts to groom the next generation of bankers, working closely with bank regulatory agencies, amending educational programming to meet changing banker needs, implementing proactive strategies to maintain low cost options for the various insurance products and services and researching, crafting and supporting important legislation like the elder abuse transaction freeze proposal. Finally, your NBA also worked closely with the Nebraska Department of Banking and Finance to design and plan for implementation of the new Nebraska Single Bank Pooled Collateral Program (effective 7/1/20).

Your NBA remains committed to serving as the foremost resource and advocate for the banking industry in our great state. As we look to the future, I would like to thank our NBA members and stakeholders for your continued participation, investment and support. Together, we can continue to ensure the continued competitiveness and success of Nebraska’s banking sector!

Sincerely,

Richard J. Baier, President & CEO
richard.baier@nebankers.org

Our top priority is serving the banking industry in Nebraska with excellence, innovation, and extraordinary service.

170
NBA membership includes 170 financial institutions: 170 of the 178 commercial banks institutions in the state.

113
Associate membership in the NBA includes 113 industry-related organizations.

173
The NBA is a banker-driven association, with 173 bankers serving on NBA boards and committees this past year.
PROTECTING NEBRASKA'S SENIORS AND VULNERABLE ADULTS – NEW LEGAL TOOLS

Effective November 13, 2020, Nebraska law will allow a financial institution to place a hold of up to 30 days on a customer’s transaction, along with other actions stated within the law, when financial exploitation is suspected of persons 65 years of age or older or a vulnerable adult. These new legal tools to protect bank customers were included as a part of legislation passed this year by the Nebraska Legislature. The measure was introduced by Sen. Matt Williams (Gothenburg), at the request of the NBA. In addition to the ability to delay or refuse a transaction, financial institutions are also authorized, pursuant to the law, to notify family members or other third parties reasonably associated with a vulnerable adult or senior if there is a reasonable belief that financial exploitation may have occurred, may have been attempted, is occurring, or is being attempted. Also, under the new law, a financial institution is granted immunity for actions taken in delaying or refusing to execute a transaction, or for decisions to not take such actions. A webinar hosted by the NBA is available at https://www.nebankers.org/elder-abuse-webinar.html.

TREMENDOUS RESPONSE – SINGLE BANK POOLED COLLATERAL PROGRAM

Nebraska’s Single Bank Pooled Collateral Program began July 1, 2020. The legislation was introduced at the request of the NBA by Sen. Williams during the 2019 session. The program allows a Nebraska bank to establish a pool of securities which are pledged to protect the aggregate amount of public deposits. The Nebraska Department of Banking and Finance selected the Nebraska Bankers Insurance Service Company (NBISCO) to serve as the program administrator. Ten financial institutions are currently participating in the program. For more information, visit the program website at https://www.nebankers.org/nepooledcollateral.html or contact NBISCO financial program administrator Misty Stoner at (402) 904-7060 or nepooledcollateral@nebankers.org.

NEBRASKA BANKS BACK NEBRASKA – PAYCHECK PROTECTION PROGRAM

The Paycheck Protection Program (PPP) loans provided a lifeline at a critical time for Nebraska businesses. Businesses in all 93 Nebraska counties turned to a Nebraska bank when applying for a PPP loan. Over 83% of PPP in Nebraska were made by NBA members. The success of PPP in Nebraska is a testament to the collaborative relationship that exists between Nebraska banks and their business customers. An upcoming NBA marketing campaign will highlight the hard work of Nebraska bankers to deliver PPP loans to their customers and the importance of a relationship with a bank. As a part of the campaign, a few select loan recipients will share how their bank was there for them when the pandemic hit. Video, social media and radio ads will reach Nebraskans.

“The only thing that got me through was the idea that my bank would take care of me.”
-PPP Loan Recipient

44,072 NEBRASKA PPP LOANS
331,800 JOBS SUPPORTED
ADVOCATING FOR THE INDUSTRY

During the second session of the 106th Legislature, five bills were introduced on behalf of the NBA. Despite suspension of the 2020 Legislative Session, when the legislature does reconvene, we expect three of these bills to be adopted, which will provide benefits to member banks.

LB 909 contains provisions authorizing transaction holds to prevent financial elder abuse and technical corrections to the single bank pooled collateral statutes. In addition, LB 870 will authorize banks to make direct loans to cities and villages for repair or reconstruction of real or personal property, improvements, or infrastructure damaged as a result of a natural disaster and for the provision of public services temporarily disrupted or suspended as a result of a natural disaster.

Bills expected to pass:
LB 870 Direct Borrowing by Cities and Villages
LB 909 Transaction Holds-Elder Abuse/Public Funds Pooled Collateral

State Government Relations Forum
Thirty-one state senators joined bankers at the NBA’s State Government Relations Forum featuring Governor Pete Ricketts, University of Nebraska President Walter “Ted” Carter, in addition to Nebraska’s Department of Banking and Finance Director Mark Quandahl, and Department of Economic Development Director Tony Goins.

NEBRASKA BankPAC
The 2020 BankPAC goals have been set to raise $155,000 for the combined Federal ($53,000) and State BankPAC ($102,000) funds and to increase the number of members contributing to each PAC.

2019 Funds Raised
$140,078

No. of Individual Contributors to
NBA Federal
539

No. of Individual Contributors to NBA State
502

No. of State-chartered Contributing Institutions
64
EDUCATION FOR BANKERS

During the past fiscal year, the NBA held 26 live conferences, workshops, and seminars in various locations, on 49 days, with nearly 3,500 registrants. Programming occurred with the assistance of 58 banker volunteers serving on 4 focused subcommittees.

Additional resources include webinars, online training, online seminars. Webinar demand is strong with 151 financial institutions participating in over 300 webinars for a total of 882 ordered programs in FY 2019-2020.

The Schools of Banking, sponsored by the Kansas & Nebraska Bankers Associations, offered 12 schools, providing a comprehensive, hands-on experience for 454 bankers. The NBA also has a close affiliation with the Graduate Schools of Banking in Wisconsin and Colorado.

The 12th class of bankers completed their two-year NBA Leadership Program, and the Class of 2022 has been selected. To date, 164 bankers have participated in the program.

In 2019, the NBA’s Young Bankers of Nebraska (YBON) Conference was held for the 13th consecutive year. In the coming year, lunch and learn networking opportunities will again be planned. In addition, a second offering of Young Bankers Day at the Capitol was held in February 2020.

DEVELOPING OUR FUTURE WORKFORCE

NBA officers and several other volunteer bankers gave presentations about careers in banking and discussed industry hot topics with college students at the University of Nebraska in Kearney, Lincoln, and Omaha.

NBISCO / VEBA

The Nebraska Bankers Insurance & Services Co. provides insurance products and services to member financial institutions.

NBISCO has contributed $12.7 million to the NBA to grow with product and service options to best serve member needs.

Approximately 85% of NBA member banks are enrolled in one or more of the group insurance plans.

More than 10,000 Nebraskans participate in the NBA’s Voluntary Employees Beneficiary Association (VEBA) health insurance plans. Agency Services meets the needs of approximately 100 bank-owned insurance agencies in Nebraska and also provides a variety of markets for your insurance agency customers.
NBA COMMUNICATIONS

A leading source of information—for our member financial institutions, lawmakers, regulators, journalists, and the public.

Helped bolster the image of banking in Nebraska through media interviews.

Communicated with eUpdate, Banks & Bankers, compliance and legislative updates, and the Nebraska Banker magazine.

Distributed $133,000 from the Bank on Nebraska Strong Fund to support flood relief and rebuilding initiatives.

Helped Nebraska banks respond to the COVID-19 pandemic, including a webpage with numerous resources, communicating with media and constituents and working hand in hand with members of Nebraska’s Congressional delegation.

Participated in several career events, including hosting a bank-specific event to help attract the next generation of Nebraska bankers.

FINANCIALS

Condensed & Estimated for the Fiscal Year Ending April 30, 2020

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<td>Current Assets</td>
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<td>Property and Equipment</td>
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<td>LIABILITIES AND MEMBER EQUITY</td>
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<td>Current Liabilities</td>
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<td>Fund Balance – Undesignated</td>
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<td>Est. Change in Net Assets</td>
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<td>Total Member Equity</td>
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<td>Total Liabilities &amp; Member Equity</td>
<td>$4,138,588</td>
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NBA Statement of Change in Equity
Est. for the FY Ending April 30, 2020 (Unaudited)

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<td>Total Revenues</td>
<td>$3,393,206</td>
<td>Total Expenses</td>
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<td>Excess of Revenues Over Expenses</td>
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<td>Equity as of April 30, 2019</td>
<td>$3,363,061</td>
<td>Equity as of April 30, 2020</td>
<td>$3,672,938</td>
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NBA Impact on Cash Reserves
Est. for the FY Ending April 30, 2020 (Unaudited)

| Excess of Revenue Over Expenses | $309,877          |
| Minus: Non-Cash Activities     | ($30,000)         |
| Minus: Capital Purchases       | ($40,000)         |
| Net Change in Cash Reserves    | $239,877          |