

Risk Factors Comparison 2025-03-03 to 2024-03-01 Form: 10-K

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

Our businesses and operations are sensitive to general business and economic conditions in the United States. If the U. S. economy weakens, our growth and profitability could be constrained. Uncertainty about the federal fiscal policymaking process and the medium and long- term fiscal outlook of the federal government is a concern for businesses, consumers and investors in the United States. In addition, economic conditions in foreign countries could affect the stability of global financial markets, 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 commercial loans, residential and commercial real estate price declines and lower home sales and commercial activity. The current economic environment is characterized by ~~high~~ **elevated** interest rates, which may impact our ability to generate attractive earnings through our investment portfolio. While certain factors point to improving economic conditions, including moderating inflation, uncertainty remains regarding the path of economic recovery and the mitigating impacts of government interventions. ~~Any~~ **An** increase in interest rates could ~~further~~ increase competition for deposits, decrease customer demand for loans due to the higher cost of obtaining credit, result in an increased number of delinquent loans and defaults or reduce the value of securities held for investment. **A decrease or stabilization in interest rates may lead to reduced competition for deposits, due to lower savings yields, and increased loan demand because of lowered cost of obtaining credit. This could result in fewer loan delinquencies and defaults, as borrowers find it easier to meet their debt obligations. Additionally, the value of investment- held securities could rise, as existing higher- yield securities become more attractive in a lower interest- rate environment**. All of these factors can individually or in the aggregate be detrimental to our business, and the interplay between these factors can be complex and unpredictable. Our business also is 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 our business, financial condition, results of operations and prospects. **Changes in U. S. trade policies may also adversely impact our business and operations. For example, changes in tariffs imposed or threatened to be imposed by the new Presidential administration may cause inflation, which can adversely affect our business.**