Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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In addition to the other information contained in or incorporated by reference into this Form 10- K and the exhibits hereto, the following risk factors should be considered carefully in evaluating our business. The risks disclosed below, either alone or in combination, could materially adversely affect the business, financial condition or results of operations of the Company. Risks Related to Our Industry We are subject to lending risk. There are inherent risks associated with our lending activities. These risks include, among other things, the impact of changes in interest rates and changes in the economic conditions in the markets where we operate as well as those across the United States. Increases in interest rates on loans and / or weakening economic conditions could adversely impact the ability of borrowers to repay outstanding loans or the value of the collateral securing these loans. As of December 31, ~~2022~~ **2023** , approximately 70. ~~15~~ **37** % of our loan portfolio consisted of C & I, construction and commercial real estate loans. These types of loans are generally viewed as having more risk to our financial condition than other types of loans due primarily to the large amounts loaned to individual borrowers. Because the loan portfolio contains a significant number of C & I, construction and commercial real estate loans with relatively large balances, the deterioration of one or a few of these loans could cause a significant increase in nonperforming loans. An increase in nonperforming loans could result in a net loss of earnings from these loans, an increase in the provision for credit losses and an increase in loan charge- offs, all of which could have a material adverse effect on our financial condition and results of operations. Our C & I, construction and commercial real estate loan portfolios are discussed in more detail under the heading " Operations – Operations of Community Banks " in Item 1, Business, in this report. Our allowance for credit losses may be insufficient, and we may be required to further increase our provision for credit losses. Although we try to maintain diversification within our loan portfolio ~~in order~~ to minimize the effect of economic conditions within a particular industry, management also maintains an allowance for credit losses, which is a reserve established through a provision for credit losses on loans charged to expense, to absorb credit losses inherent in the entire loan portfolio. The credit loss estimation process involves procedures to appropriately consider the unique characteristics of the Company' s loan portfolio segments. Credit quality is assessed and monitored by evaluating various attributes, and the results of those evaluations are utilized in underwriting new loans and in the Company' s process for the estimation of expected credit losses. Credit quality monitoring procedures and indicators can include an assessment of problem loans, the types of loans, historical loss experience, new lending products, emerging credit trends, changes in the size and character of loan categories and other factors, including the Company' s risk rating system, regulatory guidance and economic conditions, such as the unemployment rate and GDP growth, as well as trends in the market values of underlying collateral securing loans, all as determined based on input from management, loan review staff and other sources. This evaluation is complex and inherently subjective, as it requires estimates by management that are inherently uncertain and therefore susceptible to significant revision as more information becomes available. **In addition, our credit quality monitoring procedures may fail to detect credit risk issues within the loan portfolio if important factors contributing to credit risk are not identified by management or given sufficient weight.** There may be significant changes in the allowance and provision for credit losses in future periods as the estimates used by management, and assumptions underlying such estimates, are **supplemented and** adjusted in light of then- prevailing factors and forecasts. Any deterioration of current and future economic conditions could cause us to experience higher than normal delinquencies and credit losses. As a result, we may be required to make further increases in our provision for credit losses and to charge off additional loans in the future, which could materially adversely affect our financial condition and results of operations. In addition, bank regulatory agencies periodically review the allowance for credit losses and may require an increase in the provision for credit losses or the recognition of further loan charge- offs, based on judgments different than those of management. In addition, if charge- offs in future periods exceed the allowance for credit losses, we will incur additional provision expense to increase the allowance for credit losses. Any increase in our provision for credit losses will result in a decrease in net income and, possibly, capital and may have a material adverse effect on our financial condition and results of operations. A discussion of the policies and procedures related to management' s process for determining the appropriate level of the allowance for credit losses is set forth under the headings " Critical Accounting Policies and Estimates " and " Risk Management – Credit Risk and Allowance for Credit Losses on Loans and Unfunded Commitments " in Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations, in this report. We are subject to interest rate risk. Our earnings and cash flows are largely dependent upon our net interest income. Net interest income is the difference between interest earned on assets, such as loans and securities, and the cost of interest- bearing liabilities, such as deposits and borrowed funds. Interest rates are highly sensitive to many factors that are beyond our control, including general economic conditions and policies of various governmental and regulatory agencies and, in particular, the Federal Reserve. Over the course of 2022 **and into 2023** , the Federal Reserve significantly raised interest rates ~~in order~~ to combat inflationary conditions **, and interest rates remain at these elevated levels** . **Further** ~~Changes~~ **changes** in monetary policy, including changes in interest rates, could influence not only the interest we receive on loans and securities and the interest we pay on deposits and borrowings, but such changes could also affect (1) our ability to originate loans and generate deposits or access other sources of liquidity, which could reduce the amount of fee income generated, and (2) the fair value of our financial assets and liabilities. Any substantial unexpected or prolonged change in interest rates could have a material adverse effect on our businesses, financial conditions and results of operations. Our financial results are constantly exposed to market risk. Market risk refers to the probability of variations in net interest income or the fair value of our assets and liabilities due to changes in interest rates, among other things. The primary source of market risk to us is the impact of changes in interest

rates on net interest income. We are subject to market risk because of the following factors: — Assets and liabilities may mature or reprice at different times. For example, if assets reprice more slowly than liabilities and interest rates are generally rising, earnings may decline. — Assets and liabilities may reprice at the same time but by different amounts. For example, when interest rates are generally rising, we may increase rates charged on loans by an amount that is less than the general increase in market interest rates because of intense pricing competition, while similarly intense pricing competition for deposits dictates that we raise our deposit rates in line with the general increase in market rates. Also, risk occurs when assets and liabilities have similar repricing frequencies but are tied to different market interest rate indices that may not move in tandem. — Short- term and long- term market interest rates may change by different amounts, i. e., the shape of the yield curve may affect new loan yields and funding costs differently. — The remaining maturity of various assets and liabilities may shorten or lengthen as interest rates change. For example, if long- term mortgage interest rates decline sharply, mortgage **-** backed securities held in our securities portfolio may prepay significantly earlier than anticipated, which could reduce portfolio income. If prepayment rates on our loans increase, we would be required to amortize net premiums into income over a shorter period of time, thereby reducing the corresponding asset yield and net interest income. — Interest rates may have an indirect impact on loan demand, credit losses, loan origination volume, the value of financial assets and financial liabilities, gains and losses on sales of securities and loans, the value of mortgage servicing rights and other sources of earnings. Although management believes it has implemented effective asset and liability management strategies to reduce market risk on the results of our operations, these strategies are based on assumptions that may be incorrect **or not comprehensive** . Any substantial, unexpected, prolonged change in market interest rates could have a material adverse effect on our financial condition and results of operations. Volatility in interest rates may also result in disintermediation, which is the flow of funds away from financial institutions into direct investments, such as U. S. Government and Agency securities and other investment vehicles, including mutual funds, which generally pay higher rates of return than financial institutions because of the absence of federal **deposit** insurance premiums and reserve requirements **. The interest rate increases in 2022 and 2023 were followed by significant outflows of funds from financial institutions (including the Company) into mutual funds and other investment vehicles, increasing the competition for, and cost of, deposits** . Disintermediation could also result in material adverse effects on our financial condition and results of operations. A discussion of our policies and procedures used to identify, assess and manage certain interest rate risk is set forth under the heading " Risk Management – Interest Rate Risk " in Item 7, Management' s Discussion and Analysis of Financial Condition and Results of Operations, in this report. Inflation can have an impact on our business and our customers. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As noted above, over the course of 2022 **and 2023** the Federal Reserve raised interest rates in an effort to fight inflationary conditions. If inflation persists, the value of our investment securities, particularly those with longer maturities, would decrease, although this effect can be less **pronounced** for floating rate instruments. Additionally, inflation increases the cost of goods and services we use in our daily operations which increases our ~~maintenance~~ **noninterest** ~~expenses~~ **expense** . Furthermore, our customers are impacted by inflation and the rising costs of goods and services used in their households and businesses, which could have a negative impact on the deposits they maintain with us or their ability to repay their loans from us **increases,in** ~~as the special assessment the~~ FDIC ~~charged certain financial institutions,including the Bank,in December 2023 based on their size and amount of uninsured deposits.Increases in deposit~~ insurance **premiums** ~~assessment rates~~ as well as any special assessments that the FDIC may charge us ~~in the future~~ may adversely affect our financial condition and results of operations.The Company' s financial condition and results of operations contain estimates and assumptions made by management that could be inaccurate.Accounting estimates and processes are fundamental to how we record and report our financial condition and results of operations.Accounting principles generally accepted in the United States (" GAAP ") require our management to make estimates about future events that are inherently uncertain.We use models and other forecasting processes to make these estimates.In doing so,management must choose between many alternatives,all of which may be reasonable under prevailing circumstances.As a result,these models and other forecasting processes may reflect assumptions that ultimately prove to be inaccurate,particularly in times of market stress or other unforeseen circumstances.Even if these assumptions are adequate,the models may include flaws in their design or their implementation,including flaws caused by failures in controls,data management,human error or from the reliance on technology.Because of the uncertainty and subjectivity surrounding management' s judgments and the estimates pertaining to these matters,the Company cannot guarantee that it will not be required to adjust accounting policies or restate prior period financial statements.Any such failure in our analytical or forecasting models could have a material adverse effect on our business,financial condition and results of operations.See " Critical Accounting Policies and Estimates " ~~in Item 7,Management' s Discussion and Analysis of Financial Condition and Results of Operations,~~ and Note 1," Significant Accounting Policies," in the Notes to Consolidated Financial Statements in Item 8,Financial Statements and Supplementary Data,in this report.Changes in accounting standards issued by FASB or other standard- setting bodies may adversely affect our financial statements.Our financial statements are subject to the application of GAAP,which are periodically revised and / or expanded.From time to time,FASB or other accounting standard setting bodies adopt new accounting standards or amend existing standards.In addition,market conditions often prompt these bodies to promulgate new guidance that further interprets or seeks to revise accounting pronouncements related to financial instruments,structures or transactions as well as to issue new standards expanding disclosures.Our estimate of the impact of accounting developments that have been issued but not yet implemented is disclosed in our annual reports on Form 10- K and our quarterly reports on Form 10- Q,but the impact of these changes often is difficult to precisely assess.In some cases,we could be required to apply a new or revised standard retroactively,resulting in changes to previously reported financial results,or a cumulative charge to retained earnings.It is possible that future accounting standards that we are required to adopt could change the current accounting treatment that we apply to our consolidated financial statements and that such changes could have a material effect on our financial condition and results of operations.We are subject to environmental liability risk associated with

lending activities.A significant portion of our loan portfolio is secured by real property.During the ordinary course of business,we may foreclose on and take title to properties securing certain loans.In doing so,there is a risk that hazardous or toxic substances could be found on these properties.If hazardous or toxic substances are found,we may be liable for remediation costs,as well as for personal injury and property damage.Environmental laws may require us to incur substantial expenses and may materially reduce the affected property' s value or limit our ability to use or sell the affected property.The remediation costs and any other financial liabilities associated with an environmental hazard could have a material adverse effect on our financial condition and results of operations.In addition,future laws or more stringent interpretations or enforcement policies with respect **to existing laws may increase our exposure to environmental liability.Although management has policies and procedures to perform an environmental review before the loan is recorded and before initiating any foreclosure action on real property,these reviews may not be sufficient to detect all potential environmental hazards** . The discontinuation of the London Interbank Offered Rate (" LIBOR ") as a financial benchmark may adversely affect our business and financial results. ~~The discontinuation of LIBOR as a financial benchmark presents risks to the financial instruments originated or held by the Company.~~ Prior to January 1, 2022, LIBOR was the reference rate used for many of our transactions, including a substantial portion of our variable rate loans as well as our borrowings and securities; in addition, the derivatives that we used to manage risk related to the foregoing transactions were tied to LIBOR ~~prior to January 1, 2022~~ . **All** ~~Although some~~ LIBOR tenors were discontinued **by** ~~at the end of 2021, the LIBOR tenors impacting the Company' s financial instruments will continue to be quoted until~~ June 30, 2023. ~~When one- month~~ **As an alternate benchmark to** LIBOR, ~~which is the LIBOR tenor that~~ the Company **adopted** ~~most frequently uses, is fully discontinued after June 30, 2023, there may be uncertainty or differences in the calculation of the applicable interest rate or payment amount depending on the terms of the governing instruments. Our significant efforts to amend these governing instruments and transition to a new reference rate remain ongoing. Nevertheless, any such uncertainty may increase operational and other risks to the Company and the industry. While there is no consensus yet on what rate or rates may become accepted alternatives to LIBOR, a steering committee comprised of large U. S. financial institutions, the Alternative Reference Rate Committee (" ARRC "), selected~~ the Secured Overnight Finance Rate (" SOFR ") **,** ~~as an alternative to LIBOR. SOFR has been~~ published by the Federal Reserve Bank of New York ~~(" FRBNY ") since May 2018~~ , ~~and it is intended to be a broad measure of the cost of borrowing cash overnight collateralized by U. S. Treasury securities. ARRC has proposed a paced market transition plan to SOFR from LIBOR and organizations are currently considering industry wide and company- specific transition plans as it relates to derivatives and cash markets exposed to LIBOR. The Company' s 4. 50 % fixed- to- floating rate subordinated notes due 2035 and its 3. 00 % fixed- to- floating rate subordinated notes due 2031 are linked to SOFR, and the Company has adopted daily simple SOFR in lieu of LIBOR~~ as the primary reference rate for its lending transactions with other reference rates used on a case- by- case basis. There can be no assurances, however, that ~~,~~ regardless of the Company ~~'~~ **'** s decision, SOFR will be widely adopted as the replacement reference rate for LIBOR. Accordingly, the Company may need to select a different reference rate, or multiple rates in order to maintain its competitive position. In addition, ~~because SOFR is published by the FRBNY based on data received from other sources,~~ we **could** ~~have no control over its determination, calculation or publication. Finally, there can~~ be **involved** ~~no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the parties that utilize SOFR as the reference rate for transactions. The market transition away from LIBOR to an alternative reference rate, including SOFR, is complex and could have a range of adverse effects on our business, financial condition, and results of operations. In particular, any such transition could: — adversely affect the interest rates paid or received on, and the revenue and expenses associated with, our floating rate obligations, loans, deposits, derivatives and other financial instruments tied to LIBOR rates, or other securities or financial arrangements given LIBOR' s role in determining market interest rates globally; — adversely affect the value of our floating rate obligations, loans, deposits, derivatives and other financial instruments tied to LIBOR rates, or other securities or financial arrangements; — result~~ in disputes, litigation or other actions with counterparties regarding the interpretation and enforceability of certain fallback language in LIBOR- based notes, securities and other instruments **. Although** ~~; and — require~~ the transition ~~to or development of appropriate systems and analytics to effectively transition our risk management processes~~ from LIBOR **has not** ~~- based products to those based on the applicable alternative pricing benchmark. Finally, the implementation of LIBOR reform proposals may result in increased compliance costs and operational costs including costs related to the transition to a replacement reference rate or rates, which could~~ adversely ~~affect~~ **affected** our **business,** financial condition and results of operations ~~. Liquidity needs~~ **to date, such adverse effects** could ~~adversely affect our results of operations and financial condition. Maintaining adequate liquidity is crucial to the operation of our business. We need sufficient liquidity to meet customer loan requests, deposit maturities and withdrawals and other cash commitments arising in both the ordinary course of business and in other unpredictable circumstances. We rely on dividends from the Bank as our primary source of funds. The primary source of the Bank' s funds are~~ **arise in** ~~customer deposits, loan repayments, proceeds from our investment securities and borrowings. While scheduled loan repayments are a relatively stable source of funds, they~~ - **the** are subject to the ability of borrowers...... reached. This increase, and any future increases, in FDIC insurance premiums as...... sufficient to detect all potential environmental hazards . Risks Related to Our Business Our business may be adversely affected by current economic conditions in general and specifically in the markets in which we operate. General business and economic conditions in the United States and abroad can materially affect our business and operations and the businesses and operations of our customers. A weak U. S. economy is likely to cause uncertainty about the federal fiscal policymaking process, the medium and long- term fiscal outlook of the federal government and future tax rates. In addition, economic and other conditions in foreign countries could affect the stability of global financial markets and adversely impact global supply chains, which could hinder U. S. economic growth. Weak economic conditions are characterized by deflation, fluctuations in debt and equity capital markets, a lack of liquidity and / or depressed prices in the secondary market for mortgage loans, increased delinquencies on mortgage, consumer and C & I loans, residential and commercial real estate price declines and lower home sales and commercial activity.

All of these factors are detrimental to our business, and the interplay between these factors can be complex and unpredictable. Our business is also significantly affected by monetary and related policies of the U. S. federal government and its agencies. Changes in any of these policies are influenced by macroeconomic conditions and other factors that are beyond our control. Adverse economic conditions and government policy responses to such conditions could have a material adverse effect on the businesses and operations of our customers and in turn on our business, financial condition, results of operations and growth prospects. More particularly, much of our business development and marketing strategy is directed toward fulfilling the banking and financial services needs of small to medium size businesses. Such businesses generally have fewer financial resources in terms of capital or borrowing capacity than larger entities. If general economic conditions negatively impact the markets in which we operate and these businesses are adversely affected, our financial condition and results of operations may be negatively affected. We have a high concentration of loans secured by real estate. At December 31, 2022 **2023** , approximately 83. 47 **07** % of our loan portfolio had real estate as a primary or secondary component of the collateral securing the loan. The real estate provides an alternate source of repayment in the event of a default by the borrower. Any adverse change in real estate values in our markets could significantly impair the value of the particular collateral securing our loans and our ability to sell the collateral upon foreclosure for an amount necessary to satisfy the borrower' s obligations to us. Furthermore, in a declining real estate market, we often will need to further increase our allowance for credit losses to address the deterioration in the value of the real estate securing our loans. Any of the foregoing could have a material adverse effect on our financial condition and results of operations. We have a concentration of credit exposure in commercial real estate. In addition to the general risks associated with our lending activities described above, including the effects of declines in real estate values, commercial real estate (" CRE ") loans are subject to additional risks. These loans depend on cash flows from the property to service the debt. Cash flows, either in the form of rental income or the proceeds from sales of commercial real estate, may be affected significantly by general economic conditions. A general downturn in the local economy where the property is located, or a decline in occupancy rates in particular, could increase the likelihood of default. An increase in defaults in our CRE loan portfolio could have a material adverse effect on our financial condition and results of operations. At December 31, 2022 **2023** , we had approximately $ 6. 4 **8** billion in commercial real estate loans, representing approximately 55. 69 **22** % of our loans outstanding on that date, as follows: (thousands) December 31, 2022Commercial **2023Commercial** Real EstateOwner-occupied $ 1, 539 **648** , 296 **961** Non- owner occupied3, 452 **733** , 910 **174** Construction1, 330 **333** , 337 **397** Land Development: Commercial mortgage125 **mortgage104** , 857 **415** Total Commercial real estate loans $ 6, 448 **819** , 400 **947** As discussed under the heading " Supervision and Regulation " in Item 1, Business, above, the federal banking agencies promulgated guidance regarding when an institution will be deemed to potentially have significant CRE concentration risk exposure, as indicated by the results of the 100 / 300 Test. Although the 100 / 300 Test is not a limit on our lending activity, if any future results of a 100 / 300 Test evaluation show us to have a potential CRE concentration risk, we may elect, or be required by our regulators, to adopt additional risk management practices or other limits on our activities, which could have a material adverse effect on our financial condition and results of operations. **,lasting damage to our reputation,the violation of privacy or other laws and significant litigation risk,all of which could have a material adverse effect on our financial condition and results of operations.** We rely extensively on a number of vendors.We rely on numerous vendors and other third party service providers (which **.Third- party service providers provide certain products and services necessary to maintain our day- to- day operations.In addition to the information security risks discussed immediately above,** we refer to collectively as " vendors ") to assist us in providing our lending,deposit and other financial services as well as the back- office functions that support our day- to- day operations.We are therefore subject to the risks associated with a vendor **service provider** ' s failure to provide the agreed- upon products or services , **for reasons not related to information security** or its delivery of **a** products- **product** or **provision of** services at a level or in a manner that does not meet **satisfy our** expectations. Deficient **Such poor** performance may result from **be due to** the vendor **service provider** ' s failure to meet its **contractual** service **level** standards under the contract (due to,among other reasons,insufficient support for its existing products and services or a change in its strategic focus) or simply because the vendor **service provider** ' s products or services do not include the functionality,convenience or adaptability **other aspects** necessary to compete effectively **in** or efficiently with other -- **the marketplace** providers of the financial services we offer .Although we rigorously evaluate vendors **potential third party service providers** before entering into contracts **a business arrangement** ,we **ultimately** do not control a vendor **the service provider** ' s performance of its contractual obligations or its actions with respect thereto.A vendor **service provider** ' s failure to meet its contractual obligations or otherwise perform as expected could be disruptive to our operations,which could have a material adverse impact on our business,financial condition and results of operations.Further,replacing service providers often entails significant delay and expense .Additionally,some external vendors require access to the Company' s information systems to provide their services.We have identified these vendors as a source of information security risk, A failure or breach of our **communications and information** or a service provider' s operational or security systems **, or those of our vendors and customers** , including as a result of cyber- attacks, could disrupt our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation and create significant financial and legal exposure for us. **The Company** As a financial institution , we **our vendors (inclusive of vendors to our vendors) and our customers** rely heavily on **communications** our ability, and **information security systems** the ability of our third party service providers, to securely and reliably process, record, transmit and monitor confidential and other information through our and our third - **their** party service provider' s computer systems and networks. Our operational systems, including, among other things, deposit and loan servicing, online and mobile banking, wealth management, accounting and data processing, could be materially adversely impacted by a failure, interruption or breach in the security or integrity of any of these systems, whether our own **including systems under the control of vendors. As a financial institution, the Company is subject to ongoing threats to its systems, software, networks and other technology that originate from various sources, including** or **our** one of **employees, cyber- criminals,**

hacktivists, groups linked to terrorist organizations ~~our~~ - **or hostile countries, and** third ~~party service provider' s~~ **parties aiming to disrupt financial institutions more generally** . **Information security** ~~Threats~~ **threats** ~~to these systems come from a variety of sources, including~~ **include** computer hacking involving the introduction of computer viruses or **malicious code known as "** malware **" into the Company' s systems** , cyber- attacks, identity theft, electronic fraudulent activity and attempted theft of financial assets. These threats **, which** are ~~very~~ **designed to obtain unauthorized access to confidential information belonging to the Company or its customers, manipulate or destroy data or systems, disrupt service on the Company' s systems, or steal money through the use of " ransomware, " are increasingly** sophisticated and constantly evolving. In addition, our systems are threatened by unpredictable events such as terrorist attacks, power outages or tornadoes or other natural disasters. **The Company may not be able to effectively implement, develop and manage critical systems and information technology infrastructure to facilitate strategic business initiatives, which could impair our ability to achieve financial, operational, compliance and strategic objectives and negatively affect our business, financial condition or results of operations.** We have invested a significant amount of time and expense in security infrastructure investments and the development of policies and procedures governing our operations as well as **in** employee training and **the** monitoring of our **vendors** ~~third party service providers~~ , in our efforts to preserve the security, integrity and continuity of our operations from the aforementioned threats. ~~Despite~~ **As described in the next paragraph, however, we have experienced security breaches and cyber- attacks, none of which have materially impacted the Company. Importantly, though, due to the difficulty in anticipating, detecting and recognizing threats to the Company' s systems, coupled with the fact that we do not have control over the information security systems of customers, vendors and third parties, we can provide no assurances that our systems, or our vendor' s or customer' s systems, will not experience in the future any material failures, interruptions or security breaches of our communications and information securities systems or that, if any such failures, interruptions or breaches occur, they will be addressed in a timely and adequate manner. A successful penetration or circumvention of our security systems or other significant disruption of our information systems or** ~~these~~ **those** ~~efforts~~ **of customers** , ~~beginning~~ **vendors or other third parties, including as a result of cyber- attacks, could (i) significantly and adversely impact our operations or those of our customers by disrupting our networks and systems; (ii) result** in **the unauthorized access to, and destruction, loss, theft, misappropriation or release of confidential, sensitive or otherwise valuable information and the use of such information to process fraudulent transactions; (iii) result in a violation of applicable privacy, data breach and other laws, subjecting the Company to additional regulatory scrutiny and exposure to civil litigation, criminal penalties, governmental fines or sanctions or financial liability; (iv) require significant management attention and resources to respond, remediate or remedy the damages that result; and / or (v) harm the reputation of or cause a loss of confidence in, the Company, in turn resulting in a decrease in the number of customers that choose to do business with the Company. Further, the extent of a particular failure, interruption or security breach of our communications and information securities systems, and the steps that the Company may need to take to investigate and remedy the matter, may not be immediately clear, and it may take a significant amount of time before such an investigation or determination, judicial or otherwise, can be completed. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or profitability. This in turn could result in financial losses to us or our customers, lasting damage to our reputation, the violation of privacy or other laws and significant litigation risk, all of which could have a material adverse effect on our financial condition and results of operations. The Company has experienced security breaches and cyber- attacks in the past. In** May 2022 ~~we~~ **, the Company** learned of a data breach experienced by a **vendor** ~~third- party service provider~~ that provides property insurance validation services for the Company. This data breach, as it related to the Company, involved a third party obtaining names, addresses and loan numbers of certain ~~of our~~ customers via unauthorized access to our service provider' s servers (the data breach did not involve Renasant Bank customer Social Security numbers or information related to any accounts maintained at Renasant Bank). **Beginning in May 2023, the Company began receiving notices from a number of its vendors regarding the data breach related to the MOVEit Transfer software suffered by the vendor or a vendor to such vendor (the Company itself did not use the software).** The **data breach experienced by these vendors involved the names, account numbers, Social Security numbers and other nonpublic personal information of a relatively small number of our customers. For each incident, the** Company caused notices of the data breach to be delivered to impacted clients, and we notified federal and state regulatory authorities about the incident. The ~~service provider~~ **relevant vendors** also offered complementary credit monitoring services to consumer customers. The Company has also heightened its monitoring of the **vendors** ~~service provider~~ ' ~~s~~ efforts to strengthen ~~its~~ **their** information security infrastructure and prevent any further unauthorized access to its systems. ~~As of~~ **Nonetheless, it is inevitable that additional breaches and attacks will occur in** the **future. While such breaches and attacks have not materially impacted the Company to** date ~~of this report~~ , ~~the costs and expenses incurred by the Company in connection with this incident have been immaterial. In light of the above- described incident and the ongoing threats to our and our third party provider' s information security, we can provide no assurances that our systems, or our provider' s systems, will not experience in the~~ future ~~any failures, interruptions or~~ security breaches ~~or that, if any such failures, interruptions or breaches occur, they will be addressed in a timely~~ and **cyber- attacks** ~~adequate manner. If the security and integrity of our systems, or the systems of one of our providers, are compromised, our operations could be significantly disrupted and our or our customers confidential information could be misappropriated, among other things. This in turn~~ could result in ~~financial losses to us~~ **serious and harmful consequences** ~~or~~ **for the Company** ~~our~~ - **or its clients and** customers , lasting damage to our reputation,...... providers often entails significant delay and expense . Our risk management framework may not be effective in mitigating risk and loss to us. We are subject to numerous risks, including lending risk, interest rate risk, liquidity risk, market risk, information security risk and model risk, among other risks encountered in the ordinary course of our operations. We have implemented processes and procedures designed to identify, measure, monitor and

mitigate these risks. However, all risk management frameworks are inherently limited, for a number of reasons. First, we may not have identified all material risks affecting our operations. Next, our current procedures may not anticipate future development of currently unanticipated or unknown risks. Also, we may have underestimated the impact of known risks or overestimated the effectiveness of the policies and procedures we have implemented to mitigate these risks. Increases in the scope and complexity of our operations and our reliance, among other things, have increased the level of risk that we must manage. Accordingly, we could suffer losses as a result of our failure to properly anticipate and manage these risks. Our financial condition and results of operations could be negatively affected if we fail to grow or fail to manage our growth effectively. We have grown our business through the acquisition of entire financial institutions and non- bank commercial finance companies ~~(such as Republic Business Credit and Southeastern Commercial Finance, LLC, both of which we acquired in 2022)~~ and through de novo branching. We intend to continue pursuing this growth strategy for the foreseeable future. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies when expanding their franchise, including the following: Management of Growth. We may be unable to successfully: — maintain loan quality in the context of significant loan growth; — maintain adequate management personnel and systems to oversee such growth; — maintain adequate internal audit, loan review and compliance functions; and — implement additional policies, procedures and operating systems required to support such growth. Operating Results. Existing offices or future offices may not maintain or achieve deposit levels, loan balances or other operating results necessary to avoid losses or produce profits in an efficient manner. Our growth strategy necessarily entails growth in overhead expenses as we add new offices and staff. Our historical results may not be indicative of future results or results that may be achieved if we increase the number of our branch offices. Should any new location be unprofitable or marginally profitable, or should existing locations experience a decline in profitability or incur losses, the adverse effect on our results of operations and financial condition could be more significant than would be the case for a larger company. Expansion into New Markets. Much of our recent growth has been focused in the highly- competitive metropolitan areas within our footprint. In these growth markets we face competition from a wide array of financial institutions and commercial finance companies, including much larger, well- established companies. Regulatory and Economic Factors. Our growth and expansion plans may be adversely affected by a number of regulatory and economic developments or other events. Failure to obtain, or a delay in obtaining, required regulatory approvals, changes in laws and regulations or other regulatory developments and changes in prevailing economic conditions or other unanticipated events may prevent or adversely affect our continued growth and expansion. Such factors may cause us to alter our growth and expansion plans or slow or halt the growth and expansion process, which may prevent us from entering certain target markets or allow competitors to gain or retain market share in our existing or expected markets. Failure to successfully address these issues could have a material adverse effect on our financial condition and results of operations ~~,~~ and could adversely affect our ability to successfully implement our business strategy. Also, if our growth occurs more slowly than anticipated or declines, our operating results could be materially adversely affected. We may fail to realize the anticipated benefits of our acquisitions. The success of our acquisitions ~~, including our two acquisitions in 2022, will depend~~ **depends** on, among other things, our ability to realize anticipated cost savings and ~~to~~ integrate the acquired assets and operations in a manner that permits growth opportunities and does not materially disrupt our existing customer relationships or result in decreased revenues resulting from any loss of customers. If we are not able to successfully achieve these objectives, the anticipated benefits of the acquisition may not be realized fully or at all or may take longer to realize than expected. Additionally, we make fair value estimates of certain assets and liabilities in recording each acquisition. Actual values of these assets and liabilities could differ from our estimates, which could result in our not achieving the anticipated benefits of the particular acquisition. We cannot assure investors that our acquisitions will have positive results, including results relating to: correctly assessing the asset quality of the assets acquired; the total cost of integration, including management attention and resources; the time required to complete the integration successfully; the amount of longer- term cost savings; being able to profitably deploy funds acquired in the transaction; retaining the existing client relationships; or the overall performance of the combined business. Our future growth and profitability ~~depends~~ - **depend** , in part, on our ability to successfully manage the combined operations. Integration of an acquired business can be complex and costly, and we may encounter a number of difficulties, such as: — deposit attrition, customer loss and revenue loss; — the loss of key employees; — the disruption of our operations and business; — our inability to maintain and increase competitive presence; — possible inconsistencies in standards, control procedures and policies; and / or — unexpected problems with costs, operations, personnel, technology and credit. Additionally, general market and economic conditions or governmental actions affecting the financial industry generally may inhibit our successful integration of the operations acquired. We may continue to experience increased credit costs or need to take additional markdowns and make additional provisions to the allowance for credit losses on loans. Any of these actions could adversely affect our financial condition and results of operations in the future. In addition, the attention and effort devoted to the integration of an acquired business may divert management' s attention from other important issues and could harm our business. We may face risks with respect to future acquisitions. When we attempt to expand our business through mergers and acquisitions (including FDIC- assisted transactions), we seek targets that are culturally similar to us, have experienced management and possess either significant market presence or have potential for improved profitability through economies of scale or expanded services or, in the case of FDIC- assisted transactions, on account of the loss share arrangements with the FDIC associated with such transactions. In addition to the general risks associated with our growth plans and the particular risks associated with FDIC- assisted transactions, both of which are highlighted above, in general acquiring other banks, businesses or branches involves various risks commonly associated with acquisitions, including, among other things: — the time and costs associated with identifying and evaluating potential acquisition and merger targets; — inaccuracies in the estimates and judgments used to evaluate credit, operations, management and market risks with respect to the target institution; — the time and costs of evaluating new markets, hiring experienced local management and opening new bank locations, and the time lags between these

activities and the generation of sufficient assets and deposits to support the costs of the expansion; — our ability to finance an acquisition and possible dilution to our existing shareholders; — the diversion of our management' s attention to the negotiation of a transaction; — the incurrence of an impairment of goodwill associated with an acquisition and adverse effects on our results of operations; — entry into new markets where we lack experience; and — risks associated with integrating the operations and personnel of acquired businesses. We expect to continue to evaluate merger and acquisition opportunities (including FDIC-assisted transactions) that are presented to us and conduct due diligence activities related to possible transactions with other financial institutions and other companies. As a result, merger or acquisition discussions and, in some cases, negotiations may take place and future mergers or acquisitions involving cash, debt or equity securities may occur at any time. Historically, acquisitions of non- failed financial institutions and other companies involve the payment of a premium over book and market values, and, therefore, some dilution of our book value and net income per common share may occur in connection with any future transaction. Failure to realize the expected revenue increases, cost savings, increases in geographic or product presence and / or other projected benefits from an acquisition could have a material adverse effect on our financial condition and results of operations. Risks Associated With Our Common Stock Our ability to declare and pay dividends is limited by law, and we may be unable to pay future dividends. We are a separate and distinct legal entity from the Bank, and we receive substantially all of our revenue from dividends from the Bank. These dividends are the principal source of funds to pay dividends on our common stock and interest and principal on our debt. Various federal and / or state laws and regulations limit the amount of dividends that the Bank may pay to us. In the event the Bank is unable to pay dividends to us, we may not be able to service our debt, pay our obligations or pay dividends on our common stock. The inability to receive dividends from the Bank could have a material adverse effect on our business, financial condition and results of operations. The information under Note 19, " Restrictions on Cash, Securities, Bank Dividends, Loans or Advances, " in the Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, in this report provides a detailed discussion about the restrictions governing the Bank' s ability to transfer funds to us. The trading volume in our common stock is less than that of other bank holding companies. Although our common stock is listed for trading on ~~The NASDAQ Global Select Market~~ **the New York Stock Exchange** , the average daily trading volume in our common stock is generally less than that of many of our competitors and other bank holding companies that are publicly- traded companies. For the 60 days ended February ~~17~~ **16** , ~~2023~~ **2024** , the average daily trading volume for Renasant common stock was ~~215~~ **242** , ~~713~~ **165** shares per day. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on the presence in the marketplace of willing buyers and sellers of our common stock at any given time. This presence depends on the individual decisions of investors and general economic and market conditions over which we have no control. Significant sales of our common stock, or the expectation of these sales, could cause volatility in the price of our common stock. Holders of our junior subordinated debentures have rights that are senior to those of our common shareholders. We have supported a portion of our growth through the issuance of trust preferred securities from special purpose trusts and accompanying junior subordinated debentures. Also, in connection with our acquisitions of other financial institutions, we have assumed junior subordinated debentures. Payments of the principal and interest on the trust preferred securities of these trusts are conditionally guaranteed by us. Further, the junior subordinated debentures we issued to the trusts are senior to our shares of common stock. As a result, we must make payments on the junior subordinated debentures before any dividends can be paid on our common stock and, in the event of our bankruptcy, dissolution or liquidation, the holders of the junior subordinated debentures must be satisfied before any distributions can be made on our common stock (such dividend restrictions do not apply to our outstanding subordinated notes). We have the right to defer distributions on our junior subordinated debentures (and the related trust preferred securities) for up to five years, during which time no dividends may be paid on our common stock. An investment in our common stock is not an insured deposit. Our common stock is not a bank deposit and, therefore, is not insured against loss by the FDIC, any deposit insurance fund or by any other public or private entity. Investment in our common stock is inherently risky for the reasons described in this " Risk Factors " section and elsewhere in this Annual Report on Form 10- K and is subject to the same market forces that affect the price of common stock in any company. As a result, an investor may lose some or all of its investment in our common stock. Our Articles of Incorporation and Bylaws, as well as certain banking laws, could decrease our chances of being acquired even if our acquisition is in our shareholders' best interests. Provisions of our Articles of Incorporation and Bylaws and federal banking laws, including regulatory approval requirements, could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial to our shareholders. The combination of these provisions impedes a non- negotiated merger or other business combination, which, in turn, could adversely affect the market price of our common stock. Our issuance of preferred stock could adversely affect holders of our common stock and discourage a takeover. Our shareholders authorized the Board of Directors to issue up to 5, 000, 000 shares of preferred stock without any further action on the part of our shareholders. Our Board of Directors also has the power, without shareholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue preferred stock in the future that has preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock could be **materially and** adversely affected. In addition, the ability of our Board of Directors to issue shares of preferred stock without any action on the part of our shareholders may impede a takeover of us and prevent a transaction perceived to be favorable to our shareholders. Shares eligible for future sale could have a dilutive effect. Shares of our common stock eligible for future sale, including those that may be issued in any other private or public offering of our common stock for cash or as incentives under equity incentive plans, could have a dilutive effect on the market for our common stock and could adversely affect market prices. As of February ~~17~~ **16** , ~~2023~~ **2024** , there were 150, 000, 000 shares of our common stock authorized, of which 56, ~~018~~ **216** , ~~496~~ **702** shares were outstanding. **27**