

Risk Factors Comparison 2025-02-27 to 2024-02-27 Form: 10-K

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

In addition to the other information contained in this report, including the information contained in “ Cautionary Note Regarding Forward- Looking Statements, ” investors in our securities should carefully consider the factors discussed below. An investment in our securities involves risks. The factors below, among others, could materially and adversely affect our business, financial condition, results of operations, liquidity or capital position, or cause our results to differ materially from our historical results or the results expressed in or implied by our forward- looking statements. Additionally, investors should not interpret the disclosure of a risk to imply that the risk has not already materialized. Risks Related to Market Interest Rates and Liquidity Changes in interest rates and monetary policy could adversely affect our profitability. Our net income and cash flows depend to a significant extent on the difference between interest rates earned on interest- earning assets and the rates paid on interest- bearing liabilities. These rates are highly sensitive to many factors beyond our control, including general economic conditions and credit and monetary policies of governmental authorities. Changes in the credit or monetary policies of governmental authorities, particularly the Federal Reserve, could significantly impact market interest rates and our financial performance. For instance, changes in the nature of open market transactions in U. S. government securities, the discount rate or the federal funds rate on bank borrowings, and reserve requirements against bank deposits, could lead to increases in the costs associated with our business. In addition, such changes could influence the interest we receive on loans and securities and the amount of interest we pay on deposits. If the interest rates we pay on deposits increases at a faster rate than the interest we receive on loans and other investments, then our net interest income could be adversely affected. If the Federal Reserve ~~further~~ raises interest rates, we may not be able to reflect increasing interest rates in rates charged on loans or paid on deposits due to competitive pressures, which would negatively impact our mix of deposits and other funding sources, reduce demand for our products and services, or otherwise negatively impact our financial condition and results of operations. **Decreases in interest rates may increase prepayment speeds of certain assets, which may adversely impact our net interest income**. In addition, the impact of these changes may be magnified if we do not effectively manage the relative sensitivity of our assets and liabilities to changes in market interest rates, and our ability to manage such relative sensitivity may be adversely impacted by competitive conditions in the banking industry and in the financial markets. Due to the changing conditions in the national economy and uncertainty regarding the rate of inflation and the impacts of governmental policies to combat elevated inflation, we cannot predict with certainty how future changes in interest rates, deposit levels and loan demand will impact our business and profitability. Our cost of funds may increase as a result of general economic conditions, interest rates and competitive pressures. Our cost of funds may increase as a result of general economic conditions, fluctuations in interest rates and competitive pressures. We have traditionally obtained funds principally through local deposits as we have a base of lower cost transaction deposits. Our cost of funds and our profitability and liquidity are likely to be adversely affected if we have to rely upon higher cost borrowings from other institutional lenders or brokers to fund loan demand or liquidity needs. Also, changes in our deposit mix and growth could adversely affect our profitability and the ability to expand our loan portfolio, as well as our liquidity and funding mix. During ~~2022-2024~~ and ~~2023~~ **previous recent years**, in response to rising market interest rates, our cost of funds **has** increased due to customer migration from lower- cost to higher- cost deposit accounts, including interest- bearing transaction accounts and time deposits, which **has** negatively impacted our cost of funds and net interest margin. Our investment securities portfolio could decline in value **and we may incur losses** as a result of interest rate changes and changes in issuer credit quality or the strength of the associated collateral. ~~If~~ **As of December 31, 2024, we owned \$ 6. 17 billion of investment securities, which included \$ 3. 64 billion in held- to- maturity securities and \$ 2. 53 billion in available for sale securities. The fair value of our investment securities may be adversely affected by market conditions, including changes in interest rates, and the occurrence of any events adversely affecting the issuer of particular securities in our investments portfolio, including change changes in the issuer’s credit quality. For available- for- sale securities, the unrealized gains and losses are recorded in equity, net of tax, in accumulated the other comprehensive income (“ AOCI ”). On a quarterly basis, we analyze whether there has been a decline in fair value below the amortized cost basis of our available for sale investment securities to determine whether there is a credit loss associated with the decline in fair value. We consider the nature of the collateral, potential future changes in collateral values, default rates, delinquency rates, third- party guarantees, credit ratings, interest rate changes since purchase, volatility of the security’s fair value and historical loss information for financial assets secured with similar collateral among other factors. We use a systematic methodology to determine the allowance for credit losses (“ ACL ”) for investment securities held to maturity. The ACL is a valuation account that is deducted from the amortized cost basis to present the net amount expected to be collected on the held- to- maturity portfolio. We consider the effects of past events, current conditions, and reasonable and supportable forecasts on the collectability of the investment portfolio. Our estimate of the ACL involves a high degree of judgment; therefore, our process for determining expected credit losses may result in a range of expected credit losses. We monitor the held- to- maturity portfolio on a quarterly basis to determine whether a valuation account needs to be recorded. Because of changing economic and market conditions affecting issuers, we may be required to recognize expected credit losses on securities in future periods, which could have a material adverse effect on our business, financial condition or results of operations. As a result of fluctuations in interest rates, the market value of previously issued debt securities in the held- to- maturity portion of our investment securities portfolio ~~may~~ **has decline declined**. Weaknesses **significantly, resulting in unrealized losses. If the Company were required to sell such** credit quality of the issuers of the securities within our portfolio**

or in the strength of the collateral, if **including to meet liquidity needs, the Company would realize** any **previously unrealized losses**, underlying those securities could also result in a decline in the value of our investment securities portfolio, which could **adversely** negatively affect equity and potentially impact our earnings or the **Company's financial condition and results of operations** liquidity that we could generate from our investment securities portfolio. A lack of liquidity could impair our ability to fund our business and thereby adversely affect our financial condition and results of operations. Liquidity is a critical component of our business. To ensure adequate liquidity to fund our operations, we rely heavily on our ability to generate deposits and effectively manage both the repayment of loans and the maturity schedules of our investment securities. Our most important source of funds is deposits, but sources of funds also include, among other things, cash flows from operations, maturities and sales of investment securities, and borrowings from the Federal Reserve and Federal Home Loan Bank. Our access to funding sources in amounts adequate to finance our activities, or on terms that are acceptable to us, could be impaired by factors that affect us specifically or the financial services industry or economy in general. This could result in a lack of liquidity, which could materially and adversely affect our business. Changes in the method pursuant to which benchmark rates are determined, as well as the discontinuance and replacement of reference rates, could adversely impact our business and results of operations. Certain interest rate benchmarks, including the London Interbank Offered Rate ("LIBOR"), have, over the course of recent years, been the subject of national and international reform. For example, during 2023, the publication of LIBOR rates ceased. The market transition away from a widely used benchmark rate to alternative reference rates is a complex process and can have (and has, on occasion, had) a range of effects on the Company's business, financial condition and results of operations, including but not limited to, by (i) adversely affecting the interest rates received or paid on the revenues and expenses associated with, or the value of, the Company's assets and liabilities; (ii) adversely affecting the interest rates paid on or received from other securities or financial arrangements, given a benchmark rate's historically prominent role in determining market interest rates globally, or (iii) resulting in disputes, litigation or other actions with borrowers or other counterparties about the interpretation or enforceability of certain fallback language contained in benchmark rate-based loans, securities or other contracts. The future discontinuation of a benchmark rate could result in operational, legal and compliance risks, and, if we are unable to adequately manage such risks and transition, our business, financial condition, results of operations and future prospects may be adversely impacted. The transition from LIBOR has resulted in and could continue to result in added costs and employee efforts and could present additional risk. Since alternative reference rates are calculated differently than LIBOR, payments under contracts referencing new alternative reference rates will differ from those referencing LIBOR. Risks Related to the Company's Lending Activities The mismanagement of our credit risks could result in serious harm to our business. There are a variety of risks inherent in making loans, including, among others, risks inherent with dealing with borrowers and guarantors, risks associated with potential future changes in the value of the collateral supporting the loans, the risk that a loan may not be repaid, and the risks associated with changes in economic or industry conditions. As part of our ongoing efforts to minimize these credit-related risks, we utilize credit policies and procedures, internal credit expertise and several internal layers of review for the loans we make. We also actively monitor our concentrations of loans and carefully evaluate the credit underwriting practices of acquired institutions. However, there can be no assurance that these underwriting and monitoring procedures will reduce these risks, and the inability to properly manage our credit risk could have a material adverse effect on our business, which, in turn, could impact our financial condition and results of operations. Deteriorating credit quality in our credit card portfolio may adversely impact us. We have a sizeable consumer credit card portfolio. ~~Although we experienced a decreased, and, among other things, the~~ amount of net charge-offs **associated with it** in our credit card portfolio in recent years, the amount of net charge-offs could worsen. While we continue to experience a better performance with respect to net charge-offs than the national average in our credit card portfolio, our net charge-offs were **2.93% and 2.20% and 1.49%** of our average outstanding credit card balances for the years ended December 31, **2024 and 2023 and 2022**, respectively. Future downturns in the economy could adversely affect consumers in a more delayed fashion compared to commercial businesses in general. Increasing unemployment and diminished asset values may prevent our credit card customers from repaying their credit card balances which could result in an increased amount of our net charge-offs that could have a material adverse effect on our unsecured credit card portfolio. We may not maintain an appropriate allowance for credit losses. It is likely that some portion of our loans will become delinquent, and some loans may only be partially repaid or may never be repaid. We maintain an allowance for credit losses, which is a reserve established through a provision for credit losses charged to expense, that results from management's review of the existing portfolio and management's assessment of the portfolio's collectability. Our methodology for establishing the appropriateness of the allowance for credit losses inherently involves a high degree of subjectivity and judgment and requires management to make significant estimates and predictions regarding credit risks, future market conditions, and other factors, all of which are subject to material changes and may not necessarily be in our control. **Some assumptions require management to forecast how borrowers will perform in changing and unprecedented economic conditions.** If our methodology is flawed, or if we experience changes in market or economic conditions, or in conditions of our borrowers, the allowance may become inadequate, which would result in additional provisions to increase the allowance to an appropriate level. This could negatively impact our business, including through a material decrease in our earnings. **If we fail to accurately identify the appropriate economic indicators, to accurately estimate the timing of future changes in economic conditions, or to accurately estimate the impacts of future changes in economic conditions to our borrowers, the accuracy of our loss forecasts and allowance estimates could be adversely impacted.** In addition, prudential regulators also periodically review our allowance for credit losses and have the ability, based on their perspective, which may be different from ours, to require that we make adjustments to the allowance, which could also have a negative effect on our results of operations or financial condition. We rely on the mortgage secondary market from time to time to provide liquidity. We sell certain mortgage loans we originate to certain agencies and other purchasers. We rely, in part, on the agencies to purchase loans meeting their requirements to reduce our credit risk and to provide funding for additional loans we desire to originate. There is

no guarantee that the agencies will not materially limit their purchases of conforming loans due to capital constraints, a change in the criteria for conforming loans or other factors. If we are unable to continue to sell conforming loans to the agencies, our ability to fund, and thus originate, additional mortgage loans may be adversely affected, which would adversely affect our results of operations. Sales of our loans are subject to a variety of risks. In relation to any sale of one or more of our loan portfolios, we may make certain representations and warranties to the purchaser concerning the loans sold and the procedures under which those loans were originated and serviced. If those representations and warranties prove to be incorrect, we may be required to indemnify the purchaser for any related losses or be required to repurchase certain loans that were sold. In some cases where such obligations are invoked by the purchaser, the loans may be non-performing or in default, leaving us without a remedy available against a solvent counterparty to the loan. Our results of operations may be adversely affected if we are not able to recover our losses resulting from these indemnity payments and repurchases. Loans made through federal programs are dependent on the federal government's continuation and support of these programs and on our compliance with program requirements. We participate in various U. S. government agency loan guarantee programs, including programs operated by the SBA. If we fail to follow any applicable regulations, guidelines or policies associated with a particular guarantee program, any loans we originate as part of that program may lose the associated guarantee, exposing us to credit risk we would not otherwise be exposed to, or result in our inability to continue originating loans under such programs, either of which could have a material adverse effect on our business, financial condition or results of operations. Significant portions of our loan portfolio include commercial real estate, construction and development, and commercial and industrial loans, each of which presents heightened lending risks. Our commercial loan portfolio includes, in significant part, commercial real estate loans, construction and development loans, and commercial and industrial loans. Among other things, commercial real estate loans are generally larger than residential real estate loans, often depend on the owner's cash flows or those of the property's tenants (which can be adversely affected by changes in economic conditions) as a source for repayment, and are generally perceived as involving a greater degree of risk of default than home equity loans or residential mortgage loans. Similarly, construction and development loan pose heightened risk when compared to residential real estate loans due to, for example, the fact that repayment often depends on successful completion of the construction or development project and subsequent financing. Additionally, commercial and industrial loans are often dependent upon the successful operation of the borrower's business. If the operating company suffers difficulties, including reduction in sales volume and / or profitability, the borrower's ability to repay the loan may be impaired, and the collateral associated with these types of loans may have depreciated during the term of the loan or may be difficult to value and / or liquidate. For these reasons and others, these types of loans present heightened lending risks that, if realized, may materially and adversely affect our business, financial condition or results of operations. In the event we are required to foreclose on a loan secured by real estate, we may not be able to realize the value of that real estate as indicated in any independent appraisals upon which we relied in extending the loan. Loans secured by real estate make up a substantial portion of our loan portfolio. In making certain of these loans, we rely on estimates concerning the value of the real estate provided by independent appraisers. However, these appraisals are only estimates of value, and mistakes of fact or judgement on the part of the appraiser could adversely affect the reliability of their appraisals. Furthermore, the value of the real estate could change (including by declining) based on events occurring after the time of the appraisal, and preparing foreclosed real estate for sale, and then selling such real estate collateral, may impose significant additional costs on us. We, therefore, may not be able to fully recover the outstanding balance of a loan in the event of its default if the real estate serving as collateral has declined in value from its original estimate, which could have a material adverse impact on our business, financial condition or results of operations. **Nonperforming assets take significant time to resolve and may adversely affect our business, results of operations and financial condition. Our nonperforming assets adversely affect our net income in various ways. We do not record interest income on nonaccrual loans, which adversely affects our income and increases loan administration costs. When we receive collateral through foreclosures and similar proceedings, we are required to mark the related loan to the then fair market value of the collateral less estimated selling costs, which may result in a loss. An increase in the level of nonperforming assets also increases our risk profile and may affect the minimum capital levels our regulators believe are appropriate for us in light of such risks. We use various techniques such as workouts, restructurings, and loan sales to manage problem assets. Increases in or negative adjustments in the value of these problem assets, the underlying collateral, or in the borrowers' performance or financial condition, could adversely affect our business, results of operations, and financial condition. In addition, the resolution of nonperforming assets requires significant commitments of time from management and staff, which can be detrimental to the performance of their other responsibilities. There can be no assurance that we will not experience increases in our nonperforming assets in the future, or that our nonperforming assets will not result in losses in the future.** Risks Related to Our Business, Industry, and Markets Our business, financial condition, and results of operations could be adversely affected by developments impacting the financial services industry, such as recent bank failures or concerns involving liquidity. **Recent Prior** events in the financial services industry (including, such as the 2023 closures of Silicon Valley Bank, Signature Bank and First Republic Bank), **have** caused general uncertainty and concern regarding the adequacy of liquidity of the financial services industry generally. While we rely on different sources of funding to meet potential liquidity needs, our business strategies are largely based on access to funding from customer deposits and supplemental funding provided by wholesale or other secondary liquidity sources. Deposit levels may be affected by various industry factors, including interest rates paid by competitors, general interest rate levels, returns available to customers on alternative investments, conditions in the financial services industry specifically and general economic conditions that impact the amount of liquidity in the economy and savings levels, and also by factors that impact customers' perception of our financial condition and capital and liquidity levels. In response to the closures of Silicon Valley Bank and Signature Bank, in 2023 the Secretary of the U. S. Department of the Treasury approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank and Signature Bank in a manner that fully protected depositors by

utilizing the Deposit Insurance Fund, and the Federal Reserve announced it would make available additional funding for eligible depository institutions to help assure banks have the ability to meet the needs of their depositors. While ~~it appears~~ these steps by the banking regulators helped customers' perception of the financial markets and financial services industry generally, a number of factors, including further bank closures, or deposit outflows (and particularly sudden deposit outflows) from banks, may drive additional deposit outflows, increased borrowing and funding costs, and increased competition for liquidity, any of which could have a material adverse impact on our financial performance or financial condition. Our business may be adversely affected by conditions in the financial markets and general economic conditions. Changes in economic conditions could cause the values of assets and liabilities recorded in the financial statements to change rapidly, resulting in material future adjustments in asset values, the allowance for credit losses, or capital that could negatively impact the Company's ability to meet regulatory capital requirements and maintain sufficient liquidity. In a significant recession, declining asset values, defaults on mortgages and consumer loans, and the lack of market and investor confidence, as well as other factors, can all combine to increase credit default swap spreads, to cause rating agencies to lower credit ratings, and to otherwise increase the cost and decrease the availability of liquidity, despite very significant declines in Federal Reserve borrowing rates and other government actions. In the Great Recession, some banks and other lenders suffered significant losses and became reluctant to lend, even on a secured basis, due to the increased risk of default and the impact of declining asset values on the value of collateral. The foregoing can significantly weaken the strength and liquidity of some financial institutions worldwide. The Company's financial performance generally, and in particular the ability of borrowers to pay interest on and repay principal of outstanding loans and the value of collateral securing those loans, is highly dependent upon the business environment in the states where we operate, and in the United States as a whole. A favorable business environment is generally characterized by, among other factors, economic growth, efficient capital markets, low inflation, high business and investor confidence and strong business earnings. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; increases in inflation or interest rates; natural disasters; or a combination of these or other factors. The business environment in the states where we operate could deteriorate and adversely affect the credit quality of our loans and our results of operations and financial condition. There can be no assurance that business and economic conditions will remain stable in the near term. If financial market volatility worsens, or if there are more disruptions in the financial markets, including disruptions to the United States or international banking systems, there can be no assurance that we will not experience an adverse effect, which may be material, on our ability to access capital and on our business, financial condition and results of operations. Continued inflationary pressures could increase our costs (and the costs of our borrowers) and otherwise negatively impact our business. We have experienced upward inflationary pressures on our operating costs, including costs associated with goods and services we receive from third-party vendors, as well as our labor costs. If our expenses continue to increase due to continued inflation, our profitability could decline and our business, financial condition and results of operations may be otherwise materially and adversely affected. In addition, continued inflationary pressures could increase the operating costs of our borrowers, which could adversely impact their profitability and financial condition and thereby increase the likelihood of defaults on loans we have extended. Our concentration of banking activities in Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas, including our real estate loan portfolio, makes us more vulnerable to adverse conditions in the particular local markets in which we operate. Our subsidiary bank operates primarily within the states of Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas, where the majority of the buildings and properties securing our loans and the businesses of our customers are located. Our financial condition, results of operations and cash flows are subject to changes in the economic conditions in these six states, the ability of our borrowers to repay their loans, and the value of the collateral securing such loans. We largely depend on the continued growth and stability of the communities we serve for our continued success. Declines in the economies of these communities or the states in general could adversely affect our ability to generate new loans or to receive repayments of existing loans, and our ability to attract new deposits, thus adversely affecting our net income, profitability and financial condition. The ability of our borrowers to repay their loans could also be adversely impacted by the significant changes in market conditions in the region or by changes in local real estate markets, including deflationary effects on collateral value caused by property foreclosures. This could result in an increase in our charge-offs and provision for credit losses. Either of these events would have an adverse impact on our results of operations. A significant decline in general economic conditions caused by inflation, recession, unemployment, acts of terrorism or other factors beyond our control could also have an adverse effect on our financial condition and results of operations. In addition, because multi-family and commercial real estate loans represent the majority of our real estate loans outstanding, a decline in tenant occupancy due to such factors or for other reasons could adversely impact the ability of our borrowers to repay their loans on a timely basis, which could have a negative impact on our results of operations. We face strong competition from other banks, bank holding companies, and financial services companies. In the markets we serve, the businesses of banking and financial services are fiercely competitive. Many of our competitors offer the same, or similar, products and services within our market areas. Some of our competitors are able to offer a broader range of products and services than we do. These competitors include banks with nationwide presences, regional banks, and community banks (who may have greater flexibility in their operational strategies than we possess). We also face competition from many other types of financial institutions, including, among others, credit unions, finance companies, insurance companies, brokerage and investment banking firms. Certain nonbank competitors of the Company are increasingly offering products and services that traditionally were banking products due to technological advances, and many of these nonbank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks. As a result, some of the competitors in our markets have the ability to offer products and services that we are unable to offer or to offer such products and services at more competitive rates. If we are unable to effectively compete for customers, we may lose loan and deposit market share, as well as experience reductions in net interest margin, fee income, and profitability, and our business, financial

condition, and results of operations could be adversely affected. Changes in service delivery channels and emerging technologies pose a competitive risk. Advancements in technology have created the ability for financial transactions that have historically often involved traditional banks to be conducted through alternative channels. For example, consumers can now hold funds in brokerage accounts and internet- only banks, or indeed with essentially any bank that provides for online account opening and online banking. Consumers can also complete transactions such as the purchase or sale of goods and services, the payment of bills, and the transfer of funds without the direct assistance of banks. Indeed, non- traditional financial services firms, such as financial technology (FinTech) companies, have begun to offer a variety of services traditionally provided by banks and other financial institutions. The resulting increased competition could result in the loss of fee income and customer deposits, which could negatively impact our financial condition, results of operations, and liquidity. It could also require additional, costly investments in technology to remain competitive. We anticipate that new technologies will continue to emerge that may be superior to, or render obsolete, the technologies currently used by the Company and the Bank in their products and services. Developing or acquiring access to new technologies and incorporating those technologies into our products and services, or using them to expand our products and services, in each case in a way that enables us to remain competitive, may require significant investments, may take considerable time to complete, and ultimately may not be successful. Our growth and expansion strategy may not be successful, and our market value and profitability may suffer. We have historically employed, as important parts of our business strategy, growth through acquisitions of banks and, to a lesser extent, through branch acquisitions and de novo branching. Any future acquisitions in which we might engage will be accompanied by the risks commonly encountered in acquisitions. These risks include, among other risks: • credit risk associated with the acquired bank' s loans and investments; • difficulty of integrating operations and personnel; and • potential disruption of our ongoing business. In addition to pursuing the acquisition of existing viable financial institutions as opportunities arise we may also continue to engage in de novo branching to further our growth strategy. De novo branching and growing through acquisition involve numerous risks, including the following (among others): • the inability to obtain all required regulatory approvals; • the significant costs and potential operating losses associated with establishing a de novo branch or a new bank; • the inability to secure the services of qualified senior management; • the local market may not accept the services of a new bank owned and managed by a bank holding company headquartered outside of the market area of the new bank; • the risk of encountering an economic downturn in the new market; • the inability to obtain attractive locations within a new market at a reasonable cost; and • the additional strain on management resources and internal systems and controls. We expect that competition for suitable acquisition candidates will be significant. We may compete with other banks or financial service companies that are seeking to acquire our acquisition candidates, many of which are larger competitors and have greater financial and other resources. We cannot assure you that we will be able to successfully identify and acquire suitable acquisition targets on acceptable terms and conditions. Further, we cannot assure you that we will be successful in overcoming these risks or any other problems encountered in connection with acquisitions and de novo branching. Our inability to overcome these risks could have an adverse effect on our ability to achieve our business and growth strategy and maintain or increase our market value and profitability. The value of our goodwill and other intangible assets may decline in the future. As of December 31, ~~2023~~ **2024**, we had \$ 1. 3 billion of goodwill and \$ ~~12. 97~~ **. 62** billion of other intangible assets. A significant decline in our expected future cash flows, a significant adverse change in the business climate, slower economic growth or a significant and sustained decline in the price of our common stock, any or all of which could be materially impacted by many of the risk factors discussed herein, may necessitate our taking charges in the future related to the impairment of our goodwill. Future regulatory actions could also have a material impact on assessments of goodwill for impairment. If we were to conclude that a future write- down of our goodwill is necessary, we would record the appropriate charge, which could have a material adverse effect on our results of operations. Identifiable intangible assets other than goodwill consist of core deposit intangibles, books of business, and other intangible assets. Adverse events or circumstances could impact the recoverability of these intangible assets including loss of core deposits, significant losses of customer accounts and / or balances, increased competition or adverse changes in the economy. To the extent these intangible assets are deemed unrecoverable, a non- cash impairment charge would be recorded, which could have a material adverse effect on our results of operations. Damage to our reputation could significantly harm our business. Our ability to attract and retain customers, employees, and acquisition partners is influenced by our reputation. A negative opinion of our business can develop in connection with a variety of circumstances, including issues with our lending practices, legal and regulatory compliance, risk management, corporate governance, customer service, community involvement, integration of acquired institutions, and third- party service providers. Our reputation could also be harmed through regulatory proceedings by governmental authorities, litigation, or cybersecurity events. Reputational damage could also impact our relationships with investors, our credit ratings and our ability to access capital markets. If we are unsuccessful in developing new, and adapting our current, products and services so that they respond to changing industry standards and customer preferences, our business may suffer. We provide a variety of commercial and consumer banking, as well as other financial, products and services designed to meet a broad range of needs. While many of these products and services are traditional both in their characteristics and their delivery channels, advancements in technology, changes in the regulatory environment, and evolving customer preferences require that we continuously evaluate the terms under which we provide our existing products and services (including, among other things, interest rates and loan covenants), the methods by which we deliver them (including the use of online and mobile banking), whether to partner with a FinTech company or other third- party vendor to provide products and services, and the potential for new products and services in order to remain competitive. These efforts, though, could require substantial investments, and we can provide no assurance that we will develop new products and services, or adequately adapt our existing products and services, in a timely or successful manner. Our inability to do so could harm our business and adversely affect our results of operations and reputation. Furthermore, any new line of business and / or new product or service could require the establishment of new key and other controls and have a significant impact on our existing system of internal controls. Failure to successfully

manage these risks in the development and implementation of new lines of business and / or new products or services could have a material adverse effect on our business and, in turn, our financial condition and results of operations. Risks Related to the Company's Operations We are subject to fraud risk, which could have a material adverse effect on our business and results of operations. Fraud is a major, and increasing, operational risk, particularly for financial institutions. We continue to experience fraud attempts and losses through, for example, deposit fraud (such as wire fraud and check fraud) and loan fraud. Fraud has also arisen from the misconduct of our employees. The methods used to perpetrate and combat fraud continue to evolve, particularly as advances in technology occur. While we seek to be vigilant in the prevention, detection, and remediation of fraud events, some fraud loss is unavoidable, and the risk of major fraud loss cannot be eliminated. Our models and estimations may be inadequate, which could lead to significant losses and regulatory scrutiny. To assist with the management of our credit, liquidity, operations, and compliance functions and risks, we have developed, and currently use, various models and other analytical tools, including certain estimations. The models and estimations often take into account assumptions and historical trends and are, in some cases, based on subjective judgments. As such, the models and estimations may not be effective in identifying and managing risks, which could adversely impact our financial condition and results of operations. Inadequate models may also result in compliance failures, which could lead to increased scrutiny by our regulators.

. Our risk-management framework may not be effective in mitigating risks and / or losses. We maintain an enterprise risk management program that is designed to identify, assess, mitigate, monitor, and report the risks that we face. These risks include: strategic, credit, market (including interest- rate, capital, and liquidity), operational, regulatory (compliance), legal, and technology. While we assess and seek to improve this program on an ongoing basis, there can be no assurance that our risk management framework and related controls will effectively mitigate all risk and limit losses in our business. If conditions or circumstances arise that expose flaws or gaps in our risk- management program, or if our controls break down, our results of operations and financial condition may be adversely affected. We must also develop and maintain a culture of risk management among our employees, as well as manage risks associated with third parties, and we could fail to do so effectively. If our risk management framework is not effective, we could suffer unexpected losses and become subject to litigation, negative regulatory consequences, or reputational damage among other adverse consequences, which could materially adversely affect our business, financial condition, results of operations, and prospects .

We may not be able to raise the additional capital we need to grow and, as a result, our ability to expand our operations could be materially impaired. Federal and state regulatory authorities require us and our subsidiary bank to maintain adequate levels of capital to support our operations. Many circumstances could require us to seek additional capital, such as:

- faster than anticipated growth;
- reduced earning levels;
- operating losses;
- changes in economic conditions;
- revisions in regulatory requirements;
- or • additional acquisition opportunities.

Our ability to raise additional capital will largely depend on our financial performance, and on conditions in the capital markets that are outside our control. Moreover, if we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would, as a result, have to compete with those institutions for investors, which could adversely impact the price at which we are able to offer our securities. If we need additional capital but cannot raise it on terms acceptable to us, our ability to expand our operations or to engage in acquisitions could be materially impaired. Our business is heavily reliant on information technology systems, facilities, and processes; and a disruption in those systems, facilities, and processes, or a breach, including cyber-attacks, in the security of our systems, could have significant, negative **impact impacts** on our business, result in the disclosure of confidential information, and create significant financial and legal exposure for us. Our businesses are dependent on our ability and the ability of our third- party service providers to process, record and monitor a large number of transactions. If the financial, accounting, data processing or other operating systems and facilities fail to operate properly, become disabled, experience security breaches or have other significant shortcomings, our results of operations could be materially, adversely affected. Although we and our third party service providers devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, there is no assurance that our security systems and those of our third- party service providers will provide absolute security. Financial services institutions and companies engaged in data processing have reported breaches in the security of their websites or other systems, some of which have involved sophisticated and targeted attacks intended to obtain unauthorized access to confidential information, destroy data, disable or degrade service, or sabotage systems, often through the introduction of computer viruses or malware, cyber- attacks and other means. Certain financial institutions in the United States have also experienced attacks from technically sophisticated and well- resourced third parties that were intended to disrupt normal business activities by making internet banking systems inaccessible to customers for extended periods. These “ denial- of- service ” attacks have not breached our data security systems, but require substantial resources to defend, and may affect customer satisfaction and behavior. Despite our efforts and those of our third party service providers to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because security attacks can originate from a wide variety of sources, including persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. Those parties may also attempt to fraudulently induce employees, customers or other users of our systems to disclose sensitive information in order to gain access to our data or that of our customers or clients. These risks may increase in the future as we continue to increase our mobile payments and other internet- based product offerings and expand our internal usage of web- based products and applications. Furthermore, because certain of our employees are working, or may work, remotely, there is an increased risk of disruption to our systems because remote networks and infrastructure may not be as secure as in our office environment. If our security systems were penetrated or circumvented, it could cause serious negative consequences for us, including significant disruption

of our operations, misappropriation of our confidential information or that of our customers, or damage our computers or systems and those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and harm to our reputation, all of which could have a material adverse effect on us. We depend on qualified employees and key personnel to operate and lead our business, and we may not be able to attract or retain them in the future. A critical component of our success is the ability to attract, develop and retain highly qualified, skilled lending, operations, information technology, and other employees, as well as managers who are experienced and effective at leading their respective departments. We have an experienced group of senior management and other key personnel that our board of directors believes is capable of managing and growing our business. In many areas of the financial services industry, competition for key personnel is fierce, and the departure of those individuals from our business presents risk that we will be unable to attract, develop and retain suitable successors, which could have a material, adverse impact on our competitive position in the marketplace. Our business is heavily reliant on a variety of third- party service providers. We rely on a large number of vendors to provide products and services that we need for our day- to- day operations, particularly in the areas of loan and deposit operations, information technology, and security. This reliance exposes us to the risk that the vendors will not perform in accordance with the applicable contractual arrangements or service level agreements, as well as risks resulting from defective products, poor performance of services, disruption in a product or service, vendor contracts, or loss of a product or service if a vendor ceases doing business because of its own financial or operational difficulties. These risks, if realized, could result in significant disruptions to our business, which could have a material adverse impact on our financial condition and results of operations. While we maintain a vendor management program designed to assist in the oversight and monitoring of our third- party service providers, there can be no assurance that we will not experience service- related issues associated with our vendors. Our controls, policies and procedures may fail, or our employees may not adhere to them. It is critical that our internal controls, disclosure controls and procedures, and corporate governance and operational policies and procedures be effective in order to provide assurance that our financial reports and disclosures are materially accurate. A failure or circumvention of our controls, policies and procedures, or a failure to comply with regulations related to controls, policies and procedures, could have a material adverse effect on our business, financial condition, and results of operations, as well as cause reputational harm, which could limit our ability to access the capital markets. Errors or mistakes in the provision of services to our customers or in carrying out our own transactions can subject us to liability, result in losses, or otherwise negatively impact our business. In our business activities, including the provision of banking services to our customers and the management of our own investments and other assets, we effect or process, sometimes on a manual basis, a large volume of transactions representing very large amounts of money for our customers and ourselves. Errors or mistakes in these activities (including human error and systems error), as well as other failures to mitigate operational risks, can have adverse consequences, including exposing us to liability and loss and, in the case of providing services to our customers, preventing us from receiving certain contractual protections. Accounting standards periodically change, and the application of our accounting policies and methods may require management to make estimates about matters that are uncertain. The regulatory bodies that establish accounting standards, including, among others, the Financial Accounting Standards Board (“ FASB ”) and the SEC, periodically revise or issue new financial accounting and reporting standards that govern the preparation of our consolidated financial statements. The effect of such revised or new standards on our financial statements can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. For example, in June 2016, the FASB issued Accounting Standards Update (“ ASU ”) 2016- 13, Measurement of Credit Losses on Financial Instruments, that substantially changed the accounting for credit losses and other financial assets held by banks, financial institutions and other organizations. The standard removed the existing “ probable ” threshold in generally accepted accounting principles (“ US GAAP ”) for recognizing credit losses and instead requires companies to reflect their estimate of credit losses over the life of the financial assets. Companies must consider all relevant information when estimating expected credit losses, including details about past events, current conditions, and reasonable and supportable forecasts. We adopted an optional three- year phase- in period for the day- one adverse regulatory capital impact upon adoption of the standard with the additional two- year delay allowed by regulators in response to the COVID- 19 pandemic. The adoption of the standard resulted in an overall material increase in the allowance for credit losses. However, the impact at adoption was influenced by our portfolios' composition and quality at the adoption date and economic conditions and forecasts at that time. In addition, our management must exercise judgment in appropriately applying many of our accounting policies and methods so they comply with generally accepted accounting principles. In some cases, management may have to select a particular accounting policy or method from two or more alternatives. In some cases, the accounting policy or method chosen might be reasonable under the circumstances and yet might result in our reporting materially different amounts than would have been reported if we had selected a different policy or method. Accounting policies are critical to fairly presenting our financial condition and results of operations and may require management to make difficult, subjective or complex judgments about matters that are uncertain. Risks Related to the Company' s Legal and Regulatory Environment Financial legislative and regulatory initiatives could adversely affect the results of our operations. We are subject to extensive governmental regulation, supervision, legislation, and control. For instance, in response to the financial crisis affecting the banking system and financial markets, the Dodd- Frank Act was enacted in 2010, as well as several programs that have been initiated by the U. S. Treasury, the FRB, and the FDIC. See “ Item 1. Business- Supervision and Regulation ” included herein for more information regarding regulatory burden and supervision. Some of the provisions of legislation and regulation that have adversely impacted the Company include the “ Durbin Amendment ” to the Dodd- Frank Act, which mandates a limit to debit card interchange fees, and Regulation E amendments to the EFTA regarding overdraft fees. Future financial legislation and regulatory initiatives can limit the type of products we offer, the methods by which we offer them, the prices at which they are offered, and the fees that are associated with them. These provisions can also increase our costs in offering these products.

The CFPB, Federal Reserve, and Arkansas State Bank Department have broad rulemaking, supervisory and examination authority, as well as data collection and enforcement powers. The scope and impact of the regulators' actions can significantly impact the operations of the Company and its subsidiaries and the financial services industry in general. These laws, regulations, and changes **thereto** can increase our costs of regulatory compliance, **make our business more complicated or burdensome to conduct, and have other adverse impacts on our business generally**. They also can significantly affect the markets in which we do business, the markets for and value of our investments, and our ongoing operations, costs, and profitability. The ultimate impact of the provisions in legislative and regulatory initiatives on the Company's business and results of operations also depends upon regulatory interpretation and rulemaking. As a result, we are unable to predict the ultimate impact of future legislation or regulation, including the extent to which it could increase costs or limit our ability to pursue business opportunities in an efficient manner, or otherwise adversely affect our business, financial condition and results of operations. Our failure to comply with applicable banking laws and regulations could result in significant monetary penalties and losses, restrict our ability to execute our growth strategy, and have other material adverse impacts on our business. We are charged with maintaining compliance with all applicable banking laws and regulations, including, among others, fair lending, CRA, consumer compliance, BSA and anti-money laundering, capital, and other regulations described herein under "Item 1. Business-Supervision and Regulation." Various agencies, including, without limitation, the FRB, CFPB, Arkansas State Bank Department, and the Department of Justice, have the ability to institute proceedings to address compliance failures. Should those agencies be successful in the case of such a proceeding, we could become subject to material sanctions, including, among other things, monetary penalties and restrictions on our ability to engage in mergers and acquisitions and other growth-oriented activities. Compliance failures may also result in litigation instituted by private parties, including consumers, which could result in material adverse impacts on our business. We are subject to litigation in the ordinary course of our business, and adverse rulings, judgements, settlements, and other outcomes of such litigation, as well as our associated legal expenses, may adversely affect our results. From time to time, we are subject to litigation. Litigation and claims can arise in various contexts, including, among others, our lending activities, deposit activities, employment practices, commercial agreements, fiduciary responsibilities, compliance programs, anti-money laundering programs and other general business matters. These claims and legal actions, including supervisory actions by our regulators, could involve large amounts in controversy, significant fines or penalties, and substantial legal costs necessary for our defense. The outcome of litigation and regulatory matters, as well as the timing associated with resolving these matters, are inherently hard to predict. Substantial legal liability, which may not be insured, and significant regulatory actions against us could materially and adversely impact our business operations, including our ability to engage in mergers and acquisitions, our results of operations and our financial condition. The Federal Reserve Board's source of strength doctrine could require that we divert capital to our subsidiary bank instead of applying available capital towards planned uses, such as engaging in acquisitions or paying dividends to shareholders. The FRB's policies and regulations require that a bank holding company, including a financial holding company, serve as a source of financial strength to its subsidiary banks, and further provide that a bank holding company may not conduct operations in an unsafe or unsound manner. It is the FRB's policy that a bank holding company should stand ready to use available resources to provide adequate capital to its subsidiary banks during periods of financial stress or adversity, such as during periods of significant loan losses, and that such holding company should maintain the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks if such a need were to arise. A bank holding company's failure to meet its obligations to serve as a source of strength to its subsidiary banks will generally be considered an unsafe and unsound banking practice or a violation of the FRB's regulations, or both. Accordingly, if the financial condition of our subsidiary bank was to deteriorate, we could be compelled to provide financial support to our subsidiary bank at a time when, absent such FRB policy, we may not deem it advisable to provide such assistance. Under such circumstances, there is a possibility that we may not either have adequate available capital or feel sufficiently confident regarding our financial condition, to enter into acquisitions, pay dividends, or engage in other corporate activities. We may incur environmental liabilities with respect to properties to which we take title. A significant portion of our loan portfolio is secured by real estate. In the course of our business, we may own or foreclose and take title to real estate and could become subject to environmental liabilities with respect to these properties. We may become responsible to a governmental agency or third parties for property damage, personal injury, investigation and clean-up costs incurred by those parties in connection with environmental contamination, or may be required to investigate or clean-up hazardous or toxic substances, or chemical releases at a property. The costs associated with environmental investigation or remediation activities could be substantial. If we were to become subject to significant environmental liabilities, it could have a material adverse effect on our results of operations and financial condition. We may be subject to allegations of intellectual property infringement or may fail to effectively protect our own intellectual property rights. Our competition, or other third parties, may allege that we have violated their intellectual property rights. For example, we may unintentionally infringe upon the rights of third parties through the use of infringing software or other types of content provided by vendors. Alternatively, failure to effectively protect our own intellectual property through trade secret, copyright, patents, and other legal means may result in it being used to the benefit of others and to the detriment of our business. A successful claim of infringement could subject us to money damages, require significant license or royalty fees, or result in restrictions preventing us from using certain software or technology, thereby impeding our delivery of products or services. Even if ultimately unsuccessful, the financial cost of a legal defense and the diversion of management's attention from our business may prove costly.

Risks Related to the Company's Securities The holders of our subordinated notes ~~and subordinated debentures~~ have rights that are senior to those of our common shareholders. ~~If we defer payments of interest on our outstanding subordinated debentures or if certain defaults relating to those debentures occur, we will be prohibited from declaring or paying dividends or distributions on, and from making liquidation payments with respect to, our common stock.~~ We have **issued** subordinated **notes** ~~debentures issued in connection with trust preferred securities.~~ **Among** Payments of the **other things** principal and interest on

~~the trust preferred securities are unconditionally guaranteed by us. The subordinated debentures are senior to our shares of common stock. As a result, we must make payments on the subordinated debentures (and the related trust preferred securities) before any dividends can be paid on our common stock. In addition, in the event of our bankruptcy, dissolution or liquidation, the holders of both the subordinated debentures and the subordinated notes must be satisfied before any distributions can be made to the holders of our common stock. We have the right to defer distributions on the subordinated debentures (and the related trust preferred securities) for up to five years, during which time no dividends may be paid to holders of our capital stock. If we elect to defer or if we default with respect to our obligations to make payments on these subordinated debentures, this would likely have a material adverse effect on the market value of our common stock.~~ Moreover, without notice to or consent from the holders of our common stock, we may issue additional series of subordinated debt securities in the future with terms similar to those of our existing subordinated debt securities or enter into other financing agreements that limit our ability to purchase or to pay dividends or distributions on our capital stock. We may be unable to, or choose not to, pay dividends on our common stock. We cannot assure you of our ability to continue to pay dividends. Our ability to pay dividends depends on the following factors, among others: • We may not have sufficient earnings since our primary source of income, the payment of dividends to us by our subsidiary bank, is subject to federal and state laws that limit the ability of the bank to pay dividends, **and recently we have had to apply for state regulatory approval for certain dividends paid by the Bank to the Company;** • FRB policy requires bank holding companies to pay cash dividends on common stock only out of net income available over the past year and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition; and • Our Board of Directors may determine that, even though funds are available for dividend payments, retaining the funds for internal uses, such as expansion of our operations, is a better strategy. If we fail to pay dividends, capital appreciation, if any, of our common stock may be the sole opportunity for gains on an investment in our common stock. In addition, in the event our subsidiary bank becomes unable to pay dividends to us, we may not be able to service our debt or pay our other obligations or pay dividends on our common stock. Accordingly, our inability to receive dividends from our subsidiary bank could also have a material adverse effect on our business, financial condition and results of operations and the value of your investment in our common stock. Our subsidiary bank's ability to pay dividends or make other payments to us, as well as our ability to pay dividends on our common stock, is limited by the bank's obligation to maintain sufficient capital and by other general regulatory restrictions on its dividends, including restrictions imposed by state laws and regulations. There may be future sales of additional common stock or preferred stock or other dilution of our equity, which may adversely affect the value of our common stock. We are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock or preferred stock or any substantially similar securities. The value of our common stock could decline as a result of sales by us of a large number of shares of common stock or preferred stock or similar securities in the market or the perception that such sales could occur. Shares of our common stock, as well as our other securities, are not insured deposits and may lose value. Shares of the Company's common stock, as well as our other securities, are not savings accounts, deposits, or other obligations of any depository institution, and those shares are not insured by the FDIC or any other governmental agency or instrumentality or private insurer. Investments in shares of the Company's common stock or other securities, therefore, are subject to investment risk, including the possible loss of principal. Anti-takeover provisions could negatively impact our shareholders. Provisions of our articles of incorporation and by-laws 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 effectively inhibits a non-negotiated merger or other business combination, which, in turn, could adversely affect the market price of our common stock. These provisions could also discourage proxy contests and make it more difficult for holders of our common stock to elect directors other than the candidates nominated by our Board of Directors. General Risk Factors Our management has broad discretion over the use of proceeds from future stock offerings. Although we generally indicate our intent to use the proceeds from stock offerings for general corporate purposes, including funding internal growth and selected future acquisitions, our Board of Directors retains significant discretion with respect to the use of the proceeds from possible future offerings. If we use the funds to acquire other businesses, there can be no assurance that any business we acquire will be successfully integrated into our operations or otherwise perform as expected. Our recent results do not indicate our future results and may not provide guidance to assess the risk of an investment in our common stock. We may not be able to sustain our historical rate of growth or be able to expand our business. Various factors, such as economic conditions, regulatory and legislative considerations and competition, may also impede or prohibit our ability to expand our market presence. We may also be unable to identify advantageous acquisition opportunities or, once identified, enter into transactions to make such acquisitions. If we are not able to successfully grow our business, our financial condition and results of operations could be adversely affected. Weather-related events or natural or man-made disasters could cause a disruption in our business or have other effects which could adversely impact our financial condition and results of operations. We have operations in the mid-south and certain great plains states, areas susceptible to tornados and severe weather events. In addition, our operations and a significant number of our branches are located in the New Madrid Seismic Zone. While we have in place a business continuity plan, such events could potentially disrupt our operations or result in physical damage to our branch office locations. Severe weather events or earthquakes could also impact the value of any collateral we hold, or significantly disrupt the local economies in the markets that we serve, manifesting in a decline in loan originations, as well as an increase in the risk of delinquencies, defaults, and foreclosures.