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DELTA REPORT

10-Q

FIRST INTERSTATE BANCSYST

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - MARCH 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1097
CHANGES	326
DELETIONS	356
ADDITIONS	415

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, 2023 June 30, 2023

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)

Montana Delaware	**81-0331430**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
401 North 31st Street Billings, MT	**59116-0918 59101**
(Address of principal executive offices)	(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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, no $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, July 31, 2023 – Class A common stock	104,375,923 105,018,309

Quarterly Report on Form 10-Q

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES

Index

March 31, June 30, 2023

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

		March 31, 2023	December 31, 2022		June 30, 2023	December 31, 2022
Assets	*Assets*			*Assets*		
Cash and due from banks	Cash and due from banks	$ 332.9	$ 349.2	Cash and due from banks	$ 479.0	$ 349.2
Interest bearing deposits in banks	Interest bearing deposits in banks	747.7	521.2	Interest bearing deposits in banks	201.4	521.2
Federal funds sold	Federal funds sold	0.1	0.1	Federal funds sold	0.1	0.1
Total cash and cash equivalents	Total cash and cash equivalents	1,080.7	870.5	Total cash and cash equivalents	680.5	870.5
Investment securities:	Investment securities:			Investment securities:		
Available-for-sale, net of allowance for credit losses of $2.6 at March 31, 2023 and $0.0 at December 31, 2022 (amortized cost of $6,582.2 at March 31, 2023 and $7,573.5 at December 31, 2022)		6,049.3	6,946.1			
Held-to-maturity, net of allowance for credit losses of $0.7 at March 31, 2023 and $1.9 at December 31, 2022 (estimated fair values of $3,025.8 at March 31, 2023 and $3,052.2 at December 31, 2022)		3,376.2	3,451.8			
Available-for-sale, net of allowance for credit losses of $1.4 at June 30, 2023 and $0.0 at December 31, 2022 (amortized cost of $6,448.2 at June 30, 2023 and $7,573.5 at December 31, 2022)				Available-for-sale, net of allowance for credit losses of $1.4 at June 30, 2023 and $0.0 at December 31, 2022 (amortized cost of $6,448.2 at June 30, 2023 and $7,573.5 at December 31, 2022)	5,857.9	6,946.1
Held-to-maturity, net of allowance for credit losses of $0.7 at June 30, 2023 and $1.9 at December 31, 2022 (estimated fair values of $2,924.7 at June 30, 2023 and $3,052.2 at December 31, 2022)				Held-to-maturity, net of allowance for credit losses of $0.7 at June 30, 2023 and $1.9 at December 31, 2022 (estimated fair values of $2,924.7 at June 30, 2023 and $3,052.2 at December 31, 2022)	3,317.7	3,451.8
Total investment securities	Total investment securities	9,425.5	10,397.9	Total investment securities	9,175.6	10,397.9
FHLB and FRB stock, at cost	FHLB and FRB stock, at cost	214.5	198.6	FHLB and FRB stock, at cost	210.4	198.6
Loans held for sale	Loans held for sale	80.9	79.9	Loans held for sale	76.5	79.9
Loans held for investment, net of deferred fees and costs	Loans held for investment, net of deferred fees and costs	18,245.7	18,099.2	Loans held for investment, net of deferred fees and costs	18,263.4	18,099.2
Allowance for credit losses	Allowance for credit losses	226.1	220.1	Allowance for credit losses	224.6	220.1
Net loans held for investment	Net loans held for investment	18,019.6	17,879.1	Net loans held for investment	18,038.8	17,879.1
Goodwill	Goodwill	1,100.9	1,100.9	Goodwill	1,100.9	1,100.9
Company-owned life insurance	Company-owned life insurance	499.4	497.9	Company-owned life insurance	502.0	497.9

Premises and equipment, net of accumulated depreciation	Premises and equipment, net of accumulated depreciation		443.4		444.7	Premises and equipment, net of accumulated depreciation		443.7		444.7
Other intangibles, net of accumulated amortization	Other intangibles, net of accumulated amortization		93.0		97.0	Other intangibles, net of accumulated amortization		89.1		97.0
Accrued interest receivable	Accrued interest receivable		113.7		118.3	Accrued interest receivable		119.1		118.3
Mortgage servicing rights, net of accumulated amortization and impairment reserve	Mortgage servicing rights, net of accumulated amortization and impairment reserve		30.1		31.1	Mortgage servicing rights, net of accumulated amortization and impairment reserve		29.8		31.1
Other real estate owned	Other real estate owned		13.4		12.7	Other real estate owned		14.4		12.7
Deferred tax asset, net	Deferred tax asset, net		173.2		210.5	Deferred tax asset, net		193.5		210.5
Other assets	Other assets		349.4		348.7	Other assets		302.0		348.7
Total assets	Total assets	$	31,637.7	$	32,287.8	Total assets	$	30,976.3	$	32,287.8
Liabilities and Stockholders' Equity	*Liabilities and Stockholders' Equity*					*Liabilities and Stockholders' Equity*				
Deposits:	Deposits:					Deposits:				
Non-interest bearing	Non-interest bearing	$	6,861.1	$	7,560.0	Non-interest bearing	$	6,518.2	$	7,560.0
Interest bearing	Interest bearing		17,245.9		17,513.6	Interest bearing		17,061.0		17,513.6
Total deposits	Total deposits		24,107.0		25,073.6	Total deposits		23,579.2		25,073.6
Securities sold under repurchase agreements	Securities sold under repurchase agreements		970.8		1,052.9	Securities sold under repurchase agreements		929.9		1,052.9
Accounts payable and accrued expenses	Accounts payable and accrued expenses		361.8		445.9	Accounts payable and accrued expenses		406.5		445.9
Accrued interest payable	Accrued interest payable		26.1		14.5	Accrued interest payable		45.8		14.5
Long-term debt	Long-term debt		120.8		120.8	Long-term debt		120.8		120.8
Other borrowed funds	Other borrowed funds		2,710.0		2,327.0	Other borrowed funds		2,589.0		2,327.0
Allowance for credit losses on off-balance sheet credit exposures	Allowance for credit losses on off-balance sheet credit exposures		17.8		16.2	Allowance for credit losses on off-balance sheet credit exposures		20.8		16.2
Subordinated debentures held by subsidiary trusts	Subordinated debentures held by subsidiary trusts		163.1		163.1	Subordinated debentures held by subsidiary trusts		163.1		163.1
Total liabilities	Total liabilities		28,477.4		29,214.0	Total liabilities		27,855.1		29,214.0
Stockholders' equity:	Stockholders' equity:					Stockholders' equity:				
Preferred stock, no par value; 100,000 shares authorized; none issued and outstanding	Preferred stock, no par value; 100,000 shares authorized; none issued and outstanding		—		—	Preferred stock, no par value; 100,000 shares authorized; none issued and outstanding		—		—
Common stock, no par value; 150,000,000 shares authorized at March 31, 2023 and December 31, 2022; 104,382,018 and 104,442,023 shares were issued and outstanding, respectively			2,478.7		2,478.2					

Common stock and additional paid-in-capital, $0.00001 par value; 150,000,000 shares authorized; 105,020,683 and 104,442,023 shares were issued and outstanding at June 30, 2023 and December 31, 2022				Common stock and additional paid-in-capital, $0.00001 par value; 150,000,000 shares authorized; 105,020,683 and 104,442,023 shares were issued and outstanding at June 30, 2023 and December 31, 2022	2,481.4	2,478.2
Retained earnings	Retained earnings	1,080.7	1,072.7	Retained earnings	1,098.8	1,072.7
Accumulated other comprehensive loss, net	Accumulated other comprehensive loss, net	(399.1)	(477.1)	Accumulated other comprehensive loss, net	(459.0)	(477.1)
Total stockholders' equity	Total stockholders' equity	3,160.3	3,073.8	Total stockholders' equity	3,121.2	3,073.8
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 31,637.7	$ 32,287.8	Total liabilities and stockholders' equity	$ 30,976.3	$ 32,287.8

See accompanying notes to unaudited consolidated financial statements.

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

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Interest income:	Interest income:			Interest income:				
Interest and fees on loans	Interest and fees on loans	$ 235.6	$ 151.7	Interest and fees on loans	$ 241.6	$ 191.7	$ 477.2	$ 343.4
Interest and dividends on investment securities:	Interest and dividends on investment securities:			Interest and dividends on investment securities:				
Taxable	Taxable	71.7	29.3	Taxable	65.6	48.8	137.3	78.1
Exempt from federal taxes	Exempt from federal taxes	1.4	1.3	Exempt from federal taxes	1.3	1.4	2.7	2.7
Interest and dividends on FHLB and FRB stock	Interest and dividends on FHLB and FRB stock	3.0	0.4	Interest and dividends on FHLB and FRB stock	3.4	1.1	6.4	1.5
Interest on deposits in banks	Interest on deposits in banks	4.2	1.7	Interest on deposits in banks	5.4	3.4	9.6	5.1
Total interest income	Total interest income	315.9	184.4	Total interest income	317.3	246.4	633.2	430.8
Interest expense:	Interest expense:			Interest expense:				
Interest on deposits	Interest on deposits	40.3	3.0	Interest on deposits	53.6	4.3	93.9	7.3

Interest on securities sold under repurchase agreements	Interest on securities sold under repurchase agreements	1.1	0.3	Interest on securities sold under repurchase agreements	1.5	0.3		2.6	0.6		
Interest on other borrowed funds	Interest on other borrowed funds	31.2	—	Interest on other borrowed funds	39.3	—		70.5	—		
Interest on long-term debt	Interest on long-term debt	1.5	1.7	Interest on long-term debt	1.4	1.4		2.9	3.1		
Interest on subordinated debentures held by subsidiary trusts	Interest on subordinated debentures held by subsidiary trusts	2.9	1.0	Interest on subordinated debentures held by subsidiary trusts	3.1	1.4		6.0	2.4		
Total interest expense	Total interest expense	77.0	6.0	Total interest expense	98.9	7.4		175.9	13.4		
Net interest income	Net interest income	238.9	178.4	Net interest income	218.4	239.0		457.3	417.4		
Provision for credit losses		15.2	61.3								
Provision for (reduction of) credit losses							Provision for (reduction of) credit losses	11.7	(1.7)	26.9	59.6
Net interest income after provision for credit losses	Net interest income after provision for credit losses	223.7	117.1	Net interest income after provision for credit losses	206.7	240.7		430.4	357.8		
Non-interest income:	Non-interest income:			Non-interest income:							
Payment services revenues	Payment services revenues	18.7	14.8	Payment services revenues	20.1	19.5		38.8	34.3		
Mortgage banking revenues	Mortgage banking revenues	2.3	8.4	Mortgage banking revenues	2.6	5.0		4.9	13.4		
Wealth management revenues	Wealth management revenues	9.0	8.1	Wealth management revenues	8.8	9.3		17.8	17.4		
Service charges on deposit accounts	Service charges on deposit accounts	5.2	7.7	Service charges on deposit accounts	5.8	6.3		11.0	14.0		
Other service charges, commissions, and fees	Other service charges, commissions, and fees	2.4	4.3	Other service charges, commissions, and fees	2.4	3.6		4.8	7.9		
Investment securities losses, net	Investment securities losses, net	(23.4)	(0.1)	Investment securities losses, net	(0.1)	(0.1)		(23.5)	(0.2)		
Other income	Other income	2.2	5.6	Other income	4.5	6.3		6.7	11.9		

Total non-interest income	Total non-interest income	16.4	48.8	Total non-interest income	44.1	49.9		60.5	98.7		
Non-interest expense:	Non-interest expense:			Non-interest expense:							
Salaries and wages	Salaries and wages	65.6	60.0	Salaries and wages	68.1	74.8		133.7	134.8		
Employee benefits	Employee benefits	22.8	21.2	Employee benefits	19.3	19.4		42.1	40.6		
Outsourced technology services	Outsourced technology services	14.7	11.3	Outsourced technology services	15.3	12.8		30.0	24.1		
Occupancy, net	Occupancy, net	12.5	10.0	Occupancy, net	11.7	11.2		24.2	21.2		
Furniture and equipment	Furniture and equipment	5.9	5.4	Furniture and equipment	5.6	5.8		11.5	11.2		
OREO expense, net of income	OREO expense, net of income	0.2	0.1	OREO expense, net of income	0.6	—		0.8	0.1		
Professional fees	Professional fees	4.5	3.9	Professional fees	5.3	5.5		9.8	9.4		
FDIC insurance premiums	FDIC insurance premiums	5.7	3.3	FDIC insurance premiums	4.7	2.8		10.4	6.1		
Other intangibles amortization	Other intangibles amortization	4.0	3.6	Other intangibles amortization	3.9	4.1		7.9	7.7		
Other expenses	Other expenses	29.9	23.2	Other expenses	29.4	28.1		59.3	51.3		
Acquisition related expenses	Acquisition related expenses	—	65.2	Acquisition related expenses	—	45.8		—	111.0		
Total non-interest expense	Total non-interest expense	165.8	207.2	Total non-interest expense	163.9	210.3		329.7	417.5		
Income (loss) before income tax		74.3	(41.3)								
Provision for (benefit from) income tax		18.0	(7.9)								
Net income (loss)		$ 56.3	$ (33.4)								
Income before income tax							Income before income tax	86.9	80.3	161.2	39.0
Provision for income tax							Provision for income tax	19.9	16.2	37.9	8.3
Net income							Net income	$ 67.0	$ 64.1	$ 123.3	$ 30.7
Earnings (loss) per common share (Basic)		$ 0.54	$ (0.36)								
Earnings (loss) per common share (Diluted)		$ 0.54	$ (0.36)								
Earnings per common share (Basic)							Earnings per common share (Basic)	$ 0.65	$ 0.59	$ 1.19	$ 0.30
Earnings per common share (Diluted)							Earnings per common share (Diluted)	$ 0.65	$ 0.59	$ 1.19	$ 0.30

Weighted average common shares outstanding (Basic)	Weighted average common shares outstanding (Basic)	103,737,664	92,855,173	Weighted average common shares outstanding (Basic)	103,820,649	109,106,891	103,779,386	101,025,926
Weighted average common shares outstanding (Diluted)	Weighted average common shares outstanding (Diluted)	103,818,719	92,855,173	Weighted average common shares outstanding (Diluted)	103,822,891	109,131,718	103,821,925	101,076,331

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (LOSS)
(In millions)
(Unaudited)

		Three Months Ended March 31,			Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022		2023	2022	2023	2022
Net income (loss)		$ 56.3	$ (33.4)					
Net income				Net income	$ 67.0	$ 64.1	$ 123.3	$ 30.7
Other comprehensive income (loss), before tax:	Other comprehensive income (loss), before tax:			Other comprehensive income (loss), before tax:				
Investment securities available-for-sale:	Investment securities available-for-sale:			Investment securities available-for-sale:				
Change in net unrealized gains (losses) during the period		78.2	(252.6)					
Change in net unrealized (losses) gains during the period				Change in net unrealized (losses) gains during the period	(57.5)	(161.6)	20.7	(414.2)
Reclassification adjustment for net losses included in income	Reclassification adjustment for net losses included in income	23.4	0.1	Reclassification adjustment for net losses included in income	0.1	0.1	23.5	0.2
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	(7.2)	0.2	Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	—	—	(7.2)	0.2
Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.4)	(23.0)	Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.4)	(0.9)	(0.8)	(23.9)
Change in unrealized loss on derivatives		10.0	21.3					
Change in unrealized (gain) loss on derivatives				Change in unrealized (gain) loss on derivatives	(22.1)	(15.0)	(12.1)	6.3
Other comprehensive income (loss), before tax		104.0	(254.0)					

Deferred tax (expense) benefit related to other comprehensive income (loss)		(26.0)	63.0								
Other comprehensive income (loss), net of tax		78.0	(191.0)								
Other comprehensive (loss) income, before tax							Other comprehensive (loss) income, before tax	(79.9)	(177.4)	24.1	(431.4)
Deferred tax benefit (expense) related to other comprehensive (loss) income							Deferred tax benefit (expense) related to other comprehensive (loss) income	20.0	49.6	(6.0)	112.6
Other comprehensive (loss) income, net of tax							Other comprehensive (loss) income, net of tax	(59.9)	(127.8)	18.1	(318.8)
Comprehensive income (loss), net of tax	Comprehensive income (loss), net of tax	$ 134.3	$ (224.4)	Comprehensive income (loss), net of tax	$ 7.1	$ (63.7)		$ 141.4	$ (288.1)		

See accompanying notes to unaudited consolidated financial statements.

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
(In millions, except share and per share data)
(Unaudited)

		Three Months Ended March 31,					Three Months Ended June 30,			
		Common stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity		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					
Balance at March 31, 2023						Balance at March 31, 2023	$2,478.7	$1,080.7	$ (399.1)	$ 3,160.3
Net income	Net income	—	56.3	—	56.3	Net income	—	67.0	—	67.0
Other comprehensive income, net of tax expense		—	—	78.0	78.0					
Other comprehensive loss, net of tax expense						Other comprehensive loss, net of tax expense	—	—	(59.9)	(59.9)
Common stock transactions:	Common stock transactions:					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		—	—	—	—					

348 common shares purchased and retired						348 common shares purchased and retired	—	—	—	—
54,414 common shares issued						54,414 common shares issued	—	—	—	—
605,634 non-vested common shares issued						605,634 non-vested common shares issued	—	—	—	—
21,035 non-vested common shares forfeited or canceled						21,035 non-vested common shares forfeited or canceled	—	—	—	—
Stock-based compensation expense	Stock-based compensation expense	2.3	—	—	2.3	Stock-based compensation expense	2.7	—	—	2.7
Common stock cash dividends declared ($0.47 per share)	Common stock cash dividends declared ($0.47 per share)	—	(48.3)	—	(48.3)	Common stock cash dividends declared ($0.47 per share)	—	(48.9)	—	(48.9)
Balance at March 31, 2023		$ 2,478.7	$ 1,080.7	$ (399.1)	$ 3,160.3					
Balance at June 30, 2023						Balance at June 30, 2023	$ 2,481.4	$ 1,098.8	$ (459.0)	$ 3,121.2

		Common stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity		Common stock	Retained earnings	Accumulated other comprehensive loss	Total stockholders' equity
Balance at December 31, 2021		$ 945.0	$ 1,052.6	$ (11.0)	$ 1,986.6					
Balance at March 31, 2022						Balance at March 31, 2022	$ 2,668.6	$ 974.5	$ (202.0)	$ 3,441.1
Net loss		—	(33.4)	—	(33.4)					
Net income						Net income	—	64.1	—	64.1
Other comprehensive loss, net of tax expense	Other comprehensive loss, net of tax expense	—	—	(191.0)	(191.0)	Other comprehensive loss, net of tax expense	—	—	(127.8)	(127.8)
Common stock transactions:	Common stock transactions:					Common stock transactions:				
37,698 common shares purchased and retired		(1.4)	—	—	(1.4)					
46,887,104 common shares issued		1,722.5	—	—	1,722.5					
450,813 non-vested common shares issued		—	—	—	—					
15,472 non-vested common shares forfeited or canceled		—	—	—	—					
1,722,044 common shares purchased and retired						1,722,044 common shares purchased and retired	(64.5)	—	—	(64.5)
26,266 common shares issued						26,266 common shares issued	—	—	—	—

	2,626 non-vested common shares issued					2,626 non-vested common shares issued	—	—	—	—
	51,820 non-vested common shares forfeited or canceled					51,820 non-vested common shares forfeited or canceled	—	—	—	—
	17,807 stock options exercised, net of 4,877 shares tendered in payment of option price and income tax withholding amounts	0.1	—	—	0.1					
Stock-based compensation expense	Stock-based compensation expense	2.4	—	—	2.4	Stock-based compensation expense	3.8	—	—	3.8
Common stock cash dividends declared ($0.41 per share)	Common stock cash dividends declared ($0.41 per share)	—	(44.7)	—	(44.7)	Common stock cash dividends declared ($0.41 per share)	—	(44.8)	—	(44.8)
Balance at March 31, 2022		$ 2,668.6	$ 974.5	$ (202.0)	$ 3,441.1					
Balance at June 30, 2022						Balance at June 30, 2022	$ 2,607.9	$ 993.8	$ (329.8)	$ 3,271.9
See accompanying notes to unaudited consolidated financial statements.	*See accompanying notes to unaudited consolidated financial statements.*					*See accompanying notes to unaudited consolidated financial statements.*				

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES

FIRST INTERSTATE BANCSYSTEM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (continued)

(In millions, except share and per share data)

(Unaudited)

	Six Months Ended June 30,		
	Common stock	Retained earnings	Accumulated other comprehensive income (loss)
Balance at December 31, 2022	$ 2,478.2	$ 1,072.7	$ (477
Net income	—	123.3	
Other comprehensive income, net of tax expense	—	—	18
Common stock transactions:			
55,428 common shares purchased and retired	(1.8)	—	
54,414 common shares issued	—	—	
616,497 non-vested common shares issued	—	—	
36,823 non-vested common shares forfeited or canceled	—	—	
Stock-based compensation expense	5.0	—	
Common cash dividends declared ($0.94 per share)	—	(97.2)	
Balance at June 30, 2023	$ 2,481.4	$ 1,098.8	$ (459

		Common stock		Retained earnings		Accumulated other comprehensive income (loss)
Balance at December 31, 2021	$	945.0	$	1,052.6	$	(11
Net income		—		30.7		
Other comprehensive loss, net of tax expense		—		—		(318
Common stock transactions:						
1,759,742 common shares purchased and retired		(65.9)		—		
46,913,370 common shares issued		1,722.5		—		
453,439 non-vested common shares issued		—		—		
67,292 non-vested common shares forfeited or canceled		—		—		
17,807 stock options exercised, net of 4,877 shares tendered in payment of option price and income tax withholding amounts		0.1		—		
Stock-based compensation expense		6.2		—		
Common cash dividends declared ($0.82 per share)		—		(89.5)		
Balance at June 30, 2022	$	2,607.9	$	993.8	$	(329

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

		Three Six Months Ended	
		2023	
Cash flows from operating activities:			
Net income (loss)	$	56.3 123.3	$
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Provision for credit losses		15.2 26.9	
Net loss (gain) gain on disposal of premises and equipment		0.1 (0.3)	
Depreciation and amortization		13.7 27.2	
Net (discount) premium amortization on investment securities		(0.6) 0.6	
Net loss on investment securities transactions		23.4 23.5	
Realized and unrealized net gains on mortgage banking activities		(0.8) (1.6)	
Net gain on sale of OREO		—	
Write-downs of OREO and other assets pending disposal		0.1 0.8	
Net gain on extinguishment of debt		—	
Mortgage servicing rights recovery		—	
Deferred taxes		11.3 10.8	
Net increase in cash surrender value of company-owned life insurance		(3.4) (6.4)	
Stock-based compensation expense		2.3 5.0	
Originations of mortgage loans held for sale		(80.4) (173.3)	
Proceeds from sales of mortgage loans held for sale		79.6 170.2	
Changes in operating assets and liabilities:			
Decrease (increase) Increase in interest receivable		4.6 (0.8)	
Increase Decrease in other assets		7.7 41.9	
Increase (decrease) in accrued interest payable		11.6 31.3	
Decrease (increase) (Decrease) increase in accounts payable and accrued expenses		(83.0) (49.5)	
Net cash provided by operating activities		57.7 229.6	
Cash flows from investing activities:			

Purchases of investment securities:			
Held-to-maturity			—
Available-for-sale			—
Proceeds from sales, maturities, and pay-downs of investment securities:			
Held-to-maturity		54.9	114.6
Available-for-sale		987.3	1,119.7
Purchases of FHLB and FRB stock		(73.5)	(132.8)
Proceeds from FHLB and FRB stock		57.5	121.0
Proceeds from bank-owned life insurance settlements		1.9	2.3
Extensions of credit to clients, net of repayments		(152.8)	(176.7)
Proceeds from sale of OREO			—
Proceeds from the sale of Health Savings Accounts			—
Acquisition of bank and bank holding company, net of cash and cash equivalents received			—
Capital expenditures, net of sales		(7.0)	(13.2)
Net cash provided by (used in) investing activities	$	868.3	1,034.9 $

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash flows from financing activities:				
Net (decrease) increase in deposits	$ (966.6)	$ 130.8		
Net decrease in securities sold under repurchase agreements	(82.1)	(55.0)		
Net decrease in deposits			$ (1,494.4)	$ (1,093.8)
Net (decrease) increase in securities sold under repurchase agreements			(123.0)	8.5
Net increase in other borrowed funds	383.0	—	262.0	—
Repayments of long-term debt	—	(157.9)	(0.1)	(157.9)
Advances on long-term debt	—	8.0	—	8.0
Payment of stock issuance costs	—	(0.8)	—	(0.8)

Proceeds from issuance of common stock	Proceeds from issuance of common stock	—	0.1	Proceeds from issuance of common stock	—	0.1			
Purchase and retirement of common stock	Purchase and retirement of common stock	(1.8)	(1.4)	Purchase and retirement of common stock	(1.8)	(65.9)			
Dividends paid to common stockholders	Dividends paid to common stockholders	(48.3)	(44.7)	Dividends paid to common stockholders	(97.2)	(89.5)			
Net cash used in financing activities	Net cash used in financing activities	(715.8)	(120.9)	Net cash used in financing activities	(1,454.5)	(1,391.3)			
Net increase in cash and cash equivalents		210.2	1,466.5						
Net decrease in cash and cash equivalents							Net decrease in cash and cash equivalents	(190.0)	(1,285.5)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	870.5	2,344.8	Cash and cash equivalents at beginning of period	870.5	2,344.8			
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	$1,080.7	$3,811.3	Cash and cash equivalents at end of period	$ 680.5	$1,059.3			
Supplemental disclosures of cash flow information:	Supplemental disclosures of cash flow information:			Supplemental disclosures of cash flow information:					
Cash paid during the period for income taxes	Cash paid during the period for income taxes	$ —	$ 0.1	Cash paid during the period for income taxes	$ 30.5	$ 13.8			
Cash paid during the period for interest expense	Cash paid during the period for interest expense	65.4	6.0	Cash paid during the period for interest expense	144.6	13.5			
Supplemental disclosures of non-cash investing and financing activities:	Supplemental disclosures of non-cash investing and financing activities:			Supplemental disclosures of non-cash investing and financing activities:					
Right-of-use assets obtained in exchange for operating lease liabilities	Right-of-use assets obtained in exchange for operating lease liabilities	$ 0.6	$ 19.9	Right-of-use assets obtained in exchange for operating lease liabilities	$ 2.8	$ 19.9			

Transfer of held-to-maturity to available-for sale securities	Transfer of held-to-maturity to available-for sale securities	23.0	10.9	Transfer of held-to-maturity to available-for sale securities	23.0	10.9
Transfer of available-for sale to held-to-maturity securities	Transfer of available-for sale to held-to-maturity securities	—	463.6	Transfer of available-for sale to held-to-maturity securities	—	463.6
Transfer of held-for-sale to held for investment loans	Transfer of held-for-sale to held for investment loans	—	19.8	Transfer of held-for-sale to held for investment loans	—	19.8
Transfer of held for investment loans to held-for-sale	Transfer of held for investment loans to held-for-sale	3.1	—	Transfer of held for investment loans to held-for-sale	3.1	—
Transfer of loans to OREO	Transfer of loans to OREO	0.8	—	Transfer of loans to OREO	2.5	0.1
Shares issued for acquisition	Shares issued for acquisition	—	1,723.3	Shares issued for acquisition	—	1,723.3

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 it First Interstate Bank ("FIB"), and its other subsidiaries (collectively, the "Company") contain all adjustments (all of which are of a normal recurring nature) necessary to present fa the Company at March 31, 2023 June 30, 2023 and December 31, 2022, the results of operations, changes in stockholders' equity, and cash flows for each of the three and the March 31, 2023 June 30, 2023 and 2022, in conformity with U.S. generally accepted accounting principles ("GAAP"). The balance sheet information at December 31, 2022 is de consolidated financial statements. Certain reclassifications, none of which were material, have been made to conform the Company's prior year financial statements to the Marc presentation. These reclassifications did not change previously reported net loss 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 K for the year ended December 31, 2022, which includes a description of significant accounting policies. Operating results for the three and the six months ended March 31, 202 necessarily indicative of the results that may be expected for the year ending December 31, 2023.

The below detailed discussion updates the accounting policies included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Change in Par Value

Unless otherwise noted, all capital values, and share and per share amounts, included in the consolidated financial statements have been retroactively adjusted to account for th common stock par value from no par value per share to $0.00001 per value per share, which change became effective on May 25, 2023 in connection with the re-domestication State of Montana to the State of Delaware.

During the second quarter of 2023, the Company transitioned its *Current Expected Credit Loss* accounting standard ("CECL"), or ASC 326, model. The new model utilizes fewer the old model due to limited observations of data within certain portfolio loss segments under the old model. The new model calculates historical loss rates by averaging quarter loss segment. The loss rates are macroeconomic-conditioned and applied to loan-level expected cash flows based on contractual repayment terms while considering prepayme and probability of default assumptions. This change did not result in a material impact to the Company's financial statements.

Allowance for Credit Losses - Loans held for investment

The allowance for credit losses is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected over the life of th off against the allowance when management confirms that a loan balance is uncollectable. The Company applies recoveries when received and has elected not to forecast reco

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonab
Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made for differences in current loa
such as differences in underwriting standards, portfolio mix and trends, asset quality, or term as well as for changes in environmental and economic conditions, such as changes
property values, or other relevant factors.

The allowance for credit losses is measured on a collective basis when similar risk characteristics exist.

Annualized loss rates are recalculated quarterly, with subsequent recoveries captured in the quarter a loan was charged off, and are averaged across a look back period from 20
Expected future principal and interest cash flows are calculated using contractual repayment terms while considering prepayment, utilization, interest rate, and probability of defa
Macroeconomic models calculate segment-specific multipliers using third party forecast data. The multipliers adjust the annual loss rates to the level expected under the econor
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
totaled and aggregated to the portfolio segment level.

The Company segments the loan portfolio into pools based on the following risk characteristics: financial asset type, collateral type, loan structure, credit characteristics, outstan
contractual terms and prepayment assumptions, utilization assumptions, industry of borrower and concentrations, and historical or expected credit loss.

The Company has identified the following portfolio segments:

Real Estate loans. Include commercial real estate loans which are non-farm, non-residential real estate loans generally secured by first liens on income-producing real estate a
than 10 years, construction development loans which are primarily to commercial builders for residential lot development and the construction of single-family residences and co
properties, commercial construction loans which are primarily made to commercial builders for the development of commercial real estate properties, construction and developm
generally underwritten pursuant to credit worthiness or pre-qualification for permanent financing. During the construction phase the borrower pays interest only. Construction and
generally transition to a permanent real estate loan or otherwise mature in three years or less.

Real estate loans also include agricultural real estate loans that generally mature in ten years or less, secured by farmland or ranchland consisting of short, intermediate, and lo
experienced agriculturalists who have demonstrated management capabilities, established production and historical financial performance and consumer home equity and home
("HELOC") that are secured by residential property that generally mature in 25 years or less, and residential loans which are loans to finance the purchase or refinance of reside
typically secured by first liens or are construction loans to commercial builders or owner occupants for the construction of single-family residences. Residential 1-4 family loans g
years but could mature up to 30 years. Construction loans are generally underwritten pursuant to credit worthiness or pre-qualification for permanent financing. During the const
pays interest only. Residential construction loans generally transition to a permanent residential loan or otherwise mature in two years or less.

Consumer loans. Include indirect, direct and advanceline, and credit cards. Indirect are loan contracts advanced for the purchase of automobiles, boats, and other consumer g
product dealer networks within the market areas we serve. Indirect dealer loans are generally secured by automobiles, recreational vehicles, boats, and other types of personal
installment basis. Consumer indirect line loans generally mature in seven years or less. Consumer direct and advance line loans are originated for a variety of purposes includin
automobiles, boats and other consumer goods, home improvements, medical expenses, vehicle repairs, debt consolidation, and planned expenses in addition to the purchase o
other consumer goods. Consumer direct and advance line loans generally mature in seven years or less. Consumer credit card loans are lines of credit offered to clients in our r
generally floating rate loans and include both unsecured and secured lines. Consumer credit card loans generally do not have stated maturities but are reviewed periodically an
cancellable.

Commercial loans. Include commercial and industrial loans through a mix of variable and fixed rate commercial loans, including loans to finance showroom floor inventories an
purposes that are secured by 1-4 family residential property. These loans are typically made to small and medium-sized manufacturing, wholesale, retail, and service businesse
and business expansions. Floor plan loans and commercial purpose loans secured by 1-4 family generally mature in seven years or less. Commercial loans also include secure
credit, business credit cards, and loans with maturities of five years or less. Outstanding balances on these commercial loans tend to be cyclical in nature. These loans are gene
operations as the primary source of repayment, and are typically collateralized by inventory, accounts receivable, equipment, and/or personal guarantees.

Agricultural loans. Agricultural loans generally consist of short and medium-term loans and lines of credit that are primarily used for crops, livestock, equipment, and general o
are ordinarily secured by assets such as livestock or equipment and are repaid from the operations of the farm or ranch. Agricultural loans generally have maturities of seven ye
lines for one production season.

Contractual Term. Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments, defaults, interest rates, and utilization rates
excludes expected extensions, renewals, and modifications unless either management has a reasonable expectation at the reporting date that a modification to borrowers expe
be executed or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancellable by the Company.

A loan for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, is considered to be a modification to bo
financial difficulty. The allowance for credit loss on a modification to borrowers experiencing financial difficulty is measured using the same method as all other loans held for inv
loan is individually assessed for credit loss.

Allowance for Credit Losses on Off-Balance Sheet Credit Exposures. The Company estimates expected credit losses over the contractual period in which the Company is e contractual obligation to extend credit unless that obligation is unconditionally cancellable by the Company. Management considers our unused credit card lines and federal fund be unconditionally cancellable.

The allowance for credit losses on off-balance sheet credit exposures is adjusted as a provision for credit loss expense. The estimate considers the likelihood that funding will oc expected credit losses on commitments expected to be funded over the estimated life.

The Company has identified commitments to extend credit and standby letters of credit determined not to be unconditionally cancellable as categories with off-balance sheet cre commitment balance, expected loss rate, expected cash flows, and utilization rate as primary assumptions to develop the allowance for credit losses on those exposures. The u management's best estimate of the probability that the unfunded portion of the commitment will be funded given existing economic conditions.

(2) Acquisition

Great Western Bank. On September 15, 2021, the Company entered into a definitive agreement ("Agreement") to acquire 100% of the outstanding stock of Great Western Ban the parent company of Great Western Bank ("GWB"), a Sioux Falls, South Dakota based community bank with 174 banking offices across Arizona, Colorado, Iowa, Kansas, Mir North Dakota, and South Dakota ("GWB acquisition"). The acquisition of GWB expanded the Company's geographical footprint with an enhanced platform for future growth. Cor was $1,723.3 million, consisting of the issuance of 46.9 million shares of the Company's Class A common stock valued at $36.76 per share, which was the opening price of the stock as quoted on the NASDAQ stock market on the acquisition date. The acquisition was completed on February 1, 2022.

The Company accounted for the transaction under the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, which requires purchased assets consideration exchanged to be recorded at their respective estimated fair values at the date of acquisition. The determination of estimated fair values required management to n discount rates, future expected cash flows, and market conditions at the time of the acquisition, as well as other future events that are highly subjective in nature.

The following table provides the purchase price allocation as of the acquisition date and the Great Western assets acquired and liabilities assumed at their estimated fair value a amended for measurement period adjustments. We recorded the estimate of fair value based on valuations at the acquisition date. The excess value of the consideration paid o acquired and liabilities assumed was recorded as goodwill. The purchase price allocation resulted in goodwill of $479.3 million, of which $31.7 million is deductible for income ta resulting from the acquisition was allocated to the Company's one operating segment, community banking, and consists largely of the synergies and economies of scale expecte operations of Great Western and the Company. All amounts reported were finalized during the fourth quarter of 2022.

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

As of February 1, 2022	
Assets acquired:	
Cash and cash equivalents	$
Investment securities	
Securities purchased under agreement to resell	
Loans held for sale	
Loans held for investment	
Allowance for credit losses	
Premises and equipment, including right of use lease assets	
OREO Other real estate owned	
Company-owned life insurance	
Core deposit intangibles	
Customer relationship intangible	
Mortgage servicing rights	
Deferred tax assets, net	
Other assets	
Total assets acquired	
Liabilities assumed:	
Deposits	
Securities sold under repurchase agreements	
Accrued expenses and other liabilities	
FHLB advances	
Subordinated debt	
Subordinated debentures held by subsidiary trusts	
Total liabilities assumed	
Net assets acquired	$
Consideration paid:	
Class A common stock	
Total consideration paid (1)	$
Goodwill	$

(1) Includes $13 thousand of cash paid in lieu of fractional shares.

For a description of the fair value and unpaid principal balance of loans from the GWB acquisition, as well as the methods used to determine the fair values of significant assets
Acquisitions" in Part IV, Item 15 "Notes to Consolidated Financial Statements" within our Annual Report on Form 10-K for the year ended December 31, 2022.

There were no acquisition related expenses related to the GWB acquisition for the three and $65.2 million the six month periods ended June 30, 2023. There were $45.8
acquisition related expenses related to the GWB acquisition for the three and the six month periods ended March 31, 2023 and 2022, June 30, 2022, respectively. During the th
2022, the Company contributed $21.5 million to the First Interstate Foundation and reimbursed an aggregate of $8.2 million of the Scott family control group's acquisitio
Agreement.

The accompanying consolidated statements of income for the three and the six months ended March 31, 2023 June 30, 2023 and 2022, include the results of operations of the a
February 1, 2022 acquisition date. The disclosure of GWB post-acquisition revenue and net income is not practical due to the combining of certain GWB operations with and inte
date. GWB was merged with our existing bank subsidiary, FIB, contemporaneously with the closing of the parent company merger. The core system conversion was completed

The following table presents certain unaudited pro forma financial information for illustrative purposes only, for the three and the six month period periods ended March 31, 2022
had been acquired on January 1, 2021. This unaudited pro forma information combines the historical results of GWB with the Company's consolidated historical results and inclu
reflecting the estimated impact of certain fair value adjustments for the respective periods. The pro forma information is not indicative of what would have occurred had the acqu
beginning of the year prior to the acquisition. The unaudited pro forma information does not consider any changes to the provision for credit losses resulting from recording loan
savings, or business synergies. As a result, actual amounts would have differed from the unaudited pro forma information presented, and the differences could be significant.

	Three Months Ended M
	2022
Total revenues	$
Net income	$
Earnings per common share (Basic)	$
Earnings per common share (Diluted)	$

	Three Months Ended June 30,		Six Month
	2022		
Total revenues	$	300.7	$
Net income	$	101.1	$
Earnings per common share (Basic)	$	0.93	$
Earnings per common share (Diluted)	$	0.93	$

(3) Goodwill and Other Intangible Assets

Goodwill

The Company had goodwill of $1,100.9 million at March 31, 2023 both June 30, 2023 and December 31, 2022 and performed its annual impairment assessment as of July 1, 20 that there was no impairment to goodwill. In addition, there were no events or circumstances that occurred during the second half of 2022 that would more-likely-than-not reduce Company's reporting unit below its carrying value. As a result of recent financial services economic conditions and its their impact on our business, including volatility in the stock interest rate environment, we assessed whether a triggering event had occurred as of March 31, 2023 June 30, 2023 and concluded a triggering event had not occurred as there the Company's long-term performance expectations. We will continue to monitor the financial services economic conditions and perform an interim impairment analysis if necess

Other Intangible Assets

Other intangible assets are comprised of core deposit intangibles ("CDI") and other customer relationship intangibles ("OCRI") and amounted to the following at March 31, 2023 December 31, 2022:

March 31, 2023		CDI		OCRI		Total
Gross other intangible assets, at January 1, 2023	$	154.7	$	22.8	$	177.5
Accumulated amortization		(82.3)		(2.2)		(84.5)
Net other intangible assets, at March 31, 2023	$	72.4	$	20.6	$	93.0
December 31, 2022						
Gross other intangible assets, at January 1, 2022	$	106.0	$	—	$	106.0
Amounts established through acquisition		50.1		22.8		72.9
Reductions due to sale of health savings accounts		(1.4)		—		(1.4)
Accumulated amortization		(78.8)		(1.7)		(80.5)
Net other intangible assets, at December 31, 2022	$	75.9	$	21.1	$	97.0

June 30, 2023		CDI		OCRI
Gross other intangible assets, at January 1, 2023	$	154.7	$	22.8
Accumulated amortization		(85.7)		(2.7)
Net other intangible assets, at June 30, 2023	$	69.0	$	20.1
December 31, 2022				
Gross other intangible assets, at January 1, 2022	$	106.0	$	—
Amounts established through acquisition		50.1		22.8
Reductions due to sale of health savings accounts		(1.4)		—
Accumulated amortization		(78.8)		(1.7)
Net other intangible assets, at December 31, 2022	$	75.9	$	21.1

The Company recorded $4.0 million $3.9 million and $3.6 million $4.1 million of other intangible asset amortization expense for the three months ended March 31, 2023 June 30,

CDI and OCRI are evaluated for impairment if events and circumstances indicate a possible impairment. CDI is amortized using an accelerated method based on the estimated lives of the related deposits, which is generally 10 years. OCRI is amortized using a straight-line method over its estimated useful life of 12 years based on customer revenue at basis.

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

The following table provides the estimated aggregate future amortization expense of other intangible assets at March 31, 2023 June 30, 2023:

Years Ending December 31,	Years Ending December 31,	CDI	OCRI	Total
2023 remaining	2023 remaining	$ 10.2	$ 1.4	$ 11.6
2024	2024	12.7	1.9	14.6
2025	2025	11.8	1.9	13.7
2026	2026	10.9	1.9	12.8
2027	2027	8.2	1.9	10.1
Thereafter	Thereafter	18.6	11.6	30.2
Total	Total	$ 72.4	$ 20.6	$ 93.0

Years Ending December 31,	CDI	OCRI
2023 remaining	$ 6.8	$ 0.9
2024	12.7	1.9
2025	11.8	1.9
2026	10.9	1.9
2027	8.2	1.9
Thereafter	18.6	11.6
Total	$ 69.0	$ 20.1

(4) Investment Securities

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

March 31, 2023		Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-Sale:	*Available-for-Sale:*						
U.S. Treasury notes	U.S. Treasury notes	$ 250.1	$ —	$ 250.1	$ —	$ (26.9)	$ 223.2
State, county, and municipal securities	State, county, and municipal securities	262.0	—	262.0	—	(40.9)	221.1
Obligations of U.S. government agencies	Obligations of U.S. government agencies	186.4	—	186.4	—	(12.3)	174.1
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations		4,221.0	—	4,221.0	0.2	(362.8)	3,858.4
Private mortgage-backed securities	Private mortgage-backed securities	260.3	—	260.3	—	(35.2)	225.1

June 30, 2023	Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains
Available-for-Sale:				
U.S. Treasury notes	$ 250.1	$ —	$ 250.1	$ —
State, county, and municipal securities	258.1	—	258.1	—
Obligations of U.S. government agencies	186.4	—	186.4	—
U.S. agency commercial mortgage-backed securities	1,212.9	—	1,212.9	0.2
U.S. agency residential mortgage-backed securities	1,534.5	—	1,534.5	—
Collateralized mortgage obligations	1,350.8	—	1,350.8	—
Private mortgage-backed securities	253.5	—	253.5	—

Collateralized loan obligations	Collateralized loan obligations	1,143.3		1,143.3	—	(29.4)	1,113.9
Corporate securities	Corporate securities	261.7	(2.6)	259.1	—	(25.6)	233.5
Other investments							
Total	Total	$ 6,584.8	$ (2.6)	$ 6,582.2	$ 0.2	$ (533.1)	$ 6,049.3

Collateralized loan obligations	1,141.8	—	1,141.8	—
Corporate securities	261.5	(1.4)	260.1	—
Other investments	—	—		—
Total	$ 6,449.6	$ (1.4)	$ 6,448.2	$ 0.2

March 31, 2023		Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
June 30, 2023							
Held-to-Maturity:	*Held-to-Maturity:*						
U.S. Treasury notes	U.S. Treasury notes	$ 397.2	$ —	$ 397.2	$ —	$ (7.6)	$ 389.6
State, county, and municipal securities	State, county, and municipal securities	180.9	—	180.9	0.4	(25.2)	156.1
Obligations of U.S. government agencies	Obligations of U.S. government agencies	352.3	—	352.3	—	(44.7)	307.6
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations (1)		2,389.4	—	2,389.4	1.0	(269.7)	2,120.7
U.S. agency commercial mortgage-backed securities							
U.S. agency residential mortgage-backed securities							
Collateralized mortgage obligations							
Corporate securities	Corporate securities	57.1	(0.7)	56.4	—	(4.6)	51.8
Total	Total	$ 3,376.9	$ (0.7)	$ 3,376.2	$ 1.4	$ (351.8)	$ 3,025.8

June 30, 2023	Amortized Cost1	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains
Held-to-Maturity:				
U.S. Treasury notes	$ 397.8	$ —	$ 397.8	$ —
State, county, and municipal securities	180.5	—	180.5	0.2
Obligations of U.S. government agencies	353.1	—	353.1	—
U.S. agency commercial mortgage-backed securities	517.8	—	517.8	—
U.S. agency residential mortgage-backed securities	1,311.4	—	1,311.4	—
Collateralized mortgage obligations	500.7	—	500.7	0.2
Corporate securities	57.1	(0.7)	56.4	—
Total	$ 3,318.4	$ (0.7)	$ 3,317.7	$ 0.4

(1) Amortized cost presented above include $19.7 million of unamortized losses and $13.2 million of unamortized gains in U.S. agency residential and commercial mortgage-backed securities and collateralized mortgage obligations related to the 2021 and 2022 transfer of securities from available-for-sale to held-to-maturity.

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

(1) Amortized cost presented above includes $12.3 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 $19.2 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.

(1) Amortized cost presented above includes $12.3 million of unamortized ga
and commercial mortgage-backed securities and collateralized mortgage ol
transfer of securities from available-for-sale to held-to-maturity, and $19.2 n
state, county, and municipal, obligations of U.S. government agencies and
related to the 2022 transfer of securities from available-for-sale to held-to-n

December 31, 2022	*December 31, 2022*	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Available-for-Sale:	*Available-for-Sale:*				
U.S. Treasury notes	U.S. Treasury notes	$ 675.1	$ 2.1	$ (34.5)	$ 642.7
State, county, and municipal securities	State, county, and municipal securities	314.3	—	(50.6)	263.7
Obligations of U.S. government agencies	Obligations of U.S. government agencies	216.2	—	(17.3)	198.9

December 31, 2022	Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealize Losses
Available-for-Sale:					
U.S. Treasury notes	$ 675.1	$ —	$ 675.1	$ 2.1	$ (34
State, county, and municipal securities	314.3	—	314.3	—	(50
Obligations of U.S. government agencies	216.2	—	216.2	—	(17

U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations		4,685.5	0.2	(426.0)	4,259.7						
U.S. agency commercial mortgage-backed securities						U.S. agency commercial mortgage-backed securities	1,468.0	—	1,468.0	0	
U.S. agency residential mortgage-backed securities						U.S. agency residential mortgage-backed securities	1,726.0	—	1,726.0	-	
Collateralized mortgage obligations						Collateralized mortgage obligations	1,491.5	—	1,491.5	-	
Private mortgage-backed securities	Private mortgage-backed securities	264.9	—	(36.9)	228.0	Private mortgage-backed securities	264.9	—	264.9	—	(36
Collateralized loan obligations	Collateralized loan obligations	1,145.2	—	(33.6)	1,111.6	Collateralized loan obligations	1,145.2	—	1,145.2	—	(33
Corporate securities	Corporate securities	272.3	—	(30.8)	241.5	Corporate securities	272.3	—	272.3	—	(30
Other investments						Other investments	—	—	—	-	
Total	Total	$ 7,573.5	$ 2.3	$ (629.7)	$ 6,946.1	Total	$ 7,573.5	$ —	$ 7,573.5	$ 2.3	$ (629

December 31, 2022	Amortized Cost	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealize Losses
Held-to-Maturity:					
U.S. Treasury notes	$ 396.6	$ —	$ 396.6	$ —	$
State, county, and municipal securities	181.2	(0.1)	181.1	0.2	
Obligations of U.S. government agencies	351.7	—	351.7	—	
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations(1)	2,444.1	—	2,444.1	0.2	
Corporate securities	80.1	(1.8)	78.3	—	
Total	$ 3,453.7	$ (1.9)	$ 3,451.8	$ 0.4	$

(1) Amortized cost presented above include $20.1 million of unamortized gains in U.S. agency residential and commercial mortgage-backed securities and collateralized mortgage obligations relat securities from available-for-sale to held-to-maturity.

Due to the recent banking industry's significant volatility with multiple high-profile bank failures and industry wide concerns related to liquidity, deposit outflows, unrealized securi consumer confidence in the banking system, the Company reviewed our investment portfolio and transferred certain corporate debt securities classified as held-to-maturity, that significant deterioration in the issuers' credit worthiness, with an amortized cost of $23.0 million and an estimated fair value of $13.2 million to the available-for-sale category cla 2023, under ASC 320. The transfer of debt securities into available-for-sale categories were recorded at fair value on the date of transfer. No gains or losses were recorded at th certain securities were subsequently sold during the first quarter of 2023, with the resulting loss reflected in the consolidated statements of income (loss) within the investment s The transferred securities had an allowance for credit losses of $0.8 million at the time of transfer. Additionally, transferred securities that were retained in the available-for-sale s 31, 2023 were included in the assessment of the allowance for credit losses as described below.

December 31, 2022	Amortized Cost1	Allowance for Credit Losses	Net Amortized Cost	Gross Unrealized Gains	Gross Unrealize Losses
Held-to-Maturity:					
U.S. Treasury notes	$ 396.6	$ —	$ 396.6	$ —	$
State, county, and municipal securities	181.2	(0.1)	181.1	0.2	
Obligations of U.S. government agencies	351.7	—	351.7	—	

U.S. agency commercial mortgage-backed securities		526.8	—	526.8		—	
U.S. agency residential mortgage-backed securities		1,391.5	—	1,391.5		—	
Collateralized mortgage obligations		525.8	—	525.8		0.2	
Corporate securities		80.1	(1.8)	78.3		—	
Other investments		—	—	—		—	
Total	$	3,453.7 $	(1.9) $	3,451.8 $		0.4 $	

(1) Amortized cost presented above includes $20.1 million of unamortized gains in U.S. agency residential and commercial mortgage-backed securities and collateralized mortgage obligations rela securities from available-for-sale to held-to-maturity.

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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 bee position as of March 31, 2023 June 30, 2023 and December 31, 2022.

March 31, 2023	Less than 12 Months Fair Value	Less than 12 Months Gross Unrealized Losses	12 Months or More Fair Value	12 Months or More Gross Unrealized Losses	Total Fair Value	Total Gross Unrealized Losses
Available-for-Sale:						
U.S. Treasury notes	$ 48.1	$ (1.3)	$ 175.1	$ (25.6)	$ 223.2	$ (26.9)
State, county, and municipal securities	8.0	(0.3)	210.0	(40.6)	218.0	(40.9)
Obligations of U.S. government agencies	86.7	(4.0)	86.8	(8.3)	173.5	(12.3)
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations	1,388.6	(63.5)	2,459.5	(299.3)	3,848.1	(362.8)
Private mortgage-backed securities	0.1	—	225.0	(35.2)	225.1	(35.2)

June 30, 2023	Less than 12 Months Fair Value	Less than 12 Months Gross Unrealized Losses	12 Months or More Fair Value	12 Months or More Gross Unrealized Losses
Available-for-Sale:				
U.S. Treasury notes	$ 47.2	$ (2.3)	$ 171.9	$ (28.7
State, county, and municipal securities	9.0	(0.4)	204.0	(42.8
Obligations of U.S. government agencies	60.6	(3.1)	111.0	(11.3
U.S. agency commercial mortgage-backed securities	396.0	(23.7)	696.8	(87.0
U.S. agency residential mortgage-backed securities	272.5	(15.7)	1,102.8	(143.4
Collateralized mortgage obligations	312.6	(20.9)	892.6	(124.7
Private mortgage-backed securities	—	—	217.1	(36.4

Collateralized loan obligations	Collateralized loan obligations	117.3	(3.0)	996.6	(26.4)	1,113.9	(29.4)	Collateralized loan obligations	—	—	1,124.3	(17.5
Corporate securities	Corporate securities	80.0	(2.8)	153.5	(22.8)	233.5	(25.6)	Corporate securities	16.3	(0.9)	211.2	(31.7
Other securities								Other securities	—	—	—	—
Total	Total	$ 1,728.8	$ (74.9)	$ 4,306.5	$ (458.2)	$ 6,035.3	$ (533.1)	Total	$ 1,114.2	$ (67.0)	$ 4,731.7	$ (523.5

		Less than 12 Months		12 Months or More		Total			Less than 12 Months		12 Months or More	
December 31, 2022	*December 31, 2022*	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	*December 31, 2022*	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Available-for-Sale:	*Available-for-Sale:*							*Available-for-Sale:*				
U.S. Treasury notes	U.S. Treasury notes	$ 168.8	$ (4.7)	$ 170.4	$ (29.8)	$ 339.2	$ (34.5)	U.S. Treasury notes	$ 168.8	$ (4.7)	$ 170.4	$ (29.8
State, county, and municipal securities	State, county, and municipal securities	104.9	(9.0)	146.1	(41.6)	251.0	(50.6)	State, county, and municipal securities	104.9	(9.0)	146.1	(41.6
Obligations of U.S. government agencies	Obligations of U.S. government agencies	152.2	(10.1)	46.1	(7.2)	198.3	(17.3)	Obligations of U.S. government agencies	152.2	(10.1)	46.1	(7.2
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations		3,299.7	(262.3)	948.4	(163.7)	4,248.1	(426.0)					
U.S. agency commercial mortgage-backed securities								U.S. agency commercial mortgage-backed securities	1,069.8	(59.9)	270.8	(57.0
U.S. agency residential mortgage-backed securities								U.S. agency residential mortgage-backed securities	1,213.5	(112.3)	344.6	(55.4
Collateralized mortgage obligations								Collateralized mortgage obligations	1,016.4	(90.1)	333.0	(51.3
Private mortgage-backed securities	Private mortgage-backed securities	133.1	(19.1)	94.9	(17.8)	228.0	(36.9)	Private mortgage-backed securities	133.1	(19.1)	94.9	(17.8
Collateralized loan obligations	Collateralized loan obligations	1,082.6	(33.1)	28.9	(0.5)	1,111.5	(33.6)	Collateralized loan obligations	1,082.6	(33.1)	28.9	(0.5
Corporate securities	Corporate securities	130.6	(8.3)	110.8	(22.5)	241.4	(30.8)	Corporate securities	130.6	(8.3)	110.8	(22.5
Total	Total	$ 5,071.9	$ (346.6)	$ 1,545.6	$ (283.1)	$ 6,617.5	$ (629.7)	Total	$ 5,071.9	$ (346.6)	$ 1,545.6	$ (283.1

As of March 31, 2023 June 30, 2023 and December 31, 2022, there were no holdings of securities of any issuer, other than the U.S. government and its agencies, in an amount 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 in 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 exp 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 investm 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 losses in current period earnings.

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

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
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 a

As of March 31, 2023 June 30, 2023 and December 31, 2022, the Company had 1,023 1,030 and 1,222 individual investment securities, respectively, that were in an unrealized related primarily to fluctuations in current interest rates. As of March 31, 2023 June 30, 2023, the Company had the intent and ability to hold these investment securities for a per 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 s recovery in cost.

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

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Beginning balance	$ 1.9	$ —
Provision for available-for-sale credit losses	2.6	—
Reversal of held-to-maturity credit loss losses	(1.2)	1.6
Ending balance	$ 3.3	$ 1.6

The following table presents the activity in the allowance for credit loss sale investment securities:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Beginning balance	$ 2.6	$ —	$ —	$ —
(Reversal of) provision for credit losses			(1.2)	—
Ending balance	$ 1.4	$ —	$ 1.4	$ —

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

The following table presents the activity in the allowance for credit loss maturity investment securities:

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	S 2
Beginning balance	$ 0.7	$ 1.6	$
(Reversal of) provision for credit loss losses	—	—	
Ending balance	$ 0.7	$ 1.6	$

The Company had a $2.6 $1.4 million and no allowance for credit losses for available-for-sale corporate investment securities as of March 31, 2023 June 30, 2023 and Decembe Company had a $0.7 million and a $1.9 million allowance for credit losses for held-to-maturity corporate and state, county, and municipal investment securities as of March 31, 2 December 31, 2022, respectively.

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

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-
amortized cost for the periods indicated:

March 31, 2023		AAA	AA	A	BBB	BB	Not Rated	Total
June 30, 2023								
U.S. Treasury notes	U.S. Treasury notes	$ 397.2	$ —	$ —	$ —	$ —	$ —	$ 397.2
State, county, and municipal securities	State, county, and municipal securities	68.2	92.7	11.5	—	—	8.5	180.9
Obligations of U.S. government agencies	Obligations of U.S. government agencies	352.3	—	—	—	—	—	352.3
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations								
U.S. agency commercial mortgage-backed securities								
FNMA/FHLMC								
GNMA								
U.S. agency residential mortgage-backed securities								
FNMA/FHLMC								
GNMA								
Collateralized mortgage obligations								
FNMA/FHLMC	FNMA/FHLMC	2,183.2	—	—	—	—	—	2,183.2
GNMA	GNMA	206.2	—	—	—	—	—	206.2
Corporate securities	Corporate securities	—	—	—	52.1	—	5.0	57.1
Total	Total	$ 3,207.1	$ 92.7	$ 11.5	$ 52.1	$ —	$ 13.5	$ 3,376.9

June 30, 2023	AAA	AA	A	BBB
U.S. Treasury notes	$ 397.8	$ —	$ —	$ — $
State, county, and municipal securities	69.1	92.6	10.6	—
Obligations of U.S. government agencies	353.1	—	—	—
U.S. agency commercial mortgage-backed securities				
FNMA/FHLMC	361.9	—	—	—
GNMA	155.9	—	—	—
U.S. agency residential mortgage-backed securities				
FNMA/FHLMC	1,265.8	—	—	—
GNMA	45.6	—	—	—
Collateralized mortgage obligations				
FNMA/FHLMC	352.2	—	—	—
GNMA	148.5	—	—	—
Corporate securities	—	—	—	52.1
Total	$ 3,149.9	$ 92.6	$ 10.6	$ 52.1 $

December 31, 2022	AAA	AA	A	BBB	BB	N
U.S. Treasury notes	$ 396.6	$ —	$ —	$ —	$ —	$
State, county, and municipal securities	68.3	92.8	11.5	—	—	
Obligations of U.S. government agencies	351.7	—	—	—	—	
U.S. agency residential & commercial mortgage-backed securities & collateralized mortgage obligations						
FNMA/FHLMC	2,233.6	—	—	—	—	
GNMA	210.5	—	—	—	—	
Corporate securities	—	—	—	65.1	10.0	
Total	$ 3,260.7	$ 92.8	$ 11.5	$ 65.1	$ 10.0	$

December 31, 2022	AAA	AA	A	BBB	BB	N
U.S. Treasury notes	$ 396.6	$ —	$ —	$ —	$ —	$
State, county, and municipal securities	68.3	92.8	11.5	—	—	

Obligations of U.S. government agencies	351.7	—	—	—	—
U.S. agency commercial mortgage-backed securities					
FNMA/FHLMC	364.9	—	—	—	—
GNMA	161.9	—	—	—	—
U.S. agency residential mortgage-backed securities					
FNMA/FHLMC	1,342.9	—	—	—	—
GNMA	48.6	—	—	—	—
Collateralized mortgage obligations					
FNMA/FHLMC	525.8	—	—	—	—
Corporate securities	—	—	—	65.1	10.0
Other securities	—	—	—	—	—
Total	$ 3,260.7	$ 92.8	$ 11.5	$ 65.1	$ 10.0 $

As of March 31, 2023 June 30, 2023 and December 31, 2022, the Company had $35.6 $38.1 million and $38.9 million, respectively, of accrued interest receivable from investme 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 ir carrying amount of financial assets held at the amortized cost basis or in the related allowance for credit losses calculation.

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As of March 31, 2023 June 30, 2023 and December 31, 2022, there were no available-for-sale or held-to-maturity securities on nonaccrual status. All securities in the portfolio w contractual principal and interest payments.

As of March 31, 2023 June 30, 2023 and December 31, 2022, there were no collateral dependent collateral-dependent available-for-sale or held-to-maturity securities.

There were no material gross realized gains and $23.4 million no material gross realized losses during the three months ended June 30, 2023. During the six months ended Jun material gross realized gains and $23.5 million in gross realized losses on the disposition of available-for-sale investment securities, as a result of the sale of $853.0 million in ca securities, during the three months ended March 31, 2023. securities. For the three and the six month period periods ended March 31, 2022 June 30, 2022, there were no materi no material gross realized losses on the disposition of available-for-sale investment securities.

Maturities of securities do not reflect rate repricing opportunities present in adjustable-rate mortgage-backed securities. Maturities of mortgage-backed securities have been adju maturities based upon estimated prepayments of principal. All other investment securities maturities are shown at contractual maturity dates.

		Available-for-Sale		Held-to-Maturity		Available-for-Sale			
March 31, 2023		Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value				
June 30, 2023						*June 30, 2023*	Amortized Cost	Estimated Fair Value	Amort Cos
Within one year	Within one year	$ 0.5	$ 0.5	$ 307.2	$ 300.4	Within one year	$ 0.5	$ 0.5	$ 3
After one year but within five years	After one year but within five years	786.6	746.1	301.1	287.2	After one year but within five years	814.4	761.3	3
After five years but within ten years	After five years but within ten years	1,686.5	1,524.1	704.1	624.4	After five years but within ten years	1,655.7	1,472.1	6
After ten years	After ten years	4,111.2	3,778.6	2,064.5	1,813.8	After ten years	3,979.0	3,624.0	2,0
Total	Total	$ 6,584.8	$ 6,049.3	$ 3,376.9	$ 3,025.8	Total	$ 6,449.6	$ 5,857.9	$ 3,3

As of March 31, 2023 June 30, 2023, the Company held investment securities callable within one year having amortized costs and estimated fair values of $1,525.9 million $1,59 million $1,521.2 million, respectively. These investment securities are primarily included in the “after ten years” category in the table above. As of March 31, 2023 June 30, 2023, callable structured notes.

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As of March 31, 2023 June 30, 2023 and December 31, 2022, the Company has amortized costs of $3,607.3 million $7,227.8 million and $4,998.9 million, respectively, for invest secure public deposits and securities sold under repurchase agreements that had estimated fair values of $3,228.5 million $6,455.1 million and $4,432.0 million, as of March 31, December 31, 2022, respectively. All securities sold under repurchase agreements are with clients and mature on the next banking day. The Company retains possession of the under repurchase agreements.

As of March 31, 2023 June 30, 2023 and December 31, 2022, the Company held $214.5 million $210.4 million and $198.6 million, respectively, in equity securities in a combinat and Federal Home Loan Bank stocks, which are restricted nonmarketable securities acquired to meet regulatory requirements. These securities are carried at cost.

(5) Loans Held for Sale

The following table presents loans held for sale by portfolio segment for the dates indicated:

			March 31, 2023		December 31, 2022			June 30, 2023	
Loans held for sale:	Loans held for sale:					Loans held for sale:			
Agricultural[1]	Agricultural[1]	$	62.9	$	62.5	Agricultural[1]	$	59.1	$
Commercial construction, at lower of cost or market	Commercial construction, at lower of cost or market		6.4		10.5	Commercial construction, at lower of cost or market		6.4	
Land acquisition and development, at lower of cost or market			3.1		—				
Residential mortgage, at fair value	Residential mortgage, at fair value		8.5		6.9	Residential mortgage, at fair value		11.0	
Total loans held for sale	Total loans held for sale	$	80.9	$	79.9	Total loans held for sale	$	76.5	$

[1] The Company holds $55.4 $51.7 million of agricultural loans at lower of cost or market and $7.5 $7.4 million of agricultural loans on accrual status at fair value with an unpaid principal balance of $ $5.6 million is 90 days or more past due.

The table below presents the non-residential mortgage loans held for sale activity for the 2023 period:

		Agricultural		Commercial Construction	
Beginning balance	$	62.5	$	10.5	$
Loans held for investment transferred to loans held for sale		—		—	
Repayments and discounted pay-offs		(5.6)		—	
Increase (decrease) in estimated fair value of the loans[1]		2.2		(4.1)	
Ending balance	$	59.1	$	6.4	$

[1]For the six months ended June 30, 2023, the Company recorded a gain of $2.2 million and a loss of $4.1 million in other income within the consolidated statements of income related to fair value c

As of June 30, 2023, loans held for sale included nonaccrual loans of $33.2 million, of which $26.8 million were agricultural loans and $6.4 million was a commercial constructio 2022, loans held for sale included nonaccrual loans of $39.8 million, of which $29.3 million were agricultural loans and $10.5 million was a commercial construction loan.

The table below presents the non-residential mortgage loans held for sale activity for the quarter ended March 31, 2023:

		Agricultural		Commercial Construction	
Beginning balance	$	62.5	$	10.5	$
Repayments and discounted pay-offs		(1.8)		—	
Loans held for investment transferred to loans held for sale		—		—	
Increase (decrease) in estimated fair value of the loans[1]		2.2		(4.1)	
Ending balance	$	62.9	$	6.4	$

1 For the three months ended March 31, 2023, the Company recorded a gain of $2.2 million and a loss of $4.1 million in other income within the consolidated statements of inco
changes.

As of March 31, 2023, loans held for sale included nonaccrual loans of $37.5 million, of which $28.0 million were agricultural loans, $6.4 million was a commercial construction l
land acquisition and development construction loan. As of December 31, 2022, loans held for sale included nonaccrual loans of $39.8 million, of which $29.3 million were agricu
was a commercial construction loan.

(6) Loans Held for Investment

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

			March 31, 2023		December 31, 2022			June 30, 2023	
Real estate loans:									
Real estate:						Real estate:			
Commercial	Commercial	$	8,680.8	$	8,528.6	Commercial	$	8,813.9	$
Construction loans:									
Land acquisition & development			368.5		386.2				
Residential			471.4		516.2				
Commercial			1,053.1		1,042.0				
Total construction loans			1,893.0		1,944.4				
Construction						Construction		1,836.5	
Residential	Residential		2,191.1		2,188.3	Residential		2,198.3	
Agricultural	Agricultural		769.7		794.9	Agricultural		755.7	
Total real estate loans			13,534.6		13,456.2				
Consumer loans:									
Total real estate						Total real estate		13,604.4	
Consumer:						Consumer:			
Indirect	Indirect		817.3		829.7	Indirect		764.1	
Direct and advance lines	Direct and advance lines		146.9		152.9	Direct and advance lines		144.0	
Credit card	Credit card		71.5		75.9	Credit card		72.1	
Total consumer loans			1,035.7		1,058.5				
Total consumer						Total consumer		980.2	
Commercial	Commercial		3,028.0		2,882.6	Commercial		3,002.7	
Agricultural	Agricultural		660.4		708.3	Agricultural		688.0	
Other, including overdrafts	Other, including overdrafts		1.6		9.2	Other, including overdrafts		1.7	
Loans held for investment	Loans held for investment		18,260.3		18,114.8	Loans held for investment		18,277.0	
Deferred loan fees and costs	Deferred loan fees and costs		(14.6)		(15.6)	Deferred loan fees and costs		(13.6)	
Loans held for investment, net of deferred fees and costs	Loans held for investment, net of deferred fees and costs		18,245.7		18,099.2	Loans held for investment, net of deferred fees and costs		18,263.4	
Allowance for credit losses	Allowance for credit losses		(226.1)		(220.1)	Allowance for credit losses		(224.6)	
Net loans held for investment	Net loans held for investment	$	18,019.6	$	17,879.1	Net loans held for investment	$	18,038.8	$

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:

Three Months Ended June 30, 2023	Beginning Balance	Provision for (reversal of) Credit Losses	Loans Charged-Off (2)	Recoveries Collected
Allowance for credit losses (1)				
Real estate	$ 147.5	$ 20.4	$ (10.0)	$ 0.8

Consumer	21.8	(6.2)	(3.3)	1.4
Commercial	54.4	(4.5)	(0.8)	0.4
Agricultural	2.4	0.2	—	0.1
Total allowance for credit losses	$ 226.1	$ 9.9	$ (14.1)	$ 2.7

Six Months Ended June 30, 2023	Beginning Balance	Provision for Credit Losses	Loans Charged-Off(2)	Recoveries Collected
Allowance for credit losses (1)				
Real estate	$ 138.7	$ 33.8	$ (14.8)	$ 1.0
Consumer	23.3	(5.5)	(6.7)	2.6
Commercial	54.9	(5.3)	(1.5)	1.4
Agricultural	3.2	(0.9)	—	0.4
Total allowance for credit losses	$ 220.1	$ 22.1	$ (23.0)	$ 5.4

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Allowance for Credit Losses

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

Three Months Ended June 30, 2022	*Three Months Ended March 31, 2023*	Beginning Balance	Provision for (reversal of) Credit Losses	Loans Charged-Off(2)	Recoveries Collected	Ending Balance
Allowance for credit losses (1)	Allowance for credit losses (1)					
Real estate:	Real estate:					
Commercial real estate:	Commercial real estate:					
Non-owner occupied	Non-owner occupied	$ 27.2	$ 1.3	$ (2.5)	$ —	$ 26.0
Owner occupied	Owner occupied	19.5	(0.2)	(1.8)	0.1	17.6
Multi-family	Multi-family	27.9	7.1	—	—	35.0
Total commercial real estate	Total commercial real estate	74.6	8.2	(4.3)	0.1	78.6
Construction:	Construction:					
Land acquisition & development	Land acquisition & development	1.3	0.3	—	—	1.6
Residential construction	Residential construction	3.6	0.1	—	—	3.7
Commercial construction	Commercial construction	31.2	5.9	—	—	37.1
Total construction	Total construction	36.1	6.3	—	—	42.4
Residential real estate:	Residential real estate:					
Residential 1-4 family	Residential 1-4 family	20.5	(0.2)	(0.1)	—	20.2

Three Months Ended June 30, 2022	Beginning Balance	ACL for (reduction on) PCD Loans	Provision for (reversal of) Credit Losses	Loan Charg Off(
Allowance for credit losses (1)				
Real estate:				
Commercial real estate:				
Non-owner occupied	$ 45.2	$ (6.9)	$ (8.8)	$ —
Owner occupied	25.2	—	1.4	—
Multi-family	54.6	(19.0)	(2.9)	—
Total commercial real estate	125.0	(25.9)	(10.3)	—
Construction:				
Land acquisition & development	0.5	—	0.2	—
Residential construction	3.3	—	0.1	—
Commercial construction	10.2	—	4.7	—
Total construction	14.0	—	5.0	—
Residential real estate:				
Residential 1-4 family	18.7	—	(0.7)	—

Home equity and HELOC	Home equity and HELOC	1.6	0.3	(0.4)	—	1.5	Home equity and HELOC	1.4	—	(0.1)	—	
Total residential real estate	Total residential real estate	22.1	0.1	(0.5)	—	21.7	Total residential real estate	20.1	—	(0.8)	—	
Agricultural real estate	Agricultural real estate	5.9	(1.2)	—	0.1	4.8	Agricultural real estate	10.5	—	(5.1)	(0.1)	
Total real estate	Total real estate	138.7	13.4	(4.8)	0.2	147.5	Total real estate	169.6	(25.9)	(11.2)	(0.1)	
Consumer:	Consumer:						Consumer:					
Indirect	Indirect	15.3	0.6	(1.8)	0.7	14.8	Indirect	13.5	—	(0.4)	(0.8)	
Direct and advance lines	Direct and advance lines	5.2	0.1	(1.1)	0.3	4.5	Direct and advance lines	4.6	—	0.5	(0.6)	
Credit card	Credit card	2.8	—	(0.5)	0.2	2.5	Credit card	2.3	—	0.7	(0.9)	
Total consumer	Total consumer	23.3	0.7	(3.4)	1.2	21.8	Total consumer	20.4	—	0.8	(2.3)	
Commercial:	Commercial:						Commercial:					
Commercial and floor plans	Commercial and floor plans	49.0	(0.8)	(0.6)	0.9	48.5	Commercial and floor plans	52.9	—	1.9	(1.1)	
Commercial purpose secured by 1-4 family	Commercial purpose secured by 1-4 family	5.7	(0.2)	—	0.1	5.6	Commercial purpose secured by 1-4 family	5.0	—	0.4	—	
Credit card	Credit card	0.2	0.2	(0.1)	—	0.3	Credit card	0.3	—	0.1	(0.1)	
Total commercial	Total commercial	54.9	(0.8)	(0.7)	1.0	54.4	Total commercial	58.2	—	2.4	(1.2)	
Agricultural:	Agricultural:						Agricultural:					
Agricultural	Agricultural	3.2	(1.1)	—	0.3	2.4	Agricultural	(1.0)	1.1	6.3	(0.1)	
Total agricultural	Total agricultural	3.2	(1.1)	—	0.3	2.4	Total agricultural	(1.0)	1.1	6.3	(0.1)	
Total allowance for credit losses	Total allowance for credit losses	$ 220.1	$ 12.2	$ (8.9)	$ 2.7	$ 226.1	Total allowance for credit losses	$ 247.2	$ (24.8)	$ (1.7)	$ (3.7)	$

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Three Months Ended March 31, 2022		Beginning Balance	ACL Recorded for PCD Loans	Provision for (reversal of) Credit Losses	Loans Charged-Off(2)	Recoveries Collected	Ending Balance					
Six Months Ended June 30, 2022								*Six Months Ended June 30, 2022*	Beginning Balance	ACL for PCD Loans	Provision for Credit Losses	Loans Charged-Off(2)
Allowance for credit losses (1)	Allowance for credit losses (1)							Allowance for credit losses (1)				
Real estate:	Real estate:							Real estate:				
Commercial real estate:	Commercial real estate:							Commercial real estate:				
Non-owner occupied	Non-owner occupied	$ 17.3	$ 24.1	$ 6.7	$ (2.9)	$ —	$ 45.2	Non-owner occupied	$ 17.3	$ 17.2	$ (2.1)	$ (2.9
Owner occupied	Owner occupied	13.3	9.5	4.6	(2.2)	—	25.2	Owner occupied	13.3	9.5	6.0	(2.2
Multi-family	Multi-family	13.3	29.9	11.4	—	—	54.6	Multi-family	13.3	10.9	8.5	—

Total commercial real estate	Total commercial real estate	43.9	63.5	22.7	(5.1)	—	125.0	Total commercial real estate	43.9	37.6	12.4	(5.1
Construction:	Construction:							Construction:				
Land acquisition & development	Land acquisition & development	0.5	3.4	(0.8)	(2.7)	0.1	0.5	Land acquisition & development	0.5	3.4	(0.6)	(2.7
Residential construction	Residential construction	2.4	—	0.9	—	—	3.3	Residential construction	2.4	—	1.0	—
Commercial construction	Commercial construction	6.0	0.2	4.0	—	—	10.2	Commercial construction	6.0	0.2	8.7	—
Total construction	Total construction	8.9	3.6	4.1	(2.7)	0.1	14.0	Total construction	8.9	3.6	9.1	(2.7
Residential real estate:	Residential real estate:							Residential real estate:				
Residential 1-4 family	Residential 1-4 family	13.4	0.1	5.2	(0.1)	0.1	18.7	Residential 1-4 family	13.4	0.1	4.5	(0.1
Home equity and HELOC	Home equity and HELOC	1.2	—	0.1	—	0.1	1.4	Home equity and HELOC	1.2	—	—	—
Total residential real estate	Total residential real estate	14.6	0.1	5.3	(0.1)	0.2	20.1	Total residential real estate	14.6	0.1	4.5	(0.1
Agricultural real estate	Agricultural real estate	1.9	2.3	6.4	(0.1)	—	10.5	Agricultural real estate	1.9	2.3	1.3	(0.2
Total real estate	Total real estate	69.3	69.5	38.5	(8.0)	0.3	169.6	Total real estate	69.3	43.6	27.3	(8.1
Consumer:	Consumer:							Consumer:				
Indirect	Indirect	14.3	—	(0.3)	(0.9)	0.4	13.5	Indirect	14.3	—	(0.7)	(1.7
Direct and advance lines	Direct and advance lines	4.6	—	(0.1)	(0.8)	0.9	4.6	Direct and advance lines	4.6	—	0.4	(1.4
Credit card	Credit card	2.2	—	0.6	(0.6)	0.1	2.3	Credit card	2.2	—	1.3	(1.5
Total consumer	Total consumer	21.1	—	0.2	(2.3)	1.4	20.4	Total consumer	21.1	—	1.0	(4.6
Commercial:	Commercial:							Commercial:				
Commercial and floor plans	Commercial and floor plans	27.1	11.2	18.4	(4.2)	0.4	52.9	Commercial and floor plans	27.1	11.2	20.3	(5.3
Commercial purpose secured by 1-4 family	Commercial purpose secured by 1-4 family	4.4	0.2	0.4	—	—	5.0	Commercial purpose secured by 1-4 family	4.4	0.2	0.8	—
Credit card	Credit card	0.1	—	0.3	(0.1)	—	0.3	Credit card	0.1	—	0.4	(0.2
Total commercial		31.6	11.4	19.1	(4.3)	0.4	58.2					
Commercial								Commercial	31.6	11.4	21.5	(5.5
Agricultural:	Agricultural:							Agricultural:				
Agricultural	Agricultural	0.3	3.4	(0.5)	(5.3)	1.1	(1.0)	Agricultural	0.3	4.5	5.8	(5.4
Total agricultural	Total agricultural	0.3	3.4	(0.5)	(5.3)	1.1	(1.0)	Total agricultural	0.3	4.5	5.8	(5.4
Total allowance for credit losses	Total allowance for credit losses	$ 122.3	$ 84.3	$ 57.3	$ (19.9)	$ 3.2	$ 247.2	Total allowance for credit losses	$ 122.3	$ 59.5	$ 55.6	$ (23.6

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

(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.

(1) Amounts presented exclude the allowance for credit losses related to
investment securities. The allowance for credit losses related to unfunde
securities are included in the "Financial Instruments with Off-Balance Sh
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 delinquency schedule.

Collateral-Dependent Financial Loans

A collateral-dependent financial loan relies substantially on the operation or sale of the collateral securing the loan for repayment. In evaluating the overall risk associated with a considers (1) character, overall financial condition and resources, and payment record of the borrower; (2) the prospects for support from any financially responsible guarantors; degree of protection provided by the cash flow and value of any underlying collateral. The A loan may become collateral-dependent when foreclosure is probable or the borrowe 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 collateral.

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

	Coll	
As of March 31, 2023	Business Assets	Rea
Commercial real estate non-owner occupied	$ 1.6	$
Commercial real estate owner occupied	—	
Commercial construction real estate	—	
Residential construction real estate	—	
Residential 1-4 family	—	
Agricultural real estate	—	
Commercial and floor plans	5.4	
Agricultural	2.1	
Total collateral-dependent loans	$ 9.1	$

	Coll	
As of June 30, 2023	Business Assets	Rea
Real estate:		
Commercial	$ 1.6	$
Construction	—	

Residential	—
Agricultural	—
Total real estate	1.6
Commercial	1.4
Agricultural	0.2
Total collateral-dependent loans	$ 3.2 $

As of December 31, 2022	Coll Business Assets	Rea
Commercial real estate non-owner occupied	$ 1.7	$
Commercial real estate owner occupied	—	
Land, acquisition and development construction real estate	—	
Residential 1-4 family	—	
Agricultural real estate	0.2	
Commercial and floor plans	3.1	
Agricultural	2.1	
Total collateral-dependent loans	$ 7.1	$

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As of December 31, 2022	Colla Business Assets	Rea
Real estate:		
Commercial	$ 1.7	$
Construction	—	
Residential	—	
Agricultural	0.2	
Total real estate	1.9	
Commercial	3.1	
Agricultural	2.1	
Total collateral-dependent loans	$ 7.1	$

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 t due continue to accrue interest. The following tables present the contractual aging of the Company's recorded amortized cost basis in principal balance of loans by portfolio class dates indicated. indicated:

As of March 31, 2023	30 - 59 Days Past Due	60 - 89	90 or more	Total Loans 30 or More	Current Loans	Non-accrual Loans (1)	Total Loans
Real estate							
As of June 30, 2023							
Real estate:							
Commercial	Commercial $ 10.2	$ 1.6	$ 0.2	$ 12.0	$ 8,640.6	$ 28.2	$ 8,680.8
Construction:							
Land acquisition & development	3.2	0.1	0.2	3.5	364.5	0.5	368.5
Residential	0.4	—	—	0.4	470.5	0.5	471.4

As of June 30, 2023	30 - 59 Days Past Due	60 - 89	90 or more	Total Loans 30 or More	Current Loa	Non-ac
Real estate:						
Commercial	$ 4.1	$ 0.1	$ —	$ 4.2	$ 8,774.3	$ 3

Commercial		0.6	—	—	0.6	1,034.7	17.8	1,053.1							
Total construction loans		4.2	0.1	0.2	4.5	1,869.7	18.8	1,893.0							
Construction									Construction		8.2	3.0	3.3	14.5	1,80
Residential	Residential	6.1	0.5	0.4	7.0	2,177.1	7.0	2,191.1	Residential	1.2	2.1	0.6	3.9	2,186.7	
Agricultural	Agricultural	7.2	—	0.3	7.5	756.3	5.9	769.7	Agricultural	7.8	3.9	0.3	12.0	736.9	
Total real estate loans		27.7	2.2	1.1	31.0	13,443.7	59.9	13,534.6							
Total real estate									Total real estate		21.3	9.1	4.2	34.6	13,50
Consumer:	Consumer:								Consumer:						
Indirect consumer		6.1	1.6	0.4	8.1	806.5	2.7	817.3							
Other consumer		0.7	0.3	0.1	1.1	145.6	0.2	146.9							
Indirect									Indirect		6.5	2.1	0.5	9.1	75
Direct									Direct		0.6	0.5	0.1	1.2	14
Credit card	Credit card	0.5	0.4	0.6	1.5	70.0	—	71.5	Credit card	0.7	0.4	0.4	1.5	70.6	
Total consumer loans		7.3	2.3	1.1	10.7	1,022.1	2.9	1,035.7							
Total consumer									Total consumer		7.8	3.0	1.0	11.8	96
Commercial	Commercial	9.4	2.6	1.9	13.9	3,001.3	12.8	3,028.0	Commercial	4.6	2.3	1.1	8.0	2,982.6	1
Agricultural	Agricultural	0.1	0.7	0.4	1.2	654.0	5.2	660.4	Agricultural	1.3	0.1	0.4	1.8	683.4	
Other, including overdrafts	Other, including overdrafts	—	—	—	—	1.6	—	1.6	Other, including overdrafts	—	—	—	—	1.7	
Loans held for investment	Loans held for investment	$ 44.5	$ 7.8	$ 4.5	$ 56.8	$ 18,122.7	$ 80.8	$ 18,260.3	Loans held for investment	$ 35.0	$ 14.5	$ 6.7	$ 56.2	$ 18,134.7	$ 8

As of December 31, 2022	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-accr Loans
Real estate						
Commercial	$ 5.6	$ 0.8	$ 1.1	$ 7.5	$ 8,501.5	$
Construction:						
Land acquisition & development	1.8	—	0.6	2.4	380.1	
Residential	1.1	—	—	1.1	515.1	
Commercial	7.5	0.6	—	8.1	1,033.9	
Total construction loans	10.4	0.6	0.6	11.6	1,929.1	
Residential	9.9	2.1	1.2	13.2	2,168.7	
Agricultural	1.1	6.1	—	7.2	780.1	
Total real estate loans	27.0	9.6	2.9	39.5	13,379.4	
Consumer:						
Indirect consumer	9.3	2.4	0.6	12.3	814.7	
Other consumer	0.8	0.3	0.1	1.2	151.4	
Credit card	0.8	0.4	0.6	1.8	74.1	
Total consumer loans	10.9	3.1	1.3	15.3	1,040.2	
Commercial	7.1	1.7	2.1	10.9	2,861.5	
Agricultural	0.8	2.2	0.1	3.1	696.5	
Other, including overdrafts	—	—	—	—	9.2	
Loans held for investment	$ 45.8	$ 16.6	$ 6.4	$ 68.8	$ 17,986.8	$

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

(1) As of March 31, 2023 and December 31, 2022, none of our non-accrual loans were earning interest income. Additionally, no material interest income was recognized on non-accrual loans during
31, 2023 and 2022, respectively. There were $0.3 million and $1.0 million reversals of accrued interest at March 31, 2023 and March 31, 2022. respectively.

As of December 31, 2022	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-accr Loans (
Real estate:						
Commercial	$ 5.6	$ 0.8	$ 1.1	$ 7.5	$ 8,501.5	$
Construction	10.4	0.6	0.6	11.6	1,929.1	
Residential	9.9	2.1	1.2	13.2	2,168.7	
Agricultural	1.1	6.1	—	7.2	780.1	
Total real estate	27.0	9.6	2.9	39.5	13,379.4	
Consumer:						
Indirect	9.3	2.4	0.6	12.3	814.7	
Direct	0.8	0.3	0.1	1.2	151.4	
Credit card	0.8	0.4	0.6	1.8	74.1	
Total consumer	10.9	3.1	1.3	15.3	1,040.2	
Commercial	7.1	1.7	2.1	10.9	2,861.5	
Agricultural	0.8	2.2	0.1	3.1	696.5	
Other, including overdrafts	—	—	—	—	9.2	
Loans held for investment	$ 45.8	$ 16.6	$ 6.4	$ 68.8	$ 17,986.8	$

(1) As of June 30, 2023 and December 31, 2022, none of our non-accrual loans were earning interest income. Additionally, no material interest income was recognized on non-accrual loans during
ended June 30, 2023 and 2022, respectively. There were no material reversals of accrued interest during the same periods.

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 ong
processes. Loan modifications are made to provide borrowers payment relief. Effective January 1, 2023, the Company adopted ASU 2022-02, which eliminated accounting guid
restructurings while requiring disclosures of borrowers experiencing financial difficulty for modifications related to principal reductions, interest rate reductions, term extensions,
payment delay. See “Note 17 – Recent Authoritative Accounting Guidance” of these Notes to Unaudited Consolidated Financial Statements” for further discussion of the amendr

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 modifica
experiencing financial difficulty may be in the form of a principal forgiveness, an interest rate reduction, an other-than-insignificant payment delay, or a term extension or a comb
things.

The following table presents the amortized cost basis of loans at March 31, 2023 June 30, 2023 that were both experiencing financial difficulty and modified during the three mor
periods ended March 31, 2023 June 30, 2023, by class and by type of modification. The percentage of the amortized cost basis principal balance of loans that were modified to b
as compared to the amortized cost basis principal balance of each class of financing receivable is also presented below:

	Principal Forgiveness	Term Extension	Total	% c
Commercial real estate non-owner occupied	$ —	$ 2.4	$ 2.4	
Commercial real estate owner occupied	1.6	1.3	2.9	
Land acquisition & development construction real estate	—	0.2	0.2	
Home equity and HELOC residential real estate	0.1	—	0.1	
Agricultural real estate	—	1.2	1.2	

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

Commercial and floor plans	—	2.0	2.0
Commercial purpose 1-4 family	—	0.6	0.6
Agricultural	—	17.8	17.8
Loans held for investment (2)	$ 1.7	$ 25.5	$ 27.2

Three Months Ended June 30, 2023	Principal Forgiveness	Term Extension	Total	% c
Real estate:				
Commercial	$ —	$ 13.9	$ 13.9	
Residential	—	0.1	0.1	
Total real estate	—	14.0	14.0	
Commercial	—	6.4	6.4	
Agricultural	—	19.6	19.6	
Loans held for investment (2)	$ —	$ 40.0	$ 40.0	
Six Months Ended June 30, 2023				
Real estate:				
Commercial	$ 1.6	$ 17.4	$ 19.0	
Construction	—	0.1	0.1	
Residential	0.1	0.2	0.3	
Agricultural	—	1.1	1.1	
Total real estate	1.7	18.8	20.5	
Commercial	—	8.8	8.8	
Agricultural	—	36.6	36.6	
Loans held for investment (2)	$ 1.7	$ 64.2	$ 65.9	

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

(2) As of March 31, 2023 June 30, 2023, the Company excluded $0.3 million $0.9 million in accrued interest from the amortized cost of the identified loans.

The Company monitors the performance of loan modifications to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Loans Of th during the three six months ended March 31, 2023 are June 30, 2023, there were $0.2 million of loans classified as past due 30 days or more, with the remaining loans performi modified terms and are classified as current at March 31, 2023 June 30, 2023.

There were no commitments to lend additional funds to borrowers experiencing financial difficulty whose terms have been modified during the three months and the six month p in the form of a June 30, 2023 through either principal reduction, forgiveness, interest rate reduction, term extension, or other than insignificant payment delay.

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty during the three months and the six montl 2023 June 30, 2023:

	Principal Forgiveness	We
Commercial real estate non-owner occupied	$ —	
Commercial real estate owner occupied	1.3	
Land acquisition & development construction real estate	—	
Home equity and HELOC residential real estate	0.3	
Agricultural real estate	—	
Commercial and floor plans	—	
Commercial purpose 1-4 family	—	
Agricultural	—	
Loans held for investment (1)	$ 1.6	

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

Three Months Ended June 30, 2023	Principal Forgiveness	We
Real estate:		
Commercial	$ —	
Residential	—	
Total real estate	—	
Consumer:		
Indirect	—	
Direct and advance lines	—	
Total consumer	—	
Commercial	—	
Agricultural	—	
Loans held for investment (1)	$ —	
Six Months Ended June 30, 2023		
Real estate:		
Commercial	$ 1.3	
Construction	—	
Residential	0.3	
Agricultural	—	
Total real estate	1.6	
Consumer:		
Indirect	—	
Direct and advance lines	—	
Total consumer	—	
Commercial	—	
Agricultural	—	
Loans held for investment (1)	$ 1.6	

(1) Balances based on loan original contractual terms.

There were no payment defaults on these loans subsequent to their modifications during the three months and the six month periods ended March 31, 2023 June 30, 2023. The
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
ongoing basis. In the event of subsequent default, the allowance for credit losses continues to be reassessed on the basis of an individual evaluation of each loan. The modifica
periods presented did not significantly impact the Company's determination of the allowance for credit losses.

Purchased Credit Deteriorated Loans (PCD) ("PCD")

The Company analyzes all acquired loans at the time of acquisition for more-than-insignificant deterioration in credit quality since their origination date. Such loans are classified
PCD loans. Acquired loans classified as PCD are recorded at an initial amortized cost, which is comprised of the purchase price of the loans plus the initial allowance for credit l
resulting discount or premium related to factors other than credit. The Company accounts for interest income on PCD loans using the interest method, whereby any purchase di
accreted or amortized into interest income as an adjustment of the loan's yield.

The following table reconciles the par value, or initial amortized cost, of PCD loans acquired in the GWB acquisition as of February 1, 2022, or the date of the acquisition, with th
fair value of the loans) as amended for measurement period adjustments:

Purchase price (initial fair value)	$
Allowance for credit losses (1)	
Discount attributable to other factors (2)	
Par value (unpaid principal balance)	$

(1) For acquired PCD loans, an allowance of $298.2 million was required with a corresponding increase to the amortized cost basis as of the acquisition date. For PCD loans where all or a portion c
previously written-off by GWB, or would be subject to write-off under the Company's charge-off policy, a CECL allowance of $238.7 million, included as part of the grossed-up loan balance at acc
written-off. The net impact to the allowance for PCD assets on the acquisition date was $59.5 million.

(2) Non-credit discount includes the difference between the amortized cost basis and the unpaid principal balance of $39.6 million established on PCD loans acquired from GWB and interest applie

Credit Quality Indicators

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 basec 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 p documentation, public information, and current economic trends. The Company analyzes loans individually to classify the credit risk of the loans. This analysis generally include: 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 perforr annual basis, depending upon the size of exposure and the contractual obligations governing the borrower's financial reporting frequency. Homogeneous loans, including small monitored by payment performance. The Company internally risk rates its loans in accordance with a Uniform Classification System developed jointly by the various bank regula 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 ratir

Special Mention — includes loans that exhibit a potential weakness in financial condition, loan structure, or documentation that warrants management's close attention. If not p 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 jeopardiz 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. Cont 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 repaym 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 loans receivables based on the aforementioned risk s periods indicated: ended:

		March 31, 2023							
		Term Loans Amortized Cost Basis by Origination Year							
Risk by Collateral	Risk by Collateral	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate non-owner occupied:									
Pass		$239.8	$1,188.9	$790.1	$604.9	$435.3	$1,094.1	$ 29.3	$4,382.4
Special mention		—	—	1.3	1.4	14.1	10.4	—	27.2
Substandard		—	5.2	18.0	8.0	20.9	12.1	—	64.2
Total		$239.8	$1,194.1	$809.4	$614.3	$470.3	$1,116.6	$ 29.3	$4,473.8
Current-period gross charge-offs		—	—	—	2.2	—	0.3	—	2.5
Commercial real estate owner occupied:									
Commercial real estate:									
Pass	Pass	$124.7	$ 745.9	$677.9	$479.2	$245.6	$ 591.0	$ 11.4	$2,875.7

	As of and for the six months ended June 30, 2023						
	Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral	2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis
Commercial real estate:							
Pass	$ 633.8	$2,250.0	$1,728.7	$1,302.0	$752.4	$1,784.9	$ 32.0

Special mention	Special mention	2.0	4.8	14.4	13.0	6.1	21.2	3.0	64.5
Substandard	Substandard	0.7	9.1	10.1	1.1	8.6	19.6	0.6	49.8
Doubtful	Doubtful	—	0.3	1.4	—	—	—	—	1.7
Total	Total	$127.4	$ 760.1	$703.8	$493.3	$260.3	$ 631.8	$ 15.0	$2,991.7
Current-period gross charge-offs	Current-period gross charge-offs	—	0.1	1.7	—	—	—	—	1.8

Special mention	4.0	9.3	20.1	5.8	25.5	69.1	1.8
Substandard	3.0	26.5	28.4	9.6	29.2	30.1	0.4
Doubtful	10.6	—	1.4	—	—	—	—
Total	$ 651.4	$2,285.8	$1,778.6	$1,317.4	$807.1	$1,884.1	$ 34.2
Current-period gross charge-offs	—	0.3	1.7	2.6	—	—	—

Construction real estate:	Construction real estate:						
Pass	Pass	$ 237.6	$ 822.7	$ 502.2	$ 49.6	$ 17.8	$ 40.0
Special mention	Special mention	—	8.6	0.1	—	2.7	0.2
Substandard	Substandard	—	3.0	24.5	0.2	0.1	0.5
Doubtful	Doubtful	—	13.9	—	—	—	—
Total	Total	$ 237.6	$ 848.2	$ 526.8	$ 49.8	$ 20.6	$ 40.7
Current-period gross charge-offs	Current-period gross charge-offs	—	—	0.1	—	—	—
Agricultural real estate:	Agricultural real estate:						
Pass	Pass	$ 35.9	$ 143.1	$ 163.0	$102.9	$ 60.7	$ 143.3
Special mention	Special mention	2.6	0.8	1.2	2.0	1.7	12.6
Substandard	Substandard	8.0	20.7	4.8	1.2	0.5	11.6
Doubtful	Doubtful	—	—	—	1.0	—	—
Total	Total	$ 46.5	$ 164.6	$ 169.0	$107.1	$ 62.9	$ 167.5
Current-period gross charge-offs	Current-period gross charge-offs	—	—	—	—	—	—
Commercial:	Commercial:						
Pass	Pass	$ 289.2	$ 577.9	$ 422.6	$247.1	$ 127.0	$ 344.7
Special mention	Special mention	0.9	4.2	10.5	4.2	2.3	1.5
Substandard	Substandard	4.0	21.9	8.4	3.1	4.7	5.9
Doubtful	Doubtful	4.2	—	1.2	—	—	—
Total	Total	$ 298.3	$ 604.0	$ 442.7	$254.4	$ 134.0	$ 352.1
Current-period gross charge-offs	Current-period gross charge-offs	—	0.3	0.1	0.2	0.1	—
Agricultural:	Agricultural:						
Pass	Pass	$ 50.9	$ 92.8	$ 48.3	$ 26.3	$ 8.3	$ 10.8
Special mention	Special mention	0.8	1.0	0.7	0.3	0.2	0.2
Substandard	Substandard	44.5	1.1	1.0	1.4	0.5	1.3
Doubtful	Doubtful	—	—	0.4	—	—	—
Total	Total	$ 96.2	$ 94.9	$ 50.4	$ 28.0	$ 9.0	$ 12.3
Current-period gross charge-offs	Current-period gross charge-offs	—	—	—	—	—	—

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Risk by Collateral	Risk by Collateral	March 31, 2023 Term Loans Amortized Cost Basis by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans Amortized Cost Basis	Total
Commercial real estate non-owner occupied:									
Pass									
Special mention									
Substandard									
Total									
Commercial real estate owner occupied:									
Pass									
Special mention									
Substandard									
Doubtful									
Total									
Commercial multi-family:	Commercial multi-family:								
Pass	Pass	$ 64.2	$ 413.2	$ 254.6	$ 234.0	$ 88.5	$ 156.9	$ 1.5	$ 1,212.9
Special mention	Special mention	—	0.4	—	—	—	1.7	—	2.1
Substandard	Substandard	—	—	—	—	—	0.3	—	0.3
Total	Total	$ 64.2	$ 413.6	$ 254.6	$ 234.0	$ 88.5	$ 158.9	$ 1.5	$ 1,215.3
Current-period gross charge-offs		—	—	—	—	—	—	—	—
Land, acquisition and development:	Land, acquisition and development:								
Pass	Pass	$ 36.0	$ 145.5	$ 93.1	$ 33.7	$ 12.1	$ 29.3	$ 9.4	$ 359.1
Special mention	Special mention	—	6.7	0.1	—	—	0.3	—	7.1
Substandard	Substandard	—	—	0.2	0.2	1.6	0.3	—	2.3
Doubtful									
Total	Total	$ 36.0	$ 152.2	$ 93.4	$ 33.9	$ 13.7	$ 29.9	$ 9.4	$ 368.5
Current-period gross charge-offs		—	—	—	—	—	—	—	—
Residential construction:	Residential construction:								
Pass	Pass	$ 13.8	$ 107.3	$ 92.2	$ 0.4	$ 0.2	$ 6.1	$ 250.5	$ 470.5
Substandard	Substandard	—	—	0.5	—	—	0.4	—	0.9
Total	Total	$ 13.8	$ 107.3	$ 92.7	$ 0.4	$ 0.2	$ 6.5	$ 250.5	$ 471.4
Current-period gross charge-offs		—	—	—	—	—	—	—	—
Commercial construction:	Commercial construction:								
Pass	Pass	$ 60.2	$ 432.9	$ 370.9	$ 77.6	$ 8.2	$ —	$ 22.4	$ 972.2

Risk by Collateral	December 31, 2022 Term Loans Amortized Cost Basis by Origination Year 2022	2021	2020	2019	2018	Prior	R A C
	Commercial real estate non-owner occupied:						
	Pass	$ 1,162.6	$ 861.3	$ 661.1	$ 467.6	$ 241.5	$
	Special mention	1.0	6.8	2.3	4.6	—	
	Substandard	0.1	13.9	10.8	18.2	19.6	
	Total	$ 1,163.7	$ 882.0	$ 674.2	$ 490.4	$ 261.1	$
	Commercial real estate owner occupied:						
	Pass	$ 793.0	$ 718.7	$ 533.9	$ 266.3	$ 165.8	$
	Special mention	10.9	14.2	12.3	6.1	5.6	
	Substandard	8.4	3.0	2.3	8.9	8.5	
	Doubtful	0.4	1.4	—	—	—	
	Total	$ 812.7	$ 737.3	$ 548.5	$ 281.3	$ 179.9	$
Commercial multi-family:							
Pass	$ 369.2	$ 204.9	$ 189.0	$ 52.1	$ 35.0	$ 113.7	$
Special mention	—	—	—	—	—	1.7	
Substandard	—	—	—	—	—	0.3	
Total	$ 369.2	$ 204.9	$ 189.0	$ 52.1	$ 35.0	$ 115.7	$
Land, acquisition and development:							
Pass	$ 152.5	$ 114.4	$ 29.5	$ 17.0	$ 10.9	$ 28.4	$
Special mention	6.7	—	—	—	0.2	0.3	
Substandard	—	0.3	0.2	—	—	0.4	
	Doubtful	—	3.2	—	—	—	
Total	$ 159.2	$ 117.9	$ 29.7	$ 17.0	$ 11.1	$ 29.1	$
Residential construction:							
Pass	$ 118.4	$ 119.9	$ 0.4	$ 0.3	$ 0.4	$ 5.8	$
Substandard	—	0.5	—	—	—	0.4	
Total	$ 118.4	$ 120.4	$ 0.4	$ 0.3	$ 0.4	$ 6.2	$
Commercial construction:							
Pass	$ 442.7	$ 374.8	$ 89.7	$ 45.9	$ 0.4	$ —	$

Special mention	Special mention	—	4.6	—	23.1	—	—	13.7	41.4
Substandard	Substandard	—	1.2	24.4	—	—	—	—	25.6
Doubtful		—	13.9	—	—	—	—	—	13.9
Total	Total	$ 60.2	$ 452.6	$ 395.3	$ 100.7	$ 8.2	$ —	$ 36.1	$ 1,053.1
Current-period gross charge-offs		—	—	—	—	—	—	—	—
Agricultural real estate:	Agricultural real estate:								
Pass	Pass	$ 16.4	$ 168.5	$ 166.7	$ 105.2	$ 61.9	$ 143.6	$ 31.4	$ 693.7
Special mention	Special mention	0.1	0.9	0.3	1.8	1.8	14.6	9.7	29.2
Substandard	Substandard	6.1	19.8	5.5	1.6	0.5	12.2	0.1	45.8
Doubtful	Doubtful	—	—	—	1.0	—	—	—	1.0
Total	Total	$ 22.6	$ 189.2	$ 172.5	$ 109.6	$ 64.2	$ 170.4	$ 41.2	$ 769.7
Current-period gross charge-offs		—	—	—	—	—	—	—	—
Commercial and floor plans:									
Pass									
Special mention									
Substandard									
Doubtful									
Total									

Special mention	2.3	—	23.1	—	—	—	
Substandard	16.8	24.4	—	—	—	—	
Total	$ 461.8	$ 399.2	$ 112.8	$ 45.9	$ 0.4	$ —	$
Agricultural real estate:							
Pass	$ 180.0	$ 172.8	$ 109.5	$ 64.8	$ 46.6	$ 105.1	$
Special mention	22.4	0.7	1.2	2.6	10.0	3.2	
Substandard	1.8	12.3	3.5	0.6	2.7	11.3	
Doubtful	—	—	1.3	—	—	—	
Total	$ 204.2	$ 185.8	$ 115.5	$ 68.0	$ 59.3	$ 119.6	$

Commercial and floor plans:						
Pass	$ 501.7	$ 358.9	$ 214.4	$ 124.3	$ 120.3	$
Special mention	15.9	6.8	1.3	4.4	0.9	
Substandard	9.8	3.3	3.7	3.4	3.2	
Doubtful	0.3	1.3	—	—	—	
Total	$ 527.7	$ 370.3	$ 219.4	$ 132.1	$ 124.4	$

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	Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral	2023	2022	2021	2020	2019	Prior	Revol Amortize
Commercial and floor plans:							
Pass	$ 152.5	$ 458.7	$ 315.9	$ 197.1	$ 109.9	$ 297.7	$
Special mention	0.6	8.0	11.8	1.3	1.2	2.7	
Substandard	4.1	15.0	6.1	2.4	4.1	2.9	
Doubtful	—	2.3	1.2	—	—	—	
Total	$ 157.2	$ 484.0	$ 335.0	$ 200.8	$ 115.2	$ 303.3	$
Current-period gross charge-offs	—	0.1	0.1	0.1	0.1	0.2	
Commercial purpose secured by 1-4 family:							
Pass	$ 35.2	$ 186.0	$ 129.2	$ 64.3	$ 29.3	$ 68.0	$
Special mention	0.6	0.1	1.1	3.2	0.2	0.8	
Substandard	0.2	0.2	0.3	0.1	0.3	1.9	
Total	$ 36.0	$ 186.3	$ 130.6	$ 67.6	$ 29.8	$ 70.7	$
Current-period gross charge-offs	—	—	—	—	—	—	
Agricultural:							
Pass	$ 24.5	$ 109.6	$ 53.2	$ 28.5	$ 8.8	$ 9.1	$
Special mention	0.4	0.6	1.0	0.5	0.5	0.1	
Substandard	3.1	46.3	1.5	2.5	0.5	1.1	
Total	$ 28.0	$ 156.5	$ 55.7	$ 31.5	$ 9.8	$ 10.3	$
Current-period gross charge-offs	—	—	—	—	—	—	

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

Risk by Collateral	December 31, 2022 — Term Loans Amortized Cost Basis by Origination Year 2022	2021	2020	2019	2018	Prior	Revo Amortiz
Commercial real estate non-owner occupied:							
Pass	$ 1,162.6	$ 861.3	$ 661.1	$ 467.6	$ 241.5	$ 890.4	$
Special mention	1.0	6.8	2.3	4.6	—	7.4	
Substandard	0.1	13.9	10.8	18.2	19.6	9.8	
Total	$ 1,163.7	$ 882.0	$ 674.2	$ 490.4	$ 261.1	$ 907.6	$
Commercial real estate owner occupied:							
Pass	$ 793.0	$ 718.7	$ 533.9	$ 266.3	$ 165.8	$ 551.3	$
Special mention	10.9	14.2	12.3	6.1	5.6	5.5	
Substandard	8.4	3.0	2.3	8.9	8.5	17.2	
Doubtful	0.4	1.4	—	—	—	—	
Total	$ 812.7	$ 737.3	$ 548.5	$ 281.3	$ 179.9	$ 574.0	$
Commercial multi-family:							
Pass	$ 369.2	$ 204.9	$ 189.0	$ 52.1	$ 35.0	$ 113.7	$
Special mention	—	—	—	—	—	1.7	
Substandard	—	—	—	—	—	0.3	
Total	$ 369.2	$ 204.9	$ 189.0	$ 52.1	$ 35.0	$ 115.7	$

Risk by Collateral	December 31, 2022 — Term Loans Amortized Cost Basis by Origination Year 2022	2021	2020	2019	2018	Prior	Revo Amortiz
Land, acquisition and development:							
Pass	$ 152.5	$ 114.4	$ 29.5	$ 17.0	$ 10.9	$ 28.4	$
Special mention	6.7	—	—	—	0.2	0.3	
Substandard	—	0.3	0.2	—	—	0.4	
Doubtful	—	3.2	—	—	—	—	
Total	$ 159.2	$ 117.9	$ 29.7	$ 17.0	$ 11.1	$ 29.1	$
Residential construction:							
Pass	$ 118.4	$ 119.9	$ 0.4	$ 0.3	$ 0.4	$ 5.8	$
Substandard	—	0.5	—	—	—	0.4	
Total	$ 118.4	$ 120.4	$ 0.4	$ 0.3	$ 0.4	$ 6.2	$
Commercial construction:							
Pass	$ 442.7	$ 374.8	$ 89.7	$ 45.9	$ 0.4	$ —	$
Special mention	2.3	—	23.1	—	—	—	
Substandard	16.8	24.4	—	—	—	—	
Total	$ 461.8	$ 399.2	$ 112.8	$ 45.9	$ 0.4	$ —	$
Agricultural real estate:							
Pass	$ 180.0	$ 172.8	$ 109.5	$ 64.8	$ 46.6	$ 105.1	$
Special mention	22.4	0.7	1.2	2.6	10.0	3.2	
Substandard	1.8	12.3	3.5	0.6	2.7	11.3	
Doubtful	—	—	1.3	—	—	—	
Total	$ 204.2	$ 185.8	$ 115.5	$ 68.0	$ 59.3	$ 119.6	$

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Commercial and floor plans:							
Pass	$	501.7 $	358.9 $	214.4 $	124.3 $	120.3 $	171.1 $
Special mention		15.9	6.8	1.3	4.4	0.9	4.9
Substandard		9.8	3.3	3.7	3.4	3.2	2.1
Doubtful		0.3	1.3	—	—	—	—
Total	$	527.7 $	370.3 $	219.4 $	132.1 $	124.4 $	178.1 $
Commercial purpose secured by 1-4 family:							
Pass	$	191.7 $	134.5 $	69.8 $	30.4 $	29.9 $	39.5 $
Special mention		0.1	1.2	2.1	0.2	1.4	0.2
Substandard		0.2	0.3	0.1	0.3	0.9	1.2
Total	$	192.0 $	136.0 $	72.0 $	30.9 $	32.2 $	40.9 $
Agricultural:							
Pass	$	127.2 $	59.7 $	31.8 $	10.6 $	8.6 $	3.1 $
Special mention		26.1	2.8	0.4	1.0	0.3	—
Substandard		22.8	4.6	2.8	0.6	1.2	0.2
Doubtful		—	0.5	—	—	—	—
Total	$	176.1 $	67.6 $	35.0 $	12.2 $	10.1 $	3.3 $

		December 31, 2022						
		Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral		2022	2021	2020	2019	2018	Prior	Revolv Amortize
Commercial purpose secured by 1-4 family:								
Pass	$	191.7 $	134.5 $	69.8 $	30.4 $	29.9 $	39.5 $	
Special mention		0.1	1.2	2.1	0.2	1.4	0.2	
Substandard		0.2	0.3	0.1	0.3	0.9	1.2	
Total	$	192.0 $	136.0 $	72.0 $	30.9 $	32.2 $	40.9 $	
Agricultural:								
Pass	$	127.2 $	59.7 $	31.8 $	10.6 $	8.6 $	3.1 $	
Special mention		26.1	2.8	0.4	1.0	0.3	—	
Substandard		22.8	4.6	2.8	0.6	1.2	0.2	
Doubtful		—	0.5	—	—	—	—	
Total	$	176.1 $	67.6 $	35.0 $	12.2 $	10.1 $	3.3 $	

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 stat 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 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 in

		March 31, 2023						
		Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral		2023	2022	2021	2020	2019	Prior	Revolv Amortized
Residential 1-4 family:								
Performing	$	13.3 $	266.1 $	508.2 $	532.9 $	95.2 $	232.5 $	
Nonperforming		—	—	0.3	0.1	0.4	3.6	
Total	$	13.3 $	266.1 $	508.5 $	533.0 $	95.6 $	236.1 $	
Current-period gross charge-offs		—	—	—	—	—	0.1	
Consumer home equity and HELOC:								
Performing	$	4.7 $	22.9 $	7.0 $	4.6 $	5.2 $	18.7 $	
Nonperforming		0.1	0.6	0.5	0.2	0.2	1.3	

Total	$ 4.8	$ 23.5	$ 7.5	$ 4.8	$ 5.4	$ 20.0 $
Current-period gross charge-offs	0.3	—	—	0.1	—	—
Consumer indirect:						
Performing	$ 63.4	$ 352.8	$ 159.2	$ 116.4	$ 52.1	$ 70.3 $
Nonperforming	—	0.8	1.1	0.5	0.2	0.5
Total	$ 63.4	$ 353.6	$ 160.3	$ 116.9	$ 52.3	$ 70.8 $
Current-period gross charge-offs	—	0.9	0.6	0.2	—	0.1
Consumer direct and advance line:						
Performing	$ 11.2	$ 47.4	$ 28.0	$ 15.6	$ 7.2	$ 13.2 $
Nonperforming	—	0.1	0.1	0.1	—	0.1
Total	$ 11.2	$ 47.5	$ 28.1	$ 15.7	$ 7.2	$ 13.3 $
Current-period gross charge-offs	—	0.2	0.1	—	—	0.7

		December 31, 2022							
		Term Loans Amortized Cost Basis by Origination Year							
Risk by Collateral	Risk by Collateral	2022	2021	2020	2019	2018	Prior	Revolving Loans Amortized Cost Basis	Total
Residential 1-4 family:									
Residential:									
Performing	Performing	$ 258.9	$ 490.3	$ 541.6	$ 98.0	$ 32.0	$ 213.8	$ —	$ 1,634.6
Nonperforming	Nonperforming	—	0.2	0.1	0.5	0.3	3.7	—	4.8
Total	Total	$ 258.9	$ 490.5	$ 541.7	$ 98.5	$ 32.3	$ 217.5	$ —	$ 1,639.4
Consumer home equity and HELOC:									
Performing		$ 23.8	$ 8.0	$ 5.2	$ 5.5	$ 5.6	$ 15.2	$ 482.8	$ 546.1
Nonperforming		0.6	0.3	0.2	0.2	0.1	1.2	0.2	2.8
Total		$ 24.4	$ 8.3	$ 5.4	$ 5.7	$ 5.7	$ 16.4	$ 483.0	$ 548.9
Current-period gross charge-offs									
Consumer indirect:	Consumer indirect:								
Performing	Performing	$ 380.3	$ 176.4	$ 130.0	$ 59.7	$ 33.6	$ 46.3	$ —	$ 826.3
Nonperforming	Nonperforming	1.0	0.9	0.6	0.3	0.2	0.4	—	3.4
Total	Total	$ 381.3	$ 177.3	$ 130.6	$ 60.0	$ 33.8	$ 46.7	$ —	$ 829.7
Current-period gross charge-offs									
Consumer direct and advance line:	Consumer direct and advance line:								
Performing	Performing	$ 52.6	$ 31.9	$ 18.2	$ 8.5	$ 6.5	$ 8.9	$ 25.8	$ 152.4
Nonperforming	Nonperforming	0.1	0.1	0.1	—	—	0.1	0.1	0.5
Total	Total	$ 52.7	$ 32.0	$ 18.3	$ 8.5	$ 6.5	$ 9.0	$ 25.9	$ 152.9
Current-period gross charge-offs									
Consumer credit card:									
Performing									
Nonperforming									
Total									
Current-period gross charge-offs									

	As of and for the six months ended June 30, 2023						
	Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral	2023	2022	2021	2020	2019	Prior	Revolv Loan Amorti Cost B
Residential:							
Performing	$ 33.4	$ 299.5	$ 507.7	$ 523.0	$ 96.9	$ 240.4	$ 476
Nonperforming	0.1	0.9	0.8	0.6	0.7	5.0	0
Total	$ 33.5	$ 300.4	$ 508.5	$ 523.6	$ 97.6	$ 245.4	$ 476
Current-period gross charge-offs		0.3	—	—	0.1	—	0
Consumer indirect:							
Performing	$ 86.7	$ 321.2	$ 142.8	$ 103.6	$ 44.7	$ 61.6	$
Nonperforming	0.1	1.3	0.8	0.4	0.2	0.5	
Total	$ 86.8	$ 322.5	$ 143.6	$ 104.1	$ 44.9	$ 62.2	$
Current-period gross charge-offs		—	1.3	1.2	0.5	0.1	0
Consumer direct and advance line:							
Performing	$ 23.9	$ 41.4	$ 24.2	$ 12.8	$ 5.4	$ 8.3	$ 27
Nonperforming	—	0.1	0.1	—	—	0.1	
Total	$ 23.9	$ 41.5	$ 24.3	$ 12.8	$ 5.4	$ 8.4	$ 27
Current-period gross charge-offs		—	0.1	0.1	0.1	0.1	1
Consumer credit card:							
Performing		$ —	$ —	$ —	$ —	$ —	$
Nonperforming		—	—	—	—	—	
Total		$ —	$ —	$ —	$ —	$ —	$
Current-period gross charge-offs		—	—	—	—	—	

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

	December 31, 2022						
	Term Loans Amortized Cost Basis by Origination Year						
Risk by Collateral	2022	2021	2020	2019	2018	Prior	Revolv Amortized
Residential 1-4 family:							
Performing	$ 258.9	$ 490.3	$ 541.6	$ 98.0	$ 32.0	$ 213.8	$
Nonperforming	—	0.2	0.1	0.5	0.3	3.7	
Total	$ 258.9	$ 490.5	$ 541.7	$ 98.5	$ 32.3	$ 217.5	$
Consumer home equity and HELOC:							
Performing	$ 23.8	$ 8.0	$ 5.2	$ 5.5	$ 5.6	$ 15.2	$
Nonperforming	0.6	0.3	0.2	0.2	0.1	1.2	
Total	$ 24.4	$ 8.3	$ 5.4	$ 5.7	$ 5.7	$ 16.4	$
Consumer indirect:							
Performing	$ 380.3	$ 176.4	$ 130.0	$ 59.7	$ 33.6	$ 46.3	$
Nonperforming	1.0	0.9	0.6	0.3	0.2	0.4	
Total	$ 381.3	$ 177.3	$ 130.6	$ 60.0	$ 33.8	$ 46.7	$
Consumer direct and advance line:							
Performing	$ 52.6	$ 31.9	$ 18.2	$ 8.5	$ 6.5	$ 8.9	$
Nonperforming	0.1	0.1	0.1	—	—	0.1	
Total	$ 52.7	$ 32.0	$ 18.3	$ 8.5	$ 6.5	$ 9.0	$

While the Company considers the performance of the loan portfolio on the allowance for credit losses, for certain credit card loan classes, the Company also evaluates credit qu status of the loan, which was previously presented, and by payment activity of the credit card holder. The following table presents the recorded investment in credit card loans b the periods indicated:

As of March 31, 2023	Consumer	Commercial	Agricultural
Credit Card:			
Performing	$ 70.9	$ 104.6	$
Nonperforming	0.6	0.4	
Total credit card	$ 71.5	$ 105.0	$
Current-period gross charge-offs	$ 0.5	$ 0.1	$

As of December 31, 2022	Consumer	Commercial	Agricultural
Credit Card:			
Performing	$ 75.4	$ 100.0	$
Nonperforming	0.5	0.3	
Total credit card	$ 75.9	$ 100.3	$

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 and the six months end 2023 or 2022.

(7) Other Real Estate Owned

Other real estate owned ("OREO") is a category of real estate owned by the Company as a result of a default by the borrower. Information with respect to the Company's other r reflected in the following table:

		Three Months Ended March 31,			Three Months Ended June 30,		Six Mont
		2023	2022		2023	2022	2023
Beginning balance	Beginning balance	$ 12.7	$ 2.0	Beginning balance	$ 13.4	$ 17.5	$ 12.7

Acquired through acquisition	Acquired through acquisition	—	15.8	Acquired through acquisition	—	—	—
Additions	Additions	0.8	—	Additions	1.7	0.1	2.5
Valuation adjustments	Valuation adjustments	(0.1)	—	Valuation adjustments	(0.7)	—	(0.8)
Dispositions	Dispositions	—	(0.3)	Dispositions	—	(0.8)	—
Ending balance	Ending balance	$ 13.4	$ 17.5	Ending balance	$ 14.4	$ 16.8	$ 14.4

The carrying value of foreclosed residential real estate properties included in other real estate owned OREO was $0.6 million $1.1 million as of March 31, 2023 June 30, 2023 an
December 31, 2022. The Company had $0.3 million $0.4 million and no material recorded investments in consumer mortgage loans secured by residential real estate for which f
proceedings were in process of foreclosure as of March 31, 2023 June 30, 2023 and December 31, 2022, respectively.

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(8) Derivatives and Hedging Activities

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 o
risks through the management of its business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amou
its assets and liabilities and through the use of derivative financial instruments. The Company enters into derivative financial instruments, such as interest rate swap contracts to
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 rate
exposures. The Company does not enter into interest rate swap agreements for trading or speculative purposes.

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In the normal course of business, the Company enters into interest rate lock commitments to finance residential mortgage loans that are not designated as accounting hedges. T
contain fixed expiration dates, offer the borrower an interest rate guarantee, provided the loan meets underwriting guidelines, and closes within the timeframe established by the
arises on these commitments and subsequently on closed loans if interest rates change between the time of the interest rate lock and the delivery of the loan to the investor. Lo
residential mortgage loans intended to be sold are considered derivatives and are recorded at fair value with changes in fair value recorded through earnings.

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 providin
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
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 mo
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
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
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 com
sales contracts are included in mortgage banking revenues in the accompanying consolidated statements of income (loss).

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
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 inter
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 accompl
Company primarily uses interest rate swaps and collars as part of its interest rate risk management strategy. Interest rate swaps that were designated as cash flow hedges on th
(trust preferred securities) involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements
underlying notional amount. During 2021 and the first quarter of 2022, such derivatives were used to hedge the variable cash flows associated with the existing trust preferred s
Company had in place on its trust preferred securities matured during the first and second quarters of 2022.

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 w
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
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 underly

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
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
amount. Of the six trades with a total notional amount of $1.15 billion, four are effective with a total notional of $600.0 million. Of these effective trades, the two collars and one s
rate loans and the other swap is related to variable-rate securities.

For derivatives 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 a into interest income (expense) in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income relat reclassified as interest income (expense) when interest payments are made on the Company's variable-rate liabilities. During the next twelve months, the Company estimates th 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 exp 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-r 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 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 throu

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 hec 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, 2023		December 31, 20	
	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment	Carrying Amount of the Hedged Assets/(Liabilities)	Cur
Available-for-sale securities	$ 192.2	$ 7.8	$ 191.9	$

	June 30, 2023		December 31, 20	
	Carrying Amount of the Hedged Assets/(Liabilities)	Cumulative Amount of Fair Value Hedging Adjustment	Carrying Amount of the Hedged Assets/(Liabilities)	Cur
Available-for-sale securities	$ 192.6	$ 7.4	$ 191.9	$

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 banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company ex 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 acc 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 GWB risk participation agreements under which it assumes credit risk associated with a borrower's performance related to derivative contracts. Th 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 ma 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 pre 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 set derivative assets and liabilities are adjusted to take into account the impact of legally enforceable master netting agreements that allow us to settle all derivative contracts with a 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 co

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	March 31, 2023			December 31, 2022			June 30, 2023			
	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value	Notional Amount	Consolidated Balance Sheet Location	Estimated Fair Value	Notional Amount

Derivatives designated as accounting hedges:	*Derivatives designated as accounting hedges:*							*Derivatives designated as accounting hedges:*				
Interest rate swap contracts	Interest rate swap contracts	$ 850.0		$ 11.7	$ 550.0		$ 3.5	Interest rate swap contracts	$ —		$ —	$ 550.(
Derivatives not designated as accounting hedges:	*Derivatives not designated as accounting hedges:*							*Derivatives not designated as accounting hedges:*				
Interest rate swap contracts	Interest rate swap contracts	1,674.7		31.1	1,728.1		41.6	Interest rate swap contracts	1,645.7		40.2	1,728.
Interest rate lock commitments		36.2		0.3	—		—					
Forward loan sales contracts	Forward loan sales contracts	—		—	12.6		0.1	Forward loan sales contracts	13.4		—	12.(
Derivative assets	Derivative assets	$ 2,560.9	Other assets	$ 43.1	$ 2,290.7	Other assets	$ 45.2	Derivative assets	$ 1,659.1	Other assets	$ 40.2	$ 2,290.
Derivatives designated as accounting hedges:	*Derivatives designated as accounting hedges:*							*Derivatives designated as accounting hedges:*				
Interest rate collars	Interest rate collars	$ 300.0		$ 3.9	$ 300.0		$ 5.4	Interest rate collars	$ 300.0		$ 7.0	$ 300.(
Interest rate swap contracts	Interest rate swap contracts	—		—	300.0		0.3	Interest rate swap contracts	850.0		7.7	300.(
Derivatives not designated as accounting hedges:	*Derivatives not designated as accounting hedges:*							*Derivatives not designated as accounting hedges:*				
Interest rate swap contracts	Interest rate swap contracts	1,674.7		122.7	1,728.1		153.9	Interest rate swap contracts	1,645.7		148.3	1,728.
Risk participation agreements	Risk participation agreements	104.7		—	106.1		—	Risk participation agreements	103.7		—	106.
Interest rate lock commitments	Interest rate lock commitments	—		—	14.8		—	Interest rate lock commitments	15.1		0.1	14.(
Forward loan sales contracts		32.2		0.1	—		—					
Derivative liabilities	Derivative liabilities	$ 2,111.6	Accounts payable and accrued expenses	$ 126.7	$ 2,449.0	Accounts payable and accrued expenses	$ 159.6	Derivative liabilities	$ 2,914.5	Accounts payable and accrued expenses	$ 163.1	$ 2,449.(

There was a $7.8 million $14.7 million unrealized fair value gain loss on cash flow hedging derivative instruments in accumulated other comprehensive income during the three a March 31, 2023 June 30, 2023. There were no material effects of derivative instruments in fair value or cash flow hedge accounting on accumulated other comprehensive loss d months ended March 31, 2022 June 30, 2022.

There were no material effects from the Company's fair value or cash flow hedged derivative financial instruments on the consolidated statements of income (loss) during the thr ended March 31, 2023 June 30, 2023 or 2022.

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 indicated:

	Three Months Ended March 31,
	2023

	Location of (Loss) Gain Recognized in Income on Derivative	Amount of Loss (G
Interest rate lock commitments	Mortgage banking revenues	$

	Three Months Ended June 30,			Six Months Ended June 30,	
		2023	2022		2023
	Location of Gain Recognized in Income on Derivative	Amount of Gain Recognized in Income on Derivative		Location of Gain Recognized in Income on Derivative	Amount of Gain Rec
Interest rate lock commitments	Mortgage banking revenues	$ 0.2	$ 1.0	Mortgage banking revenues	$

The Company recorded swap fee revenues of $0.1 million$0.5 million and $2.0 million$1.1 million for the three months ended March 31, 2023June 30, 2023 and March 31, 202 million and $3.1 million for the six months ended June 30, 2023 and June 30, 2022. The Company includes swap fee revenues in other service charges, commissions, and fees statements of income (loss). income.

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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, 2023							June 30, 2023					
		Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Received (1)	Net Amount		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	Interest rate swap contracts	$ 42.8	$ —	$ 42.8	$ —	$ 42.8	$ —	Interest rate swap contracts	$ 40.2	$ —	$ 40.2	$ —	$ 36.4	$ 3.8
Mortgage related derivatives		0.3	—	0.3	—	—	0.3							
Total derivatives	Total derivatives	43.1	—	43.1	—	42.8	0.3	Total derivatives	40.2	—	40.2	—	36.4	3.8
Total assets	Total assets	$ 43.1	$ —	$ 43.1	$ —	$ 42.8	$ 0.3	Total assets	$ 40.2	$ —	$ 40.2	$ —	$ 36.4	$ 3.8

(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		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	Interest rate swap and collar contracts	$ 126.6	$ —	$ 126.6	$ —	$ —	$126.6	Interest rate swap and collar contracts	$ 163.0	$ —	$ 163.0	$ —	$ —	$163.0
Mortgage related derivatives		0.1	—	0.1	—	—	0.1							
Interest rate lock commitments								Interest rate lock commitments	0.1	—	0.1	—	—	0.1
Total derivatives	Total derivatives	126.7	—	126.7	—	—	126.7	Total derivatives	163.1	—	163.1	—	—	163.1

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

Repurchase agreements	Repurchase agreements	970.8	—	970.8	—	970.8	—	Repurchase agreements	929.9	—	929.9	—	929.9	—
Total liabilities	Total liabilities	$ 1,097.5	$ —	$1,097.5	$ —	$ 970.8	$126.7	Total liabilities	$ 1,093.0	$ —	$1,093.0	$ —	$ 929.9	$163.1

	December 31, 2022				
	Gross Assets Recognized	Gross Assets Offset in the Balance Sheet	Net Assets in the Balance Sheet	Financial Instruments	Cash Collateral Recei
Interest rate swap contracts	$ 45.1	$ —	$ 45.1	$ —	$ 4
Mortgage related derivatives	0.1	—	0.1	—	
Total derivatives	45.2	—	45.2	—	4
Total assets	$ 45.2	$ —	$ 45.2	$ —	$ 4
	Gross Liabilities Recognized	Gross Liabilities Offset in the Balance Sheet	Net Liabilities in the Balance Sheet	Financial Instruments	Cash Collateral Poste
Interest rate swap contracts	$ 159.6	$ —	$ 159.6	$ —	$
Total derivatives	159.6	—	159.6	—	
Repurchase agreements	1,052.9	—	1,052.9	—	1,05
Total liabilities	$ 1,212.5	$ —	$ 1,212.5	$ —	$ 1,05

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 whe 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 certain of its derivative counterparties that contain a provision where if the Company fails to maintain its status as a well / adequately capital certain instances the Company could be required to post additional capital and in certain instances the counterparty would have the right to terminate the derivative positions an required to settle its obligations under the agreements.

As of March 31, 2023 June 30, 2023, the fair value of derivatives in a net liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, agreements. As of March 31, 2023 June 30, 2023, the Company has minimum collateral posting thresholds with certain of its derivative counterparties and has not posted exces had breached any of these provisions at March 31, 2023 June 30, 2023, it could have been required to settle its obligations under the agreements at their termination value.

(9) <u>Other Borrowed Funds</u>

At June 30, 2023, the Company had $2,589.0 million in outstanding FHLB borrowings consisting of $553.0 million in fixed rate borrowings with tenors of up to two weeks and wi 5.30%, $450.0 million in fixed rate borrowings with tenors of up to one month and with an average fixed rate of 5.39%, $600.0 million in 2-month fixed rate borrowings with an av $150.0 million in 3-month fixed rate borrowings with an average fixed rate of 5.56%, $400.0 million in 4-month fixed rate borrowings with an average fixed rate of 5.54%, and $4 rate borrowings with an average fixed rate of 5.56%, as compared to $2,327.0 million outstanding borrowings with the FHLB at December 31, 2022. The Company has remainin with the FHLB of approximately $4,517.6 million, subject to collateral availability at June 30, 2023. The borrowings are collateralized by certain loans with an advance equivalen million. As of June 30, 2023 and December 31, 2022, there were no long or short-term advances outstanding with the FHLB. As of June 30, 2023 and December 31, 2022, the C other borrowed funds.

(10) <u>Capital Stock</u>

The Company had 105,020,683 shares and 104,442,023 shares of Class A common stock outstanding as of June 30, 2023 and December 31, 2022, respectively.

The Company completed the stock repurchase program adopted by the Company's board of directors in 2022 and the Company's board of directors has not authorized a stock 2023. There were 1,720,700 shares repurchased and retired under the stock repurchase program during the three and six months ended June 30, 2022 at a total cost of $64.3 commissions, at an average cost of $37.38 per share.

Stock Other stock repurchases during the three six months ended March 31, 2023 June 30, 2023 and 2022, were redemptions of vested restricted shares tendered in lieu of cas withholding amounts by participants in the Company's equity compensation plans.

The During the six months ended June 30, 2023, the Company had 104,382,018 issued 54,414 shares and 104,442,023 shares of its Class A common stock outstanding as to c service on the Company's board of March 31, 2023 directors. The aggregate value of the shares issued to directors of $1.2 million is amortized into stock-based compensation e consolidated statements of changes in stockholders' equity over a one year service based period.

On May 25, 2023, the Company filed a Registration Statement on Form S-8 to register an additional 2,000,000 shares of common stock to be issued pursuant to the Company's 31, 2022 Incentive Plan.

On May 26, 2023, respectively. the Company filed a universal shelf registration statement on Form S-3, which was subsequently declared effective by the SEC. The shelf registr
Company to raise additional capital from time to time through offers and sales of registered securities consisting of debt securities, preferred stock, depositary shares, common s
contracts, and units or units consisting of any combination of the foregoing securities. The Company may sell these securities using the prospectus in the shelf registration state
applicable prospectus supplements, from time to time, in one or more offerings.

(10) (11) Earnings (loss) per Common Share

Basic earnings per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period presented, exclu
stock. Diluted earnings per share is calculated by dividing net income (loss) by the weighted average number of common shares determined for the basic earnings per share co
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 Er
		2023
Net income (loss)	$	56.3
Weighted average common shares outstanding for basic earnings per share computation		103,737,664
Dilutive effects of stock-based compensation		81,055
Weighted average common shares outstanding for diluted earnings per common share computation		103,818,719
Basic earnings (loss) per common share	$	0.54
Diluted earnings (loss) per common share	$	0.54
Anti-dilutive unvested time restricted stock		132,410

The Company had 330,408 and 537,374 shares of unvested restricted stock as of March 31, 2023 and 2022, respectively, that were not included in the computation of diluted e
because performance conditions for vesting had not been met. As a result of incurring a net loss during the three months ended March 31, 2022, potential common shares of 71
diluted loss per share because the effect would have been anti-dilutive.

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

	Three Months Ended June 30,		Six Months En
	2023	2022	2023
Net income	$ 67.0	$ 64.1	$ 123.3
Weighted average common shares outstanding for basic earnings per share computation	103,820,649	109,106,891	103,779,386
Dilutive effects of stock-based compensation	2,242	24,827	42,539
Weighted average common shares outstanding for diluted earnings per common share computation	103,822,891	109,131,718	103,821,925
Basic earnings per common share	$ 0.65	$ 0.59	$ 1.19
Diluted earnings per common share	$ 0.65	$ 0.59	$ 1.19
Anti-dilutive unvested time restricted stock	222,417	218,033	129,449

The Company had 974,875 and 500,573 shares of unvested restricted stock as of June 30, 2023 and 2022, respectively, that were not included in the computation of diluted ear
because performance conditions for vesting had not been met.

(11) (12) Regulatory Capital

As of March 31, 2023 June 30, 2023 and December 31, 2022, 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, 2023 June 30, 2023 and December 31, 2022 are presented in the followir

	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)	
March 31, 2023	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
June 30, 2023								
Total risk-based capital: Total risk-based capital:								

	Actual		Minimum Required for Capital Adequacy Purposes		For Ca Adequacy P Plus Ca Conserv Buffe
June 30, 2023	Amount	Ratio	Amount	Ratio	Amount
Total risk-based capital:					

Consolidated	Consolidated	$ 2,899.0	12.63 %	$ 1,836.6	8.00 %	$ 2,410.6	10.50 %	$ 2,295.8	10.00 %	Consolidated	$ 2,925.7	12.90 %	$ 1,815.1	8.00 %	$ 2,382.3
FIB	FIB	2,740.5	11.96	1,833.0	8.00	2,405.8	10.50	2,291.2	10.00	FIB	2,759.2	12.18	1,812.7	8.00	2,379.2
Tier 1 risk-based capital:	Tier 1 risk-based capital:									Tier 1 risk-based capital:					
Consolidated	Consolidated	2,415.4	10.52	1,377.5	6.00	1,951.4	8.50	1,836.6	8.00	Consolidated	2,440.5	10.76	1,361.3	6.00	1,928.5
FIB	FIB	2,514.5	10.97	1,374.7	6.00	1,947.5	8.50	1,833.0	8.00	FIB	2,530.9	11.17	1,359.6	6.00	1,926.0
Common equity tier 1 risk-based capital:	Common equity tier 1 risk-based capital:									Common equity tier 1 risk-based capital:					
Consolidated	Consolidated	2,415.4	10.52	1,033.1	4.50	1,607.1	7.00	1,492.3	6.50	Consolidated	2,440.5	10.76	1,021.0	4.50	1,588.2
FIB	FIB	2,514.5	10.97	1,031.0	4.50	1,603.8	7.00	1,489.3	6.50	FIB	2,530.9	11.17	1,019.7	4.50	1,586.1
Leverage capital ratio:	Leverage capital ratio:									Leverage capital ratio:					
Consolidated	Consolidated	2,415.4	7.72	1,251.6	4.00	1,251.6	4.00	1,564.5	5.00	Consolidated	2,440.5	7.99	1,222.3	4.00	1,222.3
FIB	FIB	2,514.5	8.05	1,249.8	4.00	1,249.8	4.00	1,562.2	5.00	FIB	2,530.9	8.29	1,220.6	4.00	1,220.6

	Actual		Minimum Required for Capital Adequacy Purposes		For Capital Adequacy Purposes Plus Capital Conservation Buffer(1)		Minimum to Be Corrective
December 31, 2022	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount
Total risk-based capital:							
Consolidated	$ 2,875.8	12.48 %	$ 1,843.2	8.00 %	$ 2,419.2	10.50 %	$ 2,
FIB	2,713.5	11.80	1,839.6	8.00	2,414.5	10.50	2,
Tier 1 risk-based capital:							
Consolidated	2,408.8	10.45	1,382.4	6.00	1,958.4	8.50	1,
FIB	2,504.1	10.89	1,379.7	6.00	1,954.6	8.50	1,
Common equity tier 1 risk-based capital:							
Consolidated	2,408.8	10.45	1,036.8	4.50	1,612.8	7.00	1,
FIB	2,504.1	10.89	1,034.8	4.50	1,609.7	7.00	1,
Leverage capital ratio:							
Consolidated	2,408.8	7.75	1,242.9	4.00	1,242.9	4.00	1,
FIB	2,504.1	8.07	1,241.1	4.00	1,241.1	4.00	1,

(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 co ratios as if they also applied on a consolidated basis.

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In connection with the adoption of the *Current Expected Credit Loss* accounting standard (“CECL”), or ASC 326, CECL on January 1, 2020, the Company recognized an after-ta to retained earnings 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 issue allows banking organizations to mitigate the effects of ASC 326 on their regulatory capital computations. This interim rule is in addition to the three-year transition period already transition rule previously issued in February 2019. Banking organizations can elect to mitigate the estimated cumulative regulatory capital effects for an additional two years. Thi defer transitioning incorporating the impact of ASC 326 into its regulatory capital calculation, including ratios, over an extended period. Additionally, the interim rule extends the t 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 allowanc 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 o 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 five-year period.

(12) (13) 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 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 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 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 Co

As of March 31, 2023 June 30, 2023, the Company had commitments under construction contracts of $6.5 million $8.4 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 seller in situations such as breach of representation, warranty, or covenant; untimely document delivery; false or misleading statements; failure to obtain certain certificates or in 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 purchas 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 mortga provisions still in effect as of March 31, 2023 June 30, 2023.

(13) (14) 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 instrumen 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 consolid 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 com expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are conditional commitments is 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 faciliti 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 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 bal

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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 finan

		Three Months Ended March 31,					Three Months Ended June 30,				Six Mor
			2023		2022			2023		2022		2023
Beginning balance	Beginning balance	$	16.2	$	3.8	Beginning balance	$	17.8	$	6.2	$	16.2
Provision for credit loss expense	Provision for credit loss expense		1.6		2.4	Provision for credit loss expense		3.0		—		4.6
Ending balance	Ending balance	$	17.8	$	6.2	Ending balance	$	20.8	$	6.2	$	20.8

		March 31, 2023		December 31, 2022			June 30, 2023		
Unused credit card lines	Unused credit card lines	$	819.8	$	827.6	Unused credit card lines	$	809.7	$
Commitments to extend credit	Commitments to extend credit		4,976.5		5,173.3	Commitments to extend credit		4,711.7	
Standby letters of credit	Standby letters of credit		83.0		93.8	Standby letters of credit		96.7	

(14) (15) Other Comprehensive Income (Loss)

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

	Pre-tax		Tax Expense (Benefit)		Net of Tax			Pre-tax		Tax Expense (Benefit)	
Three Months Ended March 31,	2023	2022	2023	2022	2023	2022					
Three Months Ended June 30,							*Three Months Ended June 30,*	2023	2022	2023	2022

Investment securities available-for-sale:	Investment securities available-for-sale:							Investment securities available-for-sale:				
Change in net unrealized gains (losses) during the period	Change in net unrealized gains (losses) during the period	$ 78.2	$ (252.6)	$ 19.6	$ (62.7)	$ 58.6	$ (189.9)	Change in net unrealized gains (losses) during the period	$ (57.5)	$ (161.6)	$ (14.4)	$ (45.2)
Reclassification adjustment for net losses included in income	Reclassification adjustment for net losses included in income	23.4	0.1	5.8	—	17.6	0.1	Reclassification adjustment for net losses included in income	0.1	0.1	—	—
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale		(7.2)	0.2	(1.8)	0.1	(5.4)	0.1					
Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.4)	(23.0)	(0.1)	(5.7)	(0.3)	(17.3)	Net change in unamortized losses on available-for-sale investment securities transferred into held-to-maturity	(0.4)	(0.9)	(0.1)	(0.2)
Change in net unrealized loss on derivatives	Change in net unrealized loss on derivatives	10.0	21.3	2.5	5.3	7.5	16.0	Change in net unrealized loss on derivatives	(22.1)	(15.0)	(5.5)	(4.2)
Total other comprehensive income (loss)	Total other comprehensive income (loss)	$ 104.0	$ (254.0)	$ 26.0	$ (63.0)	$ 78.0	$ (191.0)	Total other comprehensive income (loss)	$ (79.9)	$ (177.4)	$ (20.0)	$ (49.6)

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	Pre-tax		Tax Expense (Benefit)		
Six Months Ended June 30,	2023	2022	2023	2022	
Investment securities available-for-sale:					
Change in net unrealized loss during period	$ 20.7	$ (414.2)	$ 5.2	$ (107.9)	$
Reclassification adjustment for net loss (gain) included in net income	23.5	0.2	5.8	—	
Reclassification adjustment for securities transferred from held-to-maturity to available-for-sale	(7.2)	0.2	(1.8)	0.1	
Net change in unamortized (gains) losses on available-for-sale securities transferred into held-to-maturity	(0.8)	(23.9)	(0.2)	(5.9)	
Change in net unrealized gain (loss) on derivatives	(12.1)	6.3	(3.0)	1.1	
Total other comprehensive loss	$ 24.1	$ (431.4)	$ 6.0	$ (112.6)	$

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

		March 31, 2023	December 31, 2022		June 30, 2023	
Net unrealized loss on investment securities available-for-sale	Net unrealized loss on investment securities available-for-sale	$ (400.2)	$ (471.0)	Net unrealized loss on investment securities available-for-sale	$ (443.2)	$
Net unrealized loss on investment securities transferred to held-to-maturity	Net unrealized loss on investment securities transferred to held-to-maturity	(4.9)	(4.5)	Net unrealized loss on investment securities transferred to held-to-maturity	(5.2)	

Net unrealized gain (loss) on derivatives		6.0		(1.6)		
Net unrealized loss on derivatives					Net unrealized loss on derivatives	(10.6)
Net accumulated other comprehensive loss	Net accumulated other comprehensive loss	$ (399.1)	$	(477.1)	Net accumulated other comprehensive loss	$ (459.0) $

(15) (16) 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 measuremer 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 ar 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

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 reasonably expected in an orderly transaction between market participants at the measurement date, and therefore, are classified within Level 2 of the valuation hierarchy. Ther changes in the valuation techniques during the three and the six months ended March 31, 2023 June 30, 2023 and 2022.

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 a were no significant transfers between fair value hierarchy levels during the three and the six months ended March 31, 2023 June 30, 2023 and 2022.

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 mea 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 prepaym information, and the investment's terms and conditions, among others. Vendors chosen by the Company are widely recognized vendors whose evaluations support the pricing fu institutions, investment and mutual funds, and portfolio managers. If needed, a broker may be utilized to determine the reported fair value of investment securities.

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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 cons 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 fr 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 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 pr 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 attrib 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 a 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 am 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 the three-month LIBOR United States Dollar – Secured Overnight Financing Rate ("SOFR") forward curve to estimate variable rate cash inflows and the Secured Overnight Fina 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 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 op significant in the reported periods. The Company also compares the reasonableness of the pricing semi-annually through a validation process involving additional independent t

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 consid 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 r 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 c 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 s 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 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 c 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-b 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 participants' selected investments, which represent the underlying liabilities to plan participants. Deferred compensation plan liabilities are recorded at amounts due to participan participants' selected investments.

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

		Fair Value Measurements at Reporting Date Using		
As of March 31, 2023	Fair Value	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	$ 223.2	$ —	$ 223.2	$ —
State, county, and municipal securities	221.1	—	221.1	—
Obligations of U.S. government agencies	174.1	—	174.1	—
U.S. agencies mortgage-backed securities & collateralized mortgage obligations	3,858.4	—	3,858.4	—

		Fair Value Measuremen	
As of June 30, 2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significan Observ Input (Level
Investment debt securities available-for-sale:			
U.S. Treasury notes	$ 219.1	$ —	$ 2
State, county, and municipal securities	214.9	—	2
Obligations of U.S. government agencies	172.0	—	1
U.S. agency commercial mortgage-backed securities	1,102.4	—	1,1
U.S. agency residential mortgage-backed securities	1,375.4	—	1,3

Collateralized mortgage obligations						Collateralized mortgage obligations	1,205.2	—	1,2
Private mortgage-backed securities	Private mortgage-backed securities	225.1	—	225.1	—	Private mortgage-backed securities	217.1	—	2
Collateralized loan obligations	Collateralized loan obligations	1,113.9	—	1,113.9	—	Collateralized loan obligations	1,124.3	—	1,1
Corporate securities	Corporate securities	233.5	—	233.5	—	Corporate securities	227.5	—	2
Loans held for sale	Loans held for sale	16.0	—	8.5	7.5	Loans held for sale	18.4	—	
Derivative assets:	Derivative assets:					Derivative assets:			
Interest rate swap contracts	Interest rate swap contracts	42.8	—	42.8	—	Interest rate swap contracts	40.2	—	
Interest rate lock commitments		0.3	—	0.3	—				
Derivative liabilities:	Derivative liabilities:					Derivative liabilities:			
Interest rate collars	Interest rate collars	3.9	—	3.9	—	Interest rate collars	7.0	—	
Interest rate swap contracts	Interest rate swap contracts	122.7	—	122.7	—	Interest rate swap contracts	156.0	—	1
Interest rate lock commitments						Interest rate lock commitments	0.1	—	
Forward loan sale contracts		0.1	—	0.1	—				
Deferred compensation plan assets	Deferred compensation plan assets	17.3	—	17.3	—	Deferred compensation plan assets	18.4	—	
Deferred compensation plan liabilities	Deferred compensation plan liabilities	17.3	—	17.3	—	Deferred compensation plan liabilities	18.4	—	

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			Fair Value Measurements at Reporting Date Using					Fair Value Measurement	
As of December 31, 2022	*As of December 31, 2022*	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	*As of December 31, 2022*	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observ Input (Level
Investment debt securities available-for-sale:	Investment debt securities available-for-sale:					Investment debt securities available-for-sale:			
U.S. Treasury notes	U.S. Treasury notes	$ 642.7	$ —	$ 642.7	$ —	U.S. Treasury notes	$ 642.7	$ —	$ 6
State, county and municipal securities	State, county and municipal securities	263.7	—	263.7	—	State, county and municipal securities	263.7	—	2
Obligations of U.S. government agencies	Obligations of U.S. government agencies	198.9	—	198.9	—	Obligations of U.S. government agencies	198.9	—	1
U.S. agencies mortgage-backed securities & collateralized mortgage obligations		4,259.7	—	4,259.7	—				

U.S. agency commercial mortgage-backed securities					
U.S. agency residential mortgage-backed securities					
Collateralized mortgage obligations					
Private mortgage-backed securities	Private mortgage-backed securities	228.0	—	228.0	—
Collateralized loan obligations	Collateralized loan obligations	1,111.6	—	1,111.6	—
Corporate securities	Corporate securities	241.5	—	241.5	—
Loans held for sale	Loans held for sale	12.4	—	6.9	5.5
Derivative assets:	Derivative assets:				
Interest rate swap contracts	Interest rate swap contracts	45.1	—	45.1	—
Forward loan sales contracts	Forward loan sales contracts	0.1	—	0.1	—
Derivative liabilities	Derivative liabilities				
Interest rate collars	Interest rate collars	5.4	—	5.4	—
Interest rate swap contracts	Interest rate swap contracts	154.2	—	154.2	—
Deferred compensation plan assets	Deferred compensation plan assets	18.7	—	18.7	—
Deferred compensation plan liabilities	Deferred compensation plan liabilities	18.7	—	18.7	—

U.S. agency commercial mortgage-backed securities	1,351.2	—	1,3
U.S. agency residential mortgage-backed securities	1,558.3	—	1,5
Collateralized mortgage obligations	1,350.2	—	1,3
Private mortgage-backed securities	228.0	—	2
Collateralized loan obligations	1,111.6	—	1,1
Corporate securities	241.5	—	2
Loans held for sale	12.4	—	
Derivative assets:			
Interest rate swap contracts	45.1	—	
Forward loan sales contracts	0.1	—	
Derivative liabilities			
Interest rate collars	5.4	—	
Interest rate swap contracts	154.2	—	1
Deferred compensation plan assets	18.7	—	
Deferred compensation plan liabilities	18.7	—	

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- 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-r

		Fair Value Measurements at Reporting Date Using		
As of March 31, 2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)

Fair Value Measuremer

As of June 30, 2023					
Collateral-dependent loans	Collateral-dependent loans	$ 59.5	$ —	$ —	$ 59.5
Loans held for sale	Loans held for sale	64.9	—	—	64.9
Other real estate owned	Other real estate owned	13.4	—	—	13.4
Long-lived assets to be disposed of by sale	Long-lived assets to be disposed of by sale	5.0	—	—	5.0

As of June 30, 2023	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Othe Observable Inputs (Level 2)
Collateral-dependent loans	$ 63.5	$ —	$ —
Loans held for sale	58.1	—	—
Other real estate owned	14.4	—	—
Long-lived assets to be disposed of by sale	4.6	—	—

As of December 31, 2022	As of December 31, 2022		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	Collateral-dependent loans	$	39.1	$ —	$ —	$	39.1
Loans held for sale	Loans held for sale		67.5	—	—		67.5
Other real estate owned	Other real estate owned		12.7	—	—		12.7
Long-lived assets to be disposed of by sale	Long-lived assets to be disposed of by sale		5.5	—	—		5.5

As of December 31, 2022		Fair Value	Fair Value Measuremer: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Othe Observable Inputs (Level 2)
Collateral-dependent loans	$	39.1	$ —	$ —
Loans held for sale		67.5	—	—
Other real estate owned		12.7	—	—
Long-lived assets to be disposed of by sale		5.5	—	—

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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-d 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 investm 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 est conditions. As of March 31, 2023 June 30, 2023 and December 31, 2022, the Company had collateral-dependent loans with a carrying and fair value of $59.5 million $63.5 millio 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 inves 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 bas 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 expense in the period in which they are identified. The Company had $0.1 million $0.8 million and no material write downs on OREO properties during the three six months ende 2023 and 2022, 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 assets to be disposed of by sale are based upon observable market data and management estimates of current market conditions. As of March 31, 2023 June 30, 2023, the Co to be disposed of by sale with carrying values aggregating $5.1 million $9.3 million, reduced by write-downs of $0.1 million $4.7 million charged to other expense, and fair values million. As of December 31, 2022, the Company had long-lived assets to be disposed of by sale with carrying values aggregating $5.7 million, reduced by write-downs of $0.2 m expense, and fair values aggregating $5.5 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 inp

			Fair Value As of: March 31, 2023		December 31, 2022	Valuation Technique	Unobservable Inputs	Range (Weighted Average)			
Collateral-dependent loans	Collateral-dependent loans	$	59.5	$	39.1	Appraisal	Appraisal adjustment	0%	-	45%	(7%)
Loans held for sale	Loans held for sale		64.9		67.5	Fair value of collateral	Discount for type of property, age of appraisal, and current status	11%	-	23%	(17%)
Other real estate owned	Other real estate owned		13.4		12.7	Appraisal	Appraisal adjustment	15%	-	36%	(22%)
Long-lived assets to be disposed of by sale	Long-lived assets to be disposed of by sale		5.0		5.5	Appraisal	Appraisal adjustment	0%	-	6%	(3%)

		Fair Value As of: June 30, 2023		December 31, 2022	Valuation Technique	Unobservab Inputs
Collateral-dependent loans	$	63.5	$	39.1	Appraisal	Appraisal adjustment
Loans held for sale		58.1		67.5	Fair value of collateral	Discount fo type of prope age of apprais and curren status
Other real estate owned		14.4		12.7	Appraisal	Appraisal adjustment
Long-lived assets to be disposed of by sale		4.6		5.5	Appraisal	Appraisal adjustment

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 financi 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 be 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 instrume investment securities held-to-maturity are obtained from an independent pricing service, which considers observable data that may include dealer quotes, market spreads, cash yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the investment's terms and conditions, among other things. I 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 wo

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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 th

Financial Liabilities. The fair values of demand deposits, savings accounts, securities sold under repurchase agreements, and accrued interest payable are the amounts that are 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 derivative liabilities are obtained from an independent pricing service, which considers observable data that may include the three-month LIBOR United States Dollar – SOFR fo 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, f 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 er 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 are utilized to measure fair value, are as follows:

				Fair Value Measurements at Reporting Date Using		
As of March 31, 2023		Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2023						
Financial assets:	Financial assets:					
Cash and cash equivalents	Cash and cash equivalents	$ 1,080.7	$ 1,080.7	$ 1,080.7	$ —	$ —
Investment debt securities available-for-sale	Investment debt securities available-for-sale	6,049.3	6,049.3	—	6,049.3	—
Investment debt securities held-to-maturity	Investment debt securities held-to-maturity	3,376.2	3,025.8	—	3,025.8	—
Accrued interest receivable	Accrued interest receivable	113.7	113.7	—	113.7	—
Mortgage servicing rights, net	Mortgage servicing rights, net	30.1	38.1	—	38.1	—

			Fair Value Measure
As of June 30, 2023	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Financial assets:			
Cash and cash equivalents	$ 680.5	$ 680.5	$ 680.5
Investment debt securities available-for-sale	5,857.9	5,857.9	—
Investment debt securities held-to-maturity	3,317.7	2,924.7	—
Accrued interest receivable	119.1	119.1	—
Mortgage servicing rights, net	29.8	38.2	—

Loans held for sale	Loans held for sale	80.9	80.9	—	8.5	72.4	Loans held for sale	76.5	76.5	—
Net loans held for investment	Net loans held for investment	18,019.6	17,585.5	—	17,526.0	59.5	Net loans held for investment	18,038.8	17,519.5	—
Derivative assets	Derivative assets	43.1	43.1	—	43.1	—	Derivative assets	40.2	40.2	—
Deferred compensation plan assets	Deferred compensation plan assets	17.3	17.3	—	17.3	—	Deferred compensation plan assets	18.4	18.4	—
Total financial assets	Total financial assets	$ 28,810.9	$ 28,034.4	$ 1,080.7	$ 26,821.8	$ 131.9	Total financial assets	$ 28,178.9	$ 27,275.0	$ 680.5 $
Financial liabilities:	Financial liabilities:						Financial liabilities:			
Total deposits, excluding time deposits	Total deposits, excluding time deposits	$ 21,858.1	$ 21,858.1	$ 21,858.1	$ —	$ —	Total deposits, excluding time deposits	$ 20,836.8	$ 20,836.8	$ 20,836.8 $
Time deposits	Time deposits	2,248.9	2,198.8	—	2,198.8	—	Time deposits	2,742.4	2,695.4	—
Securities sold under repurchase agreements	Securities sold under repurchase agreements	970.8	970.8	—	970.8	—	Securities sold under repurchase agreements	929.9	929.9	—
Other borrowed funds	Other borrowed funds	2,710.0	2,710.0	—	2,710.0	—	Other borrowed funds	2,589.0	2,589.0	—
Accrued interest payable	Accrued interest payable	26.1	26.1	—	26.1	—	Accrued interest payable	45.8	45.8	—
Long-term debt	Long-term debt	120.8	114.5	—	114.5	—	Long-term debt	120.8	112.3	—
Subordinated debentures held by subsidiary trusts	Subordinated debentures held by subsidiary trusts	163.1	157.8	—	157.8	—	Subordinated debentures held by subsidiary trusts	163.1	154.0	—
Derivative liabilities	Derivative liabilities	126.7	126.7	—	126.7	—	Derivative liabilities	163.1	163.1	—
Deferred compensation plan liabilities	Deferred compensation plan liabilities	17.3	17.3	—	17.3	—	Deferred compensation plan liabilities	18.4	18.4	—
Total financial liabilities	Total financial liabilities	$ 28,241.8	$ 28,180.1	$ 21,858.1	$ 6,322.0	$ —	Total financial liabilities	$ 27,609.3	$ 27,544.7	$ 20,836.8 $

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			Fair Value Measurements at Reportir	
As of December 31, 2022	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Financial assets:				
Cash and cash equivalents	$ 870.5	$ 870.5	$ 870.5	$
Investment debt securities available-for-sale	6,946.1	6,946.1	—	6,94
Investment debt securities held-to-maturity	3,451.8	3,052.2	—	3,05
Accrued interest receivable	118.3	118.3	—	11

Mortgage servicing rights, net		31.1	37.4	—	37
Loans held for sale		79.9	79.9	—	6
Net loans held for investment		17,879.1	17,552.1	—	17,51
Derivative assets		45.2	45.2	—	45
Deferred compensation plan assets		18.7	18.7	—	18
Total financial assets	$	29,440.7 $	28,720.4 $	870.5 $	27,73
Financial liabilities:					
Total deposits, excluding time deposits	$	23,145.2 $	23,145.2 $	23,145.2 $	
Time deposits		1,928.4	1,876.1	—	1,87
Securities sold under repurchase agreements		1,052.9	1,052.9	—	1,05
Other borrowed funds		2,327.0	2,327.0	—	2,32
Accrued interest payable		14.5	14.5	—	14
Long-term debt		120.8	116.3	—	11
Subordinated debentures held by subsidiary trusts		163.1	155.8	—	15
Derivative liabilities		159.6	159.6	—	15
Deferred compensation plan liabilities		18.7	18.7	—	18
Total financial liabilities	$	28,930.2 $	28,866.1 $	23,145.2 $	5,72

16) <u>Other Borrowed Funds</u>

At March 31, 2023, the Company had $2,710.0 million in outstanding FHLB borrowings consisting of $850.0 million in fixed rate borrowings with tenors of up to one month and w 5.01%, $800.0 million in 2-month fixed rate borrowings with an average fixed rate of 5.11%, and $1,060.0 million in 3-month fixed rate borrowings with an average fixed rate of 5 $2,327.0 million outstanding borrowings with the FHLB at December 31, 2022. The Company has remaining available lines of credit with the FHLB of approximately $3,678.7 m availability at March 31, 2023. The borrowings are collateralized by certain loans with an advance equivalent collateral value of $6,388.7 million. As of March 31, 2023 and Dece no long or short-term advances outstanding with the FHLB. As of March 31, 2023 and December 31, 2022, the Company had no material other borrowed funds.

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(17) <u>Recent Authoritative Accounting Guidance</u>

ASU 2020-04, "Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Accounting." In March 2020, the FASB issued AS temporary exceptions that are optional for applying GAAP to loan and lease agreements, derivative contracts, and other transactions affected by the anticipated transition away interest rate benchmarks. For transactions that are modified because of reference rate reform and that meet certain scope guidance (i) modifications of loan agreements should prospectively adjusting the effective interest rate, with such modification considered to be "minor" so that any existing unamortized origination fees/costs will carry forward and c (ii) modifications of lease agreements should be accounted for as a continuation of the existing agreement with no reassessments of the lease classification and the discount rat lease payments that otherwise would be required for modifications will not be accounted for as separate contracts. ASU 2020-04 is effective March 12, 2020 through December to apply ASU 2020-04 for contract modifications as of January 1, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, u statements are available to be issued. Once elected for a Topic or an Industry Subtopic within the Codification, the amendments in this ASU must be applied prospectively for al modifications for that Topic or Industry Subtopic. The Company adopted certain elections related to cash flow hedges which did not have a significant impact on the Company's operations. Based upon the amendments provided in ASU 2022-06 discussed below, ASU 2020-04 can generally be applied through December 31, 2024.

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ASU 2021-01, "*Reference Rate Reform (Topic 848)*" In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform Topic 848*, that clarifies certain exceptions that contract modifications and hedge accounting and apply those exceptions to derivatives that are affected by the discounting transition. An entity may elect to apply the amendme retrospective basis as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or on a prospective basis to new modifications from period that includes or is subsequent to the date of the issuance of a final ASU. If an entity elects to apply any of the amendments in this ASU for an eligible hedging relationship of those elections must be reflected as of the date the entity applies the election. The amendments in this ASU do not apply to contract modifications made, new hedging relatio existing hedging relationships evaluated for effectiveness in periods after December 31, 2022, except for hedging relationships existing as of December 31, 2022, that apply cer optional in which the accounting effects of the hedging activity are recorded through the end of the hedging relationship. The Company is currently evaluating the impact of the s anticipate it will have a significant impact on the Company's financial position or results of operations. Based upon the amendments provided in ASU 2022-06 discussed below, be applied through December 31, 2024.

ASU 2021-08, "*Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*" In October 2021, the FA *Business Combinations Topic 805, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, to address diversity in practice and inconsistency rela revenue contracts with customers acquired in a business combination. The amendments require that an entity recognize and measure contract assets and contract liabilities acc combination in accordance with Topic 606 as if it had originated the contracts. The amendments also provide certain practical expedients for acquirers when recognizing and me assets and contract liabilities from revenue contracts in a business combination and applies to contract assets and contract liabilities from other contracts to which the provisions amendments are effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Entities should apply the amendments prospectively that occur after the effective date. The amendments in this ASU became effective for the Company on January 1, 2023 and did not have a significant impact on the Company's statements, results of operations, or liquidity.

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ASU 2022-01, "*Derivatives and Hedging (Topic 815), Fair Value Hedging—Portfolio Layer Method*" In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedgi Hedging—Portfolio Layer Method* that clarifies the accounting for and promotes consistency in the reporting of hedge basis adjustments applicable to both a single hedged layer The amendments allow nonprepayable financial assets also to be included in a closed portfolio hedged using the portfolio layer method. That expanded scope permits an entity hedging method to both prepayable and nonprepayable financial assets, thereby allowing consistent accounting for similar hedges. The amendments are effective for fiscal year 15, 2022, and interim periods within those fiscal years. The amendments in this ASU became effective for the Company on January 1, 2023 and did not have a significant impac consolidated financial statements, results of operations, or liquidity.

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ASU 2022-02, "*Financial Instruments—Credit Losses (Topic 326), Troubled Debt Restructurings and Vintage Disclosures*" In March 2022, the FASB issued ASU 2022-(*Credit Losses (Topic 326), Troubled Debt Restructurings* (TDRs) *and Vintage Disclosures* that eliminate the accounting guidance for TDRs by creditors in Subtopic 310-40, Rece Restructurings by Creditors, while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial diffic the recognition and measurement guidance for TDRs, an entity must apply the loan refinancing and restructuring guidance to determine whether a modification results in a new existing loan. The amendment also requires an entity disclose current-period gross writeoffs by year of origination for financing receivables and net investments in leases within The amendments are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The amendments in this ASU became effe January 1, 2023 on a prospective basis, and did not have a significant impact on the Company's consolidated financial statements, results of operations, or liquidity. Prior to the TDR occurred when a loan to a borrower experiencing financial difficulty was restructured with a concession provided that a creditor would not otherwise consider. For the Comp related to TDRs granted prior to the adoption of ASU 2022-02, see "Note 1 – Summary of Significant Accounting Policies" in Part IV, Item 15 "Notes to Consolidated Financial St Report on Form 10-K for the year ended December 31, 2022. See "Note 6 – Loans Held For Investment" of these Notes to the Unaudited Consolidated Financial Statements" fo amendments in this update.

ASU 2022-06, "*Reference Rate Reform (Topic 848), Deferral of the Sunset Date of Topic 848*" In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform Sunset Date of Topic 848* that extends the period of time preparers can utilize the reference rate reform relief guidance provided by ASU 2020-04 and ASU 2021-01, which are c 06, which was effective upon issuance, defers the sunset date of this prior guidance from December 31, 2022 to December 31, 2024, after which entities will no longer be permi guidance in Topic 848. The adoption of ASU 2022-06 did not have a significant impact on the Company's financial position, results of operations, or liquidity.

ASU 2023-02, "*Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amortizatio* the FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323), Accounting for Investments in Tax Credit Structures Using the Proportional Amorti* 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 a 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 th certain information in annual and interim reporting periods that enable investors to understand certain information about its investments that generate income tax credits and oth 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 ye permitted for all entities in any interim period. If an entity adopts the amendments in an interim period, it shall adopt them as of the beginning of the fiscal year that includes that amendments must be applied on either a modified retrospective or a retrospective basis (except for certain LIHTC investments not accounted for using the proportional amortiza 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.

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(18) 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 25, 202 declared a quarterly dividend to common shareholders of $0.47 per share, to be paid on May 18, 2023 August 17, 2023 to shareholders of record as of May 8, 2023 August 7, 20

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 wh 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 o

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 st 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, 2022, including the audited financial sta 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 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 a expectations, strategies, beliefs, or future performance or events constitute forward-looking statements. Such statements are identified by words or phrases such as "believes," "expec "trends," "objectives," "views," "continues" or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "may," or similar expressions. Forward 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 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 include the caption "Risk Factors" and in our Annual Report on Form 10-K for the year ended December 31, 2022, under the captions "Cautionary Note Regarding Forward-Looking Statemen 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 c 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 harr

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 par 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 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 forwa 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 looking statements.

Non-GAAP Financial Measures

This In addition to financial measures presented in accordance with GAAP, this document contains GAAP financial measures and non-GAAP financial measures where manageme understanding our results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to financial measure, can be found herein.

Fully-Taxable Equivalent Basis

. Interest income, yields, and ratios on an FTE basis are considered non-GAAP financial measures. Management believes net interest income on an FTE basis provides an insightful p 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 21 percent. 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 t measure.

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 a banking offices, including detached drive-up facilities, in communities across fourteen states—Arizona, Colorado, Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, Nort Dakota, Washington, and Wyoming. Through our bank subsidiary, First Interstate Bank, we deliver a comprehensive range of banking products and services—including online and mo businesses, municipalities, 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
- Energy
- Governmental services
- Healthcare
- Hospitality
- Housing
- Professional services
- Real Estate Development
- Retail
- Technology
- Tourism
- Wholesale trad

Our principal business activity is lending to, accepting deposits from, and conducting financial transactions with and for individuals, businesses, municipalities, and other entities lo 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 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 as

Our principal expenses include: (i) interest expense on deposits deposit accounts and other borrowings; (ii) salaries and employee benefits; (iii) data processing and communicatio with maintaining loan and deposit functions; (iv) furniture, equipment, and occupancy expenses for maintaining our facilities; (v) professional fees, including FDIC insurance assessme (vii) provisions for credit losses; (viii) intangible amortization; and (ix) other real estate owned expenses. From time to time, we also incur acquisition costs related to our strategic acqu

Recent Trends and Developments

During the past few years, we have increased our community banking footprint across the Rocky Mountain and Pacific Northwest regions and have expanded into the Midwest and part due to our acquisition activity. We As part of our normal course of business, we continue to evaluate bank acquisitions and other strategic opportunities on an on-going basis.

During the first quarter half of 2023, the banking industry experienced significant volatility with multiple high-profile bank failures leading to broader industry concerns related to fund these developments, the Company's liquidity position and balance sheet remains strong. strong and the capital ratios continue to exceed all regulatory well-capitalized requirements as in light of these events, the Company took a number of pro-active actions which included outreach to clients and related balance sheet collateral optimization actions to maximize its a sources. Furthermore, the Company's capital continues to exceed all regulatory capital adequacy requirements as of March 31, 2023.

During the second and third quarters of 2022, the Bank's management invested excess cash into short-term U.S. Treasury and agency securities and mortgage-backed securities. impact on the duration of the securities portfolio of 3.8 years as of March 31, 2023, compared to 3.7 years as of June 30, 2023 and December 31, 2022, and 3.8 3.9 years as of March The Company's quarterly yield on interest earning assets increased to 4.43% 4.52% as of March 31, 2023 June 30, 2023 from 2.89% 3.35% as of March 31, 2022 June 30, 2022.

The Company's cost of interest-bearing funds increased to 1.43% during the second quarter of 2023, from 1.10% during the first quarter of 2023, from 0.64% during the fourth quar an 2023. The increase in the cost of borrowings as a result interest-bearing funding was primarily due to the shift of higher interest rates non-interest-bearing deposits into higher-cost i deposit balances, in addition to the increase in the mix and cost on advances from the FHLB in the first second quarter of 2023.

In the third quarter of 2022, the Bank began borrowing from the FHLB to offset fund loan growth and mitigate the outflow of deposits. FHLB advances increased from $0.6 billion as $2.3 billion as of December 31, 2022 at an average rate of 4.06%, and increased to $2.7 billion during the first quarter $2.6 billion as of 2023 June 30, 2023 at an average rate of 4.84%

As of April 28, 2023 July 27, 2023, the Bank had $4.3 billion $4.7 billion in available borrowing capacity with the FHLB based on pledged investment security and loan collateral and of $2.4 billion $3.1 billion with the Federal Reserve Bank based on pledged securities. securities and loan collateral. As of March 31, 2023 June 30, 2023, the Bank had more than suffi liquidity needs.

U.S. inflation data hit a multi-decade high in June 2022, climbing to 9.1%, as reported by the Bureau of Labor Statistics, and has since decreased to 5.0% 3.0% in March June 2023 expenses are affected by general inflation, the asset and liability structure of the Company is largely of monetary items. Monetary items, such as cash, investments, loans, deposits ar 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 can have a more significant imp 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 loa

The Federal Reserve has stated its objective of returning the rate of inflation to 2% and has been aggressively acting to achieve this goal. In response to sustained inflationary pres increased short-term interest rates 500 525 basis points between March 16, 2022 and May 3, 2023 July 26, 2023. Although the general inflationary pressures are easing, the Federal R raise interest rates in into the first third quarter of 2023 and has reduced its ownership of agency mortgage-backed securities and U.S. Treasury securities. With these recent interest ra (up to two years) of the yield curve on U.S. Treasuries has increased, which has resulted in increased returns on our portfolio of investment securities and cash. However, increases in negative impacts on the Company's funding client base, as the Company's deposits have recently declined while the cost of those deposits has increased, following industry-wide tren diminish our clients' demand for and their ability to repay loans.

Gross domestic product declined 2.2% during the first half of 2022 and increased 5.8% in the second half of 2022, with the recent advance estimate released for the first second qu growth at a seasonally- and inflation-adjusted rate of 1.1% 2.4% for the quarter ending March 31, 2023, a decline from 2.6% in June 30, 2023. While gross domestic product has expa the fourth quarter of 2022. It four quarters, it is unclear whether the volatility of 2022 in the recent economic performance of the U.S. economy from will re-emerge leading to an econor recession or whether its regular pattern of growth will lead to an continue. Any economic slowdown, downturn, or recession; any one of these recession could impact the Company wh primary lending sources, by impacting the level of deposits held by our clients, whether by causing through a higher volume of withdrawals or through a lower volume of deposits, and primary lending sources. deposits. The credit quality of the Company's loans may also be impacted as if clients must weather adverse economic conditions which could result in an inc other related expenses.

Primary Factors Used in Evaluating Our Business

As a banking institution, we manage and evaluate various aspects of both our financial condition and our results of operations. We monitor our financial condition and performance trends of the line items included in our consolidated balance sheets, consolidated statements of income, (loss), and comprehensive income (loss), as well as income. We also utilize v are commonly used in our industry. We analyze these ratios and financial trends against our own historical performance and the financial condition and performance of comparable ba region and across the nation.

As discussed in our Annual Report on Form 10-K for the year ended December 31, 2022, our financial performance is impacted by a number of external factors outside our contro 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 discl Form 10-K for the year ended December 31, 2022.

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 t Application of these principles requires management to make estimates, assumptions, and judgments that affect the amounts reported in the consolidated financial statements and ac 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 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 o 10-K for the year ended December 31, 2022, during the quarterly period covered by this quarterly report, except for the transition to new CECL modeling tools during the second quart of ASU 2022-02. 2022-02 on January 1, 2023. Refer to "Note – Basis of Presentation" in the accompanying "Notes to Unaudited Consolidated Financial Statements" for further discuss transition and "Note – Recent Authoritative Accounting Guidance" in the accompanying "Notes to Unaudited Consolidated Financial Statements" for further discussion of the adoption.

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 histo 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. Manag 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 way Derivatives and Hedging Activities" in the accompanying "Notes to Unaudited Consolidated Financial Statements" for further discussion on how we manage interest rate risk. There ca 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 increased $89.7 million $2.9 million to $56.3 million $67.0 million, or $0.54 $0.65 per share, during the three months ended March 31, 2023 June 30, 2023, as comparec $33.4 million $64.1 million, or $0.36 loss $0.59 per share, for the same period in 2022. The increase during the quarter ended March 31, 2023 June 30, 2023 compared to the same pe attributable to lower total expenses, owed to a decrease in acquisition related expenses during the three months ended June 30, 2023. Lower expenses were partially offset by a decli an increase in provision for credit losses. Net income increased $92.6 million to $123.3 million, or $1.19 per share during the six months ended June 30, 2023, as compared to net inc $0.30 per share for the same period in 2022. The increase during the six months ended June 30, 2023 was primarily attributable to an increase in net interest income, a decrease in a of $111.0 million, and a reduction in of provision for credit loan losses and acquisition related expenses of $32.7 million largely related to the acquisition of non-PCD provision expense GWB incurred during the three months ended March 31, 2022. This increase was acquisition. These impacts were partially offset by increases in operating expenses as a result of the on the sale of available-for-sale investment securities, and increase in non-interest expenses related to the full quarter of the combined Company during the three months ended Marc expense.

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 anc 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 int 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. Ot 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 b 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 a and rates paid on average interest-bearing liabilities.

Average Balance Sheets, Yields and Rates	Three Months Ended			
(Dollars in millions)	March 31, 2023			Marcl
	Average Balance	Interest (2)	Average Rate	Average Balance
Interest-earning assets:				
Loans (1)	$ 18,273.6	$ 237.2	5.26 %	$ 14,460.6 $
Investment securities:				
Taxable	9,983.4	73.1	2.97	8,026.8
Tax-exempt	225.4	0.2	0.36	252.5
Investment in FHLB and FRB stock	210.5	3.0	5.78	83.6

Interest-bearing deposits in banks	365.7	4.2	4.66	3,263.1	
Federal funds sold	0.8	—	—	0.1	
Total interest-earning assets	$ 29,059.4	$ 317.7	4.43 %	$ 26,086.7	$
Non-interest-earning assets	2,951.5			2,408.4	
Total assets	$ 32,010.9			$ 28,495.1	
Interest-bearing liabilities:					
Demand deposits	$ 6,973.4	$ 8.7	0.51 %	$ 6,901.8	$
Savings deposits	8,406.9	22.8	1.10	8,332.7	
Time deposits	2,055.3	8.8	1.74	1,397.2	
Repurchase agreements	1,005.8	1.1	0.44	1,077.0	
Other borrowed funds	2,615.2	31.2	4.84	—	
Long-term debt	120.8	1.5	5.04	127.5	
Subordinated debentures held by subsidiary trusts	163.1	2.9	7.21	136.9	
Total interest-bearing liabilities	$ 21,340.5	$ 77.0	1.46 %	$ 17,973.1	$
Non-interest-bearing deposits	7,064.9			7,211.4	
Other non-interest-bearing liabilities	458.5			260.5	
Stockholders' equity	3,147.0			3,050.1	
Total liabilities and stockholders' equity	$ 32,010.9			$ 28,495.1	
Net FTE interest income (non-GAAP)		$ 240.7			$
Less FTE adjustments (2)		(1.8)			
Net interest income from consolidated statements of income (loss)		$ 238.9			$
Interest rate spread			2.97 %		
Net FTE interest margin (non-GAAP) (3)			3.36		
Purchase accounting accretion (non-GAAP)		$ (5.2)			$
PPP income (non-GAAP)		—			
Adjusted net FTE interest income (non-GAAP)		235.5			
Average PPP loans	$ (3.8)			$ (91.6)	
Adjusted interest-earning assets (non-GAAP)	29,055.6			25,995.1	
Adjusted net FTE interest margin (non-GAAP)			3.29 %		
Cost of funds, including non-interest-bearing demand deposits (5)			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 on loans includes amortization of defe loan costs of $0.9 million and $3.5 million at March 31, 2023 and March 31, 2022, respectively.

(2) On an FTE basis utilizing a 21.00% and 26.25% tax rate for 2023 and 2022, respectively.

(3) Net FTE interest margin during the period *equals* (i) the difference between annualized interest income on interest-earning assets and the annualized interest expense on interest-bearing liabilities, *div* earning assets for the period.

(4) Adjusted net FTE interest margin during the period *equals* (i) annualized interest income on interest-earning assets *less* purchase accounting accretion, PPP income, and the annualized interest exper *divided by* (ii) average interest-earning assets for the period.

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

Average Balance Sheets, Yields and Rates	Three Months Ended				
(Dollars in millions)	June 30, 2023			June	
	Average Balance	Interest(2)	Average Rate	Average Balance	I
Interest-earning assets:					
Loans (1)	$ 18,351.5	$ 243.2	5.32 %	$ 17,220.4	$
Investment securities:					
Taxable	9,139.2	66.1	2.90	10,129.4	
Tax-exempt	192.9	1.0	2.08	248.6	
Investment in FHLB and FRB stock	225.2	3.4	6.06	103.9	

Interest-bearing deposits in banks		419.4	5.4	5.16	2,050.0
Federal funds sold		0.6	—	—	0.1
Total interest-earning assets	$	28,328.8 $	319.1	4.52 % $	29,752.4 $
Non-interest-earning assets		2,958.8			2,858.9
Total assets	$	31,287.6		$	32,611.3
Interest-bearing liabilities:					
Demand deposits	$	6,417.2 $	9.9	0.62 % $	8,103.7 $
Savings deposits		7,951.3	28.4	1.43	9,461.7
Time deposits		2,517.1	15.3	2.44	1,555.4
Repurchase agreements		1,020.6	1.5	0.59	1,182.2
Other borrowed funds		2,966.4	39.3	5.31	—
Long-term debt		120.8	1.4	4.65	120.4
Subordinated debentures held by subsidiary trusts		163.1	3.1	7.62	163.1
Total interest-bearing liabilities	$	21,156.5 $	98.9	1.88 % $	20,586.5 $
Non-interest-bearing deposits		6,521.9			8,288.0
Other non-interest-bearing liabilities		426.3			319.4
Stockholders' equity		3,182.9			3,417.4
Total liabilities and stockholders' equity	$	31,287.6		$	32,611.3
Net FTE interest income (non-GAAP)(3)		$	220.2		$
Less FTE adjustments(2)			(1.8)		
Net interest income from consolidated statements of income		$	218.4		$
Interest rate spread				2.64 %	
Net FTE interest margin (non-GAAP)(3)				3.12	
Cost of funds, including non-interest-bearing demand deposits (4)				1.43	

(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 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% and 26.25% tax rate for 2023 and 2022, respectively.

(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 an interest income and net FTE interest margin are non-GAAP financial measure - see Non-GAAP Financial Measures included herein for a reconciliation to GAAP 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.

Net interest income increased $60.5 million, or 33.9%, to $238.9 million decreased $20.6 million during the three months ended March 31, 2023 June 30, 2023, as compared to $17 period in 2022. The 2022, primarily due to an increase is in interest expense as a result of the growth in average-earning assets, reflecting a full quarter higher levels and costs of the C yields on all interest-earning assets, which was partially offset by higher interest expense. interest-bearing liabilities.

Net interest income included interest accretion related to the fair valuation of acquired loans of $5.2 million $4.6 million during the three months ended March 31, 2023 June 30, 202 accretion of $7.6 million $16.7 million during the three months ended March 31, 2022 June 30, 2022.

Our net FTE interest margin ratio, a non-GAAP financial measure, increased 56 decreased 13 basis points to 3.36% for the three months ended March 31, 2023 June 30, 2023, as same period in 2022. Exclusive of the impact of interest accretion on acquired loans, and PPP loan income, our the net FTE interest margin ratio, a non-GAAP financial measure, was three months ended March 31, 2023 June 30, 2023, as compared to 2.65% 3.03% for the same period in 2022.

Average Balance Sheets, Yields and Rates		Six Months Ended			
(Dollars in millions)		June 30, 2023			June
		Average Balance	Interest(2)	Average Rate	Average Balance
Interest earning assets:					
Loans (1)	$	18,312.7 $	480.4	5.29 % $	15,856.6 $
Investment securities					
Taxable		9,559.0	138.3	2.92	8,975.0
Tax-exempt		209.1	2.1	2.03	250.9

Investment in FHLB and FRB stock	217.9	6.4	5.92	93.8	
Interest-bearing deposits in banks	392.7	9.6	4.93	2,653.2	
Federal funds sold	0.7	—	—	0.1	
Total interest-earning assets	$ 28,692.1	$ 636.8	4.48 %	$ 27,829.6	$
Non-earning assets	2,955.2			2,735.6	
Total assets	$ 31,647.3			$ 30,565.2	
Interest-bearing liabilities:					
Demand deposits	$ 6,693.8	$ 18.6	0.56 %	$ 7,479.9	$
Savings deposits	8,177.8	51.2	1.26	8,900.3	
Time deposits	2,287.6	24.1	2.12	1,476.8	
Repurchase agreements	1,013.2	2.6	0.52	1,129.9	
Other borrowed funds	2,791.8	70.5	5.09	—	
Long-term debt	120.8	2.9	4.84	123.9	
Subordinated debentures held by subsidiary trusts	163.1	6.0	7.42	150.1	
Total interest-bearing liabilities	$ 21,248.1	$ 175.9	1.67 %	$ 19,260.9	$
Non-interest-bearing deposits	6,791.9			7,778.8	
Other non-interest-bearing liabilities	442.3			287.7	
Stockholders' equity	3,165.0			3,234.8	
Total liabilities and stockholders' equity	$ 31,647.3			$ 30,562.2	
Net FTE interest income (non-GAAP)(3)		$ 460.9			$
Less FTE adjustments'(2)		(3.6)			
Net interest income from consolidated statements of income		$ 457.3			$
Interest rate spread			2.81 %		
Net FTE interest margin (non-GAAP)(3)			3.24		
Cost of funds, including non-interest-bearing demand deposits (4)			1.27		

(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 on loans includes amortization of defe loan costs of $0.9 million and $5.6 million at June 30, 2023 and June 30, 2022, respectively.

(2) The Company adjusts interest income and average rates for tax exempt loans and securities to a FTE basis utilizing a 21.00% and 26.25% tax rate for 2023 and 2022, respectively.

(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 an interest income and net FTE interest margin are non-GAAP financial measure - see Non-GAAP Financial Measures included herein for a reconciliation to GAAP 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.

Net interest income increased $39.9 million during the six months ended June 30, 2023 as compared the same period in 2022, or primarily due to the inclusion of GWB for a 64-bas months and higher levels of interest earning assets at higher yields which mitigated the impact of an increase in interest expense as a result of higher levels and costs of interest-bear

Net interest income included interest accretion related to the fair valuation of acquired loans of $9.8 million during the six months ended June 30, 2023, compared to interest accret same period in 2022.

Our net FTE interest margin ratios during ratio, a non-GAAP measure, increased 19 basis points for the three six months ended March 31, 2023 June 30, 2023, as compared to the Exclusive of the impact of interest accretion on acquired loans, the net FTE interest margin ratio, a non-GAAP financial measure, was 3.17% during the six months ended June 30, 20 for the same period in 2022. The increase was primarily the result of the shift in the mix of earning assets toward loans and loan earning asset yields increasing at a faster pace than in which offset the increased reliance on other borrowed funds.

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) an average interest rates (referred to as "rate") for the three and the six month periods ended March 31, 2023 June 30, 2023 and 2022. Changes which are not due solely to volume or ra 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	**Analysis of Interest Changes Due to Volume and Rates**	**Analysis of Interest Changes Due to Volume and Rates**

(Dollars in millions)	(Dollars in millions)	Three Months Ended March 31, 2023 compared with Three Months Ended March 31, 2022		
		Volume	Rate	Net
Interest earning assets:	Interest earning assets:			
Loans (1)	Loans (1)	$ 40.3	$ 43.9	$ 84.2
Investment securities (1)	Investment securities (1)	7.2	35.2	42.4
Investment in FHLB and FRB stock	Investment in FHLB and FRB stock	0.6	2.0	2.6
Interest bearing deposits in banks	Interest bearing deposits in banks	(1.5)	4.0	2.5
Total change	Total change	46.6	85.1	131.7
Interest bearing liabilities:	Interest bearing liabilities:			
Demand deposits	Demand deposits	—	7.8	7.8
Savings deposits	Savings deposits	—	21.7	21.7
Time deposits	Time deposits	0.5	7.3	7.8
Repurchase agreements	Repurchase agreements	—	0.8	0.8
Other borrowed funds	Other borrowed funds	—	31.2	31.2
Long-term debt	Long-term debt	(0.1)	(0.1)	(0.2)
Subordinated debentures held by subsidiary trusts	Subordinated debentures held by subsidiary trusts	0.2	1.7	1.9
Total change	Total change	0.6	70.4	71.0
Increase in FTE net interest income (1)	Increase in FTE net interest income (1)	$ 46.0	$ 14.7	$ 60.7

(Dollars in millions)	Three Months Ended June 30, 2023 compared with Three Months Ended June 30, 2022			Six Months End compa Six Months End	
	Volume	Rate	Net	Volume	
(Dollars in millions)					
Loans (1)	$ 12.7	$ 37.0	$ 49.7	$ 53.7	$ 8
Investment securities (1)	(5.1)	21.7	16.6	4.8	5
Investment in FHLB and FRB stock	1.3	1.0	2.3	2.0	
Interest bearing deposits in banks	(2.7)	4.7	2.0	(4.4)	
Total change	6.2	64.4	70.6	56.1	14
Interest bearing liabilities:					
Demand deposits	(0.4)	8.5	8.1	(0.3)	1
Savings deposits	(0.3)	27.1	26.8	(0.2)	4
Time deposits	0.6	13.8	14.4	1.0	2
Repurchase agreements	—	1.2	1.2	(0.1)	
Other borrowed funds	—	39.3	39.3	—	7
Long-term debt	—	—	—	(0.1)	
Subordinated debentures held by subsidiary trusts	—	1.7	1.7	0.2	
Total change	(0.1)	91.6	91.5	0.5	16
Increase in FTE net interest income (1)	$ 6.3	$ (27.2)	$ (20.9)	$ 55.6	$ (1

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

Provision for (reduction of) Credit Losses

The Company had a $15.2 million $11.7 million provision for credit losses, including a provision for unfunded commitments of $3.0 million and reduction of the provision for credit lo securities of $1.2 million during the three months ended March 31, 2023 June 30, 2023, as compared to a $61.3 million $1.7 million reduction of the provision for credit losses during sa provision incorporated the impact of net charge-offs of $6.2 million $11.4 million, or an annualized 0.14% 0.25% of average loans outstanding, for the first second quarter of 2023, com million, or an annualized 0.47% 0.01% of average loans outstanding during the same period in 2022.

The provision during the three six months ended March 31, 2023 June 30, 2023 includes a provision for loans held for investment of $12.2 million $22.1 million, provision for unfund million $4.6 million, and a net provision for investment securities of $1.4 million $0.2 million. This compares to a provision for loans held for investment of $68.3 million related to acquir million related to $55.6 million that included the acquired CECL day-2 impact from the Great Western acquisition, provision for unfunded commitments $1.6 million related to the held-t million, and a net provision reversal for held-to-maturity investment securities of $10.7 million related to the legacy loan portfolio $1.6 million during the same period in 2022.

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

Non-interest

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 ch 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

Non-interest income / **Non-Interest Income** *(Dollars in millions)*	*(Dollars in millions)*	Three Months Ended March 31, 2023	2022	$ Change	% Change
Payment services revenues	Payment services revenues	$ 18.7	$ 14.8	$ Change	% Change
Mortgage banking revenues	Mortgage banking revenues	2.3	8.4	(6.1)	(72.6)
Wealth management revenues	Wealth management revenues	9.0	8.1	0.9	11.1
Service charges on deposit accounts	Service charges on deposit accounts	5.2	7.7	(2.5)	(32.5)
Other service charges, commissions and fees	Other service charges, commissions and fees	2.4	4.3	(1.9)	(44.2)
Investment securities losses, net	Investment securities losses, net	(23.4)	(0.1)	(23.3)	NM
Other income	Other income	2.2	5.6	(3.4)	(60.7)
Total non-interest income	Total non-interest income	$ 16.4	$ 48.8	$ (32.4)	(66.4) %

Non-Interest Income *(Dollars in millions)*	2023	2022		$ Change	% Change	Three Months Ended June 30, 2022	$ Change	% Change	
Payment services revenues	$ 20.1	$ 0.6	3.1 %	$ Change	% Change	$ 38.8	$ 4.5	13.1 %	$ Change
Mortgage banking revenues	2.6	5.0		(2.4)	(48.0)	4.9	13.4		(8.5)
Wealth management revenues	8.8	9.3		(0.5)	(5.4)	17.8	17.4		0.4
Service charges on deposit accounts	5.8	6.3		(0.5)	(7.9)	11.0	14.0		(3.0)
Other service charges, commissions and fees	2.4	3.6		(1.2)	(33.3)	4.8	7.9		(3.1)
Investment securities losses, net	(0.1)	(0.1)		—	—	(23.5)	(0.2)		(23.3)
Other income	4.5	6.3		(1.8)	(28.6)	6.7	11.9		(5.2)
Total non-interest income	$ 44.1	$ 49.9		$ (5.8)	(11.6) %	$ 60.5	$ 98.7		$ (38.2)

Total non-interest income decreased $32.4 million $5.8 million for the three months ended March 31, 2023 June 30, 2023, as compared to the same period in 2022 and decreased $ months ended June 30, 2023, as compared to the same period in 2022. Significant components of this fluctuation is are discussed below.

Payment services revenues consist of interchange fees that merchants pay for processing electronic payment transactions and ATM service fees. Payment services revenues incr million during the three months ended March 31, 2023 June 30, 2023 and increased $4.5 million during the six months ended June 30, 2023, as compared to the same period periods full quarter associated with the acquisition of GWB The increase during the three six months ended March 31, 2023, reflecting June 30, 2023 reflects higher credit and debit card volun additional month of revenues related to the acquisition of GWB on February 1, 2022.

Mortgage banking revenues include gains on residential real estate loans sold, net mortgage servicing revenues and direct costs related to loans sold (including amortization, mort impairment and recoveries and other expenses), and origination and processing fees on residential real estate loans held for sale. Mortgage banking revenues decreased $6.1 million months ended March 31, 2023 June 30, 2023 compared to the same period in 2022. There was no mortgage servicing rights impairments or recoveries of mortgage servicing rights in three six months ended March 31, 2023 June 30, 2023, mortgage banking revenues decreased $8.5 million compared to the same period in 2022. Included in the six months ended Ju million recovery of mortgage servicing rights impairment during the same period in 2022. impairment. Excluding the 2022 impairment recovery, mortgage banking revenues decreased during the three six months ended March 31, 2023 June 30, 2023, compared to the three six months ended March 31, 2022 June 30, 2022. The decrease in mortgage banking revenue home loan production volume, largely as a result of higher interest rates during the three six months ended March 31, 2023 June 30, 2023, and tighter gain-on-sale spreads.

Service charges on deposit accounts are primarily driven by service fees and overdraft charges on deposit accounts. Service charges on deposit accounts decreased $2.5 million $ months ended March 31, 2023 June 30, 2023 compared to the same period in 2022. For the six months ended June 30, 2023, service charges on deposit accounts decreased $3.0 m same period in 2022, primarily due to the company's discontinuance of assessing non-sufficient fund fees and a reduction of overdraft fees in 2022. on April 1, 2022 for the legacy foot for the acquired GWB footprint.

Other service charges, commissions, and fees primarily include fees earned on certain derivative interest rate contracts, insurance commissions, and safe deposit boxes. Other se and fees decreased $1.9 million $1.2 million during the three months ended March 31, 2023 June 30, 2023 compared to the same period in 2022. For the six months ended June 30, 2 commissions and fees decreased $3.1 million as compared to the same period in 2022, primarily due to decreased swap fee revenues earned on derivative interest rate swap contrac the three and the six months ended March 31, 2023 June 30, 2023.

Investment securities losses, net includes realized gains and losses associated with the sales of investment securities. Investment securities losses, net increased $23.3 million wa months ended March 31, 2023 June 30, 2023 compared to the same period in 2022. During the six months ended June 30, 2023, investment securities losses, net decreased $23.3 m same period in 2022 due to the disposition of available-for-sale investment securities during the first quarter of 2023. The Company sold $853.0 million in carrying value of available-fo with proceeds primarily to be used to reduce our short-term borrowings early in during the second first quarter of 2023.

Other income primarily includes company-owned life insurance revenues, check printing income, agency stock dividends, and gains on sales of miscellaneous assets. Other incom million during the three months ended March 31, 2023 June 30, 2023 compared to the same period in 2022, primarily due to a $1.9 million reduction $1.7 million recovery in the credit derivatives acquired in the GWB acquisition during the three months ended June 30, 2022. Other income decreased $5.2 million during the six months ended June 30, 2023, as comp in 2022, primarily due a decrease in fair value of loans held for sale, a decrease in 2023 and a the credit valuation discount on derivatives acquired in the GWB acquisition, gain of $1. extinguishment disposition of the GWB acquired subordinated debt, and gains on the sale of premises and equipment during 2022. the six months ended June 30, 2022. These decrea an increase in life insurance proceeds during the six months ended June 30, 2023.

Non-interest Non-Interest Expense

Non-interest expense decreased $41.4 million $46.4 million during the three months ended March 31, 2023 June 30, 2023 compared to the same period in 2022. The decrease was decrease in acquisition expenses related to the GWB acquisition incurred during the three months ended June 30, 2022. Non-interest expense decreased $87.8 million during the six as compared to the same period in 2022. The decrease was the result of a decrease in acquisition expenses incurred during the three months ended March 31, 2022 related to the G during the six months ended June 30, 2022, partially offset by increased expenses as a result of a two full quarter quarters of combined operations, post-GWB acquisition. Expenses r legal fees, consulting fees, investment banking fees, conversion and contract termination costs, and retention and severance compensation costs. Other significant components of no discussed below. For additional information regarding acquisitions, see "Note 2 – Acquisitions" in the accompanying "Notes to Unaudited Consolidated Financial Statements" included

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

Non-interest expense		Three Months Ended March 31,																
Non-Interest Expense				$ Change	% Change					**Non-Interest Expense**	Three Months Ended June 30,					Six Months Ended June 30,		
(Dollars in millions)	*(Dollars in millions)*	2023	2022			*(Dollars in millions)*	2023	2022				2022	$ Change	% Change			$ Change	% Change
Salaries and wages	Salaries and wages	$ 65.6	$ 60.0	$ Change	% Change	Salaries and wages	$ 68.1	$ (6.7)	(9.0)%	$ Change	% Change	$133.7	$ (1.1)	(0.8)%	$ Change	% Change		
Employee benefits	Employee benefits	22.8	21.2	1.6	7.5	Employee benefits	19.3	19.4		(0.1)	(0.5)	42.1	40.6		1.5	3.7		
Outsourced technology services	Outsourced technology services	14.7	11.3	3.4	30.1	Outsourced technology services	15.3	12.8		2.5	19.5	30.0	24.1		5.9	24.5		
Occupancy, net	Occupancy, net	12.5	10.0	2.5	25.0	Occupancy, net	11.7	11.2		0.5	4.5	24.2	21.2		3.0	14.2		
Furniture and equipment	Furniture and equipment	5.9	5.4	0.5	9.3	Furniture and equipment	5.6	5.8		(0.2)	(3.4)	11.5	11.2		0.3	2.7		
OREO expense, net of income	OREO expense, net of income	0.2	0.1	0.1	100.0	OREO expense, net of income	0.6	—		0.6	NM	0.8	0.1		0.7	NM		
Professional fees	Professional fees	4.5	3.9	0.6	15.4	Professional fees	5.3	5.5		(0.2)	(3.6)	9.8	9.4		0.4	4.3		
FDIC insurance premiums	FDIC insurance premiums	5.7	3.3	2.4	72.7	FDIC insurance premiums	4.7	2.8		1.9	67.9	10.4	6.1		4.3	70.5		

Other intangibles amortization	Other intangibles amortization	4.0	3.6	0.4	11.1	Other intangibles amortization	3.9	4.1	(0.2)	(4.9)	7.9	7.7	0.2	2.6
Other expenses	Other expenses	29.9	23.2	6.7	28.9	Other expenses	29.4	28.1	1.3	4.6	59.3	51.3	8.0	15.6
Acquisition related expenses	Acquisition related expenses	—	65.2	(65.2)	(100.0)	Acquisition related expenses	—	45.8	(45.8)	(100.0)	—	111.0	(111.0)	NM
Total non-interest expense	Total non-interest expense	$165.8	$207.2	$(41.4)	(20.0)%	Total non-interest expense	$163.9	$210.3	$ (46.4)	(22.1)%	$329.7	$417.5	$(87.8)	(21.0)%

The increases in salaries and wages, employee benefits, outsourced technology services, and occupancy, net, during the three six month period ended March 31, 2023 June 30, 20
same period in 2022, are primarily due to having a full first quarter 2023 of expenses as a result of from additional employee costs technology and operating expenses, and occupancy
from the GWB acquisition.

Salaries and wages expense decreased $6.7 million during the three months ended June 30, 2023, as compared to the same period in 2022. Salaries and wages decreased $1.1 r
ended June 30, 2023 as compared to the same period in 2022. The decreases during the three and the six months ended June 30, 2023 are the result of lower mortgage loan originat
levels of incentive accruals during the 2023 periods as compared to 2022, partially offset by inflationary wage pressure and severance costs primarily related to permanent staffing red
mortgage group during the second quarter of 2023.

Outsourced technology services expense increased $2.5 million during the three months ended June 30, 2023 and increased $5.9 million during the six months ended June 30, 20
periods in 2022. The increases are primarily due to inflationary pressures.

FDIC insurance premiums increased $2.4 million $1.9 million during the three months ended March 31, 2023 June 30, 2023 compared to the same period in 2022 and increased $4
months ended June 30, 2023, as compared to the same period in 2022, primarily attributable to the incremental two basis point assessment fee imposed by the FDIC which began in t
Company is expecting additional FDIC expenses related to the Notice of Proposed Rulemaking by the FDIC in May 2023. To recover the cost associated with protecting uninsured dep
implement a 12.5 basis point annual special assessment on uninsured deposits reported in bank's call reports as of December 31, 2022, excluding the first $5.0 billion of uninsured de
proposing to collect the special assessment for an estimated eight consecutive quarters beginning with the first quarter 2024. A final rule is not expected until later in 2023 after a publ
FDIC's final deliberations have concluded. As proposed, the estimated impact of the special assessment is approximately $9.8 million, which is expected to be recognized upon the ru
ultimate impact and timing of recognition will depend on the final outcome of the ongoing FDIC deliberations.

Other expenses primarily include advertising and public relations costs; office supply, postage, freight, telephone, and travel expenses; donations expense; debit and credit card ex
fees; legal expenses; and other losses. Other expenses increased $6.7 million $1.3 million during the three months ended March 31, 2023 June 30, 2023 compared to the same period
increase in credit card rewards. Other expenses increased $8.0 million during the six months ended June 30, 2023, as compared to the same period in 2022, mainly attributable to the
servicing fees, sales and use taxes, credit and debit card processing, credit card rewards, and increases in fraud losses.

Income Tax Expense (Benefit)

Our effective tax rate was 24.2% 22.9% for the three months ended March 31, 2023 June 30, 2023 compared to 19.1% 20.2% for the three months ended March 31, 2022. The cha
which is reflected as a tax expense June 30, 2022 and 23.5% for the three six months ended March 31, 2023 and tax benefit for the three months ended March 31, 2022, is primarily a
during the 2023 period as June 30, 2023 compared to a net loss during 22.1% for the same period in 2022, an increase in state income tax, and a decrease in tax credits realized net o
in 2022 is a result of acquisition related expenses for the GWB acquisition. 2022.

Financial Condition

Total Assets

Total assets decreased $650.1 million $1,311.5 million, or 2.0% 4.1%, to $31,637.7 million $30,976.3 million as of March 31, 2023 June 30, 2023, from $32,287.8 million as of Decem
to a decrease cash and cash equivalents and investment securities as a result of a decline in investment securities. deposits and securities sold under repurchase agreements. Signifi
sheet accounts are discussed below. More information regarding the results as of December 31, 2022 can be found in our Annual Report on Form 10-K for the year ended December

Investment Securities

We manage our investment portfolio primarily as a source of liquidity. In doing so, we seek to obtain the highest yield possible within our risk tolerance and liquidity guidelines, whil
requirements for deposits of state and political subdivisions and securities sold under repurchase agreements. Our portfolio principally comprises U.S. treasuries, U.S. government ag
commercial mortgage-backed securities and collateralized mortgage obligations, U.S. government agency, corporate securities, and tax-exempt securities. Federal funds sold and inte
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 v
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 increa
accumulated other comprehensive income or loss, a component of stockholders' equity.

Investment securities decreased $972.4 million $1,222.3 million, or 9.4% 11.8%, to $9,425.5 million $9,175.6 million, or 29.8% 29.6% of total assets, as of March 31, 2023 June 30, or 32.2% of total assets, as of December 31, 2022. The decrease in the current quarter was the result of the disposition of $853.0 million of investment securities with the proceeds pr other borrowed funds early in the second quarter of 2023.

Due to the recent banking industry's significant volatility with multiple high-profile bank failures leading to broader industry concerns related to funding and liquidity, the Company re portfolio and transferred certain corporate debt securities classified as held-to-maturity with an amortized cost of $23.0 million and an estimated fair value of $13.2 million to the availa classification on March 13, 2023, under ASC 320. The transfer of debt securities into available-for-sale categories were recorded at fair value on the date of transfer. No gains or losse of transfer, however, certain securities were subsequently sold during the first quarter of 2023 with and normal cash flow activity and declines in fair market values during the resulting have been no new purchases during the consolidated statements of income (loss) within the investment securities losses, net line item. The transferred securities had an allowance fo at the time of transfer. Additionally, transferred securities that were retained in the available-for-sale securities portfolio at March 31, 2023 were included in the assessment of the allow investment securities. six months ended June 30, 2023.

As of March 31, 2023 June 30, 2023 and December 31, 2022, the estimated duration of our investment portfolio was 3.8 years, as compared to 3.7 years as of December 31, 2022

As of March 31, 2023 June 30, 2023 and December 31, 2022, we had $6,766.2 million $7,163.5 million and $2,620.8 million, respectively, of investment securities that had been in more than twelve months. At March 31, 2023 June 30, 2023 and December 31, 2022, the Company had an allowance for credit losses on held-to maturity securities classified as corp securities of $0.7 million and $1.9 million, respectively, and an allowance for credit losses on available-for-sale corporate securities of $2.6 million $1.4 million and zero, respectively.

Loans Held for Investment, Net of Deferred Fees and Costs

Loans held for investment, net of deferred fees and costs, increased $146.5 million $164.2 million as of March 31, 2023 June 30, 2023 as compared to December 31, 2022.

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

		March 31, 2023	December 31, 2022	$ Change	% Change		June 30, 2023	December 31, 2022	$ Change
Real estate loans:									
Real estate:							Real estate:		
Commercial	Commercial	$ 8,680.8	$ 8,528.6	$ 152.2	1.8 %	Commercial	$ 8,813.9	$ 8,528.6	$ 285.3
Construction loans:									
Land acquisition & development		368.5	386.2	(17.7)	(4.6)				
Residential		471.4	516.2	(44.8)	(8.7)				
Commercial		1,053.1	1,042.0	11.1	1.1				
Total construction loans		1,893.0	1,944.4	(51.4)	(2.6)				
Construction							Construction	1,836.5	1,944.4
Residential	Residential	2,191.1	2,188.3	2.8	0.1	Residential	2,198.3	2,188.3	10.0
Agricultural	Agricultural	769.7	794.9	(25.2)	(3.2)	Agricultural	755.7	794.9	(39.2)
Total real estate loans		13,534.6	13,456.2	78.4	0.6				
Consumer loans:									
Total real estate							Total real estate	13,604.4	13,456.2
Consumer:							Consumer:		
Indirect	Indirect	817.3	829.7	(12.4)	(1.5)	Indirect	764.1	829.7	(65.6)
Direct and advance lines	Direct and advance lines	146.9	152.9	(6.0)	(3.9)	Direct and advance lines	144.0	152.9	(8.9)
Credit card	Credit card	71.5	75.9	(4.4)	(5.8)	Credit card	72.1	75.9	(3.8)
Total consumer loans		1,035.7	1,058.5	(22.8)	(2.2)				
Total consumer							Total consumer	980.2	1,058.5
Commercial	Commercial	3,028.0	2,882.6	145.4	5.0	Commercial	3,002.7	2,882.6	120.1
Agricultural	Agricultural	660.4	708.3	(47.9)	(6.8)	Agricultural	688.0	708.3	(20.3)
Other, including overdrafts	Other, including overdrafts	1.6	9.2	(7.6)	(82.6)	Other, including overdrafts	1.7	9.2	(7.5)

Deferred loan fees and costs	Deferred loan fees and costs	(14.6)	(15.6)	1.0	(6.4)	Deferred loan fees and costs	(13.6)	(15.6)	2.0
Loans held for investment, net of deferred loan fees and costs	Loans held for investment, net of deferred loan fees and costs	$ 18,245.7	$ 18,099.2	$ 146.5	0.8 %	Loans held for investment, net of deferred loan fees and costs	$ 18,263.4	$ 18,099.2	$ 164.2

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. When a loar status, any interest previously accrued but not collected is reversed from income. Non-accrual loans increased approximately $21.6 million $26.9 million, or 36.5% 45.4%, to $80.8 mill 31, 2023 June 30, 2023, from $59.2 million as of December 31, 2022, primarily due to commercial construction loans and commercial real estate loans. As of June 30, 2023 there wer of non-accrual loans for which there was no related allowance for credit losses.

Accruing loans Loans contractually past due 90 days or more and still accruing interest. Loans past due 90 days or more accruing interest was $4.5 million $6.7 million as of Marc decrease an increase of $1.9 million $0.3 million, or 29.7% 4.7%, from $6.4 million as of December 31, 2022.

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 Any excess of loan carrying value over the fair value of the real estate acquired is recorded as a charge against the allowance for credit losses. Estimated losses that result from the o these properties are charged to earnings in the period in which they are identified. OREO increased $0.7 million $1.7 million, or 5.5% 13.4%, to $13.4 million $14.4 million as of March $12.7 million as of December 31, 2022.

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

Non-Performing Assets	**Non-Performing Assets**				**Non-Performing Assets**		
(Dollars in millions)	*(Dollars in millions)*	March 31, 2023	December 31, 2022	March 31, 2022	*(Dollars in millions)*	June 30, 2023	March 31, 2023
Non-performing loans:	Non-performing loans:				Non-performing loans:		
Non-accrual loans	Non-accrual loans	$ 80.8	$ 59.2	$ 118.9	Non-accrual loans	$ 86.1	$ 80.8
Accruing loans past due 90 days or more	Accruing loans past due 90 days or more	4.5	6.4	2.7	Accruing loans past due 90 days or more	6.7	4.5
Total non-performing loans	Total non-performing loans	85.3	65.6	121.6	Total non-performing loans	92.8	85.3
OREO	OREO	13.4	12.7	17.5	OREO	14.4	13.4
Total non-performing assets	Total non-performing assets	$ 98.7	$ 78.3	$ 139.1	Total non-performing assets	$ 107.2	$ 98.7
Non-accrual loans to loans held for investment	Non-accrual loans to loans held for investment	0.44 %	0.33 %	0.70 %	Non-accrual loans to loans held for investment	0.47 %	0.44
Non-performing loans to loans held for investment	Non-performing loans to loans held for investment	0.47	0.36	0.72	Non-performing loans to loans held for investment	0.51	0.47
Non-performing assets to loans held for investment and OREO	Non-performing assets to loans held for investment and OREO	0.54	0.43	0.82	Non-performing assets to loans held for investment and OREO	0.59	0.54

Non-performing assets to total assets	Non-performing assets to total assets	0.31	0.24	0.42	Non-performing assets to total assets	0.35	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	**Non-Performing Loans by Loan Type**					**Non-Performing Loans by Loan Type**			
(Dollars in millions)	*(Dollars in millions)*	March 31, 2023	Percent of Total	December 31, 2022	Percent of Total	*(Dollars in millions)*	June 30, 2023	Percent of Total	Decembe
Real estate:	Real estate:					Real estate:			
Commercial	Commercial	$ 28.4	33.2 %	$ 20.7	31.5 %	Commercial	$ 35.4	38.1 %	$
Construction:									
Land acquisition and development		0.7	0.8	4.3	6.6				
Residential		0.5	0.6	—	—				
Commercial		17.8	20.9	—	—				
Total construction		19.0	22.3	4.3	6.6				
Construction						Construction	21.5	23.2	
Residential	Residential	7.4	8.7	7.6	11.6	Residential	8.3	8.9	
Agricultural	Agricultural	6.2	7.3	7.6	11.6	Agricultural	7.1	7.7	
Total real estate	Total real estate	61.0	71.5	40.2	61.3	Total real estate	72.3	77.9	
Consumer	Consumer	4.0	4.7	4.3	6.6	Consumer	4.1	4.4	
Commercial	Commercial	14.7	17.1	12.3	18.7	Commercial	13.2	14.1	
Agricultural	Agricultural	5.6	6.6	8.8	13.4	Agricultural	3.2	3.5	
Total non-performing loans	Total non-performing loans	$ 85.3	100.0 %	$ 65.6	100.0 %	Total non-performing loans	$ 92.8	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 methodology used to assess the appropriat to the Company's portfolio of loans held for investment. The allowance for credit losses is established through a provision for credit losses based on our evaluation of quantitative and 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 ider 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 th portfolio, overall portfolio quality, industry concentrations, delinquency trends, current environmental and economic factors, and the estimated impact of current and forecasted econon 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 earn 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 assessmen collateral underlying the loans as determined through independent appraisals, the present value of future cash flows, observable market prices, and any relevant qualitative or impacting loans.

(2) Historical Collective valuation allowances based on loan loss experience and future expectations for similar loans with similar characteristics and trends. The Company applies loss given default open pool methodologies for all portfolio segments. The Company uses open pool methodology averages quarterly loss rates by modeling segment, calculat charge off balance divided by the end of period balance. Loss rates are recalculated quarterly with recoveries captured in the quarter a transition matrix for probability of defau methodology and loan was charged off, are averaged across a historical average for the loss given default components of the methodology. The probability of default and loss the current principal balance as of the reporting date. The transition matrix determines the probability of default by tracking the historical movement of loans between loan risk period of time. Loan transitions are measured by either internal ratings or delinquency status. Those loans tracked by ratings are generally commercial purpose including agric commercial real estate. Those loans tracked by delinquency are generally consumer in nature, with the exception of loans classified as multi-family and credit cards. The loss basis for the estimate of credit losses is comprised of the Company's historical loss experiences from 2008 2009 to the current period, based on a migration analysis of our and Macroeconomic-conditioned historical loss experience, designed rates are applied to account for credit deterioration. loan-level cash flows. Expected future principal and intere using contractual repayment terms and prepayment, utilization, interest rate, and probability of default assumptions. Macroeconomic sensitivity models calculate segment-spe

party forecast data. The model compares multipliers condition the most recent period losses to prior period defaults to calculate the annual loss given default, which is average forecast period, followed by a 1-year straight-line reversion to the unadjusted historical observations. average loss rates. The unadjusted loss rates then apply for the remainin 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 the nature of the loan portfolio overall portfo concentrations, delinquency trends, general economic conditions or forecasts, composition, and other qualitative risk factors, both internal and external to us, including the inc forecast period for economic conditions.

As part of the qualitative adjustments, the Company considers future economic conditions over the one-year forecast period. There are 10 economic factors that are considered in compared against the Moody's Analytics economic scenarios. The outcome of this analysis adjusts the one-year forecasted expectations which are incorporated into the qualitative ad qualitative factors, including changes in loan and lending policies, collateral quality, underwriting standards and personnel, credit review quality, and assessments of portfolio loan qual imprecision, are also considered.

During the period ending March 31, 2023 June 30, 2023, there were no changes to economic or other qualitative factors. Results results were reflective of loan growth and modest

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

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 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 effe 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 credi 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 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 losse 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 be 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 y 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 consur 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 n 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 porti 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 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 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 and will not necessarily correspond proportionally to changes in the allowance for credit losses or changes in non-performing or collateral dependent collateral-dependent loans due to 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 on loans was $226.1 million $224.6 million, or 1.24% 1.23% of loans held for investment as of March 31, 2023 June 30, 2023 compared to $220.1 m for investment, as of December 31, 2022. The increase in the percentage from December 31, 2022 is primarily a result of loan growth and credit migration. The Company's allowance losses was $20.8 million as of June 30, 2023.

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 pr 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 deteriorat 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	**Allowance for Credit Losses**	Three Months Ended			**Allowance for Credit Losses**	Three Months Ended			
(Dollars in millions)	*(Dollars in millions)*	Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	*(Dollars in millions)*	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Allowance for credit losses on loans:									
Beginning balance	Beginning balance	$ 220.1	$ 213.0	$ 122.3	Beginning balance	$ 226.1	$ 220.1	$ 213.0	$ 220.4

Provisional ACL recorded on PCD loans	Provisional ACL recorded on PCD loans	—	—	84.3	Provisional ACL recorded on PCD loans	—	—	—	—
Provision for (reversal of) credit losses	Provision for (reversal of) credit losses	12.2	8.2	57.3	Provision for (reversal of) credit losses	9.9	12.2	8.2	4.6
Charge offs:	Charge offs:				Charge offs:				
Real estate	Real estate				Real estate				
Commercial	Commercial	4.3	0.8	5.1	Commercial	0.3	4.3	0.8	5.8
Construction	Construction	—	(0.1)	2.7	Construction	9.7	—	(0.1)	6.6
Residential	Residential	0.5	0.1	0.1	Residential	—	0.5	0.1	0.1
Agricultural	Agricultural	—	—	0.1	Agricultural	—	—	—	—
Consumer	Consumer	3.4	2.6	2.3	Consumer	3.3	3.4	2.6	2.9
Commercial	Commercial	0.7	1.8	4.3	Commercial	0.8	0.7	1.8	0.8
Agricultural	Agricultural	—	—	5.3	Agricultural	—	—	—	—
Total charge-offs	Total charge-offs	8.9	5.2	19.9	Total charge-offs	14.1	8.9	5.2	16.2
Recoveries:	Recoveries:				Recoveries:				
Real estate	Real estate				Real estate				
Commercial	Commercial	0.1	0.5	—	Commercial	0.6	0.1	0.5	1.8
Construction	Construction	—	0.2	0.1	Construction	—	—	0.2	0.1
Residential	Residential	—	0.1	0.2	Residential	—	—	0.1	0.1
Agricultural	Agricultural	0.1	0.3	—	Agricultural	0.2	0.1	0.3	—
Consumer	Consumer	1.2	1.0	1.4	Consumer	1.4	1.2	1.0	1.2
Commercial	Commercial	1.0	0.4	0.4	Commercial	0.4	1.0	0.4	1.0
Agricultural	Agricultural	0.3	1.6	1.1	Agricultural	0.1	0.3	1.6	—
Total recoveries	Total recoveries	2.7	4.1	3.2	Total recoveries	2.7	2.7	4.1	4.2
Net charge-offs	Net charge-offs	6.2	1.1	16.7	Net charge-offs	11.4	6.2	1.1	12.0
Ending balance	Ending balance	$ 226.1	$ 220.1	$ 247.2	Ending balance	$ 224.6	$ 226.1	$ 220.1	$ 213.0
Allowance for off-balance sheet credit losses:	Allowance for off-balance sheet credit losses:				Allowance for off-balance sheet credit losses:				
Beginning balance	Beginning balance	$ 16.2	$ 9.7	$ 3.8	Beginning balance	$ 17.8	$ 16.2	$ 9.7	$ 6.2
Provision for credit losses	Provision for credit losses	1.6	6.5	2.4	Provision for credit losses	3.0	1.6	6.5	3.5
Ending balance	Ending balance	$ 17.8	$ 16.2	$ 6.2	Ending balance	$ 20.8	$ 17.8	$ 16.2	$ 9.7
Allowance for credit losses on investment securities:	Allowance for credit losses on investment securities:				Allowance for credit losses on investment securities:				
Beginning balance	Beginning balance	$ 1.9	$ 1.9	$ —	Beginning balance	$ 3.3	$ 1.9	$ 1.9	$ 1.6
Provision for available-for-sale credit losses		2.6	—	—					
Reversal of held-to-maturity credit losses		(1.2)	—	1.6					
(Reversal of) provision for investment securities							(Reversal of) provision for investment securities	(1.2)	1.4
Ending balance	Ending balance	$ 3.3	$ 1.9	$ 1.6	Ending balance	$ 2.1	$ 3.3	$ 1.9	$ 1.9
Total allowance for credit losses	Total allowance for credit losses	$ 247.2	$ 238.2	$ 255.0	Total allowance for credit losses	$ 247.5	$ 247.2	$ 238.2	$ 224.6

Total provision for (reversal of) credit losses	Total provision for (reversal of) credit losses	15.2	14.7	61.3	Total provision for (reversal of) credit losses	11.7	15.2	14.7	8.4
Loans held for investment	Loans held for investment	18,245.7	18,099.2	16,945.0	Loans held for investment	18,263.4	18,245.7	18,099.2	17,603.5
Average loans	Average loans	18,273.6	17,920.5	14,460.6	Average loans	18,351.5	18,273.6	17,920.5	17,543.8
Net loans charged-off to average loans, annualized	Net loans charged-off to average loans, annualized	0.14 %	0.02 %	0.47 %	Net loans charged-off to average loans, annualized	0.25 %	0.14 %	0.02 %	0.27 %
Allowance to non-accrual loans	Allowance to non-accrual loans	279.83	371.79	207.91	Allowance to non-accrual loans	260.86	279.83	371.79	268.26
Allowance to loans held for investment	Allowance to loans held for investment	1.24	1.22	1.46	Allowance to loans held for investment	1.23	1.24	1.22	1.21

Deferred Tax Asset

As of March 31, 2023 June 30, 2023, we had a net deferred tax asset of $173.2 million $193.5 million, as compared to $210.5 million as of December 31, 2022, primarily as a resul
market losses on investment securities and a reduction in accrued compensation incentives.

Total Liabilities

Total liabilities decreased $736.6 million $1,358.9 million, or 2.5% 4.7%, to $28,477.4 million $27,855.1 million as of March 31, 2023 June 30, 2023, from $29,214.0 million as of Dec
due to a decrease in deposits, partially offset by an increase in other borrowed funds. 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 $966.6 million $1,49
$24,107.0 million $23,579.2 million as of March 31, 2023 June 30, 2023, from $25,073.6 million as of December 31, 2022, primarily due to a decrease in business-related non-interest-
interest-bearing demand and savings deposits, partially offset by increases in time deposits.

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

Deposits	**Deposits**					**Deposits**			Dece
(Dollars in millions)	*(Dollars in millions)*	March 31, 2023	Percent of Total	December 31, 2022	Percent of Total	*(Dollars in millions)*	June 30, 2023	Percent of Total	
Non-interest-bearing demand	Non-interest-bearing demand	$ 6,861.1	28.5 %	$ 7,560.0	30.2 %	Non-interest-bearing demand	$ 6,518.2	27.6 %	$
Interest bearing:	Interest bearing:					Interest bearing:			
Demand	Demand	6,714.1	27.8	7,205.9	28.7	Demand	6,481.9	27.5	
Savings	Savings	8,282.9	34.4	8,379.3	33.4	Savings	7,836.7	33.2	
Time, $250k and over	Time, $250k and over	526.5	2.2	438.0	1.8	Time, $250k and over	657.9	2.8	
Time, other (1)	Time, other (1)	1,722.4	7.1	1,490.4	5.9	Time, other (1)	2,084.5	8.9	
Total interest-bearing	Total interest-bearing	17,245.9	71.5	17,513.6	69.8	Total interest-bearing	17,061.0	72.4	
Total deposits	Total deposits	$ 24,107.0	100.0 %	$ 25,073.6	100.0 %	Total deposits	$ 23,579.2	100.0 %	$

(1) Included in “Time, other” are Certificate of Deposit Account Registry Service, or CDARS, deposits of $29.7 million $65.0 million and $36.6 million as of March 31, 2023 June 30, 2023 and December

Securities Sold Under Repurchase Agreements

In addition to deposits, repurchase agreements with commercial depositors, which include municipalities, provide an additional source of funds. Under repurchase agreements, dep
short-term U.S. government agency securities overnight and are then repurchased the following day. All outstanding repurchase agreements are due in one day and balances fluctuat
client’s business. Securities sold under repurchase agreement balances decreased $82.1 million $123.0 million, or 7.8% 11.7%, to $970.8 million $929.9 million as of March 31, 2023 J
million as of December 31, 2022.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses decreased $84.1 million $39.4 million, or 18.9% 8.8%, to $361.8 million $406.5 million as of March 31, 2023 June 30, 2023, from $445.9 m 2022, primarily attributable to decreases a decrease in derivative liabilities of $32.9 million and accrued salaries and wages of $44.6 million $35.4 million.

Other Borrowed Funds

Other borrowed funds increased $383.0 million $262.0 million as of March 31, 2023 June 30, 2023 compared to December 31, 2022, primarily due to the Company's borrowing with quarter half of 2023.

Capital Resources and Liquidity Management

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, or investment securities. Stockholders' equity increased $86.5 million $47.4 million, or 2.8% 1.5%, to $3,160.3 million $3,121.2 million as of March 31, 2023 June 30, 2023, from $3,073.8 2022, due to the retention of earnings and a modest reduction to the unrealized losses on available-for-sale securities through other comprehensive income, which are partially offset l vested restricted shares tendered in lieu of cash for payment of income tax withholding amounts by participants and cash dividends paid.

On April 25, 2023 July 25, 2023, the Company's board of directors declared a dividend of $0.47 per common share, payable on May 18, 2023 August 17, 2023, to common stockho 2023 August 7, 2023. The dividend equates to a 5.3% 7.5% annual yield based on the $35.20 $25.21 average closing pricing of the Company's common stock during the first second q

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 re 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, 2023 December 31, 2022, the Company had capital levels that, in all cases, exceeded the guidelines to be deemed "well-capitalized." For additional information regarding our capital levels, 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 ca 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 manage 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 ma in our held-to-maturity investment and loan portfolios. Liquid liabilities include core deposits, federal funds purchased, securities sold under repurchase agreements, and borrowings. C 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 securities, additional borrowings through the Federal Reserve's discount window, Federal Reserve's Bank Term Funding Program ("BTFP"), and the issuance of preferred or common

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, shareholder dividends. These liquidity requirements are met primarily through cash flow from operations, redeployment of prepaying and maturing balances in our loan and investmen and increases in client deposits.

For the three six months ended March 31, 2023 June 30, 2023, net cash provided by operating activities was $57.7 million $229.6 million, net cash provided by investing activities w million and net cash used in financing activities was $715.8 million $1,454.5 million. A major use of cash was a $966.6 million $1,494.4 million decrease in deposits and an extension o million $176.7 million. A major source of cash included $987.3 million $1,119.7 million from maturity, calls, principal pay downs, and sales of available-for-sale securities in addition to a million $262.0 million of other borrowed funds. Total cash and cash equivalents were $1,080.7 million $680.5 million as of March 31, 2023 June 30, 2023, compared to $870.5 million a $3,811.3 million $1,059.3 million as of March 31, 2022 June 30, 2022. For additional information regarding our operating, investing, and financing cash flows, see the unaudited "Cons Flows," included in Part I, Item 1. For additional information regarding our deposits, see "Financial Condition – Deposits," include in Part I, Item 2.

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 m 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 dividend 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 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 liquidit 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 Reserve Bank (FRB) borrowing, comprised of borrowing through the discount window and the newly established BTFP. The Bank has pledged its investment securities portfolio to acc needed and does not intend to sell or restructure securities at this time.

Through the Bank's relationship with the FHLB, the Bank owns $114.2 billion of FHLB stock and has access to additional liquidity and funding sources through FHLB advances. Th is dependent upon the amount of collateral the Bank places at the FHLB. As of June 30, 2023, the Bank had no short-term advances outstanding at FHLB and $2,589.0 million in outs consisting of fixed rate borrowings with tenors of up to five months. The Bank's remaining borrowing capacity with the FHLB was $4,517.6 million as of June 30, 2023.

The Bank had no short-term borrowings outstanding with the Federal Reserve Bank's BTFP as of June 30, 2023. As of June 30, 2023, the Bank's remaining borrowing capacity wit and its remaining borrowing capacity at the Federal Reserve Discount Window was $0.6 billion.

In addition to borrowing capacity with the FHLB and at the Federal Reserve Discount Window as described above, the Bank had additional liquidity of $2.6 billion available via cash and the federal funds market as of June 30, 2023.

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 pronouncements and their expected impact on our financial statements.

Non-GAAP Reconciliation

	Three Months Ended		Six Mon
(Dollars in millions)	June 30, 2023	June 30, 2022	June 30, 2023
Net interest income	$ 218.4	$ 239.0	$ 457.3
Tax exempt securities	0.2	0.3	0.4
Tax exempt loans	1.6	1.8	3.2
Net FTE interest income (non-GAAP)	220.2	241.1	460.9
Less purchase accounting accretion (non-GAAP)	4.6	16.7	(9.8)
Adjusted net FTE interest income (non-GAAP)	$ 215.6	$ 224.4	$ 451.1
Total interest-earning assets	$ 28,328.8	$ 29,752.4	$ 28,692.1
Net FTE interest margin (non-GAAP)	3.12 %	3.25 %	3.24 %
Adjusted net FTE interest margin (non-GAAP)	3.05 %	3.03 %	3.17 %

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES

ABOUT MARKET RISK

Based on the changes in interest rates and the composition of the Company's balance sheet subsequent to December 31, 2022, the following update of the Company's assessmen 31, 2023 June 30, 2023 is being provided. These updates and changes should be read in conjunction with the additional quantitative and qualitative disclosures in our Annual Report ended December 31, 2022.

As of March 31, 2023 June 30, 2023, our income simulation model predicted net interest income would decrease by 0.37% 2.32% on an immediate upward 100 basis point parallel twelve months, assuming a static balance sheet, which was lower than the previous increase of 0.17% as of December 31, 2022, and increase 1.76% 3.51% on an immediate downw shock. Assuming a 2.0% gradual increase reduction in interest rates during each of the next four consecutive quarters, net interest income would decrease 0.93%, which was lower th 0.28% at December 31, 2022 increase 3.32%.

Item 4.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining effective disclosure controls and procedures, as defined under Rules 13a-15(e) and 15d-15(e) of the Exchange Ac 30, 2023, an evaluation was performed, under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effect operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and proce 2023 June 30, 2023 were effective in ensuring that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, 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 appro decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting for the quarter ended March 31, 2023 June 30, 2023 that have materially affected, or are reasonably likely to

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, judg 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 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 dete 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 m 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 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 tl

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, 2022 during the period covered by this quarter

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, 2023 June 30, 2023.

(b) Not applicable.

(c) The following table provides information with respect to purchases made of our Class A common stock by or on behalf of us or any "affiliated purchasers" (as defined the Exchange Act), during the three months ended March 31, 2023 June 30, 2023.

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	Ye th
January 1, 2023 to January 31, 2023	—	$	—	—	
February 1, 2023 to February 28, 2023	18,403		36.99	—	
March 1, 2023 to March 31, 2023	36,677		31.42	—	
Total	55,080	$	33.28	—	

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	Ye th
April 1, 2023 to April 30, 2023	44	$	29.51	—	
May 1, 2023 to May 31, 2023	—		—	—	
June 1, 2023 to June 30, 2023	304		23.11	—	
Total	348	$	23.92	—	

(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 Equity Compensation

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Information Required by Item 407(c)(3) of Regulation S-K. As previously disclosed, During the Company's board of directors, based in part upon the recommendation of t Nominating Committee quarter ended June 30, 2023, none of the Company's board directors or executive officers adopted, modified or terminated any contract, instruction or written p of directors, in connection with a review Company securities that was intended to satisfy the affirmative defense conditions of the registrant's Fourth Amended and Restated Bylaws, a adopted a Second Amendment to the Bylaws (the "Second Amendment"), effective as of March 10, 2023. Among other things, the Second Amendment enhanced the procedural mec requirements in connection with shareholder nominations of directors and submissions of shareholder proposals (other than shareholder proposals to be included in the Company's pr meeting of shareholders pursuant to Rule 14a-8 under the Exchange Act) made in connection with an annual 10b5-1(c) or a special meeting of shareholders, including by:

- amends Section 2.14(a)(ii) of the Bylaws to permit stockholders to submit proposals (including director nominations) at any annual meeting of stockholders if advance no provided in proper written form to the secretary of the Company not less than 90 nor more than 120 days prior to the first anniversary date of the immediately preceding ann However, if the annual meeting of stockholders is changed by more than 30 days before or after such anniversary date, different timing provisions will apply as set forth in the By
- amends Section 2.14(a)(iii)(1) of the Bylaws to require a stockholder's notice of nomination of a person for election as a director to include, among many other requirements stockholder's name and address and the number and class of all shares beneficially owned by such stockholder, the name of the person to be nominated, the number and class stock of the Company beneficially owned by such person, and such person's signed consent to serve as a director of the Company, if elected; and
- amends Section 2.14(d)(ii) to require that proposed nominees to the Company's board of directors be available for interviews with the Board or a committee of the Board.

Pursuant to the Second Amendment, if a stockholder wishes to submit a proposal (including a director nomination) at the 2024 annual meeting of stockholders otherwise th proxy materials, a stockholder must do so not later than 5:00 p.m., local time, on February 24, 2024[1], nor earlier than 8:00 a.m. local time on January 25, 2024[2]. However, if the date c stockholders is not held between April 24, 2024 and June 23, 2024[3], to be timely, notice by the stockholder must be received no earlier than 8:00 a.m., local time, on the 120th day meeting and no later than the 10th day following the day on which public announcement of the date of the 2024 annual meeting of stockholders was first made by the Compa arrangement."

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[1] 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders
[2] 120th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders
[3] 30 days before and after the first anniversary of the preceding year's (2023) annual meeting

Item 6. Exhibits

Exhibit Number	Description
2.1	Plan of Conversion (incorporated herein by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 001-34653, filed on May 25, 2023)
3.1	Second Amendment to the Fourth Amended and Restated Bylaws Certificate of the Company Incorporation (incorporated herein by reference to Exhibit 3.1 to tl Report on Form 8-K, File No. 001-34653, filed on March 16, 2023 May 25, 2023)
3.2	Bylaws (incorporated by reference to Exhibit B of Appendix B to the Company's definitive proxy statement on Schedule 14A filed with the SEC on April 11, 202
10.1†	2023 Equity and Incentive Plan (incorporated herein by reference to Appendix C to the Company's definitive proxy statement on Schedule 14A filed with the SE
10.2†	Form of Restricted Stock Unit Grant Agreement (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 001-3
10.3†	
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 documer
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)

† Management contract or compensatory plan or arrangement.
* 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 authorize

FIRST INTERSTATE BANCSYSTEM, INC.

Date:	May 5, August 4, 2023	By:	/s/ KEVIN P. RILEY
			Kevin P. Riley President and Chief Executive Officer
Date:	May 5, August 4, 2023	By:	/s/ MARCY D. MUTCH
			Marcy D. Mutch Executive Vice President and Chief Financial Officer

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 th 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 ope 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 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 informa 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 reasona 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 contr 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 fo 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 a 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 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 5, 2023 August 4, 2023

/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 th 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 ope 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 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 informa 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 reasona 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 contr 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 fo 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 a 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 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 5, 2023 August 4, 2023

/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 9(of 2002. This Certification accompanies the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2023 June 30, 2023.

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 a 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 5, 2023 August 4, 2023.

/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

DISCLAIMER