

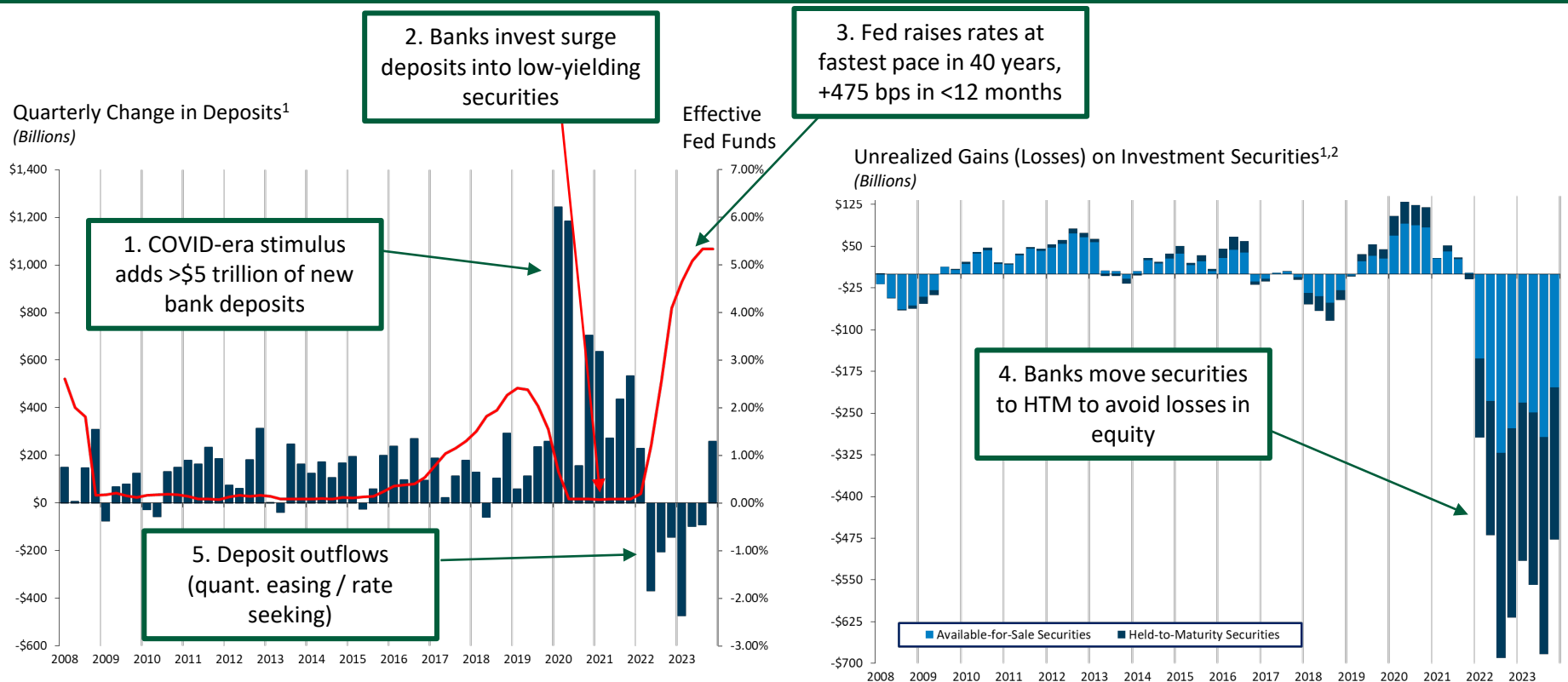


ANNUAL SHAREHOLDERS' MEETING

May 22, 2024

Regional Banking Crisis

March 2023 Regional Banking Crisis



Banks respond by raising rates and selling securities to satisfy deposit outflows, crystalizing losses and leading to the following bank failures, representing over \$500 Billion in total assets



¹Source: FDIC (All FDIC-Insured Institutions)

²Insured Call Report filers only. Unrealized losses solely reflect the difference between the market value and book value of non-equity securities as of quarter end.

First National Resiliency

1

Stable Deposit Base

A much more traditional deposit franchise with over 625,000 retail deposit customers and more than 60,000 business deposit customers. Our uninsured deposit ratio is one of the lowest (best) in the industry.

2

High Levels of Capital and Liquidity

High quality capital allows us to take advantage of opportunities and survive storms. Minimal reliance on third parties for funding our business and reliance on quality customer relationships for liquidity.

3

Measured Growth

Loan growth of 6% from 2018 - 2022 in-line with the industry, while most bank failures were precipitated by extraordinary growth.

4

Conservative Investment Portfolio

The investment portfolio represents 17% of total assets, below the median for the industry. In addition, less than 5% of the portfolio is listed as HTM. With a high proportion classified as Available for Sale, losses are embedded in equity which enhances liquidity.

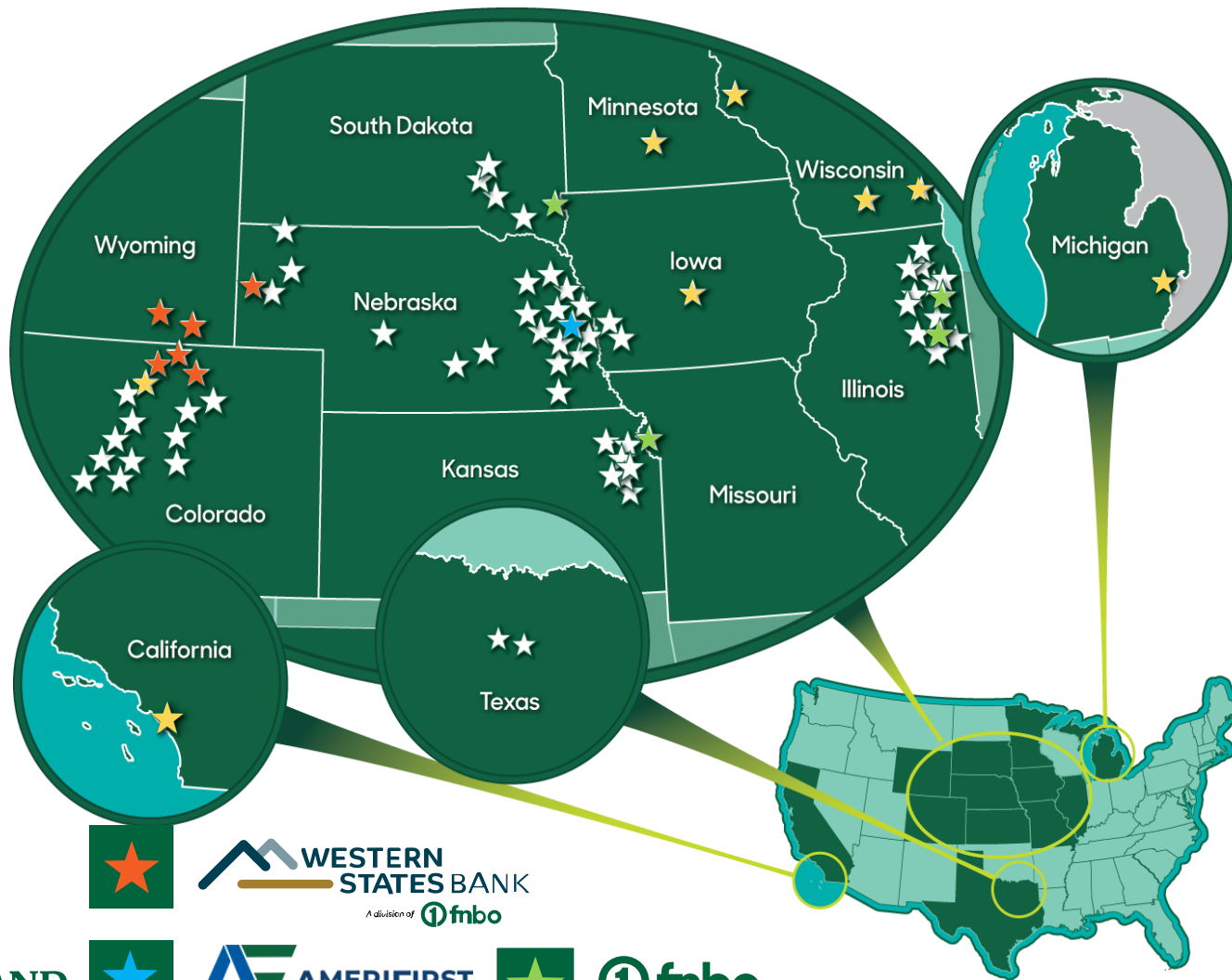
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Private Ownership

Publicly traded banks, along with digital banking and social media accelerates bank runs as do concentrated deposits.

2023 Performance

The Franchise



Balance Sheet

(\$ in millions)

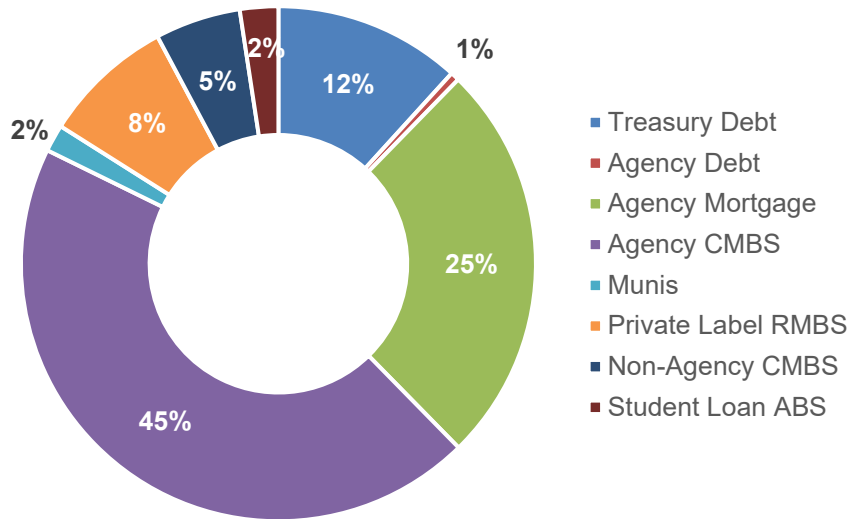
	2021	2022	2023	FY23 vs. FY22 % Change
ASSETS				
Cash & Due	\$ 3,899	\$ 1,301	\$ 1,477	14%
Investments	4,823	5,248	5,418	3%
Loans	16,759	19,931	22,792	14%
Allowance for Loan Losses*	(284)	(416)	(990)	138%
Other Assets	1,695	2,288	2,589	13%
Total Assets	\$ 26,892	\$ 28,351	\$ 31,286	10%
LIABILITIES				
Core Deposits	22,914	22,642	22,531	0%
Brokered Deposits	-	1,701	3,305	94%
Total Deposits	22,914	24,343	25,837	6%
Borrowings	360	453	1,802	298%
Other Liabilities	686	709	824	16%
Total Liabilities	23,960	25,506	28,463	12%
EQUITY				
Total Equity	2,932	2,846	2,823	-1%
Liabilities & Equity	\$ 26,892	\$ 28,351	\$ 31,286	10%

High Quality Investment Portfolio

Composition of AFS Portfolio

As of December 31, 2023

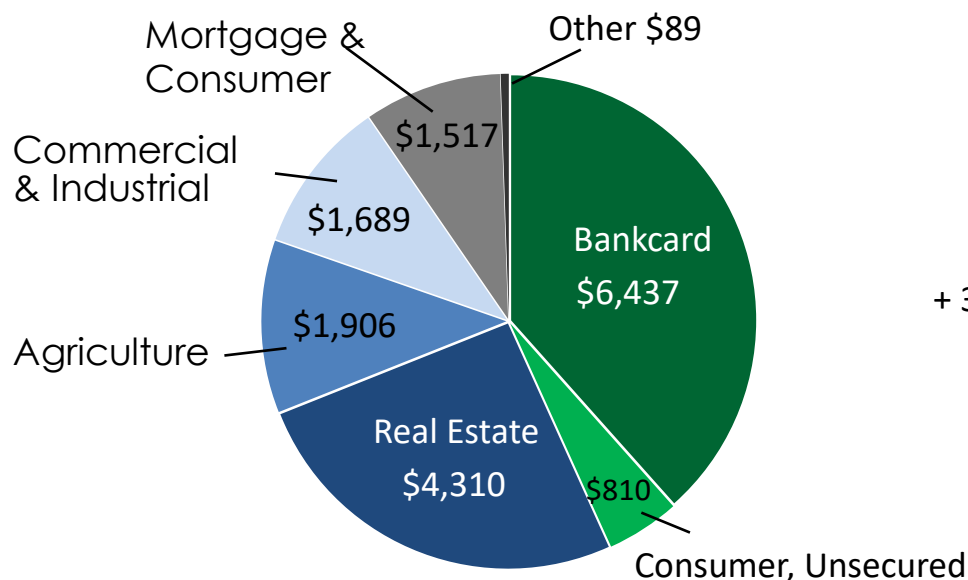
Total available for sale securities
Period-end balance: \$5.1 billion, at fair value



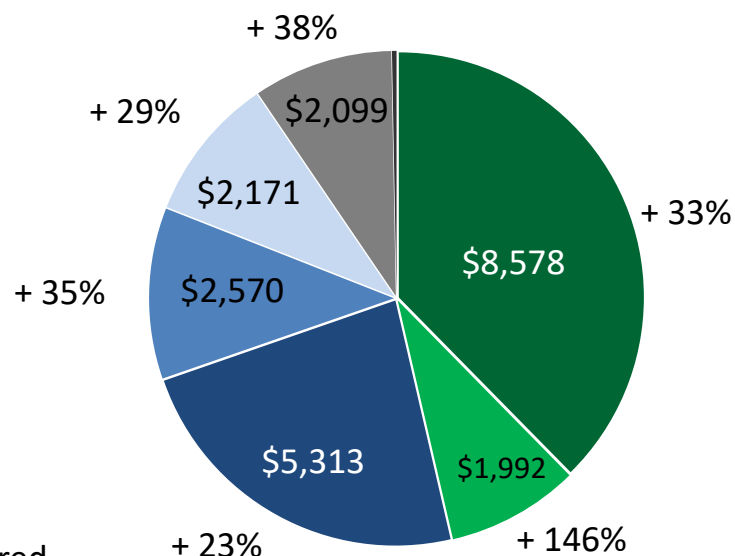
QTD – December 31, 2023	Average Rate	Duration (yrs)
Treasuries	2.04%	3.5
Agency Debt	1.06%	4.1
Agency Mortgage	2.69%	4.2
Agency CMBS	3.03%	3.7
Municipal	2.28%	6.3
Private Label RMBS	2.98%	5.2
Non-Agency CMBS	2.86%	3.0
Student Loan ABS	7.42%	0.3
Total	2.89%	3.9

Loans

December 31, 2021



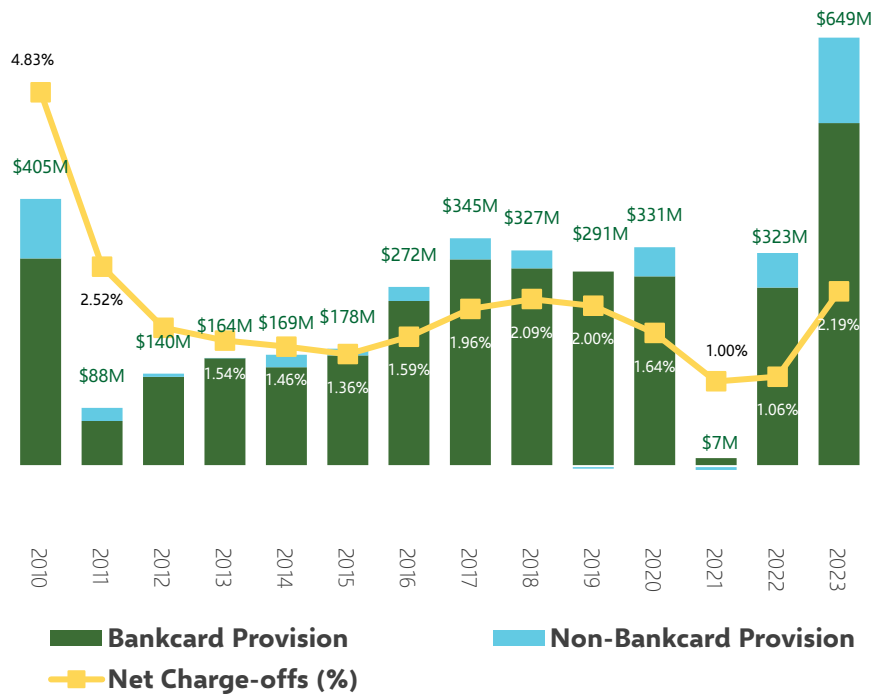
December 31, 2023



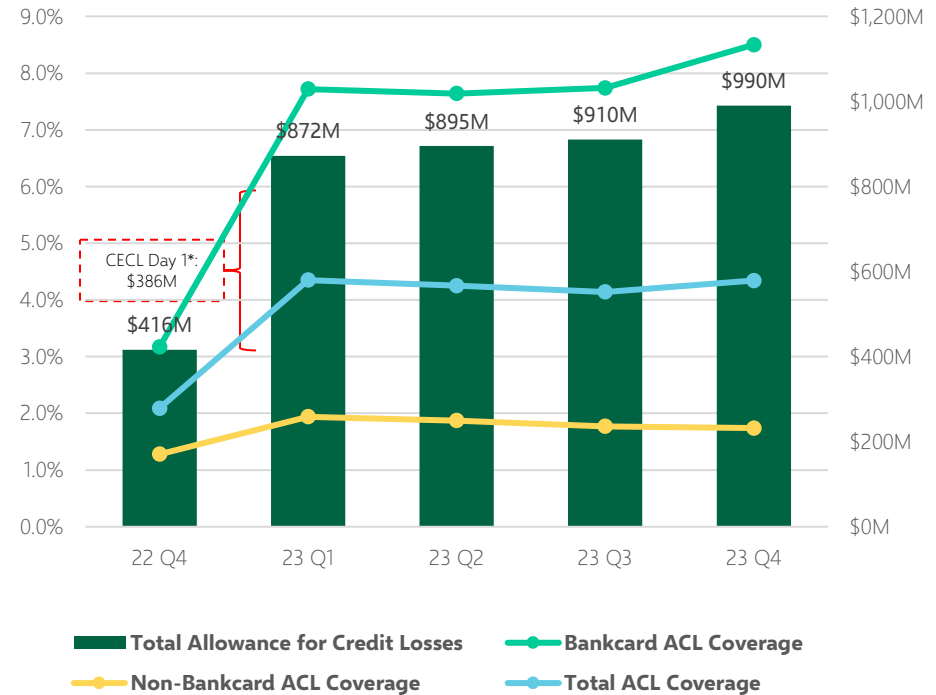
Loan Composition		2021	2023
Partnership Division	Credit Cards	38%	38%
	Consumer, Unsecured	5%	9%
Banking Division	Commercial Real Estate	26%	23%
	Agriculture	11%	11%
	Commercial and Industrial	10%	10%
	1-4 Family, Consumer	10%	9%

Credit Quality

Provision & Net Charge-offs



ACL Trend



Deposit Portfolio

Total number of
customers

710k

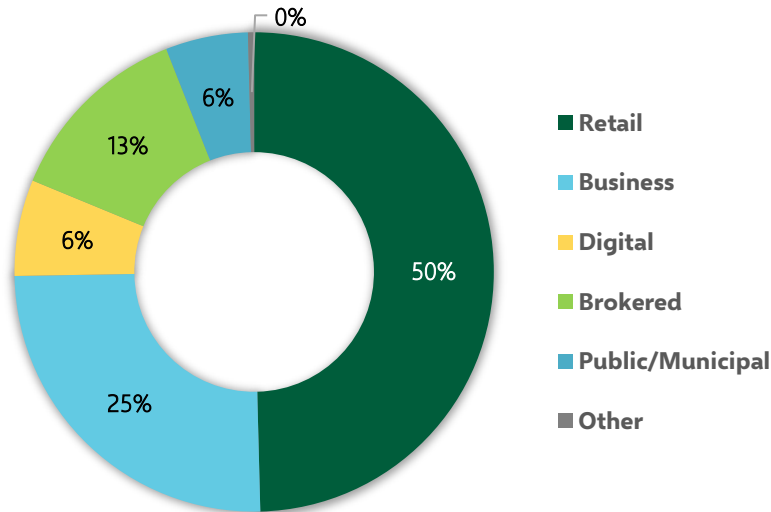
Average balance of
accounts¹

\$26,804

Percent of deposits (\$)
uninsured²

29%

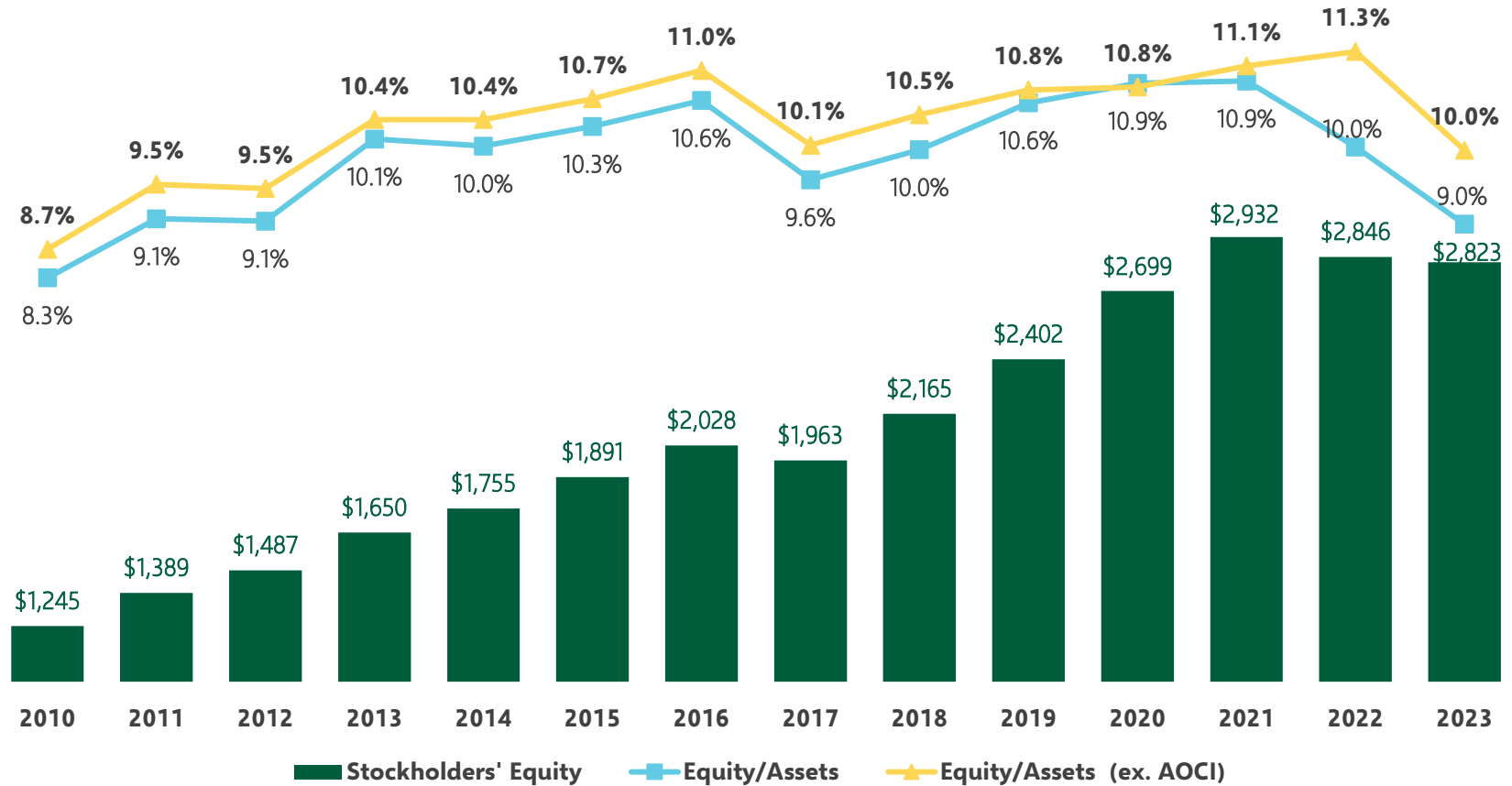
Diversified Deposit Portfolio
As of December 31, 2023
Period-end balance: \$25.8 billion



Top 10 Commercial Sectors (NAICS Sector / Industry)	% of Total Deposits
Finance and Insurance	5.8%
Public Administration	3.5%
Manufacturing	3.1%
Other Services (except Public Admin.)	2.9%
Real Estate and Rental and Leasing	2.3%
Construction	2.1%
Health Care and Social Assistance	2.1%
Professional, Scientific, Technical Services	2.1%
Wholesale Trade	1.3%
Agriculture, Forestry, Fishing, and Hunting	1.3%

Capital

(\$ in millions)



Earnings

(\$ in millions)

	2021	2022	2023	FY23 vs. FY22 % Change
Net Interest Income	\$ 1,164	\$ 1,456	\$ 1,780	22%
Non-Interest Income	534	435	427	-2%
Total Revenue	1,698	1,891	2,207	17%
Non-Interest Expense	1,057	1,151	1,267	10%
Pre-Provision Net Revenue	641	740	940	27%
Partnership Provision	14	330	618	88%
Banking Provision	(7)	(7)	31	-568%
Total Provision	7	323	649	101%
Net Income Before Taxes	634	417	291	-30%
Taxes	140	95	64	-33%
Net Income After Taxes	\$ 493	\$ 323	\$ 227	-29%

Holding Company & Shareholder Data

(\$ in millions except per share data)

	2021	2022	2023
Holding Co Cash	\$ 496	\$ 539	\$ 482
Stockholders' Equity	\$ 2,932	\$ 2,846	\$ 2,823
Shares Outstanding	261,278	261,211	259,135
Book Value per Share	\$ 11,222	\$ 10,894	\$ 10,895
Dividend per Share	\$ 380	\$ 260	\$ 120

Banking Industry

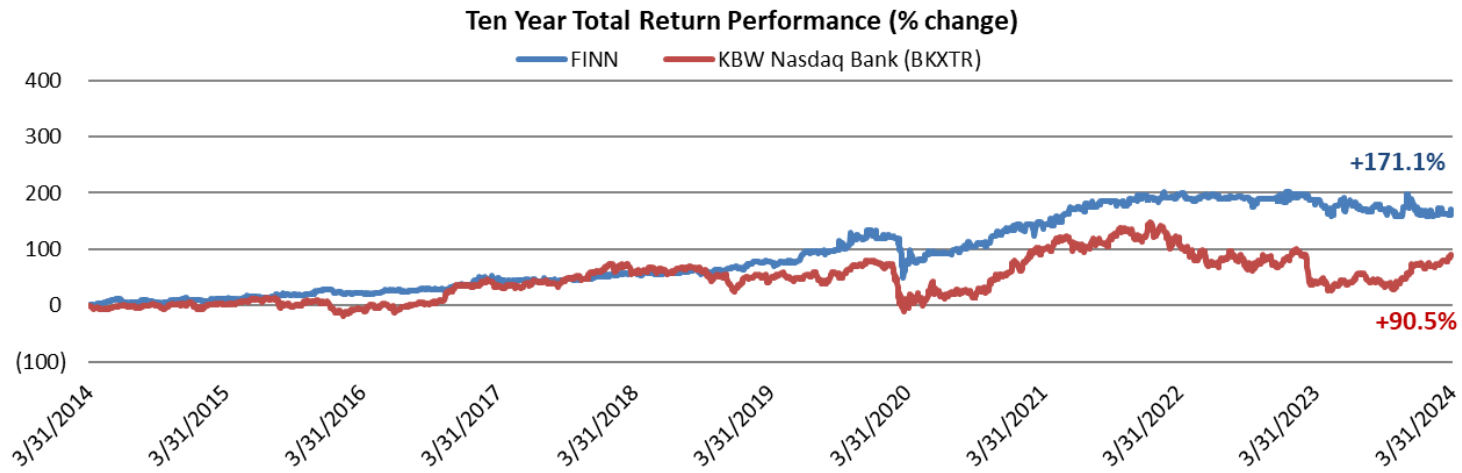
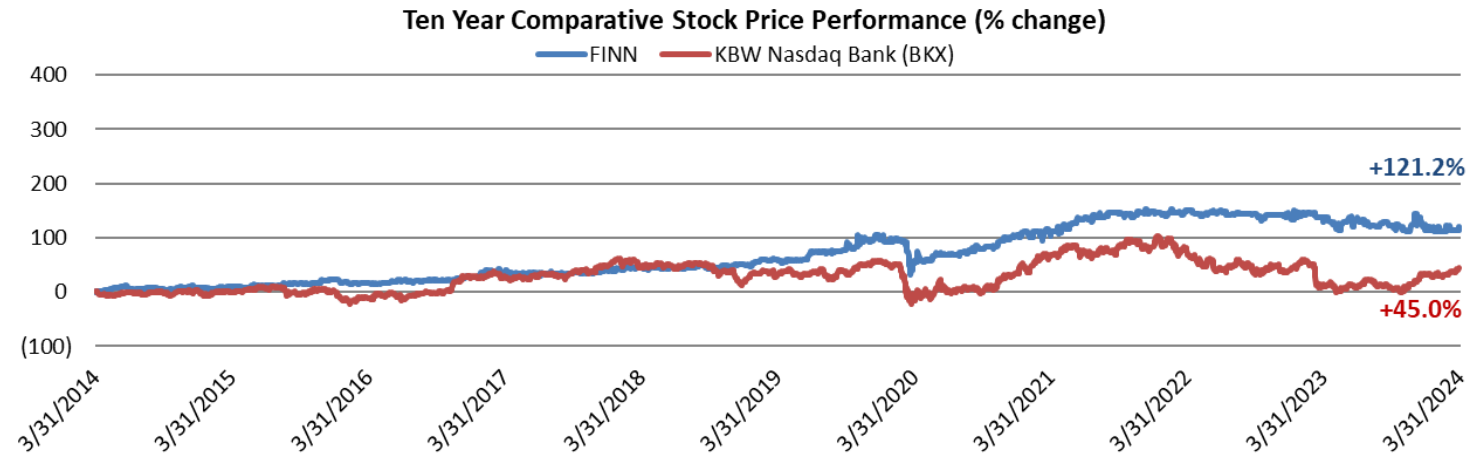
Peer Comparisons

As of the year ended December 31, 2023

	FNNI	Industry*	Fed Peers*
Return on average equity	8.2	8.9	8.7
Return on average tangible common equity	9.8	13.5	12.7
Return on average assets	0.76	0.88	0.89
Net interest margin	6.43	3.11	3.18
Deposit cost	1.98	1.78	1.66
Revenue growth	17.1	1.8	0.2
Efficiency ratio	57.2	61.7	60.1
Equity to total assets	9.0	10.5	10.9

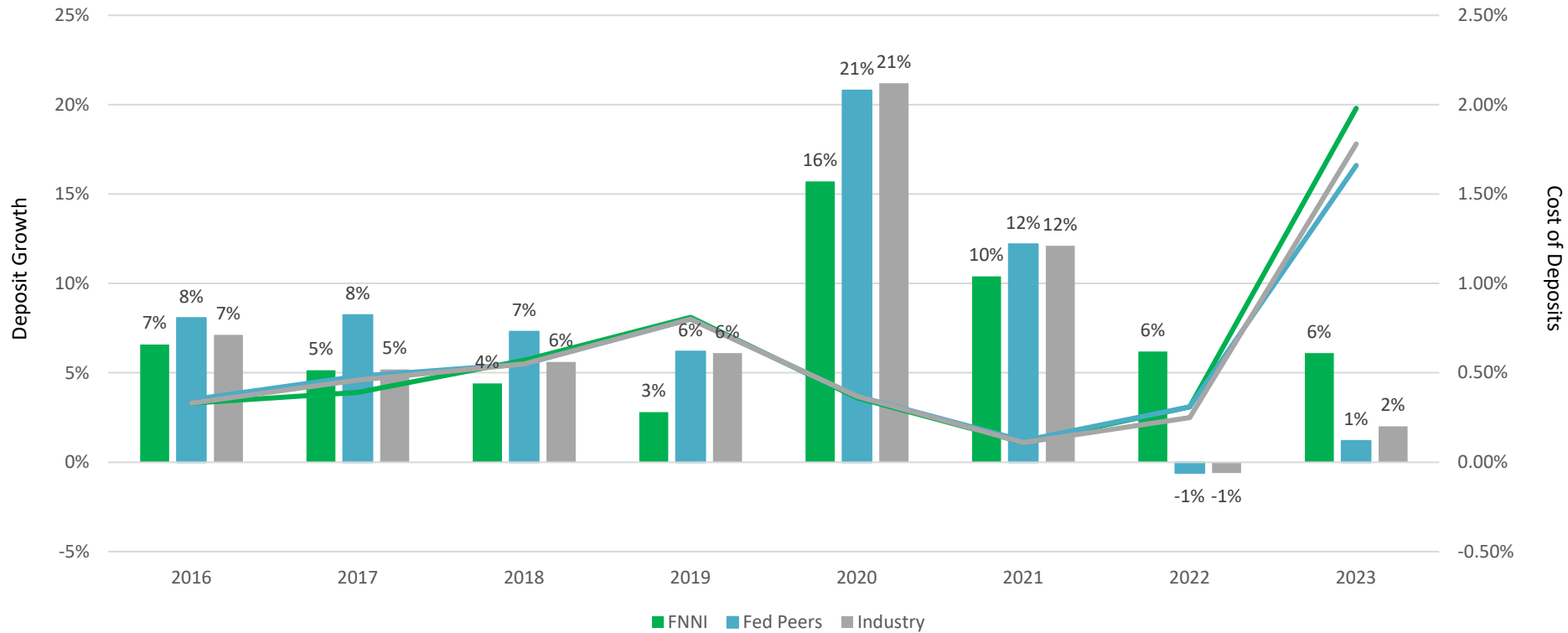
** Median*

Stock Price Performance



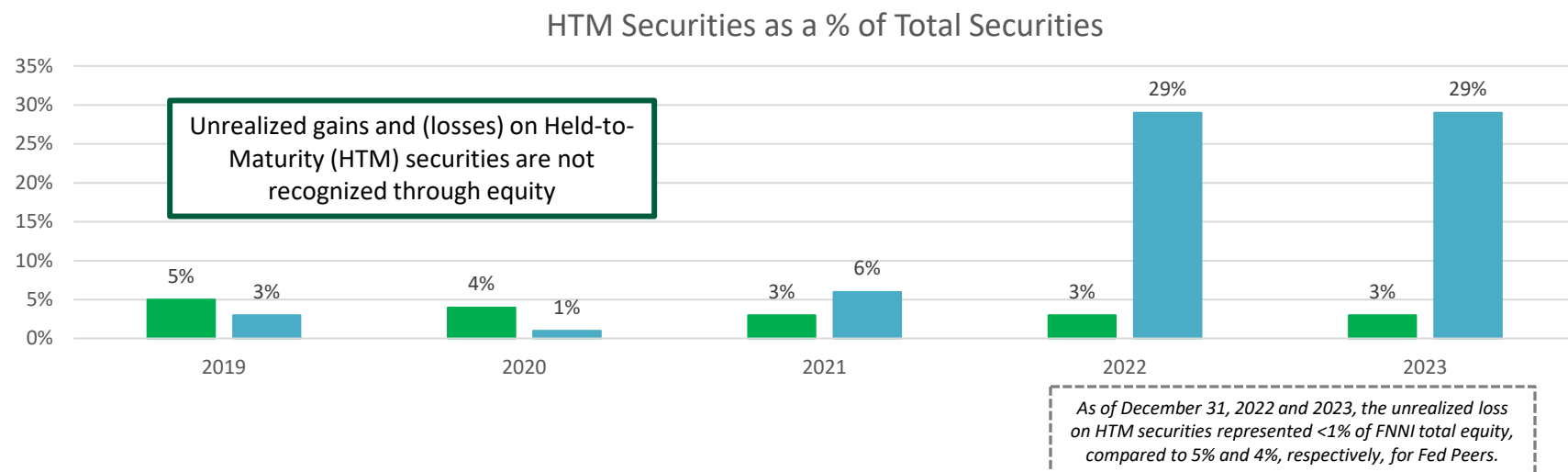
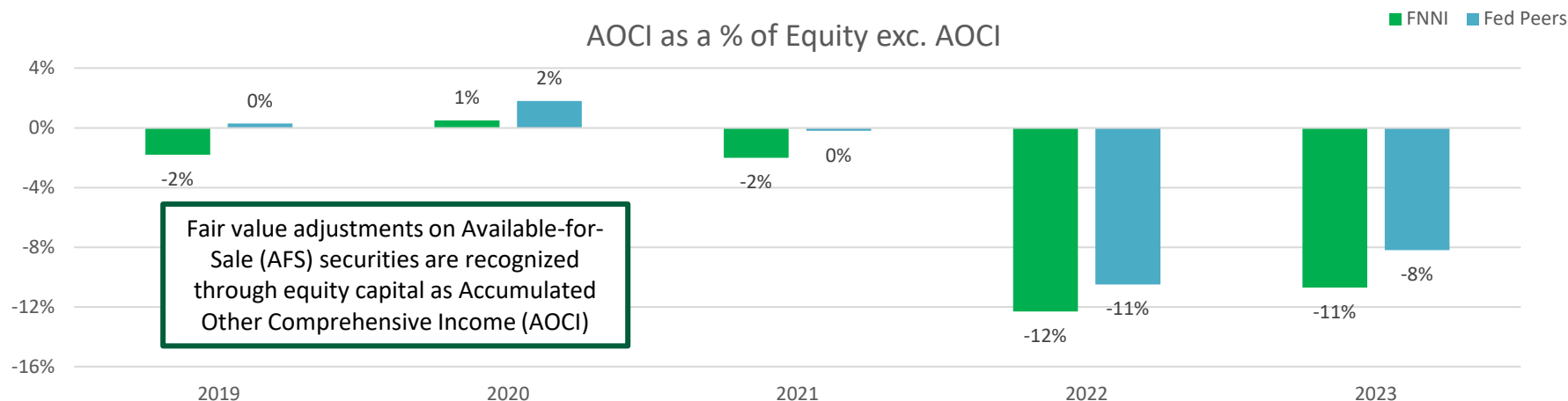
Deposit Trends

Deposit Growth and Cost of Deposits



Total Cost of Deposits	2016	2017	2018	2019	2020	2021	2022	2023
FNN	0.33%	0.39%	0.57%	0.81%	0.36%	0.11%	0.31%	1.98%
Fed Peers	0.35%	0.48%	0.55%	0.80%	0.37%	0.12%	0.31%	1.66%

AOCI & Unrealized Losses



Q1 2024 Update


First Quarter Results

<i>\$ in millions</i>	2024	2023	2024 vs 2023	
BALANCE SHEET HIGHLIGHTS				
Loans (PE)	\$ 22,444	\$ 20,051	2,393	11.9%
Deposits (PE)	26,081	24,709	1,372	5.6%
<i>Equity / Assets</i>	9.46%	9.44%	2	bps
EARNINGS HIGHLIGHTS				
Net interest income	\$ 454	\$ 438	16	3.7%
Non-interest income	127	89	39	43.5%
Total Revenue	581	527	55	10.4%
Non-interest expense	300	298	2	0.8%
PPNR	281	229	52	22.9%
Provision expense	115	136	(21)	-15.3%
Pre-tax Income	166	93	73	78.9%
Income taxes	38	21	17	82.3%
Net Income	\$ 128	\$ 72	56	77.9%
<i>Net interest margin</i>	5.94%	6.53%	(59)	bps
<i>Efficiency ratio</i>	51.63%	56.53%	(491)	bps
<i>ROAA</i>	1.64%	1.03%	61	bps
<i>ROAE</i>	17.75%	10.38%	737	bps



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May 22, 2024



Celebrating the Life

of

BRUCE LAURITZEN

1943 – 2024