

## Risk Factors Comparison 2025-02-26 to 2024-02-23 Form: 10-K

**Legend:** New Text ~~Removed Text~~ Unchanged Text Moved Text Section

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, 2023-2024, approximately ~~70-71~~ 37-52 % 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 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 or downgrades, 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. Changes in monetary policy by ~~Over the course of 2022 and into 2023, the Federal Reserve significantly raised interest rates to combat inflationary conditions, and interest rates remain at these elevated levels. Further 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 Although the rate of inflation declined in 2024, it remains elevated above the Federal Reserve’ s goal of inflation averaging 2 % over time. While this elevated level of** inflation persists, the value of our investment securities, particularly those with longer maturities, ~~would decrease~~ **decreases**, 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 noninterest 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. Liquidity needs 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 customer deposits, loan repayments, proceeds from our investment securities and borrowings. While scheduled loan repayments are a relatively stable source of funds, they are subject to the ability of borrowers to repay the loans. The ability of borrowers to repay loans can be adversely affected by a number of factors, including changes in economic conditions, adverse trends or events affecting business industry groups, reductions in real estate values or markets, business closings or lay- offs, pandemics, inclement weather, natural disasters and international instability. Additionally, deposit levels may be affected by a number of factors, including interest rates paid by competitors, general interest rate levels, returns available to customers on alternative investments and general economic conditions. For example, following the March 2023 bank failures, many depositors became concerned about the soundness of other financial institutions and moved deposits to larger financial institutions or to other investment vehicles. Accordingly, we may be required from time to time to rely on secondary sources of liquidity to meet withdrawal demands or otherwise fund operations or to support growth. These secondary sources, which generally have a higher cost than deposits, include Federal Home Loan Bank advances and federal funds lines of credit from correspondent banks. ~~If the aforementioned sources of~~ **we are unable to maintain adequate** liquidity ~~are not adequate for our needs~~, we may attempt to raise additional capital in the equity or debt markets. ~~Our ability to raise additional capital, if needed, the success of which~~ will depend on **market** conditions ~~in such markets at that time, which are outside our control~~, and on our financial performance. If we are unable to meet our liquidity needs through any of the aforementioned sources, whether at all or at the time or the cost that we anticipate, we may be required to slow or discontinue loan growth, capital expenditures or other investments or liquidate assets. We depend on the accuracy and completeness of information furnished by others about customers and counterparties. In deciding whether to extend credit or enter into other transactions, we often rely on information furnished by or on behalf of customers and counterparties, including financial statements, credit reports, other financial information and appraisals of the value of collateral. We may also rely on representations of those customers, counterparties or other third parties, such as independent auditors, as to the accuracy and completeness of that information. Reliance on inaccurate or misleading financial statements, credit reports, other financial information or appraisals could have a material adverse effect on our business and, in turn, our financial condition and results of operations. Competition in our industry is intense and may adversely affect our profitability. We face substantial competition in all areas of our

operations from a variety of different competitors, many of which are larger and have substantially greater resources than we have, including higher total assets and capitalization, greater access to capital markets and a broader offering of financial services. Such competitors primarily include national, regional and community banks within the various markets in which we operate. We also face competition from many other types of financial institutions (including savings and loans and credit unions), finance companies, brokerage firms, insurance companies, factoring companies, fintech companies and other financial intermediaries. Many of these competitors have fewer regulatory constraints and may have lower cost structures than the Company. ~~The information under the heading “Competition” in Item 1, Business, in this report provides more information regarding the competitive conditions in our growth markets. Our industry could become even more competitive as a result of legislative, regulatory and technological changes. We also expect continued consolidation in the banking industry as a result of, among other things, elevated regulatory compliance and other legal costs and the benefits of scale when making investments in new technology. Banks, securities firms and insurance companies can merge under the umbrella of a financial holding company, which can offer virtually any type of financial service, including banking, securities underwriting, insurance (both agency and underwriting) and merchant banking. Also, legislative and regulatory changes on both the federal and state level may materially affect competitive conditions in our industry. Finally, technology has lowered barriers to entry and made it possible for non-banks to offer products and services traditionally provided by banks, such as loans and automatic transfer and payment systems. Our ability to compete successfully depends on a number of factors, including, among other things: — the ability to develop, maintain and build upon long- term customer relationships based on top quality service, high ethical standards and safe and sound assets; — the ability to expand our market position; — the scope, relevance and pricing of products and services offered to meet customer needs and demands; — consolidation in the banking industry; • the impact of legislative, regulatory and technological changes; • the rate at which we introduce new products and services relative to our competitors; — customer satisfaction with our level of service; and — industry and general economic trends. Failure to perform in any of these areas could significantly weaken our competitive position, which could adversely affect our growth and profitability, which, in turn, could have a material adverse effect on our financial condition and results of operations. We may Our business, financial condition and results of operations could be materially adversely affected by adverse developments impacting the soundness of the other financial institutions services industry, such as recent bank failures or concerns involving liquidity and the other third parties increased competition for and cost of deposits. The bank failures in March 2023 resulted in general uncertainty regarding the adequacy of liquidity of the banking sector generally and caused significant volatility in the stock prices of publicly- traded bank holding companies. These developments appear to have prompted negatively impacted some customers’ confidence in banks, prompting some customers to maintain their deposits with larger financial institutions. Additional bank failures or sales of distressed banks in anticipation of failure could prolong these concerns despite the extensive measures taken by federal banking regulators to restore confidence in the banking system. In addition, competition Competition for deposits remains intense has increased in recent periods, and the cost of funding, both for deposits and other sources of liquidity, has increased. If the concerns surrounding the banking sector persist, our businesses, financial condition and results of operations could be materially adversely impacted. We may be adversely affected by the soundness of other financial institutions and other third parties.~~ In addition to the general negative impact on us that could result from the failure of other financial institutions, the failure or financial distress of a financial institution with which we have a relationship could have a material adverse impact on us. Entities within the financial services industry are interrelated as a result of trading, clearing, counterparty and other relationships. We have exposure to many different industries and counterparties and from time to time execute transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks and other institutional clients. Many of these transactions expose us to credit risk in the event of a default by a counterparty or client. In addition, our credit risk may be exacerbated when the collateral we hold cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the credit due to us. Any such losses could have a material adverse effect on our financial condition and results of operations. We are subject to extensive government regulation, and such regulation could limit or restrict our activities and adversely affect our earnings. As a publicly- traded bank holding company and a state nonmember bank with assets in excess of \$ 10 billion, we and the Bank, respectively, are subject to extensive federal and state regulation and supervision, and we are committed to maintaining high standards of legal and regulatory compliance. Banking regulations are primarily intended to protect depositors’ funds, federal deposit insurance funds and the banking system as a whole, while consumer protection statutes are primarily focused on the fair treatment and protection of the users of our lending and deposit services. The federal securities laws and regulations that we are subject to are designed to protect the investing public and the integrity and efficiency of the securities markets. These regulations affect our corporate governance, dividend policy, capital structure, lending and deposit practices, investment practices, public disclosures and, ultimately, our financial performance and growth. New regulations, as well as significant changes to existing regulations, relating to every facet of our operations, have been proposed or may be proposed in the future. New laws and regulations, and changes to (or repeal of) existing laws, regulations or policies, as well as changes in interpretation, implementation or enforcement of the foregoing, could affect us and / or the Bank in substantial and unpredictable ways. Among other impacts, new or revised laws and regulations could limit the types of financial services and products we may offer or fees we may charge, require extensive new disclosures in our public filings, increase the ability of non- banks to offer competing financial services and products and / or otherwise result in continuing uncertainty regarding legal and regulatory compliance matters. Any of the foregoing may, in turn, necessitate that we hire additional employees, acquire or develop new software, implement new processes and procedures and otherwise incur substantial additional costs as part of our efforts to comply with our legal and regulatory obligations. In addition, these efforts may divert management time and attention from initiatives designed to grow the Company and the Bank and enhance our earnings and profitability. Under regulatory capital adequacy guidelines and other regulatory requirements, we and the Bank must meet guidelines that include quantitative measures of assets, liabilities and certain off- balance sheet items,

subject to qualitative judgments by regulators about components, risk weightings and other factors. If we fail to meet these minimum capital guidelines and other regulatory requirements, our financial condition would be materially and adversely affected. Our failure to maintain the status of “ well capitalized ” under our regulatory framework could affect the confidence of our customers in us, thus compromising our competitive position. In addition, failure to maintain the status of “ well capitalized ” under our regulatory framework, “ well managed ” under regulatory examination procedures or “ satisfactory ” under the CRA could compromise our status as a bank holding company and related eligibility for a streamlined review process for merger or acquisition proposals and would result in higher deposit insurance premiums assessed by the FDIC. We are also subject to various privacy, data protection and information security laws. Under the GLBA, we are subject to limitations on our ability to share our customers’ nonpublic personal information with unaffiliated parties, and we are required to provide certain disclosures to our customers about our data collection and security practices. Customers have the right to opt out of our disclosure of their personal financial information to unaffiliated parties. We are also subject to state laws regulating the privacy of individual’ s private information, many of which are more restrictive, and have more severe sanctions for noncompliance, than the GLBA. Finally, the GLBA requires us to develop, implement and maintain a written comprehensive information security program containing appropriate safeguards for our customers’ nonpublic personal information. Our failure to comply with privacy, data protection and information security laws and regulations could result in regulatory or governmental investigations and / or fines, sanctions and other expenses which could have a material adverse effect on our financial condition and results of operations. In addition to the costs we incur in complying with our various legal and regulatory obligations, we may be found to have failed to fully comply with applicable laws, regulations or policies. Any such failure could result in sanctions by regulatory agencies and / or civil money penalties, which could have a material adverse effect on our business, financial condition and results of operations. Although we have not yet been subject to any sanctions or penalties that have had a material impact on our business, financial condition or results of operations, such material violations could occur, even though we have policies and procedures designed to prevent such violations.

~~The information under the heading “ Supervision and Regulation ” in Item 1, Business, and Note 20, “ Regulatory Matters, ” in the Notes to Consolidated Financial Statements in Item 8, Financial Statements and Supplementary Data, in this report provides more information regarding the regulatory environment in which we and the Bank operate.~~ Higher FDIC deposit insurance premiums and assessments could adversely affect our financial condition. The FDIC is required under the Dodd- Frank Act to maintain the Deposit Insurance Fund at a minimum reserve ratio of 1.35 %. The FDIC’ s announced long- term goal is to maintain the reserve ratio at 2.00 %. In October 2022, the FDIC raised the assessment rate by two basis points, effective in the first quarter of 2023, which increase is intended to remain in effect until the 2.00 % goal is reached. The FDIC reaffirmed this goal in November 2023. The FDIC may also charge special assessments, such 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 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. 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. All LIBOR tenors were discontinued by June 30, 2023. As an alternate benchmark to LIBOR, the Company adopted the Secured Overnight Finance Rate (“SOFR”), published by the Federal Reserve Bank of New York, 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, we could be involved 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 the transition from LIBOR has not adversely affected our business, financial condition and results of operations to date, such adverse effects could arise in the future.~~ 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, ~~2023~~ **2024**, approximately 83. ~~07-96~~ % 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 **significant** 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~~, 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, 2023, we had approximately \$ 6. 8 billion in commercial real estate loans, representing approximately 55. 22 % of our loans outstanding on that date, as follows: (thousands) December 31, 2023 Commercial Real Estate Owner-occupied \$ 1, 648, 961 Non- owner occupied 3, 733, 174 Construction 1, 333, 397 Land Development: Commercial mortgage 104, 415 Total Commercial real estate loans \$ 6, 819, 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. We rely extensively on a number of vendors. We rely on numerous vendors and other third party service providers (which 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’s failure to provide the agreed-upon products or services, or its delivery of products or services at a level or in a manner that does not meet expectations. Deficient performance may result from the vendor’s failure to meet its service 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’s products or services do not

include the functionality, convenience or adaptability necessary to compete effectively or efficiently with other providers of the financial services we offer. Although we rigorously evaluate vendors before entering into contracts, we do not control a vendor's performance of its contractual obligations or its actions with respect thereto. A vendor'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, and, accordingly, our information security team monitors such vendors in accordance with Company policies. While the Company has implemented an active program to oversee the information security risk posed by vendors, there can be no assurance that the Company will not experience material security breaches associated with vendors (or service providers to our vendors). The Company's policies related to the monitoring of vendors and other third parties are discussed in detail below in Item 1C, Cybersecurity, under the heading "Risk Management and Strategy- Diligence of Vendors and Other Third Parties."

**Fraud is a major, and increasing, operational risk for us and all banks. In recent years, fraud risk has emerged as a significant risk for all financial institutions, including us. Deposit fraud (such as check forging, check kiting and wire fraud) and loan fraud continue to be major sources of fraud attempts and actual loss. Fraud directed against our employees, vendors and customers – generally using deception to initiate unauthorized funds transfers – has emerged as another major source of fraud loss. The methods used by illicit actors to perpetrate fraud, and our efforts to combat it, constantly evolve as technology advances. In addition to cybersecurity risk (discussed below), emerging technologies, including rapid developments in the capabilities and applications of artificial intelligence, have made it easier for illicit actors to obtain and use customer personal information, mimic communications to or from customers, mimic signatures, and create false, or "synthetic," instructions, documents and media that appear genuine. Our efforts to combat fraud are both preventive (anticipating fraudulent activity, educating employees and customers) and responsive (detecting, halting and remediating fraud attempts). We have established policies and procedures to identify, monitor and mitigate fraud-related risks, and we continue to invest in systems, resources, and controls to better detect and prevent fraud. However, there are inherent limitations to our ability to anticipate, mitigate and remediate all fraud-related risks, particularly in light of the pace of technological advances. Some level of fraud loss is unavoidable, and the risk of a major loss cannot be eliminated. Accordingly, we could suffer unexpected losses, incur additional expenses to correct failures in our systems, and be subject to potential claims from third parties and government agencies. Any of these consequences could adversely affect our reputation, business, financial condition, and results of operations.**

A failure or breach of our communications and information security systems, or those of our vendors and customers, **and cybersecurity incidents,** 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, our vendors (inclusive of vendors to our vendors) and our customers rely heavily on communications and information security systems to securely and reliably process, record, transmit and monitor confidential and other information through our and their 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, 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 our employees, cyber-criminals, hacktivists, groups linked to terrorist organizations or hostile countries, and third parties aiming to disrupt financial institutions more generally. Information security threats 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 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," **or unauthorized funds transfers, are increasingly increasing in frequency and sophisticated sophistication and constantly evolving are often facilitated by artificial intelligence tools.**

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, in our efforts to preserve the security, integrity and continuity of our operations from the aforementioned threats. 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 those of customers, 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, although to date none of these attacks has materially impacted~~ the Company ~~learned of a data breach experienced by a vendor 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 customers via unauthorized access to our service provider's servers (the data breach did not involve Renasant Bank customer Social Security numbers or~~ **For example, information related to any accounts maintained at Renasant Bank).** ~~Beginning~~ **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 relevant vendors also offered complementary credit monitoring services to consumer customers. The Company has also heightened its monitoring of the vendors' efforts to strengthen their information security infrastructure and prevent any further unauthorized access to its systems. 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, future~~ **which may result in** security breaches ~~and cyber-attacks.~~ **Future security breaches** could result in serious and harmful consequences for the Company or its clients and customers. 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 **on vendors**, 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 and through de novo branching. We intend to continue pursuing this growth strategy for the foreseeable future **, including our proposed merger with The First**. 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 proposed merger with The First,** depends on, among other things, our ability to realize anticipated cost savings and 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 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: ~~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~~; **and / or • general market and economic conditions or governmental actions affecting the financial industry**. 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~~ **and negotiating a transaction**; ~~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 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 ~~16-18, 2024-2025~~, the average daily trading volume for Renasant common stock was ~~242-533, 165-278~~ 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 16, 2024, there were 150, 000, 000 shares of our common stock authorized, of which 216, 657, 702 shares were outstanding, and we anticipate issuing approximately 31.278 million shares in connection with the completion of our merger with The First. Risks Relating to the Merger with The First Failure to complete our merger with The First could negatively affect our share price, future business and financial results. Although we anticipate closing the merger with The First in the first half of 2025, we cannot guarantee when, or whether, the merger will be completed. The completion of the merger is subject to a number of customary conditions which must be fulfilled in order to complete the merger. If the merger with The First is not completed for any reason, our ongoing business and financial results may be adversely affected and we will be subject to several risks, including: • having to pay significant transaction costs without realizing any of the anticipated benefits of completing the merger; • failing to pursue other beneficial opportunities due to the focus of our management on the merger, without realizing any of the anticipated benefits of completing the merger; • declines in our share price to the extent that the current market prices reflect an assumption by the market that the merger will be completed; and • becoming subject to litigation related to any failure to complete the merger. Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated, cannot be met, or that could have an adverse effect on the combined company following the consummation of the merger with The First. Before the merger with The First may be completed, various approvals, consents and / or non- objections must be obtained from bank regulatory authorities, including the Federal Reserve, FDIC, and the DBCF. Additionally, the U. S. Department of Justice has between 15 and 30 days following approval of the merger by the Federal Reserve and FDIC, respectively, to challenge the approval on antitrust grounds. In determining whether to grant their approvals, the regulatory agencies consider a variety of factors, including the regulatory standing of each party. These approvals could be delayed or not obtained at all, including due to an adverse development in either party’ s regulatory standing or in any other factors considered by regulators in granting such approvals; governmental, political or community group inquiries, investigations or opposition; or changes in legislation or the political or regulatory environment generally. The approvals that are granted may impose terms and conditions, limitations, obligations or costs, or place restrictions on the conduct of the combined company’ s business or require changes to the terms of the merger. There can be no assurance that regulators will not impose any such conditions, limitations, obligations or restrictions and that such conditions, limitations, obligations or restrictions will not have the effect of delaying the completion of the merger, imposing additional material costs on or materially limiting the revenues of the combined company following the merger or otherwise reduce the anticipated benefits of the merger if the merger were consummated successfully within the expected timeframe. In addition, there can be no assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. The completion of the merger is conditioned on the receipt of the requisite regulatory approvals without the imposition of any materially financially burdensome regulatory condition and the expiration of all statutory waiting periods. Additionally, the completion of the merger is conditioned on the absence of certain laws, orders, injunctions or decrees issued by any court or governmental entity of competent jurisdiction that would prevent, prohibit or make illegal the completion of the merger or any of the other transactions contemplated by the agreement governing the merger with The First. Our

ongoing business and financial results may be adversely affected by a delay in receipt of necessary regulatory approvals, a denial of a regulatory application, or the imposition of a burdensome regulatory condition. We and The First will be subject to various uncertainties while the merger is pending that could adversely affect our financial results or the anticipated benefits of the merger. Uncertainty about the effect of the merger with The First on counterparties to contracts, employees and other parties may have an adverse effect on us or the anticipated benefits of the merger. These uncertainties could cause contract counterparties and others who deal with us or The First to seek to change existing business relationships with us or The First, and may impair our and The First's ability to attract, retain and motivate key personnel until the Merger is completed and for a period of time thereafter. Employee retention and recruitment may be particularly challenging prior to completion of the Merger, as our employees and prospective employees, and the employees and prospective employees of The First, may experience uncertainty about their future roles with us following the merger. The First may have liabilities that are not known to us. In connection with the merger with The First, we will assume all of The First's liabilities by operation of law. There may be liabilities that we failed or were unable to discover in the course of performing due diligence investigations into The First, or we may not have correctly assessed the significance of certain liabilities of The First identified in the course of our due diligence. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations. The merger with The First may be completed on different terms from those contained in the merger agreement. Prior to the completion of the merger with The First, we and The First may, by mutual agreement, amend or alter the terms of the agreement governing the merger, including with respect to, among other things, the merger consideration or any covenants or agreements with respect to the parties' respective operations during the pendency of the merger. Any such amendments or alterations may have negative consequences to us. Risks Relating to the Combined Company's Business Following the Merger with The First The market price of the common stock of the combined company after the merger with The First may be affected by factors different from those currently affecting the shares of Renasant common stock. Upon the completion of the merger with The First, Renasant shareholders and The First shareholders will become shareholders of the combined company. Renasant's business differs from that of The First, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of The First and Renasant. Sales of substantial amounts of Renasant common stock in the open market by former shareholders of The First could depress Renasant's stock price. Shares of Renasant common stock that are issued to The First shareholders in the merger will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended. As noted above, approximately 31.8 million shares of Renasant common stock in connection with the merger. If the merger is completed and if The First's former shareholders sell substantial amounts of Renasant common stock in the public market following completion of the merger, the market price of Renasant common stock may decrease. These sales might also make it more difficult for Renasant to sell equity or equity-related securities at a time and price that it otherwise would deem appropriate. We expect to incur substantial transaction costs in connection with the merger with The First. We have incurred, and we expect to continue to incur, a significant amount of non-recurring expenses in connection with the merger with The First, including legal, accounting, consulting and other expenses. In general, these expenses are payable by us whether or not the merger is completed. Additional unanticipated costs may be incurred following consummation of the merger in the course of the integration of our business and the business of The First. We cannot be certain that the elimination of duplicative costs or the realization of other efficiencies related to the integration of the two businesses will offset the transaction and integration costs in the near term, or at all. The merger with The First will result in changes to the board of directors of the combined company and the surviving bank. Upon completion of the merger, the composition of the combined company boards of directors will be different than the current Company and Bank boards of directors. The Company board of directors and the Bank board of directors will consist of: (1) the current members of the Company board of directors and four current members of The First board of directors and (2) the current members of the Bank board of directors and six current members of The First Bank board of directors, respectively. This new composition of the combined company boards of directors may affect the future decisions of the combined company. The unaudited pro forma financial information included as an exhibit to our Current Report on Form 8-K filed on July 29, 2024, is presented for illustrative purposes only and does not purport to be indicative of our financial condition or results of operations following the completion of the merger with The First. The unaudited pro forma financial information included as an exhibit to our Current Report on Form 8-K filed on July 29, 2024, is presented for illustrative purposes only, is based on various adjustments, assumptions and preliminary estimates and may not be an indication of our financial condition or results of operations following the consummation of the merger with The First. Our actual financial condition and results of operations following the consummation of the merger may not be consistent with, or evident from, the pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect our financial condition or results of operations following the consummation of the merger. Our potential for future business success and operating profitability must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently combined companies.