Bank OZK

MANAGEMENT COMMENTS

For the Second Quarter
& First Six Months
2026

July 21, 2026

Forward-Looking Statements

This presentation and other communications by the Bank and its management may include certain statements that constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "feels," "continue" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could." Forward-looking statements represent the Bank's current expectations, plans or forecasts of its future results, revenues, liquidity, net interest income, provision for credit losses, expenses, efficiency ratio, capital measures, strategy, deposits, assets, and future business and economic conditions more generally, and other future matters. Those statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to: potential delays or other problems in implementing the Bank's growth and expansion strategies, including obtaining regulatory or other approvals, acquiring satisfactory sites, obtaining permits and designing, constructing and opening new offices or relocating, selling or closing existing offices; the availability of and access to capital; the competition for and costs of recruiting and retaining qualified personnel; possible downgrades in the Bank's credit ratings or outlook which could increase the costs of or decrease the availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans, including growth from unfunded closed loans; the ability to generate future revenue growth or to control future growth in non-interest expense; interest rate fluctuations, including changes in the yield curve between short-term and long-term interest rates or changes in the relative relationships of various interest rate indices; competitive factors and pricing pressures, including their effect on the Bank's net interest margin; general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; the potential impact of continuing inflationary pressures; conditions within the banking industry; recently enacted and potential new federal or state laws and regulatory requirements or changes to existing federal or state laws and regulatory requirements, including changes affecting oversight of the financial services industry, changes intended to manage or mitigate climate and related environmental risks, changes in the interpretation and enforcement of such laws and requirements, changes as a result of U.S. presidential, congressional, state and local elections, and the costs and expenses to comply with new and/or existing legislation and regulatory requirements; the impact of potential changes in U.S. tax, tariff and immigration laws, regulations and policies and changes in state and local tax laws, regulations and policies; uncertainty regarding changes in U.S. government monetary and fiscal policy; the impact of any U.S. federal government shutdown or budgetary crisis; Federal Deposit Insurance Corporation ("FDIC") special assessments or changes to regular assessments; the ability to keep pace with technological changes, including changes regarding artificial intelligence and maintaining cybersecurity; the impact of any failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do business or others, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Bank or our customers or others; natural disasters; acts of war or terrorism; national or international political instability or military conflicts, including the current conflicts in Ukraine and the Middle East; the potential impact of supply chain disruptions; impairment of our goodwill; adoption of new accounting standards, or changes in existing standards; and adverse results (including costs, fines, reputational harm and/or other negative effects) from current or future litigation, regulatory examinations or other legal and/or regulatory actions or rulings as well as other factors identified in this communication or as detailed from time to time in our public filings, including those factors described in the disclosures under the headings "Forward-Looking Information" and "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the year ended December 31, 2025 and in Item 2 of Part I and Item 2A of Part II of the Bank's Quarterly Report(s) on Form 10-Q filed after the Annual Report, which are available on the Bank's website (https://ir.ozk.com/filings/documents) and on the FDIC's website (https://efr.fdic.gov/fcxweb/efr/index.html). Should one or more of the foregoing risks materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those described in, or implied by, such forward-looking statements. The Bank disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information or otherwise.

<u>MANAGEMENT COMMENTS FOR THE SECOND QUARTER OF 2026</u>

We are pleased to provide our second quarter 2026 Management Comments. During the quarter just ended:

- We delivered solid financial results including net income available to common stockholders of $163.3 million; diluted earnings per common share of $1.49; an annualized return on average assets of 1.60%; net interest margin of 4.24%; an efficiency ratio of 39.2%; meaningful increases in our capital ratios; and strong growth in our book value (up $1.28) and tangible book value (up $1.26) per common share.

- We continued to make significant progress with the strategic diversification of our loan portfolio as Corporate & Institutional Banking ("CIB") and other lending teams delivered strong growth mostly offsetting near-record Real Estate Specialties Group ("RESG") loan repayments.

- CIB not only achieved excellent growth, both from its established and recently added lending teams, but also enhanced diversification within its own portfolio. This diversification of growth within CIB is one important aspect of our strategy to increase our franchise value.

- We made steady progress in working through the late cycle challenges being faced by a small number of commercial real estate ("CRE") sponsors, while achieving solid financial results, growing capital and increasing our capital ratios.

- We achieved record non-interest income (excluding unusual items in previous quarters), reflecting progress from our focus on growing and expanding sources of non-interest income.

- We continued to expand our valuable Sun Belt deposit franchise and to make other investments to achieve our strategic objectives.

We look forward to sharing the details of these and many other accomplishments in the following pages.

Profitability and Earnings Metrics

Net income available to common stockholders for the second quarter of 2026 was $163.3 million, a decrease of 8.7% from $178.9 million for the second quarter of 2025, but an increase of 2.5% from $159.3 million for the first quarter of 2026. For the first six months of 2026, net income available to common stockholders was $322.6 million, a 7.0% decrease from $346.8 million for the first six months of 2025.

Diluted earnings per common share ("EPS") for the second quarter of 2026 were $1.49, a decrease of 5.7% from $1.58 for the second quarter of 2025, but an increase of 3.5% from $1.44 for the first quarter of 2026. EPS for the first six months of 2026 were $2.93, a 3.9% decrease from $3.05 for the first six months of 2025.

Pre-tax pre-provision net revenue[1] ("PPNR") for the second quarter of 2026 was $259.4 million, a decrease of 5.6% from $274.9 million for the second quarter of 2025, but an increase of 2.3% from $253.6 million for the first quarter of 2026. For the first six months of 2026, PPNR was $512.9 million, a 4.5% decrease from $537.2 million for the first six months of 2025.

Annualized return on average assets ("ROAA") for the second quarter of 2026 was 1.60% compared to 1.81% for the second quarter of 2025 and 1.58% for the first quarter of 2026. Annualized ROAA for the first six months of 2026 was 1.59% compared to 1.79% for the first six months of 2025.

Annualized return on average common stockholders' equity[1] ("ROACE") and return on average tangible common stockholders' equity[1] ("ROATCE") for the second quarter of 2026 were 11.14% and 12.55%, respectively, compared to 12.98% and 14.75%, respectively, for the second quarter of 2025, and 11.06% and 12.47%, respectively, for the first quarter of 2026. Annualized ROACE and ROATCE for the first six months of 2026 were 11.10% and 12.51%, respectively, compared to 12.75% and 14.50%, respectively, for the first six months of 2025.

Book value per common share and tangible book value per common share[1] increased $1.28 and $1.26 during the quarter just ended to $54.47 and $48.41, respectively. Over the last four quarters, they increased $4.88 and $4.69, respectively.

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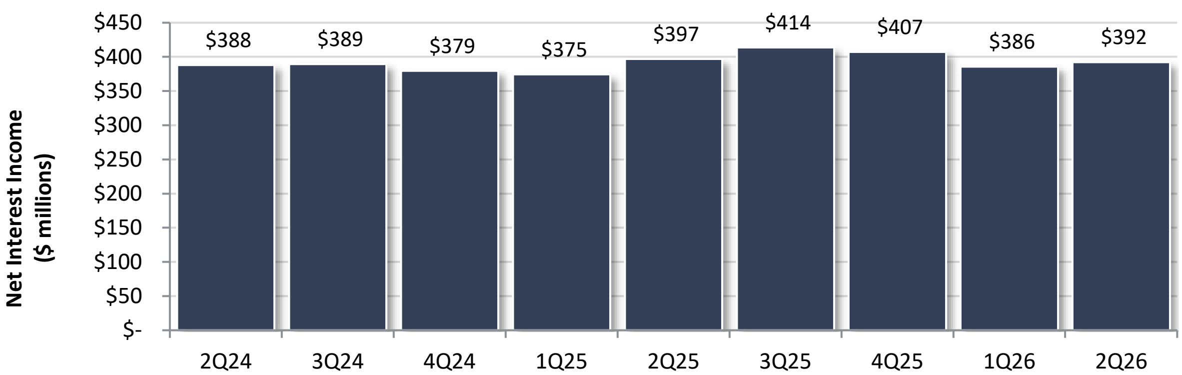
[1] The calculations of the Bank's non-GAAP financial measures and the reconciliations to GAAP are included in the schedules in Appendix A.

Net Interest Income

Net interest income for the second quarter of 2026 was $392.1 million, a decrease of 1.2% from the second quarter of 2025, but an increase of 1.7% from the first quarter of 2026. Net interest income for the first six months of 2026 was $777.7 million, a 0.8% increase from $771.3 million for the first six months of 2025.

As expected, the level of RESG loan repayments remained elevated in recent quarters (i.e., $9.95 billion over the last four quarters). At the same time, CIB and our other lending teams have generated strong growth. These offsetting factors have restrained growth in net interest income and average earning assets. Specifically, our average earning assets in the first half of 2026 were up only slightly to $37.6 billion from $37.1 billion for the full year of 2025 and were down slightly from $37.9 billion for the fourth quarter of 2025.

Figure 1: Quarterly Net Interest Income



We expect net interest income in the second half of 2026 to increase only modestly compared to the first half. Improving on 2025's record net interest income of $1.59 billion is now considered a stretch goal that will require meaningful growth in average earning assets in the second half of the year. While we expect RESG repayments to remain elevated through 2026 and 2027, we expect strong growth from CIB and other lending teams to contribute to an improving net interest income trajectory in 2027.

Future net interest income will depend on numerous factors, including, among others, growth in earning assets, changes in loan yields, changes in cost of interest bearing deposits ("COIBD") and any Fed interest rate changes.

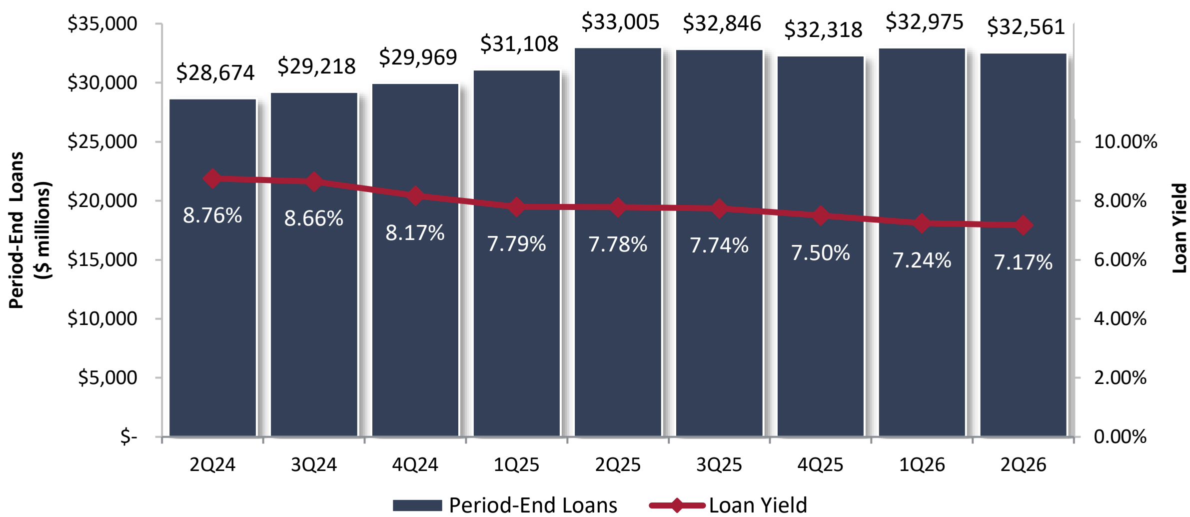
Loans

Loans were $32.56 billion at June 30, 2026, a decrease of $0.41 billion, or 1.3% not annualized, from March 31, 2026, but an increase of $0.24 billion, or 0.8%, from December 31, 2025, as shown in Figure 2. As expected, during the quarter just ended, strong growth from CIB and other lending teams mostly offset near-record RESG loan repayments.

For the full year of 2026, we continue to expect mid-single digit percentage loan growth. For the full year of 2027, we continue to expect loan growth to accelerate to a 10% to 11% range as our lending teams other than RESG are expected to grow significantly. In subsequent years our goal is to have all our lending teams contribute to strong loan growth.

Loan growth may vary significantly from quarter to quarter and may be impacted by the volume of loan originations and repayments, interest rates, economic conditions, competition or other factors.

Figure 2: Loan Balances and Yields



In the second quarter of 2026, our yield on loans was 7.17%, decreases of 61 basis points ("bps") and 7 bps, respectively, from the second quarter of 2025 and the first quarter of 2026. Figure 2 reflects the impact on our predominately variable-rate loan portfolio of the 100-basis point reduction in the Fed funds rate during the last four months of 2024 and the 75-basis point reduction during the last four months of 2025 and various other factors including the very competitive environment.

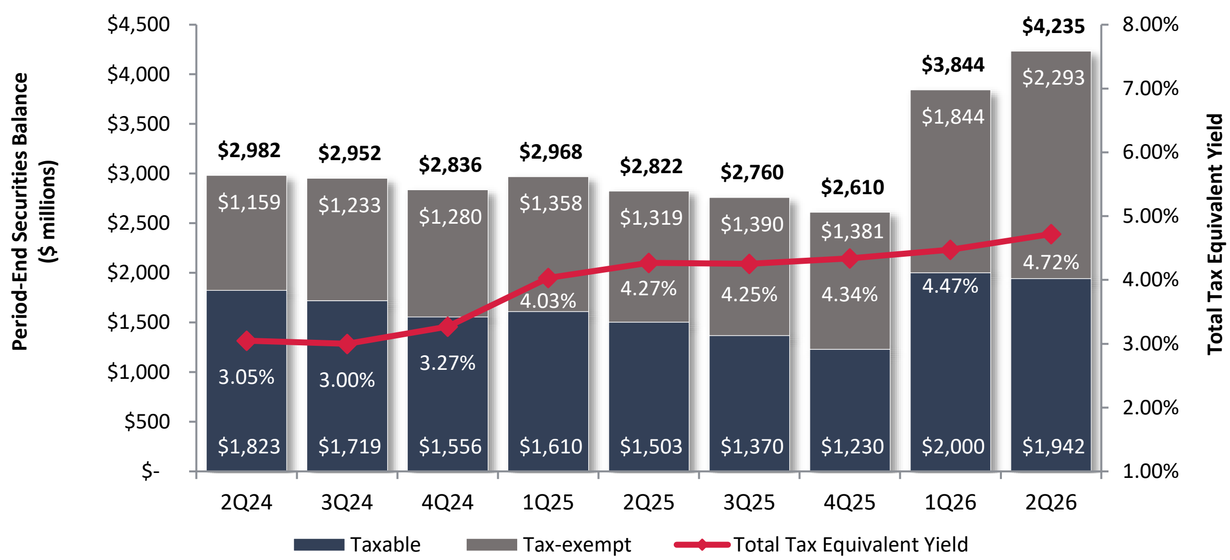
Investment Securities

Investment securities, all of which are categorized as available-for-sale, were $4.24 billion at June 30, 2026, increases of $0.39 billion from March 31, 2026 and $1.62 billion from December 31, 2025, as shown in Figure 3. During the first half of 2026, we capitalized on market conditions by utilizing previously uninvested cash and proceeds from maturing securities to purchase $1.98 billion of investment securities. These purchases resulted in our investment portfolio growth and, along with the roll-off of lower yielding securities, contributed to our improved portfolio yield.

In the second quarter of 2026, our tax-equivalent yield on investment securities was 4.72%, increases of 45 bps and 25 bps, respectively, from the second quarter of 2025 and the first quarter of 2026.

As a result of the purchases during the quarter just ended, we expect our tax equivalent yield on investment securities to increase further in the third quarter of 2026 to somewhere in the range of 4.75% to 4.80%.

Figure 3: Investment Securities Balances and Yields



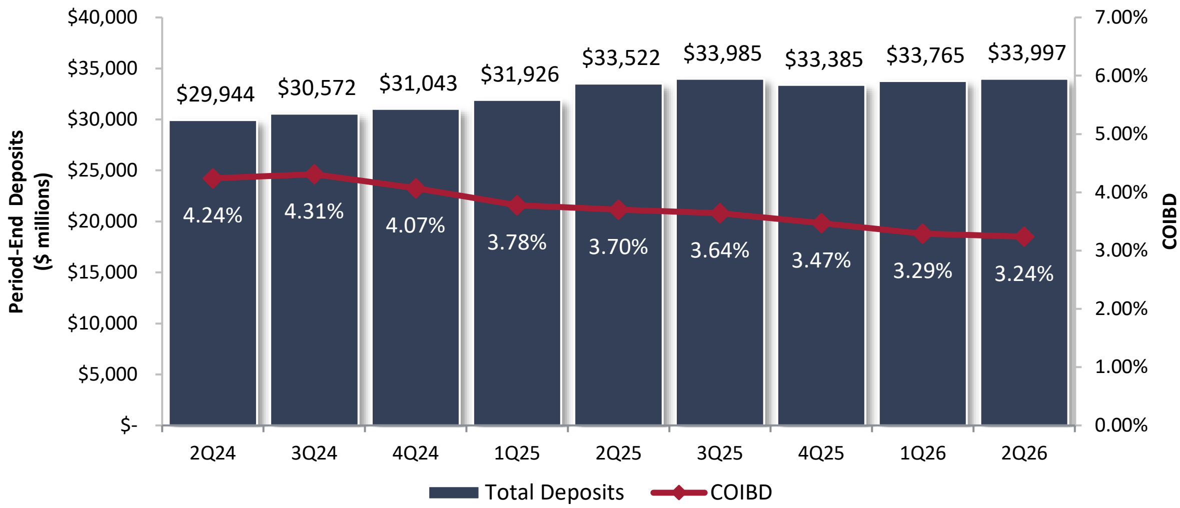
At June 30, 2026, our investment securities had an average effective duration of approximately 6.3 years.

Further growth, if any, in our investment securities portfolio in 2026 will depend on market conditions and resulting investment opportunities, among other factors.

Deposits

Deposits were a record $34.00 billion at June 30, 2026, increases of $0.23 billion, or 0.7% not annualized, from March 31, 2026, and $0.61 billion, or 1.8% not annualized, from December 31, 2025, as shown in Figure 4.

Figure 4: Deposit Balances and Cost of Interest Bearing Deposits ("COIBD")

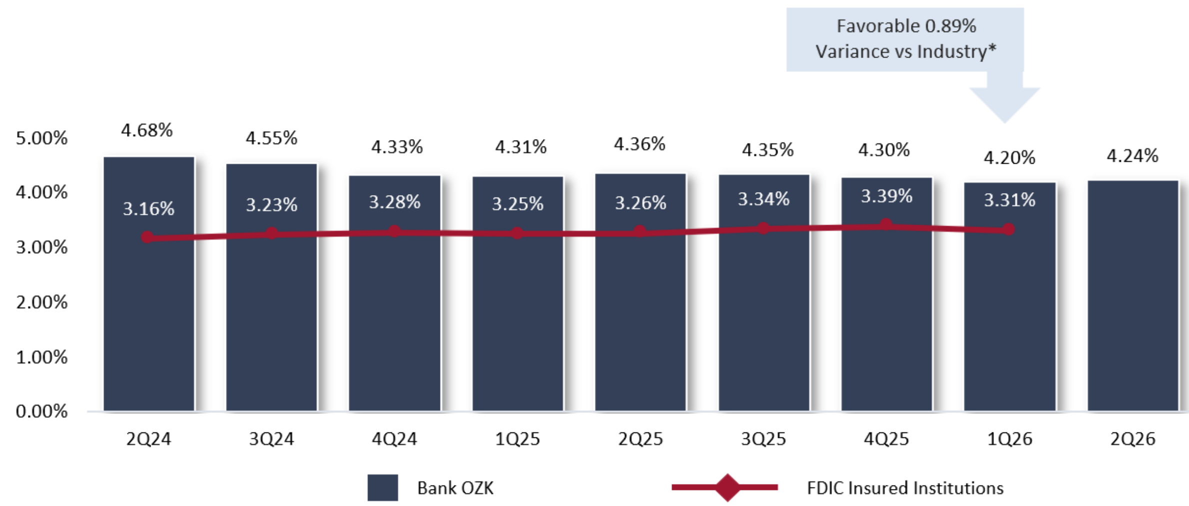


In the second quarter of 2026, our COIBD was 3.24%, decreases of 46 bps and 5 bps from the second quarter of 2025 and the first quarter of 2026, respectively, as shown in Figure 4. Given the current competitive environment for deposits, the quarter just ended is likely an inflection point in our COIBD.

Net Interest Margin

During the quarter just ended, our net interest margin was 4.24%, a decrease of 12 bps from the second quarter of 2025, but an increase of 4 bps from this year's first quarter. As shown in Figure 5, in the first quarter of 2026, the latest quarter for which comparative data is available, our net interest margin outperformed the industry by 89 bps, continuing our long history of outperformance.

Figure 5: Quarterly Net Interest Margin (%)



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2026.*

While our team did an excellent job increasing our net interest margin in the quarter just ended, assuming no changes in the Fed funds rate, we expect our net interest margin in the remaining quarters of 2026 will be slightly less than the first quarter's 4.20% net interest margin.

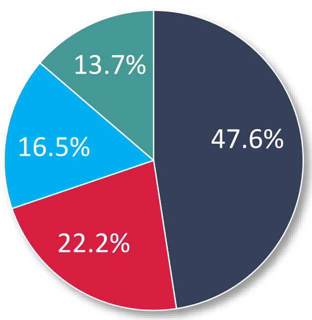
If there is any Fed interest rate increase, we anticipate our loan yields would increase faster than our deposit costs, likely resulting in some increase in our net interest margin until time deposits reprice, typically over several quarters. Conversely, if there is any Fed interest rate reduction, we anticipate our loan yields will decrease faster than our deposit costs, likely resulting in some decrease in our net interest margin, at least until time deposits reprice, typically over several quarters, and/or floor rates are reached on more variable rate loans.

Loan Portfolio Details

We are pleased that we continued to achieve meaningful portfolio diversification in the quarter just ended, with growth in CIB, Indirect RV & Marine and Community Banking. We expect these lending teams will continue to contribute meaningfully to further growth and diversification, while RESG is likely to continue to have elevated repayments throughout 2026 and 2027. Implicit in our diversification strategy is an unwavering focus on asset quality from each of our lending teams.

As expected, RESG's percentage of our loans continued to decline during the quarter, reaching 47.6% as of June 30, 2026, down from 52.1% at March 31, 2026, and well below its all-time high of 70%. We expect RESG will continue to have elevated repayments while other parts of our loan portfolio continue to grow, resulting in further reductions in RESG's percentage of loans throughout 2026 and 2027. Of course, we expect that the unique strengths and expertise of RESG will result in meaningful growth over the longer term following this elevated repayment cycle.

Figure 6: Loan Composition (As of June 30, 2026)



	Funded Balances	
	$ millions	*%*
RESG	$ 15,486	47.6%
CIB	7,240	22.2%
Community Banking	5,361	16.5%
Indirect RV & Marine	4,474	13.7%
Total	**$ 32,561**	**100.0%**

Our long-term goal is for all of our lending teams to grow significantly and to achieve more balance and diversification in the portfolio. Of course, opportunities will shift over time, and we will always want to capitalize on the best opportunities. We expect CIB's and RESG's loan portfolios will be roughly equal in size at some point, likely in 2027, with the remainder of the portfolio being a combination of loans from Community Banking and Indirect RV & Marine. We believe such balance and diversification will enhance our long-term franchise value.

Funded Loan Balances

Figures 7 and 8 illustrate the mix in our loan growth in the second quarter and first six months of 2026 and reflect our significant progress towards achieving greater portfolio diversification. During the quarter just ended, CIB grew $1.04 billion and Indirect RV & Marine and Community Banking each grew $0.13 billion, while RESG declined $1.71 billion. Over the first six months of 2026, CIB grew $1.99 billion, Indirect RV & Marine grew $0.24 billion and Community Banking grew $0.12 billion, while RESG declined $2.10 billion. We expect this diversification trend will continue for some time.

Figure 7: Loan Growth, Funded Balances – 2Q26 ($ millions)

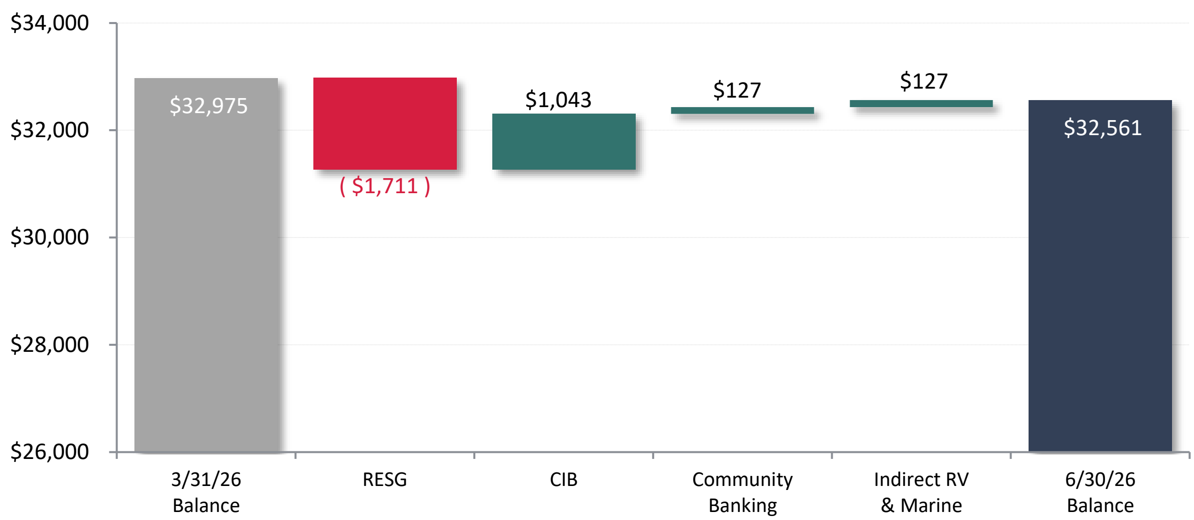
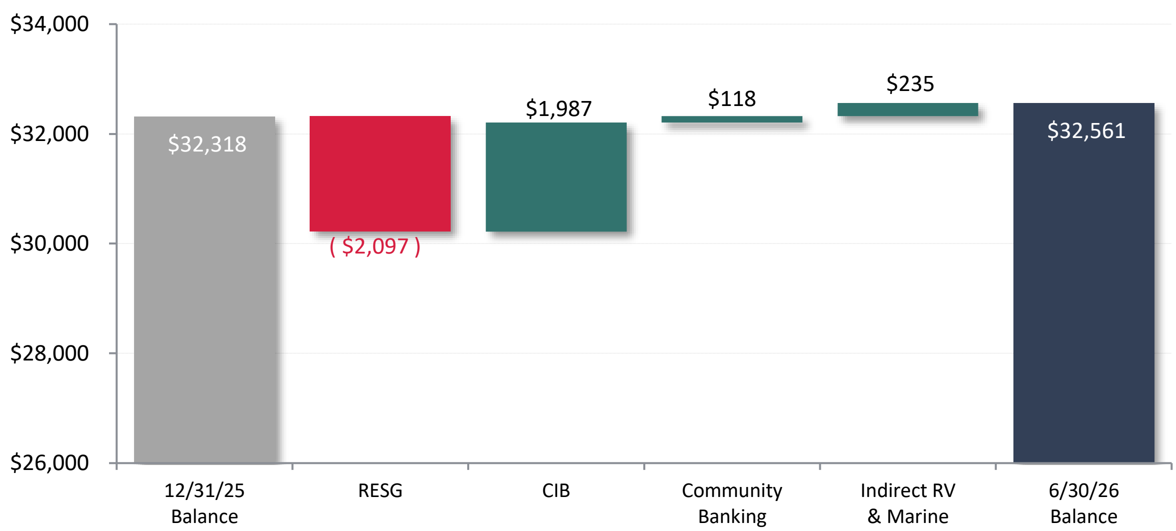


Figure 8: Loan Growth, Funded Balances – 6M26 ($ millions)



Unfunded Loan Commitments

Figures 9 and 10 reflect the activity in unfunded loan commitments in the second quarter and first six months of 2026. Consistent with our greater portfolio diversification, RESG's share of unfunded loan commitments decreased 5% to 57% over the first six months of 2026, while CIB's share increased 6% to 36%. We expect this diversification trend will continue for some time.

Figure 9: Activity in Unfunded Loan Commitments – 2Q26 ($ millions)

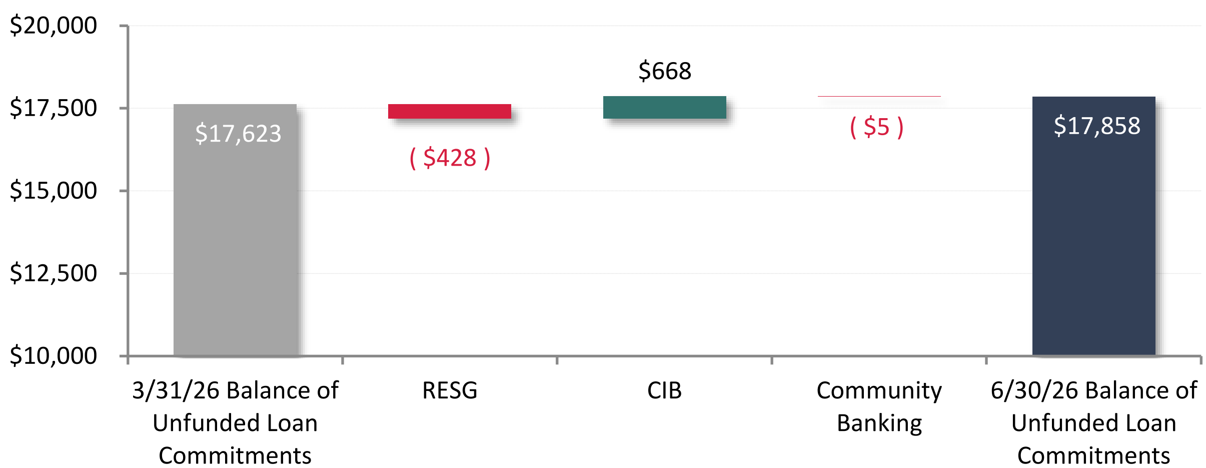
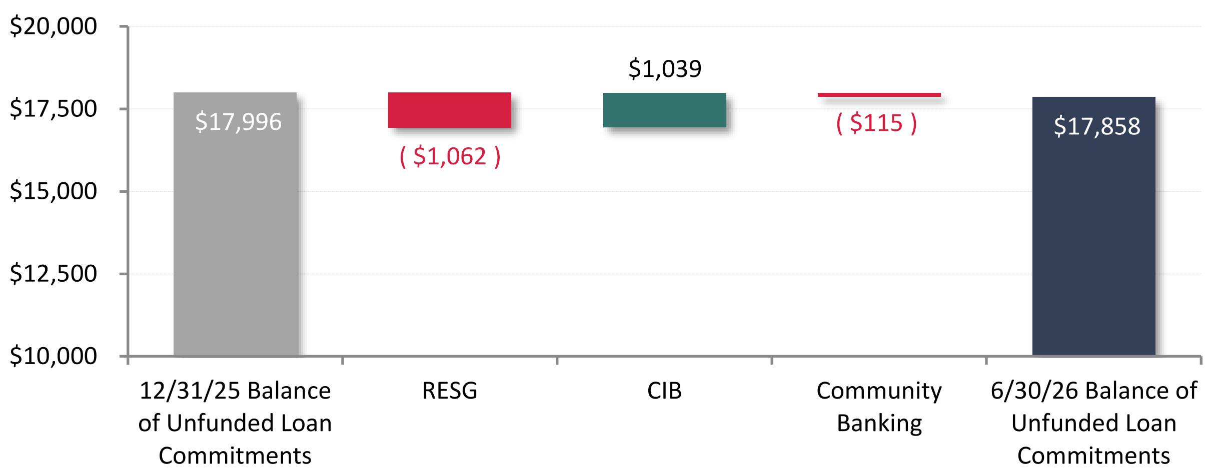


Figure 10: Activity in Unfunded Loan Commitments – 6M26 ($ millions)



RESG Loan Originations and Repayments

As shown in Figure 11, RESG loan originations were $1.08 billion in the second quarter and $4.39 billion over the last four quarters. For some time now, many sponsors have faced challenges raising equity capital for new projects as capital partners have been cautious due to macroeconomic uncertainty, among other factors. This has tended to restrain new project starts. At the same time, a surge in liquidity available for debt financing has created significant competition for the new deals that have raised equity, which has contributed to our relatively subdued RESG origination volume.

Figure 11: RESG Quarterly Loan Originations ($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2021	$1.28	$1.46	$2.21	$2.99	$7.94
FY2022	$3.14	$3.53	$4.35	$2.81	$13.82
FY2023	$1.81	$1.41	$1.95	$2.05	$7.22
FY2024	$1.58	$1.60	$1.23	$1.00	$5.41
FY2025	$1.21	$1.51	$0.70	$1.61	$5.03
FY2026	$1.00	$1.08			$2.08

**6M26 Not Annualized*

Our origination volume in the first two quarters of 2026 reflects the headwinds to achieving our previous 2026 origination goal. Origination volume may vary significantly from quarter to quarter and may be impacted by economic conditions, interest rates, competition or other factors.

As shown in Figure 12, RESG's loan repayments and other activity were $2.92 billion in the quarter just ended and $9.95 billion over the last four quarters. This elevated level of repayments reflects both the natural cadence of the sale or refinancing of projects securing the record volume of RESG loans originated in 2022 and the recent increase in the availability of debt financing generally. We expect RESG loan repayments will remain elevated throughout 2026 and 2027. Loan repayments may vary substantially from quarter to quarter based on a variety of factors including interest rate levels and refinancing alternatives.

Figure 12: RESG Quarterly Loan Repayments & Other Activity ($ billions)

	Q1	Q2	Q3	Q4	Total*
FY2021	$1.48	$1.68	$1.34	$1.72	$6.22
FY2022	$1.31	$2.34	$1.28	$0.72	$5.65
FY2023	$0.91	$1.03	$1.10	$0.97	$4.01
FY2024	$0.79	$1.84	$1.60	$1.83	$6.06
FY2025	$0.85	$0.95	$2.44	$3.00	$7.24
FY2026	$1.59	$2.92			$4.51

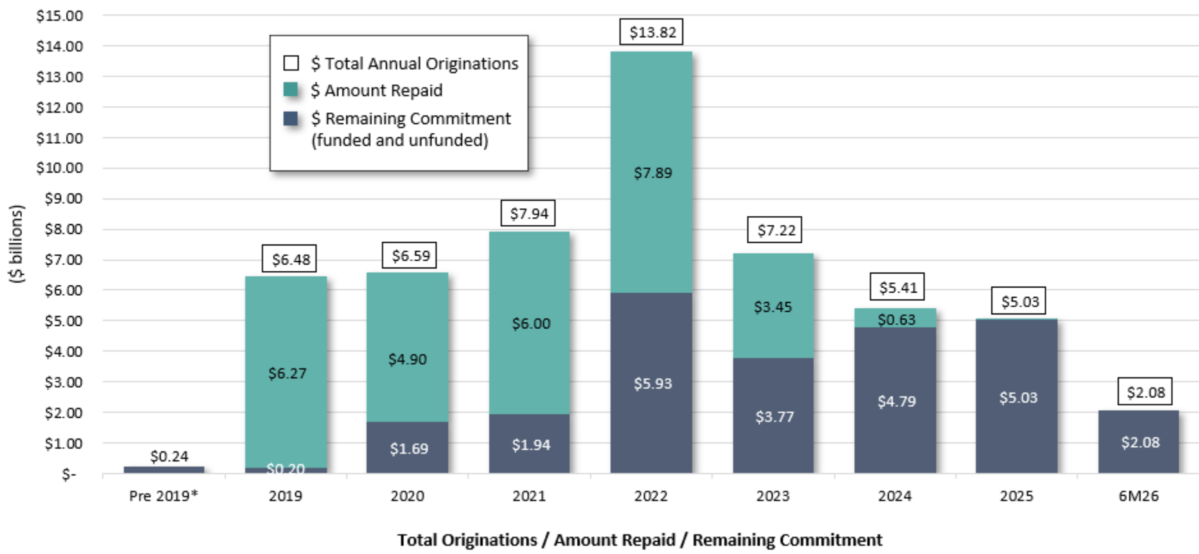
**6M26 Not Annualized*

Elevated RESG loan repayments coupled with the lower origination volume have resulted in RESG total commitments, both funded and unfunded, receding by $8.8 billion from a peak of $34.5 billion at March 31, 2024 to $25.7 billion at June 30, 2026. This trend in RESG total commitments is expected to continue throughout 2026 and 2027.

RESG Origination and Repayment Cadence

Figure 13 illustrates the cadence of RESG loan originations and repayments. It shows the amount of each year's originations which have been repaid and which remain as outstanding commitments, both funded and unfunded.

Figure 13: RESG Origination and Repayment Trends by Year of Origination *(Total Commitment)*
(As of June 30, 2026)



$ Remaining Commitment	*$0.20B*	*$1.69B*	*$1.94B*	*$5.93B*	*$3.77B*	*$4.79B*	*$5.03B*	*$2.08B*
$ Amount Funded	*$0.19B*	*$1.43B*	*$1.63B*	*$4.95B*	*$2.85B*	*$2.73B*	*$1.15B*	*$0.34B*
$ Amount Unfunded	*$0.01B*	*$0.26B*	*$0.31B*	*$0.98B*	*$0.92B*	*$2.06B*	*$3.88B*	*$1.74B*

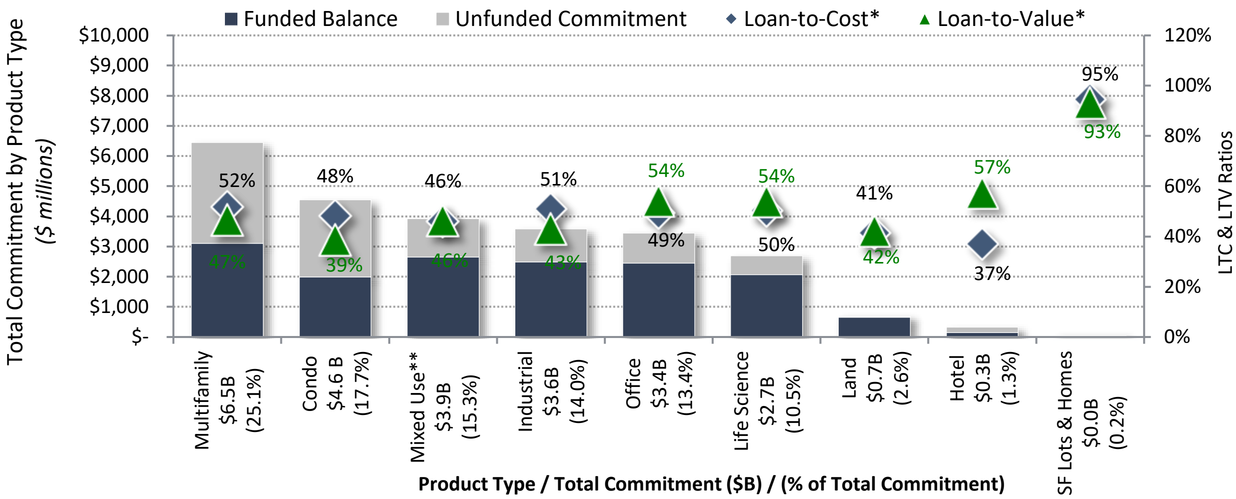
** Amounts repaid and total annual originations are not shown for pre-2019 originations.*

RESG repayments in the quarter just ended included repayments of some older vintage loans. Specifically, during the quarter total commitments (both funded and unfunded) were reduced by $0.08 billion for 2019 originations, by $0.06 billion for 2020 originations, $0.16 billion for 2021 originations, $1.82 billion for 2022 originations, $0.97 billion for 2023 originations and $0.13 billion for 2024 originations.

RESG Portfolio Diversification

Figure 14 shows the product type diversification within the RESG portfolio.

Figure 14: RESG Portfolio Diversification by Product Type (As of June 30, 2026)



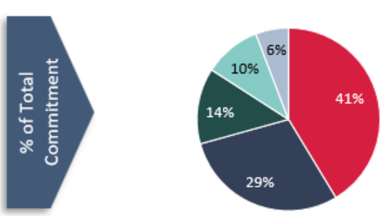
** LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTVs are based on the most recent appraisals and, in most cases, utilize "as-stabilized" values for income-producing property types. However, "as-is" values are utilized to calculate LTVs for certain loans.*
*** Mixed use projects contain multiple property types, none of which individually contribute 75% or more of the project value.*

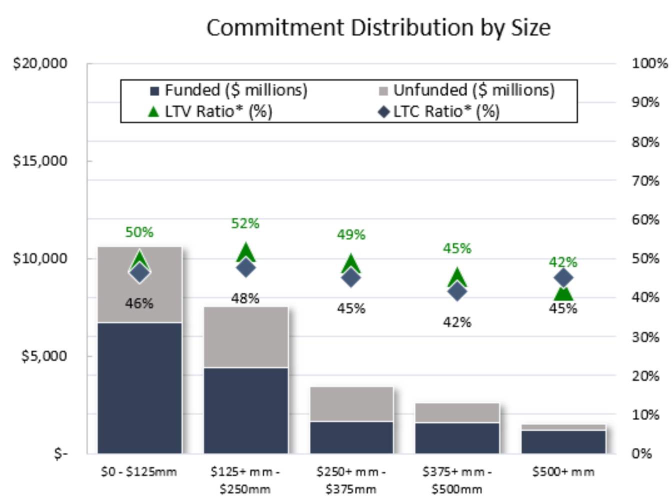
The stratification of the RESG portfolio by commitment size is reflected in Figure 15.

Figure 15: RESG Portfolio Stratification by Loan Size – Total Commitment (As of June 30, 2026)

($ millions)

Tranche	No. of Loans	Funded	Total Funded & Unfunded
$0 - $125mm	179	$ 6,722	$ 10,614
$125+ mm - $250mm	44	4,383	7,530
$250+ mm - $375mm	12	1,619	3,445
$375+ mm - $500mm	6	1,586	2,588
$500+ mm	2	1,176	1,490
Total	**243**	**$ 15,486**	**$ 25,667**

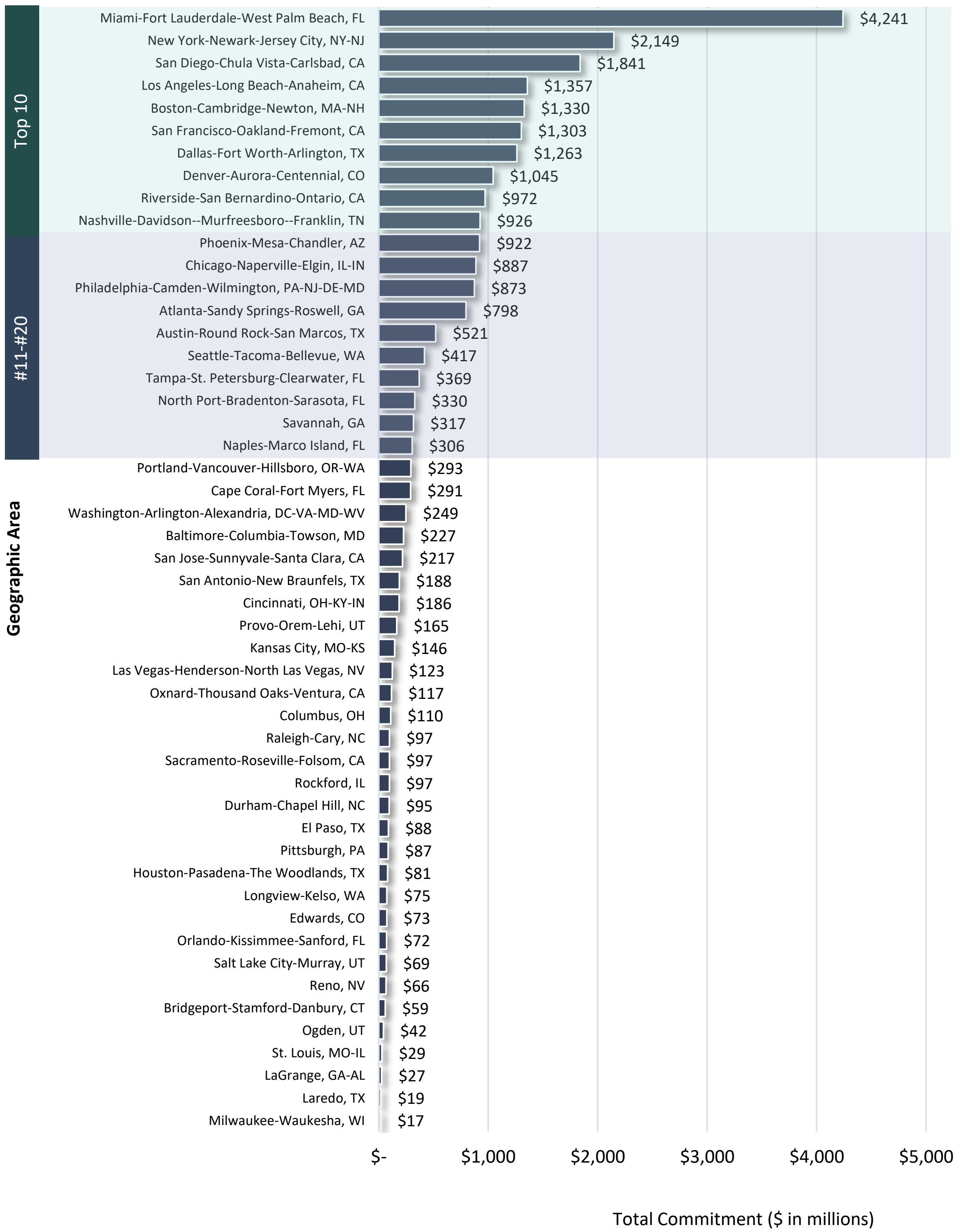




** Calculation based on total commitment by tranche as a % of total cost and total appraised value of loans within each tranche. LTC and LTV ratios are weighted averages and assume all loans are fully funded. LTVs are based on the most recent appraisals and, in most cases, utilize "as-stabilized" values for income-producing property types. However, "as-is" values are utilized to calculate LTVs for certain loans.*

Figure 16 shows RESG's total commitments in each geographic area in which it currently has loans, reflecting the national scope and significant geographic diversification in RESG's business.

Figure 16: RESG Portfolio Diversification – All Geographies (As of June 30, 2026)



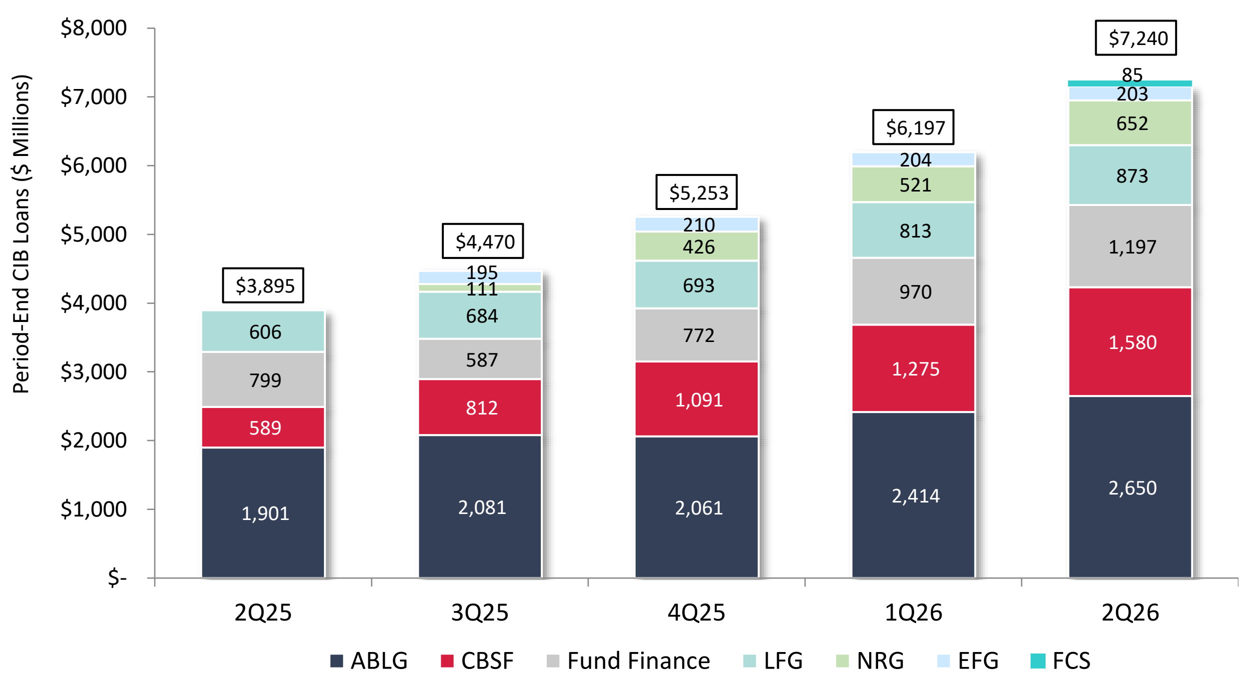
Corporate & Institutional Banking

CIB continued to achieve excellent growth and enhanced portfolio diversification in the quarter just ended. It accounted for $7.24 billion, or 22.2%, of the funded balance of loans as of June 30, 2026, increasing from 11.8% as of June 30, 2025, and 18.8% as of March 31, 2026. CIB's portfolio is diversified with loans to borrowers representing approximately 40 different North American Industry Classification System ("NAICS") subsector codes at June 30, 2026. When compared to RESG, CIB's average credit per client is much smaller.

CIB engages in relationship-focused lending through Asset Based Lending Group ("ABLG"), Corporate Banking & Sponsor Finance ("CBSF"), Fund Finance ("FF"), Lender Finance Group ("LFG"), Natural Resources Group ("NRG"), Equipment Finance Group ("EFG") and Franchise Capital Solutions ("FCS"). Each of CIB's teams consists of individuals with significant experience and specialized industry expertise.

In the third quarter of 2026, CIB expects to add the initial members of its Emerging Middle Market ("EMM") team. EMM will pursue commercial and industrial ("C&I") clients in our largely untapped lower middle-market revenue category between the relationships currently served by our Community Bank and our CIB teams. It will focus almost exclusively on the six states in which we have branches and will coordinate closely with other bank teams to provide a full-service experience for companies. This is an important franchise enhancement.

Figure 17: CIB Loan Composition (Funded Balance)



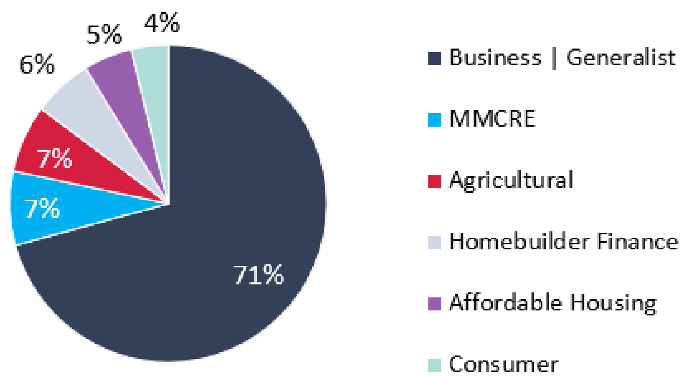
We continue to make significant investments in CIB as part of our growth and diversification strategy. Total CIB headcount has grown from 18 at year-end 2023 to 123 at June 30, 2026. This carefully sequenced growth has been strategically executed from quarter to quarter over the last 10 quarters to support the addition of new CIB business lines and expansion into new geographies as well as expanding our teams which underwrite, service and monitor CIB loans. As of June 30, 2026, the portfolio had a 30+ day past due ratio of 0.00%. For the quarter just ended and first six months of 2026, CIB's annualized net charge-off ratio was 0.00%.

In addition to loan and deposit growth, CIB expects to meaningfully contribute to future growth in non-interest income through its Loan Syndications & Corporate Services teams which include: Loan Syndications Group, Interest Rate Hedging Solutions, Commodity Hedging Solutions and our third-party Capital Markets Program.

Community Banking

Community Banking accounted for $5.36 billion, or 16.5%, of the funded balance of loans as of June 30, 2026, and included consumer and small business loans, loans originated by our Community Banking (generalist) lenders, and loans originated by our specialty lending teams in Community Banking, which include our middle market CRE ("MMCRE"), agricultural (including poultry), homebuilder finance and affordable housing teams.

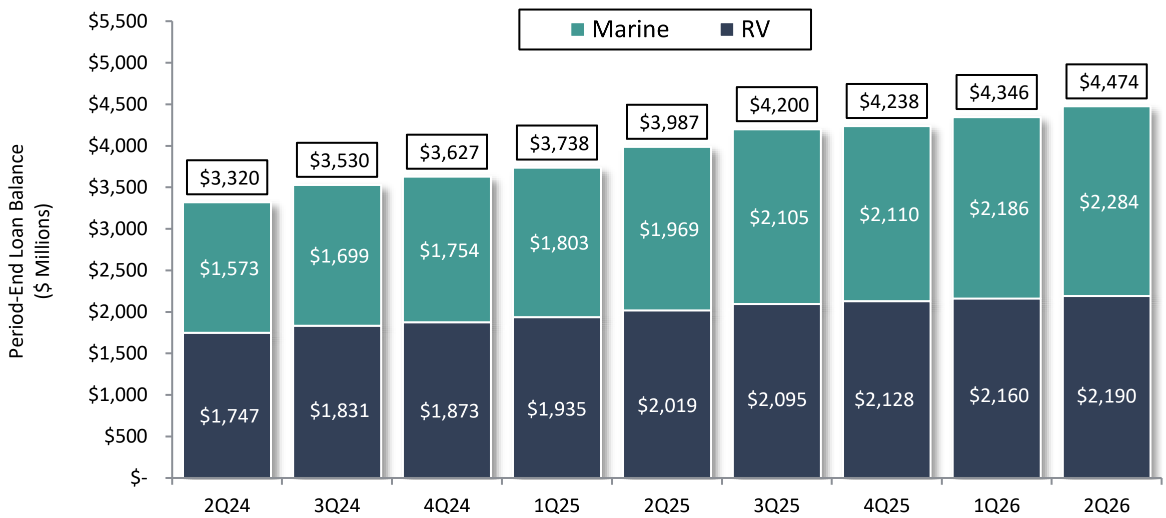
Figure 18: Community Banking Loan Composition (As of June 30, 2026)



Indirect RV & Marine

Indirect RV & Marine lending operates nationwide. Its high-quality consumer portfolio accounted for $4.47 billion, or 13.7%, of the funded balance of our loans as of June 30, 2026. As of June 30, 2026, the portfolio had a 30+ day past due ratio of 0.27%. For the quarter just ended and first six months of 2026, our annualized net charge-off ratio for the indirect portfolio was 0.49% and 0.45%, respectively.

Figure 19: Indirect RV & Marine Loan Balances



Variable Rate Loans and Loan Floors

At June 30, 2026, 84% of our total commitment of loans had variable rates, of which 78% were tied to 1-month term SOFR, 17% to WSJ Prime and 5% to other indexes. At June 30, 2026, 81% of our total commitment of variable rate loans had floor rates and 30% were at their floor rate.

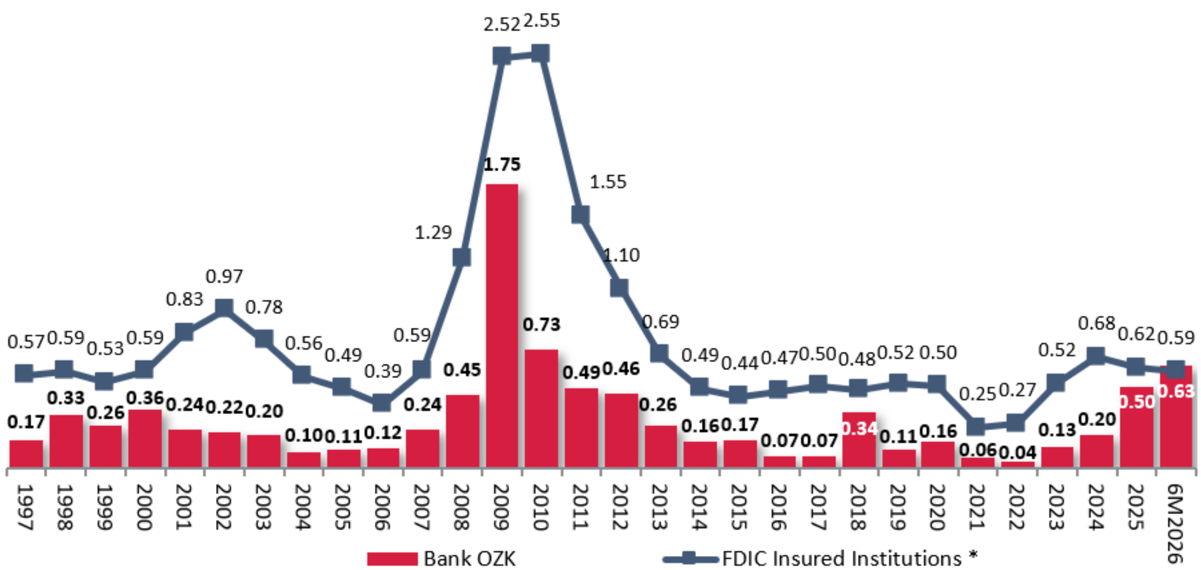
Asset Quality Details

Net Charge-Offs

Our annualized net charge-off ratios were 0.69% and 0.63% for the quarter just ended and the first six months of 2026, respectively. During the quarter we recognized charge-offs on four previously classified or criticized RESG loans as described in more detail on pages 22-24.

As shown in Figure 20, in our 29 years as a public company, our net charge-off ratio has outperformed the industry's net charge-off ratio every year. Despite our elevated annualized net charge-off ratio for the first six months of 2026, our goal remains to outperform the industry average for the full year. Our net charge-off ratio may vary significantly from quarter to quarter.

Figure 20: Annualized Net Charge-off Ratio vs. the Industry



**Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2026. Annualized when appropriate.*

The current CRE cycle has proven to be an unusually challenging and prolonged period for some of our CRE customers. Since 2020 they have had to contend with the cumulative impact of a constantly evolving array of uncertainties and macroeconomic challenges starting with the COVID-19 pandemic and its resulting lockdowns, supply chain disruptions, rapidly increasing inflation, the Fed increasing interest rates 525 bps, higher-for-longer interest rates, remote work and a slow return to office, social unrest and efforts to defund the police in many major cities, tariffs, reductions in funding for medical research, hostilities in the Middle East and elsewhere, and numerous other sources of macroeconomic, political and geopolitical turbulence and uncertainty.

Notwithstanding all of this, the U.S. economy has proven to be generally resilient and most of our CRE customers have continued to work through this multi-year CRE cycle. We have consistently stated that we expected most RESG sponsors/capital partners to continue to support their properties, if needed, through times of economic stress until business or economic conditions and property performance normalize. That expectation has been generally realized.

However, a small number of sponsors have eventually become unable or unwilling to continue to support their projects resulting in charge-offs and nonperforming loans that do not meet our historical standards. Over the past 16 quarters we prudently prepared for this possibility by more than doubling our ACL, as reflected in detail in Figure 21 (see page 21).

While we continue to operate in an environment with considerable uncertainties, we are seeing signs of improving conditions for many of our CRE customers and their projects. Improving conditions include (i) the reductions over the last two years in the Fed funds target rate and other interest rates; (ii) increased liquidity for CRE as reflected by elevated RESG repayments in recent quarters; and (iii) improving supply/demand dynamics for certain property types and certain markets as reflected in improving sales and leasing activity.

Nevertheless, uncertainties remain, particularly related to some office and life science properties in some markets. In calculating our ACL, we considered these uncertainties, and we believe our ACL is appropriate as we continue through what we expect to be the late stages of this CRE cycle. Similar to 2024 and 2025, we expect that a small number of our sponsors may become unable or unwilling to continue to support their projects in 2026, which could result in our net charge-offs remaining elevated. However, we expect to see an improving trend in 2027.

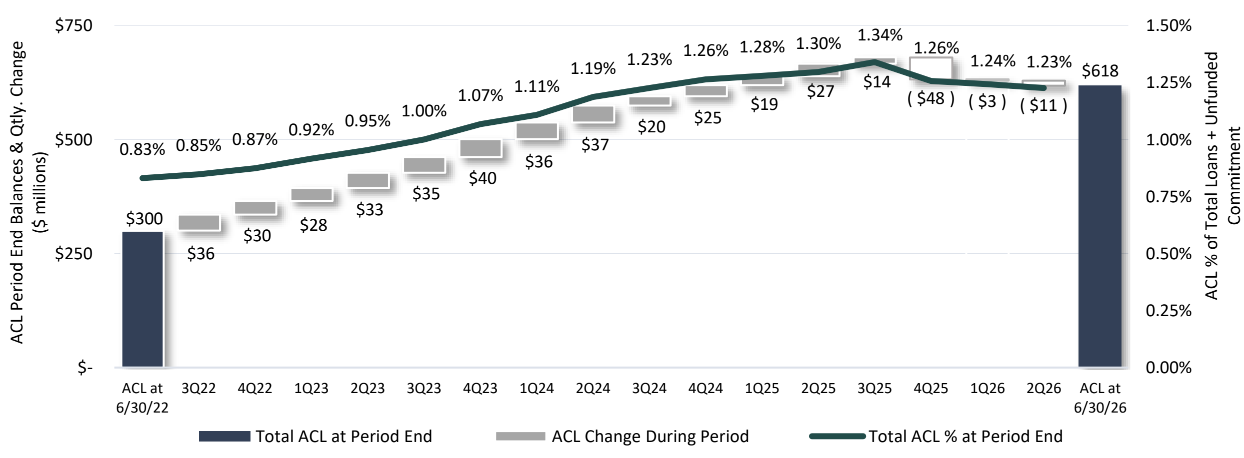
Allowance for Credit Losses ("ACL") and Provision

As of June 30, 2026, our ACL of $617.8 million consisted of our allowance for loan losses ("ALL") at $461.5 million, or 1.42% of loans, and our reserve for losses on unfunded loan commitments at $156.3 million, or 0.88% of unfunded loan commitments.

Over the last 16 quarters, our cumulative provision expense was $673 million, or 1.9 times our cumulative net charge-offs of $355 million, resulting in a cumulative increase of $318 million in our ACL, as shown in Figure 21. This large increase is attributable to both growth in loans and unfunded loan commitments and our cautious outlook on macroeconomic conditions. We believe this ACL build, including the increase in our ACL ratio (ACL divided by total loans and unfunded loan commitments) from 0.83% to 1.23%, has been a prudent and appropriate response to the shifting mix of risk factors over those 16 quarters.

Having prudently built our ACL for potential charge-offs, it has been appropriate to decrease our ACL ratio over the last three quarters as charge-offs have been recognized. For the second quarter of 2026, our provision for credit losses was $45.6 million and our net charge-offs were $56.3 million resulting in a decrease in our ACL of $10.7 million. Net charge-offs in the quarter consisted primarily of partial charge-offs totaling $49.3 million on four previously classified or criticized RESG office or life science loans as described in more detail on pages 22-24.

Figure 21: ACL Build – Last 16 Quarters



The calculations of our provision for credit losses for the second quarter of 2026 and our ACL at June 30, 2026, were based on a number of key estimates, assumptions and economic forecasts. We utilized recent Moody's economic forecasts, including their Baseline, S4 (Alternative Adverse Downside) and S6 (Stagflation) scenarios and their updates released in June 2026. Our ACL calculations include certain qualitative adjustments, primarily related to specific property types, to capture items not included in our modeled results or other assumptions.

Portfolio Credit Quality

As shown in Figure 22, total classified and criticized assets have increased moderately over the past six quarters, but we have continued to make steady progress working through such assets as they have arisen. For example, during the quarter just ended, our largest substandard non-accrual loan ($156.4 million outstanding) at March 31, 2026 was successfully recapitalized, as expected, by the sponsor and a new capital partner resulting in a new pass-rated loan. In addition, once it became clear during the quarter that further sponsor/capital partner support would not be forthcoming, we took the opportunity to quickly achieve payoff of a previous special mention loan ($94.8 million commitment; $63.6 million outstanding) on a challenged San Carlos, CA life science project resulting in a $14.8 million charge-off. Further, we are making good progress and seeing encouraging developments with several special mention loans which could restore them to pass status.

The vast majority of our RESG loans continue to perform as expected as evident in the significant level of repayments over the last four quarters. We continue to see strong sponsor/capital partner support for RESG loans as detailed on page 26.

Figure 22: Risk Categories and Asset Quality Metrics – Last Five Quarters ($ millions)

	As of				
	6/30/25	**9/30/25**	**12/31/25**	**3/31/26**	**6/30/26**
Total Loans	$ 33,005	$ 32,846	$ 32,318	$ 32,975	$ 32,561
Pass Rated Loans	$ 32,132	$ 31,968	$ 31,394	$ 31,915	$ 31,572
Classified and Criticized Assets:					
Loans					
Special Mention	$ 631	$ 365	$ 421	$ 397	$ 616
Substandard Accrual	185	363	161	367	73
Substandard Non-accrual	59	150	341	297	300
Foreclosed Assets	160	79	61	154	293
Total Classified and Criticized Assets	$ 1,034	$ 957	$ 984	$ 1,215	$ 1,282
Loans Past Due	$ 50	$ 46	$ 207	$ 465	$ 298
Loans Past Due % of Total Loans	*0.15%*	*0.14%*	*0.64%*	*1.41%*	*0.92%*
Nonperforming Loans	$ 59	$ 150	$ 341	$ 297	$ 300
Nonperforming Loans % of Total Loans	*0.18%*	*0.46%*	*1.06%*	*0.90%*	*0.92%*
Nonperforming Assets	$ 218	$ 228	$ 402	$ 451	$ 593
Nonperforming Assets % of Total Assets	*0.53%*	*0.55%*	*0.99%*	*1.08%*	*1.42%*

The four RESG loans on non-accrual status at quarter end accounted for the vast majority of our past due and nonperforming loans at June 30, 2026; specifically, 77 of the total 92 bps of past due loans and 77 of the total 92 bps of nonperforming loans.

As detailed in Figure 23, one of these loans has active ongoing negotiations with multiple potential property buyers, one loan has an executed letter of intent for recapitalization, and two loans are the subject of pending potential property sales.

RESG Substandard Credits

Figure 23: RESG Substandard Credits (As of June 30, 2026)

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
($ millions)								
Substandard Non-accrual								
Baltimore, MD 212 days past due	Land	$40.0	$40.0	-	-	-	67%	Jun '26

This loan matured December 18, 2025. Since that time we have been in active and very detailed discussions and due diligence with multiple potential buyers who are interested in purchasing all or portions of the property. We believe we have made significant progress towards successful resolution of this complex asset with multiple parcels. We would prefer and expect to coordinate the sale or sales of the property from our borrower to a new owner or owners. If an acceptable sale is not ultimately achieved, we will proceed to acquire title to the property.

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
Seattle, WA Pioneer Square 149 days past due	Office	$25.9	$25.9	-	-	-	100%	Dec '25

This loan previously migrated to substandard non-accrual in the first quarter of 2026. In the quarter just ended, the sponsor executed a letter of intent with a new equity partner to recapitalize the project in a transaction which is expected to close in the third quarter of 2026. If closed, we (i) will continue as senior lender to the new ownership based on the current outstanding balance and (ii) expect our loan to be upgraded and returned to accrual status as a result of the new equity contributed. We are prepared to acquire title to this property if the recapitalization does not occur.

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
Wauwatosa, WI 169 days past due	Hotel	$16.7	$16.7	-	-	-	96%	Mar '26

This loan previously migrated to substandard non-accrual in the first quarter of 2026. In the quarter just ended, the sponsor executed a sales contract for which the due diligence period has been completed and the earnest money is now non-refundable. Closing is subject to customary conditions and is expected in the third quarter of 2026. If closed, this sale should result in net proceeds equal to or slightly exceeding our current carrying value. We are prepared to acquire title to this property if the sale does not close.

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
Boston, MA 138 days past due	Life Science	$169.3	$169.3	-	-	-	91%	Nov '25

This loan previously migrated to substandard accrual in the first quarter of 2026 following its February 2026 maturity and to substandard non-accrual in the quarter just ended. Despite a pending sale of the property for $330 million, the equity investors declined to contribute additional equity to extend the loan. Our previously negotiated short-term forbearance agreement has expired, although the potential purchaser continues to pursue financing in support of their purchase of the property. The migration to non-accrual status in the quarter just ended reflects the ongoing past due status of this loan and our diminished assessment of the likelihood of closing the pending sale. We are prepared to acquire title to this property if this sale does not close.

Location	Property Type	Total Commitment	Outstanding Balance	Unfunded	TI/LC Included in Unfunded	ACL Reserve	LTV *	Appraisal Date
Substandard Accrual								
Near Lake Tahoe, CA Current	SF Lots & Homes	$43.2	$29.4	$13.8	-	$7.3	93%	Sep '25

This loan has been substandard accrual since the fourth quarter of 2019. Over the life of the loan, we have recognized $44.2 million in interest and fee income.

* LTVs on Baltimore Land, Seattle Office, Wauwatosa Hotel and Boston Life Science properties reflect "as-is" values as future funding commitments have been curtailed. LTV on property near Lake Tahoe reflects the discounted sellout value of lots and homes currently securing the loan and assumes additional loan advances sufficient to fully complete construction in progress.

RESG Foreclosed Assets

As of June 30, 2026, our foreclosed assets consisted primarily of six RESG assets, which we are working to liquidate, as follows:

- **Los Angeles, CA Land - $54.5 million; 86% of March 2026 "As-is" Appraised Value.** After the previous prospective purchaser paid us $12.0 million of contract extension fees and forfeited earnest money in 2024 and 2025, we have engaged with multiple interested parties. These discussions have resulted in a letter of intent which we are actively working to convert to a sales contract. If closed, this sale should result in net proceeds equal to or slightly more than our carrying value. We also continue to have discussions with other interested parties.

- **Chicago, IL Life Science - $47.5 million; 95% of June 2026 "As-is" Appraised Value.** This property was transferred to foreclosed assets in March 2026 after the sponsor's potential short sale failed to close. The carrying value of this asset was reduced by $2.5 million during the quarter just ended based on a new appraisal.

- **Santa Monica, CA Office - $44.8 million; 89% of August 2025 "As-is" Appraised Value.** This property was transferred to foreclosed assets in March 2026 and is 15% leased. We recently engaged a national brokerage firm to conduct comprehensive marketing of this property.

- **Seattle, WA Office - $56.1 million; 95% of January 2026 "As-is" Appraised Value** and **Seattle, WA Life Science - $48.5 million; 95% of December 2025 "As-is" Appraised Value.** At March 31, 2026, these adjacent, vacant University District properties secured substandard accrual loans which migrated to substandard non-accrual during the quarter just ended after a potential buyer withdrew. The properties were transferred to foreclosed assets in June 2026 following charge-offs of $22.3 million (office) and $3.7 million (life science).

- **Atlanta, GA Office - $36.6 million; 100% of June 2026 "As-is" Appraised Value.** At March 31, 2026, this vacant property secured a special mention loan. In the quarter just ended, the loan migrated to substandard non-accrual after the sponsor's marketing efforts failed to produce a satisfactory offer and the loan matured with no further commitment of sponsor support. The property was subsequently transferred to foreclosed assets in June 2026 following a charge-off of $8.5 million.

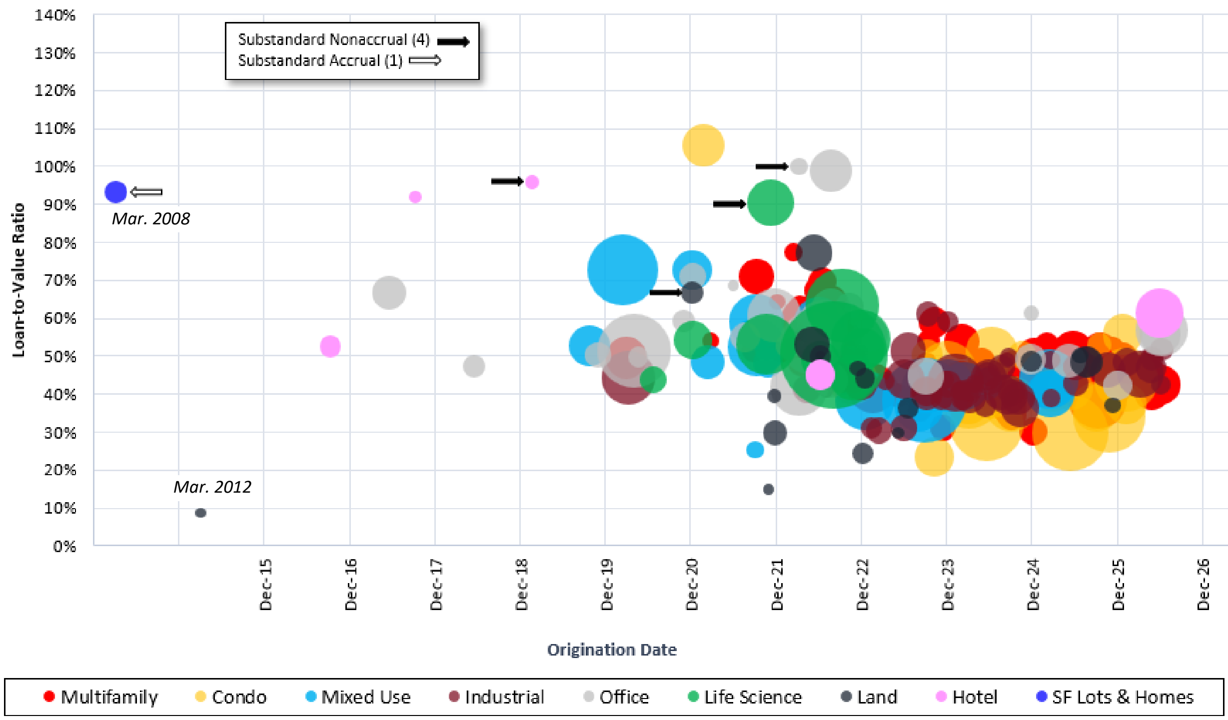
RESG Portfolio Bubble Chart

The loan-to-value ("LTV") metrics on each of the 243 credits within the RESG portfolio as of June 30, 2026, are illustrated in Figure 24. The significant protection provided by RESG's conservative loan-to-cost ("LTC") and LTV metrics is always important, and especially so in the current CRE cycle. Assuming every RESG loan is fully funded, the weighted average LTC for the RESG portfolio was 49% and the weighted average LTV was 46% as of June 30, 2026. RESG collateral valuations benefit from the fact that the majority of RESG loans are for new construction, which provides a distinct competitive advantage compared to older, less desirable properties.

RESG's substandard credits previously detailed in Figure 23 are also pointed out in Figure 24.

Figure 24: RESG Portfolio by LTV & Origination Date (As of June 30, 2026)

Bubble Size Reflects Total Funded and Unfunded Commitment Amount



LTV ratios are weighted averages and assume all loans are fully funded. LTVs are based on the most recent appraisals and, in most cases, utilize "as-stabilized" values for income-producing property types. However, "as-is" values are utilized to calculate LTVs for certain loans.

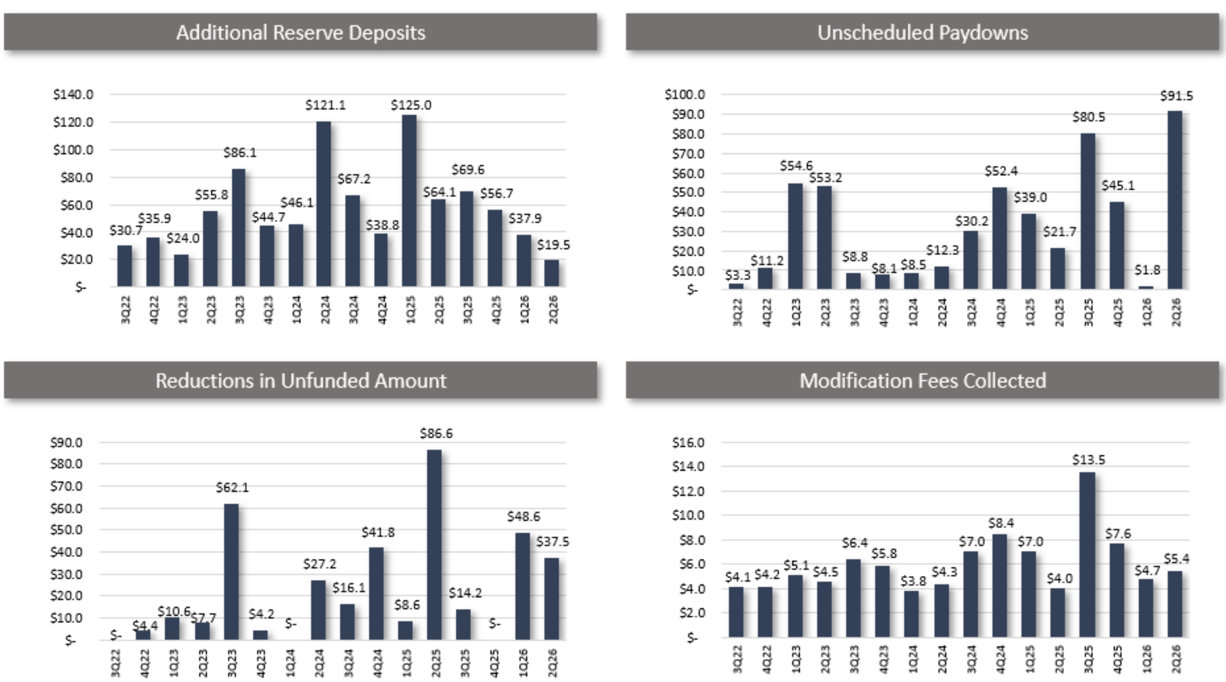
RESG Sponsor/Capital Partner Support

We structure RESG loans so that sponsors/capital partners are highly incentivized to support their loans, even in challenging times. Important elements include sizable equity investments relative to our low leverage loans and originating loans secured by high quality assets with excellent long-term prospects, motivating sponsors to stay engaged even if sales or leasing take longer than expected.

Strong support from the vast majority of RESG sponsors/capital partners is one of the reasons that, despite the unusually challenging environment, we have not had more RESG substandard credits and foreclosed assets over the past 16 quarters.

As shown in Figure 25, we have seen significant support by sponsors/capital partners for our RESG loans over the last 16 quarters, evidenced by the $1.4 billion of total additional equity contributions ($923 million of additional reserve deposits and $522 million of unscheduled paydowns) received related to the 661 modifications/extensions (37 in the quarter just ended). Additionally, we enhanced our floor rates and spreads on 212 loans and 11 loans, respectively, while granting three floor reductions and seven spread reductions during that time frame.

Figure 25: Demonstrated Sponsor/Capital Partner Support of RESG Loans ($ millions)



RESG Appraisal Updates

During the quarter just ended, RESG obtained new appraisals for 23 existing loans with a total commitment of $2.04 billion. Figure 26 shows the resulting changes in LTV as compared to the LTV based on the previous appraised value and the previous total loan commitment for each of these loans. LTVs were little changed (plus or minus 10%) for 18 loans, LTVs decreased by more than 10% for 2 loans and LTVs increased more than 10% for 3 loans.

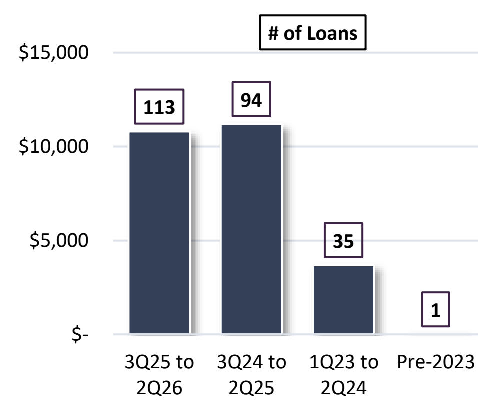
Figure 26: RESG New Appraisals - 2Q26 ($ in millions)

Property Type	Total Commitment	Previous LTV	LTV @ 6/30/26	Δ in LTV	Property Type	# of Loans	Total Commitment	Previous LTV	LTV @ 6/30/26	Δ in LTV
Condo*	$ 147	90.4%	105.6%	15.2%	Office		$ 324	50.1%	53.7%	3.6%
Hotel	14	71.1%	92.0%	20.9%	Office		35	60.0%	51.2%	-8.8%
Multifamily	65	61.8%	69.9%	8.1%	Life Science		115	52.1%	48.9%	-3.2%
Office	10	129.0%	68.7%	-60.3%	Hotel		75	47.9%	47.4%	-0.5%
Multifamily	67	74.3%	67.2%	-7.0%	Multifamily		65	44.0%	43.6%	-0.4%
Land**	40	53.1%	66.7%	13.6%	Industrial		26	48.1%	43.5%	-4.7%
Multifamily	69	57.0%	62.8%	5.8%	Industrial		66	49.1%	41.5%	-7.6%
Multifamily	147	64.7%	61.1%	-3.6%	Condo		45	52.8%	41.5%	-11.3%
Office	242	52.5%	60.8%	8.3%	Condo		151	37.5%	41.3%	3.8%
Mixed Use*	196	50.1%	59.0%	8.9%	Land		21	37.1%	37.0%	-0.1%
Multifamily	86	55.6%	56.3%	0.6%	Land		11	33.1%	29.8%	-3.3%
Multifamily	23	47.6%	54.2%	6.6%						

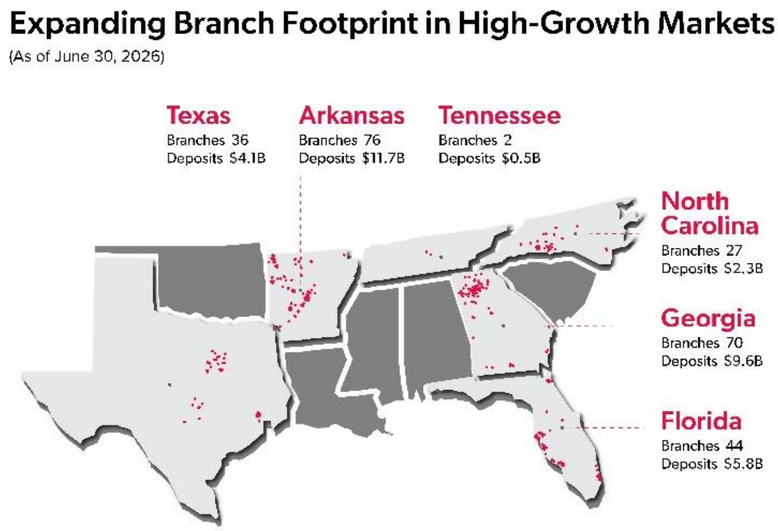
** These loans are risk rated special mention.*
*** This loan is risk rated substandard non-accrual and previously listed in Figure 23.*

As shown in Figure 27, of the RESG loans in the portfolio as of June 30, 2026, 113 loans with a total commitment of $10.79 billion (42% based on total commitment) were appraised in the last four quarters. Cumulatively, 207 of the 243 RESG loans with a total commitment of $21.98 billion (86% based on total commitment) have been appraised within the last eight quarters. All but one loan (which has only a nominal balance) has been appraised after January 1, 2023 (within the last 14 quarters).

Figure 27: RESG Appraisal Vintage
As of June 30, 2026
($ millions - Total Commitment)



Deposit and Liquidity Details



Most of our deposits are generated through our expanding network of 255 retail branches located in six dynamic southern states: Georgia, Florida, Texas, North Carolina, Tennessee and Arkansas. Our franchise includes a combination of high-growth metropolitan areas (e.g., Dallas, Austin, Houston, San Antonio, Miami, Jacksonville, Orlando, Tampa, Atlanta, Charlotte and Nashville) and a number of deeply entrenched core branch networks in suburban and rural markets, many with very favorable economic and demographic trends. We expect to further enhance our branch network by strategically adding approximately 10 branches in each of 2026 and 2027.

Because of the substantial "retail" nature of our deposit base, 80% of our deposits are either insured (67% at June 30, 2026) or, in the case of public funds and certain other deposits, collateralized (13% at June 30, 2026). As of June 30, 2026, our average account balance was approximately $52,000. The diversity of our deposit base is an important factor in the demonstrated stability of our deposits.

Figure 28: Deposit Composition ($ millions)

	Period Ended									
	6/30/2025		9/30/2025		12/31/2025		3/31/2026		6/30/2026	
Noninterest Bearing	$ 3,836	11.4%	$ 3,902	11.5%	$ 3,833	11.5%	$ 3,901	11.6%	$ 3,951	11.6%
Consumer and Commercial										
Interest Bearing:										
Consumer - Non-time	3,145	9.4%	3,190	9.4%	3,276	9.8%	3,436	10.2%	3,448	10.1%
Consumer - Time	14,746	44.0%	15,313	45.1%	15,168	45.4%	15,221	45.1%	15,495	45.6%
Commercial - Non-time	3,071	9.2%	3,210	9.4%	2,984	8.9%	3,066	9.1%	2,950	8.7%
Commercial - Time	981	2.9%	1,016	3.0%	978	2.9%	994	2.9%	1,004	3.0%
Public Funds	4,403	13.1%	4,249	12.5%	4,248	12.7%	4,171	12.4%	4,108	12.1%
Brokered	2,850	8.5%	2,650	7.8%	2,508	7.5%	2,483	7.4%	2,517	7.4%
Reciprocal	490	1.5%	454	1.3%	390	1.3%	493	1.3%	524	1.5%
Total	$ 33,522	100.0%	$ 33,985	100.0%	$ 33,385	100.0%	$ 33,765	100.0%	$ 33,997	100.0%

We maintain substantial and diverse sources of primary and secondary liquidity. At June 30, 2026 these sources were at a record high total of $19.7 billion, consisting of $1.5 billion of cash and cash equivalents, $3.2 billion of unpledged investment securities, $8.3 billion of available FHLB borrowing capacity, $5.4 billion of Fed discount window borrowing availability, and $1.2 billion of available unsecured lines of credit.

Non-interest Income

Non-interest income for the second quarter of 2026 was our highest ever (excluding unusual items in previous quarters) at $37.9 million, increases of 21.0% from the second quarter of 2025 and 16.4% from the first quarter of 2026. For the first six months of 2026, non-interest income was $70.4 million, an increase of 6.6% from $66.0 million for the first six months of 2025. Figures 29 and 30, respectively, summarize non-interest income for the most recent five quarters and year-over-year trends for the second quarter and first six months of 2026.

We remain focused on growing non-interest income including increasing revenue from CIB-related fee-generating businesses, trust and wealth, treasury management and secondary market mortgage lending. We continue to expect these efforts to contribute to a mid- to high-single digit percentage increase in non-interest income in 2026 compared to $135.7 million in 2025 and to contribute additional growth in 2027 and subsequent years.

Figure 29: Quarterly Trends in Non-interest Income *($ thousands)*

	For the Three Months Ended				
	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
Deposit-related fees	$ 11,027	$ 11,398	$ 11,366	$ 11,058	$ 11,398
Loan-related fees	7,925	9,181	8,638	8,819	12,478
BOLI income	5,854	6,346	6,061	6,061	6,131
Trust income	2,946	2,971	3,030	3,044	3,038
Gains on sales of other assets	514	1,968	939	807	966
Other	3,025	4,213	3,570	2,742	3,863
Total non-interest income	$ 31,291	$ 36,077	$ 33,604	$ 32,531	$ 37,874

Figure 30: Trends in Non-interest Income – 2025 vs. 2026 *($ thousands)*

	For the Three Months Ended			For the Six Months Ended		
	6/30/2025	6/30/2026	% Change	6/30/2025	6/30/2026	% Change
Deposit-related fees	$ 11,027	$ 11,398	3.4%	21,533	22,456	4.3%
Loan-related fees	7,925	12,478	57.5%	16,910	21,297	25.9%
BOLI income	5,854	6,131	4.7%	11,598	12,192	5.1%
Trust income	2,946	3,038	3.1%	5,460	6,082	11.4%
Gains on sales of other assets	514	966	88.0%	1,283	1,773	38.2%
Other	3,025	3,863	27.7%	9,232	6,606	-28.4%
Total non-interest income	$ 31,291	$ 37,874	21.0%	$ 66,016	$ 70,406	6.7%

Non-interest Expense

Non-interest expense for the second quarter of 2026 was $170.6 million, increases of 11.4% from the second quarter of 2025 and 3.7% from the first quarter of 2026. Non-interest expense for the quarter just ended included elevated expenses related to nonperforming assets including a $2.5 million write-down discussed on page 24. Non-interest expense for the first six months of 2026 was $335.2 million, an increase of 11.7% from the first six months of 2025. Figures 31 and 32, respectively, summarize non-interest expense for the most recent five quarters and year-over-year trends for the second quarter and first six months of 2026.

We currently expect growth in non-interest expense of approximately 9% to 10% for the full year of 2026 compared to $621.1 million for 2025.

Figure 31: Quarterly Trends in Non-interest Expense *($ thousands)*

	For the Three Months Ended				
	6/30/2025	9/30/2025	12/31/2025	3/31/2026	6/30/2026
Salaries & employee benefits	$ 86,224	$ 89,954	$ 87,689	$ 94,578	$ 92,194
Net occupancy and equipment	18,677	21,111	21,551	22,585	23,638
Software and data processing	11,121	10,591	11,776	11,423	11,817
Deposit insurance and assessments	6,605	7,581	5,620	6,830	8,775
Professional and outside services	6,360	7,360	9,812	6,507	6,367
Advertising and public relations	4,572	6,351	5,335	4,478	4,510
Other	19,604	16,360	19,866	18,139	23,346
Total non-interest expense	$ 153,163	$ 159,308	$ 161,649	$ 164,540	$ 170,647

Figure 32: Trends in Non-interest Expense – 2025 vs. 2026 *($ thousands)*

	For the Three Months Ended			For the Six Months Ended		
	6/30/2025	6/30/2026	% Change	6/30/2025	6/30/2026	% Change
Salaries & employee benefits	$ 86,224	$ 92,194	6.9%	$ 168,424	$ 186,772	10.9%
Net occupancy and equipment	18,677	23,638	26.6%	37,122	46,223	24.5%
Software and data processing	11,121	11,817	6.3%	21,102	23,240	10.1%
Deposit insurance and assessments	6,605	8,775	32.9%	13,380	15,605	16.6%
Professional and outside services	6,360	6,367	0.1%	12,565	12,874	2.5%
Advertising and public relations	4,572	4,510	-1.4%	8,623	8,988	4.2%
Other expenses	19,604	23,346	19.1%	38,901	41,485	6.6%
Total non-interest expense	$ 153,163	$ 170,647	11.4%	$ 300,117	$ 335,187	11.7%

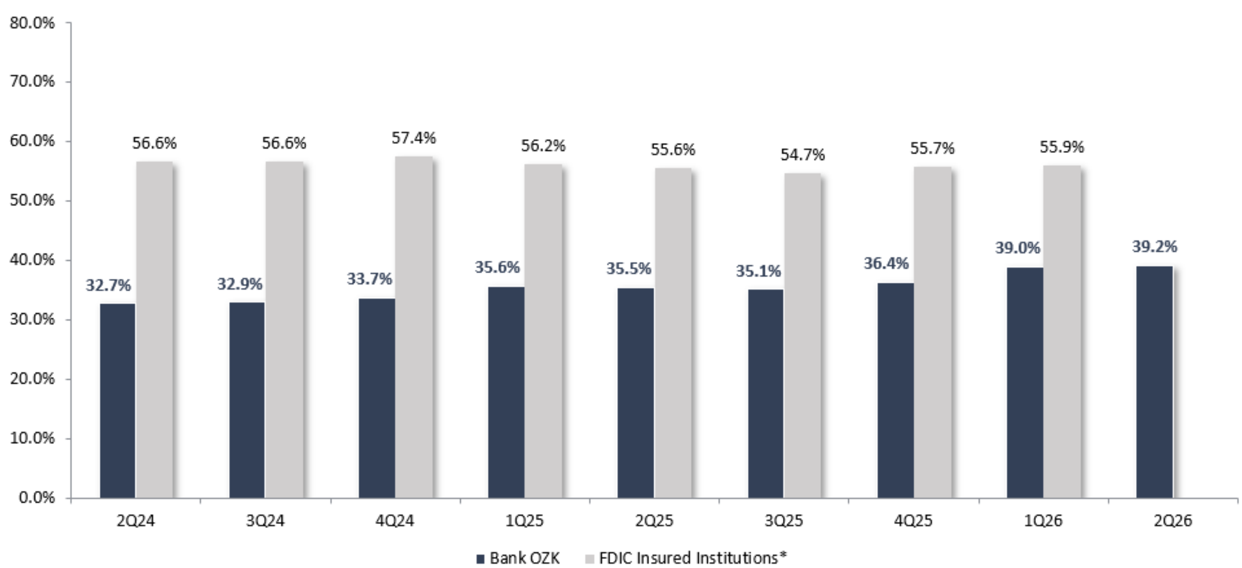
Efficiency Ratio

In recent years, we have made significant investments to enhance our future capabilities, including growth and expansion of our CIB team, branch network, technology, private banking/wealth management, treasury management and community bank lending (mortgage, consumer and small business lending). We believe these strategic investments will greatly enhance the future growth and profitability of our franchise.

These strategic initiatives have contributed to significant increases in our headcount with full time equivalent employees ("FTEs") increasing by 284 in 2024 and 252 in 2025 before moderating to an increase of 6 FTEs in the first half of 2026. The recent slower headcount growth reflects the fine-tuning of organizational structures and staffing plans for various teams throughout the bank in order to improve both effectiveness and efficiency.

Even with these increases in non-interest expense, our efficiency ratio continues to be among the best in the industry. Our efficiency ratio was 39.2% for the quarter just ended and 39.1% for the first six months of 2026. Our efficiency ratio has been in the top decile of the industry for 24 consecutive years.*

Figure 33: Quarterly Efficiency Ratio (%)



** Data from S&P Capital IQ.*

*** Data for all FDIC insured institutions from the FDIC Quarterly Banking Profile, last updated first quarter 2026.*

Effective Tax Rate

Our effective tax rate was 21.7% for the quarter just ended and was 22.3% for the first six months of 2026. Our effective tax rate has recently benefited from our increase in tax-exempt investment securities and from tax credit investments. Assuming no changes in applicable state or federal income tax rates, we currently expect our effective tax rate for the full year of 2026 to be between 22% and 23%.

Capital Return - Stock Repurchase Program and Dividends

Over the past two years, we have focused on returning capital to our shareholders as (i) our balance sheet growth has moderated due primarily to elevated RESG loan repayments and (ii) our capital ratios have generally increased due to our strong earnings.

Stock Repurchase Program

During the quarter just ended, we repurchased 0.33 million shares of common stock for $15.5 million, including applicable federal excise tax, for an average price per share of $47.43, which was below our quarter-end tangible book value of $48.41 per share. Our purchases were thus accretive to both tangible book value per share and earnings per share.

These purchases were part of our previous stock repurchase program which expired July 1, 2026. From July 1, 2025 through July 1, 2026, we repurchased 3.89 million shares of common stock for $176.6 million, including applicable federal excise tax, for an average price per share of $45.34.

In June 2026, our Board authorized a new stock repurchase program for up to $200 million of our outstanding common stock, which was effective July 1, 2026, and expires on July 1, 2027, unless extended, shortened or suspended by the Board.

In establishing parameters for repurchase price and share volume, we will consider a variety of factors including our stock price, expected growth, capital position, alternative uses of capital, liquidity, financial performance, the current and expected macroeconomic environment, regulatory requirements and other factors.

Dividends

We have increased our common stock cash dividend in each of the last 64 quarters and every year since going public in 1997. We expect that we will continue to increase our common stock cash dividend in future quarters.

Subordinated Notes

At June 30, 2026, we had $350.0 million in aggregate principal amount of our 2.75% Fixed-to-Floating rate subordinated notes (the "2.75% Notes") due 2031, which bear interest at a fixed rate of 2.75% per annum until September 30, 2026. On October 1, 2026, the 2.75% Notes (i) will reprice from the current fixed rate of 2.75% to bear interest at a floating rate equal to three-month term SOFR + 209 bps, (ii) will be subject to a reduction in Tier 2 capital treatment by 20% for the next 12 months, and (iii) will be redeemable at par at our election on any quarterly interest payment date. Given the favorable terms of these subordinated notes, we currently have no plans to replace them with new subordinated notes.

Capital

As shown in Figure 34, our capital ratios remained robust at June 30, 2026, and actually increased during the quarter even after our share repurchases and increased dividend. Our strong earnings and earnings retention rate should continue to support robust capital levels, providing significant capacity to grow, add new business lines, increase our dividend, repurchase stock and pursue acquisitions, if appropriate.

Figure 34: Regulatory Capital Ratios

	Actual 3/31/2026	Estimated 6/30/2026 [2]	Regulatory Minimum Required To Be Considered Well Capitalized	Capital in Excess of Well Capitalized Minimum
CET 1 Ratio*	11.60%	11.84%	6.50%	5.34%
Tier 1 Ratio*	12.35%	12.59%	8.00%	4.59%
Total RBC Ratio*	14.63%	14.87%	10.00%	4.87%
Tier 1 Leverage	13.77%	13.96%	5.00%	8.96%

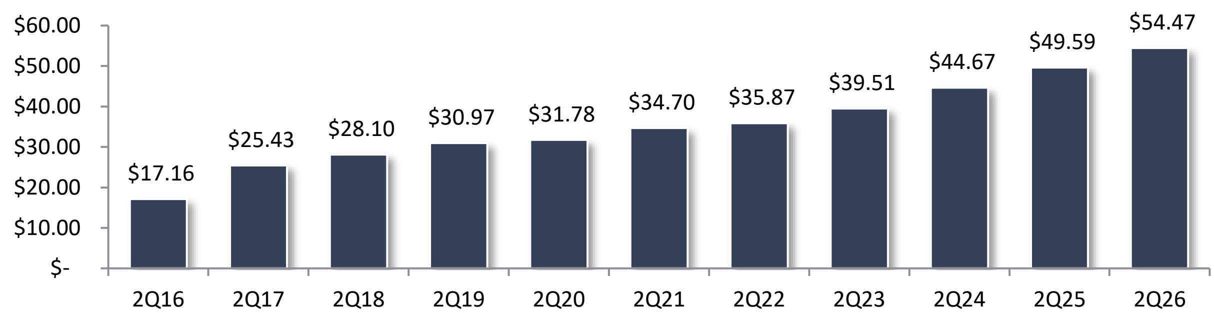
** Ratios are risk-based*

[2] Ratios as of June 30, 2026 are preliminary estimates and are subject to revision upon filing of our FFIEC 041 Call Report.

Book Value and Tangible Book Value

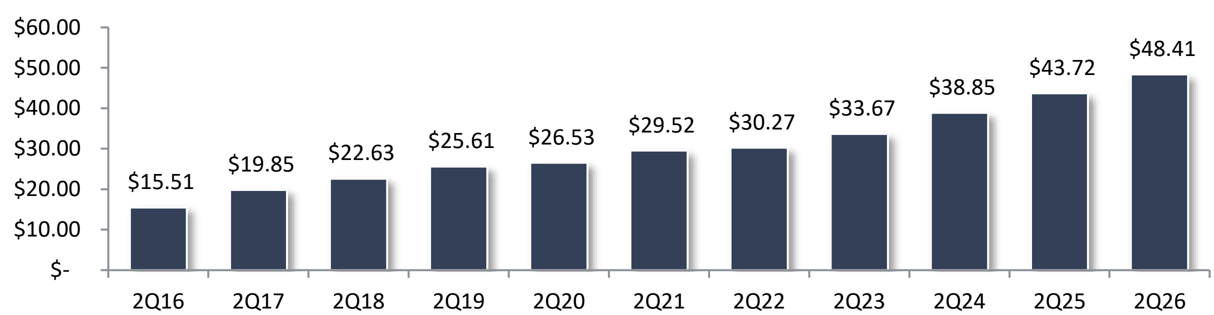
During the quarter just ended, our book value per common share increased $1.28, or 2.4% not annualized, to $54.47. Over the last four quarters, our book value per common share increased $4.88, or 9.8%. Over the last 10 years, we increased book value per common share by a cumulative 217%, resulting in a compound annual growth rate of 12.2%, as shown in Figure 35.

Figure 35: Book Value per Common Share (Period End)



During the quarter just ended, our tangible book value per common share increased $1.26, or 2.7% not annualized, to $48.41. Over the last four quarters, our tangible book value per common share increased $4.69, or 10.7%. Over the last 10 years, we increased tangible book value per common share by a cumulative 212%, resulting in a compound annual growth rate of 12.1%, as shown in Figure 36.

Figure 36: Tangible Book Value per Common Share (Period End) [3]



[3] See the schedule in Appendix A at the end of this presentation for the reconciliation of tangible book value per common share to the most directly comparable GAAP measure.

APPENDIX A

Non-GAAP Reconciliations

Calculation of Average Common Stockholders' Equity, Average Tangible Common Stockholders' Equity and the Annualized Returns on Average Common Stockholders' Equity and Average Tangible Common Stockholders' Equity

Unaudited (Dollars in Thousands)

	Three Months Ended *		Six Months Ended*	
	6/30/2025	6/30/2026	6/30/2025	6/30/2026
Net Income Available To Common Stockholders	$ 178,931	$ 163,325	$ 346,843	$ 322,641
Average Stockholders' Equity Before Noncontrolling Interest	$ 5,866,660	$ 6,218,347	$ 5,822,853	$ 6,200,457
Less Average Preferred Stock	(338,980)	(338,980)	(338,980)	(338,980)
Total Average common stockholders' equity	$ 5,527,680	$ 5,879,367	$ 5,483,873	$ 5,861,477
Less Goodwill	(660,789)	(660,789)	(660,789)	(660,789)
Average Tangible Common Stockholders' Equity	$ 4,866,891	$ 5,218,578	$ 4,823,084	$ 5,200,688
Return On Average Common Stockholders' Equity	12.98%	11.14%	12.75%	11.10%
Return On Average Tangible Common Stockholders' Equity	14.75%	12.55%	14.50%	12.51%

* Ratios for interim periods annualized based on actual days

Calculation of Pre-Tax Pre-Provision Net Revenue

Unaudited (Dollars in Thousands)

	Three Months Ended		Six Months Ended	
	6/30/2025	6/30/2026	6/30/2025	6/30/2026
Net income available to common stockholders	$ 178,931	$ 163,325	$ 346,843	$ 322,641
Preferred stock dividends	4,047	4,047	8,094	8,094
Earnings attributable to noncontrolling interest	25	-	37	-
Provision for income taxes	56,656	46,400	108,548	94,648
Provision for credit losses	35,215	45,601	73,632	87,549
Pre-tax pre-provision net revenue	$ 274,874	$ 259,373	$ 537,154	$ 512,932

Calculation of Total Common Stockholders' Equity, Total Tangible Common Stockholders' Equity and Tangible Book Value per Common Share

Unaudited (Dollars in Thousands, Except per Share)

	As of June 30,					
	2016	2017	2018	2019	2020	2021
Total stockholders' equity before noncontrolling interest	$ 1,556,921	$ 3,260,123	$ 3,613,903	$ 3,993,247	$ 4,110,666	$ 4,501,676
Less preferred stock	-	-	-	-	-	-
Total common stockholders' equity	1,556,921	3,260,123	3,613,903	3,993,247	4,110,666	4,501,676
Less intangible assets:						
Goodwill	(126,289)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(23,615)	(54,541)	(41,962)	(29,515)	(18,377)	(11,336)
Total intangibles	(149,904)	(715,330)	(702,751)	(690,304)	(679,166)	(672,125)
Total tangible common stockholders' equity	$ 1,407,017	$ 2,544,793	$ 2,911,152	$ 3,302,943	$ 3,431,500	$ 3,829,551
Common shares outstanding (thousands)	90,745	128,190	128,616	128,947	129,350	129,720
Book value per common share	$ 17.16	$ 25.43	$ 28.10	$ 30.97	$ 31.78	$ 34.70
Tangible book value per common share	$ 15.51	$ 19.85	$ 22.63	$ 25.61	$ 26.53	$ 29.52

	As of June 30,					As of
	2022	2023	2024	2025	2026	Mar. 31, 2026
Total stockholders' equity before noncontrolling interest	$ 4,606,782	$ 4,809,891	$ 5,407,800	$ 5,924,875	$ 6,278,068	$ 6,156,210
Less preferred stock	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	4,267,802	4,470,911	5,068,820	5,585,895	5,939,088	5,817,230
Less intangible assets:						
Goodwill	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)	(660,789)
Core deposit and other intangibles, net of accumulated amortization	(5,240)	(377)	-	-	-	-
Total intangibles	(666,029)	(661,166)	(660,789)	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 3,601,773	$ 3,809,745	$ 4,408,031	$ 4,925,106	$ 5,278,299	$ 5,156,441
Common shares outstanding (thousands)	118,996	113,145	113,465	112,641	109,040	109,368
Book value per common share	$ 35.87	$ 39.51	$ 44.67	$ 49.59	$ 54.47	$ 53.19
Tangible book value per common share	$ 30.27	$ 33.67	$ 38.85	$ 43.72	$ 48.41	$ 47.15

Calculation of Total Common Stockholders' Equity, Total Tangible Common Stockholders' Equity and the Ratio of Total Tangible Common Stockholders' Equity to Total Tangible Assets

Unaudited (Dollars in Thousands, Except per Share)

	June 30, 2025	December 31, 2025	June 30, 2026
Total stockholders' equity before noncontrolling interest	$ 5,924,875	$ 6,129,851	$ 6,278,068
Less preferred stock	(338,980)	(338,980)	(338,980)
Total common stockholders' equity	$ 5,585,895	$ 5,790,871	$ 5,939,088
Less Goodwill	(660,789)	(660,789)	(660,789)
Total tangible common stockholders' equity	$ 4,925,106	$ 5,130,082	$ 5,278,299
Total assets	$ 41,454,390	$ 40,785,840	$ 41,703,135
Less Goodwill	(660,789)	(660,789)	(660,789)
Total tangible assets	$ 40,793,601	$ 40,125,051	$ 41,042,346
Ratio of total common stockholders' equity to total assets	13.47%	14.20%	14.24%
Ratio of total tangible common stockholders' equity to total tangible assets	12.07%	12.79%	12.86%