

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2024

OR

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 001-34653

FIRST INTERSTATE BANCSYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-0331430

(IRS Employer
Identification No.)

401 North 31st Street

Billings, MT

(Address of principal executive offices)

59101

(Zip Code)

Registrant's telephone number, including area code: (406) 255-5311

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.00001 par value	FIBK	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files.) Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

April 30, 2024 – Common stock

104,568,019

Quarterly Report on Form 10-Q
FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
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March 31, 2024

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FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Cash and due from banks	\$ 315.8	\$ 378.2
Interest bearing deposits in banks	319.1	199.7
Federal funds sold	0.1	0.1
Total cash and cash equivalents	635.0	578.0
Investment securities:		
Available-for-sale, net of allowance for credit losses of \$0.0 at March 31, 2024 and December 31, 2023 (amortized cost of \$6,266.0 at March 31, 2024 and \$6,307.8 at December 31, 2023)	5,773.3	5,841.5
Held-to-maturity, net of allowance for credit losses of \$0.7 at March 31, 2024 and \$0.8 at December 31, 2023 (estimated fair values of \$2,497.8 at March 31, 2024 and \$2,874.0 at December 31, 2023)	2,852.8	3,207.9
Total investment securities	8,626.1	9,049.4
FHLB and FRB stock, at cost	178.4	223.2
Loans held for sale	22.7	47.4
Loans held for investment, net of deferred fees and costs	18,202.8	18,279.6
Allowance for credit losses	(227.7)	(227.7)
Net loans held for investment	17,975.1	18,051.9
Goodwill	1,100.9	1,100.9
Company-owned life insurance	504.7	502.4
Premises and equipment, net of accumulated depreciation	439.9	444.3
Other intangibles, net of accumulated amortization	77.7	81.4
Accrued interest receivable	125.5	129.1
Mortgage servicing rights, net of accumulated amortization	27.6	28.3
Other real estate owned	14.4	16.5
Deferred tax asset, net	161.3	150.0
Other assets	255.5	268.4
Total assets	\$ 30,144.8	\$ 30,671.2
Liabilities and Stockholders' Equity		
Deposits:		
Non-interest bearing	\$ 5,900.3	\$ 6,029.6
Interest bearing	16,909.7	17,293.5
Total deposits	22,810.0	23,323.1
Securities sold under repurchase agreements	794.2	782.7
Accounts payable and accrued expenses	386.0	380.4
Accrued interest payable	53.6	52.2
Long-term debt	370.8	120.8
Other borrowed funds	2,342.0	2,603.0
Allowance for credit losses on off-balance sheet credit exposures	15.4	18.4
Subordinated debentures held by subsidiary trusts	163.1	163.1
Total liabilities	26,935.1	27,443.7
Stockholders' equity:		
Preferred stock, no par value; 100,000 shares authorized; none issued and outstanding	—	—
Common stock and additional paid-in-capital, \$0.00001 par value; 150,000,000 shares authorized; 104,571,623 and 103,941,626 shares were issued and outstanding at March 31, 2024 and December 31, 2023	2,450.7	2,448.9
Retained earnings	1,145.9	1,135.1
Accumulated other comprehensive loss, net	(386.9)	(356.5)
Total stockholders' equity	3,209.7	3,227.5
Total liabilities and stockholders' equity	\$ 30,144.8	\$ 30,671.2

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Interest income:		
Interest and fees on loans	\$ 252.1	\$ 235.6
Interest and dividends on investment securities:		
Taxable	64.5	72.2
Exempt from federal taxes	0.7	0.9
Interest and dividends on FHLB and FRB stock	3.3	3.0
Interest on deposits in banks	4.1	4.2
Total interest income	324.7	315.9
Interest expense:		
Interest on deposits	79.1	40.3
Interest on securities sold under repurchase agreements	2.3	1.1
Interest on other borrowed funds	35.6	31.2
Interest on long-term debt	4.3	1.5
Interest on subordinated debentures held by subsidiary trusts	3.3	2.9
Total interest expense	124.6	77.0
Net interest income	200.1	238.9
Provision for credit losses	5.3	15.2
Net interest income after provision for credit losses	194.8	223.7
Non-interest income:		
Payment services revenues	18.4	18.7
Mortgage banking revenues	1.7	2.3
Wealth management revenues	9.2	9.0
Service charges on deposit accounts	6.0	5.2
Other service charges, commissions, and fees	2.2	2.4
Investment securities losses, net	—	(23.4)
Other income	4.6	2.2
Total non-interest income	42.1	16.4
Non-interest expense:		
Salaries and wages	65.2	65.6
Employee benefits	19.3	22.8
Outsourced technology services	13.6	14.7
Occupancy, net	12.3	12.5
Furniture and equipment	5.0	5.9
OREO expense, net of income	2.0	0.2
Professional fees	6.8	4.5
FDIC insurance premiums	7.4	5.7
Other intangibles amortization	3.7	4.0
Other expenses	24.9	29.9
Total non-interest expense	160.2	165.8
Income before income tax	76.7	74.3
Provision for income tax	18.3	18.0
Net income	\$ 58.4	\$ 56.3
Earnings per common share (Basic)	\$ 0.57	\$ 0.54
Earnings per common share (Diluted)	\$ 0.57	\$ 0.54

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions)

(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Net income	\$ 58.4	\$ 56.3
Other comprehensive (loss) income, before tax:		
Investment securities available-for sale:		
Change in net unrealized (losses) gains during the period	(26.4)	78.2
Reclassification adjustment for net losses included in income	—	23.4
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	—	(7.2)
Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.2)	(0.4)
Change in unrealized (gains) losses on derivatives	(13.9)	10.0
Other comprehensive (loss) income, before tax	(40.5)	104.0
Deferred tax benefit (expense) related to other comprehensive (loss) income	10.1	(26.0)
Other comprehensive (loss) income, net of tax	(30.4)	78.0
Comprehensive income, net of tax	\$ 28.0	\$ 134.3

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In millions, except share and per share data)
(Unaudited)

	Three Months Ended March 31,			
	Common stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2023	\$ 2,448.9	\$ 1,135.1	\$ (356.5)	\$ 3,227.5
Cumulative change related to the adoption of ASU 2023-02	—	1.2	—	1.2
Adjusted balance at January 1, 2024	2,448.9	1,136.3	(356.5)	3,228.7
Net income	—	58.4	—	58.4
Other comprehensive loss, net of tax expense	—	—	(30.4)	(30.4)
Common stock transactions:				
43,690 common shares purchased and retired	(1.1)	—	—	(1.1)
685,363 non-vested common shares issued	—	—	—	—
11,676 non-vested common shares forfeited or canceled	—	—	—	—
Stock-based compensation expense	2.9	—	—	2.9
Common stock cash dividends declared (\$0.47 per share)	—	(48.8)	—	(48.8)
Balance at March 31, 2024	\$ 2,450.7	\$ 1,145.9	\$ (386.9)	\$ 3,209.7

	Common stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2022	\$ 2,478.2	\$ 1,072.7	\$ (477.1)	\$ 3,073.8
Net income	—	56.3	—	56.3
Other comprehensive income, net of tax expense	—	—	78.0	78.0
Common stock transactions:				
55,080 common shares purchased and retired	(1.8)	—	—	(1.8)
10,863 non-vested common shares issued	—	—	—	—
15,788 non-vested common shares forfeited or canceled	—	—	—	—
Stock-based compensation expense	2.3	—	—	2.3
Common stock cash dividends declared (\$0.47 per share)	—	(48.3)	—	(48.3)
Balance at March 31, 2023	\$ 2,478.7	\$ 1,080.7	\$ (399.1)	\$ 3,160.3

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 58.4	\$ 56.3
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Provision for credit losses	5.3	15.2
Net loss on disposal of premises and equipment	0.2	0.1
Depreciation and amortization	15.9	13.7
Net premium (discount) amortization on investment securities	0.2	(0.6)
Net loss on investment securities transactions	—	23.4
Realized and unrealized net gains on mortgage banking activities	(0.4)	(0.8)
Net gain on sale of OREO	(0.1)	—
Write-downs of OREO and other assets pending disposal	2.1	0.1
Deferred taxes	—	11.3
Net increase in cash surrender value of company-owned life insurance	(3.7)	(3.4)
Stock-based compensation expense	2.9	2.3
Originations of mortgage loans held for sale	(69.9)	(80.4)
Proceeds from sales of mortgage loans held for sale	67.6	79.6
Changes in operating assets and liabilities:		
Decrease in interest receivable	3.6	4.6
Decrease in other assets	9.8	7.7
Increase in accrued interest payable	1.4	11.6
Decrease in accounts payable and accrued expenses	(5.7)	(83.0)
Net cash provided by operating activities	87.6	57.7
Cash flows from investing activities:		
Purchases of investment securities:		
Available-for-sale	(77.2)	—
Proceeds from sales, maturities, and pay-downs of investment securities:		
Held-to-maturity	356.6	54.9
Available-for-sale	117.4	987.3
Purchases of FHLB and FRB stock	(40.5)	(73.5)
Proceeds from FHLB and FRB stock	85.3	57.5
Proceeds from bank-owned life insurance settlements	1.4	1.9
Extensions of credit to clients, net of repayments	92.9	(152.8)
Recoveries of loans charged-off	2.6	—
Proceeds from sale of OREO	0.2	—
Capital expenditures, net of sales	(6.8)	(7.0)
Net cash provided by investing activities	531.9	868.3
Cash flows from financing activities:		
Net decrease in deposits	(513.1)	(966.6)
Net increase (decrease) in securities sold under repurchase agreements	11.5	(82.1)
Net (decrease) increase in other borrowed funds	(261.0)	383.0
Advances on long-term debt	250.0	—
Purchase and retirement of common stock	(1.1)	(1.8)
Dividends paid to common stockholders	(48.8)	(48.3)
Net cash used in financing activities	(562.5)	(715.8)
Net increase in cash and cash equivalents	57.0	210.2
Cash and cash equivalents at beginning of period	578.0	870.5
Cash and cash equivalents at end of period	\$ 635.0	\$ 1,080.7

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest expense	\$ 123.2	\$ 65.4
Supplemental disclosures of noncash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 0.2	\$ 0.6
Transfer of held-to-maturity to available-for sale securities	—	23.0
Transfer of held for investment loans to held-for-sale	—	3.1
Transfer of loans to other real estate owned	0.1	0.8
Capitalization of internally originated mortgage servicing rights	0.1	—

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except share and per share data)
(1) Basis of Presentation

In the opinion of management, the accompanying unaudited consolidated financial statements of First Interstate BancSystem, Inc., and its consolidated subsidiaries, including its wholly-owned subsidiary, First Interstate Bank (“FIB”) (collectively, the “Company”) contain all adjustments (all of which are of a normal recurring nature) necessary to present fairly the financial position of the Company at March 31, 2024 and December 31, 2023, the results of operations, changes in stockholders’ equity, and cash flows for each of the three months ended March 31, 2024 and 2023, in conformity with U.S. generally accepted accounting principles (“GAAP”). The balance sheet information at December 31, 2023 is derived from audited consolidated financial statements, but does not include all disclosures required by GAAP. Certain reclassifications, none of which were material, have been made to conform the Company’s prior year financial statements to the March 31, 2024 presentation. These reclassifications did not change previously reported net income or stockholders’ equity.

These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, which includes a description of significant accounting policies. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

(2) Investment Securities

The amortized cost and the approximate fair values of investment securities are summarized as follows:

<i>March 31, 2024</i>	Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>Available-for-Sale:</i>						
U.S. Treasury notes	\$ 250.2	\$ —	\$ 250.2	\$ —	\$ (27.8)	\$ 222.4
State, county, and municipal securities	256.2	—	256.2	—	(40.0)	216.2
Obligations of U.S. government agencies	174.4	—	174.4	—	(11.9)	162.5
U.S. agency commercial mortgage-backed securities	1,213.6	—	1,213.6	0.3	(94.1)	1,119.8
U.S. agency residential mortgage-backed securities	1,462.4	—	1,462.4	0.7	(139.1)	1,324.0
Collateralized mortgage obligations	1,296.3	—	1,296.3	0.9	(127.1)	1,170.1
Private mortgage-backed securities	236.2	—	236.2	—	(31.2)	205.0
Collateralized loan obligations	1,116.2	—	1,116.2	0.7	(0.5)	1,116.4
Corporate securities	260.5	—	260.5	—	(23.6)	236.9
Total	\$ 6,266.0	\$ —	\$ 6,266.0	\$ 2.6	\$ (495.3)	\$ 5,773.3

<i>March 31, 2024</i>	Amortized Cost ¹	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>Held-to-Maturity:</i>						
U.S. Treasury notes	\$ 99.4	\$ —	\$ 99.4	\$ —	\$ (1.7)	\$ 97.7
State, county, and municipal securities	179.0	—	179.0	0.1	(25.8)	153.3
Obligations of U.S. government agencies	355.3	—	355.3	—	(45.5)	309.8
U.S. agency commercial mortgage-backed securities	500.2	—	500.2	—	(57.9)	442.3
U.S. agency residential mortgage-backed securities	1,197.6	—	1,197.6	—	(146.6)	1,051.0
Collateralized mortgage obligations	465.0	—	465.0	0.1	(71.5)	393.6
Corporate securities	57.0	(0.7)	56.3	—	(6.2)	50.1
Total	\$ 2,853.5	\$ (0.7)	\$ 2,852.8	\$ 0.2	\$ (355.2)	\$ 2,497.8

⁽¹⁾ Amortized cost presented above includes \$10.0 million of unamortized gains in U.S. agency residential and commercial mortgage-backed securities and collateralized mortgage obligations related to the 2021 transfer of securities from available-for-sale to held-to-maturity, and \$17.6 million of unamortized losses in state, county, and municipal, obligations of U.S. government agencies and collateralized loan obligations related to the 2022 transfer of securities from available-for-sale to held-to-maturity.

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except share and per share data)

<i>December 31, 2023</i>	Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>Available-for-Sale:</i>						
U.S. Treasury notes	\$ 250.2	\$ —	\$ 250.2	\$ —	\$ (25.5)	\$ 224.7
State, county, and municipal securities	256.7	—	256.7	—	(36.9)	219.8
Obligations of U.S. government agencies	179.4	—	179.4	—	(10.9)	168.5
U.S. agency commercial mortgage-backed securities	1,192.7	—	1,192.7	0.6	(87.7)	1,105.6
U.S. agency residential mortgage-backed securities	1,496.3	—	1,496.3	1.2	(130.6)	1,366.9
Collateralized mortgage obligations	1,308.5	—	1,308.5	1.3	(120.3)	1,189.5
Private mortgage-backed securities	241.3	—	241.3	—	(30.9)	210.4
Collateralized loan obligations	1,121.9	—	1,121.9	0.1	(2.3)	1,119.7
Corporate securities	260.8	—	260.8	—	(24.4)	236.4
Total	\$ 6,307.8	\$ —	\$ 6,307.8	\$ 3.2	\$ (469.5)	\$ 5,841.5

<i>December 31, 2023</i>	Amortized Cost ¹	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>Held-to-Maturity:</i>						
U.S. Treasury notes	\$ 399.0	\$ —	\$ 399.0	\$ —	\$ (2.8)	\$ 396.2
State, county, and municipal securities	179.2	—	179.2	0.2	(24.2)	155.2
Obligations of U.S. government agencies	354.5	—	354.5	—	(42.4)	312.1
U.S. agency commercial mortgage-backed securities	510.5	—	510.5	—	(52.9)	457.6
U.S. agency residential mortgage-backed securities	1,232.6	—	1,232.6	—	(137.0)	1,095.6
Collateralized mortgage obligations	475.9	—	475.9	0.2	(69.0)	407.1
Corporate securities	57.0	(0.8)	56.2	—	(6.0)	50.2
Total	\$ 3,208.7	\$ (0.8)	\$ 3,207.9	\$ 0.4	\$ (334.3)	\$ 2,874.0

⁽¹⁾ Amortized cost presented above includes \$10.7 million of unamortized gains and \$18.1 million of unamortized losses related to the 2021 and 2022 transfer of securities from available-for-sale to held-to-maturity.

The following tables show the gross unrealized losses and fair values of available-for-sale investment securities and the length of time individual investment securities have been in an unrealized loss position as of March 31, 2024 and December 31, 2023.

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<i>March 31, 2024</i>						
<i>Available-for-Sale:</i>						
U.S. Treasury notes	\$ —	\$ —	\$ 222.4	\$ (27.8)	\$ 222.4	\$ (27.8)
State, county, and municipal securities	1.0	—	213.4	(40.0)	214.4	(40.0)
Obligations of U.S. government agencies	—	—	162.1	(11.9)	162.1	(11.9)
U.S. agency commercial mortgage-backed securities	19.1	(0.2)	1,063.5	(93.9)	1,082.6	(94.1)
U.S. agency residential mortgage-backed securities	50.2	(0.8)	1,231.1	(138.3)	1,281.3	(139.1)
Collateralized mortgage obligations	36.1	(0.5)	1,099.1	(126.6)	1,135.2	(127.1)
Private mortgage-backed securities	—	—	205.1	(31.2)	205.1	(31.2)
Collateralized loan obligations	317.6	(0.3)	165.9	(0.2)	483.5	(0.5)
Corporate securities	—	—	237.0	(23.6)	237.0	(23.6)
Total	\$ 424.0	\$ (1.8)	\$ 4,599.6	\$ (493.5)	\$ 5,023.6	\$ (495.3)

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in millions, except share and per share data)

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
<i>December 31, 2023</i>						
<i>Available-for-Sale:</i>						
U.S. Treasury notes	\$ —	\$ —	\$ 224.7	\$ (25.5)	\$ 224.7	\$ (25.5)
State, county, and municipal securities	—	—	217.1	(36.9)	217.1	(36.9)
Obligations of U.S. government agencies	—	—	168.0	(10.9)	168.0	(10.9)
U.S. agency commercial mortgage-backed securities	0.2	—	1,083.1	(87.7)	1,083.3	(87.7)
U.S. agency residential mortgage-backed securities	0.7	—	1,287.5	(130.6)	1,288.2	(130.6)
Collateralized mortgage obligations	—	—	1,142.4	(120.3)	1,142.4	(120.3)
Private mortgage-backed securities	—	—	210.5	(30.9)	210.5	(30.9)
Collateralized loan obligations	—	—	935.7	(2.3)	935.7	(2.3)
Corporate securities	—	—	236.5	(24.4)	236.5	(24.4)
Total	\$ 0.9	\$ —	\$ 5,505.5	\$ (469.5)	\$ 5,506.4	\$ (469.5)

As of March 31, 2024 and December 31, 2023, there were no holdings of securities of any issuer, other than the U.S. government and its agencies, in an amount greater than 10% of stockholders' equity.

The Company determines credit losses on both available-for-sale and held-to-maturity investment securities by a discounted cash flow approach using the security's effective interest rate at the time of purchase or upon acquisition. The allowance for credit losses is measured as the amount by which an investment security's amortized cost exceeds the net present value of expected future cash flows. However, the amount of credit losses for available-for-sale investment securities is limited to the amount of a security's unrealized loss. Credit losses on held-to-maturity investment securities are representative of current expected credit losses that management expects to be incurred over the life of the investment. The allowance for credit losses is established through a charge to provision for credit losses in current period earnings.

The available-for-sale securities portfolio primarily contains securities that are guaranteed by a sovereign entity or are generally considered to have non-credit related risks, such as interest rate risk or prepayment and liquidity factors. The Company considers whether the securities are issued by the federal government or its agencies and whether downgrades by bond rating agencies have occurred.

As of March 31, 2024 and December 31, 2023, the Company had 987 and 995 individual investment securities, respectively, that were in an unrealized loss position, which was related primarily to fluctuations in current interest rates. As of March 31, 2024, the Company had the intent and ability to hold these investment securities for a period sufficient to allow for an anticipated recovery. The Company does not intend to sell any of the available-for-sale securities in the above table, and the Company does not anticipate it will have to sell any securities before a recovery in cost.

The following table presents the activity in the allowance for credit losses related to available-for-sale investment securities:

	Three Months Ended March 31,	
	2024	2023
Beginning balance	\$ —	\$ —
Provision for credit losses	—	2.6
Ending balance	\$ —	\$ 2.6

The following table presents the activity in the allowance for credit losses related to held-to-maturity investment securities:

	Three Months Ended March 31,	
	2024	2023
Beginning balance	\$ 0.8	\$ 1.9
Provision for (reduction of) credit losses	(0.1)	(1.2)
Ending balance	\$ 0.7	\$ 0.7

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On a quarterly basis, the Company refreshes the credit quality indicator of each held-to-maturity security. The following table summarizes the credit quality indicators of held-to-maturity securities at amortized cost for the periods indicated:

<i>March 31, 2024</i>	AAA	AA	A	BBB	BB	Not Rated	Total
U.S. Treasury notes	\$ 99.4	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 99.4
State, county, and municipal securities	68.9	92.3	10.6	—	—	7.2	179.0
Obligations of U.S. government agencies	355.3	—	—	—	—	—	355.3
U.S. agency commercial mortgage-backed securities							
FNMA/FHLMC	352.0	—	—	—	—	—	352.0
GNMA	148.2	—	—	—	—	—	148.2
U.S. agency residential mortgage-backed securities							
FNMA/FHLMC	1,156.1	—	—	—	—	—	1,156.1
GNMA	41.5	—	—	—	—	—	41.5
Collateralized mortgage obligations							
FNMA/FHLMC	326.1	—	—	—	—	—	326.1
GNMA	138.9	—	—	—	—	—	138.9
Corporate securities	—	—	—	47.0	5.0	5.0	57.0
Total	\$ 2,686.4	\$ 92.3	\$ 10.6	\$ 47.0	\$ 5.0	\$ 12.2	\$ 2,853.5

<i>December 31, 2023</i>	AAA	AA	A	BBB	BB	Not Rated	Total
U.S. Treasury notes	\$ 399.0	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 399.0
State, county, and municipal securities	69.0	92.3	10.6	—	—	7.3	179.2
Obligations of U.S. government agencies	354.5	—	—	—	—	—	354.5
U.S. agency commercial mortgage-backed securities							
FNMA/FHLMC	359.7	—	—	—	—	—	359.7
GNMA	150.8	—	—	—	—	—	150.8
U.S. agency residential mortgage-backed securities							
FNMA/FHLMC	1,189.8	—	—	—	—	—	1,189.8
GNMA	42.8	—	—	—	—	—	42.8
Collateralized mortgage obligations							
FNMA/FHLMC	334.1	—	—	—	—	—	334.1
GNMA	141.8	—	—	—	—	—	141.8
Corporate securities	—	—	—	47.0	5.0	5.0	57.0
Total	\$ 3,041.5	\$ 92.3	\$ 10.6	\$ 47.0	\$ 5.0	\$ 12.3	\$ 3,208.7

As of March 31, 2024 and December 31, 2023, the Company had \$35.7 million and \$38.5 million, respectively, of accrued interest receivable from investment securities on the consolidated balance sheets. Accrued interest receivable is presented as a separate line item on the consolidated balance sheets and the Company does not include accrued interest receivable in the carrying amount of financial assets held at the amortized cost basis or in the related allowance for credit losses calculation.

As of March 31, 2024 and December 31, 2023, there were no available-for-sale or held-to-maturity securities on nonaccrual status. All securities in the portfolio were current with their contractual principal and interest payments.

As of March 31, 2024 and December 31, 2023, there were no collateral-dependent available-for-sale or held-to-maturity securities.

There were no material gross realized gains and no material gross realized losses during the three months ended March 31, 2024. During the three months ended March 31, 2023, there were no material gross realized gains and \$23.4 million in gross realized losses on the disposition of available-for-sale investment securities, resulting from the sale of \$853.0 million in carrying value of investment securities.

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The following schedule represents the amortized cost of debt securities by contractual maturity except for maturities of mortgage-backed securities, which have been adjusted to reflect shorter maturities based upon estimated prepayments of principal.

	Available-for-Sale		Held-to-Maturity	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
<i>March 31, 2024</i>				
Within one year	\$ 43.9	\$ 43.1	\$ 3.0	\$ 3.0
After one year but within five years	1,188.4	1,104.4	369.5	349.9
After five years but within ten years	1,216.0	1,103.8	624.8	546.2
After ten years	3,817.7	3,522.0	1,856.2	1,598.7
Total	\$ 6,266.0	\$ 5,773.3	\$ 2,853.5	\$ 2,497.8

As of March 31, 2024, the Company held investment securities callable within one year having amortized costs and estimated fair values of \$1,632.5 million and \$1,577.2 million, respectively. These investment securities are primarily included in the “after ten years” category in the table above. As of March 31, 2024, the Company had no callable structured notes.

As of March 31, 2024 and December 31, 2023, the Company had amortized costs of \$3,427.6 million and \$3,858.6 million, respectively, for investment securities pledged to secure public deposits, derivatives, and securities sold under repurchase agreements that had estimated fair values of \$3,009.9 million and \$3,462.2 million, as of March 31, 2024 and December 31, 2023, respectively. All securities sold under repurchase agreements are with clients and mature on the next banking day. The Company retains possession of the underlying securities sold under repurchase agreements.

As of March 31, 2024 and December 31, 2023, the Company held \$178.4 million and \$223.2 million, respectively, in equity securities in a combination of Federal Reserve Bank and Federal Home Loan Bank stocks, which are restricted nonmarketable securities acquired to meet regulatory requirements. These securities are carried at cost.

(3) Loans Held for Sale

The following table presents loans held for sale by class of receivable for the dates indicated:

	March 31, 2024	December 31, 2023
Loans held for sale:		
Agricultural, at lower of cost or market	\$ 19.5	\$ 19.6
Commercial real estate, at lower of cost or market	—	27.3
Residential mortgage, at fair value	3.2	0.5
Total loans held for sale	\$ 22.7	\$ 47.4

The table below presents the non-residential mortgage loans held for sale activity for the 2024 period:

	Agricultural	Commercial Real Estate
Beginning balance	\$ 19.6	\$ 27.3
Repayments	(0.1)	—
Loan disposals	—	(27.3)
Ending balance	\$ 19.5	\$ —

As of March 31, 2024, loans held for sale included nonaccrual agricultural loans of \$19.5 million. As of December 31, 2023, loans held for sale included a nonaccrual commercial real estate loan of \$27.3 million.

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(4) Loans Held for Investment

The following table presents loans by class of receivable and portfolio segment as of the dates indicated:

	March 31, 2024	December 31, 2023
Real estate:		
Commercial	\$ 9,060.4	\$ 8,869.2
Construction	1,609.2	1,826.5
Residential	2,258.4	2,244.3
Agricultural	719.7	716.8
Total real estate	13,647.7	13,656.8
Consumer:		
Indirect	739.9	740.9
Direct and advance lines	136.7	141.6
Credit card	72.6	76.5
Total consumer	949.2	959.0
Commercial	2,922.2	2,906.8
Agricultural	696.0	769.4
Other, including overdrafts	0.2	0.1
Loans held for investment	18,215.3	18,292.1
Deferred loan fees and costs	(12.5)	(12.5)
Loans held for investment, net of deferred fees and costs	18,202.8	18,279.6
Allowance for credit losses	(227.7)	(227.7)
Net loans held for investment	\$ 17,975.1	\$ 18,051.9

Allowance for Credit Losses

The following tables represent, by loan portfolio segments, the activity in the allowance for credit losses for loans held for investment:

<i>Three Months Ended March 31, 2024</i>	Beginning Balance	Provision for (reversal of) Credit Losses	Loans Charged- Off ⁽²⁾	Recoveries Collected	Ending Balance
Allowance for credit losses ⁽¹⁾					
Real estate	\$ 160.1	\$ (4.7)	\$ (3.2)	\$ 0.7	\$ 152.9
Consumer	13.0	2.4	(3.8)	1.0	12.6
Commercial	50.2	11.2	(4.0)	0.6	58.0
Agricultural	4.4	(0.5)	—	0.3	4.2
Total allowance for credit losses	\$ 227.7	\$ 8.4	\$ (11.0)	\$ 2.6	\$ 227.7

<i>Three Months Ended March 31, 2023</i>	Beginning Balance	Provision for (reversal of) Credit Losses	Loans Charged- Off ⁽²⁾	Recoveries Collected	Ending Balance
Allowance for credit losses ⁽¹⁾					
Real estate	\$ 138.7	\$ 13.4	\$ (4.8)	\$ 0.2	\$ 147.5
Consumer	23.3	0.7	(3.4)	1.2	21.8
Commercial	54.9	(0.8)	(0.7)	1.0	54.4
Agricultural	3.2	(1.1)	—	0.3	2.4
Total allowance for credit losses	\$ 220.1	\$ 12.2	\$ (8.9)	\$ 2.7	\$ 226.1

⁽¹⁾ Amounts presented exclude the allowance for credit losses related to unfunded commitments and investment securities. The allowance for credit losses related to unfunded commitments and investment securities are included in the “Financial Instruments with Off-Balance Sheet Risk” Note and “Investment Securities” Note, respectively.

⁽²⁾ Loans, or portions thereof, are charged-off against the allowance for credit losses when management believes the collectability of the principal is unlikely, or, with respect to consumer installment loans, according to an established delinquency schedule.

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Collateral-Dependent Financial Loans

A collateral-dependent financial loan relies substantially on the operation or sale of the collateral securing the loan for repayment. A loan may become collateral-dependent when foreclosure is probable or the borrower is experiencing financial difficulty and its sources of repayment become inadequate over time. At such time, the Company develops an expectation that repayment will be provided substantially through the operation or sale of the collateral.

The following tables present the principal balance of collateral-dependent loans by class of receivable as of the dates indicated:

	Collateral Type			
	Business Assets	Real Property	Other	Total
<i>As of March 31, 2024</i>				
Real estate:				
Commercial	\$ —	\$ 35.2	\$ —	\$ 35.2
Construction	—	16.2	—	16.2
Residential	—	0.5	—	0.5
Agricultural	—	1.1	—	1.1
Total real estate	—	53.0	—	53.0
Commercial	60.6	1.0	0.7	62.3
Agricultural	0.5	0.4	0.2	1.1
Total collateral-dependent loans	\$ 61.1	\$ 54.4	\$ 0.9	\$ 116.4

	Collateral Type			
	Business Assets	Real Property	Other	Total
<i>As of December 31, 2023</i>				
Real estate:				
Commercial	\$ —	\$ 26.6	\$ —	\$ 26.6
Construction	—	17.0	—	17.0
Residential	—	0.5	—	0.5
Agricultural	—	1.2	—	1.2
Total real estate	—	45.3	—	45.3
Commercial	4.5	1.4	0.7	6.6
Agricultural	0.7	—	—	0.7
Total collateral-dependent loans	\$ 5.2	\$ 46.7	\$ 0.7	\$ 52.6

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Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans classified in the following table as 90 days or more past due continue to accrue interest. The following tables present the contractual aging of the Company's recorded principal balance of loans by class of receivable as of the dates indicated:

	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or more Days Past Due	Total Loans 30 or More Days Past Due	Current Loans	Non-accrual Loans ⁽¹⁾	Total Loans
<i>As of March 31, 2024</i>							
Real estate:							
Commercial	\$ 1.5	\$ 0.2	\$ —	\$ 1.7	\$ 9,021.7	\$ 37.0	\$ 9,060.4
Construction	0.9	1.2	0.1	2.2	1,590.7	16.3	1,609.2
Residential	13.2	0.3	0.9	14.4	2,231.5	12.5	2,258.4
Agricultural	0.1	5.6	—	5.7	709.1	4.9	719.7
Total real estate	15.7	7.3	1.0	24.0	13,553.0	70.7	13,647.7
Consumer:							
Indirect	6.1	1.9	0.3	8.3	728.2	3.4	739.9
Direct	0.8	0.4	0.1	1.3	135.0	0.4	136.7
Credit card	0.5	0.2	0.7	1.4	71.2	—	72.6
Total consumer	7.4	2.5	1.1	11.0	934.4	3.8	949.2
Commercial	10.3	0.5	0.8	11.6	2,843.0	67.6	2,922.2
Agricultural	19.1	—	0.1	19.2	646.9	29.9	696.0
Other, including overdrafts	—	—	—	—	0.2	—	0.2
Loans held for investment	\$ 52.5	\$ 10.3	\$ 3.0	\$ 65.8	\$ 17,977.5	\$ 172.0	\$ 18,215.3

	30 - 59 Days Past Due	60 - 89 Days Past Due	90 or more Days Past Due	Total Loans 30 or More Days Past Due	Current Loans	Non-accrual Loans ⁽¹⁾	Total Loans
<i>As of December 31, 2023</i>							
Real estate:							
Commercial	\$ 12.7	\$ 6.1	\$ —	\$ 18.8	\$ 8,822.2	\$ 28.2	\$ 8,869.2
Construction	3.1	0.4	—	3.5	1,805.8	17.2	1,826.5
Residential	11.9	3.1	0.6	15.6	2,218.0	10.7	2,244.3
Agricultural	1.8	—	—	1.8	709.6	5.4	716.8
Total real estate	29.5	9.6	0.6	39.7	13,555.6	61.5	13,656.8
Consumer:							
Indirect	8.0	2.2	0.4	10.6	727.6	2.7	740.9
Direct	0.9	0.2	—	1.1	140.2	0.3	141.6
Credit card	0.7	0.5	0.6	1.8	74.7	—	76.5
Total consumer	9.6	2.9	1.0	13.5	942.5	3.0	959.0
Commercial	14.5	1.1	0.3	15.9	2,879.4	11.5	2,906.8
Agricultural	0.1	—	3.0	3.1	735.9	30.4	769.4
Other, including overdrafts	—	—	—	—	0.1	—	0.1
Loans held for investment	\$ 53.7	\$ 13.6	\$ 4.9	\$ 72.2	\$ 18,113.5	\$ 106.4	\$ 18,292.1

⁽¹⁾ As of March 31, 2024 and December 31, 2023, none of our non-accrual loans were earning interest income. Additionally, no material interest income was recognized on non-accrual loans during the three months ended March 31, 2024 and 2023, respectively. There were \$1.8 million and \$0.3 million in reversals of accrued interest during the three months ended March 31, 2024 and 2023, respectively.

Modifications to Borrowers Experiencing Financial Difficulty

Modifications of loans are made in the ordinary course of business and are completed on a case-by-case basis through negotiation with the borrower in connection with the ongoing loan collection processes. Loan modifications are made to provide payment relief to borrowers experiencing financial difficulty.

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From time to time, we may modify certain loans to borrowers who are experiencing financial difficulty. In some cases, these modifications may result in new loans. Loan modifications to borrowers experiencing financial difficulty may be in the form of principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, a term extension, or a combination thereof, among other things.

The following table presents the amortized cost basis of loans, by class and by type of modification, at March 31, 2024 and 2023 that were both experiencing financial difficulty and modified during the periods indicated. The percentage of the principal balance of loans that were modified to borrowers in financial distress as compared to the principal balance of each class of receivable is also presented below:

<i>Three Months Ended March 31, 2024</i>	Principal Forgiveness	Term Extension	Term Extension and Interest Rate Reduction	Total	% of Total Class of Loans Held for Investment ⁽¹⁾
Real estate:					
Commercial	\$ —	\$ 22.7	\$ —	\$ 22.7	0.25 %
Residential	—	0.1	—	0.1	—
Agricultural	—	6.1	—	6.1	0.85
Total real estate	—	28.9	—	28.9	0.21
Commercial	—	4.8	5.9	10.7	0.37
Agricultural	—	1.0	—	1.0	0.14
Loans held for investment ⁽²⁾	\$ —	\$ 34.7	\$ 5.9	\$ 40.6	0.22 %

<i>Three Months Ended March 31, 2023</i>	Principal Forgiveness	Term Extension	Term Extension and Interest Rate Reduction	Total	% of Total Class of Loans Held for Investment ⁽¹⁾
Real estate:					
Commercial	\$ 1.6	\$ 3.7	\$ —	\$ 5.3	0.06 %
Construction	—	0.2	—	0.2	0.01
Residential	0.1	—	—	0.1	—
Agricultural	—	1.2	—	1.2	0.16
Total real estate	1.7	5.1	—	6.8	0.05
Commercial	—	2.6	—	2.6	0.09
Agricultural	—	17.8	—	17.8	2.70
Loans held for investment ⁽²⁾	\$ 1.7	\$ 25.5	\$ —	\$ 27.2	0.15 %

⁽¹⁾ Based on the principal balance as of period end, divided by the period end principal balance of the corresponding class of receivables.

⁽²⁾ As of March 31, 2024 and 2023, the Company excluded \$0.2 million and \$0.3 million, respectively, in accrued interest from the amortized cost of the identified loans.

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The following tables present the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty during the periods indicated:

Three Months Ended March 31, 2024

	Principal Forgiveness	Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction	Term Extension and Interest Rate Reduction	
				Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction
Real estate:					
Commercial	\$ —	6.0	— %	0.0	— %
Construction	—	0.0	—	0.0	—
Residential	—	11.0	—	0.0	—
Agricultural	—	7.0	—	0.0	—
Total real estate	—				
Commercial	—	7.7	—	5.0	1.00
Agricultural	—	3.3	—	0.0	—
Loans held for investment ⁽¹⁾	\$ —				

Three Months Ended March 31, 2023

	Principal Forgiveness	Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction	Term Extension and Interest Rate Reduction	
				Weighted-Average Months of Term Extension	Weighted-Average Interest Rate Reduction
Real estate:					
Commercial	\$ 1.3	6.1	— %	0.0	— %
Construction	—	12.4	—	0.0	—
Residential	0.3	37.6	—	0.0	—
Agricultural	—	7.2	—	0.0	—
Total real estate	1.6				
Commercial	—	10.9	—	0.0	—
Agricultural	—	9.3	—	0.0	—
Loans held for investment ⁽¹⁾	\$ 1.6				

⁽¹⁾ Balances based on loan original contractual terms.

The Company monitors the performance of loan modifications to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Of the loans that were modified during the twelve-months ended March 31, 2024, there were \$19.1 million of loans classified as past due 30 days or more, with the remaining loans performing in accordance with the modified terms and are classified as current at March 31, 2024.

There were no commitments to lend additional funds to borrowers experiencing financial difficulty whose terms have been modified during the three months ended March 31, 2024 through either principal forgiveness, interest rate reduction, term extension, or other than insignificant payment delay.

There were \$2.8 million payment defaults on these loans subsequent to their modifications during the twelve-months ended March 31, 2024. The Company considers a payment default to occur when the loan is 90 days or more past due or the loan is placed on non-accrual status after the modification. The Company monitors the performance of modified loans on an ongoing basis. In the event of subsequent default, the allowance for credit losses continues to be reassessed based on an individual evaluation of each loan. The modifications made during the periods presented did not significantly impact the Company's determination of the allowance for credit losses.

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As part of the on-going and continuous monitoring of the credit quality of the Company's loan portfolio, management tracks internally assigned risk classifications of loans based on relevant information about the ability of borrowers to service their debt. The factors considered by the Company include, among other factors, the borrower's current financial information, historical payment experience, credit documentation, public information, and current economic trends. The Company analyzes loans individually to classify the credit risk of the loans. This analysis generally includes loans with an outstanding balance greater than \$1.0 million, which are generally considered non-homogeneous loans, such as commercial loans and commercial real estate loans. This analysis is performed no less than on an annual basis, depending upon the size of exposure and the contractual obligations governing the borrower's financial reporting frequency. Homogeneous loans, including small business loans, are typically monitored by payment performance. The Company internally risk rates its loans in accordance with a Uniform Classification System developed jointly by the various bank regulatory agencies. The Uniform Classification System defines three broad categories of criticized assets, which the Company uses as credit quality indicators in addition to the 6 Pass ratings in its 10-point rating scale:

Special Mention — includes loans that exhibit a potential weakness in financial condition, loan structure, or documentation that warrants management's close attention. If not promptly corrected, the potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard — includes loans that are inadequately protected by the current net worth and paying capacity of the borrower which have well-defined weaknesses that jeopardize the liquidation of the debt. Although the primary source of repayment for a substandard loan may not currently be sufficient, collateral or other sources of repayment are sufficient to satisfy the debt. Continuance of a substandard loan is not warranted unless positive steps are taken to improve the worthiness of the credit.

Doubtful — includes loans that exhibit pronounced weaknesses based on currently existing facts, conditions, and values to a point where collection or liquidation for full repayment is highly questionable and improbable. Doubtful loans are required to be placed on non-accrual status and are assigned specific loss exposure.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered pass-rated loans.

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The Company evaluates the credit quality and loan performance for the allowance for credit losses of the following class of receivables by origination year using the origination date or the loan's subsequent renewal or modification date based on the aforementioned risk scale as of and for the periods ended:

Risk by Collateral	As of and for the three months ended March 31, 2024						Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
	Term Loans Amortized Cost Basis by Origination Year								
	2024	2023	2022	2021	2020	Prior			
Commercial real estate:									
Pass	\$ 293.8	\$ 1,426.6	\$ 2,041.5	\$ 1,556.0	\$ 1,195.8	\$ 2,232.6	\$ 50.2	\$ 28.0	\$ 8,824.5
Special mention	1.9	8.0	4.5	25.2	6.4	37.5	—	—	83.5
Substandard	14.5	25.0	14.7	31.7	10.1	54.2	2.2	—	152.4
Total	\$ 310.2	\$ 1,459.6	\$ 2,060.7	\$ 1,612.9	\$ 1,212.3	\$ 2,324.3	\$ 52.4	\$ 28.0	\$ 9,060.4
Current-period gross charge-offs	—	2.9	—	—	—	—	—	—	2.9
Construction real estate:									
Pass	\$ 67.2	\$ 399.3	\$ 666.6	\$ 271.1	\$ 20.8	\$ 36.9	\$ 111.5	\$ 7.3	\$ 1,580.7
Special mention	1.3	1.4	6.5	—	—	0.3	—	—	9.5
Substandard	—	0.3	—	0.1	—	0.5	—	5.1	6.0
Doubtful	—	—	13.0	—	—	—	—	—	13.0
Total	\$ 68.5	\$ 401.0	\$ 686.1	\$ 271.2	\$ 20.8	\$ 37.7	\$ 111.5	\$ 12.4	\$ 1,609.2
Current-period gross charge-offs	—	—	—	—	0.1	—	—	—	0.1
Agricultural real estate:									
Pass	\$ 26.9	\$ 73.4	\$ 121.9	\$ 125.7	\$ 88.8	\$ 170.9	\$ 30.6	\$ 3.0	\$ 641.2
Special mention	0.3	6.6	4.5	3.3	2.8	13.0	0.2	—	30.7
Substandard	11.3	4.5	25.5	3.8	1.7	0.9	0.1	—	47.8
Total	\$ 38.5	\$ 84.5	\$ 151.9	\$ 132.8	\$ 93.3	\$ 184.8	\$ 30.9	\$ 3.0	\$ 719.7
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial:									
Pass	\$ 133.4	\$ 455.9	\$ 471.7	\$ 371.1	\$ 200.4	\$ 347.9	\$ 785.6	\$ 0.6	\$ 2,766.6
Special mention	1.7	3.5	4.6	1.7	2.1	2.5	9.6	0.2	25.9
Substandard	10.3	15.5	14.8	8.0	7.6	3.2	18.1	1.6	79.1
Doubtful	1.2	3.3	0.9	0.6	—	—	44.6	—	50.6
Total	\$ 146.6	\$ 478.2	\$ 492.0	\$ 381.4	\$ 210.1	\$ 353.6	\$ 857.9	\$ 2.4	\$ 2,922.2
Current-period gross charge-offs	—	0.1	0.2	0.1	0.1	—	0.6	2.9	4.0
Agricultural:									
Pass	\$ 32.8	\$ 86.2	\$ 53.5	\$ 28.2	\$ 19.3	\$ 10.6	\$ 347.8	\$ 4.4	\$ 582.8
Special mention	1.0	3.6	0.7	0.5	0.1	0.3	3.9	—	10.1
Substandard	1.0	46.2	0.3	0.2	0.7	29.9	24.4	—	102.7
Doubtful	—	—	—	0.4	—	—	—	—	0.4
Total	\$ 34.8	\$ 136.0	\$ 54.5	\$ 29.3	\$ 20.1	\$ 40.8	\$ 376.1	\$ 4.4	\$ 696.0
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—

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December 31, 2023									
Term Loans Amortized Cost Basis by Origination Year									
Risk by Collateral	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Commercial real estate:									
Pass	\$ 1,268.0	\$ 2,065.0	\$ 1,612.2	\$ 1,200.1	\$ 716.5	\$ 1,660.5	\$ 46.5	\$ 28.1	\$ 8,596.9
Special mention	4.2	9.1	42.6	12.9	27.5	17.1	0.3	—	113.7
Substandard	65.4	11.8	18.9	2.4	30.1	28.5	0.2	—	157.3
Doubtful	—	—	1.3	—	—	—	—	—	1.3
Total	\$ 1,337.6	\$ 2,085.9	\$ 1,675.0	\$ 1,215.4	\$ 774.1	\$ 1,706.1	\$ 47.0	\$ 28.1	\$ 8,869.2
Current-period gross charge-offs	1.7	0.3	1.7	2.6	—	1.3	—	—	7.6
Construction:									
Pass	\$ 493.7	\$ 735.3	\$ 331.2	\$ 36.7	\$ 16.8	\$ 36.2	\$ 104.4	\$ 13.7	\$ 1,768.0
Special mention	0.5	6.6	1.3	—	—	0.2	—	0.9	9.5
Substandard	7.0	4.0	24.4	0.2	—	0.4	—	—	36.0
Doubtful	—	13.0	—	—	—	—	—	—	13.0
Total	\$ 501.2	\$ 758.9	\$ 356.9	\$ 36.9	\$ 16.8	\$ 36.8	\$ 104.4	\$ 14.6	\$ 1,826.5
Current-period gross charge-offs	—	—	0.1	—	0.6	—	—	9.6	10.3
Agricultural real estate:									
Pass	\$ 86.2	\$ 123.7	\$ 126.2	\$ 93.5	\$ 56.7	\$ 124.3	\$ 31.8	\$ 7.0	\$ 649.4
Special mention	2.6	9.5	3.5	1.9	1.5	11.3	0.5	—	30.8
Substandard	8.1	20.8	3.6	2.6	0.4	1.1	—	—	36.6
Total	\$ 96.9	\$ 154.0	\$ 133.3	\$ 98.0	\$ 58.6	\$ 136.7	\$ 32.3	\$ 7.0	\$ 716.8
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—
Commercial:									
Pass	\$ 481.6	\$ 507.7	\$ 389.8	\$ 215.1	\$ 108.7	\$ 272.9	\$ 762.3	\$ 7.6	\$ 2,745.7
Special mention	7.3	4.7	6.6	3.1	0.9	1.9	14.8	0.2	39.5
Substandard	15.8	19.6	9.0	7.0	1.6	3.0	58.8	0.4	115.2
Doubtful	3.3	1.3	1.6	—	—	0.1	0.1	—	6.4
Total	\$ 508.0	\$ 533.3	\$ 407.0	\$ 225.2	\$ 111.2	\$ 277.9	\$ 836.0	\$ 8.2	\$ 2,906.8
Current-period gross charge-offs	0.2	0.4	0.5	0.5	0.2	0.1	1.4	0.1	3.4
Agricultural:									
Pass	\$ 105.7	\$ 57.7	\$ 31.6	\$ 22.4	\$ 6.1	\$ 7.2	\$ 421.9	\$ 3.4	\$ 656.0
Special mention	2.6	0.8	0.5	0.2	0.1	0.1	9.0	3.1	16.4
Substandard	43.8	0.3	2.7	0.7	28.8	2.2	18.5	—	97.0
Total	\$ 152.1	\$ 58.8	\$ 34.8	\$ 23.3	\$ 35.0	\$ 9.5	\$ 449.4	\$ 6.5	\$ 769.4
Current-period gross charge-offs	—	—	—	—	—	—	—	—	—

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The Company evaluates the credit quality, loan performance, and the allowance for credit losses of its residential and consumer loan portfolios based primarily on the aging status of the loan and borrower payment activity. Accordingly, loans on nonaccrual status, loans past due 90 days or more and still accruing interest are considered nonperforming for purposes of credit quality evaluation. The following tables present the recorded investment of these loan portfolios based on the credit risk profile of loans that are performing and loans that are nonperforming as of the periods indicated:

As of and for the three months ended March 31, 2024									
Term Loans Amortized Cost Basis by Origination Year									
Risk by Collateral	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total
Residential:									
Performing	\$ 1.4	\$ 52.0	\$ 401.5	\$ 515.8	\$ 487.4	\$ 293.5	\$ 471.1	\$ 22.3	\$ 2,245.0
Nonperforming	0.1	0.9	2.4	2.3	1.6	6.1	—	—	13.4
Total	\$ 1.5	\$ 52.9	\$ 403.9	\$ 518.1	\$ 489.0	\$ 299.6	\$ 471.1	\$ 22.3	\$ 2,258.4
Current-period gross charge-offs	—	0.1	—	0.1	—	—	—	—	0.2
Consumer indirect:									
Performing	\$ 66.8	\$ 181.8	\$ 239.3	\$ 104.1	\$ 72.0	\$ 72.2	\$ —	\$ —	\$ 736.2
Nonperforming	—	0.6	1.2	0.6	0.5	0.8	—	—	3.7
Total	\$ 66.8	\$ 182.4	\$ 240.5	\$ 104.7	\$ 72.5	\$ 73.0	\$ —	\$ —	\$ 739.9
Current-period gross charge-offs	—	0.4	1.0	0.3	0.1	0.3	—	—	2.1
Consumer direct and advance lines:									
Performing	\$ 13.3	\$ 38.0	\$ 28.8	\$ 15.9	\$ 7.8	\$ 8.2	\$ 24.0	\$ 0.2	\$ 136.2
Nonperforming	0.1	0.2	0.1	0.1	—	—	—	—	0.5
Total	\$ 13.4	\$ 38.2	\$ 28.9	\$ 16.0	\$ 7.8	\$ 8.2	\$ 24.0	\$ 0.2	\$ 136.7
Current-period gross charge-offs	—	0.1	0.3	0.1	—	0.5	—	—	1.0
Consumer credit card:									
Performing	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 71.9	\$ —	\$ 71.9
Nonperforming	—	—	—	—	—	—	0.7	—	0.7
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 72.6	\$ —	\$ 72.6
Current-period gross charge-offs	—	—	—	—	—	—	0.7	—	0.7

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Risk by Collateral	December 31, 2023							Revolving Loans Amortized Cost Basis	Revolving Loans Converted To Term	Total								
	Term Loans Amortized Cost Basis by Origination Year																	
	2023	2022	2021	2020	2019	Prior												
Residential:																		
Performing	\$	44.7	\$	356.9	\$	521.3	\$	500.6	\$	88.5	\$	217.1	\$	471.8	\$	32.1	\$	2,233.0
Nonperforming		1.1		2.1		1.2		1.1		0.7		5.1		—		—		11.3
Total	\$	45.8	\$	359.0	\$	522.5	\$	501.7	\$	89.2	\$	222.2	\$	471.8	\$	32.1	\$	2,244.3
Current-period gross charge-offs		0.3		—		0.1		0.1		—		0.1		—		—		0.6
Consumer indirect:																		
Performing	\$	194.9	\$	264.7	\$	115.4	\$	81.1	\$	32.9	\$	48.8	\$	—	\$	—	\$	737.8
Nonperforming		0.4		0.9		0.6		0.4		0.2		0.6		—		—		3.1
Total	\$	195.3	\$	265.6	\$	116.0	\$	81.5	\$	33.1	\$	49.4	\$	—	\$	—	\$	740.9
Current-period gross charge-offs		0.5		3.2		1.8		0.8		0.3		0.7		—		—		7.3
Consumer direct and advance lines:																		
Performing	\$	44.5	\$	32.9	\$	18.5	\$	9.4	\$	3.6	\$	6.0	\$	26.2	\$	0.2	\$	141.3
Nonperforming		0.1		0.1		0.1		—		—		—		—		—		0.3
Total	\$	44.6	\$	33.0	\$	18.6	\$	9.4	\$	3.6	\$	6.0	\$	26.2	\$	0.2	\$	141.6
Current-period gross charge-offs		0.2		0.5		0.2		0.4		0.1		2.6		0.1		—		4.1
Consumer credit card:																		
Performing	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	75.9	\$	—	\$	75.9
Nonperforming		—		—		—		—		—		—		0.6		—		0.6
Total	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—	\$	76.5	\$	—	\$	76.5
Current-period gross charge-offs		—		—		—		—		—		—		2.6		—		2.6

In the normal course of business, there were no material purchases of portfolio loans and no material sales of loans held for investment during the three months ended March 31, 2024 or 2023.

(5) Other Real Estate Owned

Other real estate owned (“OREO”) is a category of real estate owned by the Company resulting from a default by the borrower. Information with respect to the Company’s OREO is reflected in the following table:

	Three Months Ended March 31,	
	2024	2023
Beginning balance	\$ 16.5	\$ 12.7
Additions	0.1	0.8
Valuation adjustments	(2.1)	(0.1)
Dispositions	(0.1)	—
Ending balance	\$ 14.4	\$ 13.4

The carrying value of foreclosed residential real estate properties included in OREO was not material as of March 31, 2024 and December 31, 2023. The Company had \$1.0 million and \$0.5 million recorded investments in consumer mortgage loans secured by residential real estate for which formal foreclosure proceedings were in process of foreclosure as of March 31, 2024 and December 31, 2023, respectively.

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The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through the management of its business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and derivative financial instruments. The Company enters into derivative financial instruments, such as interest rate swap contracts to manage or hedge exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates and interest rate exposures. The Company does not enter into interest rate swap agreements for trading or speculative purposes.

The Company sells residential mortgage loans on either a best efforts or mandatory delivery basis. The Company mitigates the effect of the interest rate risk inherent in providing interest rate lock commitments by entering into forward loan sales contracts. The forward loan sales contracts are recorded at fair value with changes in fair value recorded through earnings and are not designated as accounting hedges. Exclusive of the fair value component associated with the projected cash flows from the loan delivery to the investor, the changes in fair value related to movements in market rates of the interest rate lock commitments and the forward loan sales contracts generally move in opposite directions, and the net impact of changes in these valuations on net income during the loan commitment period is generally inconsequential. When the loan is funded to the borrower, the interest rate lock commitment derivative expires, and the Company records a loan held for sale. The forward loan sales contract acts as a hedge against the variability in cash to be received from the loan sale. The changes in measurement of the estimated fair values of the interest rate lock commitments and forward loan sales contracts are included in mortgage banking revenues in the accompanying consolidated statements of income.

The Company also enters into certain interest rate swap contracts that are not designated as hedging instruments. These derivative contracts relate to transactions in which the Company enters into an interest rate swap with a client while at the same time entering into an offsetting interest rate swap with a third-party financial institution. Because the Company acts as an intermediary for the client, changes in the fair value of the underlying derivative contracts for the most part offset each other and do not significantly impact the Company's results of operations.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest income (expense) and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and collars as part of its interest rate risk management strategy.

As part of the Company's overall asset and liability management strategy, in August 2022 the Company entered into two interest rate collars related to variable-rate loans that were designated as cash flow hedges with a total notional amount of \$300.0 million. Each of the collars designated as cash flow hedges synthetically fixes the interest income received by the Company when the collar index falls below a floor rate on a rate reset during the term of the collar and when the collar index exceeds the cap rate on a rate reset during the term of the collar without exchange of the underlying notional amount.

In October 2022, the Company entered into four swaps, two of which were related to variable-rate loans and two that were related to variable-rate securities that were designated as cash flow hedges with a total notional amount of \$850.0 million. Each of these swaps designated as cash flow hedges synthetically fixes the interest income received by the Company without exchange of the underlying notional amount.

Of the six trades with a total notional amount of \$1.15 billion, five are effective with a total notional of \$900.0 million. Of these trades, two collars and one swap are related to variable-rate loans, two swaps are related to variable-rate securities, and the sixth trade related to variable-rate loans has an effective date in the second quarter of 2024.

For derivatives that are designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in accumulated other comprehensive income and subsequently reclassified into interest income (expense) in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified as interest income (expense) when interest payments are made on the Company's hedged items. During the next twelve months, based on implied forward curves, the Company estimates that \$13.2 million will be reclassified as an increase to interest expense.

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Fair Value Hedges of Interest Rate Risk

The Company is exposed to changes in the fair value of fixed-rate assets due to changes in benchmark interest rates. The Company uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rate. Interest rate swaps designated as fair value hedges involve the payment of fixed-rate amounts to a counterparty in exchange for the Company receiving variable-rate payments over the life of the agreements without the exchange of the underlying notional amount. During the third quarter of 2022, the Company terminated the \$200.0 million, three-year forward starting, four-year pay fixed interest rate swap, resulting in a \$8.5 million gain that will be accreted into income through July 2028. The Company accreted \$0.4 million of the gain into interest income during the period ended March 31, 2024.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in interest income.

The following amounts were recorded on the consolidated balance sheets related to cumulative basis adjustment for fair value hedges for the periods indicated:

	March 31, 2024		December 31, 2023	
	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment
Available-for-sale securities	\$ 193.6	\$ 6.4	\$ 193.3	\$ 6.7

Non-designated Hedge Derivatives

Derivatives not designated as accounting hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate derivatives associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings.

Risk Participation Agreements

The Company acquired, from Great Western Bank, risk participation agreements under which it assumes credit risk associated with a borrower's performance related to derivative contracts. The Company only entered into these credit risk participation agreements in instances in which the Company was also a party to the related loan participation agreements for such borrowers. The Company manages its credit risk under risk participation agreements by monitoring the creditworthiness of the borrower, based on its normal credit review process.

The following table summarizes the fair values of our derivative instruments on a gross and net basis for the periods indicated. The derivative asset and liability balances are presented on a gross basis, prior to the application of bilateral collateral and master netting agreements, but after the variation margin payments with central clearing organizations have been applied as settlement, as applicable. Total derivative assets and liabilities are adjusted to account for the impact of legally enforceable master netting agreements that allow us to settle all derivative contracts with a single counterparty on a net basis and to offset the net derivative position with the related cash collateral. Securities collateral related to legally enforceable master netting agreements is not offset on the consolidated balance sheets.

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	March 31, 2024			December 31, 2023		
	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value
<i>Derivatives designated as accounting hedges:</i>						
Interest rate swap contracts	\$ —		\$ —	\$ 550.0		\$ 3.0
<i>Derivatives not designated as accounting hedges:</i>						
Interest rate swap contracts	1,535.6		44.1	1,589.0		34.3
Interest rate lock commitments	7.5		0.1	5.7		0.1
Forward loan sales contracts	—		—	—		—
Derivative assets	\$ 1,543.1	Other assets	\$ 44.2	\$ 2,144.7	Other assets	\$ 37.4
<i>Derivatives designated as accounting hedges:</i>						
Interest rate collars	\$ 300.0		\$ 4.5	\$ 300.0		\$ 3.6
Interest rate swap contracts	850.0		12.3	300.0		2.4
<i>Derivatives not designated as accounting hedges:</i>						
Interest rate swap contracts	1,535.6		139.8	1,589.0		121.1
Risk participation agreements	99.7		—	101.1		0.1
Interest rate lock commitments	—		—	—		—
Forward loan sales contracts	8.6		—	5.6		0.1
Derivative liabilities	\$ 2,793.9	Accounts payable and accrued expenses	\$ 156.6	\$ 2,295.7	Accounts payable and accrued expenses	\$ 127.3

There was an unrealized fair value gain on cash flow hedging derivative instruments in accumulated other comprehensive income of \$17.4 million during the three months ended March 31, 2024, and an unrealized fair value loss on cash flow hedging derivative instruments in accumulated other comprehensive income of \$9.5 million during the three months ended March 31, 2023.

There was a loss of \$3.5 million reclassified from accumulated other comprehensive loss into the consolidated statements of income during the three months ended March 31, 2024 from the Company's fair value or cash flow hedged derivative financial instruments, and a loss of \$0.5 million reclassified during the comparable 2023 period.

The table below presents the effect of the Company's derivative financial instruments that are not designated as hedging instruments on the consolidated statements of income for the periods indicated:

		Three Months Ended March 31,	
		2024	2023
	Location of Gain (Loss) Recognized in Income on Derivative	Amount of Gain (Loss) Recognized in Income on Derivative	
Interest rate lock commitments	Mortgage banking revenues	\$ 0.1	\$ 0.1

The Company includes swap fee revenues in other service charges, commissions, and fees on the consolidated statements of income. The Company had no material swap fee revenues for the three months ended March 31, 2024 and March 31, 2023.

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The tables below present the gross presentation, the effects of offsetting, and a net presentation of the Company's derivatives as of the dates indicated:

March 31, 2024						
	Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Received ⁽¹⁾	Net Amount
Interest rate swap contracts	\$ 44.1	\$ —	\$ 44.1	\$ —	\$ 32.5	\$ 11.6
Interest rate lock commitments	0.1	—	0.1	—	—	0.1
Total derivatives	44.2	—	44.2	—	32.5	11.7
Total assets	\$ 44.2	\$ —	\$ 44.2	\$ —	\$ 32.5	\$ 11.7

⁽¹⁾ Netting adjustments represent the amounts recorded to convert derivatives assets and liabilities from a gross basis to a net basis in accordance with the applicable accounting guidance. The application of the collateral cannot reduce the net derivative position below zero. Therefore, excess collateral, if any, is not reflected above.

	Gross Liabilities Recognized	Gross Liabilities Offset in the Balance Sheet	Net Liabilities in the Balance Sheet	Financial Instruments	Cash Collateral Posted	Net Amount
Interest rate swap and collar contracts	\$ 156.6	\$ —	\$ 156.6	\$ —	\$ —	\$ 156.6
Total derivatives	156.6	—	156.6	—	—	156.6
Repurchase agreements	794.2	—	794.2	—	794.2	—
Total liabilities	\$ 950.8	\$ —	\$ 950.8	\$ —	\$ 794.2	\$ 156.6

December 31, 2023						
	Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Received	Net Amount
Interest rate swap contracts	\$ 37.3	\$ —	\$ 37.3	\$ —	\$ 32.7	\$ 4.6
Interest rate lock commitments	0.1	—	0.1	—	—	0.1
Total derivatives	37.4	—	37.4	—	32.7	4.7
Total assets	\$ 37.4	\$ —	\$ 37.4	\$ —	\$ 32.7	\$ 4.7

	Gross Liabilities Recognized	Gross Liabilities Offset in the Balance Sheet	Net Liabilities in the Balance Sheet	Financial Instruments	Cash Collateral Posted	Net Amount
Interest rate swap and collar contracts	\$ 127.1	\$ —	\$ 127.1	\$ —	\$ —	\$ 127.1
Risk participation agreements	0.1	—	0.1	—	—	0.1
Forward loan sales contracts	0.1	—	0.1	—	—	0.1
Total derivatives	127.3	—	127.3	—	—	127.3
Repurchase agreements	782.7	—	782.7	—	782.7	—
Total liabilities	\$ 910.0	\$ —	\$ 910.0	\$ —	\$ 782.7	\$ 127.3

Credit-risk-related Contingent Feature

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

The Company has agreements with each of its derivative counterparties that contain a provision where the Company could be declared in default on its derivative obligations if repayment of the underlying indebtedness is accelerated by the lender due to the Company's default on the indebtedness.

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The Company has agreements with certain of its derivative counterparties that contain a provision where if the Company fails to maintain its status as a well / adequately capitalized institution, then the counterparty could terminate the derivative positions and the Bank would be required to settle its obligations. Similarly, the Bank could be required to settle its obligations under certain of its agreements if specific regulatory events occur, such as a publicly issued prompt corrective action directive, cease and desist order, or a capital maintenance agreement that required the Bank to maintain a specific capital level. If the Bank had breached any of these provisions at March 31, 2024 or December 31, 2023, it could have been required to settle its obligations under the agreements at the termination value.

As of March 31, 2024, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, was \$1.1 million related to these agreements. As of March 31, 2024, the Company has minimum collateral posting thresholds with certain of its derivative counterparties and has \$0.2 million posted excess collateral. If the Company had breached any of these provisions at March 31, 2024, it could have been required to settle its obligations under the agreements at their termination value.

(7) Long-Term Debt and Other Borrowed Funds

A summary of long-term debt follows:

	March 31, 2024	December 31, 2023
Parent Company:		
Fixed to floating subordinated notes, 5.25% fixed rate effective May 2020 through May 2025	\$ 99.1	\$ 99.0
Subsidiaries:		
Average rate of 4.72% FHLB borrowings maturing in July 2025	250.0	—
8.00% finance lease obligation with term ending October 31, 2029	0.8	0.9
1.00% note payable maturing December 31, 2041, interest only payable quarterly until September 30, 2024 and then principal and interest until maturity	5.1	5.1
Note payable maturing March 31, 2038, interest only payable at 1.30% monthly until March 31, 2025 and then principal and interest at 3.25% until maturity	2.0	2.0
1.30% note payable maturing June 1, 2034, interest only payable monthly until March 31, 2025 and then principal and interest until maturity	0.6	0.6
1.12% note payable maturing December 31, 2045, interest only payable annually until December 31, 2028 and then principal and interest until maturity	6.8	6.8
1.35% note payable maturing December 31, 2046 interest only payable annually until December 31, 2025 and then principal and interest until maturity	6.4	6.4
Total long-term debt	\$ 370.8	\$ 120.8

In addition to the long-term debt instruments noted above, at March 31, 2024, the Company had other borrowed funds totaling \$2,342.0 million of outstanding BTFP and FHLB fixed rate borrowings with tenors of up to twelve-months at an average rate of 5.03%, as compared to \$2,603.0 million of outstanding FHLB fixed rate borrowings with tenors of up to three-months at an average rate of 5.52% at December 31, 2023. As of March 31, 2024 and December 31, 2023, the Company had no other material outstanding borrowings classified as other borrowed funds.

At March 31, 2024, the Company has remaining available lines of credit with the FHLB of approximately \$4,416.7 million, subject to collateral availability. The borrowings are collateralized by certain loans and securities with an advance equivalent collateral value of \$6,008.7 million.

The following table presents outstanding FHLB and BTFP borrowings by maturity buckets for the dates indicated:

As of March 31, 2024	Average Rate	Outstanding Balance
Fixed rate borrowings with tenors of up to three-months	5.52 %	\$ 592.0
Fixed rate borrowings with tenors of twelve-months	4.86	1,750.0
		\$ 2,342.0
As of December 31, 2023	Average Rate	Outstanding Balance
Fixed rate borrowings with tenors of up to three-months	5.52 %	\$ 2,603.0
		\$ 2,603.0

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(8) Capital Stock

On May 24, 2023, the Company's shareholders approved the proposed change of the Company's state of incorporation from Montana to Delaware. As a result, each outstanding share of the then Company's Class A common stock became an outstanding share of common stock of the Company and each outstanding option, warrant or other right to acquire shares of the Company's previously designated Class A common stock became an outstanding option, warrant or other right to acquire shares of common stock of the Company.

As of March 31, 2024, the Company is authorized to issue an aggregate of 150,100,000 shares of capital stock, of which, 150,000,000 shares are designated as common stock, and 100,000 are designated as preferred stock. Our common stock is uncertificated and has one vote per share.

The Company had 104,571,623 shares and 103,941,626 shares of common stock outstanding as of March 31, 2024 and December 31, 2023, respectively, and no shares of preferred stock outstanding as of March 31, 2024 and December 31, 2023.

As of March 31, 2024, the Company does not have a stock repurchase program in place. Stock repurchases during the three months ended March 31, 2024 and 2023, were redemptions of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants in the Company's equity compensation plans.

(9) Earnings per Common Share

Basic earnings per common share is calculated by dividing net income by the weighted average number of common shares outstanding during the period presented, excluding unvested restricted stock. Diluted earnings per share is calculated by dividing net income by the weighted average number of common shares determined for the basic earnings per share computation plus the dilutive effects of stock-based compensation using the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share for the periods presented:

	Three Months Ended March 31,	
	2024	2023
Net income	\$ 58.4	\$ 56.3
Weighted average common shares outstanding for basic earnings per share computation	102,844,397	103,737,664
Dilutive effects of stock-based compensation	195,637	81,055
Weighted average common shares outstanding for diluted earnings per common share computation	103,040,034	103,818,719
Basic earnings per common share	\$ 0.57	\$ 0.54
Diluted earnings per common share	\$ 0.57	\$ 0.54
Anti-dilutive unvested time restricted stock	49,574	132,410

The Company had 801,061 and 330,408 shares of unvested restricted stock as of March 31, 2024 and 2023, respectively, that were not included in the computation of diluted earnings per common share because performance conditions for vesting had not been met.

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(10) Regulatory Capital

As of March 31, 2024 and December 31, 2023, the Company exceeded all capital adequacy requirements to which it is subject. Actual capital amounts and ratios for the Company and its subsidiary Bank, as of March 31, 2024 and December 31, 2023 are presented in the following tables:

	Actual		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer ⁽¹⁾		Minimum to Be Well Capitalized Under Prompt Corrective Action Requirements ⁽²⁾	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>March 31, 2024</i>								
Total risk-based capital:								
Consolidated	\$ 2,956.5	13.64 %	\$ 1,734.2	8.00 %	\$ 2,276.2	10.50 %	\$ 2,167.8	10.00 %
FIB	2,678.2	12.38	1,731.1	8.00	2,272.0	10.50	2,163.8	10.00
Tier 1 risk-based capital:								
Consolidated	2,464.1	11.37	1,300.7	6.00	1,842.6	8.50	1,734.2	8.00
FIB	2,443.3	11.29	1,298.3	6.00	1,839.3	8.50	1,731.1	8.00
Common equity tier 1 risk-based capital:								
Consolidated	2,464.1	11.37	975.5	4.50	1,517.5	7.00	1,409.1	6.50
FIB	2,443.3	11.29	973.7	4.50	1,514.7	7.00	1,406.5	6.50
Leverage capital ratio:								
Consolidated	2,464.1	8.28	1,190.2	4.00	1,190.2	4.00	1,487.8	5.00
FIB	2,443.3	8.22	1,188.6	4.00	1,188.6	4.00	1,485.8	5.00

	Actual		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer ⁽¹⁾		Minimum to Be Well Capitalized Under Prompt Corrective Action Requirements ⁽²⁾	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<i>December 31, 2023</i>								
Total risk-based capital:								
Consolidated	\$ 2,941.1	13.28 %	\$ 1,771.6	8.00 %	\$ 2,325.2	10.50 %	\$ 2,214.5	10.00 %
FIB	2,662.0	12.04	1,768.3	8.00	2,320.8	10.50	2,210.3	10.00
Tier 1 risk-based capital:								
Consolidated	2,454.4	11.08	1,328.7	6.00	1,882.3	8.50	1,771.6	8.00
FIB	2,433.0	11.01	1,326.2	6.00	1,878.8	8.50	1,768.3	8.00
Common equity tier 1 risk-based capital:								
Consolidated	2,454.4	11.08	996.5	4.50	1,550.1	7.00	1,439.4	6.50
FIB	2,433.0	11.01	994.6	4.50	1,547.2	7.00	1,436.7	6.50
Leverage capital ratio:								
Consolidated	2,454.4	8.22	1,193.9	4.00	1,193.9	4.00	1,492.3	5.00
FIB	2,433.0	8.16	1,192.2	4.00	1,192.2	4.00	1,490.2	5.00

(1) The capital conservation buffer is an additional 2.5% of the amount necessary to meet the minimum risk-based capital requirements for total, tier 1, and common equity tier 1 risk-based capital.

(2) The ratios to meet the requirements to be deemed “well-capitalized” are only applicable to FIB. However, the Company manages its capital position as if the requirements apply to the consolidated company and has presented the ratios as if they also applied on a consolidated basis.

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In connection with the adoption of CECL on January 1, 2020, the Company recognized an after-tax cumulative effect on retained earnings with a reduction totaling \$24.1 million. In March 2020, the Office of the Comptroller of Currency, the Board of Governors of the Federal Reserve System, and the FDIC issued an interim final rule that allows banking organizations to mitigate the effects of ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASC 326") on their regulatory capital computations. This interim rule is in addition to the three-year transition period already in place under the capital transition rule previously issued in February 2019. Banking organizations can elect to mitigate the estimated cumulative effects on regulatory capital for an additional two years. This rule allows an institution to defer incorporating the impact of ASC 326 into its regulatory capital calculation, including ratios, over an extended period. Additionally, the interim rule extends the transition period whereby an institution can defer the impact from ASC 326 on the current period, determined based on the difference between the new ASC 326 allowance for credit losses and the allowance for loan losses under the incurred loss method from previous GAAP, for up to two years. The total impact related to ASC 326 would then be transitioned into regulatory capital and the associated ratios over a three-year transition period, beginning after the initial two-year deferral period, for a total transition period of five years. The Company elected to opt into the transition election and adopted transition relief over the permissible five-year period.

(11) Commitments and Contingencies

In the normal course of business, the Company is involved in various claims and litigation. The Company establishes accruals for legal matters when potential losses associated with the actions become probable and the amount of loss can be reasonably estimated. There is no assurance that the ultimate resolution of these matters will not significantly exceed the amounts that the Company has accrued. Accruals for legal matters are based on management's best judgment after consultation with counsel and others. In the opinion of management, following consultation with legal counsel, the ultimate liability or disposition of all such claims and litigation is not expected to have a material adverse effect on the consolidated financial condition, results of operations, or liquidity of the Company.

As of March 31, 2024, the Company had commitments under construction contracts of \$4.2 million.

Residential mortgage loans sold to investors in the secondary market are sold with varying recourse provisions. Essentially all the loan sales agreements require the repurchase of a mortgage loan by the seller in situations such as breach of representation, warranty, or covenant; untimely document delivery; false or misleading statements; failure to obtain certain certificates or insurance; or unmarketability. Certain loan sales agreements contain repurchase requirements based on payment-related defects that are defined in terms of the number of days or months since the purchase, the sequence number of the payment, and/or the number of days of payment delinquency. Based on the specific terms stated in the agreements, the Company had \$0.8 million of sold residential mortgage loans with recourse provisions still in effect as of March 31, 2024.

(12) Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company is a party to financial instruments with off-balance sheet risk to meet the financing needs of its clients. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of amounts recorded in the consolidated balance sheets. Commitments to extend credit are agreements to lend to a client so long as there is no violation of any condition established in the commitment contract. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a client to a third party. The credit risk involved in issuing letters of credit is essentially the same as the credit risk involved in extending loan facilities to clients. The Company's policy for obtaining collateral, and determining the nature of such collateral, is essentially the same as in the Company's policies for making commitments to extend credit. The estimated fair value of the obligation undertaken by the Company in issuing standby letters of credit is included in accounts payable and accrued expenses in the Company's consolidated balance sheets.

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The following table presents our financial instruments with off-balance sheet risk, as well as the activity in the allowance for off-balance sheet credit losses related to those financial instruments:

	Three Months Ended March 31,	
	2024	2023
Beginning balance	\$ 18.4	\$ 16.2
Provision for credit loss expense	(3.0)	1.6
Ending balance	\$ 15.4	\$ 17.8

	March 31, 2024	December 31, 2023
Unused credit card lines	\$ 826.9	\$ 814.0
Commitments to extend credit	3,761.0	4,069.2
Standby letters of credit	97.6	97.1

(13) Other Comprehensive Loss

The gross amounts of each component of other comprehensive loss and the related tax effects are as follows:

Three Months Ended March 31,	Pre-tax		Tax Expense (Benefit)		Net of Tax	
	2024	2023	2024	2023	2024	2023
Investment securities available-for sale:						
Change in net unrealized (losses) gains during the period	\$ (26.4)	\$ 78.2	\$ (6.6)	\$ 19.6	\$ (19.8)	\$ 58.6
Reclassification adjustment for net losses included in income	—	23.4	—	5.8	—	17.6
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	—	(7.2)	—	(1.8)	—	(5.4)
Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.2)	(0.4)	—	(0.1)	(0.2)	(0.3)
Change in unrealized (gains) losses on derivatives	(13.9)	10.0	(3.5)	2.5	(10.4)	7.5
Total other comprehensive (loss) income	\$ (40.5)	\$ 104.0	\$ (10.1)	\$ 26.0	\$ (30.4)	\$ 78.0

The components of accumulated other comprehensive loss, net of related tax effects, are as follows:

	March 31, 2024	December 31, 2023
Net unrealized loss on investment securities available-for-sale	\$ (369.9)	\$ (350.1)
Net unrealized loss on investment securities transferred to held-to-maturity	(5.7)	(5.6)
Net unrealized loss on derivatives	(11.3)	(0.8)
Net accumulated other comprehensive loss	\$ (386.9)	\$ (356.5)

(14) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The three levels of inputs to measure fair value are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities

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The methodologies used by the Company in determining the fair values of each class of financial instruments are based primarily on independent, market-based data to reflect a value that would be reasonably expected in an orderly transaction between market participants at the measurement date, and therefore, are classified within Level 2 of the valuation hierarchy. There have been no significant changes in the valuation techniques during the three months ended March 31, 2024 and 2023.

The Company's policy is to recognize transfers between levels as of the end of the reporting period. Transfers in and out of Level 1, Level 2, and Level 3 are recognized on the actual transfer date. There were no significant transfers between fair value hierarchy levels during the three months ended March 31, 2024 and 2023.

Further details on the methods used to estimate the fair value of each class of financial instruments above are discussed below:

Investment Debt Securities Available-for-Sale. The Company obtains fair value measurements for investment securities from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the investment's terms and conditions, among others. Vendors chosen by the Company are widely recognized vendors whose evaluations support the pricing functions of financial institutions, investment and mutual funds, and portfolio managers. If needed, a broker may be utilized to determine the reported fair value of investment securities.

Loans Held for Sale. Fair value measurements for residential mortgage loans held for sale are obtained from an independent pricing service. The fair value measurements consider observable data that may include binding contracts or quotes or bids from third party investors as well as loan level pricing adjustments. Commercial and agricultural loans held for sale are derived from quotes or bids from third party investors.

Interest Rate Collars: The fair values of interest rate collars are obtained from an independent third party. The values are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates fell below (rise above) the strike rate of the floors (caps). The variable interest rates used in the calculation of projected receipts on the collars are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The change in the value of derivative assets attributable to basis risk, or the risk that offsetting investments in a hedging strategy will not experience price changes in entirely opposite directions, was not significant in the reported periods. The Company also compares the reasonableness of the pricing semi-annually through a validation process involving additional independent third parties.

Interest Rate Swap Contracts. Fair values for derivative interest rate swap contracts are obtained from an independent third party. The values are based upon the estimated amounts to settle the contracts considering current interest rates and are calculated using discounted cash flows that are observable, or that can be corroborated by observable market data. The inputs used to determine fair value include the United States Dollar – Secured Overnight Financing Rate ("SOFR") forward curve to estimate variable rate cash inflows and the SOFR to estimate the discount rate. The estimated variable rate cash inflows are compared to the fixed rate outflows and such difference is discounted to a present value to estimate the fair value of the interest rate swaps. The change in the value of derivative assets attributable to basis risk, or the risk that offsetting investments in a hedging strategy will not experience price changes in entirely opposite directions, was not significant in the reported periods. The Company also compares the reasonableness of the pricing semi-annually through a validation process involving additional independent third parties.

For purposes of potential valuation adjustments to our derivative positions, we evaluate both our credit risk and the credit risk of our counterparties. Accordingly, we have considered factors such as the likelihood of our default and the default of our counterparties, our net exposures and remaining contractual life, among other things, in determining if any fair value adjustments related to credit risk are required. The change in value of derivative assets and derivative liabilities attributable to credit risk was not significant during the reported periods.

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Interest Rate Lock Commitments. Fair value measurements for interest rate lock commitments are obtained from an independent pricing service. The fair value measurements consider observable data that may include prices available from secondary market investors taking into consideration various characteristics of the loan, including the loan amount, interest rate, value of the servicing, and loan to value ratio, among other things. Observable data is then adjusted to reflect changes in interest rates, the Company's estimated pull-through rate, and estimated direct costs necessary to complete the commitment into a closed loan net of origination, and processing fees collected from the borrower.

Forward Loan Sales Contracts. The fair value measurements for forward loan sales contracts are obtained from an independent pricing service. The fair value measurements consider observable data that includes sales of similar loans.

Deferred Compensation Plan Assets and Liabilities. The fair values of deferred compensation plan assets and liabilities are based primarily on the use of independent, market-based data to reflect a value that would be reasonably expected in an orderly transaction between market participants at the measurement date. These investments are in the same funds and purchased in the same amounts as the participants' selected investments, which represent the underlying liabilities to plan participants. Deferred compensation plan liabilities are recorded at amounts due to participants, based on the fair value of participants' selected investments.

Financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>As of March 31, 2024</i>	Fair Value			
Investment debt securities available-for-sale:				
U.S. Treasury notes	\$	222.4	\$	222.4
State, county, and municipal securities		216.2		216.2
Obligations of U.S. government agencies		162.5		162.5
U.S. agency commercial mortgage-backed securities		1,119.8		1,119.8
U.S. agency residential mortgage-backed securities		1,324.0		1,324.0
Collateralized mortgage obligations		1,170.1		1,170.1
Private mortgage-backed securities		205.0		205.0
Collateralized loan obligations		1,116.4		1,116.4
Corporate securities		236.9		236.9
Loans held for sale		3.2		3.2
Derivative assets:				
Interest rate swap contracts		44.1		44.1
Interest rate lock commitments		0.1		0.1
Derivative liabilities:				
Interest rate collars		4.5		4.5
Interest rate swap contracts		152.1		152.1
Deferred compensation plan assets		19.9		19.9
Deferred compensation plan liabilities		19.9		19.9

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<i>As of December 31, 2023</i>	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment debt securities available-for-sale:				
U.S. Treasury notes	\$ 224.7	\$ —	\$ 224.7	\$ —
State, county and municipal securities	219.8	—	219.8	—
Obligations of U.S. government agencies	168.5	—	168.5	—
U.S. agency commercial mortgage-backed securities	1,105.6	—	1,105.6	—
U.S. agency residential mortgage-backed securities	1,366.9	—	1,366.9	—
Collateralized mortgage obligations	1,189.5	—	1,189.5	—
Private mortgage-backed securities	210.4	—	210.4	—
Collateralized loan obligations	1,119.7	—	1,119.7	—
Corporate securities	236.4	—	236.4	—
Loans held for sale	0.5	—	0.5	—
Derivative assets:				
Interest rate swap contracts	37.3	—	37.3	—
Forward loan sales contracts	0.1	—	0.1	—
Derivative liabilities				
Interest rate collars	3.6	—	3.6	—
Interest rate swap contracts	123.5	—	123.5	—
Risk participation agreements	0.1	—	0.1	—
Forward loan sales contracts	0.1	—	0.1	—
Deferred compensation plan assets	19.2	—	19.2	—
Deferred compensation plan liabilities	19.2	—	19.2	—

Additionally, from time to time, certain assets are measured at fair value on a non-recurring basis. Adjustments to fair value generally result from the application of lower-of-cost-or-market accounting or write-downs of individual assets due to credit deterioration. The following table presents information about the Company's assets and liabilities measured at fair value on a non-recurring basis:

<i>As of March 31, 2024</i>	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans	\$ 116.4	\$ —	\$ —	\$ 116.4
Loans held for sale	19.5	—	—	19.5
Other real estate owned	14.4	—	—	14.4
Long-lived assets to be disposed of by sale	1.0	—	—	1.0

<i>As of December 31, 2023</i>	Fair Value	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Collateral-dependent loans	\$ 52.6	\$ —	\$ —	\$ 52.6
Loans held for sale	46.9	—	—	46.9
Other real estate owned	16.5	—	—	16.5
Long-lived assets to be disposed of by sale	1.0	—	—	1.0

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Collateral-dependent Loans. Collateral-dependent loans are reported at the fair value of the underlying collateral if repayment is expected solely from collateral. The collateral-dependent loans are reported at fair value through specific valuation allowance allocations. In addition, when it is determined that the fair value of a collateral-dependent loan is less than the recorded investment in the loan, the carrying value of the loan is adjusted to fair value through a charge to the allowance for credit losses. Collateral values are estimated using independent appraisals and management estimates of current market conditions. As of March 31, 2024 and December 31, 2023, the Company had collateral-dependent loans with a carrying and fair value of \$116.4 million and \$52.6 million, respectively.

Loans Held for Sale. Fair value measurements for non-residential mortgage loans held for sale are derived from valuations, appraisals, and quotes or bids from third party investors. The fair value measurements consider observable data that may include binding contracts or quotes or bids from third party investors as well as loan level pricing adjustments.

OREO. The fair values of OREO are estimated using independent appraisals and management estimates of current market conditions. Upon initial recognition, write-downs based on the foreclosed asset's fair value at foreclosure are reported through charges to the allowance for credit losses. Periodically, the fair value of foreclosed assets is remeasured with any subsequent write-downs charged to OREO expense in the period in which they are identified. The Company had \$2.1 million and \$0.1 million of write downs on OREO properties during the three months ended March 31, 2024 and 2023, respectively.

Long-lived Assets to be Disposed of by Sale. Long-lived assets to be disposed of by sale are carried at the lower of carrying value or fair value less estimated costs to sell. The fair values of long-lived assets to be disposed of by sale are based upon observable market data and management estimates of current market conditions. As of March 31, 2024 and December 31, 2023, the Company had long-lived assets to be disposed of by sale with carrying and fair values aggregating \$1.0 million.

The following table presents additional quantitative information about assets measured at fair value on a non-recurring basis and for which the Company has utilized Level 3 inputs to determine fair values:

	Fair Value As of		Valuation Technique	Unobservable Inputs	Range (Weighted Average)			
	March 31, 2024	December 31, 2023						
Collateral-dependent loans	\$ 116.4	\$ 52.6	Appraisal	Appraisal adjustment	0%	-	100%	(30%)
Loans held for sale	19.5	46.9	Fair value of collateral	Discount for type of property, age of appraisal, and current status	0	-	27	(24)
Other real estate owned	14.4	16.5	Appraisal	Appraisal adjustment	17	-	47	(41)
Long-lived assets to be disposed of by sale	1.0	1.0	Appraisal	Appraisal adjustment	0	-	0	0

The Company is required to disclose the fair value of financial instruments for which it is practical to estimate fair value. The methodologies for estimating the fair value of financial instruments that are measured at fair value on a recurring or non-recurring basis are discussed above. The methodologies for estimating the fair value of other financial instruments are discussed below. For financial instruments bearing a variable interest rate where no credit risk exists, it is presumed that recorded book values are reasonable estimates of fair value.

Financial Assets. Carrying values of cash, cash equivalents, and accrued interest receivable approximate fair values due to the liquid and/or short-term nature of these instruments. Fair values for investment securities held-to-maturity are obtained from an independent pricing service, which considers observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the investment's terms and conditions, among other things. Fair values of fixed rate loans and variable rate loans that reprice on an infrequent basis are estimated by discounting future cash flows using current interest rates at which similar loans with similar terms would be made to borrowers of similar credit quality using an exit price notion. Carrying values of variable rate loans that reprice frequently, and with no change in credit risk, approximate the fair values of these instruments.

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except share and per share data)

Financial Liabilities. The fair values of demand deposits, savings accounts, securities sold under repurchase agreements, and accrued interest payable are the amounts that are payable on demand at the reporting date. The fair values of fixed-maturity certificates of deposit are estimated using external market rates that are currently offered for deposits that have similar remaining maturities. The fair values of derivative liabilities are obtained from an independent pricing service, which considers observable data that may include the United States Dollar – SOFR forward curve, the federal funds effective swap rate and cash flows, among other things. The fixed and floating rate subordinated debentures, floating rate subordinated term loan, other borrowed funds, fixed rate subordinated term debt, and capital lease obligation are estimated by discounting future cash flows using current rates for advances that have similar characteristics.

Commitments to Extend Credit and Standby Letters of Credit. The fair value of commitments to extend credit and standby letters of credit, based on fees currently charged to enter into similar agreements, is not significant.

The estimated fair values of financial instruments that are reported in the Company's consolidated balance sheets, and are segregated by the level of the valuation inputs within the fair value hierarchy that are utilized to measure fair value, are as follows:

As of March 31, 2024	Carrying Amount	Estimated Fair Value	Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	\$ 635.0	\$ 635.0	\$ 635.0	\$ —	\$ —
Investment debt securities available-for-sale	5,773.3	5,773.3	—	5,773.3	—
Investment debt securities held-to-maturity	2,852.8	2,497.8	—	2,497.8	—
Accrued interest receivable	125.5	125.5	—	125.5	—
Mortgage servicing rights, net	27.6	40.0	—	40.0	—
Loans held for sale	22.7	22.7	—	3.2	19.5
Net loans held for investment	17,975.1	17,357.4	—	17,241.0	116.4
Derivative assets	44.2	44.2	—	44.2	—
Deferred compensation plan assets	19.9	19.9	—	19.9	—
Total financial assets	\$ 27,476.1	\$ 26,515.8	\$ 635.0	\$ 25,744.9	\$ 135.9
Financial liabilities:					
Total deposits, excluding time deposits	\$ 19,876.1	\$ 19,876.1	\$ 19,876.1	\$ —	\$ —
Time deposits	2,933.9	2,906.3	—	2,906.3	—
Securities sold under repurchase agreements	794.2	794.2	—	794.2	—
Other borrowed funds	2,342.0	2,342.0	—	2,342.0	—
Accrued interest payable	53.6	53.6	—	53.6	—
Long-term debt	370.8	367.9	—	367.9	—
Subordinated debentures held by subsidiary trusts	163.1	154.6	—	154.6	—
Derivative liabilities	156.6	156.6	—	156.6	—
Deferred compensation plan liabilities	19.9	19.9	—	19.9	—
Total financial liabilities	\$ 26,710.2	\$ 26,671.2	\$ 19,876.1	\$ 6,795.1	\$ —

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in millions, except share and per share data)

As of December 31, 2023	Carrying Amount	Estimated Fair Value	Fair Value Measurements at Reporting Date Using		
			Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:					
Cash and cash equivalents	\$ 578.0	\$ 578.0	\$ 578.0	\$ —	\$ —
Investment debt securities available-for-sale	5,841.5	5,841.5	—	5,841.5	—
Investment debt securities held-to-maturity	3,207.9	2,874.0	—	2,874.0	—
Accrued interest receivable	129.1	129.1	—	129.1	—
Mortgage servicing rights, net	28.3	38.8	—	38.8	—
Loans held for sale	47.4	47.4	—	0.5	46.9
Net loans held for investment	18,051.9	17,334.4	—	17,281.8	52.6
Derivative assets	37.4	37.4	—	37.4	—
Deferred compensation plan assets	19.2	19.2	—	19.2	—
Total financial assets	\$ 27,940.7	\$ 26,899.8	\$ 578.0	\$ 26,222.3	\$ 99.5
Financial liabilities:					
Total deposits, excluding time deposits	\$ 20,313.2	\$ 20,313.2	\$ 20,313.2	\$ —	\$ —
Time deposits	3,009.9	2,981.7	—	2,981.7	—
Securities sold under repurchase agreements	782.7	782.7	—	782.7	—
Other borrowed funds	2,603.0	2,603.0	—	2,603.0	—
Accrued interest payable	52.2	52.2	—	52.2	—
Long-term debt	120.8	115.6	—	115.6	—
Subordinated debentures held by subsidiary trusts	163.1	151.1	—	151.1	—
Derivative liabilities	127.3	127.3	—	127.3	—
Deferred compensation plan liabilities	19.2	19.2	—	19.2	—
Total financial liabilities	\$ 27,191.4	\$ 27,146.0	\$ 20,313.2	\$ 6,832.8	\$ —

(15) Recent Authoritative Accounting Guidance

ASU 2023-02, “Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method” In March 2023, the FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* that permit reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. Previously, this method was only available for qualifying tax equity investments in low-income housing tax credit structures. The amendments also require that a reporting entity disclose certain information in annual and interim reporting periods that enable investors to understand certain information about its investments that generate income tax credits and other income tax benefits from a tax credit program. For public business entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Amendments in this ASU became effective for the Company on January 1, 2024. The Company elected the modified retrospective approach for qualifying New Market Tax Credits and adjusted beginning retained earnings by an increase of \$1.2 million related to the previously recorded deferred taxes. Prospectively, both the amortization of the investment in Low Income Housing Tax Credits and the New Market Tax Credits will be recorded net within income tax expense.

FIRST INTERSTATE BANCYSYSTEM, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS*(Dollars in millions, except share and per share data)*

ASU 2023-05, “Business Combinations—Joint Venture Formations (Subtopic 805-60), Recognition and Initial Measurement” In August 2023, the FASB issued ASU 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60), Recognition and Initial Measurement* that requires certain joint ventures to apply a new basis of accounting upon formation by recognizing and initially measuring most of their assets and liabilities at fair value. The objectives of the amendments are to provide decision-useful information to investors and other allocators of capital in a joint venture's financial statements and also to reduce diversity in practice. These amendments are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. The Company does not anticipate the adoption of ASU 2023-05 will have a significant impact on the Company's financial position, results of operations, or liquidity.

ASU 2023-06, “Disclosure Improvements—Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative” In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements—Codification Amendments in Response to the SEC’s Disclosure Update and Simplification Initiative* that amends the ASC to incorporate certain disclosure requirements from SEC Release No. 33-10532 - Disclosure Update and Simplification that was issued in 2018. The effective date for each amendment will be the date on which the SEC’s removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The Company does not anticipate the adoption of ASU 2023-06 will have a significant impact on the Company's financial position, results of operations, or liquidity.

ASU 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures” In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* to improve disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This update does not change how a public entity identifies its operating segments; however, it does require that an entity that has single reportable segment provide all the disclosures required by the amendments in this update. The amendments in this update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. A public entity should apply the amendments in this update retrospectively to all prior periods presented in the consolidated financial statements. Early adoption is permitted. We currently have one reportable operating segment, Community Banking. This ASU will not impact our consolidated financial statements and will have minimal impact to our disclosures, requiring identification of the chief operating decision maker and the information used to make operating decisions and to allocate resources.

ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures” In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* that require public business entities to annually disclose (1) specific categories in their rate reconciliation; (2) additional information for reconciling items that meet a quantitative threshold; (3) the amount of income taxes paid (net of refunds received) disaggregated by federal, state, and foreign taxes; (4) the amount of income taxes paid (net of refunds received) disaggregated by individual jurisdictions in which the income taxes paid that meet a quantitative threshold; (5) income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (6) income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. The ASU eliminates the requirement to disclose the nature and estimate of the range of the reasonably possible change in the unrecognized tax benefits balance in the next 12 months and to disclose the cumulative amount of each type of temporary difference when a deferred tax liability is not recognized because of the exceptions to comprehensive recognition of deferred taxes related to subsidiaries and corporate joint ventures. For public business entities, the amendments are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments should be applied on a prospective basis, but retrospective application is permitted. The Company is currently evaluating the impact of the standard and does not anticipate it will have a significant impact on the Company's financial position, results of operations, or liquidity.

(16) Subsequent Events

Subsequent events have been evaluated for potential recognition and disclosure through the date the Company's financial statements were filed with the SEC. On April 23, 2024, the Company declared a quarterly dividend to common shareholders of \$0.47 per share, to be paid on May 16, 2024 to shareholders of record as of May 6, 2024.

No other undisclosed events requiring recognition or disclosure were identified.

Item 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

When we refer to “we,” “our,” “us,” “First Interstate,” or the “Company” in this report, we mean First Interstate BancSystem, Inc. and our consolidated subsidiaries, including our wholly-owned subsidiary, First Interstate Bank, unless the context indicates that we refer only to the parent company, First Interstate BancSystem, Inc. When we refer to the “Bank” or “FIB” in this report, we mean only First Interstate Bank.

The following discussion of our consolidated financial data reflects our historical results of operations and financial condition and should be read in conjunction with our financial statements and related notes thereto presented elsewhere in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2023, including the audited financial statements and related notes contained therein, as previously filed with the Securities and Exchange Commission, or SEC.

Cautionary Note Regarding Forward-Looking Statements and Factors that Could Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and Rule 3b-6 promulgated thereunder, that involve inherent risks and uncertainties. Any statements about our plans, objectives, expectations, strategies, beliefs, or future performance or events constitute forward-looking statements. Such statements are identified by words or phrases such as “believes,” “expects,” “anticipates,” “plans,” “trends,” “objectives,” “views,” “continues” or similar expressions, or future or conditional verbs such as “will,” “would,” “should,” “could,” “might,” “may,” or similar expressions. Forward-looking statements involve known and unknown risks, uncertainties, assumptions, estimates and other important factors that could cause actual results to differ materially from any results, performance or events expressed or implied by such forward-looking statements. A detailed discussion of risks that may cause actual results to differ materially from current expectations in the forward-looking statements is included below in this report under the caption “Risk Factors” and in our Annual Report on Form 10-K for the year ended December 31, 2023, under the captions “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors”. These factors and the other risk factors described in our periodic and current reports filed with the SEC from time to time, however, are not necessarily all of the important factors that could cause our actual results, performance, or achievements to differ materially from those expressed in or implied by any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Interested parties are urged to read in their entirety the referenced risk factors prior to making any investment decision with respect to the Company. Forward-looking statements speak only as of the date they are made and we do not undertake or assume any obligation to update publicly any of these statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

Non-GAAP Financial Measures

In addition to financial measures presented in accordance with GAAP, this document contains GAAP financial measures and non-GAAP financial measures where management believes it to be helpful in understanding our results of operations or financial position. The Company's management believes that the non-GAAP financial measures provide additional understanding of ongoing operations and enhance comparability of results of operations with prior periods presented without the impact of items or events that may obscure trends in the Company's underlying performance. This information should be considered as supplemental in nature and should not be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found herein.

Fully-Taxable Equivalent Basis. The Company adjusts its net interest income to include its FTE interest income and exclude purchase accounting interest accretion on acquired loans. Interest income, yields, and ratios on an FTE basis are considered non-GAAP financial measures. Net interest margin (FTE) is calculated as annualized net interest income on a FTE basis divided by adjusted average earning assets. Management believes net interest income on an FTE basis provides an insightful picture of the interest margin for comparison purposes. The FTE basis also allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The FTE basis assumes a federal statutory tax rate of 21 percent. These measures are considered standard measures of comparison within the banking industry. We encourage readers to consider the Unaudited Consolidated Financial Statements and other financial information contained in this Form 10-Q in their entirety, and not to rely on any single financial measure. See Non-GAAP Financial Measures included herein for a reconciliation to the most directly comparable GAAP financial measures.

Limitations associated with non-GAAP financial measures include the risks that persons might disagree as to the appropriateness of items included in these measures and that different companies might calculate these measures differently. These non-GAAP disclosures should not be considered an alternative to the Company's GAAP results.

Executive Overview

We are a financial and bank holding company focused on community banking. Since our incorporation in Montana in 1971, we have grown both organically and through strategic acquisitions. We operate 304 banking offices, including branches and detached drive-up facilities, in communities across fourteen states—Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. Through our bank subsidiary, First Interstate Bank, we deliver a comprehensive range of banking products and services—including online and mobile banking—to individuals, businesses, government entities, and others throughout our market areas. We are proud to provide lending opportunities to clients that participate in a wide variety of industries, including:

- Agriculture
- Construction
- Education
- Governmental services
- Healthcare
- Hospitality
- Housing
- Professional services
- Real Estate Development
- Retail
- Technology
- Tourism
- Wholesale trade

Our principal business activity is lending to, accepting deposits from, and conducting financial transactions with and for individuals, businesses, governmental units, and other entities located in the communities we serve. We derive our income principally from interest charged on loans and, to a lesser extent, from interest and dividends earned on fixed income investments.

We also derive income from non-interest sources such as: (i) fees received in connection with various lending and deposit services; (ii) wealth management services, such as trust, employee benefit, investment, and insurance services; (iii) mortgage loan originations, sales, and servicing; (iv) merchant and electronic banking services; and (v) from time-to-time, gains on sales of assets and securities.

Our principal expenses include: (i) interest expense on deposit accounts and other borrowings; (ii) salaries and employee benefits; (iii) data processing and communication costs primarily associated with maintaining loan and deposit functions; (iv) furniture, equipment, and occupancy expenses for maintaining our facilities; (v) professional fees, including FDIC insurance assessments; (vi) income tax expense; (vii) provisions for credit losses; (viii) intangible amortization; (ix) other real estate owned expenses; and (x) other ancillary expenses including legal expenses, credit card rewards expense, fees associated with originating and closing loans, insurance, and other expenses necessary to support our employees and service our clients. From time to time, we also incur acquisition costs related to our strategic acquisitions.

Recent Trends and Developments

Our community banking footprint spans across the Rocky Mountain, Pacific Northwest, Midwest, and Southwest regions, in large part due to our acquisition activity. As part of our normal course of business, we continue to evaluate bank acquisitions and other strategic opportunities on an on-going basis.

The Company has ample liquidity and the capital ratios exceed all regulatory requirements to be deemed “well-capitalized” as of March 31, 2024. Our deposit base is diversified, including by depositor, which includes individuals, businesses across multiple industries, governmental units, and other entities, as well as geographically, across the communities we serve. As of March 31, 2024, our FDIC insured deposits consisted of 66.0% of total deposits, including accounts eligible for pass-through insurance.

During the first quarter of 2023, the Federal Reserve Bank (“FRB”) offered a new Bank Term Funding Program (“BTFP”) for eligible depository institutions. The BTFP offered loans of up to one-year to institutions pledging collateral eligible for purchase by the FRB in open market operations such as U.S. Treasuries, U.S. Agency securities, and U.S. agency mortgage-backed securities. These assets will be valued at par for pledging purposes. In January 2024, the Company accessed borrowings through the BTFP totaling \$1.0 billion which the Company used to pay down FHLB advances. Additionally, the Company extended \$1.0 billion of existing FHLB advances to terms of 12 to 18 months. Together, this repositioning of our borrowings allowed the Company to reduce its overall borrowing costs.

As of April 30, 2024, the Bank had available borrowing capacity of \$4.0 billion with the FHLB and \$1.2 billion with the FRB based on pledged investment securities and loan collateral.

U.S. inflation data hit a multi-decade high in June 2022, climbing to 9.1%, as reported by the Bureau of Labor Statistics, decreasing to 3.0% in June 2023, with a modest increase to 3.5% in March 2024. While our operating expenses are affected by general inflation, the asset and liability structure of the Company largely consists of monetary items. Monetary items, such as cash, investments, loans, deposits and other borrowings, are assets and liabilities which are or will be converted into a fixed number of dollars regardless of changes in prices. As a result, changes in interest rates have a more significant impact on a financial institution’s performance than does general inflation. However, inflation may have negative impacts on the Company’s clients and their customers, impacting their ability or willingness to repay loans or maintain deposits.

The Federal Reserve stated its current objective is to return the rate of inflation to 2% and it has been aggressively acting to achieve this goal. In response to sustained inflationary pressures, the Federal Reserve increased short-term interest rates 525 basis points between March 16, 2022 and July 26, 2023. With general inflationary pressures easing, the Federal Reserve has paused activity with the short-term interest rates since July 2023 and has not yet provided definitive guidance on any further increases or decreases of short-term interest rates.

The Company’s quarterly yield on interest earning assets increased to 4.74% as of March 31, 2024 from 4.69% as of December 31, 2023, and 4.43% as of March 31, 2023.

Increases in short-term interest rates have also impacted the Company’s cost of funds, primarily as a result of the shift of non-interest-bearing deposits into higher-cost interest-bearing and time deposit balances and variable rate debt. The Company’s cost of funds increased to 1.87% during the three months ended March 31, 2024, from 1.72% during the three months ended December 31, 2023, and 1.10% during the three months ended March 31, 2023. Overall, the change in the mix and cost of funds has offset the changes in the mix and yield on earning assets, resulting in compression of the Company’s net interest margin to 2.91% during the three months ended March 31, 2024, from 2.99% during the three months ended December 31, 2023, and 3.33% during the three months ended March 31, 2023. The Company’s FTE net interest margin decreased to 2.93% during the three months ended March 31, 2024, from 3.01% during the three months ended December 31, 2023, and 3.36% during the three months ended March 31, 2023.

While gross domestic product has expanded at or above 2.0% from the second quarter of 2022 through the fourth quarter of 2023, it is unclear whether the volatility of 2020 through 2022 in the economic performance of the U.S. economy will re-emerge leading to an economic slowdown, downturn, or recession or whether its regular pattern of growth will continue. Any economic slowdown, downturn, or recession could impact the Company and one of its primary lending sources, by impacting the level of deposits held by our clients, whether through a higher volume of withdrawals or through a lower volume of deposits. The credit quality of the Company’s loans may also be impacted if clients must weather adverse economic conditions which could result in an increase in credit losses or other related expenses.

Primary Factors Used in Evaluating Our Business

As a banking institution, we manage and evaluate our financial condition and our results of operations. We monitor and evaluate the levels and trends of the line items included in our balance sheet and statements of income, as well as various financial ratios that are commonly used in our industry. We analyze these ratios and financial trends against both our own historical levels as well as the financial condition and performance of comparable banking institutions in our region and nationally.

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2023, our financial performance is impacted by a number of external factors outside our control, as well as our ability to execute on the key components of our strategy for continued success and future growth. See Part II – Other Information, “Item 1A – Risk Factors” for an update of the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Critical Accounting Estimates and Significant Accounting Policies

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States and follow general practices within the banking industry. Application of these principles requires management to make estimates, assumptions, and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. The most significant accounting policies we follow are summarized in Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023, as referenced in Note 1 to the unaudited financial statements in this quarterly report. There have been no material changes in our critical accounting estimates and policies described in our Annual Report on Form 10-K for the year ended December 31, 2023, during the quarterly period covered by this quarterly report.

The preparation of financial statements in conformity with GAAP requires management to measure the Company’s financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession are generally not considered. The primary effect of inflation on our operations is reflected in increased operating expenses. Management considers changes in interest rates to impact our financial condition and results of operations to a far greater degree than changes in prices due to inflation. We manage our interest rate risk in several ways. Refer to “Note – Derivatives and Hedging Activities” in the accompanying “Notes to Unaudited Consolidated Financial Statements” for further discussion on how we manage interest rate risk. There can be no assurance that we will not be materially adversely affected by future changes in interest rates, as interest rates are highly sensitive to many factors that are beyond our control.

Results of Operations

The following discussion and analysis is intended to provide detail about the results of our operations and financial condition.

Net Income

Net income increased \$2.1 million to \$58.4 million, or \$0.57 per share, during the three months ended March 31, 2024, as compared to net income of \$56.3 million, or \$0.54 per share, for the same period in 2023. The increase during the quarter ended March 31, 2024 when compared to the same period in 2023 was primarily attributable to an increase in non-interest income as a result of a \$23.4 million loss on the disposition of available-for-sale investment securities during the 2023 period. This increase was partially offset by lower net interest income as a result of higher interest expense on deposits and other borrowed funds.

Net Interest Income

Our operating results depend primarily on our net interest income, which is the difference between the interest the Company earns on its interest-earning assets, such as loans and investment securities, and the expense the Company pays on interest-bearing liabilities, such as deposits and borrowings. Net interest income depends on both the volume of our interest-earning assets and interest-bearing liabilities and the interest rates the Company earns or pays on them.

Changes in interest rate spread, which is the difference between interest earned on assets and interest paid on liabilities, has the most significant impact on net interest income. Other factors like volume of loans, investment securities, and other interest-earning assets compared to the volume of interest-bearing deposits and indebtedness also cause changes in our net interest income between periods. Non-interest-bearing sources of funds, such as demand deposits and stockholders’ equity, help to support earning assets.

For the periods indicated, the following table presents condensed average balance sheet information, together with interest income and yields earned on average interest-earning assets and interest expense and rates paid on average interest-bearing liabilities.

Average Balance Sheets, Yields and Rates
(Dollars in millions)

	Three Months Ended					
	March 31, 2024			March 31, 2023		
	Average Balance	Interest ⁽⁵⁾	Average Rate	Average Balance	Interest ⁽⁵⁾	Average Rate
<i>Interest-earning assets:</i>						
Loans ⁽¹⁾	\$ 18,289.2	\$ 253.6	5.58 %	\$ 18,273.6	\$ 237.2	5.26 %
Investment securities:						
Taxable	8,726.3	64.5	2.97	9,983.4	72.2	2.93
Tax-exempt	189.0	0.9	1.92	225.4	1.1	1.98
Investment in FHLB and FRB stock	198.3	3.3	6.69	210.5	3.0	5.78
Interest-bearing deposits in banks	296.7	4.1	5.56	365.7	4.2	4.66
Federal funds sold	0.1	—	—	0.8	—	—
Total interest-earning assets	\$ 27,699.6	\$ 326.4	4.74 %	\$ 29,059.4	\$ 317.7	4.43 %
Non-interest-earning assets	2,825.6			2,951.5		
Total assets	\$ 30,525.2			\$ 32,010.9		
<i>Interest-bearing liabilities:</i>						
Demand deposits	\$ 6,150.2	\$ 12.9	0.84 %	\$ 6,973.4	\$ 8.7	0.51 %
Savings deposits	7,781.8	39.1	2.02	8,406.9	22.8	1.10
Time deposits	2,972.3	27.1	3.67	2,055.3	8.8	1.74
Repurchase agreements	802.1	2.3	1.15	1,005.8	1.1	0.44
Other borrowed funds	2,771.9	35.6	5.17	2,615.2	31.2	4.84
Long-term debt	356.8	4.3	4.85	120.8	1.5	5.04
Subordinated debentures held by subsidiary trusts	163.1	3.3	8.14	163.1	2.9	7.21
Total interest-bearing liabilities	\$ 20,998.2	\$ 124.6	2.39 %	\$ 21,340.5	\$ 77.0	1.46 %
Non-interest-bearing deposits	5,832.2			7,064.9		
Other non-interest-bearing liabilities	466.4			458.5		
Stockholders' equity	3,228.4			3,147.0		
Total liabilities and stockholders' equity	\$ 30,525.2			\$ 32,010.9		
Net FTE interest income (non-GAAP) ⁽³⁾		\$ 201.8			\$ 240.7	
Less FTE adjustments ⁽²⁾		(1.7)			(1.8)	
Net interest income from consolidated statements of income		\$ 200.1			\$ 238.9	
Interest rate spread			2.35 %			2.97 %
Net interest margin			2.91			3.33
Net FTE interest margin (non-GAAP) ⁽³⁾			2.93			3.36
Cost of funds, including non-interest-bearing demand deposits ⁽⁴⁾			1.87			1.10

⁽¹⁾ Average loan balances include loans held for sale and loans held for investment, net of deferred fees and costs, which include non-accrual loans. Interest income includes amortization of deferred loan fees net of deferred loan costs, which is not material.

⁽²⁾ The Company adjusts interest income and average rates for tax exempt loans and securities to a FTE basis utilizing a 21.00% tax rate.

⁽³⁾ Management believes fully taxable equivalent, or FTE, interest income is useful to investors in evaluating the Company's performance as a comparison of the returns between a tax-free investment and a taxable alternative. Net FTE interest income and net FTE interest margin are non-GAAP financial measure. See Non-GAAP Financial Measures included herein for a reconciliation to the most directly comparable GAAP financial measures.

⁽⁴⁾ Calculated by *dividing* total annualized interest on interest-bearing liabilities *by* the sum of total interest-bearing liabilities plus non-interest-bearing deposits.

⁽⁵⁾ Dividends on FHLB and FRB stock.

Net interest income decreased \$38.8 million during the three months ended March 31, 2024, as compared to the same period in 2023, primarily due to an increase in interest expense resulting from higher costs of interest-bearing liabilities.

Net interest income included interest accretion related to the fair valuation of acquired loans of \$6.5 million during the three months ended March 31, 2024, compared to interest accretion of \$5.2 million during the three months ended March 31, 2023.

Our net interest margin ratio decreased 42 basis points to 2.91% for the three months ended March 31, 2024, as compared to 3.33% for the same period in 2023 and our net FTE interest margin ratio, a non-GAAP financial measure, decreased 43 basis points for the three months ended March 31, 2024, as compared to the same period in 2023. Exclusive of the impact of interest accretion on acquired loans, the net FTE interest margin ratio, decreased 45 basis points to 2.84% during the three months ended March 31, 2024, as compared to 3.29% for the same period in 2023. The decreases in net interest margin ratio were primarily a result of higher interest bearing deposit and borrowing costs and a less favorable funding mix, which were partially offset by loan yield expansion and modestly favorable change in the mix of earning assets.

The table below sets forth a summary of the changes in interest income and interest expense resulting from estimated changes in average asset and liability balances (volume) and estimated changes in average interest rates (referred to as “rate”) for the three months ended March 31, 2024 and 2023. Changes which are not due solely to volume or rate have been allocated to these categories based on the respective percent changes in average volume and average rate as they compare to each other.

Analysis of Interest Changes Due to Volume and Rates

(Dollars in millions)	Three Months Ended March 31, 2024 compared with Three Months Ended March 31, 2023		
	Volume	Rate ⁽²⁾	Net
Interest earning assets:			
Loans ⁽¹⁾	\$ 0.2	\$ 16.2	\$ 16.4
Investment securities ⁽¹⁾	(9.4)	1.5	(7.9)
Investment in FHLB and FRB stock	(0.2)	0.5	0.3
Interest bearing deposits in banks	(0.8)	0.7	(0.1)
Total change	(10.2)	18.9	8.7
Interest bearing liabilities:			
Demand deposits	(1.0)	5.2	4.2
Savings deposits	(1.7)	18.0	16.3
Time deposits	4.0	14.3	18.3
Repurchase agreements	(0.2)	1.4	1.2
Other borrowed funds	1.9	2.5	4.4
Long-term debt	3.0	(0.2)	2.8
Subordinated debentures held by subsidiary trusts	—	0.4	0.4
Total change	6.0	41.6	47.6
Decrease in FTE net interest income ⁽¹⁾	\$ (16.2)	\$ (22.7)	\$ (38.9)

⁽¹⁾ Interest income and average rates for tax exempt loans and securities are presented on a FTE basis.

⁽²⁾ Dividends on FHLB and FRB stock is used to determine the rate.

Non-GAAP Reconciliation

The table below provides a reconciliation of the GAAP measure of net interest margin to the non-GAAP measure of net FTE interest margin.

(In millions, except % and per share data)		Three Months Ended	
		Mar 31, 2024	Mar 31, 2023
Net interest income	(A)	\$ 200.1	\$ 238.9
FTE interest income		1.7	1.8
Net FTE interest income	(B)	201.8	240.7
Less purchase accounting accretion		6.5	5.2
Adjusted net FTE interest income	(C)	195.3	235.5
Average interest-earning assets	(D)	\$ 27,699.6	\$ 29,059.4
Net interest margin (GAAP)	(A) / (D)	2.91	3.33
Net interest margin (FTE) (Non-GAAP)	(B) / (D)	2.93	3.36
Adjusted net interest margin (FTE) (Non-GAAP)	(C) / (D)	2.84	3.29

Provision for Credit Losses

The Company had a \$5.3 million provision for credit losses during the three months ended March 31, 2024, as compared to \$15.2 million during same period in 2023. The provision incorporated the impact of net charge-offs of \$8.4 million, or an annualized 0.18% of average loans outstanding during the three months ended March 31, 2024, as compared to \$6.2 million, or an annualized 0.14%, during the same period in 2023. Net loan charge-offs in the first quarter of 2024 were composed of charge-offs of \$11.0 million and recoveries of \$2.6 million.

For information regarding our non-performing loans, see “Financial Condition – Non-Performing Assets” included herein. For more information on our allowance for credit losses, see “Financial Condition – Allowance for Credit Losses” included herein.

Non-Interest Income

Non-interest income also contributes to our operating results with fee-based revenues such as payment services, mortgage banking and wealth management revenues, service charges on deposit accounts and other service charges, commissions and fees being our principal source of non-interest income. The following table presents the composition of our non-interest income as of the periods indicated:

Non-Interest Income (Dollars in millions)	Three Months Ended March 31,		\$ Change	% Change
	2024	2023		
Payment services revenues	\$ 18.4	\$ 18.7	\$ (0.3)	(1.6)%
Mortgage banking revenues	1.7	2.3	(0.6)	(26.1)
Wealth management revenues	9.2	9.0	0.2	2.2
Service charges on deposit accounts	6.0	5.2	0.8	15.4
Other service charges, commissions and fees	2.2	2.4	(0.2)	(8.3)
Investment securities losses, net	—	(23.4)	23.4	(100.0)
Other income	4.6	2.2	2.4	109.1
Total non-interest income	\$ 42.1	\$ 16.4	\$ 25.7	156.7

Total non-interest income increased \$25.7 million for the three months ended March 31, 2024, as compared to the same period in 2023. The increase was primarily the result of the realized loss of \$23.4 million on the disposition of available-for-sale investment securities and a \$1.9 million loss related to the fair value of loans held for sale recognized through other income during the three months ended March 31, 2023.

Non-Interest Expense

Non-interest expense decreased \$5.6 million during the three months ended March 31, 2024 compared to the same period in 2023 driven by a lower employee benefits and other expenses which were partially offset by increases in professional fees, OREO expenses, and FDIC insurance premiums.

The following table presents the composition of our non-interest expense as of the periods indicated:

Non-Interest Expense (Dollars in millions)	Three Months Ended March 31,		\$ Change	% Change
	2024	2023		
Salaries and wages	\$ 65.2	\$ 65.6	\$ (0.4)	(0.6)%
Employee benefits	19.3	22.8	(3.5)	(15.4)
Outsourced technology services	13.6	14.7	(1.1)	(7.5)
Occupancy, net	12.3	12.5	(0.2)	(1.6)
Furniture and equipment	5.0	5.9	(0.9)	(15.3)
OREO expense, net of income	2.0	0.2	1.8	900.0
Professional fees	6.8	4.5	2.3	51.1
FDIC insurance premiums	7.4	5.7	1.7	29.8
Other intangibles amortization	3.7	4.0	(0.3)	(7.5)
Other expenses	24.9	29.9	(5.0)	(16.7)
Total non-interest expense	\$ 160.2	\$ 165.8	\$ (5.6)	(3.4)

Employee benefits expense decreased \$3.5 million during the three months ended March 31, 2024, as compared to the same period in 2023, primarily due to lower health insurance costs of \$2.1 million and lower payroll taxes of \$1.8 million, partially offset by higher long-term incentive accruals of \$0.6 million.

Outsourced technology services expense decreased \$1.1 million during the three months ended March 31, 2024, as compared to the same period in 2023 primarily due to a decrease in software maintenance costs.

Other real estate owned expenses increased \$1.8 million during the three months ended March 31, 2024, as compared to the same period in 2023, primarily due to valuation write-downs of two other real estate owned properties.

Professional fees increased \$2.3 million during the three months ended March 31, 2024, as compared to the same period in 2023, primarily due to an increase in audit fees related to certain control deficiencies and higher fees related to a change in audit firm, along with consulting services related to process improvements.

FDIC insurance premiums increased \$1.7 million during the three months ended March 31, 2024 compared to the same period in 2023, primarily resulting from a \$1.5 million special assessment accrual recorded during the three months ended March 31, 2024.

Other expenses primarily include advertising and public relations costs; office supply, postage, freight, telephone, and travel expenses; donations expense; debit and credit card expenses; board of director fees; legal expenses; and other losses. Other expenses decreased \$5.0 million during the three months ended March 31, 2024 compared to the same period in 2023, primarily resulting from decreases in fraud losses, travel costs, and heightened awareness of our cost saving initiatives.

Income Tax Expense

Our effective tax rate was 23.9% for the three months ended March 31, 2024 compared to 24.2% for the three months ended March 31, 2023.

Financial Condition

Total Assets

Total assets decreased \$526.4 million, or 1.7%, to \$30,144.8 million as of March 31, 2024, from \$30,671.2 million as of December 31, 2023, primarily due to decreases in investment securities and loans. Significant fluctuations in balance sheet accounts are discussed below. More information regarding the results as of December 31, 2023 can be found in our Annual Report on Form 10-K for the year ended December 31, 2023.

Investment Securities

We manage our investment portfolio primarily as a source of liquidity. In doing so, we seek to obtain the highest risk adjusted return within our risk tolerance and liquidity guidelines, while satisfying the pledging requirements for deposits of state and political subdivisions and securities sold under repurchase agreements. Our portfolio principally comprises U.S. treasuries, U.S. government agency residential and commercial mortgage-backed securities and collateralized mortgage obligations, U.S. government agency, collateralized loan obligations, corporate securities, and tax-exempt securities. Federal funds sold and interest-bearing deposits in the Bank are additional investments that are classified as cash equivalents rather than as investment securities. Investment securities classified as available-for-sale are recorded at fair value, while investment securities classified as held-to-maturity are recorded at amortized cost. Unrealized gains or losses, net of the deferred tax effect, on available-for-sale securities are reported as increases or decreases in accumulated other comprehensive income or loss, a component of stockholders' equity.

Investment securities decreased \$423.3 million, or 4.7%, to \$8,626.1 million, or 28.6% of total assets, as of March 31, 2024, from \$9,049.4 million, or 29.5% of total assets, as of December 31, 2023. The decrease was primarily resulting from normal pay-downs and maturities and \$26.4 million decline in fair market values, partially offset by \$77.2 million of reinvestment into investment securities.

As of March 31, 2024 and December 31, 2023, the estimated duration of our investment portfolio was 3.6 years.

As of March 31, 2024 and December 31, 2023, we had \$7,024.8 million and \$8,284.5 million, respectively, of investment securities that had been in a continuous loss position for more than twelve months. At March 31, 2024 and December 31, 2023, the Company had no allowance for credit losses on available-for-sale securities and an allowance for credit losses on held-to maturity securities classified as corporate and municipal securities of \$0.7 million and \$0.8 million, respectively.

Loans Held for Investment, Net of Deferred Fees and Costs

Loans held for investment, net of deferred fees and costs, decreased \$76.8 million as of March 31, 2024 as compared to December 31, 2023, primarily due to seasonal pay downs in agricultural loans.

The following table presents the composition and comparison of loans held for investment for the periods indicated:

	March 31, 2024	December 31, 2023	\$ Change	% Change
Real estate:				
Commercial	\$ 9,060.4	\$ 8,869.2	\$ 191.2	2.2 %
Construction	1,609.2	1,826.5	(217.3)	(11.9)
Residential	2,258.4	2,244.3	14.1	0.6
Agricultural	719.7	716.8	2.9	0.4
Total real estate	13,647.7	13,656.8	(9.1)	(0.1)
Consumer:				
Indirect	739.9	740.9	(1.0)	(0.1)
Direct and advance lines	136.7	141.6	(4.9)	(3.5)
Credit card	72.6	76.5	(3.9)	(5.1)
Total consumer	949.2	959.0	(9.8)	(1.0)
Commercial	2,922.2	2,906.8	15.4	0.5
Agricultural	696.0	769.4	(73.4)	(9.5)
Other, including overdrafts	0.2	0.1	0.1	100.0
Deferred loan fees and costs	(12.5)	(12.5)	—	—
Loans held for investment, net of deferred loan fees and costs	\$ 18,202.8	\$ 18,279.6	\$ (76.8)	(0.4)%

Non-Performing Assets

Non-performing assets include non-performing loans and OREO.

Non-Performing Loans. Non-performing loans include non-accrual loans and loans contractually past due 90 days or more and still accruing interest.

Non-accrual loans. We generally place loans on non-accrual status when they become 90 days past due unless they are well secured and in the process of collection or if the collection of principal and interest is in doubt. When a loan is placed on non-accrual status, any interest previously accrued but not collected is reversed from income. Non-accrual loans increased approximately \$65.6 million, or 61.7%, to \$172.0 million, as of March 31, 2024, from \$106.4 million as of December 31, 2023, primarily driven by a loan downgrade related to a single \$54.4 million commercial and industrial loan relationship. As of March 31, 2024 there were approximately \$52.8 million of non-accrual loans for which there was no related allowance for credit losses, as these loans had sufficient collateral securing the loan for repayment.

Loans contractually past due 90 days or more and still accruing interest. Loans past due 90 days or more accruing interest were \$3.0 million as of March 31, 2024, a decrease of \$1.9 million, or 38.8%, from \$4.9 million as of December 31, 2023.

Other Real Estate Owned (“OREO”). OREO consists of real property acquired through foreclosure on the collateral underlying defaulted loans. We initially record OREO at fair value less estimated selling costs. Any excess of loan carrying value over the fair value of the real estate at the time it is acquired, is recorded as a charge against the allowance for credit losses. Estimated losses that result from the ongoing periodic valuation of these properties are charged to earnings in the period in which they are identified. OREO decreased \$2.1 million, or 12.7%, to \$14.4 million as of March 31, 2024, from \$16.5 million as of December 31, 2023 resulting from valuation write-downs of two specific OREO properties.

The following table sets forth information regarding non-performing assets as of the dates indicated:

Non-Performing Assets

<i>(Dollars in millions)</i>	March 31, 2024	March 31, 2023
Non-performing loans:		
Non-accrual loans	\$ 172.0	\$ 80.8
Accruing loans past due 90 days or more	3.0	4.5
Total non-performing loans	175.0	85.3
OREO	14.4	13.4
Total non-performing assets	\$ 189.4	\$ 98.7
Non-accrual loans to loans held for investment	0.94 %	0.44 %
Non-performing loans to loans held for investment	0.96	0.47
Non-performing assets to loans held for investment and OREO	1.04	0.54
Non-performing assets to total assets	0.63	0.31

The following table sets forth the allocation of our non-performing loans among our various loan categories as of the dates indicated.

Non-Performing Loans by Loan Type

<i>(Dollars in millions)</i>	March 31, 2024	Percent of Total	December 31, 2023	Percent of Total
Real estate:				
Commercial	\$ 37.0	21.1 %	\$ 28.2	25.3 %
Construction	16.4	9.4	17.2	15.5
Residential	13.4	7.7	11.3	10.2
Agricultural	4.9	2.8	5.4	4.8
Total real estate	71.7	41.0	62.1	55.8
Consumer	4.9	2.8	4.0	3.6
Commercial	68.4	39.1	11.8	10.6
Agricultural	30.0	17.1	33.4	30.0
Total non-performing loans	\$ 175.0	100.0 %	\$ 111.3	100.0 %

Allowance for Credit Losses

The Company performs a quarterly assessment of the appropriateness of its allowance for credit losses in accordance with GAAP. The allowance for credit losses is established through a provision for credit losses based on our evaluation of quantitative and qualitative risk factors in our loan portfolio at each balance sheet date. In determining the allowance for credit losses, we estimate losses on specific loans, or groups of loans, where the expected loss can be identified and reasonably determined over the life of the loans. The balance of the allowance for credit losses is based on internally assigned risk classifications of loans, historical loan loss rates, changes in the nature or tenure of the loan portfolio, overall portfolio quality, industry concentrations, delinquency trends, current environmental and economic factors, and the estimated impact of forecasted economic conditions on historical loan loss rates.

The allowance for credit losses is increased by provisions charged against earnings and net recoveries of charged-off loans and is reduced by negative provisions credited to earnings and net loan charge-offs. The allowance for credit losses consists of three elements:

- (1) Specific valuation allowances associated with collateral-dependent and other individually evaluated loans. Specific valuation allowances are determined based on assessment of the fair value of the collateral underlying the loans as determined through independent appraisals, the present value of future cash flows, observable market prices, and any relevant qualitative or environmental factors impacting loans.
- (2) Collective valuation allowances based on loan loss experience and future expectations for similar loans with similar characteristics and trends. The Company applies open pool methodologies for all portfolio segments. The open pool methodology averages quarterly loss rates by modeling segment, calculated as quarter-to-date net charge off balance divided by the end of period balance. Loss rates are recalculated quarterly with recoveries captured in the quarter a loan was charged off, are averaged across a look back period from 2009 to the current period, and are annualized. Macroeconomic-conditioned historical loss rates are applied to loan-level cash flows. Expected future principal and interest cash flows are calculated using contractual repayment terms and prepayment, utilization, interest rate, and probability of default assumptions. Macroeconomic sensitivity models calculate segment-specific multipliers using third party forecast data. The multipliers condition the annual loss rates over the 2-year forecast period, followed by a 1-year straight-line reversion to the unadjusted historical average loss rates. The unadjusted loss rates then apply for the remaining life of the loan. Estimated losses are totaled and aggregated to the segment level.
- (3) General valuation allowances determined based on asset quality trends, industry concentrations, environmental risks, changes in portfolio composition, and other qualitative risk factors, both internal and external to the Company. Other qualitative factors, including changes in loan and lending policies, collateral quality, underwriting standards and personnel, credit review quality, and model imprecision, are also considered.

Based on the assessment of the appropriateness of the allowance for credit losses, the Company records provisions for credit losses to maintain the allowance for credit losses at appropriate levels.

Loans acquired in business combinations are initially recorded at fair value as adjusted for credit risk and an allowance for credit losses at the date of acquisition. For loans with no significant evidence of credit deterioration since origination, the difference between the fair value and the unpaid principal balance of the loan at the acquisition date is amortized into interest income using the effective interest method over the remaining period to contractual maturity. An allowance for credit loss is recorded for the expected credit losses over the life of the loan. Subsequent changes to the allowance for credit losses are recorded through provision expense using the same methodology as other loans held for investment.

For loans acquired in business combinations with evidence of deterioration in credit quality since origination, the Company determines the fair value of the loans by estimating the amount and timing of principal and interest cash flows initially expected to be collected on the loans and discounting those cash flows at an appropriate market rate of interest. An allowance for credit losses is recognized by estimating the expected credit losses of the purchased asset and recording an adjustment to the acquisition date fair value to establish the initial amortized cost basis of the asset. Differences between the established amortized cost basis, and the unpaid principal balance of the asset, is considered to be a non-credit discount/premium and is accreted/amortized into interest income using the level yield interest method. Subsequent changes to the allowance for credit losses are recorded through provision expense using the same methodology as other loans held for investment.

Loans, or portions thereof, are charged-off against the allowance for credit losses when management believes the collectability of the principal is unlikely, or, with respect to consumer installment loans, according to an established delinquency schedule. Generally, loans are charged-off when (1) there has been no material principal reduction within the previous 90 days and there is no pending sale of collateral or other assets, (2) there is no significant or pending event which will result in principal reduction within the upcoming 90 days, (3) it is clear that we will not be able to collect all or a portion of the loan, (4) payments on the loan are sporadic, will result in an excessive amortization, or are not consistent with the collateral held, or (5) foreclosure or repossession actions are pending. Loan charge-offs do not directly correspond with the receipt of independent appraisals or the use of observable market data if the collateral value is determined to be sufficient to repay the principal balance of the loan.

If a collateral-dependent loan is adequately collateralized, a specific valuation allowance for credit losses is not recorded. As such, significant changes in collateral-dependent and non-performing loans do not necessarily correspond proportionally with changes in the specific valuation component of the allowance for credit losses. Additionally, the Company expects the timing of charge-offs will vary between quarters and will not necessarily correspond proportionally to changes in the allowance for credit losses or changes in non-performing or collateral-dependent loans due to timing differences among the initial identification of a collateral-dependent loan, recording of a specific valuation allowance for collateral-dependent loans, and any resulting charge-off of uncollectible principal.

Our allowance for credit losses was \$227.7 million, or 1.25% of loans held for investment as of March 31, 2024 compared to \$227.7 million, or 1.25% of loans held for investment, as of December 31, 2023. The Company's allowance for off-balance sheet credit losses was \$15.4 million as of March 31, 2024, compared to \$18.4 million as of December 31, 2023, due to a decline in off-balance sheet commitments.

Although we have established our allowance for credit losses in accordance with GAAP in the United States and we believe that the allowance for credit losses is appropriate to provide for known and expected losses in the portfolio at all times, future provisions will be subject to on-going evaluations of the risks in the loan portfolio. If the economy declines or asset quality deteriorates, material additional provisions could be required.

The following table sets forth information regarding our allowance for credit losses as of and for the periods indicated:

Allowance for Credit Losses (Dollars in millions)	Three Months Ended					
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	
Beginning balance	\$ 227.7	\$ 226.7	\$ 224.6	\$ 226.1	\$ 220.1	
Provision for credit losses	8.4	5.8	3.2	9.9	12.2	
Charge offs:						
Real estate						
Commercial	2.9	1.3	1.7	0.3	4.3	
Construction	0.1	0.6	—	9.7	—	
Residential	0.2	—	0.1	—	0.5	
Consumer	3.8	3.6	3.7	3.3	3.4	
Commercial	4.0	1.2	0.7	0.8	0.7	
Total charge-offs	11.0	6.7	6.2	14.1	8.9	
Recoveries:						
Real estate						
Commercial	0.6	0.1	3.4	0.6	0.1	
Construction	—	0.1	—	—	—	
Residential	—	—	0.1	—	—	
Agricultural	0.1	—	—	0.2	0.1	
Consumer	1.0	1.0	1.1	1.4	1.2	
Commercial	0.6	0.7	0.5	0.4	1.0	
Agricultural	0.3	—	—	0.1	0.3	
Total recoveries	2.6	1.9	5.1	2.7	2.7	
Net charge-offs	8.4	4.8	1.1	11.4	6.2	
Ending balance	\$ 227.7	\$ 227.7	\$ 226.7	\$ 224.6	\$ 226.1	
Allowance for off-balance sheet credit losses:						
Beginning balance	\$ 18.4	\$ 18.8	\$ 20.8	\$ 17.8	\$ 16.2	
(Reversal of) provision for credit losses	(3.0)	(0.4)	(2.0)	3.0	1.6	
Ending balance	\$ 15.4	\$ 18.4	\$ 18.8	\$ 20.8	\$ 17.8	
Allowance for credit losses on investment securities:						
Beginning balance	\$ 0.8	\$ 0.8	\$ 2.1	\$ 3.3	\$ 1.9	
(Reversal of) provision for investment securities	(0.1)	—	(1.3)	(1.2)	1.4	
Ending balance	\$ 0.7	\$ 0.8	\$ 0.8	\$ 2.1	\$ 3.3	
Total allowance for credit losses	\$ 243.8	\$ 246.9	\$ 246.3	\$ 247.5	\$ 247.2	
Total (reversal of) provision for credit losses	5.3	5.4	(0.1)	11.7	15.2	
Loans held for investment, net of deferred fees and costs	18,202.8	18,279.6	18,213.3	18,263.4	18,245.7	
Average loans	18,289.2	18,255.9	18,317.4	18,351.5	18,273.6	
Net loans charged-off to average loans, annualized	0.18 %	0.10 %	0.02 %	0.25 %	0.14 %	
Allowance to non-accrual loans	132.38	214.00	278.50	260.86	279.83	
Allowance to loans held for investment	1.25	1.25	1.24	1.23	1.24	

Total Liabilities

Total liabilities decreased \$508.6 million, or 1.9%, to \$26,935.1 million as of March 31, 2024, from \$27,443.7 million as of December 31, 2023, primarily due to decreases in deposits and other borrowed funds, partially offset by an increase in long-term debt. Significant fluctuations in liability accounts are discussed below.

Deposits

Our deposits consist of non-interest-bearing and interest-bearing demand, savings, individual retirement, and time deposit accounts. Total deposits decreased \$513.1 million, or 2.2%, to \$22,810.0 million as of March 31, 2024, from \$23,323.1 million as of December 31, 2023, with decreases in all categories except for savings deposits and time deposits (\$250 and over). Included in the decline was \$185.0 million of high-cost, government entity deposits the Company allowed to leave the balance sheet.

The following table summarizes our deposits as of the dates indicated:

Deposits					
<i>(Dollars in millions)</i>		March 31, 2024	Percent of Total	December 31, 2023	Percent of Total
Non-interest-bearing demand	\$	5,900.3	25.9 %	\$ 6,029.6	25.9 %
Interest bearing:					
Demand		6,103.6	26.8	6,507.8	27.9
Savings		7,872.2	34.5	7,775.8	33.3
Time, \$250k and over		819.3	3.5	811.6	3.5
Time, other ⁽¹⁾		2,114.6	9.3	2,198.3	9.4
Total interest-bearing		16,909.7	74.1	17,293.5	74.1
Total deposits	\$	22,810.0	100.0 %	\$ 23,323.1	100.0 %

⁽¹⁾ Included in “Time, other” are IntraFi Network Deposits, or Intrafi, deposits of \$24.7 million and \$26.6 million as of March 31, 2024 and December 31, 2023, respectively.

Deposit Insurance

The deposits of the Bank are insured up to the applicable limits by the Deposit Insurance Fund (“DIF”) of the FDIC, generally up to \$250,000 per insured depositor. The Bank pays deposit insurance premiums based on assessment rates established by the FDIC. The estimated amount of deposits in excess of the FDIC insurance limit at March 31, 2024 was \$7.9 billion, or 34.6% of total deposits. Estimates of uninsured deposits are based on the methodologies and assumptions used in the Bank’s call reports and do not necessarily reflect an evaluation of all scenarios that potentially would determine the availability of deposit insurance to customer accounts based on FDIC regulations.

Other Borrowed Funds

Other borrowed funds is comprised of FHLB and BTFP variable-rate, overnight, and fixed-rate borrowings with contractual tenors of up to one year. Other borrowed funds decreased \$261.0 million, or 10.0%, to \$2,342.0 million as of March 31, 2024 from \$2,603.0 million as of December 31, 2023, as a result of adjusting the funding mix between other borrowed funds and long-term debt.

Long-Term Debt

Long-term debt increased \$250.0 million, or 207.0%, to \$370.8 million as of March 31, 2024 from \$120.8 million as of December 31, 2023, as a result of 18-month FHLB borrowings during the first quarter of 2024.

Capital Resources and Liquidity Management

Capital Resources. Stockholders’ equity is influenced primarily by earnings, dividends, sales and redemptions of common stock, and changes in the unrealized holding gains or losses, net of taxes, on available-for-sale investment securities. Stockholders’ equity decreased \$17.8 million, or 0.6%, to \$3,209.7 million as of March 31, 2024, from \$3,227.5 million as of December 31, 2023, due to an increase to the unrealized losses on available-for-sale securities through other comprehensive income, by stock repurchases of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants, and by cash dividends paid, the majority of which was offset by the retention of earnings.

On April 23, 2024, the Company’s board of directors declared a dividend of \$0.47 per common share, payable on May 16, 2024, to common stockholders of record as of May 6, 2024. The dividend equates to a 6.9% annual yield based on the \$27.30 average closing pricing of the Company’s common stock during the first quarter of 2024.

As a bank holding company, the Company must comply with the capital requirements established by the Federal Reserve, and our subsidiary Bank must comply with the capital requirements established by the FDIC. The current risk-based guidelines applicable to us and our Bank are based on the Basel III framework, as implemented by the federal bank regulators. As of March 31, 2024 and December 31, 2023, the Company had capital levels that, in all cases, exceeded the guidelines to be deemed “well-capitalized.” For additional information regarding our capital levels, see “Note – Regulatory Capital” in the accompanying “Notes to Unaudited Consolidated Financial Statements” included in this report.

Liquidity. Liquidity measures our ability to meet current and future cash flow needs on a timely basis and at a reasonable cost. We manage our liquidity position to meet the daily cash flow needs of clients, while maintaining an appropriate balance between assets and liabilities to meet the return-on-investment objectives of our shareholders. Our liquidity position is supported by management of liquid assets and liabilities and access to alternative sources of funds. Liquid assets include cash, interest-bearing deposits in banks, federal funds sold, available-for-sale investment securities, and maturing or prepaying balances in our held-to-maturity investment and loan portfolios. Liquid liabilities include core deposits, federal funds purchased, securities sold under repurchase agreements, and borrowings. Other sources of liquidity include the sale of loans, the ability to acquire additional national market funds through non-core deposits, the issuance of additional collateralized borrowings such as FHLB advances, the issuance of debt securities, additional borrowings through the Federal Reserve’s discount window, and the issuance of preferred or common securities. Our short-term and long-term liquidity requirements are primarily to fund on-going operations, including payment of interest on deposits and debt, extensions of credit to borrowers, capital expenditures, and shareholder dividends. These liquidity requirements are met primarily through cash flow from operations, redeployment of prepaying and maturing balances in our loan and investment portfolios, the issuance of securities, borrowings and other debt financing, and increases in client deposits.

For the three months ended March 31, 2024, net cash provided by operating activities was \$87.6 million, net cash provided by investing activities was \$531.9 million and net cash used in financing activities was \$562.5 million. Major uses of cash were \$513.1 million in outflows of deposits and \$261.0 million in repayment of other borrowed funds. Major sources of cash included \$250.0 million of advances in long-term debt and \$474.0 million in repayment of loans at maturity, exercise of call options, principal pay downs, and sales of investment securities. Total cash and cash equivalents were \$635.0 million as of March 31, 2024, compared to \$578.0 million as of December 31, 2023. For additional information regarding our operating, investing, and financing cash flows, see the unaudited “Consolidated Statements of Cash Flows,” included in Part I – Financial Information, “Item 1 – Financial Statements.” For additional information regarding our deposits, see “Financial Condition – Deposits,” included in Part I – Financial Information, “Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

As a holding company, we are a corporation separate and apart from our subsidiary Bank and, therefore, we provide for our own liquidity. Our primary sources of funding include management fees and dividends declared and paid by the Bank and access to capital markets. There are statutory, regulatory, and debt covenant limitations that affect the ability of our Bank to pay dividends to us. Management believes that such limitations will not impact our ability to meet our ongoing short-term cash obligations.

The Company continuously monitors our liquidity position and adjustments are made to the balance between sources and uses of funds as deemed appropriate. We are not aware of any events that are reasonably likely to have a material adverse effect on our liquidity, capital resources, or operations. In addition, we are not aware of any regulatory recommendations regarding liquidity, which if implemented, would have a material adverse effect on us. The Bank satisfies incremental liquidity needs with either liquid assets or external funding sources. Available liquidity includes cash, FHLB advances and FRB borrowings through the discount window. The Bank has pledged its investment securities portfolio to access wholesale funding as needed and does not intend to sell or restructure securities at this time.

Through the Bank’s relationship with the FHLB, the Bank owns \$82.2 million of FHLB stock and has access to additional liquidity and funding sources through FHLB advances. The Bank’s borrowing capacity is dependent upon the amount of collateral the Bank places at the FHLB. As of March 31, 2024, the Bank had FHLB borrowings of \$1,342.0 million with original tenors of one-year or less and \$250.0 million with original tenors of greater than one-year. The Bank’s remaining borrowing capacity with the FHLB was \$4,416.7 million as of March 31, 2024.

The Bank had a \$1.0 billion advance through the BTFP as of March 31, 2024. As of March 31, 2024, the Bank’s borrowing capacity at the Federal Reserve Discount Window was \$1.3 billion.

Recent Accounting Pronouncements

See “Note – Recent Authoritative Accounting Guidance” in the accompanying “Notes to Unaudited Consolidated Financial Statements” included in this report for details of recently issued accounting pronouncements and their expected impact on our financial statements.

Item 3.
QUANTITATIVE AND QUALITATIVE DISCLOSURES
ABOUT MARKET RISK

This analysis should be read in conjunction with text under the caption “Quantitative and Qualitative Disclosures About Market Risk” in our Form 10-K, which text is incorporated herein by reference. Our analysis of market risk and market-sensitive financial information contains forward-looking statements and is subject to the disclosure at the beginning of “Item 2 – Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding such forward-looking information.

Asset Liability Management

The goal of asset liability management is the prudent control of market risk, liquidity, and capital. Asset liability management is governed by policies, goals, and objectives adopted and reviewed by the Bank’s board of directors. Development of asset liability management strategies and monitoring of interest rate risk are the responsibility of the Asset Liability Committee, or ALCO, which is composed of members of senior management.

Interest Rate Risk

Interest rate risk is the risk of loss of future earnings or long-term value due to changes in interest rates. Our primary source of earnings is net interest income, which is affected by the level of interest rates, changes in interest rates, the speed of changes in interest rates, the relationship between rates on interest-bearing assets and liabilities, the impact of interest rate fluctuations on asset prepayments, and the mix of interest-bearing assets and liabilities.

The ability to optimize net interest income is largely dependent upon the achievement of an interest rate spread that can be managed during periods of fluctuating interest rates. Interest sensitivity is a measure of the extent to which net interest income will be affected by market interest rates over a period.

Net Interest Income Sensitivity

We believe net interest income sensitivity provides the best perspective of how day-to-day decisions affect our interest rate risk profile. We monitor net interest income sensitivity by utilizing an income simulation model to subject 12- and 24- month net interest income to various rate movements. Simulations modeled quarterly include scenarios where market rates change instantaneously up or down in a parallel or non-parallel manner. Estimates produced by our income simulation model are based on numerous assumptions including, but not limited to: (1) the timing of changes in interest rates, (2) shifts or rotations in the yield curve, (3) repricing characteristics for market rate sensitive instruments, (4) differing sensitivities of financial instruments due to differing underlying rate indices, (5) varying loan prepayment speeds for different interest rate scenarios, (6) the effect of interest rate limitations in our assets, such as caps and floors, and (7) overall growth and repayment rates and product mix of assets and liabilities. Because of limitations inherent in any approach used to measure interest rate risk, simulation results are not intended as a forecast of the actual effect of a change in market interest rates on our results, but rather to provide insight into our current interest rate exposure and execute appropriate asset/liability management strategies accordingly.

The following table presents the net interest income simulation model’s projected change in net interest income over a one-year horizon due to a change in interest rates. The net interest income simulation assumes parallel shifts in the yield curve and a static balance sheet. The net interest income simulation also uses a “deposit beta” modeling assumption which is an estimate of the change in interest-bearing deposit pricing for a given change in market interest rates. In up-rate scenarios, the deposit beta assumption is 30% with the pricing change occurring in the first month of the net interest income simulation horizon. In down-rate scenarios, the deposit beta assumption is 50% with the pricing change occurring in the first month of the net interest income simulation horizon. Actual changes to deposit pricing may vary significantly from this assumption due to management actions, customer behavior, and market forces, which may have significant impacts to our net interest income. The net interest income simulations at March 31, 2024 project that interest-bearing liabilities reprice faster than our interest earning assets.

Change in Interest Rate (basis points)	Percent Change in Net Interest Income March 31, 2024
+200	(4.41)%
+100	(2.14)
-100	5.22
-200	7.86

The preceding interest rate sensitivity analysis does not represent a forecast and should not be relied upon as being indicative of expected operating results.

The Company uses financial derivative instruments for management of interest rate sensitivity. In August 2022, the Company entered into two interest rate collars related to variable-rate loans that were designated as cash flow hedges with a total notional amount of \$300.0 million. The collars designated as cash flow hedges synthetically fix the interest income received by the Company when the collar index falls below a floor rate on a rate reset during the term of the collar and when the collar index exceeds the cap rate on a rate reset during the term of the collar without exchange of the underlying notional amount. In October 2022, the Company entered into four forward starting receive-fixed hedges related to pools of variable-rate loans and securities that were designated as cash flow hedges with a total notional amount of \$850.0 million. The swaps designated as cash flow hedges synthetically fix the interest income received by the Company when they become effective. As of March 31, 2024, \$900.0 million of the cash flow hedges were effective with the remaining \$250.0 million becoming effective in April 2024.

Item 4.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, under the supervision and with the participation of the Chief Executive Officer (who is our principal executive officer) and Chief Financial Officer (who is our principal financial officer), evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of March 31, 2024. The term "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of March 31, 2024, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods required by the SEC's rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of March 31, 2024, based on the criteria and guidelines established in the *Internal Control--Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such assessment, management determined that the Company's internal control over financial reporting was not effective as of March 31, 2024 due to the un-remediated material weaknesses in internal control over financial reporting related to the aggregated controls over the establishment of new deposit accounts, segregation of duties over the establishment of new loan accounts and the maintenance of loan and deposit accounts, and certain information technology general controls specific to logical access and change management, which was previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Prior to the filing of this Quarterly Report on Form 10-Q (this "Form 10-Q"), we completed procedures for the quarter ended March 31, 2024. Based on these procedures, management believes that our Condensed Consolidated Financial Statements included in this Form 10-Q have been prepared in accordance with GAAP. For additional information, please refer to Part II - Item 9A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Remediation

Management is in process of implementing measures designed to ensure that the aggregated control deficiencies contributing to the material weaknesses are remediated, such that these controls are designed, implemented, and operating effectively. The following remediation actions have been completed: (i) the inclusion of all relevant fields to financial reporting within the scope of the new deposit account quality assurance review, (ii) revision of the sampling procedures for the new deposit account quality assurance review to achieve additional precision and document the rationale for the scope of the sampling approach based on acceptable exception rates, (iii) removal of the ability of an employee to edit relevant 'keyword' fields in the workflow system, which was a vulnerability in the segregation of duties configuration, and (iv) review of the workflow system logs, which commenced during 2023, to identify any potential instances of unauthorized changes to keywords and investigate instances of segregation of duties violations, if any, related to deposit account maintenance and loan boarding and maintenance activity. We validated that no unauthorized changes or violations occurred. Additional remediation actions will include: (i) implementation of a quality assurance process to add another layer of control prior to the finalization of each period's user access review(s) and enhancement of written procedures for obtaining complete and accurate populations of user access reviews for each system with a manual population, (ii) modification of the timing of annual user access reviews, (iii) enhancement of segregation of duties in change management by migrating to an automated alternate cloud solution, (iv) identification of data transfers between systems specifically impacting the Company's internal control over financial reporting, which began in 2023, and (v) enhancement of logging and monitoring activities to demonstrate the effective execution of the data transfers control. We believe that as certain identified actions are implemented, we will be able to remediate the aggregation of control deficiencies that resulted in a material weaknesses. The material weaknesses will not be considered remediated; however, until the identified controls operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively.

We expect that the remediation of the aggregated control deficiencies that resulted in a material weakness will be completed during 2024.

Changes in Internal Control Over Financial Reporting

Other than the ongoing remediation efforts described above, there were no changes in our internal control over financial reporting for the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Controls and Procedures

The effectiveness of our disclosure controls and procedures and our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the soundness of our systems, the possibility of human error, and the risk of fraud. Moreover, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and the risk that the degree of compliance with policies or procedures may deteriorate over time. Because of these limitations, any system of disclosure controls and procedures or internal control over financial reporting may not be successful in preventing all errors or fraud or in making all material information known in a timely manner to the appropriate levels of management.

PART II.
OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various claims, legal actions, and complaints which arise in the ordinary course of business. In the Company's opinion, all such matters are adequately covered by insurance, are without merit, or are of such kind, or involve such amounts, that unfavorable disposition would not have a material adverse effect on the financial condition or results of operations of the Company.

Item 1A. Risk Factors

There have been no material changes in risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2023 during the period covered by this quarterly report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) There were no unregistered sales of equity securities during the three months ended March 31, 2024.

(b) Not applicable.

(c) The following table provides information with respect to purchases made of our common stock by or on behalf of us or any "affiliated purchasers" (as defined in Rule 10b-18(a)(3) under the Exchange Act), during the three months ended March 31, 2024.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs
January 1, 2024 to January 31, 2024	24	\$ 27.65	—	—
February 1, 2024 to February 29, 2024	945	26.35	—	—
March 1, 2024 to March 31, 2024	42,721	25.22	—	—
Total	43,690	\$ 25.25	—	—

⁽¹⁾ Stock repurchases were redemptions of vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants of the Company's 2015 and 2023 Equity Compensation Plan.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information**Rule 10b5-1 Trading Plans**

During the quarter ended March 31, 2024, none of the Company's directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits

Exhibit Number	Description
3.1	Certificate of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 25, 2023)
3.2	Bylaws of the Company
31.1 *	Certification by Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended
31.2 *	Certification by Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32 **	18 U.S.C. Section 1350 Certifications.
101.INS*	Interactive Data File - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File - The cover page XBRL tags are embedded within the inline XBRL document (included in Exhibit 101)
	* Filed herewith.
	** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST INTERSTATE BANCSYSTEM, INC.

Date:	May 3, 2024	By:	<u>/s/ KEVIN P. RILEY</u> Kevin P. Riley President and Chief Executive Officer
Date:	May 3, 2024	By:	<u>/s/ MARCY D. MUTCH</u> Marcy D. Mutch Executive Vice President and Chief Financial Officer



BYLAWS
OF
FIRST INTERSTATE BANCSYSTEM, INC.
 (a Delaware corporation)

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BYLAWS
OF
FIRST INTERSTATE BANCSYSTEM, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office in the state of Delaware of First Interstate BancSystem, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation, as the same may be amended from time to time or as subsequently designated by the Corporation's Board of Directors (the "Board").

1.2 REGISTERED AGENT

The Corporation shall maintain a registered agent at the registered office, as fixed in the certificate of incorporation, as subsequently designated by the Board from time to time, or as subsequently set forth on file with the Delaware Secretary of State.

1.3 OTHER OFFICES

The Board may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place within or outside the State of Delaware as determined by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year on a date and at a time designated by the Board. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The Board acting pursuant to a resolution adopted by a majority of the Board may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

2.3 SPECIAL MEETING

Unless otherwise required by law or the certificate of incorporation, special meetings of the stockholders may be called at any time, for any purpose or purposes, only by (i) the Board, (ii) the Chair of the Board, (iii) the Chief Executive Officer (in the absence of the Chief Executive Officer, the President) of the Corporation, or (iv) holders of more than ten percent (10%) of the outstanding shares of capital stock of the Corporation then entitled to vote.

The notice of a special meeting shall include the purpose for which the meeting is called. Any notice of a special meeting by holders of capital stock shall also be made pursuant to the requirements set forth in Section 2.4 of these bylaws. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by the parties entitled to call such meeting. Nothing contained in this Section 2.3 shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board may be held.

2.4 ADVANCE NOTICE PROCEDURES

(a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only: (1) pursuant to the Corporation's notice of meeting (or any supplement thereto) with respect to such annual meeting given by or at the direction of the Board (or any duly authorized committee thereof); (2) as otherwise properly brought before such annual meeting by or at the direction of the Board (or any duly authorized committee thereof); (3) as may be provided in the certificate of designations for any class or series of preferred stock of the Corporation ("Preferred Stock"); or (4) by any stockholder of the Corporation who (A) is a stockholder of record at the time of giving of the notice contemplated by Section 2.4(a)(iii); (B) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the annual meeting; (C) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting; (D) is a stockholder of record at the time of the annual meeting; and (E) complies with the procedures set forth in this Section 2.4. For the avoidance of doubt, compliance with the foregoing subclause (4) shall be the exclusive means for a stockholder to make nominations, or to propose any other business (other than a proposal included in the Corporation's proxy materials pursuant to and in compliance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (such act, and inclusive of the rules and regulations promulgated thereunder, the "1934 Act")), at an annual meeting of stockholders.

(ii) In addition to any other applicable requirements, for nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to subclause (4) of Section 2.4(a)(i), the stockholder must have given timely notice in proper written form to the Secretary and any such nomination or proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation no earlier than 8:00 a.m., local time, on the 120th day and no later than 5:00 p.m., local time, on the 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders. If, however, no annual meeting of stockholders was held in the preceding year, or the date of the applicable annual meeting has been changed by more than 30 days from the day of the first anniversary of the preceding year's annual meeting, then, to be timely, such notice must be received by the Secretary at the principal executive offices of the Corporation no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the annual meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation. In no event will the adjournment, rescheduling or postponement of any annual meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. If the number of directors to be elected to the Board or Board class is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board or Board class at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, then a stockholder's notice required by this Section 2.4(a)(ii) will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary at the principal executive offices of the Corporation no later than 5:00 p.m., local time, on the 10th day following the day on which such public announcement is first made. "Public announcement" means disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission (the "SEC") pursuant to Section 13, 14 or 15(d) of the 1934 Act.

(iii) To be in proper written form, the notice of any stockholder of record giving notice under this Section 2.4 (each, a "Noticing Party") to the Secretary must set forth:

(1) as to each person whom the Noticing Party proposes to nominate for election as a director (each, a "Proposed Nominee"), if any:

(A) the name, age, business address, residence address and principal occupation or employment of such Proposed Nominee; the class and number of shares of the Corporation that are held of record or are beneficially owned by such Proposed Nominee and a description of any Derivative Instruments (as defined below) held or beneficially owned thereby or of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), written or oral, the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from, changes in the price of any securities of the Corporation, or maintain, increase or decrease the voting power of such Proposed Nominee; and all information relating to such Proposed Nominee or such Proposed Nominee's respective affiliates (as defined below) and associates (as defined below) that would be required to be disclosed in a proxy statement or filing required to be made by such Noticing Party or any Stockholder Associated Person (as defined below) in connection with the solicitations of proxies for the election of directors in a contested election or otherwise required pursuant to the Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (collectively, the "Proxy Rules");

(B) such Proposed Nominee's written consent to being named in such Noticing Party's proxy statement as a nominee of such Noticing Party and to serving as a director of the Corporation if elected;

(C) a reasonably detailed description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding (including the amount of any payment or payments received or receivable thereunder), written or oral, that such Proposed Nominee has, or has had

within the past three years, and any other material relationships, between or among such Proposed Nominee and or any of such Proposed Nominee's affiliates or associates, on the one hand, and any Noticing Party or any Stockholder Associated Person, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act"), as if such Noticing Party and any Stockholder Associated Person were the "registrant" for purposes of such rule and such Proposed Nominee were a director or executive officer of such registrant (a "Third-Party Compensation Arrangement"); and

(D) a description of any business or personal interests that could reasonably be expected to place such Proposed Nominee in a potential conflict of interest with the Corporation or its affiliates; and

(2) as to any other business that the Noticing Party proposes to bring before the annual meeting:

(A) a reasonably brief description of the business desired to be brought before the annual meeting;

(B) the text of the proposal or business (including the complete text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the certificate of incorporation or these bylaws, the text of the proposed amendment);

(C) the reasons for conducting such business at the annual meeting; and

(D) all other information relating to such business that would be required to be disclosed in a proxy statement or other filing required to be made by such Noticing Party or any Stockholder Associated Person, in connection with the solicitation of proxies in support of such proposed business by such Noticing Party or any Stockholder Associated Person, pursuant to the Proxy Rules; and

(3) as to such Noticing Party and each Stockholder Associated Person:

(A) the name and address of such Noticing Party and each Stockholder Associated Person (including, as applicable, as they appear on the Corporation's books and records);

(B) for each class or series, the number of shares of stock of the Corporation that are, directly or indirectly, held of record or are beneficially owned (specifying the type of ownership) by such Noticing Party or any Stockholder Associated Person (including any right to acquire beneficial ownership at any time in the future, whether such right is exercisable immediately or only after the passage of time or the fulfillment of a condition), the date or dates on which such shares were acquired, and the investment intent of such acquisition;

(C) the name of each nominee holder for, and number of, any securities of the Corporation owned beneficially but not of record by such Noticing Party or any Stockholder Associated Person and any pledge by such Noticing Party or any Stockholder Associated Person with respect to any of such securities;

(D) a complete and accurate description of any agreement, arrangement or understanding, written or oral, (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of such Noticing Party or any Stockholder Associated Person with respect to the Corporation's securities, or any other agreement, arrangement or understanding, written or oral, that has been made the effect or intent of which is to mitigate loss to, manage risk or benefit from changes in the price of any securities of the Corporation, or maintain, increase or decrease the voting power of such Noticing Party or any Stockholder Associated Person with respect to the Corporation's securities, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation and without regard to whether such agreement, arrangement or understanding, written or oral, is required to be reported on a Schedule 13D, 13F or 13G in accordance with the 1934 Act (any of the foregoing, a "Derivative Instrument");

(E) any substantial interest, direct or indirect (including any existing or prospective commercial, business or contractual relationship with the Corporation or any affiliate thereof), by security holdings or otherwise, of such Noticing Party or any Stockholder Associated Person in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Corporation securities where such Noticing Party or such Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(F) a complete and accurate description of all agreements, arrangements or understandings, written or oral: (1) between or among such Noticing Party and any Stockholder Associated Person; or (2) between or among such Noticing Party or any Stockholder Associated Person and any other person or entity (naming each such person or entity), in each case, relating to the Corporation or its securities or the voting thereof, including (x) any

proxy, contract, arrangement, understanding or relationship pursuant to which such Noticing Party or any Stockholder Associated Person, directly or indirectly, has a right to vote any security of the Corporation (other than any revocable proxy given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the 1934 Act by way of a solicitation statement filed on Schedule 14A) and (y) any understanding, written or oral, that such Noticing Party or any Stockholder Associated Person may have reached with any stockholder of the Corporation (including the name of such stockholder) with respect to how such stockholder will vote such stockholder's shares in the Corporation at any meeting of the Corporation's stockholders or take other action in support of any Proposed Nominee or other business, or other action to be taken, by such Noticing Party or any Stockholder Associated Person;

(G) any rights to dividends on the Corporation's securities owned beneficially by such Noticing Party or any Stockholder Associated Person that are separated or separable from the underlying security;

(H) any proportionate interest in the Corporation's securities or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which such Noticing Party or any Stockholder Associated Person: (1) is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership; or (2) is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of such limited liability company or similar entity;

(I) any significant equity interests or any Derivative Instruments in any principal competitor of the Corporation that are held by such Noticing Party or any Stockholder Associated Person;

(J) any direct or indirect interest of such Noticing Party or any Stockholder Associated Person in any agreement, arrangement or understanding, written or oral, with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (in each case, including any employment agreement, collective bargaining agreement or consulting agreement);

(K) a description of any material interest of such Noticing Party or any Stockholder Associated Person in the business proposed by such Noticing Party, if any, or the election of any Proposed Nominee;

(L) a written representation and undertaking that (1) neither such Noticing Party nor any Stockholder Associated Person has breached any agreement, arrangement or understanding, written or oral, with the Corporation except as disclosed to the Corporation pursuant hereto and (2) such Noticing Party and each Stockholder Associated Person has complied, and will comply, with all applicable requirements of state law and the 1934 Act with respect to the matters set forth in this Section 2.4;

(M) a complete and accurate description of any performance-related fees (other than an asset-based fee) that such Noticing Party or any Stockholder Associated Person is entitled to, based on any increase or decrease in the value of the Corporation's securities or Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such Noticing Party or Stockholder Associated Person sharing the same household;

(N) (1) a description of the investment strategy or objective, if any, of such Noticing Party who is not an individual, and (2) a copy of any presentation, document or marketing material provided to third parties (including investors and potential investors) to solicit an investment in the Noticing Party that contains or describes the Noticing Party's investment thesis, or plans or proposals, with respect to the Corporation;

(O) all information that would be required to be set forth in a Schedule 13D filed pursuant to Rule 13d-1(a) under the 1934 Act or an amendment pursuant to Rule 13d-2(a) under the 1934 Act if such a statement were required to be filed under the 1934 Act by such Noticing Party or any Stockholder Associated Person, or such Noticing Party's or any Stockholder Associated Person's associates, with respect to the Corporation (regardless of whether such person or entity is actually required to file a Schedule 13D), including a description of any agreement that would be required to be disclosed by such Noticing Party, any Stockholder Associated Person or any of their respective associates pursuant to Item 5 or Item 6 of Schedule 13D;

(P) a certification that such Noticing Party and each Stockholder Associated Person has complied with all applicable federal, state and other legal requirements in connection with such Noticing Party's or Stockholder Associated Person's acquisition of shares of capital stock or other securities of the Corporation and such Noticing Party's or Stockholder Associated Person's acts or omissions as a stockholder of the Corporation, if such Noticing Party or Stockholder Associated Person is or has been a stockholder of the Corporation;

(Q) (1) if the Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation) is not a natural person, the identity of each natural person associated with such Noticing Party (or beneficial owner(s)) responsible for the formulation of and decision to propose the business or nomination to be brought before the meeting (such person or persons, the "Responsible Person"), the manner

in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Noticing Party (or beneficial owner(s)), the qualifications and background of such Responsible Person and any material interests or relationships of such Responsible Person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the capital stock of the Corporation and that reasonably could have influenced the decision of such Noticing Party (or beneficial owner(s)) to propose such business or nomination to be brought before the meeting and (2) if the Noticing Party (or the beneficial owner(s) on whose behalf such Noticing Party is submitting a notice to the Corporation) is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the capital stock of the Corporation and that reasonably could have influenced the decision of such Noticing Party (or beneficial owner(s)) to propose such business or nomination to be brought before the meeting; and

(R) any other information relating to such Noticing Party or any Stockholder Associated Person, or such Noticing Party's or any Stockholder Associated Person's associates, or Proposed Nominee or proposed business, that in each case, would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such Proposed Nominee (in a contested election of directors) or proposal pursuant to the Proxy Rules; provided, however, that the disclosures described in the foregoing subclauses (A) through (R) shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Noticing Party solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

(4) a written representation and undertaking that the Noticing Party is a holder of record of stock of the Corporation as of the date of submission of the notice and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting, and an acknowledgment that, unless otherwise required by law, if such Noticing Party (or a Qualified Representative (as defined below) of such Noticing Party) does not appear in person at the meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that proxies in respect of such nomination or business may have been received by the Corporation and counted for purposes of determining a quorum (for purposes of this Section 2.4, to be considered a "Qualified Representative" of the Noticing Party, a person must be (1) a duly authorized officer, manager or partner of such Noticing Party or (2) a person authorized by a writing executed by such Noticing Party (or a reliable reproduction or electronic transmission of the writing) delivered by such Noticing Party to the Corporation prior to the making of any nomination or proposal at a stockholder meeting stating that such person is authorized to act for such Noticing Party as proxy at the meeting of stockholders, which writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, must be produced at the meeting of stockholders);

(5) a complete and accurate description of any pending or, to such Noticing Party's knowledge, threatened legal proceeding in which such Noticing Party or any Stockholder Associated Person is a party or participant involving the Corporation or, to such Noticing Party's knowledge, any current or former officer, director, affiliate or associate of the Corporation;

(6) identification of the names and addresses of other stockholders (including beneficial owners) known by such Noticing Party to support the nomination(s) or other business proposal(s) submitted by such Noticing Party and, to the extent known, the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(7) a written representation that such Noticing Party and any Stockholder Associated Person intends, or is part of a group that intends, to (1) solicit proxies in support of the election of any Proposed Nominee in accordance with Rule 14a-19 under the 1934 Act or (2) engage in a solicitation (within the meaning of 1934 Act Rule 14a-1(l)) with respect to the nomination or other business, as applicable, and if so, the name of each participant (as defined in Item 4 of Schedule 14A under the 1934 Act) in such solicitation.

(b) *Special Meetings of Stockholders.* Except to the extent required by the DGCL, and subject to Section 2.3(a), special meetings of stockholders may be called only in accordance with the Corporation's certificate of incorporation and these bylaws. Only such business will be conducted at a special meeting of stockholders as has been brought before the special meeting pursuant to the Corporation's notice of meeting. If the election of directors is included as business to be brought before a special meeting in the Corporation's notice of meeting, then nominations of persons for election to the Board at such special meeting may be made by any stockholder who (i) is a stockholder of record at the time of giving of the notice contemplated by this Section 2.4(b); (ii) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the special meeting; (iii) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting; (iv) is a stockholder of record at the time of the special meeting; and (v) complies with the procedures set forth in this Section 2.4(b). For nominations to be properly brought by a stockholder before a special meeting pursuant to this Section 2.4(b), the stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the special meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the special meeting was first made. In no event will any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time

period) for the giving of a stockholder's notice. A stockholder's notice to the Secretary must comply with the applicable notice requirements of and must be in proper written form as provided under Section 2.4(a)(iii) of these bylaws.

(c) *Other Requirements.*

(i) To be eligible to be a nominee by any Noticing Party for election as a director of the Corporation, the Proposed Nominee must provide to the Secretary, in accordance with the applicable time periods prescribed for delivery of notice under Section 2.4(a)(ii) or Section 2.4(b):

(1) a signed written questionnaire, completed by the Proposed Nominee in the form required by the Corporation (which form such Noticing Party shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such Noticing Party within five days after receiving such request), containing information regarding such Proposed Nominee's background and qualifications and such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation or to serve as an independent director of the Corporation;

(2) a written representation and agreement completed by such Proposed Nominee in the form required by the Corporation (which form such Noticing Party shall request in writing from the Secretary prior to submitting notice and which the Secretary shall provide to such Noticing Party within five days after receiving such request) providing that, unless previously disclosed to the Corporation, such Proposed Nominee is not, and will not become, a party to any voting agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such Proposed Nominee, if elected as a director, will vote on any issue or question that could limit or interfere with such Proposed Nominee's ability to comply, if elected as a director of the Corporation, with such Proposed Nominee's fiduciary duties under applicable law;

(3) a written representation and undertaking that, unless previously disclosed to the Corporation, such Proposed Nominee is not, and will not become, a party to any Third-Party Compensation Arrangement;

(4) a written representation and undertaking that, if elected as a director, such Proposed Nominee would be in compliance, and will continue to comply, with all applicable rules of any securities exchange upon which the Corporation's securities are listed, the certificate of incorporation, these bylaws, all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading policies and all other guidelines and policies of the Corporation generally applicable to directors (which other guidelines and policies will be provided to such Proposed Nominee within five business days after the Secretary receives any written request therefor from such Proposed Nominee), and all applicable fiduciary duties under state law;

(5) a written representation and undertaking that such Proposed Nominee, if elected, intends to serve a full term on the Board;

(6) a written representation and undertaking that such Proposed Nominee will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct and that do not and will not omit to state any fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and

(7) a written representation and undertaking that such Proposed Nominee will tender his or her resignation as a director of the Corporation if the Board determines that such Proposed Nominee failed to comply with the provisions of this Section 2.4(c)(i) in any material respect, provides such Proposed Nominee notice of any such determination and, if such non-compliance may be cured, such Proposed Nominee fails to cure such non-compliance within 10 business days after delivery of such notice to such Proposed Nominee.

(ii) At the request of the Board, any person nominated by the Board for election as a director must furnish to the Secretary the information that is required to be set forth in a Noticing Party's notice of nomination that pertains to such Proposed Nominee.

(iii) No person will be eligible to be nominated by a Noticing Party for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.4. No business proposed by a Noticing Party will be conducted at a stockholder meeting except pursuant to Rule 14a-8 of the Exchange Act and in accordance with this Section 2.4.

(iv) The chair of the applicable meeting of stockholders will, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws or that business was not properly brought before the meeting. If the chair of the meeting should so determine, then the chair of the meeting will so declare to the meeting and the defective nomination will be disregarded or such business will not be transacted, as the case may be.

(v) Without limiting this Section 2.4, a Noticing Party must also comply with all applicable requirements of the 1934 Act with respect to the matters set forth in this Section 2.4, it being understood that (1) any references in these bylaws to the 1934 Act are not intended to, and will not, limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.4; and (2) compliance with subclause (4) of Section 2.4(a)(i) and with Section 2.4(b) are the exclusive means for a Noticing Party to make nominations or submit other business (other than as provided in Section 2.4(c)(vi)).

(vi) Notwithstanding anything to the contrary in this Section 2.4, the notice requirements set forth in these bylaws with respect to the proposal of any business pursuant to this Section 2.4 will be deemed to be satisfied by a Noticing Party if (1) such Noticing Party has submitted a proposal to the Corporation in compliance with Rule 14a-8 under the 1934 Act; and (2) such Noticing Party's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for the meeting of stockholders. Subject to Rule 14a-8 and other applicable rules and regulations under the 1934 Act, nothing in these bylaws will be construed to permit any Noticing Party, or give any Noticing Party the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of a director or any other business proposal.

(d) *Additional Information.*

(i) In addition to the information required pursuant to the foregoing provisions of this Section 2.4, the Corporation may require any Noticing Party to furnish such other information as the Corporation may reasonably require to determine the eligibility or suitability of a Proposed Nominee to serve as a director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such Proposed Nominee, under the listing standards of each securities exchange upon which the Corporation's securities are listed, any applicable rules of the SEC, any publicly disclosed standards used by the Board in selecting nominees for election as a director and for determining and disclosing the independence of the Corporation's directors, including those applicable to a director's service on any of the committees of the Board, or the requirements of any other laws or regulations applicable to the Corporation. If requested by the Corporation, any supplemental information required under this paragraph shall be provided by a Noticing Party within 10 days after it has been requested by the Corporation.

(ii) The Board may require any Proposed Nominee to submit to interviews with the Board or any committee thereof, and such Proposed Nominee shall make himself or herself available for any such interviews within 10 days following any reasonable request therefor from the Board or any committee thereof.

(e) *General*

(i) The number of nominees a Noticing Party may nominate for election at a meeting may not exceed the number of directors to be elected at such meeting, and for the avoidance of doubt, no Noticing Party shall be entitled to make additional or substitute nominations following the expiration of the time periods set forth in Section 2.4(a)(ii) or Section 2.4(b), as applicable. Notwithstanding the foregoing provisions of this Section 2.4, unless otherwise required by law, if the Noticing Party proposing a nominee for director or business to be conducted at a meeting does not appear at the meeting of stockholders of the Corporation to present such nomination or propose such business, such Proposed Nominee shall be disregarded or such proposed business shall not be transacted, as applicable, and no vote shall be taken with respect to such nomination or proposed business, notwithstanding that proxies with respect to such vote may have been received by the Corporation.

(ii) A Noticing Party shall update such Noticing Party's notice provided under the foregoing provisions of this Section 2.4, if necessary, such that the information provided or required to be provided in such notice shall be true and correct as of (A) the record date for determining the stockholders entitled to receive notice of the meeting and (B) the date that is 10 business days prior to the meeting (or any postponement, rescheduling or adjournment thereof), and such update shall (1) be received by the Secretary at the principal executive offices of the Corporation (x) not later than the close of business five business days after the record date for determining the stockholders entitled to receive notice of such meeting (in the case of an update required to be made under subclause (A)) and (y) not later than the close of business seven business days prior to the date for the meeting or, if practicable, any postponement, rescheduling or adjournment thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been postponed, rescheduled or adjourned) (in the case of an update required to be made pursuant to subclause (B)), (2) be made only to the extent that information has changed since such Noticing Party's prior submission and (3) clearly identify the information that has changed since such Noticing Party's prior submission. For the avoidance of doubt, any information provided pursuant to this Section 2.4(e)(ii) shall not be deemed to cure any deficiencies or inaccuracies in a notice previously delivered pursuant to this Section 2.4 and shall not extend the time period for the delivery of notice pursuant to this Section 2.4. If a Noticing Party fails to provide such written update within such period, the information as to which such written update relates may be deemed not to have been provided in accordance with this Section 2.4.

(iii) If any information submitted pursuant to this Section 2.4 by any Noticing Party nominating individuals for election as a director or proposing business for consideration at a stockholder meeting shall be inaccurate in any material respect (as determined by the Board or a committee thereof), such information shall be deemed not to have been provided in accordance with this Section 2.4. Any such Noticing Party shall notify the Secretary in writing at the principal executive offices of the Corporation of any inaccuracy or change in any information submitted pursuant to this

Section 2.4 (including if any Noticing Party or any Stockholder Associated Person no longer intends to solicit proxies in accordance with the representation made pursuant to Section 2.4(a)(iii)(7) within two business days after becoming aware of such inaccuracy or change, and any such notification shall clearly identify the inaccuracy or change, it being understood that no such notification may cure any deficiencies or inaccuracies with respect to any prior submission by such Noticing Party. Upon written request of the Secretary on behalf of the Board (or a duly authorized committee thereof), any such Noticing Party shall provide, within seven business days after delivery of such request (or such other period as may be specified in such request), (A) written verification, reasonably satisfactory to the Board, any committee thereof or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by such Noticing Party pursuant to this Section 2.4 and (B) a written affirmation of any information submitted by such Noticing Party pursuant to this Section 2.4 as of an earlier date. If a Noticing Party fails to provide such written verification or affirmation within such period, the information as to which written verification or affirmation was requested may be deemed not to have been provided in accordance with this Section 2.4.

(iv) If (A) any Noticing Party or any Stockholder Associated Person provides notice pursuant to Rule 14a-19(b) under the 1934 Act with respect to any Proposed Nominee and (B) (1) such Noticing Party or Stockholder Associated Person subsequently either (x) notifies the Corporation that such Noticing Party or Stockholder Associated Person no longer intends to solicit proxies in support of the election of such Proposed Nominee in accordance with Rule 14a-19(b) under the 1934 Act or (y) fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) under the 1934 Act and (2) no other Noticing Party or Stockholder Associated Person that has provided notice pursuant to Rule 14a-19(b) under the 1934 Act with respect to such Proposed Nominee (x) to the Corporation's knowledge, still intends to solicit proxies in support of the election of such Proposed Nominee in accordance with Rule 14a-19(b) under the 1934 Act and (y) has complied with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the 1934 Act, then the nomination of such Proposed Nominee shall be disregarded and no vote on the election of such Proposed Nominee shall occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation). Upon request by the Corporation, if any Noticing Party or any Stockholder Associated Person provides notice pursuant to Rule 14a-19(b) under the 1934 Act, such Noticing Party shall deliver to the Secretary, no later than five business days prior to the applicable meeting date, reasonable evidence that the requirements of Rule 14a-19(a)(3) under the 1934 Act have been satisfied.

(v) In addition to complying with the foregoing provisions of this Section 2.4, a Noticing Party shall also comply with all applicable requirements of state law and the 1934 Act with respect to the matters set forth in this Section 2.4. Nothing in this Section 2.4 shall be deemed to affect any rights of a (A) Noticing Party to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act, (B) Noticing Party to request inclusion of nominees in the Corporation's proxy statement pursuant to the Proxy Rules or (C) the holders of any series of Preferred Stock to elect directors pursuant to any applicable provisions of the certificate of incorporation.

(vi) Any written notice, supplement, update or other information required to be delivered by a Noticing Party to the Corporation pursuant to this Section 2.4 must be given by personal delivery, by overnight courier or by registered or certified mail, postage prepaid, to the Secretary at the Corporation's principal executive offices.

(vii) For purposes of these bylaws: (A) "affiliate" and "associate" each shall have the respective meanings set forth in Rule 12b-2 under the 1934 Act; (B) "beneficial owner" or "beneficially owned" shall have the meanings set forth for such terms in Section 13(d) of the 1934 Act; (C) "close of business" shall mean 5:00 p.m. local time on any calendar day, whether or not the day is a business day; and (D) "Stockholder Associated Person" shall mean, with respect to a Noticing Party and if different from such Noticing Party, any beneficial owner of shares of stock of the Corporation on whose behalf such Noticing Party is providing notice of any nomination or other business proposed, (1) any person directly or indirectly controlling, controlled by or under common control with such Noticing Party or beneficial owner(s), (2) any member of the immediate family of such Noticing Party or beneficial owner(s) sharing the same household, (3) any person or entity who is a member of a "group" (as such term is used in Rule 13d-5 under the 1934 Act (or any successor provision at law)) with, or is otherwise known by such Noticing Party or other Stockholder Associated Person to be acting in concert with, such Noticing Party, such beneficial owner(s) or any other Stockholder Associated Person with respect to the stock of the Corporation, (4) any affiliate or associate of such Noticing Party, such beneficial owner(s) or any other Stockholder Associated Person, (5) if such Noticing Party or any such beneficial owner is not a natural person, any Responsible Person, (6) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such Noticing Party, such beneficial owner(s) or any other Stockholder Associated Person with respect to any proposed business or nominations, as applicable, (7) any beneficial owner of shares of stock of the Corporation owned of record by such Noticing Party or any other Stockholder Associated Person (other than a stockholder that is a depository), and (8) any Proposed Nominee.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each

stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

Whenever notice is required to be given under applicable law, the certificate of incorporation or these bylaws to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given under any provision of applicable law, the certificate of incorporation or these bylaws to any stockholder to whom (a) notice of two (2) consecutive annual meetings, or (b) all, and at least two (2) payments (if sent by first-class mail) of dividends or interest on securities during a twelve (12) month period, have been mailed addressed to such person at such person's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the Corporation a written notice setting forth such person's then current address, the requirement that notice be given to such person shall be reinstated.

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under any provision of applicable law, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within 60 days of having been given written notice by the Corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This paragraph shall not, however, apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

Subject to, and from the effective time of the Stockholders' Agreement, dated as of September 15, 2021, by and between the Corporation and certain members of the Scott family and certain related parties that are stockholders of the Corporation (collectively, the "Specified Scott Family Stockholders") (as the same may be amended, supplemented or modified from time to time) (the "Stockholders' Agreement"), notwithstanding anything to the contrary in these bylaws, any advance notice requirements for nominations for the election of directors in these bylaws, including under Section 2.4 of these bylaws, shall not apply to the nominations of directors by the Specified Scott Family Stockholders pursuant to and in accordance with the terms and conditions of the Stockholders' Agreement.

2.6 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE

Notice of any meeting of stockholders shall be given in the manner set forth in the DGCL and:

- i. if mailed, will be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the Corporation's records; or
- ii. otherwise, will be deemed given when delivered.

An affidavit of the Secretary or an assistant Secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.7 QUORUM

The holders of a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If such quorum is not present or represented at any meeting of the stockholders, then the chair of the meeting, or the stockholders representing a majority of the voting power of the capital stock of the Corporation entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at

which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

2.8 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, by holders of a majority of the voting power of the capital stock of the Corporation issued and outstanding and entitled to vote, present in person or represented by proxy, though less than a quorum, or by any officer entitled to preside at or to act as Secretary of such meeting, and unless these bylaws otherwise require, notice need not be given of the adjourned meeting (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) if the time, place, if any, and the means of remote communications, if any, thereof, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are (a) announced at the meeting at which the adjournment is taken, (b) displayed during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (c) set forth in the notice of meeting given in accordance with these bylaws. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.12 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.9 ADMINISTRATION OF THE MEETING

Meetings of stockholders shall be presided over by the Chair of the Board or, in the absence thereof, by any Vice Chair of the Board or, in the absence thereof, by any officer of the Corporation designated by the Chair of the Board or, in the absence thereof, by any officer of the Corporation. In the absence of the Secretary of the Corporation, the Secretary of the meeting shall be the assistant corporate Secretary or such person as the chair of the meeting appoints.

The Board shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations, if any, the chair of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all acts as, in the judgment of such chair, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda of business of the meeting, rules or regulations to maintain order, restrictions on entry to the meeting after the time fixed for commencement thereof and the fixing of the date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at a meeting (and shall announce such at the meeting).

2.10 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.12 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder as of the applicable record date.

In all matters other than election of directors, except as otherwise required by applicable law, the rules of any national securities exchange on which the Corporation's securities are listed, the certificate of incorporation or these bylaws, if a quorum exists, action on a matter (other than election of directors) is approved if the votes cast favoring the action by shares present in person or represented by proxy at the meeting and entitled to vote on the matter exceed the votes cast opposing the action by shares present in person or represented by proxy at the meeting and entitled to vote on the matter. If a quorum exists, directors shall be elected by a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, except as otherwise required by applicable law, the rules of any national securities exchange on which the Corporation's securities are listed, the certificate of incorporation or these bylaws, if a quorum of the class or series or classes or series exists, action on a matter (other than election of directors) is approved if the votes cast favoring the action by shares of the class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the matter exceed the votes cast opposing the action by shares of the class or series or classes or series present in person or represented by proxy at the meeting and entitled to vote on the matter.

Abstentions will be considered for purposes of establishing a quorum, but will not be considered as votes cast for or against any matter. The stockholders of the Corporation shall not have the right to cumulate their votes for the election of directors of the Corporation.

2.11 NO STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders, unless otherwise required by applicable law.

2.12 RECORD DATES

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or other date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.12 at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

2.13 PROXIES

Each stockholder entitled to vote at a meeting of stockholders, or such stockholder's authorized officer, director, employee or agent, may authorize another person or persons to act for such stockholder by proxy authorized by a document or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after eleven (11) months from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. Any stockholder directly or indirectly soliciting proxies from other stockholders may use any proxy card color other than white, which shall be reserved for exclusive use of the Board.

2.14 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The Corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Corporation's principal place of business. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

2.15 INSPECTORS OF ELECTION

Before any meeting of stockholders, the Corporation shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. Such inspectors shall, ascertain the number of shares outstanding and the voting power of each,

determine the shares represented at the meeting and the validity of proxies and ballots, count all votes and ballots, determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III – DIRECTORS

3.1 POWERS

The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The number of directors of the Corporation shall be at least five (5) and not more than eighteen (18). The number of directors within that range can be increased or decreased by resolution of the Board and no decrease shall have the effect of shortening the term of any incumbent director. After expiration of a director's term, the director shall continue to serve until a successor has been elected and qualified or until there is a decrease in the number of directors. Directors need not be residents of the State of Delaware or stockholders of the Corporation.

The directors shall be divided into three classes, each class to be as nearly equal with the other classes in number as possible. The term of the office of each class of director shall be three years. Each director shall hold office until the expiration of such director's term or until a director dies, resigns, or is removed. At each annual meeting, the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office. In the case of increases or decreases in the number of directors of the Corporation, each class shall bear its reduction or increase proportionately to the extent reasonably practicable.

There are no term limits for directors. Subject to applicable law, however, no director may stand for re-election to the Board after he or she has reached the age of seventy-two (72), unless on a case-by-case basis, the director having reached the age of 72 is recommended, due to special circumstances then existing, to the Board by the Governance and Nominating Committee and his or her candidacy is approved by the Board.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

All directors of the Corporation must be committed to the furtherance of the vision and goals of the Corporation and must be willing to devote the necessary time and energy for the self-education, corporate functions, and other actions necessary to fulfill this commitment. Directors have a fiduciary duty to the Corporation and shall make all decisions in a manner that is in the best interests of the Corporation and its stockholder. Directors shall not advocate or act in the best interests of any person or group unless it also serves the best interests of the Corporation and its stockholders.

All elections of directors shall be by written ballot, unless otherwise provided in the certificate of incorporation. If authorized by the Board, such requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that any such electronic transmission must be either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board effective at a future

date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or permitted in the specific case by resolution of the Board, and subject to the rights of holders of Preferred Stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so chosen to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board may participate in a meeting of the Board by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the Board may be held with at least five business days prior notice at such time and at such place as shall from time to time be determined by the Board.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, any Vice Chair of the Board, the Chief Executive Officer, the President or any two directors. The person(s) authorized to call special meetings of the Board may fix the place and time of the meeting.

Notice of the time and place of special meetings shall be:

- (a) delivered personally by hand, by courier or by telephone;
- (b) sent by United States first-class mail, postage prepaid;
- (c) sent by facsimile;
- (d) sent by electronic mail; or
- (e) otherwise given by electronic transmission (as defined in Section 232 of the DGCL),

directed to each director at that director's address, telephone number, facsimile number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile, (iii) sent by electronic mail or (iv) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice of the time and place of the meeting may be communicated to the director in lieu of written notice if such notice is communicated at least 24 hours before the time of the holding of the meeting. The notice need not specify the place of the meeting if the meeting is to be held at the Corporation's principal executive office nor the purpose of the meeting, unless otherwise required by applicable law.

3.8 QUORUM; VOTING

Except as otherwise required by applicable law or the certificate of incorporation, at all meetings of the Board, a majority of the authorized number of directors (as determined pursuant to Section 3.2 of these bylaws) shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 3.10 of these bylaws. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the certificate of incorporation or these bylaws.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the certificate of incorporation or these bylaws.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.10 ADJOURNED MEETING; NOTICE

If a quorum is not present at any meeting of the Board, then a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

3.11 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors, or the Board may delegate such authority to an appropriate committee thereof.

3.12 REMOVAL OF DIRECTORS

Subject to the rights of the holders of any series of Preferred Stock then outstanding, any director or the entire Board may be removed from office at any time, with or without cause, by the affirmative vote of the holders of a majority of the shares of capital stock of the Corporation then entitled to vote at an election of directors.

3.13 CORPORATE GOVERNANCE COMPLIANCE

Without limiting the powers of the Board set forth in Section 3.1, if at any time during which shares of capital stock of the Corporation are listed for trading on either The NASDAQ Stock Market, including any successor thereto ("NASDAQ"), or The New York Stock Exchange, including any successor thereto ("NYSE"), the Corporation shall comply with the corporate governance rules and requirements of NASDAQ or the NYSE, as the case may be (the "Exchange Governance Rules"), applicable to the Corporation. If holders of the requisite voting power under the then applicable Exchange Governance Rules notify or have notified the Corporation in writing of their election to cause the Corporation to rely upon the applicable "controlled company" exemption (the "Controlled Company Exemption") to the Exchange Governance Rules, the Corporation and Board may adopt any and all measures, including with respect to the composition of any Board committees, permitted by the Controlled Company Exemption. All references to the Exchange Governance Rules in these bylaws shall include any applicable exemption thereto, including the Controlled Company Exemption.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The Board may designate one or more committees, each committee to consist of two or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise such lawfully delegable powers and duties as the Board may confer. Each committee will comply with all applicable provisions of: the Sarbanes-Oxley Act of 2002, the rules and regulations of the SEC, and applicable Exchange Governance Rules, and will have the right to retain independent legal counsel and other advisers at the Corporation's expense.

In addition to the foregoing committees designated by the Board, the Chair of the Board, and any Vice Chair of the Board, may from time to time designate and appoint, on a temporary basis, one or more directors to assist in the performance or discharge of any powers and duties of the Board or any committee thereof. Any such designation and appointment shall be in the form of a limited or special assignment and shall include such duties as determined by the Chair of the Board or any Vice Chair of the Board, as the case may be. The Corporation's standard Board and committee fees and reimbursement policies and practices shall be applicable to any such designation and appointment. Any designation and appointment made hereunder shall be reported to the Board at the next regular or special meeting of the Board.

4.2 COMMITTEE MINUTES

Each committee (and subcommittee) shall keep regular minutes of its meetings.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees and subcommittees shall be governed by, and held and taken in accordance with, the provisions of:

- (a) Section 3.5 (place of meetings and meetings by telephone);
- (b) Section 3.6 (regular meetings);
- (c) Section 3.7 (special meetings and notice);
- (d) Section 3.8 (quorum; voting);
- (e) Section 3.9 (board action by written consent without a meeting); and
- (f) Section 3.10 (adjourned meeting and notice of adjournment),

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members, *mutatis mutandis*, for the Board and its members; provided, however, that (i) the time and place of regular meetings of committees or subcommittees may be determined either by resolution of the Board or by resolution of the committee or subcommittee; (ii) special meetings of committees or subcommittees may also be called by resolution of the Board or the committee or the subcommittee; and (iii) notice of special meetings of committees and subcommittees shall also be given to all alternate members who shall have the right to attend all meetings of the committee or subcommittee. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

4.5 EXECUTIVE COMMITTEE

The Board shall establish an Executive Committee whose principal purpose will be to function and act on behalf of the Board with respect to any and all matters between regularly scheduled Board meetings, particularly with respect to critical and time sensitive matters. The Executive Committee will also assist the Board in carrying out its responsibility to monitor the Corporation's capital management policy. In addition, the Executive Committee will assume such other duties and responsibilities as the Board may confer upon the committee from time to time.

4.6 AUDIT COMMITTEE

The Board shall establish an Audit Committee whose principal purpose will be to oversee the Corporation's and its subsidiaries' accounting and financial reporting processes, internal systems of control, independent auditor relationships and audits of consolidated financial statements of the Corporation and its subsidiaries. The Audit Committee will also determine the appointment of the independent auditors of the Corporation and any change in such appointment and ensure the independence of the Corporation's auditors. In addition, the Audit Committee will assume such other duties and responsibilities as the Board may confer upon the committee from time to time.

4.7 GOVERNANCE AND NOMINATING COMMITTEE

The Board shall establish a Governance and Nominating Committee whose principal duties will be to assist the Board by identifying individuals qualified to become Board members consistent with criteria approved by the Board, to recommend to the Board for its approval the slate of nominees to be proposed by the Board to the stockholders for election to the Board, to develop and recommend to the Board the governance principles applicable to the Corporation, as well as such other duties and responsibilities as the Board may confer upon the committee from time to time.

4.8 COMPENSATION COMMITTEE

The Board shall establish a Compensation Committee whose principal duties will be to review employee compensation policies and programs as well as the compensation of the Chief Executive Officer and other executive officers of the Corporation, to recommend to the Board a compensation program for outside Board members, as well as such other duties and responsibilities as the Board may confer upon the committee from time to time.

4.9 RISK COMMITTEE

The Board shall establish a Risk Committee whose principal duties will be to oversee the conduct of, and review the results of, enterprise-wide risk assessments, including the identification and reporting of critical enterprise risk management practices, as well as such other duties and responsibilities as the Board may confer upon the committee from time to time.

ARTICLE V - OFFICERS

5.1 OFFICERS

The officers of the Corporation shall be the Chair of the Board, Chief Executive Officer, President, one or more Vice Presidents, Chief Financial Officer, Chief Banking Officer, Chief Credit Officer, Chief Legal Officer/General Counsel, Chief Risk Officer, Secretary, and Treasurer. The Corporation may also have, at the discretion of the Board, a Vice Chair of the Board, one or more assistant secretaries, one or more assistant treasurers, and any such other officers as may be appointed by the Board, including, but not limited to, chief operating officer, chief accounting officer, chief information officer, chief compliance or regulatory officer, President of wealth management, and branch administration officer.

Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws. Each officer shall hold office until his or her successor is appointed and qualified or until his or her earlier resignation or removal. A failure to appoint officers shall not dissolve or otherwise affect the Corporation.

5.3 SUBORDINATE OFFICERS

The Board may appoint, or empower the Chief Executive Officer and/or the President of the Corporation, to appoint such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board or the Chief Executive Officer and/or the President may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board at any regular or special meeting of the Board or, except in the case of an officer appointed by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving notice, in writing or by electronic transmission, to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.2.

5.6 CHAIR OF THE BOARD

The Chair of the Board shall be a member of the Board and, if present, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or as may be prescribed by these bylaws.

5.7 VICE CHAIR OF THE BOARD

Any Vice Chair of the Board shall be a member of the Board and, in the absence or disability of the Chair of the Board, preside at meetings of the Board and exercise and perform such other powers and duties as may from time to time be assigned to him or her by the Board or as may be prescribed by these bylaws.

5.8 CHIEF EXECUTIVE OFFICER

Subject to the control of the Board and any supervisory powers the Board may give to the Chair of the Board, the Chief Executive Officer shall, together with the President of the Corporation, have general supervision, direction, and control of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. The Chief Executive Officer shall also perform all duties incidental to this office that may be required by law and all such other duties as are properly required of this office by the Board.

5.9 PRESIDENT

Subject to the control of the Board and any supervisory powers the Board may give to the Chair of the Board, the President shall, together with the Chief Executive Officer of the Corporation, have general supervision, direction, and control of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board are carried into effect. The President shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board, the Chair of the Board or the Chief Executive Officer.

5.10 VICE PRESIDENTS

In the absence or disability of the President, one or more Vice Presidents, in order of their rank as fixed by the Board (such as an executive Vice President followed by a senior Vice President, Vice President and assistant Vice President) or, if not ranked, a Vice President designated by the Board, shall perform all the duties of the President. When acting as the President, the appropriate Vice President shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board, the Chair of the Board, the Chief Executive Officer or the President.

5.11 CHIEF FINANCIAL OFFICER

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate. The Chief Financial Officer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the Chief Executive Officer or, in the absence of the Chief Executive Officer, the President and any directors, whenever they request it, an account of all his or her transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have other powers and perform such other duties as may be prescribed by the Board or the Chief Executive Officer.

The Chief Financial Officer may be the Treasurer of the Corporation.

5.12 CHIEF BANKING OFFICER

The Chief Banking Officer shall oversee the strategic direction and management of the Corporation in providing personal and commercial banking services. The Chief Banking Officer shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or the Chief Executive Officer.

5.13 CHIEF CREDIT OFFICER

The Chief Credit Officer shall supervise, administer and implement the credit program, and related policies and procedures, of the Corporation. The Chief Credit Officer shall monitor the Corporation's loan portfolio consistent with applicable laws, regulations and policies. The Chief Credit Officer shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or the Chief Executive Officer.

5.14 CHIEF LEGAL OFFICER/GENERAL COUNSEL

The Chief Legal Officer or General Counsel shall assist the Corporation in minimizing and mitigating legal risks by advising the Corporation's other officers and board members regarding legal and regulatory issues the Corporation confronts. The

Chief Legal Officer or General Counsel shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or the Chief Executive Officer.

5.15 CHIEF RISK OFFICER

The Chief Risk Officer shall assess and mitigate significant risk, including regulatory, strategic, reputational, operational, credit, financial, and technological risks, across the enterprise and coordinate the Corporation's Enterprise Risk Management approach. The Chief Risk Officer shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or the Chief Executive Officer.

5.16 SECRETARY

The Secretary shall keep or cause to be kept, at the principal executive office of the Corporation or such other place as the Board may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show:

- i. the time and place of each meeting;
- ii. whether regular or special (and, if special, how authorized and the notice given);
- iii. the names of those present at directors' meetings or committee meetings;
- iv. the number of shares present or represented at stockholders' meetings; and
- v. the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, a share register, or a duplicate share register showing:

- i. the names of all stockholders and their addresses;
- ii. the number and classes of shares held by each;
- iii. the number and date of certificates evidencing such shares or other applicable information with respect to uncertificated shares; and
- iv. the number and date of cancellation of every certificate surrendered for cancellation or other applicable information with respect to uncertificated shares.

The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board required to be given by law or by these bylaws. The Secretary shall keep the seal of the Corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board, the Chair of the Board or the Chief Executive Officer.

5.17 TREASURER

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation with such depositories as the Board or the Chief Executive Officer may designate. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board, shall render to the Chief Executive Officer or, in the absence of the Chief Executive Officer, the President and any directors, whenever they request it, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall have other powers and perform such other duties as may be prescribed by the Board or the Chief Executive Officer.

5.18 ASSISTANT SECRETARY

The assistant Secretary, or, if there is more than one, the assistant secretaries in the order determined by the Board (or if there be no such determination, then in the order of their election) shall, in the absence of the Secretary or in the event of

the Secretary's inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as may be prescribed by the Board or the Chief Executive Officer.

5.19 ASSISTANT TREASURER

The assistant treasurer, or, if there is more than one, the assistant treasurers, in the order determined by the Board (or if there be no such determination, then in the order of their election), shall, in the absence of the Chief Financial Officer or Treasurer or in the event of the Chief Financial Officer's or Treasurer's inability or refusal to act, perform the duties and exercise the powers of the Chief Financial Officer or Treasurer, as applicable, and shall perform such other duties and have such other powers as may be prescribed by the Board or the Chief Executive Officer.

5.20 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The Chair of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or assistant Secretary of this Corporation or any other person authorized by the Board or the Chief Executive Officer, the President or a Vice President, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares or other securities of any other entity or entities, and all rights incident to any management authority conferred on the Corporation in accordance with the governing documents of any entity or entities, standing in the name of this Corporation, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.21 AUTHORITY AND DUTIES OF OFFICERS

In addition to the foregoing authority and duties, all officers the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board.

ARTICLE VI - RECORDS AND REPORTS

6.1 MAINTENANCE AND INSPECTION OF RECORDS

The Corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a stock ledger, a list of its stockholders, and its other books and records as required under the DGCL.

To the extent permitted by Section 220 of the DGCL, any stockholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, the Corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in Delaware or at its principal place of business.

6.2 INSPECTION BY DIRECTOR

Any director shall have the right to examine the Corporation's stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director.

ARTICLE VII - GENERAL MATTERS

7.1 CHECKS; DRAFTS; EVIDENCES OF INDEBTEDNESS

From time to time, the Board shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the Corporation, and only the persons so authorized shall sign or endorse those instruments.

7.2 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided in these bylaws, the Board, or any officers of the Corporation authorized thereby, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confirmed to specific instances.

7.3 STOCK CERTIFICATES AND UNCERTIFICATED SHARES

The shares of the Corporation may, but need not, be represented by certificates. The Board may authorize the issue of some or all of the shares of any or all of its classes or series without certificates. This authorization does not affect shares already represented by certificates until they are surrendered to the Corporation. The rights and obligations of stockholders within the same class or series are identical whether or not their shares are represented by certificates.

If shares of the Corporation are represented by certificates, each share certificate shall state on its face the name of the person to whom issued, the number and class of shares and the designation of the series, if any, that the certificate represents, and all other requirements applicable thereto as set forth in the DGCL. Each share certificate must be signed, either manually or in facsimile, by two officers designated in these bylaws and may bear the corporate seal or its facsimile. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

If the Board authorizes the issue of uncertificated shares, then within a reasonable time after the issuance or transfer of shares without certificates, the Corporation shall, upon request, send to each stockholder, at the stockholder's address of record on the books and records of the Corporation, a written statement of the information that would be required on certificates representing shares as set forth in the DGCL.

If, at any time during which shares of the Corporation's common stock or other capital stock of the Corporation are listed for trading on either NASDAQ or the NYSE, the Corporation shall ensure that all securities listed for trading are eligible for a Direct Registration Program (as defined below) operated by a clearing agency registered under Section 17A of the Exchange Act. For purposes of these bylaws, a "Direct Registration Program" shall mean any program by the Corporation, directly or through the Corporation's transfer agent or registrar, whereby a stockholder may have securities registered in the stockholder's name on the books of the Corporation or its transfer agent or registrar without the need for a physical certificate to evidence ownership.

7.4 SPECIAL DESIGNATION FOR MORE THAN ONE CLASS OR SERIES

If the Corporation is authorized to issue more than one class of stock or more than one series of any class and the Corporation issues certificated shares, then the powers, designations, preferences, and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences, and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. If the Corporation issued uncertificated shares, then the powers, designations, preferences, and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in the certificate of incorporation.

7.5 LOST CERTIFICATES

Except as provided in this Section 7.5, no new certificates for certificated shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.6 CONSTRUCTION; DEFINITIONS

Unless the context required otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a Corporation and a natural person.

7.7 DIVIDENDS

The Board, subject to any restrictions contained in the DGCL, the certificate of incorporation and applicable law, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation's capital stock, subject to the provisions of the DGCL, the certificate of incorporation and applicable law.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

7.8 FISCAL YEAR

The fiscal year of the Corporation shall be the calendar year or as otherwise fixed by resolution of the Board and may be changed by the Board.

7.9 SEAL

The Corporation may adopt a corporate seal, which shall be adopted by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.10 TRANSFER OF STOCK

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by the transfer agent or registrar designated to transfer shares of the stock of the Corporation. The officers of the Corporation, together with the transfer agent or registrar, shall adopt and implement such policies and procedures as are necessary or advisable to facilitate the orderly processing of stock transfer requests.

7.11 STOCK TRANSFER AGREEMENTS

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes or series owned by such stockholders in any manner not prohibited by the DGCL.

7.12 REGISTERED STOCKHOLDERS

The Corporation:

- i. shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;
- ii. shall be entitled to hold liable for calls and assessments on partly paid shares the person registered on its books as the owner of shares; and
- iii. shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.13 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting solely for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

7.14 FORUM SELECTION

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another state court in Delaware or the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, stockholder, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (c) any action arising pursuant to any provision of the DGCL or the certificate of incorporation or these bylaws (as either may be amended from time to time), or (d) any action asserting a claim governed by the internal affairs doctrine, except for, as to each of (a) through (d) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction.

Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against any person in connection with any offering of the Corporation's securities, including, without limitation and for the avoidance of doubt, any auditor, underwriter, expert, control person, or other defendant.

ARTICLE VIII – INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE COMPANY

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer (for purposes of this Section 8.3 only, as such term is defined in Section 145(c)(1) of the DGCL) of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The Corporation may indemnify any other person who is not a present or former director or officer of the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by such person to the extent he or she has been successful on the merits or otherwise in defense of any suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the Corporation shall have power to indemnify its employees and agents, or any other persons, to the extent not prohibited by the DGCL or other applicable law. The Board shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Corporation in defending any Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and

reasonably incurred by former directors and officers or other employees and agents of the Corporation or by persons serving at the request of the Corporation as directors, officers, employees or agents of another Corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8.6(b) or 9.6(c) prior to a determination that the person is not entitled to be indemnified by the Corporation.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the Corporation to an officer of the Corporation (except by reason of the fact that such officer is or was a director of the Corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (a) by a vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (b) by a committee of such directors designated by the vote of the majority of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the Corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

- (a) or which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;
- (b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);
- (c) for any reimbursement of the Corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);
- (d) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Corporation or its directors, officers, employees, agents or other indemnitees, unless (i) the Board authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law, (iii) otherwise required to be made under Section 8.7 or (iv) otherwise required by applicable law; or
- (e) if prohibited by applicable law.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Corporation shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person’s official capacity and as to action in another capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to or repeal or elimination of the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "Corporation" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving company as such person would have with respect to such constituent company if its separate existence had continued. For purposes of this Article VIII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

ARTICLE IX – AMENDMENTS; SEVERABILITY

The bylaws of the Corporation may be adopted, amended or repealed by a majority of the voting power of the stockholders entitled to vote; provided, however, that the Corporation may, in its certificate of incorporation, also confer the power to adopt, amend or repeal bylaws upon the Board. The fact that such power has been so conferred upon the Board shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

To the extent any provision of these bylaws would be, in the absence of this Article IX, invalid, illegal or unenforceable for any reason, such provision shall be severable for the other provisions of these bylaws, and all provision of these bylaws shall be construed so as to give effect to the intent manifested by these bylaws, including, to the maximum extent, the provision that would otherwise be invalid, illegal or unenforceable.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Kevin P. Riley, certify that :

1. I have reviewed this quarterly report on Form 10-Q of First Interstate BancSystem, Inc.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions);
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 3, 2024

/s/ KEVIN P. RILEY

Kevin P. Riley

President and Chief Executive Officer

**CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Marcy D. Mutch, certify that :

1. I have reviewed this quarterly report on Form 10-Q of First Interstate BancSystem, Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions);
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: May 3, 2024

/s/ MARCY D. MUTCH

Marcy D. Mutch

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

The undersigned are the Chief Executive Officer and the Chief Financial Officer of First Interstate BancSystem, Inc. (the “Registrant”). This Certification is made pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This Certification accompanies the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2024.

We certify that, based on our knowledge, such Quarterly Report on Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This Certification is executed as of May 3, 2024.

/s/ KEVIN P. RILEY

Kevin P. Riley
President and Chief Executive Officer

/s/ MARCY D. MUTCH

Marcy D. Mutch
Executive Vice President and Chief Financial Officer