Agenda

March 19th, 2026 @ 6:00 p.m.
Regular Council Meeting
Oran White Civic Center
701 N Tool Drive
Tool, TX 75143

1. Call to Order
2. Roll Call: Bennett, Dumont, Figueroa, Salvato , Sayre, Stykes
   (a) Establish Quorum
3. Invocation and Pledge of Allegiance
4. Declare, if any, Council's Conflicts of Interest

5. **Appointments, Presentations, Proclamations and Recognitions**

   (a) Receive presentation from the Texas Hotel & Lodging Association regarding municipal hotel occupancy taxes

6. **Citizen Comments:** Citizens wishing to speak on an agenda item must sign up to do so **(3 Minute Maximum)** ***The Council will not comment on items not on the agenda; however, the Council may refer the item to City Staff for research, resolution or referral of the matter to the Council as a future agenda item.***

7. **Staff Comments** - *Hear announcements concerning matters appearing on the agenda; items of community interest; Staff gives regards dealing with specific factual information or existing policy dealing within the City, that may have an impact on citizens, staff or the City Council of Tool. No formal action will be discussed or taken.*

   Public Hearings – *The Tool City Council shall open relevant public hearings to receive citizen testimony regarding the following items. The public comment period begins on the first date notice is published and extends to the close of the public hearing. Public comments may be submitted either in writing to the City of Tool City Council, Office of the City Secretary, 701 N. Tool Dr., Tool, TX 75143, or electronically via email at contact@tooltexas.org. Please be aware that any contact information you provide, including your name, phone number, email address and physical address will become part of the city's public record.*

8. **Open, announce the time and conduct a public hearing to receive testimony on the following:**

9. Discuss a variance request by Betina Miller of 1331 N. Tool Dr. to erect a new metal building, in accordance with Ordinance 2023-06A, Highway 274 Façade Standards

10. **Close public hearing and announce the time**

    Consent Agenda - *Approval of Consent Agenda items authorize each to be implemented in accordance with staff recommendations provided. An item may be removed from the consent agenda and added to the Statutory Agenda for full discussion upon request by a member of the Council present at this meeting.*

11. Approve Minutes: February 19th, 2026 Regular Meeting

12. Approve Monthly Activity Reports for February 2026 as presented: (A) Executive Summary (B) Financial and Expenditure (C) Municipal Court; (D) Police (E) Maintenance; (F) Building (G) Code Enforcement and; (H) Animal Control.

Agenda

March 19th, 2026 @ 6:00 p.m.
Regular Council Meeting
Oran White Civic Center
701 N Tool Drive
Tool, TX 75143

Statutory Agenda - *The purpose of this section is to have full discussion upon request by the Tool City Council. Ideas, thoughts and decisions are formulated by City Council and staff plans, operations, policies, and/or future projects, including the following:*

13. Discuss and Take Action on a variance request by Betina Miller of 1331 N. Tool Dr. to erect a new metal building, in accordance with Ordinance 2023-06A, Highway 274 Façade Standards

14. Discuss and Take Action to approve the 2025 Racial Profiling Report as presented by the Chief of Police

15. Consider, Discuss and Take Action to enter into an agreement with Pathways Physicians Texas, PLLC for the purposes of a telehealth consultations for the City of Tool as presented by Greg Figueroa

16. Discuss, Review and Take Action on bids for bank depository services for the City of Tool, as presented by the City Administrator

Ordinance Readings

17. Consider, Discuss and Take Action to repeal Section 21 of Ordinance 2024-10, Parks and Recreation, as presented by Tommy Salvato

18. Discuss, Consider and Take Action on a reconsideration to amend Ordinance 2026-02, Capital Improvement Fund, as presented by Mayor Vera Bennett

Resolution Adoption

19. Consider, Discuss and Take Action to Adopt Resolution 2026-02, Texas SmartBuy Program

20. **Council Comments** - *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Mayor, Councilpersons, and City staff, for which no formal action will be discussed or taken.*

21. **Future Agenda Items -** *The Council may request items to be placed on a future agenda at this time. No discussion or deliberation of the items may take place at this time, other than a determination of Council consensus to direct staff to place the item on a future agenda.*

22. **Closing**
    A. Next Meeting: April 16th, 2026
    B. Adjourn

A meeting that is "open to the public", pursuant to the Open Meetings Act, is one that the public is permitted to attend. The act does not entitle the public to choose the items to be discussed or to speak about items on the agenda. If the City Council, during the course of the meeting covered by this notice, should determine that an executive session is required, then such executive session, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.001 et seq., will be held by the Council at the date, hour and

place given in this notice, concerning but not limited to the following sections and purposes of the Act: 551.071 Private consultation with the city's attorney; 551.072 Deliberations about Real Property; or, 551.074 Discussing personnel or to hear complaints against personnel. Should any final action, final decision or final vote be required in the opinion of the City Council regarding any matter considered in such executive session, then the final action, final decision or final vote shall be in the open meeting covered by this Notice upon the reconvening of the public meeting.

I certify that the above notice of meeting, a true and correct copy, was posted on the bulletin board in front of Tool City Hall prior to the required 72 hours and that the city's official newspaper was notified.

Attest:

SEAL

_____ _ _____

Vera Bennett, Mayor

Kimberley Price, City Secretary

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Julius Kizzee, City Administrator

Department: Administration

Agenda Item No. **5a**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ● General Discussion ○ Ordinance ○ Report ○ Resolution

Attachments:

Summary of Agenda Item to be considered:

Staff is welcoming Justin Bragiel, who is General Counsel & Legislative Director for the Texas Hotel & Lodging Association. Staff currently expends hotel occupancy taxes primarily with the Eight at Tool 501(C)3 organization and for miscellaneous city events/supplies/functions. Justin is invited to dive deeper into uses and remain in compliance with Chapter 351 of the Local Government Code.

Agenda Item, as listed on the agenda:

Receive presentation from the Texas Hotel & Lodging Association regarding municipal hotel occupancy taxes

Recommended Motion to Consider:

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary when finished.

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Heath Hamaker, Building Technician

Department: Building

Agenda Item No. **9**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ○ Report ○ Resolution

Attachments: Application to Appear on Council Agenda, Reference Pictures, Notice of Public Hearing; Ordinance 2026-06A, Highway 274 Façade Standards

Summary of Agenda Item to be considered:

Staff has received a variance request from Betina Miller of 1331 N. Tool Dr., in regards to erecting a new metal building. The owner would like to keep the same integrity of the old build and receive a variance from Ordinance 2023-06A, Highway 274 Façade Standards.

Agenda Item, as listed on the agenda:

Discuss a variance request by Betina Miller of 1331 N. Tool Dr. to erect a new metal building, in accordance with Ordinance 2023-06A, Highway 274 Façade Standards

Recommended Motion to Consider:

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

Application to Appear on City Council Agenda

Date	01-30-2026
Meeting Date Requested	**February**
Name	Betina Miller
Address	1331 N Tool Dr
E-mail	betina@mmbbqco.com
Phone Number	(512) 461-5757
Brief summary of Agenda item to be considered:	Request a variance to building code for new building.
What action is requested from the Council	Approve a variance to building code for new building.
Has additional information been submitted for this item?	**Yes**
Upload addtional Items	IMG_3407.jpeg IMG_4949.jpeg IMG_4950.jpeg
Signature	

For public posting

PUBLIC HEARING CITY OF TOOL

NOTICE IS HEREBY GIVEN THAT The City of Tool will hold a public hearing at a City Council meeting that begins at 6:00 p.m. on March 19th, 2026, at the Oran White Civic Center located at 701 N. Tool Dr., Tool, TX 75143. At such time, the City Council will conduct a Public Hearing regarding a variance application for 1331 N. Tool Dr., Tool, TX 75143 for the purpose of erecting a building, in accordance with Ordinance 2023-06A, Highway 274 Facade Standards, in the City of Tool Code of Ordinances.

The purpose of the hearing will be to consider comments, both written and oral, regarding the above request. Written comments may be submitted to the City Secretary at 701 N. Tool Dr., Tool, TX 75143, no later than 4:30 p.m., three (3) days prior to the hearing date. Oral comments will be heard by speakers present at the hearing according to their order on a listing to be established for such purpose by the City Secretary.

Issued under my hand on this the February 23rd, 2026

Kimberley Price, City Secretary
City of Tool, Texas

CITY OF TOOL
HENDERSON COUNTY, TEXAS

701 N. Tool Dr.
Tool, TX 75143

Office: 903.432.3522
Fax: 903.432.3867

www.tooltexas.org
Contact@tooltexas.org

March 19th , 2026

NOTICE OF PUBLIC HEARING

Dear Property Owner:

The City of Tool will hold a public hearing at a City Council meeting that begins at 6:00p.m. on March 19th, 2026, at the Oran White Civic Center located at 701 N. Tool Dr.,Tool TX 75143. At such time, the City Council will conduct a Public Hearing regarding a variance application for 1331 N. Tool dr., for the purpose of erecting a building, in accordance with Ordinance 2023-06A, Highway 274 Façade Standards in the City of Tool Code of Ordinances

You are receiving this written notice because you are a property owner within 200 feet of the boundary of the proposed request. As with all such requests, The City Council is seeking public comments regarding this matter. All interested persons are invited to attend and make comments at a public meeting. If you are unable to attend the public hearing, written comments may also be submitted. If you would like to register opposition to this request, a written protest signed by the property owner should be received by the close of the City Council public hearing.

	Public Hearing for Tool City Council
DATE:	March 19th 2026
TIME:	6 p.m.
LOCATION:	Oran White Civic Center 701 N. Tool Dr., Tool, TX 75143

The Tool City Council is seeking public comment regarding this matter. All interested persons are invited to attend and make comments. If you are unable to attend the public hearings, written comments may also be submitted. If you would like to register opposition to this request, a written protest signed by the property owner should be received by the Building Department prior to the close of the City Council public hearing. Property owners whose names do not appear on the County Appraisal District's records will require a notarized statement affirming ownership. For more information regarding this request, please contact the Building Department at 903-432-3522, ext. 108, or by email at permits@tooltexas.org.


Genie


Genie





Highway 274 Facade Standards

HIGHWAY 274 FACADE STANDARDS ORDINANCE NO. 2023-06A

AN ORDINANCE TO PROTECT THE HEALTH, SAFETY, WELFARE, COMFORT AND CONVENIENCE OF THE CITIZENS OF TOOL, TEXAS, BY ENFORCING THE BEAUTIFICATION OF STATE HIGHWAY 274 BY REGULATING BUILDING FACADES AND PARKING LOT PLACEMENT WITHIN THE CITY LIMITS, AND ESTABLISHING GUIDELINES AND PROVIDING AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY OF TOOL, TEXAS:

SECTION I.

GENERAL

The purpose of this ordinance is to provide guidelines for the appearance of Commercial Buildings referred to as B-1 (Local Business District) or B -2 (General Business District), along State Highway 274 in the City of Tool.

This ordinance is proposed to provide beautification guidance along Highway 274 in assurance of:

A. ensuring that all growth and development which occurs is consistent with the City of Tool's Code of Ordinances;

B. encouraging the economic development and prosperity of the community and its citizens;

Section II.

Permitted Uses

Building Uses and Types, found in "Appendix A: Schedule of Uses" in the City of Tool Code of Ordinances, are the only permitted uses within the B-1 and B-2 Districts. These businesses, along State Highway 274 in Tool, are subject only to the general conditions of that Appendix and such other sections as are applicable.

Section III.

General Conditions

- Only the following materials shall be considered as meeting the facade/masonry requirements of this ordinance relative to zoning, along Highway 274: Natural stone, wood, brick, concrete, glass facade, prestressed concrete panels, stucco, siding, and/or concrete masonry.
- No exposed metal structure may be built/erected/placed along the frontage of Highway 274. These highway-abutting sides must be of the materials listed in this ordinance.
- The frontage parking lot area of the principal structure may only be permitted for parking spaces. No shop, work materials or public nuisances may be visible from the Highway 274 roadway.

Highway 274 Facade Standards

- No dumpsters, pods or containers shall be located in front of the principal structure. Dumpsters, pods and containers must be placed on the side or back of the building. If located on the side, it must be covered from sight by fencing.
- Building or renovation plans must be submitted to the City of Tool's Code Enforcement Officer/Building Official for review and permits.
- Refuse containers: All refuse containers shall be located behind the front building line and shall not be located in any required yard.
- Parking of inoperative equipment or vehicles: No inoperative equipment or vehicle shall be stored or parked on the premises of these business outlined in this ordinance. Any parking or storage spaces for such equipment or vehicles adjacent to an exterior yard or visible from an exterior yard shall be screened by a solid wall or fence not less than six (6) feet in height at the building line.

Section IV.

Signage

I. One (1) freestanding sign identifying the commercial complex or unit shall be allowed. A freestanding sign for a complex may identify the individual occupants of the complex in addition to the name of the complex. If a common back plate is used for support, it shall not exceed one- and one-half times the area of said occupants' sign.

II. One (1) wall sign for each side of a building facing a public or private right-of-way is permitted. For complexes, one (1) wall sign is permitted per occupant on the building facade of each tenant space, except that where the occupant space has more than one (1) facade facing a public or private right-of-way. In the latter case, one (1) wall sign per each occupant space facade facing a public or private right-of-way is permitted, up to a maximum of two (2) wall signs. Buildings fronting more than one right-of-way may not combine the permissible sign square footage for the purpose of placing one sign on one frontage.

Section V.

Penalties

A. Any person who violates a provision/section of this ordinance or who does not comply with the requirements of this ordinance shall upon conviction by the municipal court of the city be subject to a fine not to exceed five hundred dollars ($500.00) for each offense, not in compliance shall constitute a separate offense.

B. No structure shall be erected, converted, enlarged, reconstructed, moved or structurally altered, nor shall any structure or part of a structure be used, except for a use permitted in the zoning district in which the structure is located. Additionally, no structure shall be erected, converted, enlarged, reconstructed or structurally altered to be in violation of the development standards established in this

ordinance in which the structure is located;

PASSED AND APPROVED this 3rd day of August, 2023.

Tommy Lawhon, Mayor

CITY OF TOOL HENDERSON COUNTY, TEXAS

Attest:

Kimberley Price, City Secretary

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Kimberley Price, City Secretary

Department: Administration

Agenda Item No. **11**

Is this a Budgeted Item? ☐ Yes ■ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ● Report ○ Resolution

Attachments: Minutes from February 19th, 2026 Regular Meeting

Summary of Agenda Item to be considered:

Staff is presenting the minutes from February 19th, 2026 Regular Meeting

Agenda Item, as listed on the agenda:

Approve Minutes: February 19th, 2026 Regular Meeting

Recommended Motion to Consider:

"I move that we approve the minutes from the February 19th, 2026 Regular Meeting"

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary when finished.

Minutes

February 19th, 2026
Regular Council Meeting
Oran White Civic Center
701 N Tool Drive
Tool, TX 75143

1. Call to Order @ 6:02 p.m.
2. Roll Call: Bennett, Dumont, Figueroa, Salvato, Sayre, Stykes. Sayre Absent. Quorum was established with Mayor Bennett Presiding.
3. Invocation and Pledge of Allegiance
4. Declare, if any, Council's Conflicts of Interest.

    A. No known Conflicts of Interest from any present Councilmember

5. **Appointments, Presentations, Proclamations and Recognitions**

    A. Receive Proclamation for the placement of a peace pole at the Eight at Tool Park, from the Rotary Club of Cedar Creek Lake. The Rotary Club of Cedar Creek Lake requested the placement of a peace pole at the Eight at Tool Park. The City Council agreed to the acceptance of the peace pole donation by the Rotary Club of Cedar Creek Lake.

    B. Receive financials from the Eight at Tool 501(C)3 for the months of October through December 2025. La Mon Chaney of the Eight at Tool 501(C)3 presented the financials and provided an update on the events happening at the Eight at Tool Park. Councilmember Dumont inquired regarding the use of Hotel Occupancy Tax (HOT Tax) funds being used for events in the park that would not promote tourism to the City of Tool.

    C. Receive presentation for Council Member of the Year, as presented by the City Secretary. City Secretary Kimberley Price presented Councilmember Stykes the award of Councilmember of the Year.

    D. Receive presentation for Staff Member of the Year, as presented by the City Secretary. City Secretary Price presented Police Investigator Stacy Hatcher the award of Employee of the Year.

6. **Citizen Comments:** Citizens wishing to speak on an agenda item must sign up to do so **(3 Minute Maximum)** ***The Council will not comment on items not on the agenda; however, the Council may refer the item to City Staff for research, resolution or referral of the matter to the Council as a future agenda item.***

    A. La Mon Chaney spoke on Item 22 during Citizens Comments

    B. Kevin Chaney spoke on Item 22 during Citizens Comments

    C. Michael Fladmark spoke on Item 22 during Citizens Comments

    D. Lisa Lopez spoke on Item Nine during the time of the Agenda Item

    E. Marsha Goforth spoke on Item 21 during the time of the Agenda Item

Minutes

February 19th, 2026
Regular Council Meeting
Oran White Civic Center
701 N Tool Drive
Tool, TX 75143

7. **Staff Comments** - *Hear announcements concerning matters appearing on the agenda; items of community interest; Staff gives regards dealing with specific factual information or existing policy dealing within the City, that may have an impact on citizens, staff or the City Council of Tool. No formal action will be discussed or taken.*

    A. Director of Maintenance and Operations Frank Martin presented the Monthly Report for the Maintenance Department and Animal Control highlighting road repairs and two animals that were taken to the Humane Society of Cedar Creek Lake.

    B. Building Technician Heath Hamaker highlighted the 13 new building permits for the month of January.

    C. City Clerk Alicia Keith discussed the upcoming City Trash Off.

    D. Court Clerk Stacy Hamaker provided an overview of the court monthly statistics which included how many cases were opened and closed in the court.

    E. Code Enforcement Officer Kenny Boyle presented the Code Enforcement Report and highlighted the amount of warnings versus citations issued.

    F. Chief of Police Robert Walker presented an overview of the police monthly statistics which included the amount of warnings versus citations issued.

    G. City Administrator Julius Kizzee presented the Financial Expenditure Report along with his Executive Summary Report and highlighted the following: the Maintenance Barn Project back underway since the approval of the Engineered plans, the continuation of the Maintain-the-Block program and concluded by discussing the ongoing search to fill the vacancy of the City Controller position.

Public Hearings – *The Tool City Council shall open relevant public hearings to receive citizen testimony regarding the following items. The public comment period begins on the first date notice is published and extends to the close of the public hearing. Public comments may be submitted either in writing to the City of Tool City Council, Office of the City Secretary, 701 N. Tool Dr., Tool, TX 75143, or electronically via email at contact@tooltexas.org. Please be aware that any contact information you provide, including your name, phone number, email address and physical address will become part of the city's public record.*

8. **Open, announce the time and conduct a public hearing to receive testimony on the following:**

    A. Public Hearing was opened at 6:37 p.m.

9. Discuss a variance request by Lonnie Harper of 112 Spring Branch Trail to encroach the side setback of five (5) feet in accordance with, Appendix C, in the City of Tool code of ordinances, for the purposes of building a patio. Lonnie Harper was present and presented his variance request citing that the patio that he had built was built on an existing slab on the property. Councilmember Figueroa inquired how close the patio was to the build line to which Building Technician Hamaker stated that in one section of the patio was almost on the property line.

10. Discuss a variance request by Jeno Flores of 504 Plantation Dr., that would allow an eight (8) foot privacy fence in the required front yard. Jeno Flores was present and presented his variance request citing that this proposed fence would allow privacy to his property but that it would also hide away his multiple vehicles that he has on his property. Jeno Flores continued by stating the dimensions of the fence along with the building materials that would be used for the project and concluded by stating that the fence would be built back roughly 40 feet from the street. Councilmember Dumont inquired if the Property Owners Association would need to approve this as well, to which Building Technician Hamaker stated that the Property Owners Association had approved this request.

11. **Close public hearing and announce the time.**

    A. Public Hearing was closed at 6:46 p.m.

Consent Agenda - *Approval of Consent Agenda items authorize each to be implemented in accordance with staff recommendations provided. An item may be removed from the consent agenda and added to the Statutory Agenda for full discussion upon request by a member of the Council present at this meeting.*

12. Approve Minutes: January 6th, 2026 Special Meeting and January 15th, 2026 Regular Meeting. Motion to Approve Minutes: January 6th, 2026 Special Meeting and January 15th, 2026 Regular Meeting was made by Councilmember Dumont with second by Councilmember Stykes. Motion Passed 4/0.

13. Approve Monthly Activity Reports for January 2026 as presented: (A) Executive Summary (B) Financial and Expenditure (C) Municipal Court; (D) Police (E) Maintenance; (F) Building (G) Code Enforcement and; (H) Animal Control. Councilmember Dumont inquired regarding the Police Monthly Report and the Executive Summary Report. Councilmember Stykes inquired regarding the Financial and Expenditure Report. Motion to Approve Monthly Activity Reports for January 2026 as presented: (A) Executive Summary (B) Financial and Expenditure (C) Municipal Court; (D) Police (E) Maintenance; (F) Building (G) Code Enforcement and; (H) Animal Control was made by Councilmember Stykes with second by Councilmember Figueroa. Motion Passed 4/0.

Statutory Agenda - *The purpose of this section is to have full discussion upon request by the Tool City Council. Ideas, thoughts and decisions are formulated by City Council and staff plans, operations, policies, and/or future projects, including the following:*

14. Discuss and Take Action on a variance request by Lonnie Harper of 112 Spring Branch Trail to encroach side setback of five (5) feet in accordance with, Appendix C, in the City of Tool code of ordinances, for the purposes of building a patio. Motion to Approve Action on a variance request by Lonnie Harper of 112 Spring Branch Trail to encroach side setback of five (5) feet in accordance with, Appendix C, in the City of Tool code of ordinances, for the purposes of building a patio was made by Councilmember Figueroa with second by Councilmember Stykes. Motion Passed 4/0.

15. Discuss and Take Action on a variance request by Jeno Flores of 504 Plantation Dr., to allow a zoning variance that would allow an eight (8) foot privacy fence in the required front yard. Motion to Approve

a variance request by Jeno Flores of 504 Plantation Dr., to allow a zoning variance that would allow an eight (8) foot privacy fence in the required front yard which would be 30 feet by eight feet was made by Councilmember Dumont with second by Councilmember Stykes. Motion Passed 4/0.

16. Consider and nominate two candidates, in accordance with Section 6.03 of the Texas Tax Code, to serve on the Henderson County Appraisal Board of Directors. Mayor Bennett presented this item and discussed its purpose which was to nominate two candidates to fill the two vacancies on the Henerson County Appraisal District Board of Directors. Motion to Nominate Vera Bennett and Michael Fladmark to serve on the Henderson County Appraisal District Board of Directors was made by Councilmember Stykes with second by Councilmember Bennett. Motion Passed 4/0.

17. Consider, Discuss and Take Action to approve a professional services agreement with MuniCap, Inc. for Public Improvement District ("PID") administrative services. Motion to Approve a professional services agreement with MuniCap, Inc. for Public Improvement District ("PID") administrative services was made by Councilmember Figueroa with second by Councilmember Dumont. Motion Passed 4/0.

18. Consider, Discuss and Take Action to perform additional water well service at the Eight at Tool Park. Mayor Bennett presented this item highlighting the need for additional water well services at the park that would in turn greatly reduce the cost of irrigation at the park. Mayor Bennett continued by stating that the additional water well service would pay for itself in the first year of use for irrigation. Mayor Bennett continued by discussing the proposed vendor to perform the water well services. Councilmember Dumont inquired regarding finding a grant for this project. Councilmember Figueroa inquired regarding how it would be determined if an area was a good water source to which Mayor Bennett stated that seismic testing was included in the quote. Councilmember Figueroa inquired regarding the output to the existing well to which Director of Maintenance and Operations Martin explained. Councilmember Figueroa inquired what the turnaround time for the project once the work was started if the City Council went with the existing quote to which Mayor Bennett stated that the project would be completed in a few weeks once it started. Councilmember Salvato inquired how competitive well service in this area was to which City Administrator Kizzee stated that well service in this area was not very competitive. Councilmember Stykes stated that he would like to wait 30 days before allocating funds. Councilmember Figueroa inquired from what account would the funding for this project come from to which Mayor Bennett stated that she was recommending that this project be charged against the Park Construction Account. Motion to allow for a 30-day grace period before allocating $18,754.00 for the construction of a well at the Eight at Tool park was made by Councilmember Stykes with second by Councilmember Dumont. Motion Passed 4/0.

19. Consider, Discuss and Take Action to contract arborist work at the Eight at Tool Park. Mayor Bennett presented this item highlighting the request to provide maintenance treatment for several of the trees at the Eight at Tool Park due to the construction of the Eight at Tool park. Mayor Bennett continued by stating that after discussion with an arborist, it was recommended to provide treatment to six trees with an estimated cost of $9,100.00. Mayor Bennett continued by discussing the nine trees in the park and their likelihood of survival with and without treatment. Councilmember Dumont stated that he would like to save as many trees in the park as possible. Councilmember Salvato stated that he would like to receive another bid from another arborist as well to compare prices. Motion to Take Action to contract arborist work at the Eight at Tool Park for $9,100.00 was made by Councilmember Dumont with second by Councilmember Stykes. Motion Passed 4/0.

20. Discuss the future placement of shades over the playground at the Eight at Tool Park. Councilmember Salvato presented this item highlighting the need for shades over the playground equipment for children's safety. Councilmember Salvato continued by discussing possible grants to fund this project along with discussions he has had with a potential shade vendor. Mayor Bennett along with Councilmember Dumont discussed the Trails Grant from Texas Parks and Wildlife. Councilmember Salvato stated that he would love for the city to look further into this grant. Mayor Bennett stated that the Trails Grant was an 80/20 match grant so it will benefit the city. Councilmember Dumont stated that he would like to further discuss this item at a workshop. All councilmembers agreed to discuss this item further at the next workshop meeting.

21. Consider, Discuss and Take Action to hire a part-time parks administrative assistant for the City of Tool. Councilmember Salvato presented this item highlighting the need for an additional position in the city who would oversee the planning and implementation of rentals at the Eight at Tool Park. Councilmember Salvato continued by stating that with the addition of this position, it would take the heaviness of the daily park tasks off the current city administration. City Administrator Kizzee discussed his and staff's current involvement in rentals and providing information regarding the park. Mayor Bennett inquired if the addition of this position was an immediate need today in his opinion to which City Administrator Kizzee stated that no, this position was not an immediate need. Mayor Bennett inquired why Councilmember Salvato did not wait to request this item at budget time to which Councilmember Salvato stated that he would like to have processes and staff in place prior to the requests for the park to come flooding in. Councilmember Salvato concluded by stating that it was better to get ahead and prevent a problem instead of doing something after it becomes a problem. City Administrator Kizzee stated that funding for this position was not in the budget and that if the position was approved, a budget amendment would be needed to show the additional cost of an employee on the budget. Mayor Bennett inquired how this position would be funded to which City Administrator Kizzee stated that funding for this position could come from Hotel Occupancy Tax revenues or reduce other budgetary items with a budget amendment. Mayor Bennett continued by stating that she was not opposed to this position, however, she was against creating this position mid-budget year and concluded by stating that creating an additional position mid-budget year would go against the local government code. Councilmember Dumont stated that this position could be funded from the Hotel Occupancy Tax as long they are driving heads to beds. Councilmember Figueroa stated that he would like to discuss this item further at a workshop and to allow time for finding the right person for the job. Mayor Bennett stated that the city needed to be better at advertising the Eight at Tool Park to which Councilmember Figueroa stated that an additional position was needed to assist in advertising the park. Councilmember Stykes requested additional information regarding salary, work hours and working location for the proposed position to which City Administrator Kizzee explained. Motion to Take Action to post the job for a part-time park's administrative assistant for the City of Tool was made by Councilmember Dumont with second by Councilmember Salvato. Motion Passed 3/1. Councilmember Stykes Opposed.

22. Receive update on Eight at Tool Park operations, as presented by the City Administrator. City Administrator Kizzee stated that he had received the Eight at Tool Event schedule for this year and continued by further discussing future events in the park along with the logistics of private rentals of the park. City Administrator Kizzee continued by discussing the permits needed to rent a space at the park along with the required documentation such as insurance. Mayor Bennett discussed her requested changes to the proposed vendor applications to which City Administrator Kizzee provided additional

information regarding her requests to the language in the mentioned documents. Mayor Bennett concluded by stating that she felt that all requirements for park rentals should be the same regardless of the group's affiliations to which all Councilmembers along with City Administrator Kizzee stated that they felt the same way. City Administrator Kizzee along with the present Councilmembers agreed that this item should be further discussed at the scheduled workshop.

23. Receive update on bids received for bank depository services for the City of Tool. City Administrator Kizzee stated that two bids were received for bank depository services which were from Prosperity Bank and Simmons Bank. City Administrator Kizzee continued by stating that during the bid opening process, it was discovered that both bids were deemed incomplete due to missing Conflict of Interest Forms. City Administrator Kizzee concluded by stating that the bid would be placed back out in the coming months for bank depository services for a second time.

24. Discuss and Allocate the General Fund Overage from the 2024-2025 Fiscal Year, in accordance with Ordinance 2024-02, General Fund Overage. City Administrator Kizzee stated that the General Fund Overage from the 2024-2025 Fiscal Year was $138,843.69 and continued by stating that Ordinance 2024-02 stated that the City Council could allocate up to $69,421.84 from the overage and that the remaining balance would be placed in the Capital Improvement Account. Councilmember Figueroa inquired on the current Emergency Fund Balance to which City Administrator Kizzee stated that as of February 1st, 2026, the Emergency Fund balance was $393,441.29. Councilmember Figueroa continued by stating that he would like to see the entire overage balance be allocated to the Capital Improvement Fund. Councilmember Stykes stated that he would like to see 80% of the General Fund Overage from the 2024-2025 Fiscal Year be allocated to the Capital Improvement Fund and the remaining 20% be allocated to the Emergency Fund. Councilmember Figueroa stated that the Emergency Fund was a restricted fund while the Capital Improvement Fund was an unrestricted fund. Councilmember Dumont stated that it was important not to tie up all of the funds if the City Council decides a purchase was needed. Councilmember Stykes stated that it was important to contribute to the Emergency Fund so once that fund reached its cap, all of the General Fund Overage in the future could be allocated solely to the Capital Improvement Fund. Motion to Allocate the General Fund Overage from the 2024-2025 Fiscal Year to allocate 80% of the Capital Improvement Fund and 20% to the Emergency Fund was made by Councilmember Figueroa with second by Councilmember Stykes. Motion Passed 4/0.

Ordinance Readings

Motion to change the Agenda order to discuss Item 26 before Item 25 was made by Councilmember Stykes with second by Councilmember Figueroa. Motion Passed 4/0.

25. Consider, Discuss and Take Action on repealing Ordinance 2023-13, Capital Reserve Fund. Motion to Repeal Ordinance 2023-13, Capital Reserve Fund was made by Councilmember Figueroa with second by Councilmember Dumont. Motion Passed 3/1. Councilmember Stykes Opposed.

26. Consider, Discuss and Take Action to adopt Ordinance 2026-02, Capital Improvement Fund. Councilmember Figueroa stated that this ordinance would allow the City Council a broader scope on the uses of the Capital Improvement Fund. Councilmember Figueroa continued by stating that business and residential development would be what drives the city forward. Councilmember Figueroa continued by stating that the Capital Improvement Fund would be what would allow the developments to happen in

the future along with city improvements. Mayor Bennett stated that she felt that capital improvements should be budgeted for and should be included in a strategic plan for the city. Councilmember Stykes stated that the current regulations for the Capital Improvement Account was not broken, and he did not feel comfortable allowing the broadness of use in this new ordinance. Motion to Adopt Ordinance 2026-02, Capital Improvement Fund was made by Councilmember Dumont with second by Councilmember Figueroa. Motion Passed 3/1. Councilmember Stykes Opposed.

27. **Council Comments** - *Hear announcements concerning matters appearing on the agenda; items of community interest; and/or inquiries of staff regarding specific factual information or existing policy from the Mayor, Councilpersons, and City staff, for which no formal action will be discussed or taken.*

    A. Councilmember Dumont thanked everyone for coming to the meeting and concluded by congratulating Councilmember Stykes and Police Investigator Hatcher on the awards of Councilmember of the Year and Employee of the Year

    B. Councilmember Salvato thanked everyone for coming to the meeting and concluded by congratulating Councilmember Stykes and Police Investigator Hatcher on the awards of Councilmember of the Year and Employee of the Year

    C. Councilmember Stykes thanked everyone for coming to the meeting and concluded by congratulating Police Investigator Hatcher on his award of Employee of the Year and thanked everyone for selecting him as Councilmember of the Year

    D. Mayor Bennett thanked everyone for coming to the meeting and concluded by congratulating Councilmember Stykes and Police Investigator Hatcher on the awards of Councilmember of the Year and Employee of the Year

28. **Future Agenda Items -** *The Council may request items to be placed on a future agenda at this time. No discussion or deliberation of the items may take place at this time, other than a determination of Council consensus to direct staff to place the item on a future agenda.*

    A. Councilmember Figueroa asked that an agenda item for Telemed for the City of Tool be placed on the March Council Agenda.

29. **Closing**
    A. Next Meeting: March 19th, 2026
    B. Adjourn

    Motion to Adjourn was made by Councilmember Dumont with second by Councilmember Figueroa. Motion Passed 4/0. Meeting Adjourned @ 8:24 p.m.

A meeting that is "open to the public", pursuant to the Open Meetings Act, is one that the public is permitted to attend. The act does not entitle the public to choose the items to be discussed or to speak about items on the agenda. If the City Council, during the course of the meeting covered by this notice, should

determine that an executive session is required, then such executive session, as authorized by the Texas Open Meetings Act, Texas Government Code, Section 551.001 et seq., will be held by the Council at the date, hour and place given in this notice, concerning but not limited to the following sections and purposes of the Act: 551.071 Private consultation with the city's attorney; 551.072 Deliberations about Real Property; or, 551.074 Discussing personnel or to hear complaints against personnel. Should any final action, final decision or final vote be required in the opinion of the City Council regarding any matter considered in such executive session, then the final action, final decision or final vote shall be in the open meeting covered by this Notice upon the reconvening of the public meeting.

I certify that the above notice of meeting, a true and correct copy, was posted on the bulletin board in front of Tool City Hall prior to the required 72 hours and that the city's official newspaper was notified.

Attest:

SEAL

_____ _____

Vera Bennett, Mayor Kimberley Price, City Secretary

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Staff

Department: Multidepartmental

Agenda Item No. **12**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ● Report ○ Resolution

Attachments: Monthly Reports for the Executive Summary, Financial & Expenditure, Municipal Court, Police, Maintenance, Building, Code Enforcement and Animal Control

Summary of Agenda Item to be considered:

Staff would like to present the monthly reports for the month of February 2026.

Agenda Item, as listed on the agenda:

Approve Monthly Activity Reports for February 2026 as presented: (A) Executive Summary (B) Financial and Expenditure (C) Municipal Court; (D) Police (E) Maintenance; (F) Building (G) Code Enforcement and; (H) Animal Control

Recommended Motion to Consider:

"I move that we accept the monthly activity reports for February 2026, as presented."

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary when finished.

Executive Summary

From the City Administrator – February 2026

Dear Council and Mayor,

Here is a Monthly Executive Summary of the past 30 days for the City, for the Council meeting in February 2026

- The Maintenance Barn project is ongoing, with consistent conversations with the general contractor, after engineering work has been returned to the city in the first week of February.
- Staff is continuing to work with GrantWorks for the GLO Resilient Communities Program in regards to a grant for a comprehensive plan, including drainage-related issues in the City of Tool. The grant application was submitted on December 9th, 2025 and we are awaiting the status of that application.
- Texas Parks and Wildlife has awarded the City of Tool a Recreational Trails Program grant. The grant agreement has been executed and the city has until 2029 to execute on the grant. More information will be made available to the council at the March 20th, 2026 workshop.
- Engineers have been contacted regarding the Paradise Bay Subdivision Drainage Phase II. The work for the engineering should take approximately two to three months.
- MVBA (The City of Tool's delinquent tax attorneys) plan on coming to visit Council and give an update at the April Council meeting of their work.
- We want to thank the Garden Club and Hopkins Nursery for their help in the donation of three crepe myrtles at the Eight at Tool Park.
- The Maintain-the-Block program is ongoing and we are cleaning up miscellaneous spots throughout the City of Tool before restarting the program before the spring begins.
- Republic Services is still working on scheduling the construction of a new concrete driveway for the recycling dumpster behind the Oran White Civic Center.
- Jenny Kitchen, has been hired and will step into the role as the City of Tool's City Controller. Her first day is March 23rd.

The financial reports will be in more complete form heading into next Council meeting as we start with our new controller. As of this month, we provide the current bank balances and the checks that have been issued in the month of February.

Account Name	2/28/2026	1/31/2026	INC (DEC)	Balance Type
General Fund	$ 166,183.90	$ 145,016.29	$ 21,167.61	Unrestricted
Ad Valorem	$ 808,117.87	$ 639,230.30	$ 168,887.57	Unrestricted
Emergency Fund	$ 394,539.90	$ 393,441.29	$ 1,098.61	Assigned
Municipal Court	$ 58,641.92	$ 20,928.10	$ 37,713.82	Restricted
Security Fund (Municipal Court)	$ 30,133.15	$ 30,132.92	$ 0.23	Restricted
Tech Fund (Municipal Court)	$ 1,540.62	$ 1,540.60	$ 0.02	Restricted
Consolidated Security & Tech Fund	$ 8,169.31	$ 8,169.25	$ 0.06	Restricted
Interest & Sinking Fund	$ 11,696.66	$ 331,883.81	$ (320,187.15)	Restricted
Police Seizure Fund	$ 135.09	$ 135.09	$ -	Restricted
2026 Limited Tax Note Construction Fund	$ 215,943.36	$ 215,342.06	$ 601.30	Restricted
Public Funds MM 10/ Escrow Draw 380 Agreement	$ 230,178.99	$ 229,546.89	$ 632.10	Restricted
TexStar	$ 947.02	$ 944.33	$ 2.69	Restricted
Capital Improvement Fund	$ 704,729.20	$ 702,766.84	$ 1,962.36	Assigned
Park Construction Account	$ 41,235.39	$ 41,120.57	$ 114.82	Assigned
Hotel/Motel Tax Fund	$ 99,110.97	$ 97,437.24	$ 1,673.73	Restricted
Total Cash on Hand	**$ 2,771,303.35**	**$ 2,857,635.58**	**$ (86,332.23)**	

Categories	Defined	Total Amount of Spendable Fund Balance	Portion of Spendable Fund Balance
(1) Unrestricted	Only constraints on spending is within the budget in entirety	$ 974,301.77	35.16%
(2) Assigned	Sometimes called committed, spending is limited to council action	$ 1,140,504.49	48.95%
(3) Restricted	The most limited spending categories, as defined by specific laws, such as the courts, Federal Govt or State Comptroller	$ 656,497.09	15.90%

***Source GFOA Best Practices & GASB Statement No 54

CITY OF TOOL

Bill Payment List

February 2026

DATE	NUM	VENDOR	AMOUNT
1010-0 1010 - General Fund #0566			
02/03/2026	39582	Cintas Corporation	-512.08
02/03/2026	39583	Elbow Grease Cleaning Service	-200.00
02/03/2026	39584	Tyler Technologies, Inc	-15,516.00
02/03/2026	39585	Howard's Fire Extinguisher Service	-167.98
02/04/2026	39586	WEST CEDAR CREEK M.U.D.	-910.51
02/10/2026	39597	Ashley Vasquez	-100.00
02/10/2026	39598	The Monitor	-182.50
02/10/2026	39599	RTS Tactical	-2,888.98
02/10/2026	39600	WEST CEDAR CREEK M.U.D.	-108.51
02/10/2026	39601	Yeldell, Wilson, Wood & Reeve, P.C.	-13,023.25
02/10/2026	39602	Henderson County Auditor's Office	-10,000.00
02/10/2026	39603	Hounshell, Karen	-150.00
02/10/2026	39604	GreatAmerica Financial Services	-882.13
02/10/2026	39605	TMPA	-14.77
02/10/2026	39606	Elbow Grease Cleaning Service	-200.00
02/10/2026	39607	Blake Armstrong, PC	-2,336.48
02/10/2026	39608	Peacemaker Technologies	-185.68
02/13/2026	39592	Cintas Corporation	-254.03
02/13/2026	39591	Hounshell, Karen	-50.00
02/13/2026	39590	Blue Cross and Blue Shield of Texas	-16,341.77
02/13/2026	39589	Vera Bennett (V)	-100.00
02/13/2026	39588	Elbow Grease Cleaning Service	-200.00
02/13/2026	39587	Bureau Veritas North America, Inc	-290.51
02/17/2026	39593	Elbow Grease Cleaning Service	-700.00
02/18/2026	39594	Sheryl Stephens	-200.00
02/18/2026	39595	Sheryl Stephens	-50.00
02/23/2026	39610	MetLife Small Business Center	-1,363.30
02/23/2026	39611	TAX ASSESSOR/COLLECTOR- PEGGY GOODALL	-13.56
02/23/2026	39615	TML- Intergovernmental Risk Pool	-4,430.00
02/23/2026	39614	TMPA	-14.77
02/23/2026	39613	Bureau Veritas North America, Inc	-1,461.07
02/23/2026	39620	Cintas Corporation	-254.03
02/23/2026	39619	PEAC Solutions	-271.52
02/23/2026	39618	Econo Signs, LLC	-172.50
02/23/2026	39617	Hobbs Pest Management, Inc.	-175.00
02/23/2026	39616	Dearborn National	-243.45
02/23/2026	39596	Blue Cross and Blue Shield of Texas	-15,700.54
02/25/2026	39625	Lexis Nexis-ACCURINT	-60.00
02/25/2026	39624	Cintas Corporation	-258.05
02/25/2026	39623	Hounshell, Karen	-200.00
02/25/2026	39622	Yoakum	-265.00
02/25/2026	39621	Elbow Grease Cleaning Service	-200.00
Total for 1010-0 1010 - General Fund #0566			**$ -90,647.97**

CITY OF TOOL

Bill Payment List

February 2026

DATE	NUM	VENDOR	AMOUNT
1010-4 1010-4 Municipal Court Acct #1903			
02/13/2026	3149	State Comptroller - Treasurer	-7,944.78
02/13/2026	3148	Graves, Humphries, Stahl, Limited	-882.89
Total for 1010-4 1010-4 Municipal Court Acct #1903			**$ -8,827.67**
Not Specified			
02/23/2026	39609	Dearborn National	0.00
Total for Not Specified			**$0.00**

Tool Municipal Court

FEB 2026 Monthly Report

Money Collected:	Cash:		$9,236.96	
	Check:		$0.00	
	Money Order:		$1,563.00	
	Online Payments:		$34,142.07	
	Total:	**$**	**44,942.03**	
	Money Collected	$	44,942.03	
	Remitted to State		$14,289.69	
	OMNI		$187.46	•TLFT2
	Security Fund	$	787.48	•LBSF •MCBS
	Technology Fund	$	797.41	•CTF •LCTF
	Collection Fees		$3,605.11	•PC30
	Jury Fund		$15.96	•LMJF
	Truancy Fund		$797.41	•LTPF
		$	20,480.52	
	Money Kept by City	**$**	**24,461.51**	
Number of Citations:			235	
Warrants:	Entered:		32	
	Cleared:		24	
Dismissals:	CLOSED :		216	
	Community Service:		2	
	Time Served:		18	

Tool Police Department
701 N. Tool Drive | Tool, TX 75143
Office 903-432-2550 | Fax 903-432-3867

Tool Police Department

Monthly Activity Report

Reporting Period: February 2026
Prepared by: Chief Robert Walker

Chief of Police
Robert Walker, PID# 313572
903.880-8872
rwalker@tooltexas.org

Department Activity Overview

During the month of February 2026, the Tool Police Department continued proactive patrol and enforcement efforts throughout the city. Officers focused on traffic enforcement, responding to calls for service, and addressing criminal activity when it occurred.

The department responded to **278 calls for service** during the reporting period. These calls included a variety of incidents ranging from disturbances and criminal offenses to welfare checks and other service-related calls.

Traffic Enforcement

Traffic enforcement continues to be one of the department's most effective tools for preventing crime and maintaining roadway safety.

Total Traffic Violations: 387

Breakdown of enforcement actions:

- **Citations Issued:** 248
- **Warnings Issued:** 139

Officers conducted proactive traffic stops throughout the city targeting speeding, unsafe driving behaviors, and other violations that contribute to accidents and criminal activity.

Criminal Activity

During the reporting period, officers investigated several criminal offenses within the city.

Reported Criminal Incidents

- 1 Driving While Intoxicated (DWI)
- 1 Theft
- 1 Family Violence Incident
- 2 Driving While License Invalid
- 1 Possession of a Dangerous Drug
- 1 Fraud Case

These incidents were investigated and handled in accordance with department policy and Texas state law.

Other Police Responses

In addition to criminal investigations and traffic enforcement, officers responded to several other incidents requiring police assistance.

- 1 Suicidal Subject
- 1 Disturbance

These situations required officers to ensure the safety and welfare of the individuals involved and the community.

Closing Statement

The Tool Police Department remains committed to maintaining a visible presence in the community and responding quickly and professionally to incidents requiring police services. Traffic enforcement and proactive patrol continue to be key components of the department’s efforts to deter criminal activity and keep the citizens of Tool safe.

February 2026 Building Report- City of Tool

Type Of Construction	Permit Number	Subdivision	Project Address	Permit Issued Date	Project Fees Paid	Estimated Cost of Project (Valuation $)
Residential Demolition Permit	26-000017	Indian Hills	604 Apache Trl	2/2/2026	$0.00	$0.00
Residential Demolition Permit	26-000022	Indian Hills	713 Turquoise Trl	2/4/2026	$0.00	$0.00
Residential Demolition Permit	26-000021	Indian Hills	610 Turquoise Trl	2/4/2026	$0.00	$0.00
Fence Permit (Residential)	26-000019	Acorn Acres	0 Oakwood Dr	2/9/2026	$75.00	0
New Building Permit (Residential)	25-000270	Paradise Bay	609 Luzon St	2/10/2026	$1,754.35	$180,000.00
Remodel / Additions (Residential)	26-000024	Cedarcrest Shores	1120 Rolling Hill Rd	2/10/2026	$200.00	$4,050.00
General Construction, (Decks, Patios, Patios Covers, Etc..) (Residential)	25-000235	The Groves	2577 Groves Dr	2/12/2026	$1,769.79	$0.00
Remodel / Additions (Residential)	26-000032	Paradise Bay	813 Maui	2/13/2026	$75.00	$700.00
Alarm Permit (Residential)	26-000026	Arnold Hills	106 Oak Creek Dr	2/17/2026	$50.00	0
New Building Permit (Residential)	26-000031	Paradise Bay	517 Kapuna Dr	2/17/2026	$2,267.50	$270,000.00
New Building Permit (Residential)	26-000029	Paradise Bay	605 Kapuna Dr	2/17/2026	$2,282.90	$270,000.00
Remodel / Additions (Residential)	26-000020	Arnold Hills	118 Hillcrest Dr	2/19/2026	$600.00	$93,900.00
Sign Permit (Commercial)	25-000231	Paradise Bay	918 S Tool Dr	2/19/2026	$520.00	$15,000.00
Fence Permit (Residential)	26-000011	Lakeway Estates	504 Plantation Dr	2/20/2026	$75.00	$0.00
General Construction, (Decks, Patios, Patios Covers, Etc..) (Residential)	26-000013	Arnold Hills	112 Spring Branch	2/20/2026	$200.00	$0.00
Plumbing Permit (Residential)	26-000033	Paradise Bay	922 Guam Ave	2/20/2026	$200.00	$999.00
Fence Permit (Residential)	26-000034	Lakeway Estates	103 Tanglewood	2/23/2026	$75.00	0
Construction Permit Extension, (Residential)	26-000035	Trade Winds	1801 Scenic Dr	2/24/2026	$100.00	0
Plumbing Permit (Residential)	26-000036	Paradise Bay	806 Kontiki Dr	2/25/2026	$200.00	$3,553.00
Remodel / Additions (Residential)	25-000221	Westwood Beach	105 Still Harbor Cir	2/25/2026	$600.00	$90,000.00
New Building Permit (Residential)	26-000030	Paradise Bay	521 Kapuna Dr	2/26/2026	$2,299.40	$270,000.00
Accessory Building/Storage Building, (Residential)	26-000037	Paradise Bay	824 Malaoma rd	2/27/2026	$95.00	$1,500

Report Search

Report Type: **Arrest, Call for Service, Citation, Crash, DWI, Incident, Offense, Supplement, Criminal Trespass, Crash Supplement**

Start Date: **2/1/2026**

End Date: **2/28/2026**

Case #	Ref #	Report Type	Report Date	Officer	Report Status	Court Date	Location	Locked
26-00087	N/A	Warrant Arrest	2/17/2026 1:31 PM	Boyle, Kenny	Approved		ARNOLD HILLS @ WALLER, T	No
WARRANT SERVICE								
26-00055	N/A	Offense Report	2/3/2026 2:53 PM	Boyle, Kenny	Approved		2500 BLK SOUTH TOOL DRIVE	No
NARCOTICS								
View Citation	31409	Citation	2/24/2026 9:32 AM	Boyle, Kenny	N/A	3/11/2026	1913 ISLAND CIRCLE	No
JUNKED VEHICLE- ORD 70 SEC 3								
View Citation	31409	Citation	2/24/2026 9:32 AM	Boyle, Kenny	N/A	3/11/2026	1913 ISLAND CIRCLE	No
RECREATIONAL VEHICLE / TRAVEL TRAILER ON RESIDENTIAL PRTOPERTY #96.01								
View Citation	31408	Citation	2/23/2026 2:37 PM	Boyle, Kenny	N/A	3/11/2026	816 DIAMOND HEAD	No
ANIMAL AT LARGE- ORD 2016-03 SEC.4								
View Citation	07385	Citation	2/23/2026 2:13 PM	Boyle, Kenny	N/A	3/11/2026	274 @ LUCKYS ONE STOP	No
Driving While License Invalid(Driving While License Suspended)-D/L								
View Citation	07385	Citation	2/23/2026 2:13 PM	Boyle, Kenny	N/A	3/11/2026	274 @ LUCKYS ONE STOP	No
Failed to Maintain Financial Responsibility								
View Citation	22563	Citation	2/17/2026 12:44 PM	Boyle, Kenny	N/A	3/11/2026	805 Regal Dr	No
DUMPING ON PROPERTY/TRASH- ORD. 96, SEC 5								
View Citation	22563	Citation	2/17/2026 12:44 PM	Boyle, Kenny	N/A	3/11/2026	805 Regal Dr	No
FILTH PROHIBITED- ORD 91.02								
View Citation	22559	Citation	2/17/2026 9:04 AM	Boyle, Kenny	N/A	3/11/2026	1913 ISLAND CIRCLE	No
JUNKED VEHICLE- ORD 70 SEC 3								
View Citation	22559	Citation	2/17/2026 9:04 AM	Boyle, Kenny	N/A	3/11/2026	1913 ISLAND CIRCLE	No
RECREATIONAL VEHICLES AN TRAVEL TRAILER TRAILERS ON RESIDENTIAL PROPERTY 96.01								

Report Type: **Arrest, Call for Service, Citation, Crash, DWI, Incident, Offense, Supplement, Criminal Trespass, Crash Supplement**
Start Date: **2/1/2026**
End Date: **2/28/2026**

Case #	Ref #	Report Type	Report Date	Officer	Report Status	Court Date	Location	Locked
View Citation	22558	Citation	2/16/2026 2:47 PM	Boyle, Kenny	N/A		ARNOLD HILLS @ WALLER	No
Possession of Drug Paraphernalia								
View Citation	22557	Citation	2/16/2026 2:03 PM	Boyle, Kenny	N/A		ARNOLD HILLS @ WALLER	No
Expired Driver's License								
View Citation	22557	Citation	2/16/2026 2:03 PM	Boyle, Kenny	N/A		ARNOLD HILLS @ WALLER	No
Failed to Maintain Financial Responsibility								
View Citation	22557	Citation	2/16/2026 2:03 PM	Boyle, Kenny	N/A		ARNOLD HILLS @ WALLER	No
Possession of Drug Paraphernalia								
View Citation	22564	Citation	2/16/2026 12:15 PM	Boyle, Kenny	N/A	3/11/2026	805 Regal Dr	No
DUMPING ON PROPERTY/TRASH- ORD. 96, SEC 5								
View Citation	22564	Citation	2/16/2026 12:15 PM	Boyle, Kenny	N/A	3/11/2026	805 Regal Dr	No
FILTH PROHIBITED- ORD 91.02								
View Citation	22556	Citation	2/16/2026 9:27 AM	Boyle, Kenny	N/A	3/11/2026	ROYALWAY AND KINGSWAY	No
Drove on Wrong Side of Road Approaching (or traversing) Intersection (Warning)								
View Citation	22556	Citation	2/16/2026 9:27 AM	Boyle, Kenny	N/A	3/11/2026	ROYALWAY AND KINGSWAY	No
No Drivers License (when unlicensed) (Warning)								
View Citation	22555	Citation	2/16/2026 8:57 AM	Boyle, Kenny	N/A	3/11/2026	ROYAL WAY AND REGAL	No
Failed to Maintain Financial Responsibility								
View Citation	22555	Citation	2/16/2026 8:57 AM	Boyle, Kenny	N/A	3/11/2026	ROYAL WAY AND REGAL	No
Failed to Stop at Designated Point at Stop Sign (Warning)								
View Citation	22554	Citation	2/16/2026 8:34 AM	Boyle, Kenny	N/A	3/11/2026	N. TOOL DR. AND TOWERING	No
Expired Registration (Warning)								
View Citation	22554	Citation	2/16/2026 8:34 AM	Boyle, Kenny	N/A	3/11/2026	N. TOOL DR. AND TOWERING	No
Failed to Maintain Financial Responsibility (Warning)								

Report Type: **Arrest, Call for Service, Citation, Crash, DWI, Incident, Offense, Supplement, Criminal Trespass, Crash Supplement**

Start Date: **2/1/2026**

End Date: **2/28/2026**

Case #	Ref #	Report Type	Report Date	Officer	Report Status	Court Date	Location	Locked
View Citation	31407	Citation	2/12/2026 3:35 PM	Boyle, Kenny	N/A	3/11/2026	805 REGAL DR	No
DUMPING ON PROPERTY/TRASH- ORD. 96, SEC 5								
View Citation	31407	Citation	2/12/2026 3:35 PM	Boyle, Kenny	N/A	3/11/2026	805 REGAL DR	No
FILTH PROHIBITED- ORD 91.02								
View Citation	31407	Citation	2/12/2026 3:35 PM	Boyle, Kenny	N/A	3/11/2026	805 REGAL DR	No
ZONING VIOLATION- ORD 155.002 (Warning)								
View Citation	31406	Citation	2/5/2026 2:45 PM	Boyle, Kenny	N/A	3/11/2026	1017 KINGSWAY	No
Operate All-Terrain Vehicle on Public Street, Road or Highway								
View Citation	31406	Citation	2/5/2026 2:45 PM	Boyle, Kenny	N/A	3/11/2026	1017 KINGSWAY	No
Possession of Drug Paraphernalia								
View Citation	31410	Citation	2/2/2026 2:57 PM	Boyle, Kenny	N/A	3/12/2026	1600 BLK TX 274 S	No
Display Unclean License Plate (Warning)								

CITY OF TOOL EST. 1969

701 N. Tool Dr.
Tool, TX 75143
Office: 903.432.3522
Fax: 903.432.3867
www.tooltexas.org
fmartin@tooltexas.org

February Animal Control Report

CALLS FOR SERVICE	7
UNABLE TO LOCATE	
OWNER RECOVERED	
HUMANE SOCIETY	3
TRAPS SET	4
ANIMALS TRAPPED	
Welfare Check	
Dog Bite	

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Heath Hamaker, Building Technician

Department: Building

Agenda Item No. **13**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ○ Report ○ Resolution

Attachments:

Summary of Agenda Item to be considered:

Staff has received a variance request from Betina Miller of 1331 N. Tool Dr., in regards to erecting a new metal building. The owner would like to keep the same integrity of the old build and receive a variance from Ordinance 2023-06A, Highway 274 Façade Standards.

Agenda Item, as listed on the agenda:

Discuss and Take Action on a variance request by Betina Miller of 1331 N. Tool Dr. to erect a new metal building, in accordance with Ordinance 2023-06A, Highway 274 Façade Standards

Recommended Motion to Consider:

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: Mach 19th, 2026

Requested By: Robert Walker, Chief of Police

Department: Police

Agenda Item No. **14**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ● Report ○ Resolution

Attachments: 2026 Tool Police Department Racial Profiling Report

Summary of Agenda Item to be considered:

Racial profiling is commonly defined as "a law-enforcement initiated action based on an individual's race, ethnicity, religion, or national origin rather than on an individual's behavior or on information identifying the individual as having engaged in criminal activity".

This report provides information related to data collected from motor vehicles stops in which a citation or warning is issued and to arrests made as a result of those stops, including information such as:

- The race or ethnicity of the individual detained;
- Whether a search was conducted and, if so, whether the detained individual consented to the search; and
- Whether the peace officer knew the race or ethnicity of the individual before making contact with them. The overall objective of this analysis is to determine if local search patterns reflect national trends.

The attached Racial Profiling Report verifies that the Tool Police Department is in full compliance with the state racial profiling statute regarding prevention policies, data collection, vehicle search analysis and reporting.

Article 2B.0053 (7) of the Texas Code of Criminal Procedure requires the annual reporting to the local governing body of data collected on the race or ethnicity of individuals stopped and issued citations or arrested for traffic violations and whether or not those individuals were searched.

During the 85th Texas Legislative Session, Senate Bill 1849, known as the Sandra Bland Act, was passed and made the Motor Vehicle Contact Search Analysis mandatory for all law enforcement agencies in Texas, effective September 1, 2017.

This presentation is being provided to the Tool City Council in accordance with the aforementioned requirements. This report will also be sent over to the Texas Commission on Law Enforcement.

Agenda Item, as listed on the agenda:

Discuss and take action to approve the 2025 Racial Profiling Report as presented by the Chief of Police

Recommended Motion to Consider:

"I make a motion to accept the 2026 Racial Profiling Report by the Tool Police Department."

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

Racial Profiling Report | Full

Agency Name: TOOL POLICE DEPT.
Reporting Date: 01/02/2026
TCOLE Agency Number: 213212

Chief Administrator: Robert D Walker

Agency Contact Information:
Phone: (903) 432-2550
Email: rwalker@tooltexas.org

Mailing Address:
701 N. TOOL DR., TOOL, TX, 75143

This Agency filed a full report

TOOL POLICE DEPT. has adopted a detailed written policy on racial profiling. Our policy:

1) clearly defines acts constituting racial profiling;

2) strictly prohibits peace officers employed by the TOOL POLICE DEPT. from engaging in racial profiling;

3) implements a process by which an individual may file a complaint with the TOOL POLICE DEPT. if the individual believes that a peace officer employed by the TOOL POLICE DEPT. has engaged in racial profiling with respect to the individual;

4) provides public education relating to the agency's complaint process;

5) requires appropriate corrective action to be taken against a peace officer employed by the TOOL POLICE DEPT. who, after an investigation, is shown to have engaged in racial profiling in violation of the TOOL POLICE DEPT. policy;

6) requires collection of information relating to motor vehicle stops in which a warning or citation is issued and to arrests made as a result of those stops, including information relating to:
a. the race or ethnicity of the individual detained;
b. whether a search was conducted and, if so, whether the individual detained consented to the search;
c. whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;
d. whether the peace officer used physical force that resulted in bodily injury during the stop;
e. the location of the stop;
f. the reason for the stop.

7) requires the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:
a. the Commission on Law Enforcement; and
b. the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

The TOOL POLICE DEPT. has satisfied the statutory data audit requirements as prescribed in Article 2.133(c), Code of Criminal Procedure during the reporting period.

Executed by: JASON LEE
LIEUTENANT

Date: 01/02/2026

Total stops: 2307

Street address or approximate location of the stop	
City street	439
US highway	0
County road	6
State highway	1859
Private property or other	3
Was race or ethnicity known prior to stop?	
Yes	6
No	2301
Race / Ethnicity	
Alaska Native / American Indian	8
Asian / Pacific Islander	14
Black	112
White	1745
Hispanic / Latino	428
Gender	
Female	799
Alaska Native / American Indian	4
Asian / Pacific Islander	8
Black	39
White	674
Hispanic / Latino	74
Male	1508
Alaska Native / American Indian	4
Asian / Pacific Islander	6
Black	73
White	1071
Hispanic / Latino	354
Reason for stop?	
Violation of law	79
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	9
White	67

Hispanic / Latino	3
Preexisting knowledge	**2**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
Moving traffic violation	**1734**
Alaska Native / American Indian	6
Asian / Pacific Islander	12
Black	79
White	1311
Hispanic / Latino	326
Vehicle traffic violation	**492**
Alaska Native / American Indian	2
Asian / Pacific Islander	2
Black	24
White	365
Hispanic / Latino	99

Was a search conducted?

Yes	**61**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	3
White	53
Hispanic / Latino	5
No	**2246**
Alaska Native / American Indian	8
Asian / Pacific Islander	14
Black	109
White	1692
Hispanic / Latino	423

Reason for Search?

Consent	**19**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	19

Hispanic / Latino	0
Contraband	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Probable	**15**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	11
Hispanic / Latino	2
Inventory	**6**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	5
Hispanic / Latino	1
Incident to arrest	**21**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	1
White	18
Hispanic / Latino	2

Was Contraband discovered?

		Did the finding result in arrest? (total should equal previous column)	
Yes	**25**		
Alaska Native / American Indian	0	Yes 0	No 0
Asian / Pacific Islander	0	Yes 0	No 0
Black	2	Yes 1	No 1
White	22	Yes 8	No 14
Hispanic / Latino	1	Yes 0	No 1
No	**36**		
Alaska Native / American Indian	0		
Asian / Pacific Islander	0		
Black	1		
White	31		
Hispanic / Latino	4		

Description of contraband	
Drugs	**16**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	2
White	13
Hispanic / Latino	1
Weapons	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Currency	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Alcohol	**8**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	8
Hispanic / Latino	0
Stolen property	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Other	**3**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	3
Hispanic / Latino	0
Result of the stop	
Verbal warning	**154**

Alaska Native / American Indian	2
Asian / Pacific Islander	3
Black	9
White	121
Hispanic / Latino	19
Written warning	**651**
Alaska Native / American Indian	3
Asian / Pacific Islander	4
Black	9
White	121
Hispanic / Latino	19
Citation	**1500**
Alaska Native / American Indian	3
Asian / Pacific Islander	7
Black	71
White	1108
Hispanic / Latino	311
Written warning and arrest	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Citation and arrest	**2**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	2
Hispanic / Latino	0
Arrest	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Arrest based on	
Violation of Penal Code	**1**
Alaska Native / American Indian	0
Asian / Pacific Islander	0

Black	0
White	1
Hispanic / Latino	0
Violation of Traffic Law	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Violation of City Ordinance	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Outstanding Warrant	**1**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	1
Hispanic / Latino	0

Was physical force resulting in bodily injury used during stop?

Yes	**0**
Alaska Native / American Indian	0
Asian / Pacific Islander	0
Black	0
White	0
Hispanic / Latino	0
Resulting in Bodily Injury To:	
Suspect	0
Officer	0
Both	0
No	**2307**
Alaska Native / American Indian	8
Asian / Pacific Islander	14
Black	112
White	1745
Hispanic / Latino	428

Number of complaints of racial profiling

Total	0
Resulted in disciplinary action	0
Did not result in disciplinary action	0

Comparative Analysis

Use TCOLE's auto generated analysis	☐
Use Department's submitted analysis	☐

Optional Narrative

N/A

Submitted electronically to the

The Texas Commission on Law Enforcement

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Greg Figueroa, Councilmember

Department: _____

Agenda Item No. **15**

Is this a Budgeted Item? ☐ Yes ■ No

● Contract/Agreement ○ General Discussion ○ Ordinance ○ Report ○ Resolution

Attachments: Contract with Pathways Physicians Texas, PLLC

Summary of Agenda Item to be considered:

Introduction

The City of Tool has expressed interest in providing Tap access to all residents through a city-supported model rather than individual utility billing. We appreciate the City Council's leadership in exploring innovative ways to expand healthcare access for your almost 2,500 residents.
To support informed decision-making and build community confidence, MD Health Pathways proposes a six-month, no-cost trial period for the entire City of Tool.

This proposal outlines the structure, expectations, and next steps associated with that trial.

About Tap (Text-A-Physician)

Tap is a virtual care platform providing residents with immediate access to licensed medical providers for non-emergency medical needs. Services include on-demand medical consultations, treatment for common illnesses and minor conditions, and prescription support when medically appropriate. Tap operates 7 days a week, 365 days a year, from 7am to 10pm.

Our goal is simple: reduce barriers to healthcare access and provide convenient, affordable care for the entire community.

Six-Month Free Community Trial

MD Health Pathways proposes full access for all residents of Tool, members of the surrounding ETJ, and employees of businesses residing in Tool for six months at no cost to the City and no cost to residents. There will be no billing or financial obligation during the trial period.

This trial allows residents to experience the platform firsthand and gives City Council the opportunity to evaluate real-world usage, satisfaction, and community impact.

Purpose of the Trial

The trial period is designed to generate real usage data specific to Tool, gather resident testimonials and feedback, allow council members to hear directly from citizens who have benefited, and provide transparency before any budget allocation is finalized.

Towards the conclusion of the six-month period (likely closest council meeting to end of the trial), MD Health Pathways will provide a utilization report summarizing engagement levels and community feedback to support council review.

City Partnership & Promotion

For the trial to be meaningful and fairly evaluated, the City must serve as an active promotional partner. We respectfully request use of city communication channels such as the website, social media, newsletters, utility inserts, and public announcements. Visible support from city leadership encouraging residents to try the service will help ensure accurate participation levels.

MD Health Pathways will provide marketing materials, digital graphics, informational flyers, FAQs, and onboarding guidance to minimize administrative burden. MDHP staff is also available for in person events or Q&A sessions.

Post-Trial Voting Commitment

This proposal is not a binding contract, but it does outline expectations for clarity and efficiency. If utilization data demonstrates meaningful engagement and residents publicly express support, we request that approval to be placed on the agenda at the immediate next City Council meeting following the trial's conclusion.
If approved, the City would transition directly into the municipal-funded model without interruption of service to residents.

Proposed Ongoing Model (If Approved)

Under the municipal funded model, the City allocates a modest budget amount ($4,000/monthly) to cover all residents, ensuring universal access without individual billing from the residents of Tool. Final pricing and payment structure would be confirmed prior to the vote, but no financial commitment is required during the trial period.

Timeline Overview

Tonight: Council acknowledgment and promotion launch.
March Council Meeting: Contract with MD Health Pathways approved
Following six months: Full community access and engagement.
Within two weeks of trial conclusion: Delivery of utilization report and placement on next council agenda for vote.

Closing

Tool, Texas has the opportunity to provide a modern healthcare access solution to every household at no upfront cost and with zero risk during evaluation. This six-month trial ensures transparency, community input, and data-driven decision-making.d

MD Health Pathways looks forward to partnering with the City of Tool to determine whether TAP is the right long-term fit for your residents.

Respectfully submitted,
Matt Spallas
MD Health Pathways
On behalf of Dr. Dirk Perritt, Founder

Agenda Item, as listed on the agenda:

Consider, Discuss and Take Action to enter into an agreement with Pathways Physicians Texas, PLLC for the purposes of a telehealth consultations for the City of Tool

Recommended Motion to Consider:

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

Contract Between City of Tool, Texas and Pathways Physicians Texas, PLLC

This Agreement is made and entered into by and between Pathways Physicians Texas, PLLC ("PPTX") and the City of Tool, Texas ("City").

The primary objective of this Agreement is to support the City of Tool in enhancing the wellbeing and health services provided to its residents through a comprehensive community-wide telehealth program.

I. Scope of Services

1. Immediate Medical Consultation: On-demand SMS-based telehealth consultations with licensed healthcare providers for residents of partnering municipalities.
2. Audio and Video Consultation: Consultations may escalate from text-based to audio or video encounters based on clinical necessity or resident request.
3. Prescription Support: Facilitation of access to low-cost prescriptions when medically appropriate.
4. Referral Support: Assistance with referrals to primary care clinics, specialists, or other healthcare resources when appropriate.
5. Urgent Care Guidance: Support during urgent health situations appropriate for remote care. Services are not a substitute for emergency services.
6. Hours of Operation: Services available seven (7) days per week from 7:00 AM to 10:00 PM, including holidays.
7. HIPAA Compliance: All services will be delivered in compliance with HIPAA regulations.

II. Implementation Plan

8. Service Availability: Tap Telehealth services shall be made available to all residents within the municipal boundaries of the City of Tool and within the City’s extraterritorial jurisdiction (ETJ).
9. Community Outreach: PPTX will collaborate with the City to promote awareness and educate residents about available services.
10. Healthcare Integration: PPTX will coordinate with local providers to enhance continuity of care.

III. Effective Date

This agreement includes an introductory evaluation period, with an effective date of March 20th, 2026 to September 20th, 2026.

IV. Financial Terms and Conditions

Annual Program Fee: The City agrees to pay PPTX an annual fee of Forty-Eight Thousand Dollars ($48,000.00). This program is funded directly by the City from its municipal budget. No direct charges or fees shall be imposed on residents.

Universal Coverage: Services shall be available to all residents of the City.

Introductory Evaluation Period: The first six (6) months following the Effective Date shall constitute an introductory evaluation period ("Evaluation Period") and shall be provided at no cost to the City. During this Evaluation Period, the City may assess utilization and overall satisfaction with the program. For example, the Evaluation Period will begin on March 20, 2026 (the Effective Date) and extend through September 20, 2026. Billing periods would begin October 1, 2026.

At any time during the Evaluation Period, and no later than fifteen (15) days prior to its expiration, the City may elect not to proceed with the Agreement by providing written notice to PPTX. For purposes of clarity, such written notice must be received by PPTX no later than September 18th, 2026. In such event, the Agreement shall terminate at the conclusion of the Evaluation Period with no further financial obligation to either party.

If the City does not provide written notice of its intent not to proceed prior to the expiration of the Evaluation Period, the Agreement shall automatically continue into the paid term, and billing shall commence on the first day immediately following the Evaluation Period.

For the trial to be meaningful and fairly evaluated, the City must serve as an active promotional partner. We respectfully request use of city communication channels such as the website, social media, newsletters, utility inserts, and public announcements. Visible support from city leadership encouraging residents to try the service will help ensure accurate participation levels.

PPTX will provide marketing materials, digital graphics, informational flyers, FAQs, and onboarding guidance to minimize administrative burden. PPTX staff is also available for in person events or Q&A sessions.

Payment Terms: Following the introductory period, payments shall be made in equal monthly installments of $4,000 and are due within thirty (30) days of invoice unless otherwise agreed in writing.

Early Termination: Following the Evaluation Period, if the City terminates this Agreement without cause prior to completion of the then-current term, the City shall provide ninety (90) days written notice and shall remain responsible for payment during such notice period. The early termination fee shall not apply if termination occurs during the Evaluation Period.

Termination for Cause: Either party may terminate this Agreement for cause upon thirty (30) days written notice if the other party materially breaches this Agreement and fails to cure such breach within such thirty (30) day period. "Cause" shall include material breach of contractual obligations, loss of required licensure, fraud, insolvency, or failure to comply with applicable law.

V. Independence of Providers and Limitation of Liability

All healthcare providers engaged in the Tap Telehealth program operate as independent practitioners and not as employees or agents of the City. Medical advice, diagnosis, or treatment provided is the sole responsibility of the healthcare provider.

Tap Telehealth is not intended to replace emergency services. Residents must contact 911 in cases of life-threatening emergencies.

VI. Term and Termination

This Agreement shall remain in effect for twenty-four (24) months from the date of signing. Notwithstanding the foregoing, continuation of this Agreement beyond the first fiscal year is expressly contingent upon the City’s annual appropriation and budgetary approval of funds sufficient to satisfy its obligations hereunder, and no obligation shall extend beyond funds duly appropriated for each fiscal year.

Unless either party provides ninety (90) days written notice prior to expiration, the Agreement shall automatically renew for successive twenty-four (24) month terms.

The City may terminate this Agreement with six (6) months written notice for valid cause. During any notice period, payments due under this Agreement shall continue until the effective termination date.

Signatures

For Pathways Physicians Texas, PLLC

5956 Sherry Ln, 20th Floor, Dallas, TX 75225

Signature: _____ Date: _____

Name: Dr. Dirk Perritt, M.D.

Title: President, Pathways Physicians Texas, PLLC

Accepted by City of Tool, Texas

701 N. Tool Drive, Tool, TX 75143

Signature: _____ Date: _____

Name: _____

Title: Mayor

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Julius Kizzee, City Administrator

Department: Administration

Agenda Item No. **16**

Is this a Budgeted Item? ☐ Yes ☐ No

● Contract/Agreement ○ General Discussion ○ Ordinance ○ Report ○ Resolution

Attachments: Bank Depository Contract; Bids received for Depository Services

Summary of Agenda Item to be considered:

Staff is bringing back forward the bids received for bank depository services, which were placed on the January agenda and the February agenda for considerations. The city received two bids for depository services. Bids were received from Prosperity Bank and Simmons Bank.

After consultation with the City Attorney, bids can be considered at this time for depository services, in accordance with Bidding Instructions VI. E. The city can waive the non-material irregularity of not completing the conflict of interest questionnaire, for the purposes of selecting a bank to deposit the city funds.

Currently, the City of Tool does not have a current depository contract for city funds with the city at this time, on file and executed. We have one on file that was signed by the city and not Simmons Bank, in Feb. 2022. This is in conflict with Local Government Code Section 105. Per the same law, the agreement cannot exceed five years. The agreement must also have certain securities associated with the funds.

Action Item, as listed on the agenda:

Discuss and Take Action on receiving bids for bank depository services for the City of Tool

Recommended Motion to Consider:

N/A

The deadline for agenda requests is by the end of the day on the first Wednesday of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary when finished.

CITY OF TOOL

REQUEST FOR PROPOSALS

RFP # 2026-01

TOOL DEPOSITORY SERVICES

SUBMITTAL DEADLINE: FEBRUARY 8TH, 2026 – 11:59 PM CST

CITY OF TOOL
701 N. TOOL DR.
TOOL, TX 75143
(903) 432-3522

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I. INTRODUCTION

A. Request for Proposal

The City of Tool (COT) is pleased to issue this Request for Proposal (RFP) for Banking Services.

The City of Tool is seeking sealed proposals from institutions to administer their extensive banking and deposit operation to further their objectives of; maintaining security of funds, enhanced fund availability, increased use of technology, and comparable market charges for banking services.

The scope of services will include, but is not limited to, general account services, information reporting, reconcilement, electronic funds transfer, positive pay, controlled disbursement, return of items processed, image capture, custody services, electronic receipt and payment platforms to provide treasury management services.

Institutions eligible to respond to this RFP are those defined in the Texas Local Government Code, Chapter 105, Depositories for Municipal Funds, and who are a qualified public depository in accordance with the State of Texas General Statutes. The bank must be a member of the Federal Reserve System and comply with all applicable state and federal laws, regulations, statutes and policies. The bank must be a State of Texas or federally chartered financial institution and in good standing among other comparable banks.

All qualified banking institutions will be considered. We encourage you to be creative and educational in your responses.

This Request for Proposal, or "RFP", is intended to serve as the bid form for the depository agreement. There are several blanks to fill in and questions to be answered. The depository contract shall be prepared based on the bidder's response to the RFP. All points outlined and materials requested should be incorporated into the bidder's reply to be considered for evaluation. Attachments will be appropriate in order to provide more clarification of the bidder's response and to provide investment services separately from the main response to the RFP.

B. Scope of Services

The selected Respondent shall furnish sufficient organization, personnel and management staff with the necessary skill and judgement to perform all the duties and responsibilities normally associated with providing comprehensive banking services to a large organization with public funds.

The services proposed by the Respondent shall fully detail the proposer's offer pertaining to each of the following, including the submittal of sample forms and investment information, if applicable.

The contract period will be three (3) years, beginning March 2nd, 2026 and ending March 1st, 2029, or thereafter until the successor depository shall have been duly selected and qualified according to State laws. The depository contract shall provide that the City reserves the right to cancel any agreement, at any time, upon ninety (90) days prior written notice of its intent to terminate this agreement.

C. OBJECTIVES OF THE PROPOSAL

The primary objectives of the bank depository agreement, an important component of the overall treasury program of the City are as follows:

- To seek a bank capable of providing banking services and willing to be attentive to the City's money matters;
- To seek a bank which meets the legal qualifications and the terms and conditions specified in this Request for Proposal;
- To develop a foundation for a good working relationship with the depository bank; and
- To adequately compensate the depository bank for services provided and to allow a reasonable profit to be earned, subject to competitive forces in the market place.

II. CALENDAR OF EVENTS

Target Date	Description of Events
January 18th - February 8th, 2026	Advertise bank depository public bid notice in the newspaper and on the City's official website.
February 8th, 2026	Written/Emailed requests for additional information due by 11:59 p.m. via email or in-person at 701 N. Tool Dr., Tool, TX 75143
February 9th, 2026 at 10 a.m.	Proposals received and opened at an open public bidding, located at the Oran White Civic Center, 701 N. Tool Dr., Tool, TX 75143
February 19th, 2026	Approval and Award of Contract by City Council.
March 2nd, 2026	Contract Term Begins.

III. CRITERIA FOR EVALUATION

The City will review the submitted proposals carefully. The recommendations will be based on the bid determined to be in the best interests of the City and the taxpayers. Only banking institutions that meet the legal qualifications of the RFP, have a sound financial condition, and are able to provide sufficient collateral for deposits will be considered. Other evaluation criteria with associated weights shall consist of the following:

Bidder will be judged on the basis of:

Evaluation of Factors		
		Percentage Allocation
Ability of the bank to perform the requested services in the RFP.		25%
Cost of the proposed banking services net of effective rates. (Includes evaluation of cost factors of transitional expenses to City)		25%
Securities clearance and safekeeping procedures.		25%
Ability and experience and success in providing banking services to municipal governments in Texas, with effective and innovative cash management services and reporting.		25%

Bidders will be based on the basis on the categories listed in the table above. Incomplete bids will not be considered for the award of a depository contract.

IV. CITY ACCOUNT INFORMATION

The City intends to initially establish and maintain the following bank accounts. Other accounts may be set up as needed during the term of the contract.

Ad Valorem Account	Interest Bearing Account (No checks needed)
General Fund	Demand Deposit Account
City Hall Construction	Interest Bearing Account (No checks needed)
Escrow Draw Account	Interest Bearing Account (No checks needed)
Capital Improvement Fund	Interest Bearing Account (No checks needed)
Park Construction Fund	Demand Deposit Account (Interest Bearing)
HOT Funds	Interest Bearing Account (No checks needed)
Court Security & Tech Fund	Interest Bearing Account (No checks needed)
Emergency Fund	Interest Bearing Account (No checks needed)
Police Seizure Fund	Demand Deposit Account
Municipal Court Fund	Demand Deposit Account (Interest Bearing)
Municipal Court Security Fund	Interest Bearing Account (No checks needed)
Municipal Court Technology Fund	Interest Bearing Account (No checks needed)
Interest & Sinking Fund	Interest Bearing Account (No checks needed)

Ad Valorem Account is the account that houses nearly all of the city's income, in the form of property taxes paid year-by-year by residents of Tool. This account needs to be interest-bearing.

General Fund Account will constitute almost all of the City's banking business. This account is used to issue daily accounts payable checks. This account also collects all daily City deposits. All securities clearance and safekeeping activity of investments will be debited or credited against this account. This account requires check fraud protection via positive check verification of issued check numbers against check numbers and check amounts that are presented for payment. The City is also considering the use of payee positive pay fraud protection on this account. Account reconciliation service will be required for this account.

The City Hall Construction Account is set up for all expenses paid for the City Hall Construction project, that started in 2024. The expenses and this account should close by Spring 2026.

The Escrow Draw Account is an interest-bearing account that holds the cash for the Litchfield annexation the city went into an agreement in February 2023. The funds in this account are not expected to be expensed periodically until 2027, at the earliest.

The Capital Improvement Account is an account that keeps leftover general fund monies, from previous fiscal years, expensed in accordance with Ordinance 2023-13. This fund is one of the city's most robust funds, similar to the Ad Valorem Fund account.

The Park Construction Fund Account is an account that keeps funds used in the construction of the Eight at Tool park. Most of these monies are leftover from a grant, from Texas Parks & Wildlife, first applied for in 2019 and expended mostly in 2025.

The HOT Funds Account is an account used in accordance with Section 351 of the Texas Tax Code, from revenues of those staying in short-term rentals or hotels in the City of Tool. This account captures revenue once each quarter, mostly.

The Court Security & Tech Fund Account is an account, created in 2025, after House Bill 1950 was passed, that consolidates revenue from citations to be used for the purposes of improvements the municipal court for security and technology purposes.

The Emergency Fund Account is an account that is seldom used in the City of Tool, for the explicit purposes of the City Council and decisions they may deem as an "emergency" for the City of Tool.

The Police Seizure Fund Account is an account, used in accordance with Chapter 59 of the Code of Criminal Procedure. This account is for the seizure and enforcement of property linked to crimes. This account shall have no account analysis charges against it.

The Municipal Court Account is an account set up to receive most of the municipal court's income and also is used to send monies out to the Texas Comptroller.

The Municipal Court Security Account is an account that is used only for improvements to the Municipal Court for security purposes, in accordance with the Texas Code of Criminal Procedure Article 102.017.

The Municipal Technology Account is an account that is used only for improvements to the Municipal Court for technological purposes, in accordance with the Texas Code of Criminal Procedure Article 102.0172.

The Interest & Sinking Fund Account is the account that houses nearly all of the city's indebtedness income. This fund is allocated and revenue is raised, by the calculation of the tax rate.

V. BANKING SERVICES AND CITY REQUIREMENTS

A. GENERAL DESCRIPTION OF SERVICES

Banking services to be provided are listed on the Bid Form, along with estimated volumes. The following identifies and discusses the services to be provided and the requirements to be met. Please attach copies of reports and separate agreements that apply to each service, if applicable.

1. PC & Mobile Online Banking Services.

   The City requires a PC & mobile online balance reporting system which will provide the daily ending ledger and collected balances from the prior day for all accounts and a detail of the prior day's debits and credits. Current day account balance and activity detail inquiry capability is required. The bank should provide the capability to perform online stop payments, repetitive and non-repetitive wire transfers, additions and deletions and overrides to the check fraud protection feature through its PC online banking system.

2. Transaction Services.

   The Bank is to provide processing of all deposited items of checks and cash to include encoding services, credit and debit advices given to the City within three business days of the debit or credit, clearing returned items twice, and return of receipted copies of deposit slips to the City within one business day of the deposit.

3. General ACH Services.

   Currently, ACH services consist primarily of transactions from federal and state funding agencies, Henderson County Tax Office, and other city customers. ACH services are needed to fund the City's bi-weekly payroll and weekly bank drafting. This service is anticipated to be expanded to include ACH for vendor drafts to reduce the number of checks.

   The response to the RFP should describe the financial institution's ability to provide the proposed services including:

   a. Method by which the City can submit ACH files or initiate ACH via bank software

   b. Pre-notification policy and cost

   c. Funding requirements for the ACH payment file

   d. Security measures for ACH initiative/origination and ACH reception (ACH filters and blocks)

   e. Deadlines for ACH

   f. Availability of same day ACH

   g. Does the bank offer both ACH Debit and ACH Credit Programs? Please describe any differences in requirements

4. Wire Transfer Services.

   General wire transfer services including a customer direct-link to allow initiation of repetitive and non-repetitive wire transfers via the bank depository's online banking portal by the customer's personal computer. The bank should have the ability to make wire transactions by phone or facsimile on the same business day and mailed within three days of wire debit or credit should the bank's online access become unavailable.

5. Account Reconciliation Services.

   Bank statements on all accounts shall be rendered within seven (7) working days after the close of the calendar month. Statements shall include transaction activity made on the last day of the period. Processed check activity should be available on the banks' website and cancelled checks should be submitted to the customer on CD format for the operating account. Copies of deposit corrections should be included with the bank statements. In addition to the bank statements that are required on each account, a report on paid and unpaid items and a report for miscellaneous debits and credits that balance to the bank statements are required for the operating and payroll accounts.

   Responses to the RFP should provide:

   a. A sample copy of the bank's monthly statement
   b. A sample of the account analysis statements, if applicable
   c. The bank's Earning's Credit Rate and how it is calculated and applied to the monthly analysis statement
   d. The current FDIC rate and how it is computed and charged
   e. Describe services, including when reports are available and how they are made available, how long report images are maintained and how they are maintained.

6. Account Analysis Statements.

   The City intends to pay for all account services provided by the bank as set forth on the Bid Form. The City shall require an account analysis each month with all accounts grouped to obtain maximum credit for balances which shall clearly show volume counts, fees charged, and total prices for servicing the accounts. The account analysis shall also show average ledger balances, average collected balances, interest rates, and earnings credit calculations. The City chooses the direct payment method for payment of monthly banking charges derived under this depository agreement. Respondent should provide information on:

   a. Levels of reconciliation services available (partial, full, deposit)
   b. Sample reports available
   c. File transmissions deadlines
   d. File layout requirements
   e. Imaging capabilities (paper vs electronic)

f. System requirements for interface

g. Date file can be received

Safekeeping fees for the City's investments shall also be set up on account analysis and paid monthly. The City requires that all charges for securities clearance and safekeeping, including fees passed on from the Federal Reserve Bank, be on the account analysis and not be deducted from each security settlement.

7. Investments.

The City of Tool manages its own investment portfolio. Therefore, the City reserves the right to withdraw, from time to time, any amount of funds on deposit in any City account and to invest those funds in accordance with the City's investment policy.

8. Securities Clearance and Safekeeping of City Investments.

Investment securities purchased by the City will be delivered by book entry at the Federal Reserve.

The purchase and sale of all securities shall be on a delivery versus payment or payment versus delivery basis (i.e., for securities purchases, funds will not be released by the City's safekeeping bank until securities are received at the Federal Reserve Bank or further credit to the City's safekeeping bank. In the case of securities sales, funds will be received by the City's safekeeping bank via the Federal Reserve Bank as the securities are simultaneously released to the purchaser). In this manner the City will always have possession of either its securities or its funds.

The City will send written instructions to the securities clearance department for each transaction. Most of these instructions will be sent by facsimile to assure the timeliness of the operation. The City expects the bank to give prompt notification of any settlement problems, including securities delivered where the instructions do not match or where instructions have not been given to the bank.

All book entry securities owned by the City shall be evidenced by a safekeeping receipt issued in the City's name.

The original safekeeping receipt for each security transaction will be forwarded to the City Controller or her designated representative.

9. Positive Pay or "Payee" Positive Pay

Respondent should provide information on this service for both checks and ACH items on each disbursement account, such as:

a. Describe service, including positive pay services and verification items

b. Teller data update schedules

c. Data transmission method and time windows

d. Control options – notification of default

e. Internet/online access (including technical capabilities and system requirements)

f. Provide sample report from the bank X.

10. Stop Payment Respondent should provide information on this service, such as:

a. Online stop payment services (initiation and renewal)

b. Same day processing of stop payment orders

c. Confirmation requirements

d. Look-up availability

e. Duration of a stop payment (e.g., six months or in perpetuity) and renewal processing options

B. COLLATERAL REQUIREMENTS

1. Securities Pledged.

The City of Tool requires all balances to be collateralized at 102%. As security for the deposits of the City of Tool, the bank shall pledge to the City securities equal to the total ledger balances the City of Tool maintains in the bank, less the amount of coverage provided by the Federal Deposit Insurance Corporation (F.D.I.C.). The securities comprising the pledge shall be valued at market. The securities so pledged, the amounts thereon and the time for pledging same shall satisfy the requirements of the Public Funds Collateral Act (Texas Government Code Chapter 2257) and any statutes passed under Texas law. Securities purchased by the depository bank under the terms of a Repurchase Agreement are not acceptable as collateral to the City of Tool.

2. Reporting Requirements.

The bank shall provide the City a report of securities pledged at the end of each month or at any time requested by the City Controller or a designated representative. This report should reflect the following information at the end of each month:

Total pledged securities itemized by:

a. Name

b. Type/description/CUSIP number

c. Par value

d. Market value at month end

e. Maturity date

f. Moody's or Standard and Poor's rating

If the market value of the pledged securities falls below the ledger balances of the City's fourteen accounts at any time, the City will require additional securities to be pledged to maintain 102% collateral.

3. Safekeeping of Collateral.

   The securities pledged shall be held in safekeeping under the name of the depository bank and pledged to the City of Tool. Safekeeping must be done at the Federal Reserve Bank or Federal Home Loan Bank with a three-party agreement signed.

   The original copy of all security receipts shall be filed with the Controller of the City of Tool. The City shall reimburse the depository bank for all charges associated with pledged collateral at the fee rate quoted in the Bid Form.

   Please submit a copy of the safekeeping agreement with the Federal Reserve Bank or Federal Home Loan Bank to be used in the event you are awarded the depository bank contract. The safekeeping agreement shall clearly state that the Federal Reserve Bank or Federal Home Loan Bank is instructed to release the collateral to the City of Tool if the City has determined that the bank has failed to pay on any accounts, has been closed by a regulatory authority, or is in default of this agreement, and if the instructions for release have been formally requested by the City.

   The safekeeping agreement shall have signatories from the Federal Reserve Bank or Federal Home Loan Bank as trustee, the depository bank, and the City of Tool.

4. Substitutions.

   Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the City Controller or a designated representative. All securities to be pledged are subject to approval by the City of Tool. Any state or local government securities (municipals) pledged to the City shall have a rating of "A1" or better by Moody's Investor Services.

C. DIRECT FEES FOR SERVICES PROVIDED

A direct fee basis for services provided by the bank with an offsetting earning credit for available balances is the method preferred by the City. This process requires the monthly calculation of a net banking service cost. The bank will calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. The net of total service costs and total earnings credits equals net banking service costs for the month. Credit should be given the City for all account balances grouped together and not just single account balances.

D. FUNDS TRANSFER REQUIREMENTS

Incoming wire transfers occur regularly. The depository shall give both ledger and collected credit the day of the wire receipt, regardless of the time the bank receives the transfer through the Fedwire System. Credit to City accounts for incoming wire transfers should be immediate. Wire

advices should be made by phone or facsimile on the same business day and mailed within three days of wire debit or credit.

The City actively invests in marketable securities. An outgoing wire transfer will be initiated in the morning for the reinvestment of funds expected by an incoming wire transfer. The depository shall allow the City to reinvest and to wire funds out in anticipation of an incoming wire transfer later in the day.

The bank will not charge the City for daylight overdrafts. When a daylight overdraft is anticipated, a City official will notify the designated bank official of the situation and will take appropriate action to avoid daylight overdrafts.

Notification to the City of any problems with outgoing wire transfers shall be made within one hour of the transaction. The City allows two authorized employees to initiate repetitive transfers. All authorized employees shall be issued a personal identification number in order to initiate wire transactions. If the wire is non-repetitive, the City requires the bank funds transfer personnel to call the City back and specifically request to speak to an authorized employee other than the person initiating the wire to achieve verification that the wire is authorized prior to releasing it. (Please attach a sample funds transfer agreement).

E. OVERDRAFTS

The City does not intend to have an overdraft position on any of its bank accounts singly or net throughout the course of the depository contract. In the event a check or checks presented for payment on any City account where there exist insufficient funds available for payment, the City will require the depository bank to pay said checks and promptly notify the Controller or said designated representative of the existence of the overdraft situation. The City agrees to cover the overdraft within one business day.

Define in the Bid Form whether the bank would consider an overdraft to be a negative balance in any individual City account or a negative balance in the three City accounts collectively. The City would expect the depository to view all City accounts together for purposes of any charges on overdrawn collected balances.

F. OTHER STIPULATIONS

1. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would thereafter affect the depository agreement. The bank shall also notify the City of any services which become available to the City throughout the contract period.

2. In the event it would be ruled illegal under the provisions of any federal statute or regulation for the bank to pay interest or calculate net cost in the matter outlined in this RFP, then the City expressly reserves the right and privilege to cancel the contract and re-bid the depository services.

3. All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.

4. The bank's records relating to the City of Tool's accounts shall be open to review by either City staff members or City appointed independent auditors during normal business hours.

5. The proposing bank shall submit a copy of the last annual financial statements along with the last two quarterly FDIC CALL reports. The successful bidder shall provide to the City any public information concerning changes in the ownership, management or financial position of the bank or its parent.

6. Notwithstanding any other provision of this agreement which may be to the contrary, this agreement and the respective rights and obligations of the parties hereunder shall remain in full force and effect and not otherwise be affected by the merger of the bank.

7. The beginning date of the bank depository contract will be established after city council approves the awarding of the contract to be effective for a period of five years. The contract shall be automatically extended up to 90 days if the City is actively proceeding with re-bidding procedures but, for whatever reason, cannot finalize the bidding or selection process by the end of the contract period.

8. The laws of the State of Texas govern this contract. Venue shall be exclusively in Henderson County.

VI. BIDDING INSTRUCTIONS/REQUIREMENTS

A. Proposals will be received at the Office of the City Controller until **11:59 p.m. (CST) on February 8th, 2026**. Proposals shall be completed and signed. Two (2) original, whether digital or printed, versions of all submission materials shall be provided.

Responses to the request for proposals must be received in sealed envelopes clearly marked with "RFP 2026-01, Tool Depository Services", closing date and company submitting the response. **ANY RESPONSE RECEIVED AFTER THE TIME AND DATE LISTED ABOVE, REGARDLESS OF THE MODE OF DELIVERY, SHALL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED.**

Submissions are to be delivered to:

City of Tool
Attn: Kimberly Kroha
Email: Contact@tooltexas.org
701 N. Tool Dr.
Tool, Texas 75143

B. Requests for clarification or additional information should be submitted in writing to the attention of Kimberly Kroha, by email to contact@tooltexas.org or by phone at (903) 432-3522 x 112, **no later than 4:00 p.m. (CDT), Friday, February 6th, 2026**.

Responses to requests such requests will be issued in the form of an addendum posted to the City of Tool's website: tooltexas.org. It is the proposing agency's responsibility to check this website for any updated information regarding this RFP.

C. The proposing bank shall use this RFP form as the OFFICIAL BID FORM to submit rates and to answer questions. Additionally, proposers shall include a signed proposal affidavit form provided in this RFP. Any alterations, changes or deletions to this RFP shall be grounds for the City to disregard and reject the RFP and the bid. Included with this RFP is a historical account of banking services the City has used with its current bank depository for which proposing banks should complete. The proposed banking fees should be maintained for the life of the awarded contract. Any banking service which does not have a fee indicated on the Bid Form will be considered to be free of charge under the depository bank contract. Proposing banks should list any additional services they deem relevant and the corresponding pricing for the service(s). Additional pages needed for the OFFICIAL BID FORM should be attached as needed and should reference the questions to which a response applies.

D. The City reserves the right to request additional information or to meet with representatives from proposing banks to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.

E. The City reserves the right to reject any and all proposals, to waive any non-material irregularities in any RFP, and to accept or reject any item or combination of items.

F. The bidder states that it is a banking institution chartered under laws of the United States or of the State of Texas, and/or with main or branch banking facilities located within the city limits of Tool, Texas.

G. The final appointment of a depository bank shall be made by the City of Tool's City Council. The bidder shall be required to enter into a contract that incorporates all of the obligatory points in this RFP. (*Please attach a copy of the proposed depository contract*).

H. This RFP for a depository bank bid has been duly advertised and is being offered for consideration to financial institutions with a business location or branch bank in the City of Tool.

I. If a service requirement cannot be met by a proposer, then the term "No Proposal" should be entered on the Bid Form for that specific requirement. In the case of a "No Proposal" response, the proposer may offer an alternative equivalent service for the City's consideration. Responsiveness to the service requirements will be a major part of the selection criteria.

J. All costs incurred by the proposer in responding to the RFP shall be the responsibility of the proposer.

K. Upon being awarded the contract; the depository bank shall designate an individual to be the official contact person for all correspondence. The City of Tool's official contact person will be Kimberly Kroha, City Controller. The bank shall be responsible for training and communicating the terms of this contract to bank employees.

VII. SUBMISSION CHECKLIST

A. Bid Form with fill-in-the blank format
B. Sample bank statement
C. Sample account reconciliation statement
D. Availability of funds schedule with a clear explanation of deadlines
E. Sample monthly pledged collateral report
F. Sample safekeeping agreement with the depository bank for the City's investment securities.
G. Sample safekeeping agreement for collateral
H. Sample account analysis statement
I. Proposed depository contract
J. Positive Pay Agreement
K. Sample funds transfer and ACH agreement
L. Annual bank financial statement and FDIC Call Reports
M. Proposal Affidavit
N. Pricing for Banking Services
O. Certifications of Boycotts
P. W-9

CITY OF TOOL, TEXAS DEPOSITORY BANK SERVICES

II. OFFICIAL BID FORM – PROPOSAL NO. 2026-01

RESPONSES TO SERVICES REQUESTED - Please answer the following questions. Please attach additional information if necessary to provide the below answers with your proposal:

1. Indicate if the proposer has read, understands and agrees to the City's request for mobile and PC based online banking services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

   Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

2. Indicate if the proposer has read, understands and agrees to the City's request for transaction services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

   Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

3. Indicate if the proposer has read, understands and agrees to the City's request for general ACH services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

   Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

   Please view the Products and Services Information for additional details.

4. Indicate if the proposer has read, understands and agrees to the City's request for wire transfer services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

5. Indicate if the proposer has read, understands and agrees to the City's request for account reconciliation services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

Please view the Products and Services Information and Sample Account Reconciliation Statement for additional details.

6. Indicate if the proposer has read, understands and agrees to the City's request for account analysis statements as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

Please view the Proforma and Sample Account Analysis Statement for additional details.

7. Indicate if the proposer has read, understands and agrees to the City's request for securities clearance and safekeeping services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

8. Indicate if the proposer has read, understands and agrees to the City's request for pledged securities services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

9. Indicate if the proposer has read, understands and agrees to the reporting requirements as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

10. Indicate if the proposer has read, understands and agrees to the City's request for safekeeping of collateral services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

Please view the Depository Collateral and Security Agreement for additional details.

11. Indicate if the proposer has read, understands and agrees to the City's request for substitution services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

12. Indicate if the proposer has read, understands and agrees to the City's request for direct fees with offsetting earnings credit as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

13. Indicate if the proposer has read, understands and agrees to the City's requirements for fund transfers as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

Please view the Master Treasury Management Agreement for additional details.

14. Indicate if the proposer has read, understands and agrees to the City's requirements regarding overdrafts as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

Simmons Bank will view the relationship as a whole in consideration of overdrafts.

15. Indicate if the proposer has read, understands and agrees to the requirements of other stipulations as outlined in Section V of this RFP. Exceptions to any item in this section should be clearly indicated below.

Yes, as your current bank, we understand your needs and will continue to maintain a consistent level of quality and care in your services.

16. Describe alternatives, enhancements or improved methods of providing services mentioned in the RFP.

We can further discuss any alternatives, enhancements, or improved methods as needed.

17. Describe any products or services not specifically mentioned in the RFP that the bank believes would be beneficial to the City.

We can further discuss any additional products and services as needed.

EARNINGS CREDIT CALCULATION - Please provide the following information:

How you determine the balance available for earnings credit. How you determine the earnings credit percentage. The monthly earnings credit percentages used by your bank for the months of October 2025 through December 2026. Show an example of the calculation made.

Earnings Credit = Average Daily Balance × Earnings Credit Rate × Number of Days in the Period / 365

BANK QUALIFICATIONS AND CONTRACT PERSONNEL- Please provide the following information:

1. A list of governmental customers with which the bank has contracted for depository services with appropriate reference contact information.

County of Cedar - Carla Lowe, Treasurer

113 South St.

Stockton, MO. 65785

Phone: 417-276-6700 ext. 245 Fax: 417-276-5499

City of Mabank - Kim McClaskey, City Secretary

125 E Market Street

Mabank, TX 75147

Email: kmcclaskey@cityofmabank.org Phone: 903-887-3241 ext. 207 Additional Phone: 903-887-0366

2. A list of bank contact personnel with their pertinent professional experience who will be assigned to provide the City of Tool with information and assistance in carrying out the banking services requested in this RFP.

Laura Hill - Community Banker, Mabank Branch

E: laura.hill@simmonsbank.com P: (430) 205-4899

Laura Hill has been with Simmons Bank for 18 years and has been the primary contact for the City's banking relationship for the last five years. She'll continue to assist with your local needs and will be the advocate for your relationship. Having worked in the Cedar Creek Lake area for many years she is well known by many throughout the county. She is involved in the Cedar Creek Lake Chamber, Secretary for the Mabank Chapter Chamber, and a board member of the Cedar Creek Lake Kiwanis.

Brian Merritt - Senior VP, Community Regional Executive

E: brian.merritt@simmonsbank.com P: (903) 525-6544

Brian Merritt has 28 years of banking experience and joined Simmons Bank in October of 2025. He is the Regional Executive for the East Texas region which includes the Banks four locations in Henderson and Smith Counties: Mabank, Athens, Chandler, and Tyler. He currently serves as the President of the Frankston ISD Board of Trustees. Brian is a graduate of Leadership Tyler and has also served on several boards in the Tyler area.

Chris Beard - VP, Treasury Management Officer II

E: chris.beard@simmonsbank.com P: 972-382-0006

Chris Beard has over 20 years of banking and treasury experience and joined Simmons Bank in November 2024. Chris works closely with both Laura and Brian on all treasury management related service ensuring that Simmons Bank Treasury Sales provides the City of Tool with the best treasury products to maximize cash flow efficiencies.

Certification of No Boycott

No Boycott Israel

If Contractor/Vendor is a "Company", as that term is defined in Section 808.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not boycott Israel and (ii) will not boycott Israel during the term of the Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code §2271.002.**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §808.001 states that "Boycott Israel" means "refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes". Furthermore, Texas Government Code §808.001 states that the term "Company" means a "for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit", provided however that Texas Government Code §2271.001(2) excludes sole proprietorships from this definition of "Company".

Vendor/Contractor Name or Company Name	Simmons Bank
Street Address	5950 Berkshire Lane, Ste 400
City	Dallas
State	TX
Zip Code	75225
Phone Number	972-382-0006
Printed Name of Authorized Representative	Chris Beard
Title of Authorized Representative	VP Treasury Managmt Officer
Signature of Authorized Representative	
Date	2-6-26

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION - No Boycott Israel - FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §808.001 and §2271.001.
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

Certification of No Boycott

No Discrimination against Firearm and Ammunition Industries

If Contractor/Vendor is a "Company", as that term is defined in Section 2274.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (ii) will not discriminate against a firearm entity or firearm trade association during the term of the Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code § 2274.002**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §2274.001(3) states that " discriminate against a firearm entity or firearm trade association " means "with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association". Furthermore, Texas Government Code §2274.001(2) states that the term "Company" means a "a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit. The term does not include a sole proprietorship."

Vendor/Contractor Name or Company Name	Simmons Bank
Street Address	5950 Berkshire Lane, Ste 400
City	Dallas
State	TX
Zip Code	75225
Phone Number	972-382-0006
Printed Name of Authorized Representative	Chris Beard
Title of Authorized Representative	VP, Treasury Managmt Officer
Signature of Authorized Representative	Chris Beard
Date	2-26-26

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION –No Discrimination against Firearm and Ammunition Industries- FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §2274.001(2).
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

Certification of No Boycott

No Boycott Energy Company

If Contractor/Vendor is a "Company", as that term is defined in Section 809.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not boycott energy companies and (ii) will not boycott energy companies during the term of Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code §2274.002.**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §809.001(1) states that "Boycott energy company" means "without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by Paragraph (A)". Furthermore, Texas Government Code §809.001(2) states that the term "Company" means a "for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit", provided however that Texas Government Code §2274.001(2) excludes sole proprietorships from this definition of "Company".

Vendor/Contractor Name or Company Name	Simmons Bank
Street Address	5950 Berkshire Lane, Ste 400
City	Dallas
State	TX
Zip Code	75225
Phone Number	972-382-0006
Printed Name of Authorized Representative	Chris Beard
Title of Authorized Representative	VP, Treasury Mgmt Officer
Signature of Authorized Representative	Chris Beard
Date	2-6-26

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION – No Boycott Energy Company - FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §809.001(2) and §2274.001(2).
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

The City of Tool must have a W-9 on file in order to conduct business with any vendor.

All vendors must include the following items in their bid submission:

- W-9 Form
- EIN # or Social Security #
- Current mailing address
- Current remittance address
- Sample Invoice

All accounts are to be updated or created with the following information:

Billing Address:
City of Tool
701 N. Tool Dr.
Tool, TX 75143

Electronic Invoices:
bills@tooltexas.org

Respectfully,

Kimberly Kroha
City Controller

Sample Account Reconciliation Report

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Simmons Bank As of 12/01/20 - 12/30/20

Account Number: [redacted]

Reconcilement of Statement and ARP Debits

Statement Checks/Debits Paid:		1		$.01
Electronic Debits:		1	-	$.01
Other Non-Issued Debits:		0	-	$.00
ARP Checks Paid:	0 $.00			
ARP Debits Paid but Not Issued:	0 $.00			
Duplicates Paid but not Issued:	0 $.00			
ARP Checks Paid Returned:	0 $.00			
Non Issued Paid Returned:	0 $.00			
ARP Checks/Debits Paid:		0	-	$.00
Difference:		0	=	$.00

File Totals

Electronic issued items:	0 $.00			
Manual issued items:	0 $.00			
Issued Items:		0		$.00
Voids match outstanding issue:	0 $.00			
Voids issued not on file:	0 $.00			
Voids unposted/rejected:	0 $.00			
Void Items:		0		$.00
Stops match outstanding issue:	0 $.00			
Stops issued not on file:	0 $.00			
Stop Items:		0		$.00
Stale Items Outstanding:		749		$32,122,916.66
Dormant Items Outstanding:		0		$.00

Outstanding Issues

Previous outstanding total:		952		$32,874,584.75
Void Items Paid:		0	+	$.00
Expired Stops:		0	+	$.00
Issued Items:		0	+	$.00
Issued Items Paid Previous Period:		0	-	$.00
ARP Checks Paid:		0	-	$.00
Debit Adjustments:	0		-	$.00
Credit Adjustments:	0		-	$.00
Voids match Outstanding Issues:		0	-	$.00
Stops match Outstanding Issues:		0	-	$.00

Purged Dormant Items this Period:	0	-	$.00
Purged Stale Items this Period:	0	-	$.00
Sub-Total	952	-	$32,874,584.75
Outstanding Items:	952	=	$32,874,584.75
Difference:	0		$.00

Availability of Funds

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NOTICE OF CHANGE TO FUNDS AVAILABILITY POLICY

We have updated our funds availability policy statement to clarify the funds availability provisions that apply to new accounts. After the update, funds from some check deposits to new accounts will be available on the seventh business day after the day of your deposit. The policy statement below will be effective May 1, 2023.

YOUR ABILITY TO WITHDRAW FUNDS

This funds availability policy statement applies to all transaction accounts, such as checking accounts, and does not apply to savings accounts, time deposits, or money market accounts. For purposes of this funds availability policy, Health Savings Accounts are considered transaction accounts.

Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use the funds to pay checks that you have written.

Please remember that even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

LONGER DELAYS MAY APPLY

Case-by-case delays. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first $225 of your deposits will be available on the first business day after the day of your deposit.

If we are not going to make all of the funds from your deposit available on the first business day after the day of your deposit, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Safeguard exceptions. In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

We believe a check you deposit will not be paid.

You deposit checks totaling more than $5,525 on any one day.

You redeposit a check that has been returned unpaid.

You have overdrawn your account repeatedly in the last six months.

There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $5,525 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

SPECIAL RULES FOR MOBILE DEPOSITS

Please note that the funds availability provisions set forth above do not apply to funds deposited remotely using the mobile deposit function within our mobile banking application ("Mobile Deposits"). Rather, Mobile Deposits will generally be made available by the third business day after the day of your deposit. In some cases, however, we may delay the availability of Mobile Deposits for a longer period. In such cases, we will notify you, and we will tell you when the funds will be available. For more information about the terms applicable to the availability of Mobile Deposits, refer to the Simmons Bank Terms of Service for Online Banking.

Sample Collateral Report

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SIMMONS BANK
501 S. MAIN STREET
PINE BLUFF, AR 71601

02/02/2026
Relationship Officer: Anna Addkison, 903-432-8052
Treasury Management Officer: Charles Smith, 281-210-3654

Deposit Balance Collateral Verification Statement

Simmons Bank®
MEMBER FDIC

CITY OF TOOL INC
701 NORTH TOOL DRIVE
TOOL, TX 75143-0000

Security Description Security Description	Rate	Maturity Date Issue Date	Original Face Current Face	Market Price Market Value	Haircut Required	CUSIP
Pledge collateral As of 02/02/26						
FNMA REMIC TRUST 2011-53 20410625 4.00000	4.000000	06/25/2041 05/01/2011	1,300,000.00 34,470.70	99.160050 34,181.16	102.0000	31397UNL9
FNMA REMIC TRUST 2011-53 20410625 4.00000	4.000000	06/25/2041 05/01/2011	20,000,000.00 530,318.40	99.160050 525,863.99	102.0000	31397UNL9
FNMA UMBS INT 20 YEAR 2.000 20410301	2.000000	03/01/2041 03/01/2021	300,000.00 178,678.54	88.253183 157,689.50	102.0000	3140QHL94
FNMA UMBS INT 20 YEAR 2.500 20410301	2.500000	03/01/2041 03/01/2021	225,000.00 141,073.17	90.811487 128,110.64	102.0000	3140QHMH5
FNMA UMBS INT 20 YEAR 2.500 20410301	2.500000	03/01/2041 03/01/2021	275,000.00 172,422.76	90.811487 156,579.67	102.0000	3140QHMH5
FNMA UMBS INT 15 YEAR 2.000 20360401	2.000000	04/01/2036 04/01/2021	1,435,000.00 804,131.87	92.486805 743,715.87	102.0000	3140QKHZ4
FNMA UMBS INT 15 YEAR 2.000 20360401	2.000000	04/01/2036 04/01/2021	650,000.00 364,240.92	92.486805 336,874.79	102.0000	3140QKHZ4
FNMA UMBS INT 20 YEAR 2.000 20410701	2.000000	07/01/2041 06/01/2021	300,000.00 208,147.09	87.885258 182,930.61	102.0000	3140QLFL5
FNMA UMBS INT 20 YEAR 2.000 20410701	2.000000	07/01/2041 06/01/2021	250,000.00 173,455.91	87.885258 152,442.17	102.0000	3140QLFL5
FNMA UMBS INT 20 YEAR 2.000 20410701	2.000000	07/01/2041 06/01/2021	240,000.00 166,517.67	87.885258 146,344.48	102.0000	3140QLFL5

Security Description Security Description	Rate	Maturity Date Issue Date	Original Face Current Face	Market Price Market Value	Haircut Required	CUSIP
Pledge collateral As of	**02/02/26**					
Totals		**Original Face/Par**	**24,975,000.00**			
		Current Face	**2,773,457.01**	**2,564,732.88**	**Market Value**	

Deposit Information	**Current Balance**	**01/30/2026**	**2,759,254.01**	**Minimum Coll.**	**2,559,439.09**
	FDIC Insurance		**250,000.00**	**Variance**	**100.21%**
	Net Deposit		**2,509,254.01**		

Schedule of Fees and Charges

Simmons Bank®

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Simmons Bank Commercial Checking Account Schedule of Fees for Treasury Management Services

Simmons Bank
MEMBER FDIC

Below is a list of fees your Commercial Checking account may incur, dependent on your enrollment or use of each service. All fees listed will be aggregated and billed to the account monthly, less any available earnings credit offset.

Account Services

Balance Maintenance Fee - based on full ledger balance	0.12%	Monthly
Account Monthly Maintenance Fee	$25.00	Monthly
Charge per Debit	$0.25	Per item
Electronic Credits	$0.25	Per item
Electronic Debits	$0.25	Per item
Charge per Credit	$0.35	Per item
On-Us Deposited	$0.25	Per item
Other Fed Zone	$0.25	Per item
Return Item - Chargeback	$10.00	Per item
Branch Cash Deposit *(per $1,000)*	$0.75	Per $1,000.00
Rolled Coin per roll	$0.13	Per roll
Currency per strap	$0.35	Per strap
NSF Charge	$38.00	Per item
Paid Item/Overdraft Fees*	$36.00	Per occurrence, not to exceed $288.00 per day
Return Item/Insufficient Funds Fees	$36.00	Per occurrence
Stop Payment	$36.00	Per item
Duplicate Statements	$10.00	Per item
Paper Statement Fee	$5.00	Monthly
Statement Fee (Special Cutoff) - *per statement cycle*	$6.50	Monthly
Telephone Transfers	$9.00	Per item

Treasury Connect Information Reporting

Monthly Maintenance	$35.00	Monthly
Additional Users	-	Monthly
Each Additional Loan Account	$0.00	Monthly
Each Additional Account	$15.00	Monthly
Bill Pay per item *(first 10 items free)*	$0.50	Per item
Online Stop Payment	$36.00	Per item
eStatements	-	Monthly
QuickBooks - Direct Line Monthly Maintenance Fee	$9.95	Monthly
ACH Reporting Maintenance Fee *(per account/service)*	$25.00	Monthly

Simmons Bank Commercial Checking Account Schedule of Fees for Treasury Management Services

Simmons Bank
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ACH Origination Services

ACH Set-Up - File upload Only	$100.00	Per item
ACH Monthly Maintenance	$40.00	Monthly
ACH Batch Processed Fee	$0.00	Per item
ACH File Upload Fee	$0.00	Per item
ACH Credits Originated	$0.25	Per item
ACH Debits Originated	$0.25	Per item
Same Day ACH per Item	$1.50	Per item
ACH Return Item	$5.50	Per item
ACH Return Item (via email)	$5.50	Per item

Online Wire Transfer Services

Wire Monthly Maintenance	-	Monthly
Per Domestic Wire Online	$15.00	Per item
Per International Wire Online	$45.00	Per item
Wire File Upload *(per uploaded file)*	$15.00	Per file

Fraud Prevention Services

ACH Positive Pay		
Filter Monthly Maintenance *(per account)*	$10.00	Monthly
Block Monthly Maintenance *(per account)*	$10.00	Monthly
Check Positive Pay		
Positive Pay Monthly Maintenance *(per account)*	$40.00	Monthly
Positive Pay per Issued Item	$0.10	Per item
Positive Pay Per Return Item	$5.00	Per item
Positive Pay Paid Not Issued Item	$5.00	Per item
Payee Positive Pay per Issued item	$0.07	Per item
No Check Positive Pay Monthly Maintenance *(per account)*	$25.00	Monthly
Reverse Positive Pay Monthly Maintenance *(per account)*	$60.00	Monthly
Reverse Positive Pay per Item	$0.10	Per item

Simmons Bank Commercial Checking Account Schedule of Fees for Treasury Management Services

Simmons Bank
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Wire Transfer Services

Incoming Wire	$15.00	Per item
Outgoing Domestic Wire - Telephone/Branch/Fax	$30.00	Per item
Outgoing International Wire - Telephone/Branch/Fax	$45.00	Per item
Drawdown Wire	$20.00	Per item

Standing Transfer Services

Daily Wire Transfer *(flat fee per account)*	$525.00	Monthly
Weekly Wire Transfer *(flat fee per account)*	$125.00	Monthly
Monthly Wire Transfer *(flat fee per account)*	$75.00	Monthly
Daily ACH Transfer *(flat fee per account)*	$300.00	Monthly

Cash Vault Services

Commercial Vault Deposit Cash	$2.50	Per item
Commercial Vault Deposit Envelope	$0.65	Per item
Commercial Vault Deposit Per Note	$0.01	Per item
Commercial Vault Deposit Counterfeit	$6.50	Per item
Commercial Vault Coin Single Denomination	$1.25	Per item
Commercial Vault Coin Mixed Denomination	$4.50	Per item
Commercial Vault Coin Break Roll	$0.15	Per item
Commercial Vault Coin Wrapped	$0.12	Per item
Commercial Vault Full Bag Loose	$6.50	Per item
Commercial Vault Half Bag Loose	$4.50	Per item
Commercial Vault Change Order Standard	$6.75	Per item
Commercial Vault Change Order Non-Standard	$7.75	Per item
Commercial Vault Change Order Manual	$7.00	Per item
Commercial Vault Change Order Late	$15.00	Per item
Commercial Vault Change Order Emergency	$30.00	Per item

SmartSafe Monthly Maintenance Fee *(per safe)*	$65.00	Per item
SmartSafe Deposit Cash	-	Per item
SmartSafe Deposit Per Note	-	Per item
SmartSafe Expedited Credit Fee *(per amount of credit)*	$0.0010	Per item

Remote Deposit Services

Remote Deposit Complete		
Setup Fee	$50.00	Per item
Remote Deposit Monthly Maintenance Fee	$50.00	Monthly
Per Account	$10.00	Monthly
Per Check Item	$0.25	Per item
Per ACH Item	$0.25	Per item
Remote Deposit Now		
Set Up Fee	$50.00	Monthly
Remote Deposit Monthly Maintenance Fee	$50.00	Monthly
Per Account	$10.00	Per account
Per ACH Item	$0.13	Per item

Mobile Deposit

mRDC		
Setup Fee with Remote Deposit	-	
Setup Fee without Remote Deposit	$35.00	Per item
Monthly Maintenance with Remote Deposit	$10.00	Monthly
Monthly Maintenance without Remote Deposit	$35.00	Monthly
Per Check Item	$0.50	Per item

Sweeps

ZBA Master Account Monthly Maintenance Fee	$30.00	Monthly
ZBA Additional Accounts - sub account	$20.00	Monthly
Loan Sweep Monthly Maintenance Fee	$150.00	Monthly
Insured Deposit Sweep Monthly Maintenance Fee	$150.00	Monthly
Repo Sweep Monthly Maintenance Fee	$150.00	Monthly
Combination Sweep	$175.00	Monthly
Money Market Sweep Monthly Maintenance Fee	$150.00	Monthly

Simmons Bank Commercial Checking Account Schedule of Fees for Treasury Management Services

Simmons Bank
MEMBER FDIC

Reconciliation

Deposit Reconciliation Monthly Maintenance Fee	$50.00	Monthly
Deposit Reconciliation Per Item	$0.05	Per item
Partial Recon Monthly Maintenance Fee	$50.00	Monthly
Partial Recon Per Item	$0.05	Per item
Full Recon Monthly Maintenance Fee	$65.00	Monthly
Full Recon Per Item	$0.05	Per item

Deposit Account Control Agreement (DACA)

DACA Monthly Maintenance (per account)	$200.00	Monthly

FTP Services

FTP Monthly Maintenance Fee *(per access credential)*	$50.00	Monthly

CD ROM Image Statements

Monthly Delivery - Maintenance Fee	$25.00	Monthly
Weekly Delivery - Maintenance Fee	$100.00	Monthly
Per Additional Account	$10.00	Monthly

Lockbox

Lockbox Setup Fee	$150.00	
Lockbox Monthly Maintenance	$125.00	Monthly
Check per Item	$0.35	Per item
Image per item	$0.08	Per item
Lockbox Index Monthly Maintenance	$50.00	Monthly
Index per item	$0.08	Per item
Lockbox Postage Fees *(actual cost incurred)*	-	
Online Storage Fee Per Item	$0.10	Per item
Lockbox Image File Monthly Maintenance	$50.00	Monthly
Lockbox Payment Posting File Monthly Maintenance	$100.00	Monthly
Lockbox Non-Processed Per Item	$0.30	Per item
Forward Processed Items Monthly Maintenance	$100.00	Monthly
Special Processing Per Item	$0.11	Per item
Individual PO Box Rental *(per box, per month)*	$125.00	Monthly

*Additional information about fees for overdrafts and returned items is provided in the Terms and Conditions of Your Account and the Overdraft Privilege Disclosure, each of which has been provided to you and is available upon request at a Simmons Bank branch or by calling 1-866-246-2400.

Please note, additional fees may be charged for other services and products offered by Simmons Bank including, but not limited to, the fees set forth in Simmons Bank's Schedule of Fees and Charges.

Reporting Availability and Product Cutoff Times

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Treasury Management Reporting Availability

Reports	Date Available	Method of Receipt
Monthly Bank Statement with images	First (1st) business day after month end	Treasury Connect
Monthly Bank Statement with images	Mailed by fifth (5th) business day after month end	US Postal Service
Monthly Analysis Billing Statement	Monthly on the 5th or First business day after the 5th	Treasury Connect
CD Rom Statement	Mailed by fifth (5th) business day after month end	US Postal Service
Monthly Reconcilement Reports	Second (2nd) business day after month end	FTP
Custom Reconcilement Reports	Daily	FTP
BAI File	Daily	Treasury Connect / FTP
Cleared Checks	Daily	Treasury Connect
Prior Day balance	Daily	Treasury Connect
Prior Day Transactions	Daily	Treasury Connect
ACH EDI	Daily	Fed Reporter
ACH Returns Notices and ACH Notifications of Change	Daily per occurrence	Fed Reporter / Treasury Connect
ACH Return and Notice File	Daily	FTP
Incoming Wire Notifications	Daily per occurrence	Encrypted Email

Treasury Management Product Transmission and Cutoff Times

Products	Transmission Times	Method of Receipt	Daily Cut off Time
Branch Deposits	Instant	In Person	6:00 PM CT
Internal Transfers	Instant	Treasury Connect	8:00 PM CT
Standard ACH	8:00 AM , 12:00 PM, 2:00 PM, 6:00PM CT	Treasury Connect / FTP	6:00 PM CT
Same Day ACH	8:00 AM, 12:00 PM, 2:00 PM CT	Treasury Connect / FTP	2:00 PM CT
Domestic Wires		Treasury Connect	4:30 PM CT
International Wires		Treasury Connect	3:00 PM CT
Remote Deposit	Hourly 10:00 AM - 6:00 PM	Treasury Connect	6:00 PM CT
Positive Pay Check File	Instant	Treasury Connect / FTP	6:00 PM CT
Positive Pay Check Payee Name Extract	Hourly 8:00 AM - 6:00 PM	Treasury Connect	6:00 PM CT
Positive Pay Check Exceptions	Daily by 8:00 AM	Treasury Connect	1:00 PM CT
Positive Pay ACH Exceptions	Daily by 8:00 AM	Treasury Connect	1:00 PM CT

Depository Collateral and Security Agreement

Simmons Bank®

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Simmons Bank

DEPOSITORY COLLATERAL AND SECURITY AGREEMENT

This Depository Collateral and Security Agreement ("*Agreement*"), effective as of the date of the last signature below, is between Simmons Bank, an Arkansas state chartered bank (the "*Bank*"), and (the "*Public Depositor*").

WITNESSETH:

WHEREAS, the Bank is authorized to accept public funds for deposit under Texas Government Code Annotated § 2257.002 and § 2257.024 and Texas Local Government Code Annotated § 105.001, § 105.011, § 116.001, and § 116.021, as applicable; and

WHEREAS, Public Depositor from time to time makes deposits in the Bank (its "*Public Deposits*", as further defined below), which Public Deposits may from time to time exceed Federal Deposit Insurance Corporation ("*FDIC*") deposit insurance coverage limits; and

WHEREAS, the Public Depositor desires to have its Public Deposits secured by eligible collateral ("*Eligible Collateral*" as defined further below) as allowed under Texas Government Code Annotated § 2257.002 ("*Public Deposit Collateralization Requirements*"); and

WHEREAS, the Bank has agreed to secure the Public Deposits by granting to the Public Depositor a security interest in certain Eligible Collateral owned by the Bank.

NOW THEREFORE, Bank in consideration of the Public Depositor depositing its Public Deposits as herein described, and for other good and valuable consideration, hereby acknowledged as received, grants a security interest in and a pledge and assignment of (a) Eligible Collateral (up to the Collateral Requirement) from time to time delivered to the Public Depositor or held by The Federal Reserve Bank, Federal Home Loan Bank or other third party custodian as designated by Bank and agreed to by Public Depositor (the "*Custodian*", as further defined herein), identified on the Custodian's books as held in the Custody Account (as hereinafter defined) for the benefit of the Public Depositor or jointly for the account of the Bank and the Public Depositor, together with (b) the products and proceeds of the foregoing and any substitutions or replacements thereof, whenever acquired and wherever located (the "*Pledged Collateral*") to the Public Depositor, in order to secure the payment when due of the Public Deposits.

Section 1. Definitions.

The following defined terms apply to this Agreement. Except as otherwise expressly defined in this Agreement, all terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in Texas (the "*UCC*") have the same meaning as in the UCC.

"*Authorized Person*" means any officer of Public Depositor or Bank, as the case may be, duly authorized to give Instructions on behalf of the Public Depositor or Bank, respectively, such authorized persons for Public Depositor to include any individual listed on the signature card for any of Public Depositor's account(s) with Bank, or as designated in such other forms to be completed by Public Depositor and as may be acceptable to the Bank.

"*Book-Entry System*" means the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

"*Business Day*" means any day on which Custodian and Bank are open for business and on which the Book Entry System is open for business.

"*Collateral Requirement*" means an amount of Eligible Collateral pledged by Bank with a Market Value equal to at least 100% of Uninsured Deposits as increased by the amount of any accrued interest.

"*Custody Account*" means the account established with Custodian in the name of Bank and, to the extent it contains Pledged Collateral, for the benefit of Public Depositor as secured party in accordance with this Agreement.

"*Eligible Collateral*" means any Securities, surety bond, private insurance or irrevocable letter of credit of the types enumerated in the Schedule of Eligible Collateral attached hereto as Exhibit A, as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties to this Agreement, and any Proceeds of such collateral.

"*Instructions*" means written or verbal communications actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person.

"*Market Value*" means: (i) with respect to any Security held in the Custody Account, the market value of such Security as made available to Bank or Custodian by a generally recognized source selected by the Bank or the Custodian, or, if such source does not make available a market value, the market value shall be as determined by Custodian or the Bank in its sole discretion based on information furnished to Custodian or Bank by one or more brokers or dealers; (ii) with respect to any surety bond, the dollar amount of the surety bond; (iii) with respect to any private insurance, the dollar amount of the coverage of such private insurance; and (iv) with respect to any irrevocable letter of credit, the dollar amount of such letter of credit.

"*Proceeds*" means any principal or interest payments or other distributions made in connection with Eligible Collateral and anything acquired upon the sale, lease, license, exchange, or other disposition of Eligible Collateral.

"*Public Deposits*" means all deposits by Public Depositor held in a designated Public Funds Account at Bank, including all accrued interest on such deposits, that are available for all uses generally permitted by Bank to Public Depositor under the Bank's deposit account terms and conditions, treasury management agreements, and other applicable agreements and documentation between Bank and Public Depositor (collectively, the "*Account Agreements*").

"*Public Funds Account*" means an account type designated as being available for public entities and/or public funds, or an account otherwise identified on Bank's records as holding public funds.

"*Security*" or "*Securities*" shall include, without limitation, any security or securities held in the Book-Entry System; common stock and other equity securities; bonds, debentures and other debt securities; notes, mortgages, or other obligations; and any instruments representing rights to

receive, purchase, or subscribe for the same, or representing any other rights or interests in such security or securities.

"*Trust Receipt*" means evidence of receipt, identification, and recording, including a written or electronically transmitted advice or confirmation of transaction. Each advice or confirmation of transaction may identify the specific Securities which are the subject of the transaction. Trust Receipts and statements of account may be provided by the Bank, when reasonably requested by the Public Depositor and available from the Custodian, and must identify all Pledged Collateral and its Market Value.

"*Uninsured Deposits*" means that portion of the Public Deposits which exceeds the FDIC deposit insurance coverage limits.

"*Written Instructions*" means written Instructions actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person.

Section 2. Pledge of Collateral; Collateral Requirement.

2.1 In order to secure the Public Deposits the Bank agrees to pledge Eligible Collateral having an aggregate Market Value equal to the Collateral Requirement.

2.2 The Bank hereby pledges, assigns, transfers, and grants to the Public Depositor a security interest in the Pledged Collateral and all Proceeds thereof.

2.3 The security interest granted herein shall secure not only such Public Deposits and accrued interest of the Public Depositor as are held by the Bank at the time of this Agreement, but also any and all subsequent Public Deposits made by the Public Depositor in the Bank. Public Depositor is responsible for ensuring its funds which it wishes to be collateralized Public Deposits are held in a Public Funds Account.

2.4 The pledge of Eligible Collateral by the Bank shall be in addition to, and shall in no way eliminate or diminish, any insurance coverage to which the Public Depositor may be entitled under the rules and regulations of the FDIC.

2.5 Upon request by Public Depositor, Bank agrees to take all commercially reasonable actions necessary to provide a security interest in the pledge of Eligible Collateral and confirm the same to the Public Depositor.

Section 3. Delivery and Possession of Eligible Collateral. The following procedures shall be followed for pledging Eligible Collateral to the Public Depositor.

3.1 Letters of credit, surety bonds, and private deposit insurance policies shall be delivered to Public Depositor. The instrument must identify the amount and issuer of the instrument. The instrument must permit Public Depositor to make a claim directly on the issuer of the instrument in the event of an uncured default, financial failure, or insolvency of Bank, in each case subject to applicable law, rules and regulations, or regulatory authority and oversight. Any surety bond pledged as collateral is irrevocable and absolute. These instruments, when issued, must be delivered

to Public Depositor at the address specified in this Agreement. Upon request, and to the extent applicable, the Bank will instruct the entity or agency issuing the instrument to forward a copy of notification of coverage or insured limit to the Public Depositor.

3.2 As further described in Section 4, Securities must be delivered to a Custodian to hold in a Custody Account for the benefit of the Public Depositor. Delivery of the pledged Securities to the Custodian shall provide for the "control" of the pledged Securities and the perfection of the security interest of the Public Depositor as provided in the UCC. Bank and Public Depositor agree that Securities and Proceeds delivered to or received by Custodian for deposit in the Custody Account may be in the form of credits to the accounts of Custodian in the Book-Entry System. Bank and Public Depositor agree that Custodian, on a continuous and ongoing basis, may deposit in the Book-Entry System any or all Securities and Proceeds and to utilize the Book-Entry System in connection with its performance under this Agreement and any separate Custodial Services Agreement (as hereinafter defined). Securities and Proceeds credited to the Custody Account and deposited in the Book-Entry System will be represented in accounts that include only assets held by Custodian or its agent(s) for third parties, including but not limited to, accounts in which assets are held in a fiduciary, agency, or representative capacity. The Bank acknowledges that to the extent permitted by law, the records of the Bank with respect to the pledge of Eligible Collateral as described in this Agreement may be inspected by the Public Depositor, upon reasonable notice and during regular business hours of the Bank.

Section 4. <u>Custody Account and Custodial Services Agreement</u>.

4.1 The Bank agrees to place the Securities constituting Pledged Collateral with a Federal Reserve Bank, a Federal Home Loan Bank, a bankers' bank, a trust department of a commercial bank, trust company or registered broker dealer as designated by Bank and agreed to by Public Depositor and in compliance with Texas Government Code Annotated § 2257.041 (the "*Custodian*") to hold in a Custody Account for the benefit of the Public Depositor. The Custodian must meet the requirements of any applicable Public Deposit Collateralization Requirements. Up to the Collateral Requirement, the Bank grants a security interest in favor of the Public Depositor in any and all of the Bank's existing and hereafter acquired rights to the Custody Account(s) held by the Custodian and securing Public Depositor's Public Deposits and any substitute account(s) into which any Pledged Collateral consisting of Securities are deposited.

4.2 The parties may execute a custodial services agreement or other similar written agreement with the Custodian, in a form acceptable to the parties and Custodian ("*Custodial Services Agreement*") for the custody of the Securities which are Pledged Collateral consistent with the terms of this Agreement. Any entity acting as a Custodian must be a securities intermediary as defined in the UCC. Any applicable Custodial Services Agreement will contain the Custodian's agreement to hold all Securities in the Custody Account which are Pledged Collateral for the benefit of the Public Depositor and subject to the Public Depositor's direction and control and to comply with entitlement orders originated by the Public Depositor regarding the Pledged Collateral, without the Bank's further consent.

4.3 The Bank has previously or will (a) deliver to the Custodian, for deposit into the Custody Account, Pledged Collateral consisting of Securities and/or (b) deliver Pledged Collateral consisting of letters of credit, surety bonds, or private deposit insurance policies to the Public Depositor, such Pledged Collateral to be, in the aggregate, equal to the Collateral Requirement.

4.4 The parties intend that the security interest granted by Bank in the Securities or Proceeds for the benefit of the Public Depositor is created, attaches, and is perfected for all purposes under Texas law from the time Custodian identifies the pledge of any Securities or Proceeds to the Public Depositor and issues a Trust Receipt for such Securities or Proceeds. The security interest of the Public Depositor in Pledged Collateral consisting of Securities and all Proceeds shall continue until released pursuant to this Agreement or until the termination of this Agreement.

4.5 The Bank shall be entitled to income on Securities held by the Custodian in the Custody Account, and the parties agree that Custodian may dispose of such income as directed by Bank without approval of the Public Depositor, to the extent such income is not needed to meet the Collateral Requirement.

Section 5. Value of Collateral and Changes in Collateral.

5.1 The Bank shall recalculate the aggregate Market Value of individual Securities comprising Pledged Collateral at least monthly.

5.2 If at any time the aggregate Market Value of the Pledged Collateral is less than the Collateral Requirement, the Bank shall, within one (1) Business Day, make such additions to the Pledged Collateral in such amounts such that the aggregate Market Value of the Pledged Collateral, shall be equal to the Collateral Requirement. Such additions to the Pledged Collateral shall constitute an assignment, transfer, pledge, and grant to the Public Depositor of a security interest in such Securities constituting any additional Pledged Collateral pursuant to this Agreement and the Public Deposit Collateralization Requirements.

5.3 If at any time the aggregate Market Value of the Pledged Collateral exceeds the Collateral Requirement, the Bank may withdraw excess Pledged Collateral such that the aggregate Market Value of the Pledged Collateral to the Public Deposits shall remain equal to the Collateral Requirement (an "*Excess Collateral Withdrawal*"). Upon request, an Authorized Person acting on behalf of the Public Depositor shall execute a signed release for the benefit of Bank releasing the security interest in any Pledged Collateral having a Market Value up to such excess amount.

5.4 At any time the Bank may substitute Eligible Collateral, provided that (a) the total Market Value of Pledged Collateral held in the Custody Account shall meet the requirements of this Agreement and the Public Deposit Collateralization Requirements, and (b) such substitution will be reflected on the periodic statement of collateral pursuant to Section 6.

5.5 Any additional pledge of Eligible Collateral hereunder, or withdrawal or substitution of Pledged Collateral may be approved by an Authorized Person of the Bank.

Section 6. Reports. Upon request, Bank will provide Public Depositor with a statement of collateral, to verify the adequacy of the Pledged Collateral. The statement of collateral will identify

the Uninsured Deposits secured by the Pledged Collateral and will include a description and Market Value of the Pledged Collateral as determined within five Business Days prior to the statement date. If Pledged Collateral is held in a Custody Account, upon request, the Bank will provide or request the Custodian to provide a report to the Public Depositor specifying the type and Market Value of Pledged Collateral being held in the Custody Account for the benefit of the Public Depositor.

Section 7. Representations, Warranties, and Covenants.

7.1 Representations, Warranties, and Covenants of Bank.

7.1.1 The Bank hereby represents that (a) it is duly organized and validly existing under the laws of the State of Arkansas; (b) it is authorized to conduct banking business and accept public funds for deposit under Texas Government Code Annotated § 2257.024 ; (c) it has, or will have as of the time of delivery of any Securities as Pledged Collateral under this Agreement, the right, power and authority to grant a security interest therein with priority over any other rights or interests therein; (d) the execution and delivery of this Agreement and the pledge of Eligible Collateral hereunder have been duly approved by the board of directors of the Bank or its loan committee, which approval will be reflected in the minutes of said board or committee; (e) the execution and delivery of this Agreement and the pledge of collateral hereunder will not violate or be in conflict with the Articles of Incorporation or By-laws of the Bank, any agreement or instrument to which the Bank may be a party, any rule, regulation or order of any banking regulator applicable to the Bank; and (f) this Agreement shall be continuously maintained, from the time of its execution, as an official record of the Bank.

7.1.2 The Bank warrants that it is the true and legal owner of all Pledged Collateral consisting of Securities, that such Securities are free and clear of all liens and claims, that no other person or entity has any right, title or interest therein, and that such Securities have not been pledged or assigned for any other purpose. Should Bank become aware that an adverse claim has been placed on any Pledged Collateral, the Bank will immediately substitute such Pledged Collateral with other Eligible Collateral of equivalent value .

7.2 Representations, Warranties, and Covenants of Public Depositor.

7.2.1 The Public Depositor hereby represents that: (a) this Agreement has been legally and validly entered into, has been approved by the Public Depositor's governing body, and does not and will not violate any statute or regulation applicable to it and is enforceable against Public Depositor in accordance with its terms; (b) (i) all Eligible Collateral identified on the Schedule of Eligible Collateral, attached hereto as Exhibit A, may be used to secure the Public Depositor’s Uninsured Deposits under applicable statutes and regulations, (ii) the Collateral Requirement meets the requirements of such applicable statutes and regulations, (iii) the governing board of the Public Depositor has approved a collateral policy which authorizes all such Eligible Collateral to be used as Pledged Collateral, and (iv) such collateral policy complies with all applicable statutes and regulations; (c) it will not sell, transfer, assign, convey, pledge, or otherwise dispose in whole or in part its interests in or the rights with respect to any Eligible Collateral deposited in the Custody Account, or the Proceeds of such Eligible Collateral, except as permitted in Section 8 of this Agreement; (d) all acts, conditions, and things required to exist, happen, or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or

have been performed; (e) Public Depositor will comply with the terms of any other agreements it may have with the Bank in connection with this Agreement; and (f) upon request, the Public Depositor shall provide the Bank with a copy of the Public Depositor's current investment policy.

Section 8. Event of Bank Default.

8.1 In the event the Bank shall fail to comply with any material term of this Agreement, the Bank shall be in default, and Bank shall have 30 days after receipt of written notice from the Public Depositor to cure such default. If the Bank has not cured such default within such time period, then the Public Depositor may: (a) give the Custodian and any appointed receiver Written Instructions to transfer the value of specific amounts and issues of Pledged Collateral that are Securities held in the Custody Account and, if applicable, specific amounts of the Proceeds held in the Account which have not previously been released to Bank (provided that the Public Depositor certifies in writing to Custodian that (i) Bank is in default under this Agreement, (ii) the Public Depositor has satisfied the notice period under this Agreement and (iii) Bank has not cured such default within such time period), or (b) make a draw or claim on Pledged Collateral which consists of surety bonds, private insurance or irrevocable letters of credit. Any actions taken by Public Depositor pursuant to this section may involve only such amounts of Pledged Collateral and Proceeds which are up to the amount needed to cure the default, but in no event more than the Uninsured Deposits as of the date the default occurs.

8.2 The Public Depositor's rights and remedies with respect to the Pledged Collateral shall be those of a secured party under the UCC and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted in this Agreement, in the Account Agreements, and in any other agreement in effect between the Bank and the Public Depositor. The Public Depositor agrees to provide the Bank and the Custodian with commercially reasonable notice of the sale, disposition, or other intended action subject to the provisions of this Agreement in connection with the Pledged Collateral, whether required by the UCC or otherwise.

8.3 In the event of an uncured default as described in Paragraph 8.1, and following satisfaction of any notice requirements set forth herein and in any applicable Custodial Services Agreement, the Public Depositor shall also have the right to sell Pledged Collateral at any public or private sale, upon commercially reasonable notice (which shall not be less than three (3) days) to the Bank. The sale must be conducted in a commercially reasonable manner. In the event of such sale, the Public Depositor, after deducting all legal expenses and other costs, including reasonable attorney's fees, from the proceeds of such sale, shall apply the remainder to any one or more of the liabilities of the Bank to the Public Depositor, and shall return any surplus to the Bank.

Section 9. Continuing Security Interest/Termination. The security interest granted hereby shall continue to exist until released pursuant to this Agreement or until the termination of this Agreement. This Agreement may be terminated upon the occurrence of any one of the following: (a) Bank provides at least 30 days (or such shorter period if required under applicable law or if Public Depositor is in default under any of the Account Agreements) written notification to Public Depositor of its intent to no longer act as a depository for Public Depositor's Public Deposits; (b) (i) the Public Depositor's depository agreement with Bank must be renewed in accordance with applicable law and the Public Depositor provides Bank with at least 30 days notice that it elects not

to renew this Agreement; or (ii) the Public Depositor provides 30 days written notification to Bank of its intent to terminate its customer relationship with Bank and remove all of its Public Deposits from deposit with Bank; or (c) all of the Public Depositor's Public Deposits are otherwise removed from deposit with Bank.

Section 10. General Terms.

10.1 Public Depositor shall notify Bank, in a form acceptable to the Bank, when Public Depositor changes the Authorized Person(s) authorized to act on its behalf under this Agreement and Bank shall have no liability for following any Instructions from any Authorized Person(s) until Bank has received notice of the revocation of authority of such individual and has had a reasonable opportunity to act on such notice.

10.2 All parties to this Agreement agree to execute any additional documents that may be reasonably required to effectuate the terms, conditions, and intent of this Agreement.

10.3 All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Public Depositor may not assign this Agreement without the prior written consent of the Bank. There are no third party beneficiaries to this Agreement.

10.4 This Agreement may be executed in one or more counterparts, each of which may be executed or delivered electronically, and each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may not be amended or modified in any manner except by written agreement executed by the parties.

10.5 This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas, and it supersedes any and all prior agreements, arrangements, or understandings with respect to the subject matter hereof.

10.6 No provision of this Agreement may be waived except by a writing signed by the party to be bound thereby and any waiver of any nature shall not be construed to act as a waiver of subsequent acts.

10.7 If any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, such holding shall not affect the validity, legality, or enforceability of the remaining provisions of this Agreement.

10.8 Any notice that must be given under this Agreement shall be given in writing and sent by regular mail, certified mail, return receipt requested, or third-party overnight priority carrier to the address set forth on the signature page to this Agreement or such other place as may be designated by written notice in the same manner from one party to the other. Notwithstanding the foregoing, collateral reports and Trust Receipts may be delivered electronically (by email or otherwise) to Public Depositor.

10.9 The Bank's and Public Depositor's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW,

NEITHER BANK NOR PUBLIC DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.

[*remainder of page intentionally blank*]

IN WITNESS WHEREOF, the parties have caused this Depository Collateral and Security Agreement to be executed by their duly authorized representatives.

BANK:

SIMMONS BANK

By: _____
Name and Title (*Circle one*):
Richard Hughes, Executive Vice President, Treasurer
OR
Edward Standige, Senior Vice President, Deputy Treasurer
Date:

Address for Notices:
601 East 3rd Street, 11th Floor
Little Rock, AR 72201
Attention: Finance and Planning

PUBLIC DEPOSITOR:

By: _____
Name:

Title:

Date:

By: _____
Name:

Title:

Date:

Address for Notices:

Attention:

Simmons Bank

EXHIBIT A
SCHEDULE of ELIGIBLE COLLATERAL

Eligible Collateral

All funds on deposit under the provisions of this agreement shall be continuously secured in accordance with Texas Government Code Annotated § 2257.002, § 2257.021 and § 2257.022 (Public Deposit Collateralization Requirements).

The following are approved as Eligible Collateral:

(A) a surety bond;

(B) an investment security;

(C) an ownership or beneficial interest in an investment security, other than an option contract to purchase or sell an investment security;

(D) a fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a high-risk mortgage security;

(E) a floating-rate collateralized mortgage obligation that does not constitute a high-risk mortgage security; or

(F) a letter of credit issued by a federal home loan bank.

Products and Services Information

Simmons Bank®

Member FDIC | simmonsbank.com

ACH Origination

The use of ACH origination services to transmit funds provides increased security by eliminating physical checks which contain account holder information. One of the greatest benefits is effective management of cash flow as ACH transactions are posted to the receiver's account on the designated effective date, eliminating lead time for couriers or the check being held by the payee. With ACH, both the originator and receiver can more accurately forecast their future daily balances.

ACH File Transmission Options

ACH files can be transmitted using any of the following options:

- Manually entering payment information in the Treasury Connect online banking platform
- Using a template previously created
- Establishing a recurring payment
- Uploading a NACHA via web in the Treasury Connect online banking platform
- Uploading a NACHA file via FTP

If files are transmitted via FTP, Simmons Bank will notify the City of Tool to the successful transfer via email if requested. If files are being uploaded directly into Treasury Connect, the City of Tool can set up alerts to be notified to the successful upload of ACH files and will receive instant confirmation via email.

ACH payment information can be downloaded in PDF and CSV formats. Summary and detailed report options are available.

Dual Control Release Options

Simmons Bank Treasury Connect online platform allows the City of Tool to require up to three (3) approvers for payments. The platform also allows the City of Tool to add approvers to working with recipients and templates. User entitlements can be customized to limit the ability to send/approve ACH depending on account and amount.

The City of Tool can set email notification for ACH payments still pending approval, up to 30 minutes prior to cut off time to make sure it is taken care of in a timely manner.

Transaction Volume and Dollar Limits

Simmons Bank sets daily ACH limits based upon the City of Tool's expected usage per Company and SEC Code. Additional limits can be enforced on a user level by an administrator:

- Daily initiation Limit (can be specified by ACH Company)
- Approval Limit
- Transaction Limit (can be specified by ACH Company)

Same Day ACH transactions have a maximum initiation limit of $1,000,000 per ACH rules.

Transmission Deadlines

The transmission deadline is 6:00pm CT for ACH files. ACH file processing window times are at 8:00am, 12:00pm, 2:00pm and 6:00pm CT.

- ACH transactions post to the receiver's account on the designated settlement date and post to the City of Tool account on the same date.
- ACH Credit files (i.e., Payroll) is suggested to be submitted at least 2 business day prior to the settlement date for timely posting.
- ACH Debit files (i.e., Collections) must be submitted at least 1 day prior to the effective date.

Alternatively, Same Day ACH option is also available where payments or collections can be initiated and will be effective that same day. This is a great tool for emergency situations or as cost-effective alternative to wire transfers. Transmission deadline for Same Day ACH is 2:00pm CT.

After ACH files are submitted, the user will be prompted to enter a security code to confirm their identity for fraud protection. The user can obtain this code via text/call using their cell phone number or by downloading a VIP access app on their phone/computer.

Products	Transmission Times	Method of Receipt	Daily Cut off Time
Standard ACH	8:00 AM , 12:00 PM, 2:00 PM, 6:00PM CT	Treasury Connect / FTP	6:00 PM CT
Same Day ACH	8:00 AM, 12:00 PM, 2:00 PM CT	Treasury Connect / FTP	2:00 PM CT

ACH Returns and Corrections

If one of the City of Tool's ACH transactions is rejected by the receiving bank, the City of Tool will receive an ACH Return. It will include individual's/business' name, amount, reason for the return, and whether the item was a credit or debit.

If one of the ACH transactions has incorrect/outdated information, the City of Tool will receive an ACH Notification of Change (NOC). The notification will include Company Name, Company ID, receiving routing number, deposit account number, trace number, individual's/business' name and what was corrected.

For both ACH Returns and NOCs an email notification will be sent to a list of recipients designated by the City of Tool. They will also be available via Simmons Bank Online Banking's eStatements. These notifications are available the next business day at the latest from when Simmons Bank is notified.

Account Reconciliation

Simmons Bank offers full reconciliation service on accounts enrolled in check positive pay and partial and deposit reconciliation for accounts not on positive pay.

Full Account Reconciliation

Simmons Bank can generate 27 reports to aid the City of Tool in account reconciliation process. Simmons Bank will work with the City of Tool to determine what reports would fit the City of Tool's needs best. The following are examples of available reports:

- Issued Items Paid Previous Period
- Previous Outstanding Items -Detail
- Paid No Issue
- Electronic Transactions
- Items Cleared
- Void Items
- Dormant Items
- Stale Dated Items

Check positive pay service is required to receive full account reconciliation reports.

Partial Account Reconciliation

Partial Account reconciliation reports can help the City of Tool reconcile its accounts quickly without positive pay requirement. The City of Tool can receive up to 9 reconciliation reports:

- Checks Paid Returned
- Expired Stops
- Electronic Transactions
- Items Cleared
- Items Cleared - Summary
- Void Items
- Void Items Paid
- Stop Items
- Stop Items Voided

Deposit Reconciliation

The City of Tool can consolidate deposits from multiple locations into 1 account without having difficulties reconciling. Simmons Bank can provide deposit reconciliation reports that separates deposits by location. Location codes will have to be printed on deposit tickets.

Reconciliation Transmission

Recon reports can only be delivered via FTP (File Transfer Protocol) and the City of Tool can choose the frequency of the delivery.

Fraud Prevention – Check Positive Pay

Simmons Bank offers 3 types of positive pay:

- No Check Positive Pay - This works like a check block. Any check trying to clear the account will be returned by the bank. This is great for accounts that have no check activity.
- Reverse Positive Pay - No check issue file is needed. The City of Tool will receive an exception for any check trying to clear the account. This is the only way to catch checks without a signature or with a forged signature or endorsement.
- Regular Positive Pay - With this service the City of Tool would provide us a check issue file prior to check disbursement. When a check is presented for payment, its account number, check number and dollar amount are automatically compared with the check issue file. Additionally, the City of Tool can add payee verification with Payee Positive Pay. If captured check information does not doesn't match check issue file, check will become an exception item.

Check Issuance Transmission

The City of Tool can transmit check issuance information to Simmons Bank via three methods:

- Check file upload via Simmons Bank Treasury Connect portal.
- Manual entry.
- List of issued items sent to the Bank via sFTP (Secure File Transfer Protocol). sFTP is a way to transmit files in a secure, automated fashion. Transmitting frequency can be set up (i.e., check for files every 30 minutes).

For upload or sFTP the following files formats are accepted: CSV, Tab Delimited and Fixed Position. Check files should be uploaded prior to check disbursement to avoid exceptions. If the City of Tool attempts to upload a duplicate file, it will be rejected by the system to avoid duplicates.

Deadline for Check Issuance Transmission

The deadline for transmission of check issuance files to Simmons Bank is 6:00pm CT. Items uploaded after the deadline will be synced to the system the next business day at 8:00am CT.

Frequency of Transmission Files

There is no limit to the number of check issuance files uploaded per day and check issue files can be uploaded at any time through Treasury Connect. With FTP, a custom schedule can be set for how often files are automatically transmitted.

Notification of Exception Items

Exceptions will be available first thing in the morning, 8:00am CT at the latest, and must be decisioned to pay or return by 1:00pm CT. The default decision is "return" so if exception is not decisioned on time, the item will be returned. The City of Tool will be alerted via email as soon as exceptions are available online. The City of Tool can also set up a notification to receive an email or a text with a reminder to decision exceptions 30 minutes prior to cut off time.

Stale Dated Checks

Simmons Bank does report stale dated checks as exception items. Items are considered stale dated when they are 180 days past their issue date.

Teller Positive Pay

All Positive Pay files are uploaded into the same system utilized by Simmons Bank's front-line branch tellers. Check issuance upload is in real time and available to the teller system as such with respect to 6 pm CT deadline.

Fraud Prevention- ACH Filters

Simmons Bank offers ACH Positive Pay services with ACH Filters and ACH Blocks.

With ACH Filters, for each account, a list of approved ACH originators can be preapproved to debit or credit the account. Simmons Bank uses the originator's unique, ten-character ACH Company ID to compare and confirm that the originator matches the entry on the City of Tool approved list. Expiration dates and transaction limits can also be set for the ACH Filter, so if an electronic transaction does not meet all the criteria, the City of Tool will be presented with the item to approve or reject as they see fit.

For accounts that expect no ACH debits/credits at all, an approved list does not have to be created. With ACH Blocks, every ACH debit/credit can be flagged for review and approval or simply returned automatically, depending on the City of Tool preference.

ACH Positive Pay exceptions will be available to decision as pay or return first thing in the morning, by 8:00am CT at the latest. If exceptions are not decisioned by the 1:00pm CT deadline, the default decision is to return the items. The City of Tool will be alerted via email as soon as exceptions are available for review online in Simmons Bank Treasury Connect. The City of Tool can also set up notifications via email or text 30 minutes prior to cut off time with a reminder to decision exceptions.

Treasury Management Product Transmission and Cutoff Times

Products	Transmission Times	Method of Receipt	Daily Cut off Time
Positive Pay Check File	Instant	Treasury Connect / FTP	6:00 PM CT
Positive Pay Check Payee Name Extract	Hourly 8:00 AM - 6:00 PM	Treasury Connect	6:00 PM CT
Positive Pay Check Exceptions	Daily by 8:00 AM	Treasury Connect	1:00 PM CT
Positive Pay ACH Exceptions	Daily by 8:00 AM	Treasury Connect	1:00 PM CT

Master Treasury Management Agreement

Simmons Bank®

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MASTER TREASURY MANAGEMENT AGREEMENT

This **MASTER TREASURY MANAGEMENT AGREEMENT** ("Master Agreement") is entered into as of _____ ____, 20____ by and between Simmons Bank ("we," "us," "our," or "Bank") and the entity or entities identified on **Exhibit A** attached hereto (each of which shall be referred to individually and severally as "you," "your," or "Company"). For the avoidance of doubt, if multiple entities are listed on **Exhibit A**, this Agreement shall constitute multiple but separate two-way agreements between the Bank on the one hand and each Company on the other hand.

WHEREAS, Bank is a state member bank and insured depository institution with its principal place of business located in Pine Bluff, Arkansas, and Bank provides a variety of treasury management services ("Services"), which are each described in their respective service agreements (each, a "Service Agreement") that shall be deemed attached as addenda hereto and fully incorporated as part of this Master Agreement, as applicable;

WHEREAS, Company desires to engage in a commercial banking relationship with Bank, wherein Bank will provide certain of the Services to Company in accordance with the terms and conditions of this Master Agreement and pursuant to the applicable Service Agreements incorporated herein; and

WHEREAS, by entering into this Master Agreement, as well as by entering into one or more of the Service Agreements, Company agrees to be bound by such terms and conditions, and Company's use of any Service will be further evidence of Company's agreement to such terms and conditions;

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Bank agree as follows:

1. DEFINITIONS. The following defined terms apply to this Agreement.

(a) "Access Credentials" means out-of-band OTPs and codes, multi-factor authentication, unique Company and/or user IDs, passwords, personal identification numbers ("PINs"), secure tokens, test codes, and/or other authentication methods used by Treasury Management Administrators and/or Treasury Management Users to access and/or use one or more of the Services.

(b) "Account Agreement" means the agreement(s) and corresponding notices, disclosures, user guide(s), and other documentation constituting the terms and conditions of each of Company's deposit, checking, and/or trust accounts with Bank (each an "Account," as defined in the section of this Master Agreement titled "Accounts and Fees"), including, without limitation and as applicable, the agreements and disclosures governing Simmons Online Banking.

(c) "Agreement" means this Master Agreement and any Service Agreement that becomes an addendum to, and incorporated in, this Master Agreement (inclusive, for the avoidance of doubt, of their respective exhibits, schedules, and other attachments), all as may be amended from time to time.

(d) "Authorized Representative" means the officer(s), employee(s) or agent(s) of Company listed on **Exhibit A** (as may be amended from time to time), each of whom Company represents and warrants is duly and expressly authorized pursuant to resolutions approved by the governing body of Company (i.e., board of directors, board of managers, sole shareholder, etc., as applicable) to execute this Agreement and manage the use of Services on behalf of Company.

(e) "Available Balance" means the balance of an Account that is the result of the total debit and credit activity (including, without limitation, Float, Memo Posted Debits, Memo Posted Credits, and Holds) as of a specific date and time.

(f) "Business Day" means any day on which the main office of Bank is open to the public during any part of such day for carrying on substantially all of its banking functions, except "Business Day" shall not include a Saturday, a Sunday, or a legal holiday applicable to an Arkansas chartered bank.

(g) "Business Day Cutoff" means the cut-off time for posting, processing, or availability purposes, which Bank has established based on its Business Days in the Central Time Zone ("CT") for the United States. General Business Day Cutoffs are available at https://simmonsbank.com/business/treasury-management/service-cutoff-times. However, Bank reserves the right to change Business Day Cutoffs from time to time.

(h) "Collected Balance" means the balance of an Account without regard to Holds, uncollected items (i.e., Float), Memo Posted Credits, and Memo Posted Debits.

(i) "Current Balance" means the balance of an Account without regard to Holds, Memo Posted Credits, and Memo Posted Debits.

(j) "Float" means the dollar amount of deposited but uncollected items that are in the process

of collection by Bank from the banks against which the items are drawn (a/k/a, uncollected funds).

(k) "Funds Transfer Request" means any request, order, or other instruction for or related to the transfer of funds by electronic or other means, including, without limitation, a "payment order" or request for a "funds transfer" (as those terms are defined in Article 4A of the UCC), and an "entry" (as that term is defined in the NACHA Rules).

(l) "Governmental Authority" means all federal, state, and local governmental authorities and agencies, including, without limitation, all federal and state banking, consumer protection and financial services regulatory agencies, which include, but are not limited to, the Arkansas State Bank Department ("Department"), the Federal Deposit Insurance Corporation ("FDIC"), the Board of Governors of the Federal Reserve System ("Federal Reserve"), the Federal Financial Institutions Examination Council ("FFIEC"), the Consumer Financial Protection Bureau ("CFPB"), the Office of Foreign Assets Control ("OFAC"), and the Financial Crimes Enforcement Network ("FinCEN").

(m) "Hold" means a restriction on payment of all or any part of the balance in an Account.

(n) "Laws" means all federal, state, and local laws, rules, regulations, requirements, regulatory guidelines and guidance, and official commentaries, including, but not limited to: (i) all applicable rules, regulations, requirements, guidelines, and commentaries issued by any Governmental Authority; (ii) the Federal Trade Commission Act and all state acts governing fair business and trade practices applicable to Company's business; (iii) the Bank Secrecy Act ("BSA") and Anti-Money Laundering ("AML") laws and regulations; (iv) applicable sections of the USA PATRIOT Act, implementing regulations related to Know-Your-Customer ("KYC") and Customer Identification Programs ("CIP"); and (v) Articles 3, 4 and 4A of the Uniform Commercial Code ("UCC") as currently in effect and as thereafter amended in the Code of the State of Arkansas (Ark. Code Ann. Title 4, Subtitle 1, Chapters 3, 4 and 4A).

(o) "Memo Posted Credits" are any credits for a current or next Business Day, which may be posted to an Account intraday or during nightly processing (e.g., ACH transactions, wire transfers, and teller deposited items).

(p) "Memo Posted Debits" are any debits for a current or next Business Day, which may be posted to an Account intraday or during nightly processing (e.g., ACH transactions, wire transfers, and teller cashed checks).

(q) "Rules" means all rules, regulations, requirements, and procedural guidelines established by any Governmental Authority or any clearinghouse or other organization in which Bank is a member or to which Bank has agreed to be bound, including, without limitation, the Operating Rules & Guidelines of the National Automated Clearing House Association ("NACHA").

(r) "Security Procedures" are certain security systems and procedures established by Bank from time to time that are designed and intended to verify the authenticity and origin of Funds Transfer Requests and other instructions and communications sent to us, as well as enable access to and use of the Services and the Services' delivery channels, and attempt to mitigate fraud risk. Security Procedures may include, without limitation, the use of Access Credentials and/or call-back verifications.

(s) "Service Agreement(s)" as defined above, means the agreement(s) containing additional terms and conditions applicable to the specific Services provided by Bank at the request of Company, which are incorporated into this Master Agreement as set forth in the section of this Master Agreement titled "Services; Disclosures."

(t) "Simmons Online Banking" means Bank's online electronic banking systems and applications (including, without limitation, those online electronic banking systems and applications related to the Services), which are accessed through the internet and may be governed by the terms and conditions of separate online banking agreements and disclosures.

(u) "Stop Payment Order" means an order instructing Bank to refuse payment of a check, Entry (as that term is defined in the NACHA Rules) or similar Funds Transfer Request against one of Company's Accounts.

(v) "Treasury Management Administrator" means any individual granted the powers set forth in the section of this Master Agreement titled "Administrator/Authority." Company, at its discretion, may elect to have its Authorized Representative serve as a Treasury Management Administrator.

(w) "Treasury Management User" means any individual authorized by the Treasury Management Administrator(s) to transact business on behalf of Company in connection with the Services. For the avoidance of doubt, Treasury Management Administrators are also Treasury Management Users.

(x) ***Other Terms***. Unless otherwise defined in this Agreement, capitalized terms shall have the meaning provided in the applicable Rules and/or Laws.

2. SERVICES; DISCLOSURES.

(a) Company has made a request to obtain, and we agree to provide, the Services pursuant to terms and conditions of this Agreement (collectively, the "Terms and Conditions").

(b) Company may request a Service by any means we approve. If we accept and approve a Service request, we and Company will enter into the applicable Service Agreement and will be subject to the Terms and Conditions for that Service. For the avoidance of doubt, we are not obligated to honor any request you make for a Service and may decline to provide the Service to you for any reason or no reason. We will use reasonable efforts to notify you when the requested Services will become available to you. If Company attempts to use or uses a Service before final approval by us, (1) Company's attempt to use or use of the Service will be deemed to constitute Company's agreement to the Service Agreement for that Service, (2) Company will indemnify, defend, and hold harmless Bank from and against any and all Indemnified Liabilities which may be imposed upon, incurred by, or asserted against Bank that arise from or relate in any way to that use or attempted use, and (3) we may block any future use of the requested Service. The Service Agreement(s) will be incorporated into and made a part of this Master Agreement. Services are provided for the benefit of Company. For some Services, we may, but are not obligated to, provide user guides or training tutorials to assist Company in using the Service. Bank will be responsible only for performing the Services as explicitly provided for in this Agreement, and Bank will have no obligations to Company other than those explicitly stated in this Agreement.

(c) Bank, at its discretion, may deliver disclosures and other documentation concerning this Agreement or the Accounts in an electronic format, including, without limitation, through Simmons Online Banking. Such disclosures and other documentation may include, without limitation: (i) amendments to this Agreement; (ii) account statements; (iii) notice of changes in terms, conditions, and fees related to the Services; and (iv) privacy notices. Company consents to accept such disclosures and other documentation in electronic format and further agrees to maintain the necessary equipment to access such disclosures, whether through Simmons Online Banking or otherwise.

3. SECURITY AND OPERATING PROCEDURES. Company's access to and use of the Services (including, without limitation and for the avoidance of doubt, such access and use by any person who is designated as a Treasury Management Administrator or Treasury Management User) are subject to Bank's Security Procedures, and Company agrees to the use of, and will comply with, all mandated Security Procedures as required by Bank from time to time. Company agrees to safeguard any Access Credentials and to distribute such credentials only to authorized personnel. Company understands that some elements of the Security Procedures will vary depending on the method used to initiate a Funds Transfer Request or other instruction.

Each time you use a Service, you acknowledge that you have been provided, and you agree to the use of, the Security Procedures, and you acknowledge, warrant, and agree that the Security Procedures for that Service are a commercially reasonable method of providing security against unauthorized Funds Transfer Requests or other instructions. We may rely without investigation on any Funds Transfer Request or other instruction issued in accordance with our Security Procedures, which shall constitute an authorized Funds Transfer Request or other instruction, regardless of whether it was, in fact, authorized by you. If we accept a Funds Transfer Request or other instruction in good faith issued in Company's name or on Company's behalf and in accordance with our Security Procedures, you agree to be bound by the Funds Transfer Request or other instruction received through the Services even if it was not, in fact, authorized by you. For the avoidance of doubt, Company shall be liable for all transactions with respect to its Accounts that are authenticated in accordance with our Security Procedures, and Bank will not be liable even if the transactions were not, in fact, authorized by you. Company will take reasonable steps to safeguard the confidentiality and security of its systems and notify Bank immediately if Company has any reason to believe its security or confidentiality has been or may be breached. Company understands that Bank's Security Procedures and Guidelines are not designed for the detection of errors in the transmission or content of any Funds Transfer Request or other instruction and that Bank is not obligated to detect errors, even if it takes action from time to time to do so. No procedure for the detection of errors has been agreed upon between Bank and Company, and you are solely liable for such errors (including, without limitation, any duplicate Funds Transfer Request or other instruction and resulting duplicate items). The Security Procedures are in addition to, and do not limit, revoke or affect, the authority of any person to transmit instructions in Company's name or on Company's behalf. We may continue to rely upon such authority,

and we are authorized to act upon instructions received from persons acting pursuant to such authority. We further reserve the right to change the Security Procedures from time to time, and your continued use of the Services following the change will constitute your agreement to the new Security Procedures.

Company's Treasury Management Administrators and Treasury Management Users may be issued secure tokens (either physical or virtual) by Bank which must be registered to a specific person within a designated time period determined by Bank. Sharing of tokens and other Access Credentials is strictly prohibited, and Bank reserves the right to terminate Services if it believes Company or its Treasury Management Administrators or Treasury Management Users have breached this security provision. If a Treasury Management Administrator's or Treasury Management User's authorization is terminated and that administrator's or user's token is not returned, Company must immediately notify Bank. The cost of tokens will be charged to Company's Account according to Bank's most current corporate fee schedule. If a secure token is lost or stolen, Company must notify Bank immediately so that the secure token can be disabled. Company is responsible for the security and custody of any token issued to Company (including, without limitation and for the avoidance of doubt, its Treasury Management Administrators and Treasury Management Users) by Bank. Any Funds Transfer Request or other instruction authenticated using a secure token will be deemed to be authorized by Company, and Company will be liable for the same, even if the Funds Transfer Request or other instruction was not, in fact, authorized by Company.

As an alternative to secure tokens, in connection with certain Services, Bank may require Company's Treasury Management Administrators and Treasury Management Users to authenticate themselves through an out-of-band authentication method ("OOBA"), which may include, without limitation, delivery of a one-time PIN ("OTP") or code. Delivery of the OTP or code may be made in any manner determined by the Bank, including, without limitation, a phone call or text message. Bank shall make one or more delivery methods available to Company, in Bank's sole discretion, and Company shall chose its delivery method from those made available by Bank to Company. Company agrees that it shall be solely responsible for and retain complete control over maintaining correct and updated phone numbers and other contact information for delivery of OTPs or codes. Company represents and warrants that all the information Company provides to Bank in connection with OOBA, including, without limitation, phone numbers, are accurate, current, and complete, and that Company has the right to provide such information to Bank for using the Services. Any Funds Transfer Request or other instruction authenticated using OOBA will be deemed to be authorized by Company, and Company will be liable for the same, even if the Funds Transfer Request or other instruction was not, in fact, authorized by Company.

Separate from our Security Procedures, we may, in our discretion, use additional procedures to help identify, analyze, and/or address suspicious behavior. However, Bank's failure to do so shall not be evidence of any failure to exercise reasonable care or good faith, or evidence of any failure of Bank to implement commercially reasonable Security Procedures. We are not responsible for our refusal to act upon any instruction received by us that does not comply with this Agreement, including, without limitation, where our reasonable efforts to verify instructions in accordance with our Security Procedures have failed or where action is delayed until such verification can be obtained. Additionally, and separate from our Security Procedures, we may provide you with instructions and guidance with respect to the Services, including, but not limited to, the Security & Processing Best Practices set forth on **Exhibit B** hereto (collectively, "Guidelines"). Company acknowledges that Bank reserves the right to amend the Guidelines as it deems necessary.

In the event of a computer system security breach, Company will assist Bank in determining the manner and source of the breach. Such assistance shall include, without limitation, providing Bank or Bank's agent access to Company's hard drive, storage media and devices, systems and any other equipment or device that was used in the breach. Company will provide Bank any analysis of such equipment, device, or software or any report of such analysis performed by Company, Company's agents, law enforcement agencies, or any other third party. Failure of Company to assist Bank shall be an admission by Company that the breach was caused by a person who obtained access to transmitting facilities of Company or who obtained information facilitating the breach from Company and not from a source controlled by Bank.

4. INTERNAL SECURITY CONTROLS; EQUIPMENT.

(a) Company and, as applicable, its parent company, Affiliates and subsidiaries, will establish, maintain and update their own respective commercially reasonable policies, procedures, equipment and software ("Internal Security Controls") to safeguard the security and integrity of their respective computer and other information technology systems, methods, and

information (including, but not limited to, the Access Credentials, access methods, and information used in connection with the Services) from unauthorized use, intrusion, takeover or theft (collectively, "Internal Security Breaches"). Company is solely responsible for its Internal Security Controls, including the selection, installation, maintenance and operation of such Internal Security Controls. **Company bears all risk of losses arising from its Internal Security Breaches and the interception of its communications prior to their receipt by Bank** (collectively, "Internal Security Losses"). **Bank assumes no liability for, and will not reimburse Company in connection with, any Internal Security Losses.** Further, Bank assumes no responsibility with respect to any errors, failures, or malfunctions of your Internal Security Controls, or for any related problems that may occur with your use thereof in connection with the Services. Company represents and warrants that its Internal Security Controls include, at a minimum, the following security elements: (i) limits and controls on who has access to its computer and other information technology systems, methods, and information; (ii) up-to-date security software and up-to-date software patches for its software programs, internet browsers, e-mail programs, and the like; (iii) commercially reasonable and up-to-date firewalls; (iv) procedures to avoid infection by malicious software; (v) limited access to the Services from a secure location on Company's premises; and (iv) policies and procedures designed to maintain the integrity and confidentiality of the Access Credentials, access methods, and information. This is not intended as an exhaustive itemization of the Internal Security Controls that Company may need. Bank does not warrant that implementation of any or all of the above recommendations will prevent Internal Security Losses. Company is solely responsible for providing adequate safeguards and security measures to prevent fraudulently submitted transactions.

(b) Unless expressly provided in a Service Agreement, Company is solely responsible for providing and maintaining equipment necessary to access the internet and use the Services. Company will use equipment compatible with Bank's Security Procedures and Guidelines, as well as Bank's programs, systems and equipment. Bank assumes no responsibility for the defects or incompatibility of Company's equipment or software. Company will comply with the terms of any software license(s) provided to Company in connection with the Services. Company agrees to notify Bank promptly if any software or equipment Bank provides to Company becomes defective. Our sole responsibility (if any) in such instances will be to repair or replace the defective software or equipment we provided. Unless otherwise agreed to by us in writing, the computer programs, user guides, Security Procedures, software and equipment provided to you by or on behalf of us in connection with the Services represent our proprietary property and must be returned to us upon request.

5. COMPLIANCE.

(a) In connection with the Services and Company's activities, Company will comply with all applicable Rules. In connection with the Services and Company's activities, Company will also comply with all applicable Laws. Without limiting the foregoing, Company acknowledges and agrees that Company's transactions conducted pursuant to this Agreement will comply with FinCEN's rules and regulations and with sanctions enforced by OFAC. Company acknowledges its responsibility to obtain information regarding OFAC-enforced sanctions and agrees that Bank shall not be required to perform any action to debit or credit an Account or transfer funds if the Bank determines such action is inconsistent with the Laws or Rules. Bank has no obligation to Company to send or receive debits or credits or facilitate funds transfers to or from foreign countries against which the United States has trade sanctions, or countries or individuals specifically identified and restricted by OFAC as of the date of the proposed transaction. Company must utilize the most recent list of OFAC restrictions in determining whether to initiate or request debits or credits to an Account or funds transfers. Company may obtain information regarding OFAC-enforced sanctions on-line at www.treasury.gov or via the OFAC Compliance Hotline (800)-504-OFAC.

(b) Company has, and will maintain, a compliance management system designed to effectively monitor compliance with the Rules and Laws related to the Services and Company's business activities. Company's compliance management system includes, but is not limited to, policies and procedures designed to comply with the Rules, Laws, employee training, and monitoring and oversight. Company will take all necessary actions to maintain such policies and procedures and oversee compliance within its organization.

(c) Company agrees that it shall be responsible for any fines or penalties imposed on Bank as a result of Company's non-compliance with the Rules or Laws. Company will reimburse, hold harmless, and indemnify Bank for all such fines and penalties pursuant to this Agreement.

6. ACCOUNTS AND FEES.

(a) As a condition to Bank's provision of the Services, Company will maintain at Bank active and eligible business checking, deposit, and/or trust accounts (individually, an "Account," and collectively, the "Accounts"), including, without limitation, any reserve Account, settlement Account, indemnification Account, or other Account required by Bank pursuant to the terms of an Account Agreement or a Service Agreement. Company is solely responsible for funds to be conveyed, transferred or used in its Accounts as part of any Service provided by Bank. The Services may be provided to one or more of Company's Accounts (including, without limitation, those accounts held in Company's name and those associated with Company's tax identification number or customer information record). Company may also designate certain other Accounts to access for the Services. Company represents and warrants that it has been authorized to access such Accounts through the Services. Company agrees to provide Bank, upon request, with written authorization of each person or entity indicated on **Exhibit A**, in a form and substance acceptable to Bank, evidencing that authority, and will notify Bank immediately in writing of any change to such authorization(s). Company is required to designate certain Accounts for specific purposes in connection with some of the Services. If Company fails to do so, or if the designated Account(s) close(s), Bank may designate Account(s) or terminate the Service(s).

(b) Company agrees to pay Bank for the Services provided under this Agreement in accordance with Bank's most current applicable corporate fee schedule(s) in effect when Bank performs the Services. Fees associated with Services may be included in analyzed services and may be offset by compensating balances as described in the Account Agreement. Should compensating balances not be sufficient to offset fees, the balance of fees due will be withdrawn by Bank on a monthly or other basis from Company's Account(s). Notwithstanding anything in this Agreement to the contrary, if sufficient balances are not available in Company's Account(s), Bank may charge any other account of Company with Bank for such fees or, in Bank's discretion, permit an Account to maintain a negative balance. We may amend the fees for our Services from time to time. Special or additional Services performed at your request shall be subject to additional terms and fees.

(c) Company is solely responsible for its own third party costs and expenses, including, but not limited to, audits and inspections, due diligence reviews, as well as internal expenses related to its use of the Services, such as telephone access fees, internet services fees, communications fees, and data processing expenses. Company is also responsible for any expenses incurred by Bank as a result of Company's breach of the representations, warranties, and covenants set forth in this Agreement, including, without limitation, all fees assessed against Bank for or related to Company's non-compliance with the Rules and Laws, and any investigations of Bank by a Governmental Authority relating to Company banking activities.

7. OUR REPRESENTATIONS & WARRANTIES.

(a) We represent and warrant to Company that:

(i) the execution, delivery and performance by us of this Agreement has been authorized by all necessary corporate and governmental actions;

(ii) the person(s) signing this Agreement on our behalf is(are) duly authorized to do so;

(iii) this Agreement represents our legal, valid and binding obligation; and

(iv) our execution and performance of this Agreement and our provision of the Services pursuant to the Terms and Conditions, do not violate any corporate governance policy or any material agreement by which we are bound.

(b) We have entered into certain agreements with third party vendors in connection with the delivery of Services. We make no warranties or representations with respect to third party vendor software, express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose. **Furthermore, except as explicitly expressed elsewhere in this Agreement, we make no other representations or warranties, either expressed or implied, of any kind or nature with respect to the Services, including but not limited to the warranties of merchantability or fitness of the Services for a particular purpose. No descriptions or specifications constitute representations or warranties of any kind.**

8. COMPANY REPRESENTATIONS & WARRANTIES.

(a) Company represents and warrants to Bank as follows, which shall be true as of the date of this Master Agreement and continue to be true through the duration of the term of the Agreement:

(i) Company is solvent, duly organized, validly-existing, and in good standing in the jurisdiction in which Company is organized, and is validly-qualified in any other jurisdictions where Company does business and is required to be qualified, except where the failure to be qualified would not have a material adverse effect on Company;

(ii) Company has and will maintain, all permits, licenses, franchises, authorizations, orders and approvals of any Governmental Authority that are required in order to permit it to carry on its business as presently conducted;

(iii) Company is in compliance with all Laws and is not under investigation, nor has any litigation been threatened or commenced, by any Governmental Authority with respect to violation of any Laws;

(iv) the execution, delivery and performance by Company of this Agreement does not and will not: (1) violate, conflict with, or result in a breach of any provision of any contract to which Company is a party; (2) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) thereunder; (3) require consent or approval from any third person; or (4) constitute a violation of Company's governing documents, the Rules, or Laws or violate any judgment, order, decree, or directive of any court or Governmental Authority;

(v) the execution, delivery, and performance by Company of this Agreement has been authorized by all necessary corporate and governmental actions, and this Agreement represents Company's legal, valid and binding obligation;

(vi) the person(s) signing this Agreement on Company's behalf is(are) duly authorized to do so and have received all necessary corporate and governmental approval(s);

(vii) if, in addition to you, other entities are listed on **Exhibit A**, each of such other entities is an Affiliate of you ("Affiliate" means, with respect to any entity, any other entity directly or indirectly controlling, controlled by, or under common control with, such entity. For purposes of the definition of Affiliate, "control" refers to the power to direct or cause the direction of the management or policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.);

(viii) Company will use the Services for business or commercial purposes only, and Company will not use the Services for any unlawful purpose; and

(ix) Company is the owner and/or authorized agent on all Accounts associated with the Services.

(b) Company agrees to promptly notify Bank in writing if any of the representations and warranties set forth in this section are no longer true and accurate. Company further agrees to provide Bank with such documentation as Bank may reasonably request as evidence of the above representations and warranties.

9. COMPANY INFORMATION. Company will be required to complete setup/enrollment and related informational forms. Company agrees to supply any information that Bank reasonably requires to provide Services to Company, including, but not limited to, documentation certifying and/or evidencing corporate approval of Company's Authorized Representatives set forth on **Exhibit A**. We will rely on the information provided to us by Company when providing the Services. Unless otherwise specified by us, any changes to the information provided shall be made in writing and will be made effective after we have received and had a reasonable amount of time to act on the change. We shall be entitled to rely upon all information provided by and authorizations received from your Authorized Representatives, Treasury Management Administrators, and Treasury Management Users. You will notify us immediately of a status change involving an Authorized Representative. We may refuse to complete requests from any individual until we have confirmed the individual's authority.

10. ADMINISTRATOR/AUTHORITY. You must appoint one or more Treasury Management Administrators, who you acknowledge and agree will each have the authority to (1) designate, without any additional Company action, other Treasury Management Administrators who will have the same level of authority as the individual(s) you designate and (2) designate, without any additional Company action, Treasury Management Users (which shall include, without limitation and for the avoidance of doubt, the Treasury Management Administrator(s) itself(themselves)) who are authorized to use the Services on your behalf, including, without limitation, by engaging in Account transactions on Company's behalf (regardless of whether the individuals are identified on the signature card or other documentation comprising the Account Agreement) in connection with the Services and by providing Bank with Funds Transfer Requests and other instructions or communications on Company's behalf with respect to the Services and the Accounts. Your Treasury Management Administrator(s) will be responsible for: (a) the receipt, proper distribution and

maintenance of all user IDs and passwords and password resets; (b) maintaining the ability of the Treasury Management Users to access the Services; (c) establishing limits on each Treasury Management User's authority to access information and conduct transactions; (d) adding, removing and making other changes to the transaction rights of Treasury Management Users; and (e) managing the use of the Services on your behalf. Your Treasury Management Administrator(s) will designate which Accounts will be utilized for Service payments and transfers. If a Treasury Management Administrator designates an Account that requires more than one signature for the withdrawal or transfer of funds, you agree that we may act upon any Service instruction that is transmitted to us through our systems (including, without limitation, Simmons Online Banking). Note: This may mean that we will, at our discretion, act upon the instruction of only ONE person (e.g., to wire funds), even though the signature card for the Account in question requires two or more signatures on checks. As long as a Funds Transfer Request or other instruction is initiated in Simmons Online Banking with our secure login process, the transaction will be deemed authorized by you. We may act on the instructions of the Treasury Management Administrators and Treasury Management Users until we receive written notice to the contrary from the Treasury Management Administrators or another person authorized by you to give such notice. Bank reserves the right to act within a commercially reasonable timeframe in response to such written notice.

If we are uncertain regarding the designation or identity of the Treasury Management Administrator(s), the ownership or control of an Account, or the authority of any Treasury Management User, we may, at our sole discretion: (a) freeze Accounts and/or refuse to make some or all of the Services available until we receive written proof (in form and substance satisfactory to us) of each person's right and authority to act; (b) suspend the Treasury Management Administrator's and/or Treasury Management User's access to the Services; (c) request instructions from a court of competent jurisdiction at your expense regarding the ownership or control of the Account; and/or (d) continue to honor instructions given to us by an individual who appears to be acting with authority as the Treasury Management Administrator or Treasury Management User according to our records. **IN NO EVENT WILL BANK BE LIABLE FOR ANY DELAY OR REFUSAL TO FOLLOW INSTRUCTIONS THAT OCCURS AS A RESULT OF A DISPUTE OR UNCERTAINTY OVER THE OWNERSHIP OR CONTROL OF ANY ACCOUNT**.

An individual's designation as a Treasury Management Administrator shall continue to be effective until you remove the individual from the list of Treasury Management Administrator(s) and we have had sufficient time to process the revocation. An individual's designation as a Treasury Management User shall continue to be effective until your Treasury Management Administrator removes the individual from the list of authorized users and we have had sufficient time to process the revocation. You acknowledge that any Treasury Management Administrators and Treasury Management Users appointed or designated prior to the date of this Master Agreement, and whose appointment or designation has not been previously terminated in accordance with the terms of Company's prior agreement with Bank (if any), are and remain authorized to act on your behalf as provided in this Agreement until such time as their designation or appointment is revoked in accordance with the terms of this Agreement.

11. ACCESS TO ACCOUNT DATA. Some of the Services provide you with balance and other Account information. Since certain information and transactions are not processed by us until after the close of a Business Day, some transactions may not be reflected in the system until the next Business Day. Posted items may be reversed due to insufficient funds, Stop Payment Orders, legal process, positive pay exception decisions and other reasons. Certain balances also may not be subject to immediate withdrawal. We assume no responsibility for any loss arising from incomplete information or from any temporary interruption in Simmons Online Banking. If you are unable to access Simmons Online Banking for any reason, you can contact your branch for Account, loan and deposit information.

12. TRANSACTION AND ACCOUNT INFORMATION/INSTRUCTIONS. You assume the sole responsibility for providing us with complete and accurate information in the form and format that we require to process transactions for your Account(s), including, without limitation, Funds Transfer Requests and other instructions. We are not responsible for the accuracy or completeness of such information, for confirming such information, or for monitoring or refusing to process instructions by you, your Authorized Representative, your Treasury Management Administrator(s), or your Treasury Management Users. We are not obligated to detect, and we will have no liability for, errors in your transfer, payment, or other instructions. Among other items, you must accurately describe transaction beneficiaries, intermediary financial institutions, and beneficiary financial institutions in your Funds Transfer Requests and other

instructions. If you describe any beneficiary or institution inconsistently by name and number, we may process the transaction solely on the basis of the number you have provided, even if the number identifies a person or entity different from the named beneficiary or institution

Funds Transfer Requests and other instructions that are sent to Bank electronically in accordance with this Agreement are considered to be an original writing and to have been signed by an authorized representative of Company. Neither party will contest the validity or enforceability of an instruction on the grounds that it was not in writing, not signed, or not an original. A valid electronic signature shall, at all times, be deemed conclusive proof of due authorization by Company of the communication or document to which it relates. **ANY TRANSACTION INITIATED OR APPROVED BY OR THROUGH YOUR ACCESS CREDENTIALS SHALL BE DEEMED PROOF OF AUTHORIZATION BY COMPANY OF SUCH FUNDS TRANSFER REQUEST OR OTHER INSTRUCTION TO WHICH IT RELATES, REGARDLESS IF THE PERSON USING YOUR ACCESS CREDENTIALS IS YOU OR ANOTHER PERSON. ALL ACCESS TO, AND USE OF, THE SERVICES USING THE SECURITY PROCEDURES IS CONSIDERED FOR ALL PURPOSES AND WITHOUT FURTHER INVESTIGATION TO BE AUTHORIZED BY COMPANY, AND BANK IS ENTITLED TO RELY AND ACT UPON ALL FUNDS TRANSFER REQUESTS AND OTHER INSTRUCTIONS SENT TO US USING THE SECURITY PROCEDURES.**

13. YOUR REVIEW. You acknowledge that it is not possible for the Services to be totally free from operator, programming or equipment error, and that errors in processing and compiling data may occasionally occur (e.g., due to the failure of others to provide accurate information, telecommunication failures, or a breakdown in an electronic data interchange). As such, you agree to review and verify all results and to maintain adequate controls for ensuring both the accuracy of data transmission and the detection of errors. Unless otherwise required by the Laws or Rules, our sole responsibility for any reporting errors caused by us will be to reprocess the information for the period in question and to provide corrected reports at our own expense. You agree to maintain adequate backup files of the data you submit for a reasonable period of time in order to facilitate any needed reconstruction of your transactions (e.g., in the event of a telecommunication failure).

14. AMENDING OR CANCELING A TRANSACTION. Unless this Agreement explicitly provides otherwise, you do not have a right to cancel or amend a Funds Transfer Request or other instruction once we have received it. If we attempt to reverse a transaction at your request, we assume no liability for any interest or losses that result if the reversal is not effected. Requests to cancel a transaction must state the exact amount (dollars and cents) of the transaction you wish to stop. You agree to indemnify, defend, and hold harmless us from and against all expenses (including reasonable attorneys' expenses), losses, costs, liabilities, claims, actions, proceedings and damages we incur in effecting or attempting to effect (or otherwise arising from or related to) any reversal. You are solely responsible for providing notice to the receiver/beneficiary that a reversal is being transmitted and the reason for the reversal no later than the settlement date of the reversing entry.

15. OUR REJECTION OF TRANSACTIONS; NOTICE OF RETURNED PAYMENT. We may refuse any Funds Transfer Request or other instruction without cause or prior notice. If we are unable to verify an instruction to our satisfaction, we may reject the instruction. We may notify you electronically, in writing, by telephone, or otherwise if any funds transfer is rejected or returned (e.g., by the ACH) for any reason, and we will not be obligated to credit your Account with any interest.

16. TRANSACTION LIMITS AND SAFEGUARDS. Bank reserves the right to establish transaction limits and safeguards for your Account(s) (e.g., in connection with ACH transactions). You agree not to exceed the transaction limits or breach such safeguards. Company will not allow anyone to initiate Funds Transfer Requests or other instructions on its behalf without proper supervision and adequate safeguards, and Company will review pending payment and transfer instructions prior to submission to ensure that they are complete, accurate and properly authorized.

17. EXTENSION OF CREDIT. Certain provisions of this Agreement may require Company to have specified amounts of Collected Balance, Current Balance, or Available Balance in its Account(s) at Bank at certain times. Bank is not obligated to extend credit to Company unless: (a) Bank has specifically agreed to do so in a separate writing and (b) any conditions to that obligation have been satisfied. Nonetheless, Bank may, at its sole option, extend credit to Company, from time to time, by permitting overdrafts in Company's Accounts (subject to the section of this Master Agreement titled "Setoff; Overdrafts"), delaying collection of amounts due, or otherwise. If Bank extends credit to Company, the outstanding principal amount is immediately due and payable, certain fees may apply and the outstanding principal amount will bear interest from the

date the credit is extended until it is repaid at a per annum interest rate determined by Bank, but not exceeding the maximum non-usurious rate of interest permitted under applicable Arkansas or federal law (whichever permits a higher rate). If Bank does not elect to extend credit to Company, Company must immediately provide a Collected Balance sufficient to satisfy its obligations under this Agreement.

18. SETOFF; OVERDRAFTS. We reserve the right of setoff against Company's deposits and funds in Accounts held by Company in order to satisfy any unpaid obligation to us under this Agreement. We may exercise this right of setoff without advance notification to Company. We will provide reasonable notice to Company following the setoff action. Our setoff rights as described are limited only by restrictions imposed by applicable Law. When you transmit a Funds Transfer Request to us, you authorize us to charge your Account for the amount indicated. If your Account does not have sufficient Available Balance, we may reject the transaction. Our allowance of any overdraft will not obligate us to honor future overdrafts at a later time, and we may refuse to do so without cause or prior notice. We may charge a fee for each Funds Transfer Request presented against insufficient Available Balance.

19. ELECTRONIC MAIL/INTERNET. If you send us electronic mail ("e-mail" or "email"), we may not receive or review it immediately. Bank reserves the right to act upon any e-mail within a commercially reasonable timeframe, and may, at its discretion, reject any transaction or request received by e-mail. You acknowledge that, even though e-mail may be encrypted, Bank cannot ensure that e-mail will not be intercepted or affected by the actions or omissions of others, such as third party networks or persons with access to the internet. **COMPANY IS STRONGLY DISCOURAGED FROM SENDING ACCOUNT DATA OR OTHER SENSITIVE INFORMATION TO BANK BY E-MAIL**.

Your use of the internet and e-mail is entirely at your own risk. Bank makes no representation, warranty or endorsement with respect to: (a) information placed on the internet by third parties; (b) the security or continued availability of the internet or any internet website, including, without limitation, Bank's website; or (c) the services, products or information made available over the internet by others whose sites may be accessed, directly or indirectly, as a result of our Services. Neither we nor our service providers assume responsibility for viruses created by third parties, or for any third party's unauthorized access to, or use of, your computer or other information technology system.

20. BUSINESS DAY CUTOFFS. A number of our Services are subject to Business Day Cutoffs. Instructions received after the Business Day Cutoff or on a non-Business Day may be deemed received as of the next Business Day. Services may occasionally be unavailable due to needed maintenance or system/network interruptions.

21. BUSINESS CONTINUITY. You understand and agree that our disaster recovery plan is designed to minimize, but not eliminate, risks associated with a disaster affecting Bank's ability to provide the Services and that Bank does not warrant that the Services will be uninterrupted or error free in the event of a disaster or otherwise.

22. AUDITS. Bank has the right to audit Company's compliance with the Rules, Laws, and Bank's policies and procedures (to the extent applicable). Company will cooperate and provide reasonable assistance and information to conduct such audit, including, without limitation, reasonable access to its computer and operating systems, policies, records, and other materials. Upon reasonable notice to Company, Bank may also inspect Company's books and records, and conduct onsite visits to Company's locations, with regard to information deemed by Bank to be necessary or pertinent to Company's use of the Services. Information subject to Bank's right of inspection includes, without limitation, information maintained by Company with respect to its customers, clients, vendors, and processors if, in Bank's opinion, such relationship is materially related to the Services or Company's transaction activities conducted through Bank. Physical site visits may be conducted to evaluate Company's security, communication processes, compliance management systems, and related obligations under this Agreement, the Rules, and Laws.

If an audit results in a material recommendation with regard to Company's processes, and Company fails to comply with the recommendation within a reasonable amount of time, we reserve the right to suspend or terminate one or more Services.

23. CONFIDENTIALITY. Company agrees to keep confidential and not disclose to any third parties our fees, Terms and Conditions, Security Procedures, user guides, software and any other piece of proprietary information we provide in connection with the Services.

24. DISCLAIMER OF WARRANTIES. THE SERVICES ARE PROVIDED ON AN "AS IS," "AS AVAILABLE" BASIS. EXCEPT AS EXPLICITLY SET FORTH HEREIN, BANK MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, IN LAW

OR IN FACT, WITH RESPECT TO THE SERVICES OR THE DOCUMENTATION, EQUIPMENT, APPLICATIONS, OR SYSTEMS MADE AVAILABLE TO YOU, INCLUDING, WITHOUT LIMITATION, THAT THE OPERATION OF ANY SERVICE WILL BE ERROR-FREE OR THAT ITS OPERATION WILL BE UNINTERRUPTED. FURTHER, BANK HEREBY DISCLAIMS ALL LIABILITY THERETO. BANK HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE, INFRINGEMENT OR OTHER IMPLIED CONTRACTUAL WARRANTY, AND COMPANY HEREBY AGREES AND ACKNOWLEDGES THAT NEITHER BANK NOR ANY THIRD PARTY PROVIDER OF THE SERVICES OR ANY SYSTEM OR APPLICATION SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY OF THE MATTERS SET FORTH IN THIS SECTION.

25. LIMITATIONS OF LIABILITY.

(a) **IN ADDITION TO ANY FURTHER LIMITATIONS ON BANK'S LIABILITY THAT ARE PROVIDED ELSEWHERE IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BANK'S LIABILITY TO COMPANY ARISING FROM OR RELATED IN ANY WAY TO THE SERVICES OR THIS AGREEMENT (WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER THEORY OF LIABILITY) SHALL BE LIMITED TO ACTUAL AND PROVEN DAMAGES ARISING DIRECTLY FROM BANK'S INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE IN THE PERFORMANCE OF THE SERVICES.**

(b) We will not be responsible for any loss, delay, damage, cost or liability which arises, directly or indirectly, in whole or in part, from: (i) your actions or omissions (including, without limitation and for the avoidance of doubt, those of your Authorized Representatives, Treasury Management Administrators, and Treasury Management Users), or those of third parties that are not within our immediate and reasonable control; (ii) your negligence or breach of any agreement with us, including, without limitation, with respect to the amount, accuracy, timeliness of transmittal or due authorization of any Funds Transfer Requests received from you, or those of any other person; (iii) any ambiguity, inaccuracy or omission in any request, instruction or information provided to us; (iv) any error, failure or delay in the transmission or delivery of data, records or items due to a breakdown in any computer or communications facility; (v) the application of any government or funds-transfer system rule, guideline, policy or regulation; (vi) the lack of available funds in your Account to complete a transaction; (vii) our inability to confirm to our satisfaction the authority of any person to act on your behalf; (viii) your failure to follow any applicable software manufacturer's recommendations or our Service instructions; or (ix) any incorrect, unauthorized or fraudulent use or other fraud by any person other than Bank's employees.

(c) Bank shall be excused from failing to act and from delay in acting, and shall not otherwise be liable to Company, if such failure or delay is caused in whole or significant part by legal prohibition, constraint, injunction or order; interruption, failure, or malfunction of communications or transmission lines, facilities, equipment, the internet, internet service providers, websites, computers, scanners, information technology systems, or related software from any cause whatsoever; war, riot, civil disobedience, or insurrection; civil or military emergency; weather conditions; transportation interruption or stoppage either generally or with respect to any method or mode of transport; any crash, accident, breakdown, inoperability, or unavailability of shipping/transport, media or methods of communication involving the delivery or transmission of data, information, documents, or communication to Bank; fire, flood, tornado, hurricane, earthquake, earth movement or slide, or other natural disaster; soil, drainage or groundwater conditions; famine, pandemic, disease, or public health conditions; strike, labor unrest or absence of workers; inoperable, unavailable or delayed repair services; malfunctions, delays, errors, or lack of usual services or accommodations within the Federal Reserve System, the policies, practices or procedures of other banks, and any other condition of any kind or nature which is not reasonably within the total control of Bank. Bank shall not be liable for failure to perform any of its obligations in connection with the Service if such performance would result in it being in breach of the Rules or Laws.

(d) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, BANK SHALL NOT BE LIABLE TO COMPANY UNDER ANY CIRCUMSTANCES FOR, AND COMPANY HEREBY WAIVES ITS RIGHT TO RECOVER, ANY CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOST PROFITS AND LOST OPPORTUNITY), SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES, HOWEVER CAUSED, WHETHER ARISING UNDER CONTRACT, TORT, OR ANY OTHER THEORY OF LIABILITY, AND WHETHER OR NOT WE ARE AWARE OF OR COULD HAVE**

REASONABLY FORESEEN THE POSSIBILITY FOR SUCH LOSSES OR DAMAGES.

(e) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL BANK'S TOTAL, CUMULATIVE LIABILITY TO COMPANY ARISING FROM OR RELATED IN ANY WAY TO THE SERVICES OR THIS AGREEMENT (WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER THEORY OF LIABILITY) EXCEED THREE TIMES THE AVERAGE MONTHLY FEES PAID BY COMPANY FOR THE SERVICES FOR THE THREE MONTHS IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO LIABILITY.**

(f) Any claim, action, or proceeding by you arising from or related in any way to this Agreement or the Services (including, without limitation, to enforce the terms of this Agreement or to recover for any Service-related loss) must be commenced within one year from the date that the event giving rise to the claim, action or proceeding first occurs (provided, however, that this provision shall not extend any shorter period of time otherwise provided by applicable Law or elsewhere in this Agreement). You agree to cooperate with us in any loss recovery efforts we undertake to reduce any loss or liability that arises in connection with your Services.

(g) You acknowledge that our Service fees have been established in contemplation of: (i) these limitations on our liability; (ii) your agreement to review statements, confirmations, and notices promptly and to notify us immediately of any discrepancies or problems; and (iii) your agreement to assist us in any loss recovery effort. **YOU UNDERSTAND THAT WE WOULD HAVE TO CHARGE SUBSTANTIALLY HIGHER FEES FOR THE SERVICES ABSENT THESE LIMITATIONS ON OUR LIABILITY AND THAT YOU HAVE THE OPTION NOT TO ENTER INTO THIS AGREEMENT**.

(h) No clearing house, financial institution, or other instrumentality used to effectuate Company's Funds Transfer Requests shall be deemed Bank's agent.

(i) To the extent that Bank's exercise of ordinary care may be an issue with respect to any claim, Bank and Company agree that Bank's substantial compliance with this Agreement and Bank's then-existing standard procedures for performing the Services shall be deemed to constitute the exercise of ordinary care, and Company agrees that occasional, unintentional deviations by Bank from this Agreement or those procedures shall not be deemed a failure to exercise ordinary care as to the transactions with respect to which any such deviations occur. Company specifically acknowledges that, given modern electronic check processing systems and check processing volumes, it is impractical, and expressly not the standard of ordinary care, for Bank to monitor each individual check, item, or transaction presented or posted on any of Company's Accounts. Company further agrees that clerical errors and mistakes in judgment made by Bank do not constitute a failure of Bank to exercise ordinary care or act in good faith.

26. INDEMNIFICATION. In addition to your other indemnification obligations contained in this Agreement, you release and agree to indemnify, defend, and hold harmless Bank, its parent company, affiliates, and subsidiaries, and their respective directors, officers, employees and agents (collectively, the "Bank Indemnified Parties"), promptly after receipt of a request from a Bank Indemnified Party, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs (including, without limitation, the fees and expenses of legal counsel to the Bank Indemnified Parties and internal expenses of Bank), expenses, or disbursements of any kind or nature whatsoever and by whomsoever brought or caused (collectively, the "Indemnified Liabilities") that may be imposed upon, incurred by, or asserted against the Bank Indemnified Parties and that in any way relate to or arise out of: (a) Company's (including, without limitation and for the avoidance of doubt, its Authorized Representatives', Treasury Management Administrators', and Treasury Management Users') breach of this Agreement; (b) Company's (including, without limitation and for the avoidance of doubt, its Authorized Representatives', Treasury Management Administrators', and Treasury Management Users') negligence, fraud, or intentional misconduct; (c) any action taken or omitted by Bank in accordance with instructions or other communications actually authorized by or on behalf of Company or that Bank reasonably believes to have been so authorized; (d) a representation, warranty, or covenant of Company or its Authorized Representatives; (e) any use of the Services by Company that is not in compliance with this Agreement or the Rules or Laws; (f) any investigation or proceeding brought by any Governmental Authority whatsoever related to Company; (g) any subpoena, order, levy, garnishment, or request related to Company; (h) any loss or claim arising from Company's (including, without limitation and for the avoidance of doubt, its Authorized Representatives', Treasury Management Administrators', and Treasury Management Users') failure to use or adhere to Security Procedures and/or Guidelines in accordance with this Agreement; (i) any Indemnified Liabilities caused by

your customers or clients; (j) any action taken or omitted by Company (including, without limitation and for the avoidance of doubt, its Authorized Representatives, Treasury Management Administrators, and Treasury Management Users) in connection with this Agreement or the Services and any transaction related thereto; or (k) any virus (or similar malicious device), data, or code transmitted from Company's systems to Bank's systems.

27. ARBITRATION; JURISDICTION; VENUE; WAIVER OF JURY TRIAL; WAIVER OF SOVEREIGN IMMUNITY.

(a) The resolution of any dispute or claim between you and us (including ones arising out of or relating in any way to this Agreement or the Services) shall be governed by the arbitration provision in your Account Agreement in effect when you or we commence arbitration or litigation of the dispute or claim. If your Account Agreement has been terminated, the arbitration provision in your final Account Agreement shall apply, except that you also may choose to arbitrate under the terms of any newer Account Agreement applicable to current business customers. The current Account Agreement for business customers is available online at https://simmonsbank.com/terms-and-conditions/business-terms-and-conditions. If you validly opted out of the arbitration provision in your current Account Agreement, this arbitration provision does not apply to you.

(b) You hereby irrevocably and unconditionally consent to the jurisdiction of the federal and state courts in Arkansas. To the extent a dispute or claim arising out of or related in any way to this Agreement or the Services is not resolved through arbitration, you and we hereby agree that any action or proceeding involving any such dispute or claim must be brought in a state or federal court of competent jurisdiction located in Arkansas. You hereby waive any objection to laying venue in the aforementioned courts, as well as any objection that the aforementioned courts are an inconvenient forum or do not have jurisdiction over you. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY AND BANK WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY LITIGATION OR OTHER PROCEEDING ARISING OUT OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR THE SERVICES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, COMPANY FURTHER VOLUNTARILY WAIVES ALL SOVEREIGN IMMUNITY RIGHTS OR DEFENSES IT MAY HAVE WITH RESPECT TO THIS AGREEMENT OR THE SERVICES.**

28. LEGAL PROCESS.

(a) If Bank is served with a subpoena, warrant, order, or other request from a Governmental Authority, court, or tribunal for information or records concerning this Agreement, the Services, or Company, or with a levy or garnishment of Company's Account(s), Bank will follow (and may rely on absolutely) the advice of its legal counsel as to the appropriate response to such subpoena, warrant, request, levy, order, or garnishment, and shall have no liability or responsibility whatsoever to Company for doing so even if such advice shall turn out to have been mistaken. Company acknowledges that Bank's current policy (which is subject to change based on advice of legal counsel) is to comply with any such subpoena, warrant, request, levy, order, or garnishment, as concerns information, records, or funds.

(b) If Company is served with a subpoena, warrant, order, or other request from a Governmental Authority, court, or tribunal for information or records concerning this Agreement, the Services, or Bank, Company will provide Bank with prompt written notice so that Bank may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or Bank's waiver, Company is nonetheless legally compelled to disclose such requested information, Company may, without liability hereunder, disclose only that portion of such information that it is legally required to disclose, provided that Company shall use its best efforts to preserve the confidentiality of any information protected by this Agreement, including, without limitation, by cooperating with Bank to obtain an appropriate protective order or other reliable assurance of confidential treatment by the Governmental Authority, court, or tribunal.

29. GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ARKANSAS, WITHOUT REFERENCE OR REGARD TO THE CONFLICT OF LAW PROVISIONS THEREOF, AND APPLICABLE FEDERAL LAW.

30. RELIANCE ON THIRD PARTIES. Our ability to provide certain Services is dependent upon our ability to obtain or provide access to third party networks. In the event any third party network is unavailable or we determine, in our discretion, that we cannot continue providing any third party network access, we may discontinue the related Service or may provide the Service through an alternate third party network. In

such situations, we will have no liability for such unavailability or lack of access and will not be responsible for any services you receive from third party vendors.

31. DOCUMENT INSPECTION. Information on transfers to or from your Accounts will be reflected on your periodic statements and/or will be available to you online. We are not required to provide you with any other notice of the receipt, transmittal or debiting of wire transfers, ACH entries or bill payments.

You shall promptly examine all reports, periodic statements, and other documents and information associated with your Accounts and the Services. You further agree to notify us immediately if you discover: (a) any error or discrepancy between your records and the information we provide to you about your Accounts or transactions (e.g., in a statement, confirmation, or electronic report); (b) unauthorized transactions involving any Account; or (c) other problems related to the Services, including, but not limited to, any rate or fee errors. You must send us a written notice of any discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed fifteen (15) calendar days from the date you first discover the problem or receive information reflecting the problem, whichever occurs first). If you fail to notify us within fifteen (15) calendar days, you agree that, in addition to any other limitations on our liability: (y) in the case of an erroneous funds transfer, you will be liable for all losses up to the amount thereof (as well as any loss of interest), that result from your failure to give us such notice or that might have been prevented by your giving us such notice; and (z) in the case of an unauthorized funds transfer, we will not be liable for any loss of interest that results from your failure to give us such notice or which might have been prevented by your giving us such notice.

32. YOUR RECORDS. Bank may from time to time request information from Company in order to evaluate a continuation of the Services provided by Bank. Company will provide Bank verifications of licensing, permits and other governmental verifications and proof of compliance with its obligations under this Agreement. Company will provide the requested information promptly following Bank's request in a form satisfactory to Bank. Bank may, at its discretion, and without invoking its audit or inspection rights, require Company to make an accounting in writing within ten (10) Business Days' notice of any specified series of transactions related to its Account(s) or any of the Services.

33. TERMINATION. Either party may terminate this Agreement as to some or all of the Services, with or without cause, by giving thirty (30) days prior notice to the other party. Bank may suspend or terminate your Services or this Agreement immediately and without prior notice if: (a) you breach any agreement with us or fail to comply with the Rules or Laws; (b) the confidentiality of the Security Procedures is compromised; (c) we have reason to believe that an unauthorized transaction has taken place or may take place involving any of your Accounts or any of the Services; (d) you become insolvent or the subject of a bankruptcy, receivership, or dissolution proceeding; (e) we are uncertain as to any person's authority to give us instructions regarding your Accounts or the Services; (f) in our good faith opinion, your financial condition has become impaired; (g) you fail to maintain a sufficient Available Balance in any Account associated with a Service; or (h) the continued provision of the Services would, in our good faith opinion, violate applicable Laws or subject us to unacceptable risk of loss. The termination of this Agreement will not affect the rights or obligations of the parties that arise prior to termination.

34. INACTIVITY. If you do not use Services for a period of 180 consecutive days, whether or not a fee is paid and whether or not there are any scheduled payments or transfers pending, Bank reserves the right to immediately terminate your access to Bank's system and/or the Services. In order to reinstate the Services, you may be required to re-enroll.

35. RECORDING. Bank may, but shall not be obligated to, tape or otherwise record and retain telephone conversions between Bank and Company (including, without limitation and for the avoidance of doubt, its Authorized Representative(s), Treasury Management Administrator(s), and Treasury Management User(s)). Company assumes the responsibility for obtaining any necessary consents of, and giving notice to, its personnel.

36. AMENDMENTS. We may amend this Agreement, our schedule of fees, the Security Procedures, the Guidelines, and other disclosures and documentation at any time by providing you with prior notice, which may be made electronically or in a physical writing. Such amendments will apply to transactions that are initiated, and claims that arise, on or after the effective date of the amendment. If Company uses any Services provided for by this Agreement after receipt of such notice of amendment, such use shall be deemed to constitute your acceptance of and agreement to the terms of the amendment. Other amendments may be made only by means of an instrument signed by Bank

and Company. Notwithstanding the foregoing, we may amend our Security Procedures without prior notice if immediate changes are required for security reasons or the changes do not have a material effect on your use of the Services, and you agree to be bound by such amendments.

37. ENTIRE AGREEMENT. This Agreement, together with the Account Agreement, is the complete and exclusive statement of the agreement between Bank and Company with respect to the subject matter hereof and supersedes all prior understandings, agreements, writings, proposals, representations, or communications (whether oral, written, or otherwise produced) between Bank and Company with respect to such subject matter. In the event of any inconsistency between the terms of this Agreement and any other agreement, including the Account Agreement, the terms of this Agreement shall govern.

38. NO ASSIGNMENT. We may assign our rights and delegate our duties under this Agreement to a company affiliated with us or to a third party. You may not assign any right or delegate any obligation under this Agreement without our prior written consent.

39. BINDING AGREEMENT; NO THIRD PARTY BENEFICIARIES; NO THIRD PARTY USE. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and permitted assigns. This Agreement is made for the exclusive benefit of you and us (and, only with respect to the provisions of the section of this Master Agreement titled "Indemnification", the Bank Indemnified Parties). Other than the Bank Indemnified Parties, no third party has any rights under this Agreement. Unless you have our prior written consent, you may not use the Services to process transactions for third parties or permit others to initiate transactions using the Services on your behalf.

40. SEVERABILITY. If any provision or part thereof in this Agreement is held to be invalid, illegal, void or unenforceable, then this Agreement shall be deemed automatically modified to the extent necessary to (1) make such provision or part thereof valid, legal, and enforceable and (2) as closely as possible maintain and accomplish the original intent of the provision or part thereof in question; and the remaining provisions, or other parts or applications of such provision, in this Agreement shall not be affected and shall remain in full force and effect.

41. WAIVERS. Any waiver of a provision under this Agreement must be in writing to be effective. Waiver of any right hereunder will not be deemed a waiver of other rights or of the same right at another time.

42. SURVIVAL. Company acknowledges and agrees that certain covenants set forth in this Agreement survive by their nature or in accordance with the terms thereof, notwithstanding the termination of this Agreement for any reason by Bank or Company, including, without limitation, Company's indemnification obligations hereunder and the provisions contained in the sections of this Master Agreement titled, (a) "Accounts and Fees," (b) "Confidentiality," (c) "Limitations of Liability," (d) "Indemnification," (e) "Jurisdiction; Venue; Waiver of Jury Trial; Waiver of Sovereign Immunity," (f) "Legal Process," (g) "Governing Law," and (h) "Your Records."

43. NOTICES.

(a) Except as stated herein, Bank is not required to act upon any notice received from Company or any other person, or to provide any notice to Company or any other person with respect to any matter. Unless otherwise agreed, notices required by this Agreement must be in writing. Any notice Company sends Bank shall be deemed given to Bank on the day Bank actually receives it; provided, however, that it will not be effective until Bank actually receives it and has had a reasonable opportunity to act on it.

(b) Notwithstanding paragraph (a) of this section, Bank is entitled to rely on any written or electronic notice believed by it in good faith to be genuine and to have been sent by an Authorized Representative, Treasury Management Administrator, or Treasury Management User of Company.

(c) Except as explicitly stated otherwise herein, any written notice required or permitted to be given under this Agreement shall be delivered or sent by U.S. Mail, if to Company, to any address of Company on Bank's books that Bank believes in good faith is valid, and if to Bank, to the following address:

Simmons Bank
Attn: Treasury Management Department
P. O. Box 7009
Pine Bluff, Arkansas 71611-7009

Notwithstanding the foregoing (or anything contained in this Agreement to the contrary), Company acknowledges and agrees that Bank may provide any notices, disclosures, or other documentation or communications required or permitted to be given pursuant to or in connection with this Agreement to Company as electronic records by (1) email to Company's Authorized Representatives or Treasury Management Administrators, (2) posting to Bank's website, (3) posting to a website designated by Bank with notice of the posting via email to Company's

Authorized Representatives or Treasury Management Administrators, (4) displaying to Company (including, without limitation and for the avoidance of doubt, its Authorized Representatives or Treasury Management Administrators) during sessions on a website or otherwise, or (5) any other electronic means. Any notice we send you will be deemed given and effective when we send or otherwise make available the notice to you.

44. RELATIONSHIP OF PARTIES. Company and Bank acknowledge and agree that their relationship is that of an independent contractor and that this Agreement does not establish or create a general agency, joint venture, partnership, or employment relationship between them. Nothing contained in this Agreement shall be deemed to create fiduciary status on the part of Bank in connection with Bank's provision of the Services.

45. HEADINGS. Headings are used for reference purposes only and shall not be deemed a part of this Agreement.

46. USE OF NAME. Neither Company nor Bank shall display any name, trademark, or service mark of the other without the prior written consent of the other. Company shall not advertise or promote any Service without Bank's prior written consent.

47. COUNTERPARTS; ELECTRONIC SIGNATURES. Notwithstanding anything in this Agreement to the contrary, this Agreement may be executed in as many counterparts as necessary or convenient, including both counterparts that are executed in writing and counterparts that are electronic records and executed electronically. Each executed counterpart shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may also be executed by facsimile or scanned signatures, which shall have the same legal validity, force, enforceability, and effect as original signatures. Company and Bank further agree that both this Agreement and any further documentation to be executed by the parties in connection with their banking relationship, may be executed using electronic signatures. Any electronic signatures shall have the same legal validity, force, enforceability, and effect as manual signatures. The words "signed" and "signature" (and similar words) include, but are not limited to, electronic signatures. Bank may prepare or maintain an electronic record that contains an image or other copy of the original Agreement and other documentation signed by Company using actual, facsimile, scanned, or electronic signatures. All true and correct copies of such electronic records will be deemed "originals" for all purposes under Law, whether or not Bank retains the original Agreement. No party hereto shall raise the use of facsimile, scanned, or electronic signatures as a defense to the formation of a contract, and each party hereto forever waives any such defense.

[*remainder of page intentionally blank*]

IN WITNESS WHEREOF, Bank has caused this Master Agreement to be executed by its duly authorized representative.

SIMMONS BANK

By: _____

Name: _____

Title: Treasury Management Officer

Date: _____

IN WITNESS WHEREOF, the following Authorized Representatives have executed this Master Agreement for and on behalf of their respective entities, as indicated in **Exhibit A**. (For the avoidance of doubt, if an individual is designated in **Exhibit A** as the Authorized Representative for multiple entities, the individual's signature below shall bind each such entity.)

Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**

EXHIBIT A

LIST OF ENTITIES AND AUTHORIZED REPRESENTATIVES

This **Exhibit A** is incorporated into the Master Agreement between Bank and Company, dated _____ _____, 20____. Capitalized terms used but not defined herein have the same meanings given to them in the Master Agreement.

Pursuant to the section of the Master Agreement setting forth the definition of "Authorized Representative" and consistent with Company's resolutions, Company has appointed the following individual(s) as its Authorized Representative(s):

Name of Entity	*Name of Entity's General Partner or Manager (if General Partner or Manager is a Business)*[1]	*Authorized Representative*	*Certifying Person*[2]
		Name: Title: Email: Phone:	Name: Title:
		Name: Title: Email: Phone:	Name: Title:
		Name: Title: Email: Phone:	Name: Title:
		Name: Title: Email: Phone:	Name: Title:
		Name: Title: Email: Phone:	Name: Title:
		Name: Title: Email: Phone:	Name: Title:

[1] If entity has no general partner or manager that is a business, insert N/A.

[2] This should be the person who can certify the authority of the Authorized Representative to execute this document. This person should be a different person from the Authorized Representative. Signatures for this column include:

Corporation: A Secretary or Assistant Secretary.

Limited Partnership, General Partnership, or Limited Liability Partnership: A Partner.

Member-Managed Limited Liability Company: A Member.

Manager-Managed Limited Liability Company: A Manager; if no other Manager other than the Authorized Representative, a Member.

Government Institution: An Authorized Signer.

		Name: Title:	Name:
		Email: Phone:	Title:
		Name: Title:	Name:
		Email: Phone:	Title:
		Name: Title:	Name:
		Email: Phone:	Title:
		Name: Title:	Name:
		Email: Phone:	Title:

Company acknowledges and agrees that these individuals are and will remain authorized until Company notifies Bank in writing of revocation of any individual's authorization and Bank has had a reasonable time to act on such notice. Other individuals may be authorized only by adding them to this **Exhibit A** or by completion of a new agreement with Bank. Company agrees that this **Exhibit A** contains the correct name, title, business email address, and telephone numbers ("Contact Information") for each Authorized Representative listed herein, and that the Company will promptly notify Bank if there are any changes to the Contact Information or if an Authorized Person's authority is modified or revoked. Bank shall be entitled to rely on the information set forth in this **Exhibit A** until it receives and has had a reasonable time to act on such notice. The Company represents and warrants that it has commercially reasonable policies and procedures intended to prevent unauthorized access to email messages delivered to any Authorized Representative at the Authorized Representative's business email address, which include the following:

1. Each Authorized Representative is assigned a unique business email address;
2. Access to the Authorized Representative's business email address is limited to the Authorized Representative and other individuals as authorized by Company from time to time;
3. The Authorized Representative's access to the business email account requires at least the use of a unique username and password; and
4. The Authorized Representative is required to maintain the security of the log-in password and other security used to access the business email account and not to reveal them to any other person.

Changes in Authorized Representatives or Contact Information by Company will become effective only once Bank has received written notice from Company and has had a reasonable time to act on such notice. Bank may elect, in its sole discretion, not to act upon any Service request or transaction, for Company's protection, if Bank is unable to obtain proper verification to Bank's satisfaction or if there is any inconsistency between a Service request or transaction and information previously supplied to Bank regarding any of the above-listed Authorized Representatives.

[*remainder of page intentionally blank*]

IN WITNESS WHEREOF, I hereby certify that, for each of the entities with which I am associated, as indicated in Exhibit A, (1) the individual executing this Master Agreement has been duly authorized to do so (as well as execute any Service Agreement and other documentation constituting the Agreement) on behalf of the entity by the entity's governing body, (2) the individual executing this Agreement is empowered to take all actions necessary and proper to consummate this Agreement on behalf of the entity, and (3) the execution and performance of this Agreement has been duly authorized by the entity's governing body and is not in conflict with any of the entity's governing documents.

Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**

EXHIBIT B

SECURITY & PROCESSING BEST PRACTICES

We use a combination of safeguards to protect your information. You can help to maintain your privacy and protect your online banking services by taking these steps.

PROTECTING YOUR COMPUTER IS VITAL. Using a computer that also has access to other internet and email sites, especially social networking and video sites, can put the computer at risk for viruses and malware. Through virus and malware applications, intruders may be able to access your financial information. Protecting your computer is vital.

MAINTAIN STRONG PASSWORDS FOR SECURITY ADMIN AND USERS. We may impose certain password requirements in connection with certain Services. Promote password changes on a frequent basis. Receiving your passcode by phone or by text creates an additional layer of security, taking that information out of band.

DO NOT SHARE PASSWORDS UNDER ANY CIRCUMSTANCES. User limits and permissions are controlled by the user name. One single sign-on can open the door for fraud. Implement dual user controls. This offers added protection by having one company user submit a system change and an additional user approve the request. A user should never share his/her sign on or password with another employee.

WIRE LIMITS. Daily wire limits are set for a Company according to the needs of the business, and must be approved by the Treasury Management Administrator. Please be aware of your limit. If you require a limit increase, contact Bank for approval. We cannot guarantee a file will be approved above your limit on the same day that an increase is requested.

REPORT REVIEW. Designate another employee to review reports that are created when a wire or a deposit is transmitted. Frequent monitoring of reports for any unauthorized use is an important task that minimizes potential intrusion or account fraud.

REMOTE DEPOSIT. Access to checks deposited must be secured and controlled by Company's Treasury Management Administrator.

Checks will be virtually endorsed when they are scanned. Multiple payee and personal checks will need to be signed by all payees.

Deposited items may be retained by Company for a period not to exceed ninety (90) calendar days. During this retention period, items must be stored in a locked environment. After ninety (90) calendar days, checks must be destroyed in an approved manner. They must be shredded or burned. Checks must not be thrown in the garbage.

Maintain current contact information with Bank for your Authorized Representatives, Treasury Management Administrators, and Treasury Management Users.

File limits are set for customers according to the needs of the business. Aggregate limits are set at customer-level and then each Account is given a limit. If you are going to exceed your limit, please contact Bank for approval. You will not be able to transmit any item, or file over the specified limits.

OPTIONAL FEATURES. You, through your Treasury Management Administrator(s), have the ability to implement certain additional security features within Simmons Online Banking, which may include the ability to limit online banking activity by IP address, as well as the ability to limit such activity by days and times. We strongly recommend that you implement these security features where available.

EXHIBIT C

TREASURY MANAGEMENT ADMINISTRATOR APPOINTMENT AND SECURITY OPTIONS FORM

This Treasury Management Administrator Appointment and Security Options Form is incorporated into the Master Treasury Management Agreement ("Master Agreement") dated _____ ____, 20____ between Simmons Bank ("Bank") and each of _____ and the other entities (if any) identified on **Exhibit A** to the Master Agreement (each of which shall be referred to herein individually and severally as "you," "your," or "Company"). Capitalized terms used but not defined herein have the same meanings given to them in the Master Agreement.

Treasury Management Administrator Appointment

Pursuant to the section of the Master Agreement titled "Administrator/Authority," Company hereby appoints the following individual(s) as the Treasury Management Administrator(s) for each of the Accounts of Company.

Name	Title	Email	Phone
	Administrator		

Company acknowledges that the Treasury Management Administrator(s) will have the authority granted pursuant to the section of the Master Agreement titled "Administrator/Authority," as well as the authority granted to him/her under any applicable Service Agreement(s) entered into by Company with Bank (and any other applicable section of the Agreement). Bank is not responsible and shall have no liability for the actions taken by the Treasury Management Administrator(s) or the Treasury Management Users appointed thereby.

Security Options

Bank requires the selection of one of the following security options to use in connection with certain Services (including, without limitation, Funds Transfer Services and ACH Services) when accessed through Simmons Online Banking (which, for the avoidance of doubt, shall be a Security Procedure):

☐ Secure Tokens
☐ Out-of-Band Authentication (OOBA)

[*signature page follows*]

IN WITNESS WHEREOF, the following Authorized Representatives have executed this Treasury Management Administrator Appointment and Security Options Form for and on behalf of their respective entities, as indicated in Exhibit A to the Master Agreement. (For the avoidance of doubt, if an individual is designated in Exhibit A as the Authorized Representative for multiple entities, the individual's signature below shall bind each such entity.)

Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**
Signature of _____	**Signature of** _____
Date	**Date**

EXHIBIT D

ACCOUNT DESIGNATION FORM

This Account Designation Form is incorporated into the Master Treasury Management Agreement ("Master Agreement") dated _____, 20____ between Simmons Bank ("Bank") and each of _____ and the other entities (if any) identified on **Exhibit A** to the Master Agreement (each of which shall be referred to herein individually and severally as "you," "your," or "Company"). Capitalized terms used but not defined herein have the same meanings given to them in the Master Agreement.

Company acknowledges that full access to all of Company's Accounts (including, without limitation, those accounts held in Company's name and those associated with Company's tax identification number or customer information record) may be granted to the Treasury Management Administrator(s) in Simmons Online Banking for the Services. Company further designates access to the Accounts on this **Exhibit D** in Simmons Online Banking for the Services (such Account(s) will also be considered Account(s) of the Company for purposes of this Agreement), with the access indicated granted to the Treasury Management Administrator(s). Account access for the Treasury Management User(s) will be granted by the Treasury Management Administrator(s).

Account Number	Account Name	Account Type	Access



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Simmons Bank®

Member FDIC | simmonsbank.com

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-06253

SIMMONS FIRST NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Arkansas	**71-0407808**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
501 Main Street **Pine Bluff** **Arkansas** (Address of principal executive offices)	**71601** (Zip Code)

(870) 541-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	SFNC	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging Growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12 (b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.). ☐ Yes ☒ No

The aggregate market value of the Registrant's Common Stock, par value $0.01 per share, held by non-affiliates on June 30, 2024, was $2,160,516,402 based upon the last trade price as reported on the Nasdaq Global Select Market® of $17.58.

The number of shares outstanding of the Registrant's Common Stock as of February 24, 2025, was 125,807,117.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2025 Annual Meeting of Shareholders of the Registrant to be held on May 7, 2025, are incorporated by reference into Part III of this Form 10-K.

SIMMONS FIRST NATIONAL CORPORATION
ANNUAL REPORT ON FORM 10-K

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report on Form 10-K may not be based on historical facts and should be considered "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by reference to a future period(s) or by the use of forward-looking terminology, such as "anticipate," "believe," "budget," "contemplate," "continue," "estimate," "expect," "foresee," "intend," "indicate," "likely," "target," "plan," "positions," "prospects," "project," "predict," or "potential," by future conditional verbs such as "could," "may," "might," "should," "will," or "would," by variations of such words, or by similar expressions. These forward-looking statements include, without limitation, those relating to the Company's future growth, business strategies, product development, acquisitions and their expected benefits, revenue, expenses, assets, asset quality, profitability, earnings, accretion, dividends, customer service, lending capacity and lending activity, loan demand, deposit levels, investment in digital channels, critical accounting policies and estimates, net interest income, net interest margin, non-interest income, non-interest expense, the Company's stock repurchase program, consumer behavior and liquidity, the Company's ability to recruit and retain key employees, the adequacy of the allowance for credit losses, the estimated cost savings associated with the Company's Better Bank Initiative, income tax deductions, credit quality, the level of credit losses from lending commitments, net interest revenue, interest rates and interest rate sensitivity (including, among other things, the impact of rising or declining interest rates), economic conditions, repricing of loans and time deposits, loan loss experience, liquidity, the Company's expectations regarding actions by the Federal Home Loan Banks ("FHLB") and other agencies, capital resources, the expected expenses and cost savings associated with branch closures, market risk, plans for investments in (and cash flows from) securities and investment portfolio strategies, effect of pending and future litigation, staffing initiatives, estimated cost savings associated with the Company's early retirement program and Better Bank Initiative, legal and regulatory limitations and compliance, and competition.

These forward-looking statements are based on various assumptions and involve inherent risks and uncertainties, and may not be realized due to a variety of factors, including, without limitation: changes in the Company's operating, acquisition, or expansion strategy; the effects of future economic conditions (including unemployment levels and slowdowns in economic growth), governmental monetary and fiscal policies (including the policies of the Federal Reserve), as well as legislative and regulatory changes; general business conditions, as well as conditions within the financial markets, developments impacting the financial services industry, such as bank failures or concerns involving liquidity; changes in real estate values; changes in interest rates and related governmental policies; changes in liquidity, and the availability of and costs associated with obtaining adequate and timely sources of liquidity; increased inflation; changes in the level and composition of deposits, loan demand, deposit flows, and the values of loan collateral, securities and interest sensitive assets and liabilities; changes in credit quality; actions taken by the Company to manage its investment securities portfolio; changes in the securities markets generally or the price of the Company's common stock specifically; changes in the assumptions used in making the forward-looking statements; developments in information technology affecting the financial industry; cyber threats, attacks or events, including at third parties on which we rely for key services; reliance on third parties for the provision of key services; the ability to collect amounts due under loan agreements; further changes in accounting principles relating to loan loss recognition; the costs of evaluating possible acquisitions and the risks inherent in integrating acquisitions; possible adverse rulings, judgements, settlements, fines and other outcomes of pending or future litigation or government actions; market disruptions, including pandemics or significant health hazards, severe weather conditions, natural disasters, terrorist activities, financial crises, political crises, war and other military conflicts (including the ongoing military conflicts between Russia and Ukraine and between Israel and Hamas) or other major events, or the prospect of these events; changes in customer behaviors and preferences, including consumer spending, borrowing, and saving habits; the soundness of other financial institutions and indirect exposure related to the closings of other financial institutions and their impact on the broader market through other customers, suppliers and partners (or that the conditions which resulted in the liquidity concerns that led to the large regional bank failures during 2023 may also adversely impact, directly or indirectly, other financial institutions and market participants with which the Company has commercial or deposit relationships); the loss of key employees; increased unemployment; labor shortages; the Company's ability to manage and successfully integrate its mergers and acquisitions to fully realize cost savings and other benefits associated with those transactions; increased delinquency and foreclosure rates on commercial real estate and other loans; the effects of government legislation; the effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds, and other financial institutions operating in our market area and elsewhere, including institutions operating regionally, nationally, and internationally, together with such competitors offering banking products and services by mail, cellphone/tablet, telephone, computer, and the internet; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans, other real estate owned, and those factors set forth under Item 1A. "Risk Factors" of this report and other cautionary statements set forth elsewhere in this report and in other filings that have been filed with the U.S. Securities and Exchange Commission ("SEC"). Many of these factors are beyond our ability to predict or control, and actual results could differ materially from those in the forward-looking statements due to these factors and others. In addition, as a result of these and other factors, our past financial performance should not be relied upon as an indication of future performance.

We believe the assumptions and expectations that underlie or are reflected in our forward-looking statements are reasonable, based on information available to us on the date hereof. However, given the described uncertainties and risks, we cannot guarantee our future performance or results of operations or whether our future performance will differ materially from the performance reflected in or implied by our forward-looking statements, and you should not place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date hereof, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and all written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this section.

PART I

ITEM 1. BUSINESS

Company Overview

Simmons First National Corporation, an Arkansas corporation organized in 1968, is a financial holding company registered under the Bank Holding Company Act of 1956, as amended. The terms "Company," "we," "us," and "our" refer to Simmons First National Corporation and, where appropriate, its subsidiaries. The Company is headquartered in Pine Bluff, Arkansas, and had total consolidated assets of $26.88 billion, total consolidated loans of $17.01 billion, total consolidated deposits of $21.89 billion and equity capital of $3.53 billion, each as of December 31, 2024. The Company, through its subsidiaries, provides banking and other financial products and services in markets located in Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas.

We seek to build shareholder value by, among other things, focusing on strong asset quality, maintaining strong capital, managing our liquidity position, improving our operational efficiency and opportunistically growing our business, both organically and through mergers with and acquisitions of other financial institutions. Our business philosophy centers on building strong, deep customer relationships through excellent customer service and integrity in our operations. While we have grown in recent years into a regional financial institution and one of the largest bank/financial holding companies headquartered in the State of Arkansas, we continue to emphasize, where practicable, a community-based mindset focused on local associates responding to local banking needs and making business decisions in the markets they serve. Those efforts, though, are buttressed by experienced, centralized support functions in select, critical areas. While we serve a variety of customers and industries, we are not dependent on any single customer or industry.

Subsidiary Bank

The Company's lead subsidiary, Simmons Bank ("Simmons Bank" or the "Bank"), is an Arkansas state-chartered bank that has been in operation since 1903.

Simmons Bank provides banking and other financial products and services to individuals and businesses using a network of approximately 222 financial centers in Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas. Simmons Bank offers commercial banking products and services to business and other corporate customers. Simmons Bank extends loans for a broad range of corporate purposes, including (among others) financing commercial real estate, construction of particular properties, commercial and industrial uses, acquisition and equipment financings, and other general corporate needs. Simmons Bank also engages in small business administration ("SBA") and agricultural finance lending, and it offers corporate credit card products, as well as corporate deposit products and treasury management services.

In addition, Simmons Bank offers a variety of consumer banking products and services, including (among others) savings, time, and checking deposit products; ATM services; internet and mobile banking platforms; overdraft facilities; real estate, home equity, and other consumer loans and lines of credit; consumer credit card products; and safe deposit boxes. Simmons Bank also maintains a networking arrangement with a third-party broker-dealer that offers brokerage services to Simmons Bank customers, as well as a trust department that provides a variety of trust, investment, agency, and custodial services for individual and corporate clients (including, among others, administration of estates and personal trusts as well as management of investment accounts).

Additionally, Simmons First Insurance Services, Inc. and Simmons First Insurance Services of TN, LLC are wholly-owned subsidiaries of Simmons Bank and are insurance agencies that offer various lines of personal and corporate insurance coverage to individual and commercial customers.

Community Banking, Commercial Banking and Wealth Strategy

To both effectively compete for and service the needs of different types of customers, Simmons Bank now operates using three main groups: a community banking group (which generally focuses on retail, small-to-mid-size customer relationships plus mortgage lending), a commercial banking group (which generally focuses on larger, more complex customers with intricate or unique banking needs) and a wealth group (which generally focuses on serving investment and trust needs of consumers and businesses). Each of these groups is supported by Simmons Bank's various operations divisions.

Growth Strategy

Over the years, as we have expanded our markets and services, our growth strategy has evolved and diversified. We have used varying acquisition and internal branching methods to enter key growth markets and increase the size of our footprint.

Since 1990, we have completed 21 whole bank acquisitions, one trust company acquisition, five bank branch acquisitions, one bankruptcy (363) acquisition, four FDIC failed bank acquisitions and four Resolution Trust Corporation failed thrift acquisitions. The following summary provides additional details concerning our more recent acquisition activity.

In April 2019, we completed the acquisition of Reliance Bancshares, Inc. ("Reliance"), headquartered in Des Peres, Missouri (part of the greater St. Louis metropolitan area), including its wholly-owned bank subsidiary, Reliance Bank. We acquired approximately $1.5 billion in assets and added 22 branches to the Simmons Bank footprint, substantially enhancing our retail presence within the St. Louis market area. The systems conversion was completed in April 2019, at which time Reliance Bank was merged into Simmons Bank.

In October 2019, we completed the acquisition of The Landrum Company ("Landrum"), headquartered in Columbia, Missouri, including its wholly-owned bank subsidiary, Landmark Bank. We acquired approximately $3.4 billion in assets and further strengthened our position in Missouri, Oklahoma and Texas. The systems conversion was completed in February 2020, at which time Landmark Bank merged into Simmons Bank. In connection with the systems conversion, we closed five existing Landmark Bank branches.

In October 2021, we completed the acquisition of Landmark Community Bank ("Landmark"), headquartered in Collierville, Tennessee, as well as the acquisition of Triumph Bancshares, Inc. ("Triumph"), including its wholly-owned bank subsidiary, Triumph Bank, headquartered in Memphis, Tennessee. Landmark had total assets of $968.8 million, while Triumph provided us with $847.2 million in assets. These combined acquisitions allowed us to expand our existing footprint in Tennessee and to further enhance our scale in two of our key Tennessee growth markets – Memphis and Nashville. The systems conversions for both Landmark and Triumph Bank were completed in October 2021, at which time Landmark and Triumph Bank were merged into Simmons Bank.

In April 2022, we completed the acquisition of Spirit of Texas Bancshares, Inc. ("Spirit"), headquartered in Conroe, Texas, including its wholly-owned bank subsidiary, Spirit of Texas Bank SSB ("Spirit Bank"). We acquired approximately $3.1 billion in assets and further strengthened our position in Texas. The systems conversion was completed in April 2022, at which time Spirit Bank merged into Simmons Bank.

Merger and Acquisition Strategy

Merger and acquisition activities have been an important part of the Company's historical growth strategy. While we will continue to consider strategic merger and acquisition opportunities if and as they arise, and while we continue to believe that current market and industry conditions will continue to cause various financial institutions to seek merger partners in the near-to-intermediate future, in the near term, we are continuing our enhanced focus on ensuring that we capitalize on organic growth opportunities in many of the markets that we have had the fortune to enter through previous mergers and acquisitions. We also continue to focus on evaluating and, where appropriate, enhancing our people, processes and systems so that we are able to more effectively and efficiently compete as an organization of the size and scale that we now have achieved.

To the extent that a strategic merger and acquisition opportunity becomes of interest, we believe our community banking philosophy, access to capital and successful merger and acquisition history would position us as a purchaser of choice for a community and regional bank seeking a strong partner.

As consolidations continue to unfold in the banking industry, the management of risk is an important consideration in how the Company evaluates and consummates these transactions. The process of merging or acquiring banking organizations is extremely complex; it requires a great deal of time and effort from both buyer and seller. The business, legal, operational, organizational, accounting and tax issues all must be addressed if the merger or acquisition is to be successful. The senior management teams of both the Company and Simmons Bank have extensive experience in acquiring banks, branches and deposits and post-acquisition integration of operations. We believe this experience positions us to successfully acquire and integrate banks to the extent a compelling strategic opportunity presents itself.

Loan Risk Assessment

As part of our ongoing risk assessment and analysis, the Company utilizes credit policies and procedures, internal credit expertise and several internal layers of review. The internal layers of ongoing review include Division Presidents, Division and Senior Credit Officers, the Chief Credit Officer and Corporate Credit Officers, an Executive Loan Committee, a Senior Credit Committee, and a Directors' Credit Committee.

Additionally, the Company has an Asset Quality Review Committee comprised of management that meets quarterly to review the adequacy of the allowance for credit losses. The Committee reviews the status of past due, non-performing and other impaired loans, reserve ratios, and additional performance indicators for Simmons Bank. The appropriateness of the allowance for credit losses is determined based upon the aforementioned performance factors, and provision adjustments are made accordingly.

The Board of Directors reviews the adequacy of its allowance for credit losses on a periodic basis giving consideration to past due loans, non-performing loans, other impaired loans, and current economic conditions. Our loan review department monitors loan information monthly. In order to verify the accuracy of the monthly analysis of the allowance for credit losses, the loan review department performs a detailed review of loans across each product line and all divisions on an annual basis or more often if warranted. Additionally, we have instituted a Special Asset Committee for the purpose of reviewing criticized loans in regard to collateral adequacy, workout strategies and proper reserve allocations.

Competition

There is significant competition among commercial banks in our various market areas. In addition, we also compete with other providers of financial services, such as savings and loan associations, credit unions, finance companies, securities firms, insurance companies, full service brokerage firms, discount brokerage firms and fintech companies. Some of our competitors have greater resources and, as such, may have higher lending limits and may offer other services that we do not provide. Some of our competitors operate only in digital channels, which may result in those competitors investing greater resources in information technology and digital product and service delivery without the overhead associated with a branch network. We generally compete on the basis of customer service and responsiveness to customer needs, available loan and deposit products, the rates of interest charged on loans, the rates of interest paid for funds, and the availability and pricing of trust and brokerage services.

Nonbank competitors are increasingly offering products and services that traditionally were bank products. Many of these nonbank competitors are not subject to the same extensive federal regulations that govern bank holding companies and federally insured banks, which may allow them to offer greater lending limits and certain products and services that the Company and its affiliates do not provide.

Principal Offices and Available Information

Our principal executive offices are located at 501 Main Street, Pine Bluff, Arkansas 71601, and our telephone number is (870) 541-1000. We also have corporate offices located at 601 E. 3rd Street, Little Rock, Arkansas 72201. We maintain a website at www.simmonsbank.com. On this website under the *Investor Relations* section, we make our filings with the SEC (including our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended) available free of charge as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. In addition, our website contains other news and announcements about the Company and its subsidiaries. Our website and the information contained on, or that can be accessed through, our website are not deemed to be incorporated by reference in, and are not considered part of, this Annual Report.

Human Capital

Our associates are a critical component of our success. Because our business depends on our ability to attract, develop, and retain highly qualified, skilled lending, operations, information technology, and other associates, as well as managers who are experienced and effective at leading their respective departments, we have implemented wide-ranging programs focused on identifying and recruiting new talent, as well as enhancing the skills, qualifications, and satisfaction of our current associate base. In recruiting, we employ a variety of strategies, including, among other things, the use of in-house recruiters, search firms, and employment agencies, designed to attract qualified candidates. Among other opportunities, we offer student internships and a banker trainee program that provides recent graduates with the opportunity to gain insight into several Company departments. We believe our compensation program, which, in addition to base and incentive compensation, includes health, retirement, and an array of other benefit plans and programs, is competitive within the financial industry, and we periodically review our plans and programs, as well as market surveys, to help ensure that our compensation program is consistent with our level of performance and that we have a current understanding of peer practices.

We provide our associates a variety of professional development opportunities, including participation in industry conferences, instructor-led continuing education and training sessions, as well as online training sessions that focus on industry, regulatory, business, and leadership topics. We offer mentorship opportunities through our "Simmons Sidekick" and "Ambassadors" programs, and we provide tuition reimbursement for associates to attend a higher education facility to obtain bachelor's and master's degrees that are relevant to the finance industry and/or their positions within the Company. We seek to promote from within the Company when feasible and have established programs, such as our "Next Generation Leadership Program," to help develop future leadership talent.

We are committed to maintaining a strong culture that not only engages associates but also serves as a catalyst for growth. Our values-based culture is memorialized in a set of "Culture Cornerstones" that are communicated to all associates and incorporated in various ways throughout our operations. We strive for all six of our Culture Cornerstones - Better Together; Integrity; Passion; High Performance; Pursue Growth; and Build Loyalty - to be reflected in everything we do, including how we interact with each other, how we interact with our customers, and how we interact with our vendors and business partners. We have implemented extensive training and programming to support leaders and associates to emphasize and reinforce our culture cornerstones and ensure a pervasive, shared value system. Finally, we are also committed to promoting our associates' well-being. Our wellness program, "Ultimate You," assists associates in improving their level of physical, financial, and mental fitness through offerings such as financial literacy training, channels for counseling and health-focused challenges and contests.

As of December 31, 2024, the Company and its subsidiaries had approximately 2,946 full time equivalent associates. None of our associates are represented by any union or similar groups, and we have not experienced any labor disputes or strikes arising from any such organized labor groups. We consider our relationship with our associates to be good and strive to operate with an "open door policy" where associate concerns and issues can be discussed anytime directly with leadership or human resources. We have been recognized with "Best Places to Work" awards in several of our markets.

SUPERVISION AND REGULATION

The Company and its subsidiaries are extensively regulated under both federal and state laws. The following description summarizes certain aspects of that regulation that are material to the Company and its subsidiary bank, Simmons Bank, and is not a complete description of all applicable laws or regulations, or all aspects of those regulations, that affect us. To the extent that any specific statutory or regulatory provision or proposal is described in this Annual Report on Form 10-K, such description is qualified in its entirety by reference to the statutory or regulatory provision or proposal.

Proposals to change the laws, regulations, and policies governing the banking industry are frequently raised at both the state and federal levels. These laws and regulations, and changes thereto, impose compliance costs and create obligations and, in some cases, reporting obligations, and compliance with these laws, regulations, and obligations may require us to use significant resources. The likelihood and timing of any changes in laws and regulations and the supervisory environment, and the impact such changes may have on us, are difficult to predict and assess.

The Company

The Company, as a bank holding company, is subject to both federal and state regulation. Under federal law, a bank holding company generally must obtain approval from the Board of Governors of the Federal Reserve System ("FRB") before acquiring ownership or control of the assets or stock of a bank or a bank holding company. Prior to approval of any proposed acquisition, the FRB will review the effect on competition of the proposed acquisition, as well as other regulatory issues.

The federal law generally prohibits a bank holding company from directly or indirectly engaging in non-banking activities. This prohibition does not include loan servicing, liquidating activities or other activities so closely related to banking as to be a proper incident thereto. Bank holding companies, including the Company, which have elected to qualify as financial holding companies, are authorized to engage in financial activities. Financial activities include any activity that is financial in nature or any activity that is incidental or complimentary to a financial activity.

As a financial holding company, we are required to file with the FRB an annual report and such additional information as may be required by law. From time to time, the FRB examines the financial condition of the Company and its subsidiaries. For the Company to maintain financial holding company status, each of the Company's bank subsidiaries must be "well-capitalized" and "well-managed" as defined by the FRB. Bank holding companies are not permitted to engage in unsafe and unsound banking practices. The FRB, through civil and criminal sanctions, is authorized to exercise enforcement powers over bank holding companies (including financial holding companies) and non-banking subsidiaries, to limit activities that represent unsafe or unsound practices or constitute violations of law.

Federal law also requires the Company to act as a source of financial and managerial strength for our bank subsidiary and to commit resources to support that subsidiary. This support may be required by federal banking agencies even at times when a bank holding company may not have the resources to provide the support. Further, if the FRB believes that a bank holding company's activities, assets or affiliates represent a significant risk to the financial safety, soundness or stability of its subsidiary bank, then the FRB could require that bank holding company to terminate the activities, liquidate the assets or divest the affiliates. Federal banking agencies, including the FRB, may require these and other actions in support of a subsidiary bank even if such actions are not in the best interests of the bank holding company or its stockholders.

We are subject to certain laws and regulations of the State of Arkansas applicable to financial and bank holding companies, including examination and supervision by the Arkansas Bank Commissioner. Under Arkansas law, a financial or bank holding company is prohibited from owning more than one subsidiary bank if any subsidiary bank owned by the holding company has been chartered for less than five years and, further, requires the approval of the Arkansas Bank Commissioner for any acquisition of more than 25% of the capital stock of any other bank located in the State of Arkansas. No bank acquisition may be approved if, after such acquisition, the holding company would control, directly or indirectly, banks having 25% of the total bank deposits in the State of Arkansas, excluding deposits of other banks and public funds.

Additionally, under federal and state law, acquisitions of the Company's common stock above certain thresholds or in connection with certain governance rights or business relationships may be subject to certain regulatory restrictions, including prior notice and approval requirements, and investors in the Company's common stock are responsible for ensuring that they comply with these restrictions to the extent they are applicable.

Federal legislation allows bank holding companies (including financial holding companies) from any state to acquire banks located in any state without regard to state law, provided that the holding company (1) is well capitalized, (2) is well managed, (3) would not control more than 10% of the insured deposits in the United States or more than 30% of the insured deposits in such state, and (4) such bank has been in existence at least five years if so required by the applicable state law.

The principal source of the Company's liquidity is dividends from Simmons Bank, the payment of which is subject to certain limitations imposed by federal and state laws. The approval of the Arkansas Bank Commissioner is, for instance, required if the total of all dividends declared by an Arkansas state bank in any calendar year exceeds seventy-five percent (75%) of the total of its net profits, as defined, for that year combined with seventy-five percent (75%) of its retained net profits of the preceding year. Under the foregoing dividend restrictions, and while maintaining its "well capitalized" status, at December 31, 2024, Simmons Bank had paid to the Company all available dividends. While past dividends are not necessarily indicative of amounts that may be paid or available to be paid in future periods, net profits of Simmons Bank and cash balances at the Company are projected to be sufficient to pay quarterly dividends on the Company's common stock at current levels and interest and principal on the Company's debt as well as meet other liquidity needs.

A bank holding company's repurchases of shares of its common stock or redemption of its debt securities may, in certain circumstances, be subject to approval or notice requirements under other regulations, policies, or supervisory expectations of the bank holding company's regulators, may be discouraged by regulators in the form of supervisory feedback on the bank holding company's regulatory capital levels or plan, and must comply with all applicable state and federal corporate and securities laws and regulations.

Subsidiary Bank

Simmons Bank is an Arkansas state-chartered bank and a member of the Federal Reserve System through the Federal Reserve Bank of St. Louis. Due to the Company's typical acquisition process, there may be brief periods of time during which the Company may operate another subsidiary bank that the Company acquired through a merger with a target bank holding company as a separate subsidiary while preparing for the merger and integration of that subsidiary bank into Simmons Bank. However, it is the Company's intent to generally maintain Simmons Bank as the Company's sole subsidiary bank.

The lending powers of the subsidiary bank are generally subject to certain restrictions, including the amount which may be loaned to a single borrower. Our subsidiary bank is a member of the FDIC, which provides insurance on deposits of each member bank up to applicable limits by the Deposit Insurance Fund. For this protection, our bank pays a statutory assessment to the FDIC each year.

Furthermore, as a member of the Federal Reserve System, our subsidiary bank is required by law to maintain reserves against its transaction deposits as required by the FRB. The reserves must be held in cash or with the FRB. Banks are permitted to meet this requirement by maintaining the specified amount as an average balance over a two-week period. During 2020, due to the COVID-19 pandemic, the FRB acting pursuant to the Federal Reserve Act reduced the reserve requirements to zero until further notice. As a result, as of December 31, 2024, the Company's reserve balances were zero.

Pursuant to federal laws and regulations, national and state-chartered banks may establish branches in their home states, as well as in other states. Applications to establish branches must be filed with the appropriate primary federal regulator and, where applicable, the bank's state regulatory authority. As an Arkansas state-chartered bank, our subsidiary bank files branch applications with both the FRB and the Arkansas State Bank Department.

Federal laws and regulations also restrict banks, including our subsidiary bank, from establishing certain tying arrangements. In particular, subject to certain exceptions, banks, including our subsidiary bank, are prohibited from extending credit, leasing or selling property, furnishing services, or varying prices on the condition that the customer obtain an additional product or service from the bank or its affiliates or not obtain services of a competitor of the bank or its affiliates.

Transactions with Affiliates and Insiders

Under federal law, transactions between insured depository institutions and their affiliates are governed by Sections 23A and 23B of the Federal Reserve Act and its implementing regulation, Regulation W. In a bank holding company context, at a minimum, the parent holding company of a bank, any companies which are controlled by such parent holding company, and financial subsidiaries of the bank, are affiliates of the bank. Generally, Sections 23A and 23B of the Federal Reserve Act are intended to protect insured depository institutions from losses arising from transactions with non-insured affiliates by limiting the extent to which a bank or its subsidiaries may engage in covered transactions with any one affiliate and with all affiliates of the bank in the aggregate, and requiring that such transactions be on terms consistent with safe and sound banking practices.

Loans to executive officers, directors, or any person who directly or indirectly, or acting through or in concert with one or more persons, owns, controls, or has the power to vote more than 10% of any class of voting securities of a bank ("10% Shareholders"), are subject to Sections 22(g) and 22(h) of the Federal Reserve Act and their corresponding regulations (Regulation O) and Section 13(k) of the Exchange Act relating to the prohibition on personal loans to executives (which exempts financial institutions in compliance with the insider lending restrictions of Section 22(h) of the Federal Reserve Act). Among other things, these loans must be made on terms substantially the same as those prevailing on transactions made to unaffiliated individuals, except that such insiders may receive preferential loans made under a benefit or compensation program that is widely available to the bank's employees and does not give preference to the insider over the employees, and certain extensions of credit to those persons must first be approved in advance by a disinterested majority of the entire Board of Directors.

Section 22(h) of the Federal Reserve Act and its implementing regulation, Regulation O, prohibits loans to any directors, executive officers, and principal stockholders and their related interests where the aggregate amount exceeds an amount equal to 15% of an institution's unimpaired capital and surplus plus an additional 10% of unimpaired capital and surplus in the case of loans that are fully secured by readily marketable collateral, or when the aggregate amount on all of the extensions of credit outstanding to all of these persons would exceed the Bank's unimpaired capital and unimpaired surplus. Section 22(g) of the Federal Reserve Act places additional limitations on loans to executive officers and identifies limited circumstances in which the Bank is permitted to extend credit to executive officers.

As a result, our subsidiary bank is limited in its ability to make extensions of credit to the Company, investing in the stock or other securities of the Company, and engaging in other affiliated financial transactions with the Company.

Potential Enforcement Action for Bank Holding Companies and Banks

Enforcement proceedings seeking civil or criminal sanctions may be instituted against any bank, any financial or bank holding company, any director, officer, employee or agent of the bank or holding company, which is believed by the federal banking agencies to be violating any applicable banking law, regulation or administrative pronouncement or engaged in unsafe and unsound practices. In more serious cases, enforcement actions may include the issuance of directives to increase capital; the issuance of formal and informal agreements; the imposition of civil monetary penalties; the issuance of a cease and desist order that can be judicially enforced; the issuance of removal and prohibition orders against officers, directors, and other institution-affiliated parties; the termination of a bank's deposit insurance; the appointment of a conservator or receiver for a bank; and the enforcement of such actions through injunctions or restraining orders based upon a judicial determination that the agency would be harmed if such equitable relief was not granted.

Risk-Weighted Capital Requirements for the Company and the Subsidiary Bank

Effective January 1, 2015, the Company and its subsidiary bank became subject to new capital regulations ("Basel III Capital Rules") adopted by the Federal Reserve in July 2013 establishing a new comprehensive capital framework for U.S. banks. The Basel III Capital Rules were fully implemented as of January 1, 2019. For a tabular summary of our risk-weighted capital ratios, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Capital" and Note 22, Stockholders' Equity, of the Notes to Consolidated Financial Statements.

The Basel III Capital Rules include a common equity Tier 1 capital to risk-weighted assets ("CET1") ratio of 4.5% and a common equity Tier 1 capital conservation buffer of 2.5% of risk-weighted assets. CET1 generally consists of common stock; retained earnings; accumulated other comprehensive income; and certain minority interests, all subject to applicable regulatory adjustments and deductions. The Company and its subsidiary bank must hold a capital conservation buffer composed of CET1 capital above its minimum risk-based capital requirements.

A banking organization's qualifying total capital consists of two components: Tier 1 Capital and Tier 2 Capital. Tier 1 Capital is an amount equal to the sum of common stockholders' equity, hybrid capital instruments (instruments with characteristics of debt and equity) in an amount up to 25% of Tier 1 Capital, certain preferred stock and the minority interest in the equity accounts of consolidated subsidiaries. For bank holding companies and financial holding companies, goodwill (net of any deferred tax liability associated with that goodwill) may not be included in Tier 1 Capital. Identifiable intangible assets may be included in Tier 1 Capital for banking organizations, in accordance with certain further requirements. At least 50% of the banking organization's total regulatory capital must consist of Tier 1 Capital.

Tier 2 Capital is an amount equal to the sum of the qualifying portion of the allowance for credit losses, certain preferred stock not included in Tier 1, hybrid capital instruments (instruments with characteristics of debt and equity), certain long-term debt securities and eligible term subordinated debt, in an amount up to 50% of Tier 1 Capital. The eligibility of these items for inclusion as Tier 2 Capital is subject to certain additional requirements and limitations of the federal banking agencies.

The Basel III Capital Rules expanded the risk-weighting categories from the previous four Basel I-derived categories (0%, 20%, 50% and 100%) to a much larger and more risk-sensitive number of categories, depending on the nature of the assets, generally ranging from 0% for U.S. government and agency securities, to 600% for certain equity exposures, and resulting in higher risk weights for a variety of asset categories, including many residential mortgages and certain commercial real estate.

Accordingly, under the fully-phased in Basel III Capital Rules, the capital standards applicable to the Company include an additional capital conservation buffer of 2.5% of CET1, effectively resulting in minimum ratios inclusive of the capital conservation buffer of (1) CET1 to risk-weighted assets of at least 7.0%, (2) Tier 1 capital to risk-weighted assets of at least 8.5%, and (3) Total capital to risk-weighted assets of at least 10.5%.

In August 2020, the FRB, along with the other federal bank regulatory agencies, adopted a final rule that allows the Company and the Bank to phase-in the impact of adopting the Current Expected Credit Losses (or "CECL") methodology up to two years, with a three-year period to phase out the cumulative benefit to regulatory capital provided during the two-year delay.

Prompt Corrective Action

The Basel III Capital Rules also affected the FDIC's prompt correction action standards. Those standards seek to address problems associated with undercapitalized financial institutions and provide for five capital categories: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized.

For purposes of prompt corrective action, to be:

- *well capitalized*, a bank must have a total risk based capital ratio of at least 10%, a Tier 1 risk based capital ratio of at least 8%, a CET1 risk based capital ratio of at least 6.5%, and a Tier 1 leverage ratio of at least 5%;
- *adequately capitalized*, a bank must have a total risk based capital ratio of at least 8%, a Tier 1 risk based capital ratio of at least 6%, a CET1 risk based capital ratio of at least 4.5%, and a Tier 1 leverage ratio of at least 4%;
- *undercapitalized*, a bank would have a total risk based capital ratio of less than 8%, a Tier 1 risk based capital ratio of less than 6%, a CET1 risk based capital ratio of less than 4.5%, and a Tier 1 leverage ratio of less than 4%;
- *significantly undercapitalized*, a bank would have a total risk based capital ratio of less than 6%, a Tier 1 risk based capital ratio of less than 4%, a CET1 risk based capital ratio of less than 3%, and a Tier 1 leverage ratio of less than 3%; and
- *critically undercapitalized*, a bank would have a ratio of tangible equity to total assets that is less than or equal to 2%.

Institutions that fall into the latter three categories are subject to restrictions on their growth and are required to submit a capital restoration plan. There is also a method by which an institution may be downgraded to a lower capital category based on supervisory factors other than capital. As of December 31, 2024, Simmons Bank was "well capitalized" based on the aforementioned ratios.

Federal Deposit Insurance Corporation Improvement Act

The Federal Deposit Insurance Corporation Improvement Act ("FDICIA"), enacted in 1991, requires the FDIC to increase assessment rates for insured banks and authorizes one or more "special assessments," as necessary for the repayment of funds borrowed by the FDIC or any other necessary purpose. As directed in FDICIA, the FDIC has adopted a transitional risk-based assessment system, under which the assessment rate for insured banks will vary according to the level of risk incurred in the bank's activities. The risk category and risk-based assessment for a bank is determined, in part, from its prompt corrective action, as well capitalized, adequately capitalized or undercapitalized. Please refer to the section below titled *FDIC Deposit Insurance and Assessments* for more information.

Pursuant to the FDICIA and Federal Deposit Insurance Act ("FDIA"), the federal banking agencies must promptly mandate corrective actions by banks that fail to meet the capital and related requirements in order to minimize losses to the FDIC and the Deposit Insurance Fund. As of December 31, 2024, the Bank was well capitalized under these regulations.

The federal banking agencies are also required by FDICIA to prescribe standards for banks and bank holding companies (including financial holding companies) relating to operations and management, asset quality, earnings, stock valuation and compensation. A bank or bank holding company that fails to comply with such standards will be required to submit a plan designed to achieve compliance. If no plan is submitted or the plan is not implemented, the bank or holding company would become subject to additional regulatory action or enforcement proceedings.

A variety of other provisions included in FDICIA may affect the operations of the Company and the subsidiary bank, including reporting requirements, regulatory standards for real estate lending, "truth in savings" provisions, and the requirement that a depository institution give 90 days prior notice to customers and regulatory authorities before closing any branch.

Dodd-Frank Wall Street Reform and Consumer Protection Act

Enacted in 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), significantly changed the regulation of financial institutions and the financial services industry. The Dodd-Frank Act included provisions affecting large and small financial institutions alike, including several provisions that profoundly affected how community banks, thrifts, and small bank and thrift holding companies are regulated. Among other things, these provisions relaxed rules regarding interstate branching, allow financial institutions to pay interest on business checking accounts, and revised capital requirements on bank and thrift holding companies.

The Dodd-Frank Act also established the Bureau of Consumer Financial Protection ("CFPB") as an independent entity within the Federal Reserve and provided it with the authority to promulgate consumer protection regulations applicable to all entities offering consumer financial services or products, including banks. Additionally, the Dodd-Frank Act included a series of provisions covering mortgage loan origination standards affecting, among other things, originator compensation, minimum repayment standards, and pre-payment penalties. The Dodd-Frank Act contained numerous other provisions affecting financial institutions of all types, many of which have an impact on our operating environment, including among other things, our regulatory compliance costs. However, the Dodd-Frank Act does not prevent states from adopting stricter consumer protection standards than those promulgated by the CFPB. State regulation of financial products and potential enforcement actions could also adversely affect the Company's business, financial condition, or operations.

The EGRRCPA

In May 2018, the Economic Growth, Regulatory Reform, and Consumer Protection Act ("EGRRCPA") was enacted, which, among other things, amended certain provisions of the Dodd-Frank Act as well as statutes administered by the FRB and the FDIC. The EGRRCPA provides targeted regulatory relief to financial institutions while preserving the existing framework under which U.S. financial institutions are regulated. The EGRRCPA relieves bank holding companies with less than $100 billion in assets, such as the Company, from the enhanced prudential standards imposed under Section 165 of the Dodd-Frank Act (including, but not limited to, resolution planning and enhanced liquidity and risk management requirements). Please see the section below titled *Impacts of Growth* for more information.

In addition to amending the Dodd Frank Act, the EGRRCPA also includes certain additional banking-related provisions, consumer protection provisions and securities law-related provisions. Many of the EGRRCPA's changes were implemented through rules finalized by the federal banking agencies over the course of 2019. These rules and their enforcement are subject to the substantial regulatory discretion of the federal banking agencies.

Volcker Rule

Section 619 of the Dodd-Frank Act, commonly known as the "Volcker Rule," restricts the ability of banking entities from: (i) engaging in "proprietary trading" and (ii) investing in or sponsoring certain covered funds, subject to certain limited exceptions. Under the Volcker Rule, the term "covered funds" is defined as any issuer that would be an investment company under the Investment Company Act but for the exemption in Section 3(c)(1) or 3(c)(7) of that Act. There are also several exemptions from the definition of covered fund, including, among other things, loan securitizations, joint ventures, certain types of foreign funds, entities issuing asset-backed commercial paper, and registered investment companies. The EGRRCPA and the subsequently promulgated inter-agency agency rules have aimed at simplifying and tailoring certain requirements related to the Volcker Rule.

Brokered Deposits

Section 29 of the FDIA and the FDIC regulations promulgated thereunder limit the ability of any bank to accept, renew or roll over any brokered deposit unless it is well capitalized or, with the FDIC's approval, adequately capitalized. However, as a result of the EGRRCPA, the FDIC has undertaken a comprehensive review of its regulatory approach to brokered deposits, including reciprocal deposits, and interest rate caps applicable to banks that are less than well capitalized. In December 2020, the FDIC issued a final rulemaking to modernize its brokered deposit regulations. Among other things, the final rule established a new framework for analyzing certain provisions of the "deposit broker" definition and established certain automatic "primary purpose" exemptions from the deposit broker definition, as well as revised certain interest rate restrictions that apply to less than well capitalized insured depository institutions. The final rule became effective April 1, 2021; and full compliance was required by January 1, 2022. Implementation of the final rule did not have a material impact on our subsidiary bank. In July 2024, the FDIC proposed significant revisions to the brokered deposit regulations, including significant expansions to the definition of "deposit broker," and significantly narrowing the primary purpose exception to "deposit broker" status. The comment period on those proposed rules has closed. In January 2025, the Acting Chairman of the FDIC issued a statement indicating that the FDIC may focus on withdrawing those proposed rules during 2025. These proposed rules may also be subject to the presidential memorandum entitled "Regulatory Freeze Pending Review," which directs federal agencies to (1) not propose or issue any rules until they are reviewed and approved by a department or agency head appointed by the President, (2) immediately withdraw any unpublished rules to allow for the review by a department or agency head as described above, and (3) consider postponing for 60 days from the date of the executive order the effective date for any rules that have been published in the Federal Register, or any rules that have been issued but have not taken effect, to allow for review of any questions of fact, law, or policy. The Company continues to monitor the status of those proposed rules and FDIC action and statements with respect thereto.

FDIC Deposit Insurance and Assessments

Our customer deposit accounts are insured up to applicable limits by the FDIC's Deposit Insurance Fund ("DIF") up to $250,000 per separately insured depositor. Simmons Bank is required to pay deposit insurance assessments to maintain the DIF. Because Simmons Bank's assets exceed $10 billion, its deposit insurance assessment is based on a scoring system that examines the institution's supervisory ratings and certain financial measures. The scoring system assesses risk measures to produce two scores, a performance score and a loss severity score, that are combined and converted to an initial assessment rate. The FDIC has the ability to make discretionary adjustments to the total score based upon significant risk factors not adequately captured in the calculations.

As described above in the section titled *Potential Enforcement Action for Bank Holding Companies and Banks*, the FDIC may terminate deposit insurance upon a finding that an institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC.

In November 2023, the FDIC issued a final rule to implement a special assessment to recover losses to the DIF incurred as a result of recent bank failures and the FDIC's use of the systemic risk exception to cover certain deposits that were otherwise uninsured. The special assessment was based on estimated uninsured deposits as of December 31, 2022 (excluding the first $5.0 billion) and will be assessed at a quarterly rate of 3.36 basis points, over eight quarterly assessment periods, beginning in the first quarter of 2024. As a result of this final rule, we accrued $12.4 million related to this assessment. Under the final rule, the estimated loss pursuant to the systemic risk determination will be periodically adjusted, and the FDIC has retained the ability to cease collection early, extend the special assessment collection period and impose a final shortfall special assessment on a one-time basis. The extent to which any such additional future assessments will impact our future deposit insurance expense is currently uncertain.

Community Reinvestment Act

The Community Reinvestment Act of 1977 ("CRA") requires that federal banking agencies evaluate the record of each financial institution in meeting the credit needs of the market areas they serve, including low and moderate-income ("LMI") individuals and communities. These activities are also considered in connection with, among other things, applications for mergers, acquisitions and the opening of a branch or facility, and negative results of these evaluations could prevent us from engaging in these types of transactions. Simmons Bank received a "satisfactory" CRA rating during its most recent exam.

In October 2023, the federal prudential regulatory agencies adopted substantial revisions to the regulations implementing the CRA. The legality of these CRA regulations is being challenged and a preliminary injunction against enforcing new rules implementing the modified CRA regulations has been granted. In addition, the updated CRA regulations may be impacted by the presidential memorandum entitled "Regulatory Freeze Pending Review" described above. The Company continues to assess the impact of the adopted changes to the CRA regulations.

UDAP and UDAAP

Federal laws, including Section 5 of the Federal Trade Commission Act, prohibit financial institutions from engaging in unfair or deceptive acts or practices ("UDAP") in or affecting commerce. The Dodd-Frank Act expanded regulation in this space to apply to unfair, deceptive or abusive acts or practices ("UDAAP") and delegated to the CFPB supervision and enforcement authority for UDAAP with respect to our subsidiary bank and rulemaking authority with respect to UDAAP. These laws have been used to, among other things, address certain problematic practices that may not fall directly within the scope of other banking or consumer protection laws.

Financial Privacy and Data Security

The Company is subject to federal laws, including the Gramm-Leach-Bliley Act of 1999 ("GLBA"), and certain state laws containing consumer privacy protection and data security provisions. These federal and state laws, and the rules and regulations promulgated thereunder, impose restrictions on our ability to disclose non-public information concerning consumers to nonaffiliated third parties. These laws, rules and regulations also mandate the distribution of privacy policies to consumers, as well as provide consumers an ability to prevent our disclosure of their information under certain circumstances.

In addition, the GLBA requires that financial institutions, such as our subsidiary bank, implement comprehensive written information security programs that include administrative, technical, and physical safeguards to protect consumer information and data. Further, pursuant to interpretive guidance issued under the GLBA and certain state laws, financial institutions are also generally required to notify customers of security breaches that result in unauthorized access to their nonpublic personal information.

Although these laws and regulations impose compliance costs and create obligations and, in some cases, reporting obligations, and compliance with all of the laws, regulations, and reporting obligations may require significant resources of the Company and our subsidiary bank, these laws and regulations do not materially affect our products, services or other business activities.

Anti-Money Laundering and Anti-Terrorism

Simmons Bank is subject to the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (also known as the "PATRIOT Act"), the Bank Secrecy Act ("BSA") and rules and regulations of the Office of Foreign Assets Control ("OFAC").

Under Title III of the PATRIOT Act, all financial institutions are required to take certain measures to identify their customers, prevent money laundering, monitor customer transactions, and report suspicious activity to U.S. law enforcement agencies. Financial institutions also are required to respond to requests for information from federal banking agencies and law enforcement agencies. Information sharing among financial institutions for the above purposes is encouraged by an exemption granted to complying financial institutions from the privacy provisions of the GLBA and other privacy laws.

Among other things, Simmons Bank is required to establish an anti-money laundering ("AML") program which includes the designation of a BSA officer, the establishment and maintenance of BSA/AML training, the establishment and maintenance of BSA/AML policies and procedures, independent testing of the AML program, and compliance with customer due diligence requirements. Our subsidiary bank must also employ enhanced due diligence under certain conditions. Compliance with BSA/AML requirements is routinely examined by regulators, and failure of a financial institution to meet its requirements in combating AML and anti-terrorism activities could result in severe penalties for the institution, including, among other things, the inability to receive the requisite regulatory approvals for mergers and acquisition.

Further, OFAC administers economic sanctions imposed by the federal government that affect transactions with foreign countries, individuals, and others (as the "OFAC Rules"). The OFAC Rules target many countries as well as specially designated nationals and blocked persons (collectively, "SDNs") and take many different forms. Blocked assets (property and bank deposits) that are associated with such countries and SDNs cannot be paid out, withdrawn, set off, or transferred in any manner without a license from OFAC. Failure to comply with the OFAC Rules can result in serious legal and reputational consequences.

In December 2020, the U.S. Congress enacted the National Defense Authorization Act (the "NDAA") that, among other provisions, made significant updates to the federal BSA/AML regulations that aim to eliminate the use of shell companies that facilitate the laundering of criminal proceeds. In December 2021, the Financial Crimes Enforcement Network ("FinCEN") issued the first of three planned rules, which rule was adopted to implement a national beneficial ownership reporting framework. In December 2023, FinCEN issued the second of the three planned rules, which rule was adopted to implement protocols for access to and disclosure of beneficial ownership information. A subsequent rulemaking is expected to update the customer due diligence requirements that apply to the Company and the Bank to be consistent with this framework. The Company and the Bank continue to monitor legislative, regulatory and supervisory developments related thereto.

Mortgage Banking Regulation

In connection with making mortgage loans, we are subject to rules and regulations that, among other things, establish standards for loan origination and servicing, prohibit discrimination, provide for inspections and appraisals of property, require credit reports on prospective borrowers, in some cases restrict certain loan features and fix maximum interest rates and fees, require the disclosure of certain basic information to mortgagors concerning credit and settlement costs, limit payment for settlement services to the reasonable value of the services rendered and require the maintenance and disclosure of information regarding the disposition of mortgage applications based on race, gender, geographical distribution and income level, and establish requirements for servicing mortgage loans including loan mitigation. We are also subject to rules and regulations that require the collection and reporting of significant amounts of information with respect to mortgage loans and borrowers. Our mortgage origination activities are subject to Regulation Z, which implements the Truth in Lending Act. Certain provisions of Regulation Z require creditors to make a reasonable and good faith determination based on verified and documented information that a consumer applying for a mortgage loan has a reasonable ability to repay the loan according to its terms.

Federal Home Loan Bank of Dallas

Simmons Bank is a member of the Federal Home Loan Bank of Dallas ("FHLB-Dallas"), which is one of 11 regional Federal Home Loan Banks that provide funding to their members for making housing loans as well as for affordable housing and community development loans. Each FHLB serves as a reserve, or central bank, for the members within its assigned region and makes loans to its members in accordance with policies and procedures established by the board of directors of that FHLB. As a member, Simmons Bank must purchase and maintain stock in FHLB-Dallas. At December 31, 2024, Simmons Bank's total investment in FHLB-Dallas was $56.2 million.

Incentive Compensation

The Dodd-Frank Act requires the federal banking agencies and the SEC to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at specified regulated entities, including the Company and our subsidiary bank, with at least $1 billion in total consolidated assets that encourage inappropriate risks by providing an executive officer, employee, director, or principal shareholder with excessive compensation, fees, or benefits that could lead to material financial loss to the entity. The federal banking agencies and the SEC most recently proposed such regulations in 2016, but the regulations have not yet been finalized. However, in late 2022, the SEC finalized a set of rules directing national securities exchanges to establish listing standards regarding clawbacks of incentive-based executive compensation, which listing standards became effective in 2023. Specifically, Nasdaq implemented listing standards that require listed companies to adopt clawback policies, or policies mandating the recovery of excess incentive compensation earned by a current or former executive officer during the three fiscal years preceding the date the listed company is required to prepare an accounting restatement, including to correct an error that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. We adopted a compensation recovery policy pursuant to the Nasdaq listing standards and the policy is included as Exhibit 97 to this Annual Report on Form 10-K.

The Dodd-Frank Act also requires publicly traded companies to give stockholders a non-binding vote on executive compensation at least every three years and on so-called "golden parachute" payments in connection with approvals of mergers and acquisitions. The Company gives stockholders a non-binding vote on executive compensation annually.

Impacts of Growth

Because the Company and Simmons Bank have exceeded $10 billion in assets, each of the Company and the Bank are subject to heightened requirements (as compared to smaller community banking organizations) that are imposed by various federal banking law and regulations.

Among other things, the Dodd-Frank Act, through the Durbin Amendment, and associated Federal Reserve regulations cap the interchange rate on debit card transactions that can be charged by banks that, together with their affiliates, have at least $10 billion in assets at $0.21 per transaction plus five basis points multiplied by the value of the transaction (plus, for a debit card issuer that meets certain fraud-prevention standards, a "fraud-prevention adjustment" of $0.01 per transaction). The cap goes into effect July 1st of the year following the year in which a bank reaches the $10 billion asset threshold. Simmons Bank became subject to the interchange rate cap effective July 1, 2018. In October 2023, the Federal Reserve proposed lowering the maximum interchange fee, and the Company is monitoring developments related to the proposal and continuing to assess its potential impact.

As of December 31, 2017, the Company exceeded $15 billion in total assets, and the grandfather provisions applicable to its trust preferred securities no longer apply, and trust preferred securities are no longer included as Tier 1 capital. Trust preferred securities and qualifying subordinated debt are included as total Tier 2 capital.

The Dodd-Frank Act also previously required banks and bank holding companies with more than $10 billion in assets to adhere to certain enhanced prudential standards, including requirements to conduct annual stress tests, report the results to regulators and publicly disclose such results. However, as a result of regulatory reform finalized following passage of the EGRRCPA, the Company and Simmons Bank are no longer required to conduct an annual stress test of capital under the Dodd-Frank Act. Further, as a result of passage of the EGRRCPA, bank holding companies with less than $100 billion in assets, such as the Company, are exempt from the resolution planning, enhanced liquidity standards, and risk management requirements imposed under Section 165 of the Dodd-Frank Act. In anticipation of becoming subject to these requirements, the Company and Simmons Bank had begun the necessary preparations, including undertaking a gap analysis, implementing enhancements to the audit and compliance departments, and investing in various information technology systems. Notwithstanding that federal banking agencies will not take action with respect to these enhanced prudential standards, the Company and its subsidiary bank continue to review their capital planning and risk management practices in connection with the regular supervisory processes of the FRB.

Additionally, the Dodd-Frank Act established the CFPB and granted it supervisory authority over banks with total assets of more than $10 billion. Simmons Bank is subject to CFPB oversight with respect to its compliance with federal consumer financial laws. Simmons Bank continues to be subject to the oversight of its other regulators with respect to matters outside the scope of the CFPB's jurisdiction. The CFPB has broad rule-making, supervisory, examination and enforcement authority, as well as expanded data collecting and enforcement powers, all of which impact the operations of Simmons Bank. For example, in January 2024, the CFPB proposed rules that would subject (with certain exceptions) overdraft services provided by financial institutions with more than $10 billion in assets to the provisions of the Truth in Lending Act and other consumer financial protection laws. The Company is currently evaluating the potential impact of the proposed rules and monitoring developments with respect thereto.

Pending Legislation

Because of concerns relating to, among other things, competitiveness and the safety and soundness of the banking industry, governmental administrations, as well as Congress and state legislatures, often consider a number of wide-ranging proposals for altering the structure, regulation, and competitive relationships of the nation's financial institutions and of those chartered in a particular state legislature's jurisdiction. We cannot predict the timing of any proposals or whether or in what form any proposals will be adopted or the extent to which our business, including our financial condition and results of operations, may be affected. For example, in February 2025, the CFPB staff was instructed to stop all rulemaking, public communications, litigation, examination and certain other activities. This and other events make future regulations increasingly uncertain.

Effect of Governmental Monetary Policies

The FRB uses monetary policy tools to impact interest rates, credit market conditions and money market conditions, as well as to influence general economic conditions, including employment, market interest and inflation rates. These policies can have a significant impact on the absolute levels and distribution of deposits, loans and investment securities, as well as on market interest rates charged on loans or paid for deposits and other borrowings. Monetary policies of the FRB have in the past had a significant effect on the operating results of bank holding companies and their subsidiary banks, such as the Company and Simmons Bank, and may have similar effects in the future.

ITEM 1A. RISK FACTORS

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 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 2024 and 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.

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 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 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 securities portfolio has declined significantly, resulting in unrealized losses. If the Company were required to sell such securities, including to meet liquidity needs, the Company would realize any previously unrealized losses which could adversely impact the Company's financial condition and results of operations.

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, and, among other things, the amount of net charge-offs associated with it 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% of our average outstanding credit card balances for the years ended December 31, 2024 and 2023, 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.

Prior events in the financial services industry, 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 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, 2024, we had $1.3 billion of goodwill and $97.2 million 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 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 have rights that are senior to those of our common shareholders.

We have issued subordinated notes. Among other things, in the event of our bankruptcy, dissolution or liquidation, the holders of the subordinated notes must be satisfied before any distributions can be made to the holders 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.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We maintain an information security program and governance structure for assessing, identifying, and managing material risks from cybersecurity threats.

Risk Management and Strategy

Our information security program is led by our chief information security officer ("CISO"), who has over 25 years of experience in technology management, has 9 years of banking experience, and is a certified information systems security professional. The CISO oversees our "information security team" within our information technology department, which includes our identity and access management group, our security operations center group, and our security engineering and security architecture groups. These groups develop, deploy, monitor, and manage multiple processes, systems, and controls, including embedded controls within the technology we use, designed to help identify, protect against, detect, respond to, and recover from cybersecurity threats and incidents.

In addition to our information security team, we also employ a senior vice president of IT governance and risk who has over 18 years of IT governance, risk, and compliance experience and is responsible for the development, monitoring, and reporting of IT-related key risk indicators ("KRIs"), including KRIs related to cyber risks. Both our CISO and our senior vice president of IT governance and risk report to our chief information officer ("CIO"), who has more than 25 years of technology leadership experience, including leadership experience at global financial institutions, and is responsible, among other things, for oversight of our information technology environment, strategy, and security risks.

As part of our information security program, we undertake efforts to monitor new and emerging risks and evaluate the effectiveness and maturity of our cyber defenses through various means, including internal audits, targeted testing (including penetration testing), incident response exercises, maturity assessments, and industry benchmarking. In connection with these efforts, we use, on an as-needed basis, certain third-parties, including auditors, consultants, and others, that have particular cyber expertise.

We also maintain multiple groups that help oversee risks associated with our third-party service providers. These groups include (1) our third-party risk management department, which facilitates reviews of certain third parties by our assurance providers, including our information security and business continuity teams, (2) our vendor council, which reviews contractual terms (including, at times, terms related to confidentiality and data protection) for certain third-party relationships, and (3) our architecture review board, which reviews certain new business initiatives that may impact the Company's technical and/or security architecture.

Our information security program is one component of our broader enterprise risk management program. As such, KRIs related to cyber risk (which are a subset of operational risk KRIs) are reported to, and overseen and monitored by, our enterprise risk management committee, which is comprised of senior executives of the Company. Additionally, we maintain an incident response framework that details the applicable teams, their functions, and guidelines when a cybersecurity incident occurs. The framework is designed to cover significant aspects of the incident including detection, containment, remediation, and post incident analysis. Various groups of senior executives help oversee responses to security incidents, including the data loss prevention team, the core computer security incident response team, and the extended computer security incident response team.

While we do not believe that our business strategy, results of operations, or financial condition have been materially adversely affected by any cybersecurity incidents, cybersecurity threats are constant, and, like other financial institutions, we, as well as our customers, employees, and third-party service providers, have experienced a significant increase in information security and cybersecurity risk in recent years and will likely continue to be the target of cyber-attacks. We continue to assess the risks and changes in the cyber environment, reasonably invest in enhancements to our cybersecurity capabilities, and engage in industry and government forums to promote advancements in our cybersecurity capabilities. See the risk factor "*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 impacts on our business, result in the disclosure of confidential information, and create significant financial and legal exposure for us*." in "Item 1A. Risk Factors" of this Form 10-K for more information.

Governance

Our board of directors is aware of, and takes seriously, the importance of overseeing risks associated with cybersecurity threats. Senior management has provided the board of directors with cybersecurity information, as well as incident response training. Additionally, employees have received training related to cybersecurity. Cyber risks are incorporated into risk appetite metrics for operational risk and presented to and reviewed by the risk committee of the board of directors. Additionally, the audit committee of the board of directors receives and reviews internal audit reports concerning, among other things, matters related to information security. Furthermore, the board of directors of Simmons Bank, the Company's primary operating subsidiary, has established an information technology committee ("IT Committee") that receives regular reports from the CISO and CIO concerning our information security program and cybersecurity matters. The CIO also reports IT KRIs, including those related to cyber risks, to the IT Committee. Significant security incidents are also reported by senior management to the IT Committee or its chairman, when warranted. The IT Committee chairman provides reports of the committee's activities to the board of directors of Simmons Bank. The Company's board of directors, or the board of directors of Simmons Bank (as applicable), also approves information security-related policies, including the Acceptable Use Policy, Information Security Policy, IT Ransomware Policy, and Business Continuity Management Policy.

With respect to internal management, the CISO and CIO meet regularly to discuss the activities and operations of the information security team, and the CIO holds regular meetings with our chief executive officer to discuss cyber related matters, information technology issues, and cybersecurity threats. To enhance awareness, monitoring, and oversight of cybersecurity risks, management also uses the following internal committees (in addition to the enterprise risk management committee discussed above): (1) the IT strategy and investment committee, which is comprised of senior executives and helps provide oversight of the investment and strategic direction for the Company's IT function, (2) the IT steering committee, which is comprised of leaders from various business units and helps provide oversight and direction for inter- and intra-departmental IT related initiatives, and (3) the vulnerability management working group, which is comprised of IT leaders and helps establish appropriate roles, responsibilities, and escalation paths to resolve department and enterprise vulnerabilities within service level agreements.

ITEM 2. PROPERTIES

The principal offices of the Company and of its subsidiary bank, Simmons Bank, consist of an eleven-story office building and adjacent office space located in the downtown business district of the city of Pine Bluff, Arkansas. A portion of those offices is subject to a ground lease that expires March 31, 2057. We have additional corporate offices located in Little Rock, Arkansas, including a twelve-story office building in Little Rock's River Market district.

The Company and its subsidiaries own or lease additional offices in the states of Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas. The Company and its subsidiaries conduct financial operations from approximately 222 financial centers located in communities throughout Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas. We believe our properties are suitable and adequate for our present operations.

ITEM 3. LEGAL PROCEEDINGS

The information contained in Note 21, Contingent Liabilities, of the Notes to Consolidated Financial Statements in Part II, Item 8 of this report is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed on the Nasdaq Global Select Market under the symbol "SFNC."

As of February 24, 2025, there were approximately 2,249 shareholders of record of our common stock. See the *Cash Dividends* discussion in the *Capital* section of Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, for additional information regarding cash dividends.

Issuer Purchases of Equity Securities

On January 27, 2022, we announced a stock repurchase program ("2022 Program") under which we could repurchase up to $175.0 million of our Class A Common Stock currently issued and outstanding.

Because the 2022 Program was set to terminate on January 31, 2024, the Company's Board of Directors authorized a new stock repurchase program in January 2024 ("2024 Program") under which the Company may repurchase up to $175.0 million of its Class A common stock currently issued and outstanding. The 2024 Program has replaced the 2022 Program.

The timing, pricing, and amount of any repurchases under the 2024 Program will be determined by management at its discretion based on a variety of factors, including, but not limited to, trading volume and market price of our common stock, corporate considerations, the Company working capital and investment requirements, general market and economic conditions and legal requirements. Under the 2024 Program, we may repurchase shares of our Class A Common Stock through open market and privately negotiated transactions or otherwise. The 2024 Program does not obligate us to repurchase any of our Class A Common Stock and may be modified, discontinued, or suspended at any time without prior notice. We anticipate funding for the 2024 Program to come from available sources of liquidity, including cash on hand and future cash flow.

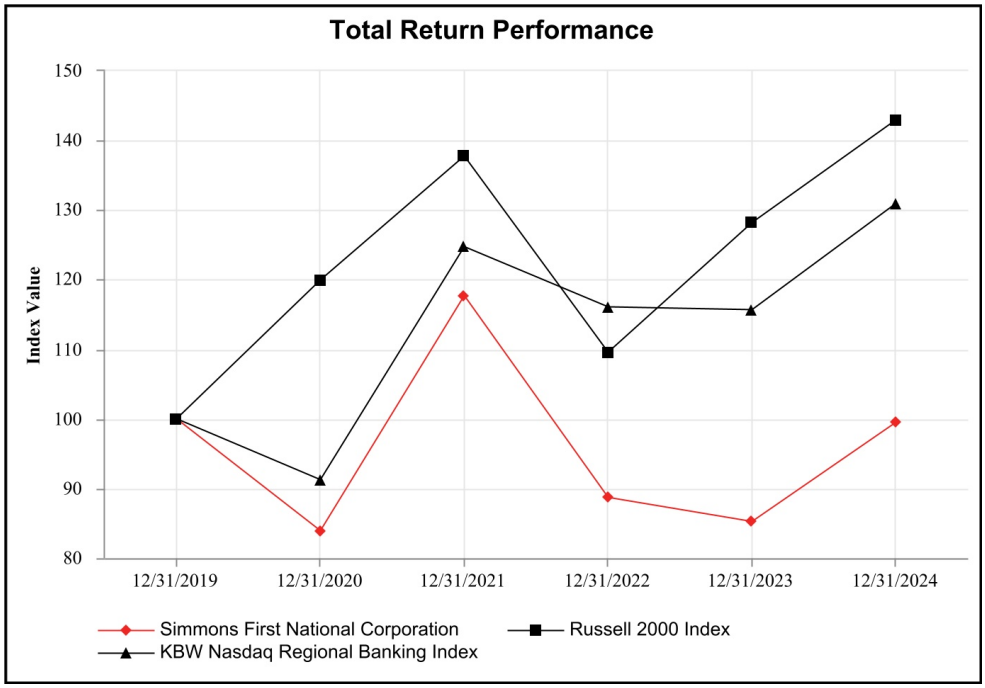
Information concerning our repurchases of Class A Common Stock during the quarter ended December 31, 2024 is as follows:

Period	Total Number of Shares Purchased [1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 1, 2024 - October 31, 2024	—	$ —	—	$ 175,000,000
November 1, 2024 - November 30, 2024	—	—	—	$ 175,000,000
December 1, 2024 - December 31, 2024	—	—	—	$ 175,000,000
Total	—	$ —	—	

(1) No shares of restricted stock were purchased in connection with employee tax withholding obligations under employee compensation plans, which are not purchases under any publicly announced plan.

Performance Graph

The performance graph below compares the cumulative total shareholder return on the Company's Common Stock with the cumulative total return of the Russell 2000 Index and the KBW Nasdaq Regional Banking Index. The graph assumes an investment of $100 on December 31, 2019 and reinvestment of dividends on the date of payment without commissions. The performance graph represents past performance and should not be considered as an indication of future performance.



	Period Ending					
Index	**12/31/2019**	**12/31/2020**	**12/31/2021**	**12/31/2022**	**12/31/2023**	**12/31/2024**
Simmons First National Corporation	100.00	83.90	117.73	88.75	85.23	99.47
Russell 2000 Index	100.00	119.96	137.74	109.59	128.14	142.93
KBW Nasdaq Regional Banking Index	100.00	91.29	124.74	116.10	115.64	130.90

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis presents the more significant factors that affected our financial condition as of December 31, 2024 and 2023 and results of operations for each of the years then ended. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the SEC on February 27, 2024 (the "2023 Form 10-K") for a discussion and analysis of the more significant factors that affected the 2022 period, which are incorporated herein by reference. Certain immaterial reclassifications have been made to make prior periods comparable. This discussion and analysis should be read in conjunction with our financial statements, notes thereto and other financial information appearing elsewhere in this report, as well as the cautionary note regarding forward-looking statements and the risks discussed in Item 1A of Part I of this Form 10-K.

Critical Accounting Estimates

Overview

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. While we base estimates on historical experience, current information and other factors deemed to be relevant, actual results could differ from those estimates.

We consider accounting estimates to be critical to reported financial results if (i) the accounting estimate requires management to make assumptions about matters that are highly uncertain and (ii) different estimates that management reasonably could have used for the accounting estimate in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, could have a material impact on our financial statements.

The accounting policies that we view as critical to us are those relating to estimates and judgments regarding (a) the determination of the adequacy of the allowance for credit losses, (b) acquisition accounting and valuation of loans, (c) the valuation of goodwill and the useful lives applied to intangible assets, (d) the valuation of stock-based compensation plans and (e) income taxes.

Allowance for Credit Losses

The allowance for credit losses is a reserve established through a provision for credit losses charged to expense, which represents management's best estimate of lifetime expected losses based on reasonable and supportable forecasts, quantitative factors, and other qualitative considerations. The allowance, in the judgment of management, is necessary to reserve for expected credit losses and risks inherent in the loan portfolio. Our allowance for credit loss methodology includes reserve factors calculated to estimate current expected credit losses to amortized cost balances over the remaining contractual life of the portfolio, adjusted for prepayments, in accordance with Accounting Standard Codification ("ASC") Topic 326-20, *Financial Instruments - Credit Losses*. Accordingly, the methodology is based on our reasonable and supportable economic forecasts, historical loss experience, and other qualitative adjustments. For further information see the section *Allowance for Credit Losses* below.

Our evaluation of the allowance for credit losses is inherently subjective as it requires material estimates. The actual amounts of credit losses realized in the near term could differ from the amounts estimated in arriving at the allowance for credit losses reported in the financial statements.

Acquisition Accounting, Loans

We account for our acquisitions under ASC Topic 805, *Business Combinations*, which requires the use of the acquisition method of accounting. All identifiable assets acquired, including loans, are recorded at fair value. The fair value for acquired loans at the time of acquisition is based on a variety of factors including discounted expected cash flows, adjusted for estimated prepayments and credit losses. In accordance with ASC 326, the fair value adjustment is recorded as premium or discount to the unpaid principal balance of each acquired loan. Loans that have been identified as having experienced a more-than-insignificant deterioration in credit quality since origination are purchased credit deteriorated ("PCD") loans. The net premium or discount on PCD loans is adjusted by our allowance for credit losses recorded at the time of acquisition. The remaining net premium or discount is accreted or amortized into interest income over the remaining life of the loan using a constant yield method. The net premium or discount on loans that are not classified as PCD ("non-PCD"), that includes credit and non-credit components, is accreted or amortized into interest income over the remaining life of the loan using a constant yield method. We then record the necessary allowance for credit losses on the non-PCD loans through provision for credit losses expense.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Other intangible assets represent purchased assets that also lack physical substance but can be separately distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged either on its own or in combination with a related contract, asset or liability. We perform an annual goodwill impairment test, and more than annually if circumstances warrant, in accordance with ASC Topic 350, *Intangibles – Goodwill and Other*, as amended by ASU 2011-08 – T*esting Goodwill for Impairment* and ASU 2017-04 - *Intangibles – Goodwill and Other*. ASC Topic 350 requires that goodwill and intangible assets that have indefinite lives be reviewed for impairment annually or more frequently if certain conditions occur. Our assessment depends on several assumptions which are dependent on market and economic conditions. Impairment losses on recorded goodwill, if any, will be recorded as operating expenses.

To quantitatively test goodwill for impairment, a present value of discounted cash flows calculation is completed and relies on several assumptions that have a level of subjectivity and judgement. These assumptions are dependent on market and economic conditions. Key inputs to estimate terminal fair value of the Company include projected forecasts, noninterest expense savings and a pricing multiple based on a group of peer banks with similar characteristics. These inputs are discounted by the cost of equity, which includes assumptions involving our beta; equity risk, size and company premiums; and the 20-year treasury rate. Assumptions used in calculating the cost of equity are obtained from market and third-party data. Results are compared to book value; no impairment was indicated as of December 31, 2024. Judgement is inherent in assessing goodwill for impairment. The various assumptions used in assessing goodwill for impairment involve uncertainties that are beyond our control and could cause actual results to differ materially from those projected.

Stock-Based Compensation Plans

We have adopted various stock-based compensation plans. The plans provide for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance stock units, and stock awards. Pursuant to the plans, shares are reserved for future issuance by the Company upon exercise of stock options or awarding of restricted stock, restricted stock units or performance stock units granted to directors, officers and other key employees.

Income Taxes

We are subject to the federal income tax laws of the United States, and the tax laws of the states and other jurisdictions where we conduct business. Due to the complexity of these laws, taxpayers and the taxing authorities may subject these laws to different interpretations. Management must make conclusions and estimates about the application of these innately intricate laws, related regulations, and case law. When preparing the Company's income tax returns, management attempts to make reasonable interpretations of the tax laws. Taxing authorities have the ability to challenge management's analysis of the tax law or any reinterpretation management makes in its ongoing assessment of facts and the developing case law. Management assesses the reasonableness of its effective tax rate quarterly based on its current estimate of net income and the applicable taxes expected for the full year. On a quarterly basis, management also reviews circumstances and developments in tax law affecting the reasonableness of deferred tax assets and liabilities and reserves for contingent tax liabilities.

2024 Overview

Our net income available to common shareholders for the year ended December 31, 2024 was $152.7 million, or $1.21 diluted earnings per share, compared to $175.1 million, or $1.38 diluted earnings per share, for the same period in 2023. Included in 2024 results were $25.2 million of certain items, net of tax, that were primarily related to the loss on sale of securities, a FDIC special assessment and branch right sizing initiatives. Included in 2023 results were $32.7 million of certain items, net of tax, that were primarily related to early retirement program costs, loss on sale of securities, a FDIC special assessment and branch right sizing initiatives. Adjusting for these certain items, adjusted earnings for the year ended December 31, 2024 were $177.9 million, or $1.41 adjusted diluted earnings per share, compared to $207.7 million, or $1.64 adjusted diluted earnings per share, in 2023. See *GAAP Reconciliation of Non-GAAP Financial Measures* for additional discussion and reconciliations of non-GAAP measures.

Throughout 2024, we delivered solid results that clearly reflect our driving principles centered on a strong risk management culture, profitability and organic growth. While we continue to operate against a backdrop of uncertainty concerning the macroeconomic environment and the timing of lower interest rates, we are comforted by our strong capital and liquidity positions:

- Deposits were relatively stable over the year, which highlights the granularity of our deposit base, as well as the long-term relationships we have with many of our customers. Total deposits as of December 31, 2024 were $21.89 billion, compared to $22.24 billion as of December 31, 2023. Uninsured deposits (excluding collateralized deposits and intercompany deposits) as of December 31, 2024 were approximately $4.63 billion, or 21% of total deposits.

- Capital levels were steady during the year, with all regulatory capital ratios remaining significantly above "well-capitalized" guidelines as of December 31, 2024 (see Table 18 in the *Risk-Based Capital* section below). As of December 31, 2024, our ratio of common equity to total assets was 13.13%, the ratio of tangible common equity to tangible assets was 8.29% and our Tier 1 leverage ratio was 9.74%.

- Key credit quality metrics as of December 31, 2024 also remained solid, with our nonperforming loan coverage ratio at 212% and our allowance for credit losses as a percent of total loans ratio was 1.38%.

- We maintained a significant liquidity position with a loan to deposit ratio of 78% as of December 31, 2024, compared to 76% as of December 31, 2023. Additional liquidity sources available to us as of December 31, 2024 totaled $10.90 billion and our uninsured, non-collateralized deposit coverage ratio was 2.4x.

In 2024, Simmons Bank was recognized by *U.S. News & World Report* as one of the "2024-2025 Best Companies to Work For in the South" and by *Forbes* as one of "America's Best-In-State Banks 2024 in Tennessee" and one of "America's Best-In-State Employers 2024 in Missouri".

We believe credit trends throughout the industry are beginning to normalize after an extended period at historically low levels. Our asset quality metrics remain strong and reflect our conservative credit culture, as well as our focus on maintaining disciplined pricing and conservative underwriting standards given the current economic environment. Total nonperforming loans as of December 31, 2024 were $110.8 million, as compared to $84.5 million at December 31, 2023. Non-performing assets as a percent of total assets were 0.45%, compared to 0.33% at December 31, 2024 and 2023, respectively.

Stockholders' equity as of December 31, 2024 was $3.53 billion, book value per share was $28.08 and tangible book value per common share was $16.80.

Total loans were $17.01 billion at December 31, 2024, an increase of $160.3 million, or 1.0%, from the same time in 2023. Our unfunded commitments decreased to $4.03 billion at December 31, 2024, as compared to $4.17 billion at December 31, 2023. Our commercial loan pipeline totaled $1.26 billion as of December 31, 2024, compared to $948.2 million at December 31, 2023.

We are continually monitoring the impact of various global and national events on our results of operations and financial condition, including inflationary pressures, changes in market interest rates, deposit competition and liquidity strains and changes in political leadership. The timing and impact of such events on our results of operation and financial condition will depend on future developments, which are highly uncertain.

In our discussion and analysis of our financial condition and results of operation in this Item 7, *"Management's Discussion and Analysis of Financial Condition and Results of Operations,"* we provide certain financial information determined by methods other than in accordance with US GAAP. We believe the presentation of non-GAAP financial measures provides a meaningful basis for period-to-period and company-to-company comparisons, which we believe will assist investors and analysts in analyzing the core financial measures of the Company and predicting future performance. See the *GAAP Reconciliation of Non-GAAP Financial Measures* section below for additional discussion and reconciliations of non-GAAP measures.

Simmons First National Corporation is an Arkansas-based financial holding company that, as of December 31, 2024, has approximately $26.88 billion in consolidated assets and, through its subsidiaries, conducts financial operations in Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas.

Net Interest Income

Net interest income, our principal source of earnings, is the difference between the interest income generated by earning assets and the total interest cost of the deposits and borrowings obtained to fund those assets. Factors that determine the level of net interest income include the volume of earning assets and interest bearing liabilities, yields earned and rates paid, the level of non-performing loans and the amount of noninterest bearing liabilities supporting earning assets. Net interest income is analyzed in the discussion and tables below on a fully taxable equivalent basis. The adjustment to convert certain income to a fully taxable equivalent basis consists of dividing tax-exempt income by one minus the combined federal and state income tax rate of 26.135%.

The FRB sets various benchmark interest rates which influence the general market rates of interest, including the deposit and loan rates offered by financial institutions. Between December 2015 and December 2018, the FRB had been gradually raising benchmark interest rates. The FRB target for the federal funds rate, which is the cost to banks of immediately available overnight funds, increased gradually from 0% - 0.50% in December 2015 to 2.25% - 2.50% over a three year period. The federal funds rate was flat until the FRB began to lower the rate in August 2019 and ultimately reduced it to 1.50% - 1.75% in October 2019. During March 2020, the Federal Open Market Committee ("FOMC") of the FRB substantially reduced interest rates in response to the economic crisis brought on by the COVID-19 pandemic. The federal funds rate was cut to a range of 0% - 0.25%, where it remained throughout 2021 and into early 2022. During March 2022, the FOMC began a series of rate increases in an effort to curb rising inflation. From early 2022 through 2023, the federal funds rate range was increased on eleven occasions and ended 2023 with a range set at 5.25% - 5.50%. During 2024, as inflation declined, the FOMC cut rates on three occasions to a period end range of 4.25% - 4.50%. To date in 2025, rates have been held steady by the FOMC.

Our loan portfolio is significantly affected by changes in the prime interest rate. The prime interest rate, which is the rate offered on loans to borrowers with strong credit, also increased from 3.25% to 5.50% during the years 2015 through 2018. The prime interest rate remained flat until it began to decrease in July 2019 and was eventually reduced to 4.75% in October 2019. Similarly to the reduction in the federal funds rate, the prime rate was cut to 3.25% in mid-March of 2020 in response to the COVID-19 pandemic and remained unchanged throughout 2021 and into early 2022. Paralleling the federal funds rate, multiple increases by the Federal Reserve during 2022 and 2023 increased the prime rate to 8.50% as of the end of 2023 and a series of rate cuts during 2024 decreased the prime rate to 7.50% at the end of 2024. To date in 2025, the prime interest rate has also been held steady.

Our practice is to limit exposure to interest rate movements by maintaining a significant portion of earning assets and interest bearing liabilities in short-term repricing. In the last several years, on average, approximately 44% of our loan portfolio and approximately 92% of our time deposits have repriced in one year or less. Our current interest rate sensitivity shows that approximately 49% of our loans and 97% of our time deposits will reprice in the next year, largely contributing to our liability-sensitive position at December 31, 2024.

For the year ended December 31, 2024, net interest income on a fully taxable equivalent basis was $654.3 million, a decrease of $21.3 million, or 3.2%, over the same period in 2023. The decrease in net interest income was primarily the result of a $102.3 million increase in interest income, more than offset by a $123.6 million increase in interest expense.

The increase in interest income primarily resulted from a $94.1 million increase in interest income on loans, coupled with an increase of $9.7 million in interest income on investment securities. Regarding the increase in interest income on loans during 2024, the increase in loan volume resulted in an increase of $27.9 million in interest income, while a 39 basis point increase in yield due to higher market interest rates resulted in a $66.2 million increase in interest income during the year ended December 31, 2024. The loan yield for 2024 was 6.35%, compared to 5.96% for 2023. The increase in our loan volume during 2024 was due to solid organic loan growth over the comparative period. The increase in interest income on investment securities is primarily related to our taxable investment securities and reflects an increase of $36.7 million due to yield increases over the period of 87 basis points which were a result of higher market interest rates. The increase in interest income on taxable investment securities due to yield increases was mitigated by a $26.5 million decrease due to the decline in our taxable investment portfolio average balances which decreased by $785.2 million, or 16.7%, as our portfolio experienced pay downs, maturities and a strategic sale of $251.5 million of lower-yielding available-for-sale ("AFS") securities to pay off higher rate wholesale fundings consisting of FHLB advances during the third quarter of 2024.

Included in interest income is the additional yield accretion recognized as a result of updated estimates of the cash flows of our loans acquired. Each quarter, we estimate the cash flows expected to be collected from the loans acquired, and adjustments may or may not be required. The cash flows estimate may increase or decrease based on payment histories and loss expectations of the loans. The resulting adjustment to interest income is spread on a level-yield basis over the remaining expected lives of the loans. For the years ended December 31, 2024, 2023 and 2022, interest income included $6.1 million, $8.8 million and $23.9 million, respectively, for the yield accretion recognized on loans acquired.

The $123.6 million increase in interest expense is mostly due to the increase in our deposit account rates over the period, combined with the change in deposit mix as the market experiences a shift in consumer sentiment given the attractiveness of higher yielding time deposits in the current higher interest rate environment. Interest expense increased $113.5 million due to the increase in rates of 68 basis points on interest-bearing deposit accounts and increased $13.8 million due to the increase in deposit volume over the period. The increase in interest expense was partially offset by a decrease of $5.4 million related to a decreased reliance on other borrowings over the period. We continually monitor and look for opportunities to fairly reprice our deposits while remaining competitive in this current challenging rate environment.

Our net interest margin on a fully tax equivalent basis was 2.74% for the year ended December 31, 2024, down 4 basis points from 2023. The marginal decrease in the net interest margin was primarily due to the rising deposit rate pressure from increased market competition and consumer migration toward higher rate deposits, mitigated by the increased yields on our earning assets average balances over the comparative periods.

Over the course of 2025, we anticipate moderating pressure on our margin due to several factors. We saw moderate organic loan growth during 2024 and we are cautiously optimistic regarding further modest organic loan growth during 2025, subject to the underlying economy and growth opportunities, with continued focus on maintaining prudent underwriting standards and profitability discipline. We sold $251.5 million of low yield AFS securities in the third quarter of 2024, and used sale proceeds to pay off higher rate wholesale fundings and we will continue to evaluate opportunities to optimize our balance sheet based on changing market conditions. We also expect modest increases in noninterest income related to fee based services and noninterest expenses related to continuous improvement initiatives and utilizing cost savings to partially fund targeted investments in technology and talent. Additionally, while our balance sheet is in a favorable position for the repricing of assets and liabilities, there is still much uncertainty as to decisions that will be made by the FOMC and the risks present in the economy.

Tables 1 and 2 reflect an analysis of net interest income on a fully taxable equivalent basis for the years ended December 31, 2024, 2023 and 2022, respectively, as well as changes in fully taxable equivalent net interest margin for the years 2024 versus 2023 and 2023 versus 2022.

Table 1: Analysis of Net Interest Margin

(FTE = Fully Taxable Equivalent using an effective tax rate of 26.135%)

	Years Ended December 31,		
(In thousands)	2024	2023	2022
Interest income	$ 1,312,065	$ 1,210,161	$ 861,735
FTE adjustment	25,820	25,443	24,671
Interest income - FTE	1,337,885	1,235,604	886,406
Interest expense	683,600	560,035	144,419
Net interest income - FTE	$ 654,285	$ 675,569	$ 741,987
Yield on earning assets - FTE	5.61 %	5.09 %	3.79 %
Cost of interest bearing liabilities	3.63 %	2.99 %	0.84 %
Net interest spread - FTE	1.98 %	2.10 %	2.95 %
Net interest margin - FTE	2.74 %	2.78 %	3.17 %

Table 2: Changes in Fully Taxable Equivalent Net Interest Margin

(In thousands)	2024 vs. 2023	2023 vs. 2022
Increase (decrease) due to change in earning assets	$ (2,912)	$ 93,320
Increase due to change in earning asset yields	105,193	255,878
Decrease due to change in interest bearing liabilities	(6,539)	(48,716)
Decrease due to change in interest rates paid on interest bearing liabilities	(117,026)	(366,900)
Decrease in net interest income	$ (21,284)	$ (66,418)

Table 3 shows, for each major category of earning assets and interest bearing liabilities, the average (computed on a daily basis) amount outstanding, the interest earned or expensed on such amount and the average rate earned or expensed for each of the years in the three-year period ended December 31, 2024. The table also shows the average rate earned on all earning assets, the average rate expensed on all interest bearing liabilities, the net interest spread and the net interest margin for the same periods. The analysis is presented on a fully taxable equivalent basis. Nonaccrual loans were included in average loans for the purpose of calculating the rate earned on total loans.

Table 3: Average Balance Sheets and Net Interest Income Analysis

(FTE = Fully Taxable Equivalent using an effective tax rate of 26.135%)

	Years Ended December 31,								
	2024			2023			2022		
(In thousands)	Average Balance	Income/ Expense	Yield/ Rate (%)	Average Balance	Income/ Expense	Yield/ Rate (%)	Average Balance	Income/ Expense	Yield/ Rate (%)
ASSETS									
Earning assets:									
Interest bearing balances due from banks and federal funds sold	$ 217,308	$ 11,808	5.43	$ 320,261	$ 13,490	4.21	$ 793,836	$ 5,500	0.69
Investment securities - taxable	3,913,498	153,413	3.92	4,698,742	143,178	3.05	5,462,427	94,437	1.73
Investment securities - non-taxable	2,620,787	85,308	3.26	2,605,868	85,861	3.29	2,703,662	86,596	3.20
Mortgage loans held for sale	10,634	731	6.87	8,064	557	6.91	16,609	720	4.33
Other loans held for sale	—	—	—	—	—	—	8,322	3,120	37.49
Loans - including fees	17,106,193	1,086,625	6.35	16,647,570	992,518	5.96	14,419,763	696,033	4.83
Total interest earning assets	23,868,420	1,337,885	5.61	24,280,505	1,235,604	5.09	23,404,619	886,406	3.79
Non-earning assets	3,346,227			3,274,354			3,014,219		
Total assets	$ 27,214,647			$ 27,554,859			$ 26,418,838		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Liabilities:									
Interest bearing liabilities:									
Interest bearing transaction and savings deposits	$ 10,974,529	$ 308,455	2.81	$ 11,033,263	$ 238,982	2.17	$ 12,253,164	$ 63,033	0.51
Time deposits	6,411,888	291,785	4.55	6,038,640	233,937	3.87	3,094,747	36,016	1.16
Total interest bearing deposits	17,386,417	600,240	3.45	17,071,903	472,919	2.77	15,347,911	99,049	0.65
Federal funds purchased and securities sold under agreements to repurchase	50,958	602	1.18	105,802	1,150	1.09	200,744	941	0.47
Other borrowings	1,042,726	55,127	5.29	1,169,374	60,517	5.18	1,155,310	24,934	2.16
Subordinated debt and debentures	366,218	27,631	7.54	366,066	25,449	6.95	394,870	19,495	4.94
Total interest bearing liabilities	18,846,319	683,600	3.63	18,713,145	560,035	2.99	17,098,835	144,419	0.84
Noninterest bearing liabilities:									
Noninterest bearing deposits	4,576,022			5,201,384			5,827,160		
Other liabilities	305,484			281,018			233,179		
Total liabilities	23,727,825			24,195,547			23,159,174		
Stockholders' equity	3,486,822			3,359,312			3,259,664		
Total liabilities and stockholders' equity	$ 27,214,647			$ 27,554,859			$ 26,418,838		
Net interest spread			1.98			2.10			2.95
Net interest margin		$ 654,285	2.74		$ 675,569	2.78		$ 741,987	3.17

Table 4 shows changes in interest income and interest expense resulting from changes in volume and changes in interest rates for the years 2024 versus 2023 and 2023 versus 2022. The changes in interest rate and volume have been allocated to changes in average volume and changes in average rates in proportion to the relationship of absolute dollar amounts of the changes in rates and volume.

Table 4: Volume/Rate Analysis

	Years Ended December 31,					
	2024 vs. 2023			2023 vs. 2022		
(In thousands, on a fully taxable equivalent basis)	Volume	Yield/ Rate	Total	Volume	Yield/ Rate	Total
Increase (decrease) in:						
Interest income:						
Interest bearing balances due from banks and federal funds sold	$ (4,998)	$ 3,316	$ (1,682)	$ (5,033)	$ 13,023	$ 7,990
Investment securities - taxable	(26,454)	36,689	10,235	(14,763)	63,504	48,741
Investment securities - non-taxable	490	(1,043)	(553)	(3,182)	2,447	(735)
Mortgage loans held for sale	177	(3)	174	(472)	309	(163)
Other loans held for sale	—	—	—	(791)	(2,329)	(3,120)
Loans - including fees	27,873	66,234	94,107	117,561	178,924	296,485
Total	(2,912)	105,193	102,281	93,320	255,878	349,198
Interest expense:						
Interest bearing transaction and savings accounts	(1,279)	70,752	69,473	(6,881)	182,830	175,949
Time deposits	15,120	42,728	57,848	57,399	140,522	197,921
Federal funds purchased and securities sold under agreements to repurchase	(641)	93	(548)	(600)	809	209
Other borrowings	(6,672)	1,282	(5,390)	308	35,275	35,583
Subordinated notes and debentures	11	2,171	2,182	(1,510)	7,464	5,954
Total	6,539	117,026	123,565	48,716	366,900	415,616
Increase (decrease) in net interest income	$ (9,451)	$ (11,833)	$ (21,284)	$ 44,604	$ (111,022)	$ (66,418)

Provision for Credit Losses

The provision for credit losses represents management's determination of the amount necessary to be charged against the current period's earnings in order to maintain the allowance for credit losses at a level considered appropriate in relation to the estimated lifetime risk inherent in the loan portfolio. The level of provision to the allowance is based on management's judgment, with consideration given to the composition, maturity and other qualitative characteristics of the portfolio, assessment of current economic conditions, reasonable and supportable forecasts, past due and non-performing loans and historical net credit loss experience. It is management's practice to review the allowance on a monthly basis and, after considering the factors previously noted, to determine the level of provision made to the allowance.

During 2024, our provision for credit loss expense was $46.8 million, as compared to an expense of $42.0 million during 2023 and an expense of $14.1 million during 2022. The provision for credit loss expense during 2024 was related to loans and reflected loan growth, as well as the impact of updated economic assumptions.

The provision for credit loss expense during 2023 was impacted by several factors throughout the year, including a $47.4 million expense related to loans and reflected loan growth, as well as the impact of updated economic assumptions, which was partially offset by a $16.3 million release from the reserve for unfunded commitments primarily due to a decline in unfunded commitments resulting from customers utilizing lines of credit during the year. Additionally, provision expense related to AFS and HTM securities recorded during the twelve months ended December 31, 2023 was $9.1 million and $1.8 million, respectively, primarily due to decreases in the value of select corporate bonds in the investment securities portfolio.

The provision for credit loss expense during 2022 was impacted by several factors throughout the year, including a $33.8 million Day 2 provision expense required for loans and unfunded commitments related to the Spirit acquisition, and an expense of $16.0 million related to the overall increase in unfunded commitments during the year, primarily made up of commercial construction loans, which receive a higher reserve allocation than other loans. These expenses were partially offset by a release of $16.0 million, which was driven by a reduction to certain industry specific qualitative factors for the restaurant, hospitality, student housing and office space industries due to the improvement from pandemic related stresses. Further recapture during 2022 was driven by the planned exit of several large oil and gas relationships during the year, along with our improved asset credit quality metrics and improved Moody's economic modeling scenarios.

Noninterest Income

Noninterest income is principally derived from recurring fee income, which includes service charges, wealth management fees and debit and credit card fees. Noninterest income also includes income on the sale of mortgage loans, income from the increase in cash surrender values of bank owned life insurance and gains (losses) from sales of securities.

Total noninterest income was $147.2 million in 2024, compared to $155.6 million in 2023 and $170.1 million in 2022. Noninterest income for 2024 decreased $8.4 million, or 5.4%, from 2023. Included in both 2024 and 2023 results were $28.4 million and $20.6 million, respectively, of certain items related to the loss on the sale of securities during the period. Adjusting for these certain items, adjusted noninterest income for the year ended December 31, 2024 decreased $611,000, or 0.3%, from the prior year. See the *GAAP Reconciliation of Non-GAAP Financial Measures* section for additional discussion and reconciliations of non-GAAP measures.

During 2024, we sold approximately $251.5 million of investment securities resulting in a net loss of $28.4 million, while we realized a net loss of $20.6 million related to the sale of $247.9 million of investment securities during 2023. The sale of securities during both 2024 and 2023 was primarily related to strategic decisions to sell low yield securities and use the proceeds to pay off higher rate wholesale fundings.

The larger loss on sale of securities recognized during 2024, coupled with a $4.0 million legal reserve recapture associated with litigation recognized in 2023, were partially offset with increases in bank owned life insurance income and several fee-based businesses during 2024. These incremental increases as compared to the prior period were primarily made up of a $3.5 million increase related to bank owned life insurance due to a higher earnings credit rate as compared to the prior period, a $2.6 million increase related to wealth management fees due to market conditions and a $1.4 million increase in debit and credit card fees related to increased customer activity.

Table 5 shows noninterest income for the years ended December 31, 2024, 2023 and 2022, respectively, as well as changes in 2024 from 2023 and in 2023 from 2022.

Table 5: Noninterest Income

	Years Ended December 31,			2024 Change from		2023 Change from	
(Dollars in thousands)	2024	2023	2022	2023		2022	
Service charges on deposit accounts	$ 49,898	$ 50,530	$ 46,527	$ (632)	(1.3)%	$ 4,003	8.6 %
Debit and credit card fees	32,875	31,472	31,203	1,403	4.5	269	0.9
Wealth management fees	32,806	30,203	31,895	2,603	8.6	(1,692)	(5.3)
Mortgage lending income	8,077	7,733	10,522	344	4.5	(2,789)	(26.5)
Bank owned life insurance income	15,227	11,717	11,146	3,510	30.0	571	5.1
Other service charges and fees	9,188	9,122	7,616	66	0.7	1,506	19.8
Gain (loss) on sale of securities, net	(28,393)	(20,609)	(278)	(7,784)	37.8	(20,331)	*
Gain on insurance settlement	—	—	4,074	—	—	(4,074)	*
Other income	27,493	35,398	27,361	(7,905)	(22.3)	8,037	29.4
Total noninterest income	$ 147,171	$ 155,566	$ 170,066	$ (8,395)	(5.4)%	$ (14,500)	(8.5)%

*Not meaningful

Recurring fee income (total service charges, wealth management fees, debit and credit card fees) for 2024 was $124.8 million, an increase of $3.4 million, or 2.8%, when compared to the 2023 amounts and was primarily related to the increases discussed above.

Noninterest Expense

Noninterest expense consists of salaries and employee benefits, occupancy, equipment, foreclosure losses and other expenses necessary for our operations. Management remains committed to controlling the level of noninterest expense through the continued use of expense control measures. We utilize an extensive profit planning and reporting system involving all subsidiaries. Based on a needs assessment of the business plan for the upcoming year, monthly and annual profit plans are developed, including manpower and capital expenditure budgets. These profit plans are subject to extensive initial reviews and monitored by management monthly. Variances from the plan are reviewed monthly and, when required, management takes corrective action intended to ensure financial goals are met. We also regularly monitor staffing levels at each subsidiary to ensure productivity and overhead are in line with existing workload requirements.

Noninterest expense for 2024 was $557.5 million, as compared to noninterest expense for 2023 of $563.1 million, a decrease of $5.5 million, or 1.0%, compared to the prior period. Adjusted noninterest expense, which excludes branch right sizing, FDIC special assessment, early retirement program costs, termination of vendor and software services (for 2024 only), and merger related costs (for 2023 only), for the year ended December 31, 2024 increased $12.4 million, or 2.3%, from the prior year. See the *GAAP Reconciliation of Non-GAAP Financial Measures* section for additional discussion and reconciliations of non-GAAP measures.

Salaries and employee benefits expense decreased by $2.0 million as compared to 2023, while adjusted salaries and employee benefits expense, which excludes early retirement program costs, increased by $3.7 million as compared to 2023. The increase in adjusted salaries and employee benefits expense reflects incentive compensation accrual adjustments during the periods, in addition to annual merit increases. Early retirement program costs during 2024 and 2023 were $536,000 and $6.2 million, respectively.

Deposit insurance expense decreased by $6.0 million as compared to 2023. Excluding the FDIC special assessment of $1.8 million recorded during the year ended December 31, 2024 and $10.5 million recorded during the year ended December 31, 2023, both of which were levied to support the Deposit Insurance Fund following the failure of certain banks in 2023, adjusted deposit insurance expense increased by $2.6 million primarily due to an increased base assessment rate related to changes in the mix of deposits.

Amortization of intangibles recorded for the years ended December 31, 2024, and 2023 was $15.4 million and $16.3 million, respectively. See Note 7, Goodwill and Other Intangible Assets, in the accompanying Notes to Consolidated Financial Statements for additional information regarding our intangibles.

Table 6 below shows noninterest expense for the years ended December 31, 2024, 2023 and 2022, respectively, as well as changes in 2024 from 2023 and in 2023 from 2022.

Table 6: Noninterest Expense

(Dollars in thousands)	Years Ended December 31, 2024	2023	2022	2024 Change from 2023 $	2024 Change from 2023 %	2023 Change from 2022 $	2023 Change from 2022 %
Salaries and employee benefits	$ 283,588	$ 279,919	$ 286,982	$ 3,669	1.3 %	$ (7,063)	(2.5)%
Early retirement program	536	6,198	—	(5,662)	(91.4)	6,198	*
Occupancy expense, net	48,214	46,741	44,321	1,473	3.2	2,420	5.5
Furniture and equipment expense	22,047	20,741	20,665	1,306	6.3	76	0.4
Other real estate and foreclosure expense	700	892	1,003	(192)	(21.5)	(111)	(11.1)
Deposit insurance	23,938	29,986	11,608	(6,048)	(20.2)	18,378	*
Merger related costs	—	1,420	22,476	(1,420)	(100.0)	(21,056)	(93.7)
Other operating expenses:							
Professional services	22,179	19,612	19,138	2,567	13.1	474	2.5
Postage	8,735	9,458	8,955	(723)	(7.6)	503	5.6
Telephone	6,388	6,965	6,394	(577)	(8.3)	571	8.9
Credit card expenses	12,886	13,243	12,243	(357)	(2.7)	1,000	8.2
Marketing	27,369	24,008	28,870	3,361	14.0	(4,862)	(16.8)
Software and technology	42,939	42,530	40,906	409	1.0	1,624	4.0
Operating supplies	2,482	2,591	2,556	(109)	(4.2)	35	1.4
Amortization of intangibles	15,403	16,306	15,915	(903)	(5.5)	391	2.5
Branch right sizing expense	2,746	5,467	3,475	(2,721)	(49.8)	1,992	57.3
Other expense	37,393	36,984	41,241	409	1.1	(4,257)	(10.3)
Total noninterest expense	$ 557,543	$ 563,061	$ 566,748	$ (5,518)	(1.0)%	$ (3,687)	(0.7)%

*Not meaningful

Due to our Better Bank Initiative and continuous efficiency improvements, offset by expected increases related to merit-based compensation adjustments and targeted investments during the upcoming period, we expect marginal growth in noninterest expense during 2025.

Income Taxes

The provision for income taxes for 2024 was $18.6 million, compared to $25.5 million in 2023 and $50.1 million in 2022. The effective income tax rates for the years ended 2024, 2023 and 2022 were 10.9%, 12.7% and 16.4%, respectively. The decrease in the provision for income taxes during 2024 as compared to 2023 and 2023 as compared to 2022 was primarily due to tax exempt income having a larger favorable impact on the rate and lower state taxes during the periods, both driven by the one time charges to income from the loss on sale of securities during each respective period, in addition to the FDIC special assessment largely recognized during 2023.

Loan Portfolio

Our loan portfolio averaged $17.11 billion during 2024 and $16.65 billion during 2023. As of December 31, 2024, total loans were $17.01 billion, compared to $16.85 billion on December 31, 2023, an increase of $160.3 million, or 1.0%. The increase in the overall loan balance during 2024 was primarily due to widespread loan growth throughout our geographic markets during the year. The most significant components of the loan portfolio were loans to businesses (commercial loans, commercial real estate loans and agricultural loans) and individuals (consumer loans, credit card loans and single family residential real estate loans).

We seek to manage our credit risk by diversifying our loan portfolio, determining that borrowers have adequate sources of cash flow for loan repayment without liquidation of collateral, obtaining and monitoring collateral, providing an appropriate allowance for credit losses and regularly reviewing loans through the internal loan review process. The loan portfolio is diversified by borrower, purpose, industry and geographic region. We seek to use diversification within the loan portfolio to reduce credit risk, thereby minimizing the adverse impact on the portfolio, if weaknesses develop in either the economy or a particular segment of borrowers. Collateral requirements are based on credit assessments of borrowers and may be used to recover the debt in case of default. We use the allowance for credit losses as a method to value the loan portfolio at its estimated collectible amount. Loans are regularly reviewed to facilitate the identification and monitoring of deteriorating credits.

Consumer loans consist of credit card loans and other consumer loans. Consumer loans were $309.0 million at December 31, 2024, or 1.8% of total loans, compared to $318.7 million, or 1.9% of total loans at December 31, 2023. The decrease in consumer loans was primarily due to loan payoffs and pay downs within the credit card portfolio during the year.

Real estate loans consist of construction and development (“C&D”) loans, single family residential loans and other commercial real estate (“CRE”) loans. Real estate loans were $13.39 billion at December 31, 2024, or 78.7% of total loans, compared to $13.34 billion, or 79.2% of total loans at December 31, 2023, a modest increase of $53.3 million, or 0.4%. Our C&D loans decreased by $355.0 million, or 11.3%, single family residential loans increased by $48.4 million, or 1.8%, and CRE loans increased by $359.9 million, or 4.8%. The changes among our real estate portfolio reflected our focus on maintaining conservative underwriting standards and structure guidelines while emphasizing prudent pricing discipline during the period. We expect to continue to manage our C&D and CRE portfolio concentration by developing deeper relationships with our customers.

Commercial loans consist of non-real estate loans related to business and agricultural loans. Total commercial loans were $2.70 billion at December 31, 2024, or 15.8% of total loans, compared to $2.72 billion, or 16.2% of total loans at December 31, 2023, an incremental decrease of $27.6 million, or 1.0%. The decrease in non-real estate loans related to business of $56.0 million, or 2.2%, was partially offset by the increase in agricultural loans of $28.4 million, or 12.2%.

Other loans mainly consists of mortgage warehouse lending and municipal loans. Mortgage volume experienced an increase in demand during 2024 as compared to 2023, and was coupled with continued organic growth in our municipal loans during the period, leading to an increase of $144.2 million in other loans.

While loan growth was widespread throughout our geographic markets and was generally broad-based by loan type during the period, loan growth during the year reflected moderating demand and increased payoff activity, as we focus on maintaining disciplined pricing and conservative underwriting standards given the current uncertain economic environment. Our commercial loan pipeline consisting of all commercial loan opportunities was $1.26 billion at December 31, 2024, compared to $948.2 million at December 31, 2023. The pipeline includes $551.8 million in loans approved and ready to close at the end of the year.

The balances of loans outstanding at the indicated dates are reflected in Table 7, according to type of loan.

Table 7: Loan Portfolio

	Years Ended December 31,				
(In thousands)	2024	2023	2022	2021	2020
Consumer:					
Credit cards	$ 181,675	$ 191,204	$ 196,928	$ 187,052	$ 188,845
Other consumer	127,319	127,462	152,882	168,318	202,379
Total consumer	308,994	318,666	349,810	355,370	391,224
Real Estate:					
Construction and development	2,789,249	3,144,220	2,566,649	1,326,371	1,596,255
Single family residential	2,689,946	2,641,556	2,546,115	2,101,975	1,880,673
Other commercial	7,912,336	7,552,410	7,468,498	5,738,904	5,746,863
Total real estate	13,391,531	13,338,186	12,581,262	9,167,250	9,223,791
Commercial:					
Commercial	2,434,175	2,490,176	2,632,290	1,992,043	2,574,386
Agricultural	261,154	232,710	205,623	168,717	175,905
Total commercial	2,695,329	2,722,886	2,837,913	2,160,760	2,750,291
Other	610,083	465,932	373,139	329,123	535,591
Total loans before allowance for credit losses	$ 17,005,937	$ 16,845,670	$ 16,142,124	$ 12,012,503	$ 12,900,897

Table 8 reflects the remaining loan maturities by interest rate type at December 31, 2024.

Table 8: Maturity Distribution of Loan Portfolio by Rate Type

(In thousands)	1 year or less	Over 1 year through 5 years	Over 5 years through 15 years	Over 15 years	Total
Consumer	$ 77,422	$ 226,977	$ 3,525	$ 1,070	$ 308,994
Real estate	3,825,105	7,422,051	1,547,536	596,839	13,391,531
Commercial	1,244,970	1,347,429	62,341	40,589	2,695,329
Other	307,391	72,477	135,086	95,129	610,083
Total	$ 5,454,888	$ 9,068,934	$ 1,748,488	$ 733,627	$ 17,005,937
Predetermined rate					
Consumer	$ 72,727	$ 100,889	$ 3,461	$ 882	$ 177,959
Real estate	1,783,207	4,276,302	782,021	130,656	6,972,186
Commercial	462,708	630,798	25,603	38,115	1,157,224
Other	36,703	72,023	133,633	94,896	337,255
Total	$ 2,355,345	$ 5,080,012	$ 944,718	$ 264,549	$ 8,644,624
Variable rate					
Consumer	$ 4,695	$ 126,088	$ 64	$ 188	$ 131,035
Real estate	2,041,898	3,145,749	765,515	466,183	6,419,345
Commercial	782,262	716,631	36,738	2,474	1,538,105
Other	270,688	454	1,453	233	272,828
Total	$ 3,099,543	$ 3,988,922	$ 803,770	$ 469,078	$ 8,361,313

Asset Quality

Non-performing loans are comprised of (a) nonaccrual loans, (b) loans that are contractually past due 90 days and (c) other loans for which terms have been restructured to provide a reduction or deferral of interest or principal, because of deterioration in the financial position of the borrower. Simmons Bank recognizes income principally on the accrual basis of accounting. When loans are classified as nonaccrual, generally, the accrued interest is charged off and no further interest is accrued. Loans, excluding credit card loans, are placed on a nonaccrual basis either: (1) when there are serious doubts regarding the collectibility of principal or interest, or (2) when payment of interest or principal is 90 days or more past due and either (i) not fully secured or (ii) not in the process of collection. If a loan is determined by management to be uncollectible, the portion of the loan determined to be uncollectible is then charged to the allowance for credit losses.

When credit card loans reach 90 days past due and there are attachable assets, the accounts are considered for litigation. Credit card loans are generally charged off when payment of interest or principal exceeds 150 days past due. The credit card recovery group pursues account holders until it is determined, on a case-by-case basis, to be uncollectible.

Total non-performing assets increased $31.0 million from December 31, 2023 to December 31, 2024. Nonaccrual loans increased by $26.8 million during 2024, in addition to an increase in foreclosed assets held for sale of $5.2 million. The increase in nonaccrual loans was primarily spread within our real estate and commercial loan portfolios. The increase in foreclosed assets held for sale was primarily related to the addition of two commercial properties with net book values totaling $7.4 million during the period.

Total non-performing assets increased by $27.8 million from December 31, 2022 to December 31, 2023. Nonaccrual loans increased by $24.9 million during 2023, in addition to an increase in foreclosed assets held for sale of $1.2 million. The increase in nonaccrual loans was primarily due to an increase in nonaccrual loans within our commercial loan portfolio.

Total non-performing assets decreased by $13.8 million from December 31, 2021 to December 31, 2022. Nonaccrual loans decreased by $9.8 million during 2022, in addition to a decrease in foreclosed assets held for sale of $3.1 million. The decrease in nonaccrual loans was primarily due to an overall improvement in economic conditions from pandemic related stresses.

Total non-performing assets decreased by $67.6 million from December 31, 2020 to December 31, 2021. Nonaccrual loans decreased by $54.7 million during 2021, in addition to a decrease in foreclosed assets held for sale of $12.4 million. The decrease in nonaccrual loans was primarily due to an overall improvement in economic conditions while the decrease in foreclosed assets held for sale and other real estate owned is primarily the result of the disposition of one commercial building in the St. Louis area and the disposition of one piece of commercial land with net book values at the time of sale of $6.5 million and $2.8 million, respectively.

From time to time, certain borrowers experience declines in income and cash flow. As a result, these borrowers seek to reduce contractual cash outlays, the most prominent being debt payments. In an effort to preserve our net interest margin and earning assets, we are open to working with existing customers in order to maximize the collectibility of the debt.

We have internal loan modification programs for borrowers experiencing financial difficulties. Modifications to borrowers experiencing financial difficulties may include interest rate reductions, principal or interest forgiveness and/or term extensions. We primarily use interest rate reduction and/or payment modifications or extensions, with an occasional forgiveness of principal.

The financial effects of the modified loans made to borrowers experiencing financial difficulty in the single family residential real estate portfolio were not significant during the year ended December 31, 2024 and did not significantly impact the Company’s determination of the allowance for credit losses on loans during the year.

During the year ended December 31, 2024, the Company modified one loan for a borrower experiencing financial difficulty related to the CRE portfolio, whereby the modification extended the term of the loan 1.5 years. As a result of the CRE loan modified during the year ended December 31, 2024 being collateral-dependent, the impact to the Company’s allowance for credit losses on loans was the difference between the fair value of the underlying collateral, adjusted for selling costs, and the remaining outstanding principal balance of the loan.

We continue to maintain good asset quality compared to the industry, and strong asset quality remains a primary focus of our strategy. The allowance for credit losses as a percent of total loans was 1.38% as of December 31, 2024. Non-performing loans equaled 0.65% of total loans. Non-performing assets were 0.45% of total assets, a 12 basis point increase from December 31, 2023. The allowance for credit losses was 212% of non-performing loans. Our annualized net charge-offs to total loans for 2024 was 0.22%. Excluding credit cards, the annualized net charge-offs to total loans for the same period was 0.19%. Annualized net credit card charge-offs to average total credit card loans were 2.93%, compared to 2.20% during 2023, and 144 basis points better than the most recently published industry average charge-off ratio as reported by the Federal Reserve for all banks.

We do not own any securities backed by subprime mortgage assets, and offer no mortgage loan products that target subprime borrowers.

Table 9 presents information concerning non-performing assets, including nonaccrual loans at amortized cost and foreclosed assets held for sale.

Table 9: Non-performing Assets

	Years Ended December 31,				
(Dollars in thousands)	2024	2023	2022	2021	2020
Nonaccrual loans [1]	$ 110,154	$ 83,325	$ 58,434	$ 68,204	$ 122,879
Loans past due 90 days or more (principal or interest payments)	603	1,147	507	349	578
Total non-performing loans	110,757	84,472	58,941	68,553	123,457
Other non-performing assets:					
Foreclosed assets held for sale and other real estate owned	9,270	4,073	2,887	6,032	18,393
Other non-performing assets	1,202	1,726	644	1,667	2,016
Total other non-performing assets	10,472	5,799	3,531	7,699	20,409
Total non-performing assets	$ 121,229	$ 90,271	$ 62,472	$ 76,252	$ 143,866
Allowance for credit losses to non-performing loans	212 %	267 %	334 %	300 %	193 %
Non-performing loans to total loans	0.65 %	0.50 %	0.37 %	0.57 %	0.96 %
Non-performing assets to total assets	0.45 %	0.33 %	0.23 %	0.31 %	0.64 %

(1) Includes nonaccrual financial difficulty modifications (formerly known as troubled debt restructurings) of approximately $597,000, $282,000, $1.6 million, $2.7 million and $4.4 million at December 31, 2024, 2023, 2022, 2021 and 2020, respectively.

The interest income on nonaccrual loans is not considered material for the years ended December 31, 2024, 2023 and 2022.

Allowance for Credit Losses

The allowance for credit losses is a reserve established through a provision for credit losses charged to expense which represents management's best estimate of lifetime expected losses based on reasonable and supportable forecasts, quantitative factors, and other qualitative considerations.

Loans with similar risk characteristics such as loan type, collateral type, and internal risk ratings are aggregated for collective assessment. We use statistically-based models that leverage assumptions about current and future economic conditions throughout the contractual life of the loan. Expected credit losses are estimated by either lifetime loss rates or expected loss cash flows based on three key parameters: probability-of-default ("PD"), exposure-at-default ("EAD"), and loss-given-default ("LGD"). Future economic conditions are incorporated to the extent that they are reasonable and supportable. Beyond the reasonable and supportable periods, the economic variables revert to a historical equilibrium at a pace dependent on the state of the economy reflected within the economic scenarios. We also include qualitative adjustments to the allowance based on factors and considerations that have not otherwise been fully accounted for.

Loans that have unique risk characteristics are evaluated on an individual basis. These evaluations are typically performed on loans with a deteriorated internal risk rating. For a collateral-dependent loan, our evaluation process includes a valuation by appraisal or other collateral analysis adjusted for selling costs, when appropriate. This valuation is compared to the remaining outstanding principal balance of the loan. If a loss is determined to be probable, the loss is included in the allowance for credit losses as a specific allocation.

Additional information related to net charge-offs is shown in Table 10.

Table 10: Ratio of Net Charge-offs to Average Loans

(Dollars in thousands)	Net Charge-offs	Average Loans	Ratio of Net Charge-offs to Average Loans
2024			
Credit cards	$ (5,346)	$ 182,334	(2.93)%
Other consumer	(915)	124,697	(0.73)%
Real estate	(5,464)	13,467,999	(0.04)%
Commercial	(25,272)	2,739,110	(0.92)%
Other	—	592,053	— %
Total	$ (36,997)	$ 17,106,193	(0.22)%
2023			
Credit cards	$ (4,295)	$ 195,545	(2.20)%
Other consumer	(984)	136,865	(0.72)%
Real estate	(9,999)	13,050,414	(0.08)%
Commercial	(3,870)	2,815,006	(0.14)%
Other	—	449,740	— %
Total	$ (19,148)	$ 16,647,570	(0.12)%

Allowance for Credit Losses Allocation

As of December 31, 2024, the allowance for credit losses reflected an increase of approximately $9.8 million from December 31, 2023, while loans increased $160.3 million over the same period. The allocation in each category within the allowance generally reflects the overall changes in the loan portfolio mix.

The increase in the allowance for credit losses during 2024 was predominantly due to the loan growth experienced during the year, as well as refreshed economic forecasts. Our allowance for credit losses at December 31, 2024 was considered appropriate given the current economic environment and other related factors.

The following table sets forth the sum of the amounts of the allowance for credit losses attributable to individual loans within each category, or loan categories in general. The table also reflects the percentage of loans in each category to the total loan portfolio for each of the periods indicated. The allowance for credit losses by loan category is determined by i) our estimated reserve factors by category including applicable qualitative adjustments and ii) any specific allowance allocations that are identified on individually evaluated loans. The amounts shown are not necessarily indicative of the actual future losses that may occur within individual categories.

Table 11: Allocation of Allowance for Credit Losses on Loans

	December 31,					
	2024		2023		2022	
(Dollars in thousands)	Allowance Amount	% of loans [1]	Allowance Amount	% of loans [1]	Allowance Amount	% of loans [1]
Credit cards	$ 6,007	1.1%	$ 5,868	1.1%	$ 5,140	1.2%
Other consumer and Other	5,463	4.3%	5,716	3.5%	6,614	3.2%
Real estate	181,962	78.8%	177,177	79.2%	150,795	78.0%
Commercial	41,587	15.8%	36,470	16.2%	34,406	17.6%
Total	$ 235,019	100.0%	$ 225,231	100.0%	$ 196,955	100.0%
Allowance for credit losses to period-end loans	1.38 %		1.34 %		1.22 %	

(1) Percentage of loans in each category to total loans.

Investments and Securities

Our securities portfolio is the second largest component of earning assets and provides a significant source of revenue. Securities within the portfolio are classified as either held-to-maturity ("HTM") or available-for-sale ("AFS").

HTM securities, which include any security for which we have the positive intent and ability to hold until maturity, are carried at historical cost adjusted for amortization of premiums and accretion of discounts. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the security's estimated life. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

AFS securities, which include any security for which we have no immediate plan to sell but which may be sold in the future, are carried at fair value. Realized gains and losses, based on specifically identified amortized cost of the individual security, are included in other income. Unrealized gains and losses are recorded, net of related income tax effects, in stockholders' equity. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the estimated life of the security. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

Our philosophy regarding investments is conservative based on investment type and maturity. Investments in the portfolio primarily include U.S. Treasury securities, U.S. Government agencies, mortgage-backed securities and municipal securities. Our general policy is not to invest in derivative type investments or high-risk securities, except for collateralized mortgage-backed securities for which collection of principal and interest is not subordinated to significant superior rights held by others.

HTM and AFS investment securities were $3.64 billion and $2.53 billion, respectively, at December 31, 2024, compared to the HTM amount of $3.73 billion and AFS amount of $3.15 billion at December 31, 2023. We will continue to look for opportunities to maximize the value of the investment portfolio.

As of December 31, 2024, $511.4 million, or 8.3%, of our total portfolio was invested in obligations of U.S. government agencies and U.S. Treasury securities. Our investment portfolio as of December 31, 2024 also included $2.61 billion, or 42.2%, of tax-exempt obligations of state and political subdivisions. A portion of the state and political subdivision debt obligations are rated bonds, primarily issued in states in which we are located, and are evaluated on an ongoing basis. There are no securities of any one state or political subdivision issuer exceeding ten percent of our stockholders' equity at December 31, 2024.

We had approximately $2.46 billion, or 39.9%, of our total portfolio invested in mortgaged-backed securities at December 31, 2024. These mortgage-backed securities were issued by agencies of the U.S. government.

During the quarters ended June 30, 2022 and September 30, 2021, we transferred, at fair value, $1.99 billion and $500.8 million, respectively, of securities from the AFS portfolio to the HTM portfolio. As of December 31, 2024, the related remaining combined net unrealized losses of $108.1 million in accumulated other comprehensive income (loss) will be amortized over the remaining life of the securities. No gains or losses on these securities were recognized at the time of transfer.

Additionally, during the third quarter of 2021, we began utilizing interest rate swaps designated as fair value hedges to mitigate the effect of changing interest rates on the fair values of $1.00 billion of fixed rate callable municipal securities held in the AFS portfolio. These swap agreements consist of a two year forward start date and involve the payment of fixed interest rates with a weighted average of 1.21% in exchange for variable interest rates based on federal funds rates, which became effective during the late third quarter of 2023. Securities within these swap agreements have maturity dates varying between 2028 and 2029. For the year ended December 31, 2024, the net amount included in interest income on investment securities in the consolidated statements of income related to these swap agreements was $42.9 million.

The adoption of ASU 2016-13 at the beginning of 2020 required us to replace the existing impairment models for financial assets, which includes investment securities. Under this model, an estimate of expected credit losses that represents all contractual cash flows that is deemed uncollectible over the contractual life of the financial asset must be recorded. There was no provision for credit losses related to the Company's securities portfolios recorded for the year ended December 31, 2024. We recorded a provision for credit losses related to AFS securities of $12.8 million for the year ended December 31, 2023 due to isolated corporate bonds within the portfolio. During the same period, the provision for credit loss expense on AFS securities was reduced by $3.7 million related to previously impaired securities. We also charged-off $7.0 million directly related to one corporate bond, which was deemed uncollectible in the period, while the remaining isolated bonds were sold or experienced price recovery on previous impairments prior to the end of the period. Based upon our analysis of the underlying risk characteristics of the AFS portfolio, including credit ratings and other qualitative factors, no allowance for credit losses related to AFS securities was deemed necessary at December 31, 2024 and 2023. Our allowance for credit losses related to HTM securities was $3.2 million for both periods ended December 31, 2024 and 2023.

An allowance for credit losses related to mortgage-backed securities and U.S. government agencies was not recorded as of December 31, 2024 due to those securities being explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses. See Note 3, Investment Securities, in the accompanying Notes to Consolidated Financial Statements for additional information related to our allowance for credit losses on investment securities held.

We had no gross realized gains and $28.4 million of gross realized losses from the sale of securities during the year ended December 31, 2024, compared to no gross realized gains and $20.6 million of gross realized losses from the sale of securities during the year ended December 31, 2023. We sold approximately $251.5 million of AFS investment securities as part of a strategic decision to sell low yielding securities to pay off higher rate wholesale fundings consisting of Federal Home Loan Bank ("FHLB") advances during 2024, while we sold approximately $247.9 million of investment securities during 2023 related to a strategic decision to sell low yielding securities and use the proceeds to pay off higher rate wholesale fundings, including both brokered deposits and FHLB advances.

We have the ability and intent to hold the securities classified as HTM until they mature, at which time we expect to receive full value for the securities. The contractual terms of those investments do not permit the issuer to settle the securities at a price less than the amortized cost bases of the investments. We expect the cash flows from principal maturities of securities to provide flexibility to fund future loan growth or reduce wholesale funding. Furthermore, as of December 31, 2024, we also have the ability to hold the securities classified as AFS for a period of time sufficient for a recovery of amortized cost, we do not have an immediate intent to sell the securities classified as AFS, and we believe the accounting standard of "more likely than not" has not been met regarding whether we would be required to sell any of the AFS securities before recovery of amortized cost. During 2025, we will continue to evaluate targeted sales of AFS securities based on prevailing market conditions and our funding and liquidity positions. The unrealized losses during 2024 are largely due to increases in market interest rates over the yields available at the time the underlying securities were purchased. The fair value is expected to recover as the bonds approach their maturity date or repricing date or if market yields for such investments decline. Accordingly, as of December 31, 2024, we believe the declines in fair value detailed in the table below are temporary and we do not believe any of the securities are impaired due to reasons of credit quality.

Table 12 presents the amortized cost, fair value and allowance for credit losses on investment securities for each of the years indicated.

Table 12: Investment Securities

(In thousands)	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Held-to-maturity						
December 31, 2024						
U.S. Government agencies	$ 455,869	$ —	$ 455,869	$ —	$ (95,961)	$ 359,908
Mortgage-backed securities	1,070,032	—	1,070,032	212	(133,746)	936,498
State and political subdivisions	1,857,373	(196)	1,857,177	20	(436,061)	1,421,136
Other securities	256,576	(3,018)	253,558	—	(21,149)	232,409
Total HTM	$ 3,639,850	$ (3,214)	$ 3,636,636	$ 232	$ (686,917)	$ 2,949,951
December 31, 2023						
U.S. Government agencies	$ 453,121	$ —	$ 453,121	$ —	$ (89,203)	$ 363,918
Mortgage-backed securities	1,161,694	—	1,161,694	354	(107,834)	1,054,214
State and political subdivisions	1,858,680	(2,006)	1,856,674	284	(369,509)	1,487,449
Other securities	256,007	(1,208)	254,799	—	(25,010)	229,789
Total HTM	$ 3,729,502	$ (3,214)	$ 3,726,288	$ 638	$ (591,556)	$ 3,135,370

(In thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Available-for-sale					
December 31, 2024					
U.S. Treasury	$ 999	$ —	$ —	$ (3)	$ 996
U.S. Government agencies	55,589	—	5	(1,047)	54,547
Mortgage-backed securities	1,545,539	—	4	(152,784)	1,392,759
State and political subdivisions	1,015,619	—	132	(157,569)	858,182
Other securities	235,028	—	166	(12,252)	222,942
Total AFS	$ 2,852,774	$ —	$ 307	$ (323,655)	$ 2,529,426
December 31, 2023					
U.S. Treasury	$ 2,285	$ —	$ —	$ (31)	$ 2,254
U.S. Government agencies	74,460	—	35	(1,993)	72,502
Mortgage-backed securities	2,138,652	—	8	(198,353)	1,940,307
State and political subdivisions	1,035,147	—	187	(132,541)	902,793
Other securities	259,165	—	—	(24,868)	234,297
Total AFS	$ 3,509,709	$ —	$ 230	$ (357,786)	$ 3,152,153

Table 13 reflects the amortized cost and estimated fair value of securities at December 31, 2024, by contractual maturity and the weighted average yields (for tax-exempt obligations on a fully taxable equivalent basis, assuming a 26.135% tax rate) of such securities. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties.

Table 13: Maturity Distribution of Investment Securities

	December 31, 2024							
						Total		
(In thousands)	1 year or less	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years	No fixed maturity	Amortized Cost	Par Value	Fair Value
Held-to-Maturity								
U.S. Government agencies	$ —	$ 3,403	$ 105,920	$ 346,546	$ —	$ 455,869	$ 480,246	$ 359,908
Mortgage-backed securities	—	—	—	—	1,070,032	1,070,032	1,115,755	936,498
State and political subdivisions	1,906	4,822	83,468	1,767,177	—	1,857,373	1,865,782	1,421,136
Other securities	—	49,966	204,097	2,513	—	256,576	265,778	232,409
Total	$ 1,906	$ 58,191	$ 393,485	$ 2,116,236	$ 1,070,032	$ 3,639,850	$ 3,727,561	$ 2,949,951
Percentage of total	0.1 %	1.6 %	10.8 %	58.1 %	29.4 %	100.0 %		
Weighted average yield	4.0 %	2.3 %	2.3 %	2.6 %	2.2 %	2.5 %		
Available-for-Sale								
U.S. Treasury	$ 999	$ —	$ —	$ —	$ —	$ 999	$ 1,000	$ 996
U.S. Government agencies	156	26,642	5,460	23,331	—	55,589	54,587	54,547
Mortgage-backed securities	—	—	—	—	1,545,539	1,545,539	1,516,429	1,392,759
State and political subdivisions	3,015	14,521	20,179	977,904	—	1,015,619	1,078,708	858,182
Other securities	—	65,776	169,026	—	226	235,028	234,978	222,942
Total	$ 4,170	$ 106,939	$ 194,665	$ 1,001,235	$ 1,545,765	$ 2,852,774	$ 2,885,702	$ 2,529,426
Percentage of total	0.2 %	3.7 %	6.8 %	35.1 %	54.2 %	100.0 %		
Weighted average yield	3.1 %	5.1 %	4.1 %	2.9 %	2.6 %	2.9 %		

Deposits

Deposits are our primary source of funding for earning assets and are primarily developed through our network of 222 financial centers as of December 31, 2024. We offer a variety of products designed to attract and retain customers with a continuing focus on developing core deposits. Our core deposits consist of all deposits excluding time deposits of $250,000 or more and brokered deposits. As of December 31, 2024, core deposits comprised 77.8% of our total deposits.

We continually monitor the funding requirements along with competitive interest rates in the markets we serve. Because of our community banking philosophy, our executives in the local markets, with oversight by the Chief Deposit Officer, Asset Liability Committee and the Bank's Treasury Department, establish the interest rates offered on both core and non-core deposits. This approach ensures that the interest rates being paid are competitively priced for each particular deposit product and structured to meet the funding requirements. We believe we are paying a competitive rate when compared with pricing in those markets.

We manage our interest expense through deposit pricing. We believe that additional funds can be attracted and deposit growth can be accelerated through deposit pricing if we experience increased loan demand or other liquidity needs. We can also utilize brokered deposits as an additional source of funding to meet liquidity needs. We are continually monitoring and looking for opportunities to fairly reprice our deposits while remaining competitive in this current challenging rate environment.

Our total deposits as of December 31, 2024, were $21.89 billion, a decrease of $359.2 million from December 31, 2023. Noninterest bearing transaction accounts, interest bearing transaction accounts and savings accounts totaled $15.44 billion at December 31, 2024, compared to $15.80 billion at December 31, 2023, a decrease of $355.8 million. Total time deposits were relatively flat over the period and totaled $6.44 billion at December 31, 2024 as compared to $6.45 billion at December 31, 2023. We had $3.30 billion and $2.90 billion of brokered deposits at December 31, 2024, and December 31, 2023, respectively. Our uninsured deposits as of December 31, 2024 and 2023 were $4.63 billion and $4.75 billion, respectively.

We are continuing to refine our product offerings to give customers flexibility of choice while maintaining the ability to adjust interest rates timely in the current rate environment.

Table 14 reflects the classification of the average deposits and the average rate paid on each deposit category which is in excess of 10 percent of average total deposits for the three years ended December 31, 2024.

Table 14: Average Deposit Balances and Rates

	December 31,					
	2024		2023		2022	
(In thousands)	Average Amount	Average Rate Paid	Average Amount	Average Rate Paid	Average Amount	Average Rate Paid
Noninterest bearing transaction accounts	$ 4,576,022	— %	$ 5,201,384	— %	$ 5,827,160	— %
Interest bearing transaction and savings deposits	10,974,529	2.81 %	11,033,263	2.17 %	12,253,164	0.51 %
Time deposits	6,411,888	4.55 %	6,038,640	3.87 %	3,094,747	1.16 %
Total	$ 21,962,439	2.73 %	$ 22,273,287	2.12 %	$ 21,175,071	0.47 %

Our maturities of time deposits not covered by deposit insurance at December 31, 2024 are presented in Table 15.

Table 15: Maturities of Time Deposits Not Covered by Deposit Insurance

	December 31, 2024	
(In thousands)	Balance	Percent
Maturing		
Three months or less	$ 663,324	66.7 %
Over 3 months to 6 months	181,629	18.3 %
Over 6 months to 12 months	128,210	12.9 %
Over 12 months	21,063	2.1 %
Total	$ 994,226	100.0 %

Federal Funds Purchased and Securities Sold Under Agreements to Repurchase

Federal funds purchased and securities sold under agreements to repurchase were $37.1 million at December 31, 2024, as compared to $68.0 million at December 31, 2023.

We have historically funded our growth in earning assets through the use of core deposits, large certificates of deposits from local markets, brokered deposits, FHLB borrowings and Federal funds purchased. Management anticipates that these sources will provide necessary funding in the foreseeable future.

Other Borrowings and Subordinated Debentures

Our total debt was $1.11 billion and $1.34 billion at December 31, 2024 and 2023, respectively. The outstanding balance for December 31, 2024 includes $727.9 million in FHLB advances; $366.3 million in subordinated notes and unamortized debt issuance costs; and $17.4 million of other long-term debt. FHLB advances outstanding at December 31, 2024, which decreased as compared to December 31, 2023 due to a reduced reliance on wholesale funding, are primarily whole loan advances, which are due less than one year from origination and therefore are classified as short-term advances.

A summary of information related to our FHLB short-term advances, consisting of primarily whole loan advances, is presented in Table 16.

Table 16: Short-Term Borrowings

	December 31,		
(Dollars in thousands)	2024	2023	2022
Amount outstanding at year-end	$ 725,000	$ 950,000	$ 835,000
Weighted-average interest rate at year-end	4.42 %	5.40 %	4.20 %
Maximum amount outstanding at any month-end during the year	$ 1,400,000	$ 1,350,000	$ 1,300,000
Average amount outstanding during the year	$ 1,024,426	$ 1,149,387	$ 1,124,314
Weighted-average interest rate for the year	5.31 %	5.20 %	2.08 %

During the third quarter of 2022, we redeemed the five issuances of trust preferred securities which had an outstanding aggregate principal amount of $56.2 million. We recorded a loss of $365,000 related to the early retirement of debt, which represented the unamortized purchase discounts associated with the previously acquired trust preferred securities.

In March 2018, we issued $330.0 million in aggregate principal amount of 5.00% Fixed-to-Floating Rate Subordinated Notes (“Notes”) at a public offering price equal to 100% of the aggregate principal amount of the Notes. We incurred $3.6 million in debt issuance costs related to the offering. The Notes will mature on April 1, 2028 and are subordinated in right of payment to the payment of our other existing and future senior indebtedness, including all our general creditors. The Notes are obligations of the Company only and are not obligations of, and are not guaranteed by, any of its subsidiaries.

We assumed Fixed-to-Floating Rate Subordinated Notes in an aggregate principal amount, net of premium adjustments, of $37.4 million in connection with the Spirit acquisition in April 2022 (the “Spirit Notes”). The Spirit Notes will mature on July 31, 2030, and initially bear interest at a fixed annual rate of 6.00%, payable quarterly, in arrears, to, but excluding, July 31, 2025. From and including July 31, 2025, to, but excluding, the maturity date or earlier redemption date, the interest rate will reset quarterly to an interest rate per annum equal to a benchmark rate, which is expected to be the then-current three-month Secured Overnight Financing Rate, as published by the Federal Reserve Bank of New York (provided, that in the event the benchmark rate is less than zero, the benchmark rate will be deemed to be zero) plus 592 basis points, payable quarterly, in arrears.

Aggregate annual maturities of long-term debt at December 31, 2024 are presented in Table 17.

Table 17: Maturities of Long-Term Debt

Year	Annual Maturities (In thousands)
2025	$ 1,822
2026	1,824
2027	1,919
2028	332,792
2029	10,190
Thereafter	38,118
Total	$ 386,665

Capital

Overview

At December 31, 2024, total capital was $3.53 billion. Capital represents shareholder ownership in the Company – the book value of assets in excess of liabilities. At December 31, 2024, our common equity to asset ratio was 13.13% compared to 12.53% at year-end 2023.

Capital Stock

On February 27, 2009, at a special meeting, our shareholders approved an amendment to the Articles of Incorporation to establish 40,040,000 authorized shares of preferred stock, $0.01 par value. On April 27, 2022, our shareholders approved an amendment to our Articles of Incorporation to remove an $80.0 million cap on the aggregate liquidation preference associated with the preferred stock and increase the number of authorized shares of our Class A common stock from 175,000,000 to 350,000,000.

On October 29, 2019, we filed Amended and Restated Articles of Incorporation (“October Amended Articles”) with the Arkansas Secretary of State. The October Amended Articles classified and designated Series D Preferred Stock, Par Value $0.01 Per Share (“Series D Preferred Stock”), out of our authorized preferred stock. On November 30, 2021, we redeemed all of the Series D Preferred Stock, including accrued and unpaid dividends. On April 27, 2022, our shareholders approved an amendment to our Articles of Incorporation to remove the classification and designation for the Series D Preferred Stock. As of December 31, 2024, there were no shares of preferred stock issued or outstanding.

On May 17, 2024, we filed a shelf registration with the SEC. The shelf registration statement provides increased flexibility and more efficient access to raise capital from time to time through the sale of common stock, preferred stock, debt securities, depository shares, warrants, purchase contracts, subscription rights, units or a combination thereof, subject to market conditions. Specific terms and prices are determined at the time of any offering under a separate prospectus supplement that we are required to file with the SEC at the time of the specific offering.

Stock Repurchase Program

In January 2022, the Company’s Board of Directors authorized a stock repurchase program (“2022 Program”) under which the Company could repurchase up to $175.0 million of its Class A common stock currently issued and outstanding. Because the 2022 Program was set to terminate on January 31, 2024, the Company’s Board of Directors authorized a new stock repurchase program in January 2024 (“2024 Program”) under which the Company may repurchase up to $175.0 million of its Class A common stock currently issued and outstanding. The 2024 Program will be executed in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and will terminate on January 31, 2026 (unless terminated sooner).

During 2024, no shares were repurchased under the 2024 Program. During 2023, we repurchased 2,257,049 shares at an average price of $17.72 per share under the 2022 Program.

Under the 2024 Program, we may repurchase shares of our common stock through open market and privately negotiated transactions or otherwise. The timing, pricing, and amount of any repurchases under the 2024 Program will be determined by management at its discretion based on a variety of factors, including, but not limited to, trading volume and market price of our common stock, corporate considerations, our working capital and investment requirements, general market and economic conditions, and legal requirements. The 2024 Program does not obligate us to repurchase any common stock and may be modified, discontinued, or suspended at any time without prior notice. We anticipate funding for the 2024 Program to come from available sources of liquidity, including cash on hand and future cash flow.

Cash Dividends

We declared cash dividends on our common stock of $0.84 per share for the twelve months ended December 31, 2024, compared to $0.80 per share for the twelve months ended December 31, 2023, an increase of $0.04, or 5%. The timing and amount of future dividends are at the discretion of our Board of Directors and will depend upon our consolidated earnings, financial condition, liquidity and capital requirements, the amount of cash dividends paid to us by our subsidiaries, applicable government regulations and policies and other factors considered relevant by our Board of Directors. Our Board of Directors anticipates that we will continue to pay quarterly dividends in amounts determined based on the factors discussed above. However, there can be no assurance that we will continue to pay dividends on our common stock at the current levels or at all.

Parent Company Liquidity

The primary liquidity needs of Simmons First National Corporation (the Parent Company) are the payment of dividends to shareholders, the funding of debt obligations and cash needs for acquisitions. The primary sources for meeting these liquidity needs are the current cash on hand at the parent company and the future dividends received from Simmons Bank. Payment of dividends by Simmons Bank is subject to various regulatory limitations and, in certain instances, regulatory approval requirements. The Company continually assesses its capital and liquidity needs and the best way to meet them, including, without limitation, through capital raising in the market via stock or debt offerings. See Item 7A, “Quantitative and Qualitative Disclosures About Market Risk”, for additional information regarding the parent company’s liquidity, which is incorporated herein by reference.

Risk-Based Capital

The Company and Simmons Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of our assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. Our capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require us to maintain minimum amounts and ratios (set forth in the table below) of total, Tier 1 and common equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average assets (as defined). Management believes that, as of December 31, 2024, we met all capital adequacy requirements to which we are subject.

As of the most recent notification from regulatory agencies, Simmons Bank was well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company and Simmons Bank must maintain minimum total risk-based, Tier 1 risk-based, common equity Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed the bank’s categories.

Our risk-based capital ratios at December 31, 2024 and 2023 are presented in Table 18 below:

Table 18: Risk-Based Capital

(Dollars in thousands)	December 31, 2024	2023
Tier 1 capital:		
Stockholders' equity	$ 3,528,872	$ 3,426,488
CECL transition provision	30,873	61,746
Goodwill and other intangible assets	(1,385,128)	(1,398,810)
Unrealized loss on available-for-sale securities, net of income taxes	360,910	404,375
Total Tier 1 capital	2,535,527	2,493,799
Tier 2 capital:		
Subordinated notes and debentures	366,293	366,141
Subordinated debt phase out	(132,000)	(66,000)
Qualifying allowance for credit losses and reserve for unfunded commitments	222,313	170,977
Total Tier 2 capital	456,606	471,118
Total risk-based capital	$ 2,992,133	$ 2,964,917
Risk weighted assets	$20,473,960	$20,599,238
Assets for leverage ratio	$26,037,459	$26,552,988
Ratios at end of year:		
Common equity Tier 1 ratio (CET1)	12.38 %	12.11 %
Tier 1 leverage ratio	9.74 %	9.39 %
Tier 1 risk-based capital ratio	12.38 %	12.11 %
Total risk-based capital ratio	14.61 %	14.39 %
Minimum guidelines:		
Common equity Tier 1 ratio (CET1)	4.50 %	4.50 %
Tier 1 leverage ratio	4.00 %	4.00 %
Tier 1 risk-based capital ratio	6.00 %	6.00 %
Total risk-based capital ratio	8.00 %	8.00 %

Regulatory Capital Changes

In December 2018, the Federal Reserve, Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation ("FDIC") (collectively, the "agencies") issued a final rule revising regulatory capital rules in anticipation of the adoption of ASU 2016-13 that provided an option to phase in over a three year period on a straight line basis the day-one impact of the adoption on earnings and Tier 1 capital (the "CECL Transition Provision").

In March 2020, in response to the COVID-19 pandemic, the agencies issued a new regulatory capital rule revising the CECL Transition Provision to delay the estimated impact on regulatory capital stemming from the implementation of ASU 2016-13. The rule provides banking organizations that implement CECL before the end of 2020 the option to delay for two years an estimate of CECL's effect on regulatory capital, followed by a three-year transition period (the "2020 CECL Transition Provision"). The Company elected to apply the 2020 CECL Transition Provision.

The Basel III Capital Rules define the components of capital and address other issues affecting the numerator in banking institutions' regulatory capital ratios. The rules also address risk weights and other issues affecting the denominator in banking institutions' regulatory capital ratios with a more risk-sensitive approach. The Basel III Capital Rules established risk-weighting categories depending on the nature of the assets, generally ranging from 0% for U.S. government and agency securities, to 600% for certain equity exposures.

The final rules included a new common equity Tier 1 capital to risk-weighted assets ratio of 4.5% and a common equity Tier 1 capital conservation buffer of 2.5% of risk-weighted assets. The rules also raised the minimum ratio of Tier 1 capital to risk-weighted assets to 6.0% and require a minimum leverage ratio of 4.0%.

Prior to December 31, 2017, Tier 1 capital included common equity Tier 1 capital and certain additional Tier 1 items as provided under the Basel III Capital Rules. Qualifying subordinated debt of $234.3 million is included as Tier 2 and total capital of the Company as of December 31, 2024.

Liquidity

In the normal course of business we have entered into a number of contractual obligations and have made commitments to make future payments. Refer to the accompanying notes to consolidated financial statements elsewhere in this report for the expected timing of such payments as of December 31, 2024. Examples of these commitments include but are not limited to long-term debt financing (Note 11, Other Borrowings and Subordinated Debentures), operating lease obligations (Note, 5, Right-of-Use Lease Assets and Lease Liabilities), time deposits with stated maturity dates (Note 8, Time Deposits), and unfunded loan commitments and letters of credit (Note 18, Commitments and Credit Risk).

GAAP Reconciliation of Non-GAAP Financial Measures

The tables below present computations of adjusted earnings (net income excluding certain items {early retirement program costs, loss from early retirement of TruPS, gain on sale of intellectual property, gain on insurance settlement, donation to Simmons First Foundation, merger related costs, FDIC special assessment, loss on sale of securities, termination of vendor and software services, net branch right sizing costs, Day 2 CECL Provision and tax effect}) (non-GAAP) and adjusted diluted earnings per share (non-GAAP) as well as a computation of tangible book value per common share (non-GAAP), tangible common equity to tangible assets (non-GAAP), adjusted noninterest income (non-GAAP), adjusted noninterest expense (non-GAAP), adjusted salaries and employee benefits expense (non-GAAP), adjusted deposit insurance expense (non-GAAP), uninsured, non-collateralized deposits (non-GAAP) and the coverage ratio of uninsured, non-collateralized deposits (non-GAAP). Adjusted items are included in financial results presented in accordance with generally accepted accounting principles (US GAAP). The Company has updated its calculation of certain non-GAAP financial measures to exclude the impact of gains or losses on the sale of AFS investment securities in light of the impact of the Company's strategic AFS investment securities transactions during the fourth quarter of 2023 and has presented past periods on a comparable basis.

We believe the exclusion of these certain items in expressing earnings and certain other financial measures, including "adjusted earnings," provides a meaningful basis for period-to-period and company-to-company comparisons, which management believes will assist investors and analysts in analyzing the adjusted financial measures of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of the Company's business because management does not consider these certain items to be relevant to ongoing financial performance. Management and the Board of Directors utilize "adjusted earnings" (non-GAAP) for the following purposes:

- Preparation of the Company's operating budgets
- Monthly financial performance reporting
- Monthly "flash" reporting of consolidated results (management only)
- Investor presentations of Company performance

We believe the presentation of "adjusted earnings" on a diluted per share basis (non-GAAP) provides a meaningful basis for period-to-period and company-to-company comparisons, which management believes will assist investors and analysts in analyzing the adjusted financial measures of the Company and predicting future performance. These non-GAAP financial measures are also used by management to assess the performance of the Company's business, because management does not consider these certain items to be relevant to ongoing financial performance on a per share basis. Management and the Board of Directors utilize "adjusted diluted earnings per share" (non-GAAP) for the following purposes:

- Calculation of annual performance-based incentives for certain executives
- Calculation of long-term performance-based incentives for certain executives
- Investor presentations of Company performance

We have $1.42 billion and $1.43 billion total goodwill and other intangible assets for the periods ended December 31, 2024 and 2023, respectively. Because our acquisition strategy has resulted in a high level of intangible assets, management believes useful calculations include tangible book value per common share (non-GAAP) and tangible common equity to tangible assets (non-GAAP).

We believe that presenting these non-GAAP financial measures will permit investors and analysts to assess the performance of the Company on the same basis that is applied by management and the Board of Directors.

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied and are not audited. To mitigate these limitations, we have procedures in place to identify and approve each item that qualifies as adjusted to ensure that the Company's "adjusted" results are properly reflected for period-to-period comparisons. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analyses of results as reported under GAAP. In particular, a measure of earnings that excludes certain items does not represent the amount that effectively accrues directly to stockholders (i.e., certain items are included in earnings and stockholders' equity). Additionally, similarly titled non-GAAP financial measures used by other companies may not be computed in the same or similar fashion.

During 2024, adjusted items primarily consisted of net branch right sizing costs of $2.7 million, mainly due to branch closures across our footprint during the year, and a $28.4 million loss on sale of securities due to the strategic sale of AFS securities during the year. We also recorded an additional $1.8 million related to a FDIC special assessment levied to support the Deposit Insurance Fund following the failure of certain banks in 2023. The net after-tax impact of all adjusted items on net income was $25.2 million, or a $0.20 impact on diluted earnings per share.

During 2023, adjusted items primarily consisted of net branch right sizing costs of $5.5 million, mainly due to branch closures across our footprint during the year, $6.2 million in early retirement program costs related to our Better Bank Initiative, and a $20.6 million loss on sale of securities due to the strategic sale of AFS securities during the year. Additionally, we recorded $10.5 million related to a FDIC special assessment levied to support the Deposit Insurance Fund following the failure of certain banks in 2023. The net after-tax impact of all adjusted items on net income was $32.7 million, or a $0.26 impact on diluted earnings per share.

During 2022, adjusted items primarily consisted of $33.8 million of Day 2 provision expense required for loans and unfunded commitments related to the Spirit acquisition, merger-related costs of $22.5 million, primarily related to the Spirit acquisition, and net branch right sizing costs of $3.6 million, mainly due to branch closures across our footprint during the year. Additionally, we had a gain on insurance settlement of $4.1 million related to a weather event that caused severe damage to one of our branch locations. The net after-tax impact of all adjusted items was $42.4 million, or $0.34 per diluted earnings per share.

See Table 19 below for the reconciliation of adjusted earnings, which exclude certain items for the periods presented.

Table 19: Reconciliation of Adjusted Earnings (non-GAAP)

(In thousands, except per share data)	2024	2023	2022
Net income available to common stockholders	$ 152,693	$ 175,057	$ 256,412
Certain items:			
Termination of vendor and software services	602	—	—
Loss from early retirement of TruPS	—	—	365
Gain on sale of intellectual property	—	—	(750)
Gain on insurance settlement	—	—	(4,074)
FDIC special assessment	1,832	10,521	—
Donation to Simmons First Foundation	—	—	1,738
Merger related costs	—	1,420	22,476
Early retirement program	536	6,198	—
Loss on sale of securities	28,393	20,609	278
Branch right sizing, net	2,746	5,467	3,628
Day 2 CECL Provision	—	—	33,779
Tax effect [1]	(8,915)	(11,556)	(15,012)
Certain items, net of tax	25,194	32,659	42,428
Adjusted earnings (non-GAAP)	$ 177,887	$ 207,716	$ 298,840
Diluted earnings per share	$ 1.21	$ 1.38	$ 2.06
Certain items:			
Termination of vendor and software services	—	—	—
Loss from early retirement of TruPS	—	—	—
Gain on sale of intellectual property	—	—	(0.01)
Gain on insurance settlement	—	—	(0.03)
FDIC special assessment	0.02	0.08	—
Donation to Simmons First Foundation	—	—	0.01
Merger related costs	—	0.01	0.18
Early retirement program	—	0.05	—
Loss on sale of securities	0.23	0.17	—
Branch right sizing, net	0.02	0.04	0.03
Day 2 CECL Provision	—	—	0.28
Tax effect [1]	(0.07)	(0.09)	(0.12)
Certain items, net of tax	0.20	0.26	0.34
Adjusted diluted earnings per share (non-GAAP)	$ 1.41	$ 1.64	$ 2.40

(1) Effective tax rate of 26.135%.

See Table 20 below for the reconciliations of adjusted noninterest income, adjusted noninterest expense, adjusted salaries and employee benefits expense and adjusted deposit insurance expense for the periods presented.

Table 20: Reconciliations of Adjusted Noninterest Income (non-GAAP), Adjusted Noninterest Expense (non-GAAP), Adjusted Salaries and Employee Benefits Expense (non-GAAP) and Adjusted Deposit Insurance Expense (non-GAAP)

(In thousands)	2024	2023	2022
Noninterest income	$ 147,171	$ 155,566	$ 170,066
Certain items:			
Gain on insurance settlement	—	—	(4,074)
Loss from early retirement of TruPS	—	—	365
Gain on sale of intellectual property	—	—	(750)
Loss on sale of securities	28,393	20,609	278
Branch right sizing	—	—	153
Total certain items	28,393	20,609	(4,028)
Adjusted noninterest income (non-GAAP)	$ 175,564	$ 176,175	$ 166,038
Noninterest expense	$ 557,543	$ 563,061	$ 566,748
Certain items:			
Termination of vendor and software services	(602)	—	—
Merger related costs	—	(1,420)	(22,476)
Donation to Simmons First Foundation	—	—	(1,738)
Early retirement program	(536)	(6,198)	—
FDIC special assessment	(1,832)	(10,521)	—
Branch right sizing	(2,746)	(5,467)	(3,475)
Total certain items	(5,716)	(23,606)	(27,689)
Adjusted noninterest expense (non-GAAP)	$ 551,827	$ 539,455	$ 539,059
Salaries and employee benefits expense	$ 284,124	$ 286,117	$ 286,982
Early retirement program costs	(536)	(6,198)	—
Other	—	2	—
Adjusted salaries and employee benefits expense (non-GAAP)	$ 283,588	$ 279,921	$ 286,982
Deposit insurance expense	$ 23,938	$ 29,986	$ 11,608
FDIC special assessment	(1,832)	(10,521)	—
Adjusted deposit insurance expense (non-GAAP)	$ 22,106	$ 19,465	$ 11,608

See Table 21 below for the reconciliation of tangible book value per common share.

Table 21: Reconciliation of Tangible Book Value per Common Share (non-GAAP)

(In thousands, except per share data)	2024	2023	2022
Total common stockholders' equity	$ 3,528,872	$ 3,426,488	$ 3,269,362
Intangible assets:			
Goodwill	(1,320,799)	(1,320,799)	(1,319,598)
Other intangible assets	(97,242)	(112,645)	(128,951)
Total intangibles	(1,418,041)	(1,433,444)	(1,448,549)
Tangible common stockholders' equity	$ 2,110,831	$ 1,993,044	$ 1,820,813
Shares of common stock outstanding	125,651,540	125,184,119	127,046,654
Book value per common share	$ 28.08	$ 27.37	$ 25.73
Tangible book value per common share (non-GAAP)	$ 16.80	$ 15.92	$ 14.33

See Table 22 below for the calculation of tangible common equity and the reconciliation of tangible common equity to tangible assets.

Table 22: Reconciliation of Tangible Common Equity and the Ratio of Tangible Common Equity to Tangible Assets (non-GAAP)

(Dollars in thousands)	2024	2023	2022
Total common stockholders' equity	$ 3,528,872	$ 3,426,488	$ 3,269,362
Intangible assets:			
Goodwill	(1,320,799)	(1,320,799)	(1,319,598)
Other intangible assets	(97,242)	(112,645)	(128,951)
Total intangibles	(1,418,041)	(1,433,444)	(1,448,549)
Tangible common stockholders' equity	$ 2,110,831	$ 1,993,044	$ 1,820,813
Total assets	$ 26,876,049	$ 27,345,674	$ 27,461,061
Intangible assets:			
Goodwill	(1,320,799)	(1,320,799)	(1,319,598)
Other intangible assets	(97,242)	(112,645)	(128,951)
Total intangibles	(1,418,041)	(1,433,444)	(1,448,549)
Tangible assets	$ 25,458,008	$ 25,912,230	$ 26,012,512
Ratio of common equity to assets	13.13 %	12.53 %	11.91 %
Ratio of tangible common equity to tangible assets (non-GAAP)	8.29 %	7.69 %	7.00 %

See Table 23 below for the reconciliation of uninsured, non-collateralized deposits and the calculation of uninsured, non-collateralized deposit coverage ratio.

Table 23: Reconciliation of Uninsured, Non-Collateralized Deposits and the Calculation of Uninsured, Non-Collateralized Deposit Coverage Ratio (non-GAAP)

(In thousands)	2024	2023	2022
Uninsured deposits at Simmons Bank	$ 8,467,291	$ 8,328,444	$ 8,913,990
Less: Collateralized deposits (excluding portion that is FDIC insured)	2,790,339	2,846,716	2,759,248
Less: Intercompany eliminations	1,045,734	728,480	529,042
Total uninsured, non-collateralized deposits	$ 4,631,218	$ 4,753,248	$ 5,625,700
FHLB borrowing availability	$ 4,716,000	$ 5,401,000	$ 5,442,000
Unpledged securities	4,103,000	3,817,000	3,180,000
Fed funds lines, Fed discount window and Bank Term Funding Program [(1)]	2,081,000	1,998,000	1,982,000
Additional liquidity sources	$ 10,900,000	$ 11,216,000	$ 10,604,000
Uninsured, non-collateralized deposit coverage ratio	2.4x	2.4x	1.9x

(1) The Bank Term Funding Program closed for new loans on March 11, 2024. At no time did the Company borrow funds under this program.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Liquidity and Market Risk Management

Parent Company

The Company has leveraged its investment in Simmons Bank and depends upon the dividends paid to it, as the sole shareholder of Simmons Bank, as a principal source of funds for dividends to shareholders, stock repurchases and debt service requirements. At December 31, 2024, undivided profits of Simmons Bank were approximately $550.4 million, none of which were available for the payment of dividends to the Company without regulatory approval. In addition to dividends, other sources of liquidity for the Company are the sale of equity securities and the borrowing of funds.

Subsidiary Bank

Generally speaking, Simmons Bank relies upon net inflows of cash from financing activities, supplemented by net inflows of cash from operating activities, to provide cash used in investing activities. Typical of most banking companies, significant financing activities include: deposit gathering; use of short-term borrowing facilities, such as federal funds purchased and repurchase agreements; and the issuance of long-term debt. The subsidiary bank's primary investing activities include loan originations and purchases of investment securities, offset by loan payoffs and investment cash flows and maturities.

Liquidity represents an institution's ability to provide funds to satisfy demands from depositors and borrowers by either converting assets into cash or accessing new or existing sources of incremental funds. A major responsibility of management is to maximize net interest income within prudent liquidity constraints. Internal corporate guidelines have been established to constantly measure liquid assets as well as relevant ratios concerning earning asset levels and purchased funds. The management and Board of Directors of the subsidiary bank monitor these same indicators and makes adjustments as needed.

Liquidity Management

The objective of our liquidity management is to access adequate sources of funding to ensure that cash flow requirements of depositors and borrowers are met in an orderly and timely manner. Sources of liquidity are managed so that reliance on any one funding source is kept to a minimum. Our liquidity sources are prioritized for both availability and time to activation.

Our liquidity is a primary consideration in determining funding needs and is an integral part of asset/liability management. Pricing of the liability side is a major component of interest margin and spread management. Adequate liquidity is a necessity in addressing this critical task. There are seven primary and secondary sources of liquidity available to the Company. The particular liquidity need and timeframe determine the use of these sources.

The first source of liquidity available to the Company is federal funds. Federal funds are available on a daily basis and are used to meet the normal fluctuations of a dynamic balance sheet. As of December 31, 2024, the Bank had approximately $435.0 million in federal funds lines of credit from upstream correspondent banks that can be accessed, if and when needed. In order to ensure availability of these upstream funds we test these borrowing lines at least annually. Historical monitoring of these funds has made it possible for us to project seasonal fluctuations and structure our funding requirements on a month-to-month basis.

Second, Simmons Bank has lines of credit available with the Federal Home Loan Bank. While we use portions of those lines to match off longer-term mortgage loans, we also use those lines to meet liquidity needs. Approximately $4.72 billion of these lines of credit are currently available, if needed, for liquidity.

A third source of liquidity is that we have the ability to access large wholesale deposits from both the public and private sector to fund short-term liquidity needs.

A fourth source of liquidity is the retail deposits available through our network of financial centers throughout Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas. Although this method can be a somewhat more expensive alternative to supplying liquidity, this source can be used to meet intermediate term liquidity needs.

Fifth, we use a laddered investment portfolio that ensures there is a steady source of intermediate term liquidity. These funds can be used to meet seasonal loan patterns and other intermediate term balance sheet fluctuations. Approximately 41.0% of the investment portfolio is classified as available-for-sale, and we may generate additional liquidity through opportunistic sales of investment securities. We also use securities held in the securities portfolio to pledge when obtaining public funds.

Sixth, we have a network of downstream correspondent banks from which we can access debt to meet liquidity needs.

Finally, we have the ability to access funds through the Federal Reserve Bank Discount Window.

We believe these various sources of available liquidity are sufficient for short-term, intermediate-term and long-term liquidity.

Market Risk Management

Market risk arises from changes in interest rates. We have risk management policies to monitor and limit exposure to market risk. In asset and liability management activities, policies designed to minimize structural interest rate risk are in place. The measurement of market risk associated with financial instruments is meaningful only when all related and offsetting on- and off-balance-sheet transactions are aggregated, and the resulting net positions are identified.

Interest Rate Sensitivity

Interest rate risk represents the potential impact of interest rate changes on net income and capital resulting from mismatches in repricing opportunities of assets and liabilities over a period of time. A number of tools are used to monitor and manage interest rate risk, including simulation models and interest sensitivity gap analysis. Management uses simulation models to estimate the effects of changing interest rates and various balance sheet strategies on the level of the Company's net income and capital. As a means of limiting interest rate risk to an acceptable level, management may alter the mix of floating and fixed-rate assets and liabilities, change pricing schedules, manage investment maturities during future security purchases, or enter into derivative contracts such as interest rate swaps.

The simulation model incorporates management's assumptions regarding the level of interest rates or balance changes for indeterminate maturity deposits for a given level of market rate changes. These assumptions have been developed through anticipated pricing behavior. Key assumptions in the simulation models include the relative timing of prepayments, cash flows and maturities. These assumptions are inherently uncertain and, as a result, the model cannot precisely estimate net interest income or precisely predict the impact of a change in interest rates on net income or capital. Actual results will differ from simulated results due to the timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors.

As of December 31, 2024, the model simulations projected that 100 and 200 basis point increases in interest rates would result in negative variances in net interest income of 1.70% and 3.78%, respectively, relative to the base case over the next 12 months. Interest rate decreases of 100 and 200 basis points would result in positive variances in net interest income of 0.89% and 1.81%, respectively, relative to the base case over the next 12 months. These results reflect a liability-sensitive balance sheet and are consistent with the Company's shift toward short-term funding combined with relatively little change in the mix of interest-earning assets. These are good faith estimates and assume that the composition of our interest sensitive assets and liabilities existing at each year-end will remain constant over the relevant twelve month measurement period and that changes in market interest rates are instantaneous and sustained across the yield curve regardless of duration of pricing characteristics of specific assets or liabilities. Also, this analysis does not contemplate any actions that we might undertake in response to changes in market interest rates. We believe these estimates are not necessarily indicative of what actually could occur in the event of immediate interest rate increases or decreases of this magnitude. As interest-bearing assets and liabilities reprice in different time frames and proportions to market interest rate movements, various assumptions must be made based on historical relationships of these variables in reaching any conclusion. Since these correlations are based on competitive and market conditions, we anticipate that our future results will likely be different from the foregoing estimates, and such differences could be material.

The table below presents our sensitivity to net interest income at December 31, 2024.

Table 24: Net Interest Income Sensitivity

Interest Rate Scenario	% Change from Base
Up 200 basis points	(3.78)%
Up 100 basis points	(1.70)%
Down 100 basis points	0.89 %
Down 200 basis points	1.81 %

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Management's Report on Internal Control Over Financial Reporting

The management of Simmons First National Corporation (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of the Company's financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Accordingly, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, management used the criteria set forth in *Internal Control – Integrated Framework (2013 edition) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO*). Based on this assessment, management has determined that the Company's internal control over financial reporting as of December 31, 2024 is effective based on the specified criteria.

Forvis Mazars, LLP, the independent registered public accounting firm that audited the consolidated financial statements of the Company included in this Annual Report on Form 10-K, has issued an audit report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. The report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, immediately follows.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders, Board of Directors and Audit Committee
Simmons First National Corporation
Pine Bluff, Arkansas

Opinion on the Internal Control over Financial Reporting

We have audited Simmons First National Corporation's (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework: (2013)* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and our report dated February 27, 2025, expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Reporting on Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definitions and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Forvis Mazars, LLP
/s/ Forvis Mazars, LLP

Little Rock, Arkansas
February 27, 2025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders, Board of Directors and Audit Committee
Simmons First National Corporation
Pine Bluff, Arkansas

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Simmons First National Corporation (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes ("financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated February 27, 2025, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits.

We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective or complex judgments.

The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Allowance for Credit Losses

The Company's loan portfolio totaled $17.01 billion as of December 31, 2024 and the allowance for credit losses on loans was $235.0 million. As more fully described in Notes 1 and 4 to the Company's consolidated financial statements, for loans receivable, the Allowance for Credit Loss (ACL) is a contra-asset valuation account, calculated in accordance with Topic 326 that is deducted from the amortized cost basis of loans to present the net amount expected to be collected.

The amount of each allowance account represents management's best estimate of current expected credit losses on those financial instruments considering all available information from internal and external sources, relevant to assessing exposure to credit loss over the contractual term of the instrument. Loans with similar risk characteristics are aggregated into homogenous segments for assessment. Expected credit losses are estimated by either lifetime loss rates or expected cash flows based on three key parameters: probability of default (PD), exposure-at-default (EAD) or loss given default (LGD). The estimates include economic forecasts over the reasonable and supportable forecast period based on projected performance of economic variables that have a statistical relationship.

Management qualitatively adjusts its model results for risk factors that were not considered within the modeling processes but were still relevant in assessing the expected credit losses within the loan pools. In some cases, management determined that an individual loan exhibited unique characteristics which differentiated the loan from other loans with the identified loan pools. In such cases the loans were evaluated for expected credit losses on an individual basis and excluded from the collective evaluation.

Auditing management's estimate of the ACL involved a high degree of subjectivity due to management's identification and measurement of the qualitative factor adjustments being highly judgmental.

The primary procedures we performed as of December 31, 2024 to address this critical audit matter included:

- Obtained an understanding of the Company's process for establishing the qualitative adjustment.
- Evaluated and tested the design and operating effectiveness of controls over the establishment of qualitative factors.
- Evaluated the qualitative adjustments to the ACL including assessing the basis for adjustments and the reasonableness of the significant assumptions.
- Evaluated credit quality trends in delinquencies, non-accruals and charge-offs.

Goodwill

As reflected in the Company's consolidated financial statements at December 31, 2024, the Company's goodwill was $1.32 billion. As disclosed in Note 7 to the consolidated financial statements, goodwill is tested for impairment at least annually or more frequently if indicators of impairment require the performance of an interim impairment assessment.

Auditing management's impairment tests of goodwill was complex and highly judgmental due to the calculation relying on several assumptions that have a level of subjectivity and judgment. These assumptions are dependent on market and economic conditions. Key inputs to estimate terminal fair value of the Company include projected forecasts, noninterest expense savings and a pricing multiple based on a group of peer banks with similar characteristics.

We obtained an understanding, evaluated the design and operating effectiveness of controls over the Company's goodwill assessment process. For example, we tested the controls over the Company's review of the significant assumptions utilized in estimating the fair value of the reporting unit.

To test the fair values of the reporting unit, our audit procedures included, among others, assessing methodologies, testing the significant assumptions described above, and testing the completeness and accuracy of the underlying data used by the Company. Our testing procedures over the significant assumptions included, among others, comparing forecasted revenue to current industry and economic trends. We assessed the historical accuracy of management's estimates by comparing past projections to actual performance and assessed the sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit resulting from changes in the assumptions. We also involved an internal valuation professional to assist in evaluating the Company's models, valuation methodology, and significant assumptions used in the fair value estimates.

Forvis Mazars, LLP
/s/ Forvis Mazars, LLP

We have served as the Company's auditor since 1972.

Little Rock, Arkansas
February 27, 2025

Simmons First National Corporation
Consolidated Balance Sheets
December 31, 2024 and 2023

(In thousands, except share data)	2024	2023
ASSETS		
Cash and noninterest bearing balances due from banks	$ 429,705	$ 345,258
Interest bearing balances due from banks and federal funds sold	257,672	268,834
Cash and cash equivalents	687,377	614,092
Interest bearing balances due from banks – time	100	100
Investment securities:		
Held-to-maturity, net of allowance for credit losses of $3,214 at December 31, 2024 and 2023	3,636,636	3,726,288
Available-for-sale, at estimated fair value (amortized cost of $2,852,774 and $3,509,709 at December 31, 2024 and 2023, respectively)	2,529,426	3,152,153
Total investments	6,166,062	6,878,441
Mortgage loans held for sale	11,417	9,373
Loans	17,005,937	16,845,670
Allowance for credit losses on loans	(235,019)	(225,231)
Net loans	16,770,918	16,620,439
Premises and equipment	585,431	570,678
Foreclosed assets and other real estate owned	9,270	4,073
Interest receivable	123,243	122,430
Bank owned life insurance	531,805	500,559
Goodwill	1,320,799	1,320,799
Other intangible assets	97,242	112,645
Other assets	572,385	592,045
Total assets	$ 26,876,049	$ 27,345,674
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest bearing transaction accounts	$ 4,460,517	$ 4,800,880
Interest bearing transaction accounts and savings deposits	10,982,022	10,997,425
Time deposits	6,443,211	6,446,673
Total deposits	21,885,750	22,244,978
Federal funds purchased and securities sold under agreements to repurchase	37,109	67,969
Other borrowings	745,372	972,366
Subordinated notes and debentures	366,293	366,141
Accrued interest and other liabilities	312,653	267,732
Total liabilities	23,347,177	23,919,186
Stockholders' equity:		
Common stock, Class A, $0.01 par value; 350,000,000 shares authorized at December 31, 2024 and 2023; 125,651,540 and 125,184,119 shares issued and outstanding at December 31, 2024 and 2023, respectively	1,257	1,252
Surplus	2,511,590	2,499,930
Undivided profits	1,376,935	1,329,681
Accumulated other comprehensive loss	(360,910)	(404,375)
Total stockholders' equity	3,528,872	3,426,488
Total liabilities and stockholders' equity	$ 26,876,049	$ 27,345,674

See Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Income
Years Ended December 31, 2024, 2023 and 2022

(In thousands, except per share data)	2024	2023	2022
INTEREST INCOME			
Loans, including fees	$ 1,083,093	$ 989,196	$ 694,192
Interest bearing balances due from banks and federal funds sold	11,808	13,490	5,500
Investment securities	216,433	206,918	158,203
Mortgage loans held for sale	731	557	720
Other loans held for sale	—	—	3,120
TOTAL INTEREST INCOME	1,312,065	1,210,161	861,735
INTEREST EXPENSE			
Deposits	600,240	472,919	99,049
Federal funds purchased and securities sold under agreements to repurchase	602	1,150	941
Other borrowings	55,127	60,517	24,934
Subordinated notes and debentures	27,631	25,449	19,495
TOTAL INTEREST EXPENSE	683,600	560,035	144,419
NET INTEREST INCOME	628,465	650,126	717,316
Provision for credit losses	46,785	42,028	14,074
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	581,680	608,098	703,242
NONINTEREST INCOME			
Service charges on deposit accounts	49,898	50,530	46,527
Debit and credit card fees	32,875	31,472	31,203
Wealth management fees	32,806	30,203	31,895
Mortgage lending income	8,077	7,733	10,522
Bank owned life insurance income	15,227	11,717	11,146
Other service charges and fees	9,188	9,122	7,616
Loss on sale of securities, net	(28,393)	(20,609)	(278)
Gain on insurance settlement	—	—	4,074
Other income	27,493	35,398	27,361
TOTAL NONINTEREST INCOME	147,171	155,566	170,066
NONINTEREST EXPENSE			
Salaries and employee benefits	284,124	286,117	286,982
Occupancy expense, net	48,214	46,741	44,321
Furniture and equipment expense	22,047	20,741	20,665
Other real estate and foreclosure expense	700	892	1,003
Deposit insurance	23,938	29,986	11,608
Merger related costs	—	1,420	22,476
Other operating expenses	178,520	177,164	179,693
TOTAL NONINTEREST EXPENSE	557,543	563,061	566,748
INCOME BEFORE INCOME TAXES	171,308	200,603	306,560
Provision for income taxes	18,615	25,546	50,148
NET INCOME	$ 152,693	$ 175,057	$ 256,412
BASIC EARNINGS PER SHARE	$ 1.22	$ 1.39	$ 2.07
DILUTED EARNINGS PER SHARE	$ 1.21	$ 1.38	$ 2.06

See Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2024, 2023 and 2022

(In thousands)	2024	2023	2022
NET INCOME	$ 152,693	$ 175,057	$ 256,412
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealized holding gains (losses) arising during the period on available-for-sale securities	7,475	108,612	(593,010)
Less: Reclassification adjustment for realized losses included in net income	(28,393)	(20,609)	(278)
Less: Realized gains (losses) on available-for-sale securities interest rate hedges	834	1,960	(98,374)
Net unrealized losses on securities transferred from available-for-sale to held-to-maturity during the period	—	—	(206,682)
Less: Amortization of net unrealized losses on securities transferred from available-for-sale to held-to-maturity	(23,810)	(25,971)	(14,632)
Other comprehensive income (loss), before tax effect	58,844	153,232	(686,408)
Less: Tax effect of other comprehensive income (loss)	15,379	40,047	(179,393)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	43,465	113,185	(507,015)
COMPREHENSIVE INCOME (LOSS)	$ 196,158	$ 288,242	$ (250,603)

See Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Cash Flows
Years Ended December 31, 2024, 2023 and 2022

(In thousands)	2024	2023	2022
OPERATING ACTIVITIES			
Net income	$ 152,693	$ 175,057	$ 256,412
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	46,116	47,877	48,962
Provision for credit losses	46,785	42,028	14,074
Loss on sale of investments	28,393	20,609	278
Net amortization (accretion) of investment securities and assets	16,605	14,982	(39,031)
Net amortization on borrowings	152	152	313
Stock-based compensation expense	11,290	12,189	15,317
Gain on sale of foreclosed assets and other real estate owned	(928)	(182)	(390)
Gain on sale of mortgage loans held for sale	(8,302)	(7,981)	(16,699)
Loss (gain) on sale of loans	234	—	(282)
Deferred income taxes	(3,233)	(2,460)	14,933
Income from bank owned life insurance	(15,578)	(12,905)	(11,164)
Loss from early retirement of TruPS	—	—	365
Originations of mortgage loans held for sale	(277,450)	(262,901)	(497,815)
Proceeds from sale of mortgage loans held for sale	283,708	264,995	547,384
Changes in assets and liabilities:			
Interest receivable	(813)	(19,538)	(22,107)
Other assets	101,288	263,969	(7,214)
Accrued interest and other liabilities	53,195	(3,908)	10,417
Income taxes payable	(8,231)	8,996	8,445
Net cash provided by operating activities	425,924	540,979	322,198
INVESTING ACTIVITIES			
Net change in loans	(214,188)	(786,775)	(1,900,325)
Proceeds from sale of loans	13,044	69,760	73,746
Decrease in due from banks - time	—	695	1,087
Purchases of premises and equipment, net	(45,509)	(33,086)	(35,268)
Proceeds from sale of foreclosed assets and other real estate owned	5,428	2,071	4,754
Proceeds from sale of available-for-sale securities	251,517	247,948	—
Proceeds from maturities of available-for-sale securities	300,466	302,802	1,137,923
Purchases of available-for-sale securities	(7,071)	(7,518)	(261,375)
Proceeds from maturities of held-to-maturity securities	81,488	85,192	86,229
Purchases of held-to-maturity securities	—	(68,368)	(331,273)
Proceeds from bank owned life insurance death benefits	1,376	3,686	1,873
Purchases of bank owned life insurance	(24,528)	—	—
Surrender of bank owned life insurance	7,484	—	—
Cash received in business combinations, net	—	—	276,396
Net cash provided by (used in) investing activities	369,507	(183,593)	(946,233)
FINANCING ACTIVITIES			
Net change in deposits	(359,228)	(302,747)	462,530
Proceeds from issuance of other borrowed funds	3,375,000	3,725,000	1,160,000
Repayments of other borrowed funds	(3,601,994)	(3,611,930)	(1,676,726)
Repayments of subordinated debentures	—	—	(56,189)
Dividends paid on common stock	(105,439)	(100,962)	(94,096)
Net change in federal funds purchased and securities sold under agreements to repurchase	(30,860)	(92,434)	(25,000)
Net shares cancelled under stock compensation plans	(595)	(2,854)	(5,033)
Shares issued under employee stock purchase plan	970	833	1,151
Repurchase of common stock	—	(40,322)	(111,133)
Net cash used in financing activities	(722,146)	(425,416)	(344,496)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	73,285	(68,030)	(968,531)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	614,092	682,122	1,650,653
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 687,377	$ 614,092	$ 682,122

See Notes to Consolidated Financial Statements.

Simmons First National Corporation
Consolidated Statements of Stockholders' Equity
Years Ended December 31, 2024, 2023 and 2022

(In thousands, except share data)	Common Stock	Surplus	Accumulated Other Comprehensive Income (Loss)	Undivided Profits	Total
Balance, December 31, 2021	$ 1,127	$ 2,164,989	$ (10,545)	$ 1,093,270	$ 3,248,841
Comprehensive income	—	—	(507,015)	256,412	(250,603)
Stock issued for employee stock purchase plan – 59,475 shares	1	1,150	—	—	1,151
Stock-based compensation plans, net – 429,423 shares	3	10,281	—	—	10,284
Stock issued for Spirit acquisition - 18,275,074 shares	183	464,735	—	—	464,918
Stock repurchases - 4,432,762 shares	(44)	(111,089)	—	—	(111,133)
Dividends on common stock – $0.76 per share	—	—	—	(94,096)	(94,096)
Balance, December 31, 2022	1,270	2,530,066	(517,560)	1,255,586	3,269,362
Comprehensive income	—	—	113,185	175,057	288,242
Stock issued for employee stock purchase plan - 42,510 shares	—	833	—	—	833
Stock-based compensation plans, net - 352,004 shares	5	9,330	—	—	9,335
Stock repurchases - 2,257,049 shares	(23)	(40,299)	—	—	(40,322)
Dividends on common stock - $0.80 per share	—	—	—	(100,962)	(100,962)
Balance, December 31, 2023	1,252	2,499,930	(404,375)	1,329,681	3,426,488
Comprehensive income	—	—	43,465	152,693	196,158
Stock issued for employee stock purchase plan - 53,161 shares	—	970	—	—	970
Stock-based compensation plans, net - 414,435 shares	5	10,690	—	—	10,695
Dividends on common stock – $0.84 per share	—	—	—	(105,439)	(105,439)
Balance, December 31, 2024	$ 1,257	$ 2,511,590	$ (360,910)	$ 1,376,935	$ 3,528,872

See Notes to Consolidated Financial Statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Principles of Consolidation

Simmons First National Corporation ("Company") is a Mid-South financial holding company headquartered in Pine Bluff, Arkansas, and the parent company of Simmons Bank, an Arkansas state-chartered bank that has been in operation since 1903 ("Simmons Bank" or the "Bank"). Simmons First Insurance Services, Inc. and Simmons First Insurance Services of TN, LLC are wholly-owned subsidiaries of Simmons Bank and are insurance agencies that offer various lines of personal and corporate insurance coverage to individual and commercial customers. The Company, through its subsidiaries, offers, among other things, consumer, real estate and commercial loans; checking, savings and time deposits; and specialized products and services (such as credit cards, trust and fiduciary services, investments, agricultural finance lending, equipment lending, insurance and Small Business Administration ("SBA") lending) from approximately 222 financial centers as of December 31, 2024, located throughout market areas in Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas.

The consolidated financial statements include the accounts of the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation.

Simmons Bank is an Arkansas state-chartered bank and a member of the Federal Reserve System through the Federal Reserve Bank of St. Louis. Due to the Company's typical acquisition process, there may be brief periods of time during which the Company may operate another subsidiary bank that the Company acquired through a merger with a target bank holding company as a separate subsidiary while preparing for the merger and integration of that subsidiary bank into Simmons Bank. However, it is the Company's intent to generally maintain Simmons Bank as the Company's sole subsidiary bank.

Operating Segments

Operating segments are components of an enterprise about which separate financial information is available that is regularly evaluated by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company is organized with community and commercial banking groups. Each of these groups provide one or more similar banking services, including such products and services as loans; time deposits, checking and savings accounts; treasury management; and credit cards. Loan products include consumer, real estate, commercial, agricultural, equipment, warehouse lending and SBA lending. The individual banking groups have similar operating and economic characteristics. While the chief operating decision maker monitors the revenue streams of the various products, services, branch locations, divisions and groups, operations are managed, financial performance is evaluated, and management makes decisions on how to allocate resources, on a Company-wide basis. Accordingly, the respective groups are considered by management to be aggregated into one reportable operating segment.

The Company also considers its wealth group, which provides trust and investment services, as well as insurance services, to be operating segments. Information on these segments is not reported separately since they do not meet the quantitative thresholds under Accounting Standards Codification ("ASC") Topic 280-10-50-12, and, as a result, are reported within "Other" in the following tables.

The Company's chief operating decision maker ("CODM") is the chief executive officer. The CODM evaluates the performance of the Company's reportable operating segments using net interest income and net income. The CODM analyzes on the spread between interest revenue and interest expense (net interest income) to assess performance and to allocate operating and capital resources. Therefore, interest revenue is presented net of interest expense. Additionally, the CODM reviews budgeted net income versus actual net income of the Company to allocate resources to meet the Company's strategic objectives.

The following table provides a summary of the Company's reportable operating segment results as of or for the years ended December 31, 2024, 2023 and 2022.

(In thousands)	Community and Commercial Banking	Other	Consolidated
December 31, 2024			
Net interest income	$ 627,698	$ 767	$ 628,465
Noninterest income	109,701	37,470	147,171
Total net revenue	737,399	38,237	775,636
Noninterest expense:			
Salaries and employee benefits	265,610	18,514	284,124
Occupancy expense, net	46,373	1,841	48,214
Furniture and equipment expense	22,045	2	22,047
Deposit insurance	23,938	—	23,938
Other operating expenses[(1)]	173,295	5,925	179,220
Total noninterest expense	531,261	26,282	557,543
Income before provision for credit losses and income taxes	206,138	11,955	218,093
Provision for credit losses	46,785	—	46,785
Income tax expense	18,530	85	18,615
Net income	$ 140,823	$ 11,870	$ 152,693
Assets as of December 31, 2024	$ 26,870,061	$ 5,988	$ 26,876,049
December 31, 2023			
Net interest income	$ 650,928	$ (802)	$ 650,126
Noninterest income	120,567	34,999	155,566
Total net revenue	771,495	34,197	805,692
Noninterest expense:			
Salaries and employee benefits	268,300	17,817	286,117
Occupancy expense, net	46,712	29	46,741
Furniture and equipment expense	20,740	1	20,741
Deposit insurance	29,986	—	29,986
Other operating expenses[(1)]	173,480	5,996	179,476
Total noninterest expense	539,218	23,843	563,061
Income before provision for credit losses and income taxes	232,277	10,354	242,631
Provision for credit losses	42,028	—	42,028
Income tax expense	25,451	95	25,546
Net income	$ 164,798	$ 10,259	$ 175,057
Assets as of December 31, 2023	$ 27,338,690	$ 6,984	$ 27,345,674

(In thousands)	Community and Commercial Banking	Other	Consolidated
December 31, 2022			
Net interest income	$ 717,316	$ —	$ 717,316
Noninterest income	136,820	33,246	170,066
Total net revenue	854,136	33,246	887,382
Noninterest expense:			
Salaries and employee benefits	268,817	18,165	286,982
Occupancy expense, net	44,296	25	44,321
Furniture and equipment expense	20,642	23	20,665
Deposit insurance	11,608	—	11,608
Other operating expenses[1]	196,875	6,297	203,172
Total noninterest expense	542,238	24,510	566,748
Income before provision for credit losses and income taxes	311,898	8,736	320,634
Provision for credit losses	14,074	—	14,074
Income tax expense	50,065	83	50,148
Net income	$ 247,759	$ 8,653	$ 256,412
Assets as of December 31, 2022	$ 27,453,130	$ 7,931	$ 27,461,061

(1) Other operating expenses primarily include professional services, marketing, software and technology, amortization of intangibles and other general operating expenses.

Use of Estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income items and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements and actual results may differ from these estimates. Such estimates include, but are not limited to, the Company's allowance for credit losses.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses, the valuation of acquired loans, valuation of goodwill and subsequent impairment analysis, stock-based compensation plans and income taxes. Management obtains third party valuations to assist in valuing certain aspects of these material estimates, as appropriate, including independent appraisals for significant properties in connection with the determination of the allowance for credit losses and the fair value of acquired loans. Assumptions used in the goodwill impairment analysis involve internally projected forecasts, coupled with market and third-party data. These material estimates could change as a result of the uncertainty in current macroeconomic conditions and other factors that are beyond the Company's control and could cause actual results to differ materially from those projected.

Reclassifications

Various items within the accompanying consolidated financial statements for previous years have been reclassified to provide more comparative information. These reclassifications were not material to the consolidated financial statements.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. For purposes of the consolidated statements of cash flows, cash and cash equivalents are considered to include cash and noninterest bearing balances due from banks, interest bearing balances due from banks and federal funds sold and securities purchased under agreements to resell. At December 31, 2024, nearly all of the interest-bearing and noninterest bearing deposits were uninsured with nearly all of these balances held at the Federal Reserve Bank.

Investment Securities

Held-to-maturity securities ("HTM"), which include any security for which the Company has the positive intent and ability to hold until maturity, are carried at historical cost adjusted for amortization of premiums and accretion of discounts. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the estimated life of the security. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

Available-for-sale securities ("AFS"), which include any security for which the Company has no immediate plan to sell but which may be sold in the future, are carried at fair value. Realized gains and losses, based on specifically identified amortized cost of the individual security, are included in other income. Unrealized gains and losses are recorded, net of related income tax effects, in stockholders' equity. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the estimated life of the security. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

Trading securities, if any, which include any security held primarily for near-term sale, are carried at fair value. Gains and losses on trading securities are included in other income.

Allowance for Credit Losses - Investment Securities

Allowance for Credit Losses - HTM Securities - The Company measures expected credit losses on HTM securities on a collective basis by major security type, with each type sharing similar risk characteristics. The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. The Company has made the election to exclude accrued interest receivable on HTM securities from the estimate of credit losses and report accrued interest separately on the consolidated balance sheets.

Allowance for Credit Losses - AFS Securities - For AFS securities in an unrealized loss position, the Company first evaluates whether it intends to sell, or whether it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either of these criteria regarding intent or requirement to sell is met, the AFS security amortized cost basis is written down to fair value through income. If the criteria is not met, the Company is required to assess whether the decline in fair value has resulted from credit losses or noncredit-related factors. If the assessment indicates a credit loss exists, the present value of cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists, and an allowance for credit loss is recorded through income as a component of provision for credit loss expense. If the assessment indicates that a credit loss does not exist, the Company records the decline in fair value through other comprehensive income, net of related income tax effects. The Company has made the election to exclude accrued interest receivable on AFS securities from the estimate of credit losses and report accrued interest separately on the consolidated balance sheets. Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. Losses are charged against the allowance when management believes the uncollectibility of an AFS security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Mortgage Loans Held For Sale

Mortgage Loans Held for Sale are carried at fair value which is determined on an aggregate basis. Adjustments to fair value are recognized monthly and reflected in earnings. The Company regularly sells mortgages into the capital markets to mitigate the effects of interest rate volatility during the period from the time an interest rate lock commitment ("IRLC") is issued until the IRLC funds creating a mortgage loan held for sale and its subsequent sale into the secondary/capital markets. Loan sales are typically executed on a mandatory basis. Under a mandatory commitment, the Company agrees to deliver a specified dollar amount with predetermined terms by a certain date. Generally, the commitment is not loan specific, and any combination of loans can be delivered into the outstanding commitment provided the terms fall within the parameters of the commitment. Upon failure to deliver, the Company is subject to fees based on market movement.

The IRLCs are derivative instruments; their fair values at December 31, 2024 and 2023 were not material. Gains and losses resulting from sales of mortgage loans are recognized when the respective loans are sold to correspondent lenders, investors or aggregators. Gains and losses are determined by the difference between the sale price and the carrying amount in the loans sold, net of discounts collected, or premiums paid. Hedge instruments are, likewise, carried at fair value and associated gains/losses are realized at time of settlement.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or pay-offs are reported at their amortized cost basis, which is the unpaid principal balance outstanding, net of unearned income, deferred loan fees and costs, premiums and discounts associated with acquisition date fair value adjustments on acquired loans, and any direct principal charge-offs. The Company has made a policy election to exclude accrued interest from the amortized cost basis of loans and report accrued interest separately from the related loan balance on the consolidated balance sheets.

For loans amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the loan.

The accrual of interest on loans, except on certain government guaranteed loans, is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on non-accrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

Discounts and premiums on purchased residential real estate loans are amortized to income using the interest method over the remaining period to contractual maturity, adjusted for anticipated prepayments. Discounts and premiums on purchased consumer loans are recognized over the expected lives of the loans using methods that approximate the interest method.

Further information regarding accounting policies related to past due loans, non-accrual loans, and modifications to borrowers experiencing financial difficulty is presented in Note 4, Loans and Allowance for Credit Losses. Additionally, for discussion of the Company's accounting for acquired loans, see *Acquisition Accounting, Loans* later in this section.

Allowance for Credit Losses

The allowance for credit losses is a reserve established through a provision for credit losses charged to expense which represents management's best estimate of lifetime expected losses based on reasonable and supportable forecasts, quantitative factors, and other qualitative considerations.

Loans with similar risk characteristics such as loan type, collateral type, and internal risk ratings are aggregated for collective assessment. The Company uses statistically-based models that leverage assumptions about current and future economic conditions throughout the contractual life of the loan. Expected credit losses are estimated by either lifetime loss rates or expected loss cash flows based on three key parameters: probability-of-default ("PD"), exposure-at-default ("EAD"), and loss-given-default ("LGD"). Future economic conditions are incorporated to the extent that they are reasonable and supportable. Beyond the reasonable and supportable periods, the economic variables revert to a historical equilibrium at a pace dependent on the state of the economy reflected within the economic scenarios. The Company also includes qualitative adjustments to the allowance based on factors and considerations that have not otherwise been fully accounted for.

Loans that have unique risk characteristics are evaluated on an individual basis. These evaluations are typically performed on loans with a deteriorated internal risk rating. For a collateral-dependent loan, our evaluation process includes a valuation by appraisal or other collateral analysis adjusted for selling costs, when appropriate. This valuation is compared to the remaining outstanding principal balance of the loan. If a loss is determined to be probable, the loss is included in the allowance for credit losses as a specific allocation.

Reserve for Unfunded Commitments

In addition to the allowance for credit losses, the Company has established a reserve for unfunded commitments, classified in other liabilities, representing expected credit losses over the contractual period for which the Company is exposed to credit risk resulting from a contractual obligation to extend credit. This reserve is maintained at a level management believes to be sufficient to absorb losses arising from unfunded loan commitments. The adequacy of the reserve for unfunded commitments is determined quarterly based on methodology similar to the methodology for determining the allowance for credit losses. The allowance for credit loss is reported as a component of accrued interest and other liabilities in the consolidated balance sheets. Adjustments to the allowance are reported in the income statement as a component of the provision for credit losses.

Acquisition Accounting, Loans

The Company accounts for its acquisitions under ASC Topic 805, *Business Combinations*, which requires the use of the acquisition method of accounting. All identifiable assets acquired, including loans, are recorded at fair value. The fair value for acquired loans at the time of acquisition is based on a variety of factors including discounted expected cash flows, adjusted for estimated prepayments and credit losses. In accordance with ASC 326, the fair value adjustment is recorded as premium or discount to the unpaid principal balance of each acquired loan. Loans that have been identified as having experienced a more-than-insignificant deterioration in credit quality since origination is a purchased credit deteriorated ("PCD") loan. The net premium or discount on PCD loans is adjusted by the Company's allowance for credit losses recorded at the time of acquisition. The remaining net premium or discount is accreted or amortized into interest income over the remaining life of the loan using a constant yield method. The net premium or discount on loans that are not classified as PCD ("non-PCD"), that includes credit and non-credit components, is accreted or amortized into interest income over the remaining life of the loan using a constant yield method. The Company then records the necessary allowance for credit losses on the non-PCD loans through provision for credit losses expense.

For further discussion of the Company's acquisition and loan accounting, see Note 2, Acquisitions, and Note 4, Loans and Allowance for Credit Losses.

Trust Assets

Trust assets (other than cash deposits) held by the Company in fiduciary or agency capacities for its customers are not included in the accompanying consolidated balance sheets since such items are not assets of the Company.

Premises and Equipment

Depreciable assets are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized by the straight-line method over the terms of the respective leases or the estimated useful lives of the improvements, whichever is shorter. Right-of-use lease assets are operating leases with a term greater than one year and are included in premises and equipment.

Foreclosed Assets Held For Sale

Assets acquired by foreclosure or in settlement of debt and held for sale are valued at estimated fair value less estimated cost to sell as of the date of foreclosure. Management evaluates the value of foreclosed assets held for sale periodically and any decreases in the fair value are charged to other expense.

Bank Owned Life Insurance

The Company maintains bank-owned life insurance policies on certain current and former employees and directors, which are recorded at their cash surrender values as determined by the insurance carriers. The appreciation in the cash surrender value of the policies is recognized as a component of noninterest income in the Company's consolidated statements of income.

Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. Other intangible assets represent purchased assets that also lack physical substance but can be separately distinguished from goodwill because of contractual or other legal rights or because the asset is capable of being sold or exchanged either on its own or in combination with a related contract, asset or liability. The Company performs an annual goodwill impairment test, and more than annually if circumstances warrant, in accordance with ASC Topic 350, *Intangibles – Goodwill and Other,* as amended by Accounting Standards Update ("ASU") 2011-08 - *Testing Goodwill for Impairment*. ASC Topic 350 requires that goodwill and intangible assets that have indefinite lives be reviewed for impairment annually, or more frequently if certain conditions occur. Intangible assets with finite lives are amortized over the estimated life of the asset, and are reviewed for impairment whenever events or changes in circumstances indicated that the carrying value may not be recoverable. Impairment losses on recorded goodwill, if any, will be recorded as operating expenses.

Derivative Financial Instruments

The Company may enter into derivative contracts for the purposes of managing exposure to interest rate risk to meet the financing needs of its customers. A derivative instrument is a financial tool which derives its value from the value of some other financial instrument, or variable index, including certain hedging instruments embedded in other contracts. These products are primarily designed to reduce interest rate risk for either the Company or its customers who proactively manage these risks.

The Company records all derivatives on the balance sheet at fair value. In an effort to meet the financing needs of its customers and mitigate the impact of changing interest rates on the fair value of AFS securities, the Company has entered into fair value hedges. Fair value hedges include interest rate swap agreements on fixed rate loans and fixed rate callable AFS securities. To qualify for hedge accounting, derivatives must be highly effective at reducing the risk associated with the exposure being hedged and must be designated as a hedge at the point of inception of the derivative contract.

For derivatives designated as hedging the exposure to changes in the fair value of the hedged item, the gain or loss is recognized in earnings in the period of change together with the offsetting loss or gain of the hedging instrument. The fair value hedges are considered to be highly effective and any hedge ineffectiveness was deemed not material. Fair value adjustments related to cash flow hedges are recorded in other comprehensive income and are reclassified to earnings when the hedged transaction is reflected in earnings.

Securities Sold Under Agreements to Repurchase

The Company sells securities under agreements to repurchase to meet customer needs for sweep accounts. At the point funds deposited by customers become investable, those funds are used to purchase securities owned by the Company and held in its general account with the designation of Customers' Securities. A third party maintains control over the securities underlying overnight repurchase agreements. The securities involved in these transactions are generally U.S. Treasury or Federal Agency issues. Securities sold under agreements to repurchase generally mature on the banking day following that on which the investment was initially purchased and are treated as collateralized financing transactions which are recorded at the amounts at which the securities were sold plus accrued interest. Interest rates and maturity dates of the securities involved vary and are not intended to be matched with funds from customers.

Revenue from Contracts with Customers

ASC Topic 606, *Revenue from Contracts with Customers*, applies to all contracts with customers to provide goods or services in the ordinary course of business. However, Topic 606 specifically does not apply to revenue related to financial instruments, guarantees, insurance contracts, leases, or nonmonetary exchanges. Given these scope exceptions, interest income recognition and measurement related to loans and investments securities, the Company's two largest sources of revenue, are not accounted for under Topic 606. Also, the Company does not use Topic 606 to account for gains or losses on its investments in securities, loans, and derivatives due to the scope exceptions.

Certain revenue streams, such as service charges on deposit accounts, gains or losses on the sale of Other Real Estate Owned ("OREO"), and trust income, fall under the scope of Topic 606 and the Company must recognize revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. Topic 606 is applied using five steps: 1) identify the contract with the customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company has evaluated the nature of all contracts with customers that fall under the scope of Topic 606 and determined that further disaggregation of revenue from contracts with customers into categories was not necessary. There has not been significant revenue recognized in the current reporting periods resulting from performance obligations satisfied in previous periods. In addition, there has not been a significant change in timing of revenues received from customers.

A description of performance obligations for each type of contract with customers is as follows:

Service charges on deposit accounts – The Company's primary source of funding comes from deposit accounts with its customers. Customers pay certain fees to access their cash on deposit including, but not limited to, non-transactional fees such as account maintenance, dormancy or statement rendering fees, and certain transaction-based fees such as ATM, wire transfer, overdraft or returned check fees. The Company generally satisfies its performance obligations as services are rendered. The transaction prices are fixed, and are charged either on a periodic basis or based on activity

Debit and credit card fees – These represent debit and credit card interchange fees, along with credit card fee income. The Company generally satisfies its performance obligations related to interchange and merchant fees as services are rendered. Periodic credit card fees, net of direct origination costs, are recognized as revenue on a straight-line basis over the period the fee entitles the cardholder to use the card.

Sale of OREO – In the normal course of business, the Company will enter into contracts with customers to sell OREO, which has generally been foreclosed upon by the Company. The Company generally satisfies its performance obligation upon conveyance of property from the Company to the customer, generally by way of an executed agreement. The transaction price is fixed, and on occasion the Company will finance a portion of the proceeds the customers uses to purchase the property. These properties are generally sold without recourse or warranty.

Wealth management fees – The Company enters into contracts with its customers to manage assets for investment, and/or transact on their accounts. The Company generally satisfies its performance obligations as services are rendered. The management fee is a fixed percentage-based fee calculated upon the average balance of assets under management and is charged to customers on a monthly basis.

Income Taxes

The Company accounts for income taxes in accordance with income tax accounting guidance in ASC Topic 740, *Income Taxes*. The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur.

Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50 percent; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more-likely-than-not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50 percent likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more-likely-than-not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to management's judgment. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

The Company files consolidated income tax returns with its subsidiaries.

Earnings Per Share

Basic earnings per share are computed based on the weighted average number of shares outstanding during each year. Diluted earnings per share are computed using the weighted average common shares and all potential dilutive common shares outstanding during the period.

The computation of per share earnings is as follows:

(In thousands, except per share data)	2024	2023	2022
Net income available to common stockholders	$ 152,693	$ 175,057	$ 256,412
Average common shares outstanding	125,489	126,338	123,958
Average potential dilutive common shares	627	438	512
Average diluted common shares	126,116	126,776	124,470
Basic earnings per share	$ 1.22	$ 1.39	$ 2.07
Diluted earnings per share	$ 1.21	$ 1.38	$ 2.06

There were 322,750 and 410,490 stock options excluded from the years ended December 31, 2024 and 2023 earnings per share calculations, respectively, due to the related stock option exercise price exceeding the average market price of the Company's stock. There were no stock options excluded from the earnings per share calculation for the year ended December 31, 2022 due to the related stock option exercise price exceeding the average market price of the Company's stock.

Stock-Based Compensation

The Company has adopted various stock-based compensation plans. The plans provide for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance stock units and stock awards. Pursuant to the plans, shares are reserved for future issuance by the Company, upon exercise of stock options or awarding of performance or bonus shares granted to directors, officers and other key employees. In accordance with ASC Topic 718, *Compensation – Stock Compensation*, the fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model that uses various assumptions. This model requires the input of highly subjective assumptions, changes to which can materially affect the fair value estimate. For additional information, see Note 14, Employee Benefit Plans.

NOTE 2: ACQUISITIONS

Spirit of Texas Bancshares, Inc.

On April 8, 2022, the Company completed its merger with Spirit of Texas Bancshares, Inc. ("Spirit") pursuant to the terms of the Agreement and Plan of Merger dated as of November 18, 2021 ("Spirit Agreement"), at which time Spirit merged with and into the Company, with the Company continuing as the surviving corporation. The Company issued 18,275,074 shares of its common stock valued at approximately $464.9 million as of April 8, 2022, plus $1,393,508.90 in cash, in exchange for all outstanding shares of Spirit capital stock (and common stock equivalents) to effect the merger.

Prior to the acquisition, Spirit, headquartered in Conroe, Texas, conducted banking business through its subsidiary bank, Spirit of Texas Bank SSB, from 35 branches located primarily in the Texas Triangle - consisting of Dallas-Fort Worth, Houston, San Antonio and Austin metropolitan areas - with additional locations in the Bryan-College Station, Corpus Christi and Tyler metropolitan areas, along with offices in North Central and South Texas. Including the effects of the acquisition method accounting adjustments, the Company acquired approximately $3.11 billion in assets, including approximately $2.29 billion in loans (inclusive of loan discounts), and approximately $2.72 billion in deposits.

Goodwill of $174.1 million was recorded as a result of the transaction. The merger strengthened the Company's position in the Texas market and brought forth additional opportunities in the Company's current footprint, which gave rise to the goodwill recorded. The goodwill will not be deductible for tax purposes.

A summary, at fair value, of the assets acquired and liabilities assumed in the Spirit acquisition, as of the acquisition date, is as follows:

(In thousands)	Acquired from Spirit	Fair Value Adjustments	Fair Value
Assets Acquired			
Cash and due from banks	$ 277,790	$ —	$ 277,790
Investment securities	362,088	(13,401)	348,687
Loans acquired	2,314,085	(19,925)	2,294,160
Allowance for credit losses on loans	(17,005)	7,382	(9,623)
Premises and equipment	84,135	(19,074)	65,061
Bank owned life insurance	36,890	—	36,890
Goodwill	77,681	(77,681)	—
Core deposit and other intangible assets	6,245	32,386	38,631
Other assets	58,403	(3,411)	54,992
Total assets acquired	$ 3,200,312	$ (93,724)	$ 3,106,588

(In thousands)	Acquired from Spirit	Fair Value Adjustments	Fair Value
Liabilities Assumed			
Deposits:			
Noninterest bearing transaction accounts	$ 825,228	$ (534)	$ 824,694
Interest bearing transaction accounts and savings deposits	1,383,663	—	1,383,663
Time deposits	509,209	1,081	510,290
Total deposits	2,718,100	547	2,718,647
Other borrowings	37,547	503	38,050
Subordinated debentures	36,491	879	37,370
Accrued interest and other liabilities	23,667	(3,311)	20,356
Total liabilities assumed	2,815,805	(1,382)	2,814,423
Equity	384,507	(384,507)	—
Total equity assumed	384,507	(384,507)	—
Total liabilities and equity assumed	$ 3,200,312	$ (385,889)	$ 2,814,423
Net assets acquired			292,165
Purchase price			466,311
Goodwill			$ 174,146

During 2023, the Company finalized its analysis of the loans acquired along with other acquired assets and assumed liabilities related to the Spirit acquisition.

The Company's operating results include the operating results of the acquired assets and assumed liabilities of Spirit subsequent to the acquisition date.

Summary of Unaudited Pro forma Information

The unaudited pro forma information below for the year ended December 31, 2022 gives effect to the Spirit acquisition as if the acquisition had occurred on January 1, 2022. Pro forma earnings for the year ended December 31, 2022 were adjusted to exclude $18.7 million of acquisition-related costs, net of tax, incurred by the Company during 2022. The pro forma financial information is not necessarily indicative of the results of operations if the acquisition had been effective as of this date.

(In thousands, except per share data)	2022
Revenue[(1)]	$ 912,631
Net income	$ 264,522
Diluted earnings per share	$ 2.04

(1) Net interest income plus non-interest income.

As previously discussed, the Company's acquisition of Spirit was completed on April 8, 2022, at which time Spirit was fully integrated into the Company's operations. As a result, it is impracticable for the Company to provide certain post-closing information, such as revenue and earnings, as it relates to the Spirit acquisition.

There were no acquisition-related costs recorded during the year ended 2024, while there were $1.4 million and $22.5 million of total acquisition-related costs recorded during the years ended 2023 and 2022, respectively.

The following is a description of the methods used to determine the fair values of significant assets and liabilities presented in the acquisitions above.

Cash and due from banks – The carrying amount of these assets is a reasonable estimate of fair value based on the short-term nature of these assets.

Investment securities – Investment securities were acquired with an adjustment to fair value based upon quoted market prices if material. Otherwise, the carrying amount of these assets was deemed to be a reasonable estimate of fair value.

Loans acquired – Fair values for loans were based on a discounted cash flow methodology that considered factors including the type of loan and related collateral, classification status, fixed or variable interest rate, term of loan and whether or not the loan was amortizing, and current discount rates. The discount rates used for loans are based on current market rates for new originations of comparable loans and include adjustments for liquidity concerns. The discount rate does not include a factor for credit losses as that has been included in the estimated cash flows. Loans were grouped together according to similar characteristics and were treated in the aggregate when applying various valuation techniques. See Note 4, Loans and Allowance for Credit Losses, in the accompanying Notes to Consolidated Financial Statements for additional information related to purchased financial assets with credit deterioration.

Premises and equipment – Bank premises and equipment were acquired with an adjustment to fair value, which represents the difference between the Company's current analysis of property and equipment values completed in connection with the acquisition and book value acquired.

Bank owned life insurance – Bank owned life insurance is carried at its current cash surrender value, which is the most reasonable estimate of fair value.

Goodwill – The consideration paid as a result of the acquisition exceeded the fair value of the assets acquired, resulting in an intangible asset, goodwill. Goodwill established prior to the acquisitions, if applicable, was written off.

Core deposit intangible – This intangible asset represents the value of the relationships that the acquired bank had with its deposit customers. The fair value of this intangible asset was estimated based on a discounted cash flow methodology that gave appropriate consideration to expected customer attrition rates, cost of the deposit base and the net maintenance cost attributable to customer deposits. Any core deposit intangible established prior to the acquisitions, if applicable, was written off.

Other assets – The fair value adjustment results from certain assets whose value was estimated to be more or less than book value, such as certain prepaid assets, receivables and other miscellaneous assets. Otherwise, the carrying amount of these assets was deemed to be a reasonable estimate of fair value.

Deposits – The fair values used for the demand and savings deposits that comprise the transaction accounts acquired, by definition equal the amount payable on demand at the acquisition date. The Company performed a fair value analysis of the estimated weighted average interest rate of the certificates of deposits compared to the current market rates and recorded a fair value adjustment for the difference when material.

Other borrowings – The fair value of other borrowings is estimated based on borrowing rates currently available to the Company for borrowings with similar terms and maturities.

Subordinated debentures – The fair value of subordinated debentures is estimated based on borrowing rates currently available to the Company for borrowings with similar terms and maturities.

Accrued interest and other liabilities – The fair value adjustment results from certain liabilities whose value was estimated to be more or less than book value, such as certain accounts payable and other miscellaneous liabilities. The adjustment also establishes a liability for unfunded commitments equal to the fair value of that liability at the date of acquisition. The carrying amount of accrued interest and the remainder of other liabilities was deemed to be a reasonable estimate of fair value.

NOTE 3: INVESTMENT SECURITIES

Held-to-maturity ("HTM") securities, which include any security for which the Company has both the positive intent and ability to hold until maturity, are carried at historical cost adjusted for amortization of premiums and accretion of discounts. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the security's estimated life. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

Available-for-sale ("AFS") securities, which include any security for which the Company has no immediate plan to sell but which may be sold in the future, are carried at fair value. Realized gains and losses, based on specifically identified amortized cost of the individual security, are included in other income. Unrealized gains and losses are recorded, net of related income tax effects, in stockholders' equity, further discussed below. Premiums and discounts are amortized and accreted, respectively, to interest income using the constant effective yield method over the estimated life of the security. Prepayments are anticipated for mortgage-backed and SBA securities. Premiums on callable securities are amortized to their earliest call date.

During the quarters ended June 30, 2022 and September 30, 2021, the Company transferred, at fair value, $1.99 billion and $500.8 million, respectively, of securities from the AFS portfolio to the HTM portfolio. As of December 31, 2024, the related remaining combined net unrealized losses of $108.1 million in accumulated other comprehensive income (loss) will be amortized over the remaining life of the securities. No gains or losses on these securities were recognized at the time of transfer.

The amortized cost, fair value and allowance for credit losses of investment securities that are classified as HTM are as follows:

(In thousands)	Amortized Cost	Allowance for Credit Losses	Net Carrying Amount	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Held-to-maturity						
December 31, 2024						
U.S. Government agencies	$ 455,869	$ —	$ 455,869	$ —	$ (95,961)	$ 359,908
Mortgage-backed securities	1,070,032	—	1,070,032	212	(133,746)	936,498
State and political subdivisions	1,857,373	(196)	1,857,177	20	(436,061)	1,421,136
Other securities	256,576	(3,018)	253,558	—	(21,149)	232,409
Total HTM	$ 3,639,850	$ (3,214)	$ 3,636,636	$ 232	$ (686,917)	$ 2,949,951
December 31, 2023						
U.S. Government agencies	$ 453,121	$ —	$ 453,121	$ —	$ (89,203)	$ 363,918
Mortgage-backed securities	1,161,694	—	1,161,694	354	(107,834)	1,054,214
State and political subdivisions	1,858,680	(2,006)	1,856,674	284	(369,509)	1,487,449
Other securities	256,007	(1,208)	254,799	—	(25,010)	229,789
Total HTM	$ 3,729,502	$ (3,214)	$ 3,726,288	$ 638	$ (591,556)	$ 3,135,370

Mortgage-backed securities ("MBS") are commercial MBS, secured by commercial properties, and residential MBS, generally secured by single-family residential properties. All mortgage-backed securities included in the table above were issued by U.S. government agencies or corporations. As of December 31, 2024, HTM MBS consisted of $136.0 million and $934.1 million of commercial MBS and residential MBS, respectively. As of December 31, 2023, HTM MBS consisted of $141.6 million and $1.02 billion of commercial MBS and residential MBS, respectively.

The amortized cost, fair value and allowance for credit losses of investment securities that are classified as AFS are as follows:

(In thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized (Losses)	Estimated Fair Value
Available-for-sale					
December 31, 2024					
U.S. Treasury	$ 999	$ —	$ —	$ (3)	$ 996
U.S. Government agencies	55,589	—	5	(1,047)	54,547
Mortgage-backed securities	1,545,539	—	4	(152,784)	1,392,759
State and political subdivisions	1,015,619	—	132	(157,569)	858,182
Other securities	235,028	—	166	(12,252)	222,942
Total AFS	$ 2,852,774	$ —	$ 307	$ (323,655)	$ 2,529,426
December 31, 2023					
U.S. Treasury	$ 2,285	$ —	$ —	$ (31)	$ 2,254
U.S. Government agencies	74,460	—	35	(1,993)	72,502
Mortgage-backed securities	2,138,652	—	8	(198,353)	1,940,307
State and political subdivisions	1,035,147	—	187	(132,541)	902,793
Other securities	259,165	—	—	(24,868)	234,297
Total AFS	$ 3,509,709	$ —	$ 230	$ (357,786)	$ 3,152,153

All mortgage-backed securities included in the table above were issued by U.S. government agencies or corporations. As of December 31, 2024, AFS MBS consisted of $517.2 million and $875.5 million of commercial MBS and residential MBS, respectively. As of December 31, 2023, AFS MBS consisted of $710.1 million and $1.23 billion of commercial MBS and residential MBS, respectively.

Accrued interest receivable on HTM and AFS securities at December 31, 2024 was $20.3 million and $24.1 million, respectively, and is included in interest receivable on the consolidated balance sheets. The Company has made the election to exclude all accrued interest receivable from securities from the estimate of credit losses.

The following tables summarize the Company's AFS investments in an unrealized loss position for which an allowance for credit loss has not been recorded as of the years ended December 31, 2024 and 2023, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	Less Than 12 Months		12 Months or More		Total	
(In thousands)	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses	Estimated Fair Value	Gross Unrealized Losses
Available-for-sale						
December 31, 2024						
U.S. Treasury	$ —	$ —	$ 996	$ (3)	$ 996	$ (3)
U.S. Government agencies	717	(7)	51,186	(1,040)	51,903	(1,047)
Mortgage-backed securities	7,480	(189)	1,384,532	(152,595)	1,392,012	(152,784)
State and political subdivisions	16,843	(195)	829,754	(157,374)	846,597	(157,569)
Other securities	12,912	(20)	162,803	(12,232)	175,715	(12,252)
Total AFS	$ 37,952	$ (411)	$ 2,429,271	$ (323,244)	$ 2,467,223	$ (323,655)
December 31, 2023						
U.S. Treasury	$ —	$ —	$ 2,254	$ (31)	$ 2,254	$ (31)
U.S. Government agencies	8,614	(39)	59,732	(1,954)	68,346	(1,993)
Mortgage-backed securities	9,182	(135)	1,930,105	(198,218)	1,939,287	(198,353)
State and political subdivisions	3,050	(163)	869,379	(132,378)	872,429	(132,541)
Other securities	11,016	(2,654)	223,025	(22,214)	234,041	(24,868)
Total AFS	$ 31,862	$ (2,991)	$ 3,084,495	$ (354,795)	$ 3,116,357	$ (357,786)

As of December 31, 2024, the Company's investment portfolio included $2.53 billion of AFS securities, of which $2.47 billion, or 97.5%, were in an unrealized loss position that are not deemed to have credit losses. A portion of the unrealized losses were related to the Company's MBS, which are issued and guaranteed by U.S. government-sponsored entities and agencies, and the Company's state and political subdivision securities, specifically investments in insured fixed rate municipal bonds for which the issuers continue to make timely principal and interest payments under the contractual terms of the securities.

Furthermore, the decline in fair value for each of the above AFS securities is attributable to the rates for those investments yielding less than current market rates. Management does not believe any of the securities are impaired due to reasons of credit quality. Management believes the declines in fair value for the securities are temporary. As of December 31, 2024, management does not have the immediate intent to sell the securities, and management believes the accounting standard of "more likely than not" has not been met regarding whether the Company would be required to sell any of the AFS securities before recovery of amortized cost.

Allowance for Credit Losses

All MBS held by the Company are issued by U.S. government-sponsored entities and agencies. These securities are either explicitly or implicitly guaranteed by the U.S. government, are highly rated by major rating agencies and have a long history of no credit losses. Accordingly, no allowance for credit losses has been recorded for these securities.

Regarding securities issued by state and political subdivisions and other HTM securities, the adequacy of the reserve for credit loss is determined quarterly based on methodology similar to the methodology for determining the allowance for credit losses on loans. The methodology considers, but is not limited to: (i) issuer bond ratings, (ii) issuer geography, (iii) whether issuers continue to make timely principal and interest payments under the contractual terms of the securities, (iv) probability-weighted multiple scenario forecasts, and (v) the issuers' size.

The following table details activity in the allowance for credit losses by investment security type for the years ended December 31, 2024 and 2023 on the Company's HTM and AFS securities held.

(In thousands)	State and Political Subdivisions	Other Securities	Total
December 31, 2024			
Held-to-maturity			
Beginning balance, January 1, 2024	$ 2,006	$ 1,208	$ 3,214
Provision for credit loss expense	—	—	—
Net (decrease) increase in allowance on previously impaired securities	(1,810)	1,810	—
Ending balance, December 31, 2024	$ 196	$ 3,018	$ 3,214
December 31, 2023			
Held-to-maturity			
Beginning balance, January 1, 2023	$ 110	$ 1,278	$ 1,388
Provision for credit loss expense	824	1,002	1,826
Net increase (decrease) in allowance on previously impaired securities	1,072	(1,072)	—
Ending balance, December 31, 2023	$ 2,006	$ 1,208	$ 3,214
Available-for-sale			
Beginning balance, January 1, 2023	$ —	$ —	$ —
Provision for credit loss expense	—	12,800	12,800
Reduction due to sales	—	(2,078)	(2,078)
Securities charged-off	—	(7,000)	(7,000)
Net decrease in allowance on previously impaired securities	—	(3,722)	(3,722)
Ending balance, December 31, 2023	$ —	$ —	$ —

Based upon the Company's analysis of the underlying risk characteristics of its HTM and AFS portfolios, including credit ratings and other qualitative factors, as previously discussed, there was no provision for credit losses related to the Company's securities portfolios recorded for the year ended December 31, 2024. The Company recorded a provision for credit losses related to AFS securities of $12.8 million for the year ended December 31, 2023. During the same period, the provision for credit loss expense on AFS securities was reduced by $3.7 million related to previously impaired securities. Additionally, during the year ended December 31, 2023, the Company charged-off $7.0 million directly related to one corporate bond which was deemed uncollectible in the period.

The following table summarizes bond ratings for the Company's HTM portfolio issued by state and political subdivisions and other securities as of December 31, 2024:

	State and Political Subdivisions				
(In thousands)	Not Guaranteed or Pre-Refunded	Other Credit Enhancement or Insurance	Pre-Refunded	Total	Other Securities
Aaa/AAA	$ 182,920	$ 300,196	$ —	$ 483,116	$ —
Aa/AA	627,680	526,027	—	1,153,707	—
A	38,673	161,904	—	200,577	108,527
Baa/BBB	—	4,386	—	4,386	148,049
Not Rated	15,587	—	—	15,587	—
Total	$ 864,860	$ 992,513	$ —	$ 1,857,373	$ 256,576

Historical loss rates associated with securities having similar grades as those in the Company's portfolio have generally not been significant. Pre-refunded securities, if any, have been defeased by the issuer and are fully secured by cash and/or U.S. Treasury securities held in escrow for payment to holders when the underlying call dates of the securities are reached. Securities with other credit enhancement or insurance continue to make timely principal and interest payments under the contractual terms of the securities. Accordingly, no allowance for credit losses has been recorded for these securities as there is no current expectation of credit losses related to these securities.

Income earned on securities for the years ended December 31, 2024, 2023 and 2022, is as follows:

(In thousands)	2024	2023	2022
Taxable:			
Held-to-maturity	$ 42,848	$ 44,093	$ 33,778
Available-for-sale	110,565	99,085	60,659
Non-taxable:			
Held-to-maturity	40,371	40,612	36,516
Available-for-sale	22,649	23,128	27,250
Total	$ 216,433	$ 206,918	$ 158,203

The amortized cost and estimated fair value by maturity of securities are shown in the following table as of December 31, 2024. Securities are classified according to their contractual maturities without consideration of principal amortization, potential prepayments or call options. Accordingly, actual maturities may differ from contractual maturities.

	Held-to-Maturity		Available-for-Sale	
(In thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
One year or less	$ 1,906	$ 1,904	$ 4,170	$ 4,148
After one through five years	58,191	54,579	106,939	106,602
After five through ten years	393,485	345,000	194,665	181,393
After ten years	2,116,236	1,611,970	1,001,235	844,298
Securities not due on a single maturity date	1,070,032	936,498	1,545,539	1,392,759
Other securities (no maturity)	—	—	226	226
Total	$ 3,639,850	$ 2,949,951	$ 2,852,774	$ 2,529,426

The carrying value, which approximates the fair value, of securities pledged as collateral, to secure public deposits and for other purposes, amounted to $2.36 billion at December 31, 2024 and $3.32 billion at December 31, 2023.

There were no gross realized gains and $28.4 million gross realized losses from the sale of securities during the twelve months ended December 31, 2024, as the Company sold approximately $251.5 million of AFS investment securities as part of a strategic decision to sell low yielding securities to pay off higher rate wholesale fundings consisting of Federal Home Loan Bank ("FHLB") advances during the year. There were no gross realized gains and approximately $20.6 million of gross realized losses from the sale of securities during the year ended December 31, 2023. The Company sold approximately $247.9 million of investment securities during 2023 related to a strategic decision to sell low yielding securities and use the proceeds to pay off higher rate wholesale fundings, including both brokered deposits and FHLB advances. There were approximately $46,000 of gross realized gains and $324,000 of gross realized losses from the call of securities during the year ended December 31, 2022. The income tax expense/benefit related to security gains/losses was 26.135% of the gross amounts in 2024, 2023 and 2022.

The Company has entered into various fair value hedging transactions to mitigate the impact of changing interest rates on the fair value of AFS securities. See Note 20, Derivative Instruments, for disclosure of the gains and losses recognized on derivative instruments and the cumulative fair value hedging adjustments to the carrying amount of the hedged securities.

NOTE 4: LOANS AND ALLOWANCE FOR CREDIT LOSSES

At December 31, 2024, the Company's loan portfolio was $17.01 billion, compared to $16.85 billion at December 31, 2023. The various categories of loans are summarized as follows:

(In thousands)	2024	2023
Consumer:		
Credit cards	$ 181,675	$ 191,204
Other consumer	127,319	127,462
Total consumer	308,994	318,666
Real estate:		
Construction and development	2,789,249	3,144,220
Single family residential	2,689,946	2,641,556
Other commercial	7,912,336	7,552,410
Total real estate	13,391,531	13,338,186
Commercial:		
Commercial	2,434,175	2,490,176
Agricultural	261,154	232,710
Total commercial	2,695,329	2,722,886
Other	610,083	465,932
Total loans	$ 17,005,937	$ 16,845,670

The above table presents total loans at amortized cost. The difference between amortized cost and unpaid principal balance is due to (i) premiums and discounts associated with acquisition date fair value adjustments on acquired loans of $7.2 million and $13.2 million at December 31, 2024 and 2023, respectively, and (ii) deferred origination costs and fees of $9.6 million and $6.5 million at December 31, 2024 and 2023, respectively.

Accrued interest on loans, which is excluded from the amortized cost of loans held for investment, totaled $78.8 million and $77.1 million at December 31, 2024 and 2023, respectively, and is included in interest receivable on the consolidated balance sheets.

Loan Origination/Risk Management – The Company seeks to manage its credit risk by diversifying its loan portfolio, determining that borrowers have adequate sources of cash flow for loan repayment without liquidation of collateral; obtaining and monitoring collateral; and providing an adequate allowance for credit losses by regularly reviewing loans through the internal loan review process. The loan portfolio is diversified by borrower, purpose and industry. The Company seeks to use diversification within the loan portfolio to reduce its credit risk, thereby minimizing the adverse impact on the portfolio if weaknesses develop in either the economy or a particular segment of borrowers. Collateral requirements are based on credit assessments of borrowers and may be used to recover the debt in case of default.

Consumer – The consumer loan portfolio consists of credit card loans and other consumer loans. Credit card loans are diversified by geographic region to reduce credit risk and minimize any adverse impact on the portfolio. Although they are regularly reviewed to facilitate the identification and monitoring of creditworthiness, credit card loans are unsecured loans, making them more susceptible to economic downturns that result in increased unemployment. Other consumer loans include direct installment loans and account overdrafts. Loans in this portfolio segment are sensitive to unemployment and other key consumer economic measures.

Real estate – The real estate loan portfolio consists of construction and development loans ("C&D"), single family residential loans and commercial loans. C&D and commercial real estate ("CRE") loans can be particularly sensitive to valuation of real estate. CRE cycles are inevitable. The long planning and production process for new properties and rapid shifts in business conditions and employment create an inherent tension between supply and demand for commercial properties. While general economic trends often move individual markets in the same direction over time, the timing and magnitude of changes are determined by other forces unique to each market. CRE cycles tend to be local in nature and longer than other credit cycles. Factors influencing the CRE market are traditionally different from those affecting residential real estate markets; thereby making predictions for one market based on the other difficult. Additionally, submarkets within CRE – such as office, industrial, apartment, retail and hotel – also experience different cycles, providing an opportunity to lower the overall risk through diversification across types of CRE loans. Management realizes that local demand and supply conditions will also mean that different geographic areas will experience cycles of different amplitude and length. The Company monitors these loans closely.

Commercial – The commercial loan portfolio includes commercial and agricultural loans, representing loans to commercial customers and farmers for use in normal business or farming operations to finance working capital needs, equipment purchases or other expansion projects. Paycheck Protection Program ("PPP") loans are also included in the commercial loan portfolio. Collection risk in this portfolio is driven by the creditworthiness of the underlying borrowers, particularly cash flow from customers' business or farming operations. The Company continues its efforts to keep loan terms short, reducing the negative impact of upward movement in interest rates. Term loans are generally set up with one or three year balloons, and the Company has instituted a pricing mechanism for commercial loans. It is standard practice to require personal guaranties on commercial loans for closely-held or limited liability entities.

Paycheck Protection Program Loans - The Company originated loans pursuant to multiple PPP appropriations of the Coronavirus Aid, Relief and Economic Security Act which provided 100% federally guaranteed loans for small businesses to cover up to 24 weeks of payroll costs and assistance with mortgage interest, rent and utilities. Notably, these small business loans may be forgiven by the SBA if borrowers maintain their payrolls and satisfy certain other conditions. PPP loans have a zero percent risk-weight for regulatory capital ratios. As of December 31, 2024 and 2023, the total outstanding balance of PPP loans was $1.6 million and $4.8 million, respectively.

Other – The other loan portfolio includes mortgage warehouse loans, representing warehouse lines of credit to mortgage originators for the disbursement of newly originated 1-4 family residential loans. Also included in the other loan portfolio are loans to public sector customers, including state and local governments.

Nonaccrual and Past Due Loans – Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on nonaccrual status when, in management's opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on nonaccrual status regardless of whether or not such loans are considered past due. When interest accrual is discontinued, all unpaid accrued interest is reversed. Interest income is subsequently recognized only to the extent cash payments are received in excess of principal due. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The amortized cost basis of nonaccrual loans segregated by class of loans are as follows:

(In thousands)	2024	2023
Consumer:		
Credit cards	$ 565	$ 487
Other consumer	678	589
Total consumer	1,243	1,076
Real estate:		
Construction and development	10,681	2,457
Single family residential	33,972	27,209
Other commercial	28,524	11,960
Total real estate	73,177	41,626
Commercial:		
Commercial	35,161	39,886
Agricultural	570	734
Total commercial	35,731	40,620
Other	3	3
Total	$ 110,154	$ 83,325

As of December 31, 2024 and 2023, nonaccrual loans for which there was no related allowance for credit losses had an amortized cost of $1.7 million and $3.2 million, respectively. These loans are individually assessed and do not hold an allowance due to being adequately collateralized under the collateral-dependent valuation method.

An age analysis of the amortized cost basis of past due loans, including nonaccrual loans, segregated by class of loans is as follows:

(In thousands)	Gross 30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans	90 Days Past Due & Accruing
December 31, 2024						
Consumer:						
Credit cards	$ 1,824	$ 635	$ 2,459	$ 179,216	$ 181,675	$ 529
Other consumer	1,752	381	2,133	125,186	127,319	—
Total consumer	3,576	1,016	4,592	304,402	308,994	529
Real estate:						
Construction and development	332	10,530	10,862	2,778,387	2,789,249	—
Single family residential	34,651	16,013	50,664	2,639,282	2,689,946	—
Other commercial	5,433	26,973	32,406	7,879,930	7,912,336	—
Total real estate	40,416	53,516	93,932	13,297,599	13,391,531	—
Commercial:						
Commercial	3,535	27,059	30,594	2,403,581	2,434,175	74
Agricultural	393	104	497	260,657	261,154	—
Total commercial	3,928	27,163	31,091	2,664,238	2,695,329	74
Other	276	3	279	609,804	610,083	—
Total	$ 48,196	$ 81,698	$ 129,894	$ 16,876,043	$ 17,005,937	$ 603
December 31, 2023						
Consumer:						
Credit cards	$ 1,734	$ 892	$ 2,626	$ 188,578	$ 191,204	$ 791
Other consumer	1,471	216	1,687	125,775	127,462	—
Total consumer	3,205	1,108	4,313	314,353	318,666	791
Real estate:						
Construction and development	3,171	2,190	5,361	3,138,859	3,144,220	—
Single family residential	30,697	12,522	43,219	2,598,337	2,641,556	7
Other commercial	4,702	3,612	8,314	7,544,096	7,552,410	—
Total real estate	38,570	18,324	56,894	13,281,292	13,338,186	7
Commercial:						
Commercial	13,799	22,750	36,549	2,453,627	2,490,176	349
Agricultural	92	516	608	232,102	232,710	—
Total commercial	13,891	23,266	37,157	2,685,729	2,722,886	349
Other	—	3	3	465,929	465,932	—
Total	$ 55,666	$ 42,701	$ 98,367	$ 16,747,303	$ 16,845,670	$ 1,147

Loan Modifications to Borrowers Experiencing Financial Difficulty

The Company has internal loan modification programs for borrowers experiencing financial difficulties. Modifications to borrowers experiencing financial difficulties may include interest rate reductions, principal or interest forgiveness and/or term extensions. The Company primarily uses interest rate reduction and/or payment modifications or extensions, with an occasional forgiveness of principal.

The following table presents a summary of the amortized cost basis of loan modifications granted to borrowers experiencing financial difficulty, segregated by class of loans and type of loan modification, for the year ended December 31, 2024.

(Dollars in thousands)	Interest Rate Reduction	Percent of Total Class of Loans	Term Extension	Percent of Total Class of Loans
Real estate:				
Single family residential	$ 1,241	0.05 %	$ —	— %
Other commercial	—	— %	26,894	0.34 %
Total real estate	$ 1,241		$ 26,894	

The financial effects of the modified loans made to borrowers experiencing financial difficulty in the single family residential real estate portfolio were not significant during the year ended December 31, 2024 and did not significantly impact the Company's determination of the allowance for credit losses on loans during the year.

During the year ended December 31, 2024, the Company modified one loan for a borrower experiencing financial difficulty related to the CRE portfolio, whereby the modification extended the term of the loan 1.5 years. As a result of the CRE loan modified during the year ended December 31, 2024 being collateral-dependent, the impact to the Company's allowance for credit losses on loans was the difference between the fair value of the underlying collateral, adjusted for selling costs, and the remaining outstanding principal balance of the loan.

The following table presents a summary of the amortized cost basis of loan modifications granted to borrowers experiencing financial difficulty, segregated by class of loans and type of loan modification, for the year ended December 31, 2023.

(Dollars in thousands)	Interest Rate Reduction	Percent of Total Class of Loans	Term Extension	Percent of Total Class of Loans
Real estate:				
Single family residential	$ 79	— %	$ —	— %
Other commercial	—	— %	30,493	0.40 %
Total real estate	79		30,493	
Commercial:				
Commercial	—	— %	746	0.03 %
Total commercial	—		746	
Total	$ 79		$ 31,239	

The financial effects of the modified loans made to borrowers experiencing financial difficulty in the single family residential real estate and commercial portfolios were not significant during the year ended December 31, 2023 and did not significantly impact the Company's determination of the allowance for credit losses on loans during the year.

During the year ended December 31, 2023, the Company modified one loan for a borrower experiencing financial difficulty related to the CRE portfolio, whereby the modification allowed for two months of interest only payments with the remaining balance due at maturity. Upon modification, a charge-off of $9.6 million was recorded in relation to this modified loan during 2023. As a result of the CRE loan modified during the year ended December 31, 2023 being collateral-dependent, the impact to the Company's allowance for credit losses on loans was the difference between the fair value of the underlying collateral, adjusted for selling costs, and the remaining outstanding principal balance of the loan.

The Company closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty. There was one commercial loan to a borrower experiencing financial difficulty that was modified during the previous twelve months and which subsequently defaulted during the year ended December 31, 2024. A charge-off of $18,800 was recorded in relation to this commercial loan during the fourth quarter of 2024. There were no loans to borrowers experiencing financial difficulty that had a payment default during the year ended December 31, 2023 and were modified in the twelve months prior to default. In relation to loans modified to borrowers experiencing financial difficulty, the Company defines a payment default as a payment received more than 90 days after its due date.

At December 31, 2024 and 2023, the Company had $4.0 million and $2.5 million, respectively, of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process. At December 31, 2024 and 2023, the Company had $1.3 million and $506,000, respectively, of OREO secured by residential real estate properties.

Credit Quality Indicators – As part of the on-going monitoring of the credit quality of the Company's loan portfolio, management tracks certain credit quality indicators including trends related to (i) the weighted-average risk rating of commercial and real estate loans, (ii) the level of classified commercial and real estate loans, (iii) net charge-offs, (iv) non-performing loans (see details above) and (v) the general economic conditions of the Company's local markets.

The Company utilizes a risk rating matrix to assign a risk rate to each of its commercial and real estate loans. Risk ratings are updated on an ongoing basis and are subject to change by continuous loan monitoring processes including lending management monitoring, executive management and board committee oversight, and independent credit review. A description of the general characteristics of the risk ratings is as follows:

- *Pass (Excellent)* – This category includes loans which are virtually free of credit risk. Borrowers in this category represent the highest credit quality and greatest financial strength.
- *Pass (Good)* - Loans under this category possess a nominal risk of default. This category includes borrowers with strong financial strength and superior financial ratios and trends. These loans are generally fully secured by cash or equivalents (other than those rated "excellent").
- *Pass (Acceptable – Average)* - Loans in this category are considered to possess a normal level of risk. Borrowers in this category have satisfactory financial strength and adequate cash flow coverage to service debt requirements. If secured, the perfected collateral should be of acceptable quality and within established borrowing parameters.
- *Pass (Monitor)* - Loans in the Watch (Monitor) category exhibit an overall acceptable level of risk, but that risk may be increased by certain conditions, which represent "red flags". These "red flags" require a higher level of supervision or monitoring than the normal "Pass" rated credit. The borrower may be experiencing these conditions for the first time, or it may be recovering from weakness, which at one time justified a higher rating. These conditions may include: weaknesses in financial trends; marginal cash flow; one-time negative operating results; non-compliance with policy or borrowing agreements; poor diversity in operations; lack of adequate monitoring information or lender supervision; questionable management ability/stability.
- *Special Mention* - A loan in this category has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special Mention loans are not adversely classified (although they are "criticized") and do not expose an institution to sufficient risk to warrant adverse classification. Borrowers may be experiencing adverse operating trends or an ill-proportioned balance sheet. Non-financial characteristics of a Special Mention rating may include management problems, pending litigation, a non-existent or ineffective loan agreement or other material structural weakness, and/or other significant deviation from prudent lending practices.
- *Substandard* - A Substandard loan is inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. Loans so classified must have a well-defined weakness, or weaknesses, that jeopardize the liquidation of the debt. The loans are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. This does not imply ultimate loss of the principal, but may involve burdensome administrative expenses and the accompanying cost to carry the loan.

- *Doubtful* - A loan classified Doubtful has all the weaknesses inherent in a substandard loan except that the weaknesses make collection or liquidation in full (on the basis of currently existing facts, conditions, and values) highly questionable and improbable. Doubtful borrowers are usually in default, lack adequate liquidity or capital, and lack the resources necessary to remain an operating entity. The possibility of loss is extremely high, but because of specific pending events that may strengthen the asset, its classification as loss is deferred. Pending factors include: proposed merger or acquisition; liquidation procedures; capital injection; perfection of liens on additional collateral; and refinancing plans. Loans classified as Doubtful are placed on nonaccrual status.
- *Loss* - Loans classified Loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the loans has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless loan, even though partial recovery may be affected in the future. Borrowers in the Loss category are often in bankruptcy, have formally suspended debt repayments, or have otherwise ceased normal business operations. Loans should be classified as Loss and charged-off in the period in which they become uncollectible.

The Company monitors credit quality in the consumer portfolio by delinquency status. The delinquency status of loans is updated daily. A description of the delinquency credit quality indicators is as follows:

- *Current* - Loans in this category are either current in payments or are under 30 days past due. These loans are considered to have a normal level of risk.
- *30-89 Days Past Due* - Loans in this category are between 30 and 89 days past due and are subject to the Company's loss mitigation process. These loans are considered to have a moderate level of risk.
- *90+ Days Past Due* - Loans in this category are 90 days or more past due and are placed on nonaccrual status. These loans have been subject to the Company's loss mitigation process and foreclosure and/or charge-off proceedings have commenced.

The Company uses a dual risk rating scale that utilizes quantitative models and qualitative factors ("score cards") to assist in determining the appropriate risk rating for its commercial loans. This dual risk rating methodology incorporates a "probability of default" analysis which utilizes quantified metrics such as loan terms and financial performance, as well as a "loss given default" analysis which utilizes collateral values and economics of the market, among other attributes. Model outputs are reviewed and analyzed to ensure the projected risk levels are commensurate with underwriting and credit leader expectations. The risk rating scale includes Probability of Default levels of 1 – 16 and Loss Given Default levels of A – I. The scale allows for more granular recognition of risk and diversification of grading among traditional Pass grades.

The following is a reconciliation between the expanded risk rating scale and the Company's traditional risk rating segments utilized within the commercial loan classes presented in the credit quality indicator tables.

- *Pass* - Includes loans with an expanded risk rating of 1 through 11. Loans with a risk rating of 10 and 11 equate to loans included on management's "watch list" and is intended to be utilized on a temporary basis for pass grade borrowers where a significant risk-modifying action is anticipated in the near term.
- *Special Mention* - Includes loans with an expanded risk rating of 12.
- *Substandard* - Includes loans with an expanded risk rating of 13 and 14.
- *Doubtful and loss* - Includes loans with an expanded risk rating of 15 and 16.

The following table presents a summary of loans by credit quality indicator, as of December 31, 2024, segregated by class of loans.

	Term Loans Amortized Cost Basis by Origination Year								
(In thousands)	2024	2023	2022	2021	2020	2019 and Prior	Lines of Credit ("LOC") Amortized Cost Basis	LOC Converted to Term Loans Amortized Cost Basis	Total
Consumer - credit cards									
Delinquency:									
Current	$ —	$ —	$ —	$ —	$ —	$ —	$ 179,216	$ —	$ 179,216
30-89 days past due	—	—	—	—	—	—	1,824	—	1,824
90+ days past due	—	—	—	—	—	—	635	—	635
Total consumer - credit cards	—	—	—	—	—	—	181,675	—	181,675
Current-period consumer - credit cards gross charge-offs	—	—	—	—	—	—	6,437	—	6,437
Consumer - other									
Delinquency:									
Current	63,986	17,227	17,877	4,713	1,304	893	19,186	—	125,186
30-89 days past due	515	176	701	59	14	2	285	—	1,752
90+ days past due	85	56	183	20	—	35	2	—	381
Total consumer - other	64,586	17,459	18,761	4,792	1,318	930	19,473	—	127,319
Current-period consumer - other gross charge-offs	192	680	553	98	13	10	292	—	1,838
Real estate - C&D									
Risk rating:									
Pass	50,288	113,056	71,908	28,921	18,187	20,653	2,468,334		2,771,347
Special mention	—	—	50	—	—	376	2,862		3,288
Substandard	59	409	66	532	—	88	13,460		14,614
Doubtful and loss	—	—	—	—	—	—	—		—
Total real estate - C&D	50,347	113,465	72,024	29,453	18,187	21,117	2,484,656	—	2,789,249
Current-period real estate - C&D gross charge-offs	162	—	—	—	—	—	521		683
Real estate - SF residential									
Delinquency:									
Current	225,040	324,605	559,278	314,700	187,752	543,590	484,317	—	2,639,282
30-89 days past due	1,205	4,201	9,578	3,316	1,525	12,389	2,437	—	34,651
90+ days past due	1,016	606	4,578	630	1,299	3,951	3,933	—	16,013
Total real estate - SF residential	227,261	329,412	573,434	318,646	190,576	559,930	490,687	—	2,689,946
Current-period real estate - SF residential gross charge-offs	3	190	231	—	37	134	247	—	842
Real estate - other commercial									
Risk rating:									
Pass	603,206	490,128	1,519,950	1,021,169	419,769	646,399	2,800,863	—	7,501,484
Special mention	9,479	16,272	12,401	9,494	1,472	12,754	111,466	—	173,338
Substandard	12,093	17,099	11,399	3,063	12,073	31,126	150,661	—	237,514
Doubtful and loss	—	—	—	—	—	—	—	—	—
Total real estate - other commercial	624,778	523,499	1,543,750	1,033,726	433,314	690,279	3,062,990	—	7,912,336
Current-period real estate - other commercial gross charge-offs	—	5,202	38	15	—	1	168	—	5,424

(In thousands)	Term Loans Amortized Cost Basis by Origination Year						Lines of Credit ("LOC") Amortized Cost Basis	LOC Converted to Term Loans Amortized Cost Basis	Total
	2024	2023	2022	2021	2020	2019 and Prior			
Commercial									
Risk rating:									
Pass	245,945	253,518	257,227	118,910	28,620	44,606	1,411,467	200	2,360,493
Special mention	112	583	523	313	6	1,025	7,498	—	10,060
Substandard	10,743	2,035	8,317	2,876	2,954	5,923	30,771	—	63,619
Doubtful and loss	—	—	3	—	—	—	—	—	3
Total commercial	256,800	256,136	266,070	122,099	31,580	51,554	1,449,736	200	2,434,175
Current-period commercial - gross charge-offs	536	1,087	5,311	3,500	913	1,994	13,289	—	26,630
Commercial - agriculture									
Risk rating:									
Pass	30,103	23,222	20,673	8,220	2,825	1,209	169,849	—	256,101
Special mention	—	—	111	—	—	—	2,299	—	2,410
Substandard	1,222	14	29	—	123	14	1,241	—	2,643
Doubtful and loss	—	—	—	—	—	—	—	—	—
Total commercial - agriculture	31,325	23,236	20,813	8,220	2,948	1,223	173,389	—	261,154
Current-period commercial - agriculture gross charge-offs	—	222	—	8	6	—	1	—	237
Other									
Delinquency:									
Current	71,671	35,574	136,416	26,930	1,287	30,085	307,841	—	609,804
30-89 days past due	—	276	—	—	—	—	—	—	276
90+ days past due	—	—	—	—	—	3	—	—	3
Total other	71,671	35,850	136,416	26,930	1,287	30,088	307,841	—	610,083
Current-period other - gross charge-offs	—	—	—	—	—	—	473	—	473
Total	$ 1,326,768	$ 1,299,057	$ 2,631,268	$ 1,543,866	$ 679,210	$ 1,355,121	$ 8,170,447	$ 200	$ 17,005,937

The following table presents a summary of loans by credit quality indicator, as of December 31, 2023 segregated by class of loans.

	Term Loans Amortized Cost Basis by Origination Year								
(In thousands)	2023	2022	2021	2020	2019	2018 and Prior	Lines of Credit ("LOC") Amortized Cost Basis	LOC Converted to Term Loans Amortized Cost Basis	Total
Consumer - credit cards									
Delinquency:									
Current	$ —	$ —	$ —	$ —	$ —	$ —	$ 188,578	$ —	$ 188,578
30-89 days past due	—	—	—	—	—	—	1,734	—	1,734
90+ days past due	—	—	—	—	—	—	892	—	892
Total consumer - credit cards	—	—	—	—	—	—	191,204	—	191,204
Current-period consumer - credit cards gross charge-offs	—	—	—	—	—	—	5,303	—	5,303
Consumer - other									
Delinquency:									
Current	55,091	35,904	12,115	3,838	1,471	1,106	16,250	—	$ 125,775
30-89 days past due	400	719	127	53	2	16	154	—	1,471
90+ days past due	35	127	46	—	—	—	8	—	216
Total consumer - other	55,526	36,750	12,288	3,891	1,473	1,122	16,412	—	127,462
Current-period consumer - other gross charge-offs	220	826	493	79	29	128	449	—	2,224
Real estate - C&D									
Risk rating:									
Pass	138,749	143,711	52,081	45,027	10,278	13,632	2,710,853	504	$ 3,114,835
Special mention	—	1,143	7,284	—	—	396	16,682	—	25,505
Substandard	—	101	48	—	—	247	3,484	—	3,880
Doubtful and loss	—	—	—	—	—	—	—	—	—
Total real estate - C&D	138,749	144,955	59,413	45,027	10,278	14,275	2,731,019	504	3,144,220
Current-period real estate - C&D gross charge-offs	—	1,148	—	—	—	8	349	—	1,505
Real estate - SF residential									
Delinquency:									
Current	371,326	620,933	352,589	238,128	121,416	504,675	388,705	565	$ 2,598,337
30-89 days past due	5,222	5,061	3,667	2,283	1,741	9,759	2,964	—	30,697
90+ days past due	1,313	2,443	1,810	1,661	120	3,465	1,710	—	12,522
Total real estate - SF residential	377,861	628,437	358,066	242,072	123,277	517,899	393,379	565	2,641,556
Current-period real estate - SF residential gross charge-offs	—	111	12	73	—	677	232	—	1,105
Real estate - other commercial									
Risk rating:									
Pass	729,602	1,651,010	1,237,810	621,595	171,230	417,122	2,333,637	—	7,162,006
Special mention	37,302	8,458	10,149	7,844	1,364	11,604	84,978	—	161,699
Substandard	40,664	10,290	4,495	16,646	6,293	9,861	140,454	—	228,703
Doubtful and loss	—	—	—	2	—	—	—	—	2
Total real estate - other commercial	807,568	1,669,758	1,252,454	646,087	178,887	438,587	2,559,069	—	7,552,410
Current-period real estate - other commercial gross charge-offs	—	—	—	7	2	35	9,731	—	9,775

(In thousands)	Term Loans Amortized Cost Basis by Origination Year						Lines of Credit ("LOC") Amortized Cost Basis	LOC Converted to Term Loans Amortized Cost Basis	Total
	2023	2022	2021	2020	2019	2018 and Prior			
Commercial									
Risk rating:									
Pass	440,872	354,016	200,941	67,320	27,374	42,953	1,271,826	—	2,405,302
Special mention	157	14,117	316	367	98	889	8,228	—	24,172
Substandard	1,998	11,874	6,272	2,934	1,722	3,392	32,510	—	60,702
Doubtful and loss	—	—	—	—	—	—	—	—	—
Total commercial	443,027	380,007	207,529	70,621	29,194	47,234	1,312,564	—	2,490,176
Current-period commercial - gross charge-offs	463	2,081	778	197	244	815	1,351	—	5,929
Commercial - agriculture									
Risk rating:									
Pass	39,680	30,075	13,940	6,280	2,071	303	134,180	—	226,529
Special mention	363	733	1,068	—	—	—	3,257	—	5,421
Substandard	518	37	71	104	26	—	4	—	760
Doubtful and loss	—	—	—	—	—	—	—	—	—
Total commercial - agriculture	40,561	30,845	15,079	6,384	2,097	303	137,441	—	232,710
Current-period commercial - agriculture gross charge-offs	—	7	—	—	—	26	—	—	33
Other									
Delinquency:									
Current	45,234	144,732	28,413	2,543	3,255	36,719	205,033	—	465,929
30-89 days past due	—	—	—	—	—	—	—	—	—
90+ days past due	—	—	—	—	—	3	—	—	3
Total other	45,234	144,732	28,413	2,543	3,255	36,722	205,033	—	465,932
Current-period other - gross charge-offs	—	—	—	—	—	—	298	—	298
Total	$ 1,908,526	$ 3,035,484	$ 1,933,242	$ 1,016,625	$ 348,461	$ 1,056,142	$ 7,546,121	$ 1,069	$ 16,845,670

Allowance for Credit Losses

Allowance for Credit Losses – The allowance for credit losses is a reserve established through a provision for credit losses charged to expense, which represents management's best estimate of lifetime expected losses based on reasonable and supportable forecasts, quantitative factors, and other qualitative considerations. The allowance, in the judgment of management, is necessary to reserve for expected loan losses and risks inherent in the loan portfolio. The Company's allowance for credit loss methodology includes reserve factors calculated to estimate current expected credit losses to amortized cost balances over the remaining contractual life of the portfolio, adjusted for prepayments, in accordance with ASC Topic 326-20, *Financial Instruments - Credit Losses*. Accordingly, the methodology is comprised of two components: individual assessments on loans with unique risk characteristics and collective assessments for loans that share similar risk characteristics. Loans with similar risk characteristics such as loan type, collateral type, and internal risk ratings are aggregated for collective assessment. The Company uses statistically-based models that leverage assumptions about current and future economic conditions throughout the contractual life of the loan. Expected credit losses are estimated by either lifetime loss rates or expected loss cash flows based on three key parameters: probability-of-default ("PD"), exposure-at-default ("EAD"), and loss-given-default ("LGD"). Future economic conditions are incorporated to the extent that they are reasonable and supportable. Beyond the reasonable and supportable periods, the economic variables revert to a historical equilibrium at a pace dependent on the state of the economy reflected within the economic scenarios. To determine the best estimate of credit losses as of December 31, 2024, the Company utilized a probability-weighted, multiple-scenario approach consisting of Baseline, Upside (S1), and Downside (S3) scenarios published by Moody's Analytics in December 2024 that was updated to reflect the U.S. economic outlook. The Company also includes qualitative adjustments to the allowance based on factors and considerations that have not otherwise been fully accounted for. These factors may include but are not limited to portfolio trends and considerations, other economic considerations, policy actions, concentration risk, or imprecision risk.

Loans with similar risk characteristics such as loan type, collateral type, and internal risk ratings are aggregated into homogeneous segments for assessment. Reserve factors are based on estimated probability of default and loss given default for each segment. The estimates are determined based on economic forecasts over the reasonable and supportable forecast period based on projected performance of economic variables that have a statistical relationship with the historical loss experience of the segments.

Loans that have unique risk characteristics are evaluated on an individual basis. These evaluations are typically performed on loans with a deteriorated internal risk rating. For a collateral-dependent loan, the Company's evaluation process includes a valuation by appraisal or other collateral analysis adjusted for selling costs, when appropriate. This valuation is compared to the remaining outstanding principal balance of the loan. If a loss is determined to be probable, the loss is included in the allowance for credit losses as a specific allocation.

Loans for which the repayment is expected to be provided substantially through the operation or sale of collateral and where the borrower is experiencing financial difficulty had an amortized cost of $102.6 million and $144.6 million as of December 31, 2024 and 2023, respectively, as further detailed in the table below. The collateral securing these loans consist of commercial real estate properties, residential properties, and other business assets.

(In thousands)	Real Estate Collateral	Other Collateral	Total
December 31, 2024			
Construction and development	$ 1,251	$ —	$ 1,251
Single family residential	—	—	—
Other commercial real estate	69,429	—	69,429
Commercial	—	31,900	31,900
Total	$ 70,680	$ 31,900	$ 102,580
December 31, 2023			
Construction and development	$ 43,826	$ —	$ 43,826
Single family residential	3,870	—	3,870
Other commercial real estate	76,229	—	76,229
Commercial	—	20,679	20,679
Total	$ 123,925	$ 20,679	$ 144,604

The following table details activity in the allowance for credit losses by portfolio segment for the years ended December 31, 2024, 2023 and 2022. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

(In thousands)	Commercial	Real Estate	Credit Card	Other Consumer and Other	Total
December 31, 2024					
Beginning balance, January 1, 2024	$ 36,470	$ 177,177	$ 5,868	$ 5,716	$ 225,231
Provision for credit loss expense	30,389	10,249	5,485	662	46,785
Charge-offs	(26,867)	(6,949)	(6,437)	(2,311)	(42,564)
Recoveries	1,595	1,485	1,091	1,396	5,567
Net charge-offs	(25,272)	(5,464)	(5,346)	(915)	(36,997)
Ending balance, December 31, 2024	$ 41,587	$ 181,962	$ 6,007	$ 5,463	$ 235,019
December 31, 2023					
Beginning balance, January 1, 2023	$ 34,406	$ 150,795	$ 5,140	$ 6,614	$ 196,955
Provision for credit loss expense	5,934	36,381	5,023	86	47,424
Charge-offs	(5,962)	(12,385)	(5,303)	(2,522)	(26,172)
Recoveries	2,092	2,386	1,008	1,538	7,024
Net charge-offs	(3,870)	(9,999)	(4,295)	(984)	(19,148)
Ending balance, December 31, 2023	$ 36,470	$ 177,177	$ 5,868	$ 5,716	$ 225,231

(In thousands)	Commercial	Real Estate	Credit Card	Other Consumer and Other	Total
December 31, 2022					
Beginning balance, January 1, 2022	$ 17,458	$ 179,270	$ 3,987	$ 4,617	$ 205,332
Acquisition adjustment for PCD loans	6,433	3,187	—	2	9,622
Provision for credit loss expense	22,412	(34,456)	3,991	2,674	(5,379)
Charge-offs	(14,270)	(4,122)	(3,862)	(1,876)	(24,130)
Recoveries	2,373	6,916	1,024	1,197	11,510
Net charge-offs	(11,897)	2,794	(2,838)	(679)	(12,620)
Ending balance, December 31, 2022	$ 34,406	$ 150,795	$ 5,140	$ 6,614	$ 196,955

As of December 31, 2024, the Company's allowance for credit losses was considered sufficient based upon expected losses that were supported by scenario-weighted economic forecasts. The provision expense for the periods ended December 31, 2024 and 2023 was primarily due to the loan growth experienced during the periods, as well as the impact of updated economic assumptions.

For the year ended December 31, 2022, provision expense related to loans was recaptured during the year for a variety of factors including a release of $16.0 million driven by improvements in certain industry specific qualitative factors for the restaurant, hospitality, student housing and office space industries due to lower pandemic related stresses. The remaining recapture during 2022 was driven by the planned exit of several large oil and gas relationships during the year, along with the Company's improved asset credit quality metrics, which combined with improved Moody's economic modeling scenarios, more than offset the $30.3 million Day 2 provision expense required for loans acquired by the Company in the Spirit acquisition.

Reserve for Unfunded Commitments

In addition to the allowance for credit losses, the Company has established a reserve for unfunded commitments, classified in other liabilities. This reserve is maintained at a level management believes to be sufficient to absorb losses arising from unfunded loan commitments. The reserve for unfunded commitments was $25.6 million as of both periods ended December 31, 2024 and 2023. The adequacy of the reserve for unfunded commitments is determined quarterly based on methodology similar to the methodology for determining the allowance for credit losses. No adjustment was made to the reserve for unfunded commitments during the year ended December 31, 2024, as it was considered sufficient to cover any loss expectations. During 2023, $16.3 million was released from the reserve for unfunded commitments primarily due to a decline in unfunded commitments resulting from customers utilizing lines of credit during the year. During 2022, an adjustment to the reserve for unfunded commitments resulted in an expense of $16.0 million due to the overall increase in unfunded commitments, primarily made up of commercial construction loans, which receive a higher reserve allocation than other loans. Additionally, an adjustment to the reserve for unfunded commitments resulted in an expense of $3.5 million which was due to the Day 2 provision expense required for unfunded commitments related to the Spirit acquisition. These adjustments were included in the provision for credit losses in the statement of income.

Provision for Credit Losses

Provision for credit losses is determined by the Company as the amount to be added to the allowance for credit loss accounts for various types of financial instruments including loans, securities and off-balance-sheet credit exposure after net charge-offs have been deducted to bring the allowance to a level which, in management's best estimate, is necessary to absorb expected credit losses over the lives of the respective financial instruments.

The components of provision for credit losses for the years ended December 31 were as follows:

(In thousands)	2024	2023	2022
Provision for credit losses related to:			
Loans	$ 46,785	$ 47,424	$ (5,379)
Unfunded commitments	—	(16,300)	19,453
Securities - HTM	—	1,826	—
Securities - AFS	—	9,078	—
Total	$ 46,785	$ 42,028	$ 14,074

Purchased Credit Deteriorated Loans

Purchased loans that reflect a more-than-insignificant deterioration of credit from origination are considered PCD. For PCD loans, the initial estimate of expected credit losses is recognized in the allowance for credit loss on the date of acquisition using the same methodology as discussed in the *Allowance for Credit Losses* section included above.

The following table provides a summary of loans purchased as part of the Spirit acquisition with credit deterioration at acquisition:

(In thousands)	Commercial	Real Estate	Credit Card	Other Consumer and Other	Total
Unpaid principal balance	$ 8,258	$ 66,534	$ —	$ 59	$ 74,851
PCD allowance for credit loss at acquisition	(6,433)	(3,187)	—	(2)	(9,622)
Non-credit related discount	(378)	(998)	—	(1)	(1,377)
Fair value of PCD loans	$ 1,447	$ 62,349	$ —	$ 56	$ 63,852

NOTE 5: RIGHT-OF-USE LEASE ASSETS AND LEASE LIABILITIES

The Company accounts for its leases in accordance with ASC Topic 842, *Leases*, which requires recognition of most leases, including operating leases, with a term greater than 12 months on the balance sheet. At lease commencement, the lease contract is reviewed to determine whether the contract is a finance lease or an operating lease; a lease liability is recognized on a discounted basis, related to the Company's obligation to make lease payments; and a right-of-use asset is also recognized related to the Company's right to use, or control the use of, a specified asset for the lease term. The Company accounts for lease and non-lease components (such as taxes, insurance and common area maintenance costs) separately as such amounts are generally readily determinable under the lease contracts. Lease payments over the expected term are discounted using the Company's FHLB advance rates for borrowings of similar term. If it is reasonably certain that a renewal or termination option will be exercised, the effects of such options are included in the determination of the expected lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

The Company's leases are classified as operating leases with a term, including expected renewal or termination options, greater than one year, and are related to certain office facilities and office equipment. The following table presents information as of December 31, 2024 and 2023 related to the Company's right-of-use lease assets, included in premises and equipment, and lease liabilities, included in accrued interest and other liabilities.

(Dollars in thousands)	2024	2023
Right-of-use lease assets	$ 67,224	$ 67,267
Lease liabilities	69,319	68,788
Weighted average remaining lease term	8.33 years	8.81 years
Weighted average discount rate	3.81 %	3.52 %

Operating lease cost for the years ended December 31, 2024, 2023 and 2022 was $16.1 million, $15.7 million, and $14.2 million, respectively.

The Company's remaining undiscounted minimum lease payments on operating leases as of December 31, 2024 are as follows:

Year	(In thousands)
2025	$ 13,754
2026	12,321
2027	9,909
2028	8,443
2029	7,523
Thereafter	29,938
Total undiscounted minimum lease payments	81,888
Less: Net present value adjustment	12,569
Lease liability included in other liabilities	$ 69,319

NOTE 6: PREMISES AND EQUIPMENT

Premises and equipment are stated at cost less accumulated depreciation and amortization. Total premises and equipment, net at December 31, 2024 and 2023 were as follows:

(In thousands)	2024	2023
Right-of-use lease assets	$ 67,224	$ 67,267
Premises and equipment:		
Land	124,819	122,093
Buildings and improvements	404,223	388,675
Furniture, fixtures and equipment	123,741	112,133
Software	63,844	61,242
Construction in progress	24,262	14,142
Accumulated depreciation and amortization	(222,682)	(194,874)
Total premises and equipment, net	$ 585,431	$ 570,678

NOTE 7: GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is tested annually, or more often than annually, if circumstances warrant, for impairment. If the implied fair value of goodwill is lower than its carrying amount, goodwill impairment is indicated, and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the financial statements. Goodwill totaled $1.32 billion at December 31, 2024 and 2023.

Goodwill impairment was neither indicated nor recorded in 2024, 2023 or 2022. During the second quarter of 2024, the Company performed an annual goodwill impairment analysis and concluded that it is more likely-than-not that the fair value of goodwill continues to exceed its carrying value and therefore, goodwill was not impaired.

During March of 2023, the Company's share price began to decline as markets in the United States ("US") responded to the sudden collapse of two US banks. As a result of the decrease in the Company's market capitalization, the Company performed an interim goodwill impairment qualitative assessment during the first quarter of 2023 and concluded that it was more likely-than-not that the fair value of goodwill continued to exceed its carrying value and therefore, goodwill was not impaired. During the second quarter of 2023, the Company performed an annual goodwill impairment analysis and concluded no impairment existed. Additionally, the Company performed interim goodwill impairment assessments during the third and fourth quarters of 2023 and concluded no impairment existed during the periods.

Core deposit premiums represent the value of the relationships that acquired banks had with their deposit customers and are amortized over periods ranging from 10 years to 15 years and are periodically evaluated, at least annually, as to the recoverability of their carrying value. Other intangible assets represent the value of other acquired relationships, including relationships with trust and wealth management customers, and are being amortized over various periods ranging from 8 years to 15 years.

Changes in the carrying amount and accumulated amortization of the Company's core deposit premiums and other intangible assets at December 31, 2024 and 2023 were as follows:

(In thousands)	2024	2023
Core deposit premiums:		
Balance, beginning of year	$ 101,344	$ 116,016
Amortization	(13,769)	(14,672)
Balance, end of year	87,575	101,344
Books of business and other intangibles:		
Balance, beginning of year	11,301	12,935
Amortization	(1,634)	(1,634)
Balance, end of year	9,667	11,301
Total other intangible assets, net	$ 97,242	$ 112,645

The carrying basis and accumulated amortization of the Company's other intangible assets at December 31, 2024 and 2023 were as follows:

(In thousands)	2024	2023
Core deposit premiums:		
Gross carrying amount	$ 177,624	$ 187,467
Accumulated amortization	(90,049)	(86,123)
Core deposit premiums, net	87,575	101,344
Books of business and other intangibles:		
Gross carrying amount	22,068	22,068
Accumulated amortization	(12,401)	(10,767)
Books of business and other intangibles, net	9,667	11,301
Total other intangible assets, net	$ 97,242	$ 112,645

Core deposit premium amortization expense recorded for the years ended December 31, 2024, 2023 and 2022 was $13.8 million, $14.7 million and $14.3 million, respectively. Amortization expense recorded for books of business and other intangibles was $1.6 million for each year ended December 31, 2024, 2023 and 2022.

The Company's estimated remaining amortization expense on other intangible assets as of December 31, 2024 is as follows:

Year	(In thousands)
2025	$ 12,819
2026	12,346
2027	12,218
2028	11,312
2029	8,563
Thereafter	39,984
Total	$ 97,242

NOTE 8: TIME DEPOSITS

Time deposits included approximately $1.55 billion and $1.73 billion of certificates of deposit over $250,000 at December 31, 2024 and 2023, respectively.

Brokered time deposits were $3.30 billion and $2.90 billion at December 31, 2024 and 2023, respectively. Maturities of all time deposits at December 31, 2024 are as follows:

Year	(In thousands)
2025	$ 6,226,338
2026	172,868
2027	36,894
2028	3,966
2029	2,211
Thereafter	934
Total	$ 6,443,211

Deposits are the Company's primary funding source for loans and investment securities. The mix and repricing alternatives can significantly affect the cost of this source of funds and, therefore, impact the interest margin.

NOTE 9: INCOME TAXES

The provision for income taxes for the years ended December 31 is comprised of the following components:

(In thousands)	2024	2023	2022
Income taxes currently payable	$ 21,397	$ 28,006	$ 35,215
Deferred income taxes	(2,782)	(2,460)	14,933
Provision for income taxes	$ 18,615	$ 25,546	$ 50,148

The tax effects of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts that give rise to deferred income tax assets and liabilities, and their approximate tax effects, are as follows as of December 31, 2024 and 2023:

(In thousands)	2024	2023
Deferred tax assets:		
Loans acquired	$ 2,141	$ 3,644
Allowance for credit losses	55,196	53,445
Valuation of foreclosed assets	374	480
Tax NOLs from acquisition	9,945	9,643
Deferred compensation payable	3,989	3,355
Accrued equity and other compensation	9,323	8,048
Acquired securities	7,504	7,569
Right-of-use lease liability	16,416	16,501
Unrealized loss on AFS securities	128,873	143,624
Allowance for unfunded commitments	6,069	6,148
Other	7,163	7,627
Gross deferred tax assets	246,993	260,084
Deferred tax liabilities:		
Goodwill and other intangible amortization	(38,139)	(41,174)
Accumulated depreciation	(24,489)	(24,632)
Right-of-use lease asset	(15,920)	(16,136)
Unrealized gain on swaps	(25,174)	(25,371)
Other	(13,268)	(10,995)
Gross deferred tax liabilities	(116,990)	(118,308)
Net deferred tax asset	$ 130,003	$ 141,776

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense is shown below for the years ended December 31:

(In thousands)	2024	2023	2022
Computed at the statutory rate	$ 35,974	$ 42,127	$ 64,378
Increase (decrease) in taxes resulting from:			
State income taxes, net of federal tax benefit	(165)	(983)	3,249
Discrete items related to share-based compensation	468	596	(74)
Tax exempt interest income	(15,330)	(15,357)	(14,484)
Tax exempt earnings on bank owned life insurance	(3,136)	(2,607)	(1,918)
Federal tax credits	(500)	(218)	(1,708)
Other differences, net	1,304	1,988	705
Actual tax provision	$ 18,615	$ 25,546	$ 50,148

The Company follows ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Benefits from tax positions should be recognized in the financial statements only when it is more likely than not that the tax position will be sustained upon examination by the appropriate taxing authority that would have full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Tax positions that previously failed to meet the more-likely-than-not recognition threshold should be recognized in the first subsequent financial reporting period in which that threshold is met. Previously recognized tax positions that no longer meet the more-likely-than-not recognition threshold should be derecognized in the first subsequent financial reporting period in which that threshold is no longer met. ASC Topic 740 also provides guidance on the accounting for and disclosure of unrecognized tax benefits, interest and penalties. The Company has no history of expiring net operating loss carryforwards and is projecting significant pre-tax and financial taxable income in future years. The Company expects to fully realize its deferred tax assets in the future.

The amount of unrecognized tax benefits may increase or decrease in the future for various reasons including adding amounts for current tax year positions, expiration of open income tax returns due to the statutes of limitation, changes in management's judgment about the level of uncertainty, status of examinations, litigation and legislative activity and the addition or elimination of uncertain tax positions.

Section 382 of the Internal Revenue Code imposes an annual limit on the ability of a corporation that undergoes an "ownership change" to use its U.S. net operating losses to reduce its tax liability. The Company has engaged in three tax-free reorganization transactions in which acquired net operating losses are limited pursuant to Section 382. In total, approximately $33.6 million of federal net operating losses subject to the IRC Section 382 annual limitation are expected to be utilized by the Company. All of the acquired net operating loss carryforwards are expected to be fully utilized by 2036.

The Company files income tax returns in the U.S. federal jurisdiction. The Company's U.S. federal income tax returns are open and subject to examinations from the 2021 tax year and forward. The Company's various state income tax returns are generally open from the 2021 and later tax return years based on individual state statute of limitations.

NOTE 10: SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

The Company utilizes securities sold under agreements to repurchase to facilitate the needs of its customers and to facilitate secured short-term funding needs. Securities sold under agreements to repurchase are stated at the amount of cash received in connection with the transaction. The Company monitors collateral levels on a continuous basis. The Company may be required to provide additional collateral based on the fair value of the underlying securities. Securities pledged as collateral under repurchase agreements are maintained with the Company's safekeeping agents.

The gross amount of recognized liabilities for repurchase agreements was $36.7 million and $67.6 million at December 31, 2024 and 2023, respectively. The remaining contractual maturity of the securities sold under agreements to repurchase in the consolidated balance sheets as of December 31, 2024 and 2023 is presented in the following tables.

	Remaining Contractual Maturity of the Agreements				
(In thousands)	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater than 90 Days	Total
December 31, 2024					
Repurchase agreements:					
U.S. Government agencies	$ 36,709	$ —	$ —	$ —	$ 36,709
December 31, 2023					
Repurchase agreements:					
U.S. Government agencies	$ 67,569	$ —	$ —	$ —	$ 67,569

NOTE 11: OTHER BORROWINGS AND SUBORDINATED NOTES AND DEBENTURES

Debt at December 31, 2024 and 2023 consisted of the following components:

(In thousands)	2024	2023
Other Borrowings		
FHLB advances, net of discount, due 2025 to 2033, 4.38% to 5.53%, secured by real estate loans	$ 727,945	$ 953,222
Other long-term debt	17,427	19,144
Total other borrowings	745,372	972,366
Subordinated Notes and Debentures		
Subordinated notes payable, due 4/1/2028, fixed-to-floating rate (fixed rate of 5.00% through 3/31/2023, floating rate of 2.15% above the three month LIBOR rate, reset quarterly)[1]	330,000	330,000
Subordinated notes payable, net of premium adjustments, due 7/31/2030, fixed-to-floating rate (fixed rate of 6.00% through 7/30/2025, floating rate of 5.92% above the three month SOFR rate, reset quarterly)	37,057	37,171
Unamortized debt issuance costs	(764)	(1,030)
Total subordinated notes and debentures	366,293	366,141
Total other borrowings and subordinated debt	$ 1,111,665	$ 1,338,507

(1) The Company transitioned from the three month London Interbank Offered Rate ("LIBOR") to the three month Secured Overnight Financing Rate ("SOFR"), plus a comparable spread adjustment of 26.161 basis points, beginning with interest accrued on the notes from and after October 1, 2023.

In March 2018, the Company issued $330.0 million in aggregate principal amount, of 5.00% Fixed-to-Floating Rate Subordinated Notes ("Notes") at a public offering price equal to 100% of the aggregate principal amount of the Notes. The Company incurred $3.6 million in debt issuance costs related to the offering during March 2018. The Notes will mature on April 1, 2028 and initially bore interest at a fixed rate of 5.00% per annum, payable semi-annually in arrears. From and including April 1, 2023 to, but excluding, the maturity date or the date of earlier redemption, the interest rate resets quarterly to an annual interest rate equal to the "then-current three month LIBOR rate" plus 215 basis points, payable quarterly in arrears, and the Company transitioned from the "then-current three month LIBOR rate" to the "three month SOFR, plus a comparable spread adjustment of 26.161 basis points," beginning with interest accrued on the Notes from and after October 1, 2023. The Notes will be subordinated in right of payment to the payment of the Company's other existing and future senior indebtedness, including all of its general creditors. The Notes are obligations of the Company only and are not obligations of, and are not guaranteed by, any of its subsidiaries. The Company used a portion of the net proceeds from the sale of the Notes to repay certain outstanding indebtedness. The Notes qualify for Tier 2 capital treatment.

The Company assumed subordinated debt in an aggregate principal amount, net of premium adjustments, of $37.4 million in connection with the Spirit acquisition in April 2022 (the "Spirit Notes"). The Spirit Notes will mature on July 31, 2030, and initially bear interest at a fixed annual rate of 6.00%, payable quarterly, in arrears, to, but excluding, July 31, 2025. From and including July 31, 2025, to, but excluding, the maturity date or earlier redemption date, the interest rate will reset quarterly to an interest rate per annum equal to a benchmark rate, which is expected to be the then-current three-month SOFR rate, as published by the Federal Reserve Bank of New York (provided, that in the event the benchmark rate is less than zero, the benchmark rate will be deemed to be zero) plus 592 basis points, payable quarterly, in arrears.

The Company had total FHLB advances of $727.9 million and $953.2 million at December 31, 2024 and 2023, respectively, which are primarily whole loan advances that are due less than one year from origination and therefore are classified as short-term advances by the Company. At December 31, 2024, the FHLB advances outstanding were secured by mortgage loans and investment securities totaling approximately $6.57 billion and the Company had approximately $4.72 billion of additional advances available from the FHLB.

The Company's long-term debt primarily includes subordinated debt and other notes payable. Aggregate annual maturities of long-term debt at December 31, 2024, are as follows:

Year	(In thousands)
2025	$ 1,822
2026	1,824
2027	1,919
2028	332,792
2029	10,190
Thereafter	38,118
Total	$ 386,665

NOTE 12: CAPITAL STOCK

On February 27, 2009, at a special meeting, the Company's shareholders approved an amendment to the Articles of Incorporation to establish 40,040,000 authorized shares of preferred stock, $0.01 par value. On April 27, 2022, the Company's shareholders approved an amendment to the Company's Articles of Incorporation to remove an $80.0 million cap on the aggregate liquidation preference associated with the preferred stock and increase the number of authorized shares of the Company's Class A common stock from 175,000,000 to 350,000,000.

On October 29, 2019, the Company filed Amended and Restated Articles of Incorporation ("October Amended Articles") with the Arkansas Secretary of State. The October Amended Articles classified and designated Series D Preferred Stock, Par Value $0.01 Per Share ("Series D Preferred Stock"), out of the Company's authorized preferred stock. On November 30, 2021, the Company redeemed all of the Series D Preferred Stock, including accrued and unpaid dividends. On April 27, 2022, the Company's shareholders approved an amendment to the Company's Articles of Incorporation to remove the classification and designation for the Series D Preferred Stock. As of December 31, 2024 and 2023, there were no shares of preferred stock issued or outstanding.

On May 17, 2024, the Company filed a shelf registration with the SEC. The shelf registration statement provides increased flexibility and more efficient access to raise capital from time to time through the sale of common stock, preferred stock, debt securities, depository shares, warrants, purchase contracts, subscription rights, units or a combination thereof, subject to market conditions. Specific terms and prices are determined at the time of any offering under a separate prospectus supplement that the Company is required to file with the SEC at the time of the specific offering.

In January 2022, the Company's Board of Directors authorized a stock repurchase program ("2022 Program") under which the Company could repurchase up to $175.0 million of its Class A common stock currently issued and outstanding. Because the 2022 Program was set to terminate on January 31, 2024, the Company's Board of Directors authorized a new stock repurchase program in January 2024 ("2024 Program") under which the Company may repurchase up to $175.0 million of its Class A common stock currently issued and outstanding. The 2024 Program will be executed in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and will terminate on January 31, 2026 (unless terminated sooner).

During 2024, no shares were repurchased under the 2024 Program. Market conditions and the Company's capital needs will drive decisions regarding additional, future stock repurchases. During 2023, the Company repurchased 2,257,049 shares at an average price of $17.72 per share under the 2022 Program.

Under the 2024 Program, which replaced the 2022 Program, the Company may repurchase shares of its common stock through open market and privately negotiated transactions or otherwise. The timing, pricing, and amount of any repurchases under the 2024 Program will be determined by the Company's management at its discretion based on a variety of factors, including, but not limited to, trading volume and market price of the Company's common stock, corporate considerations, the Company's working capital and investment requirements, general market and economic conditions, and legal requirements. The 2024 Program does not obligate the Company to repurchase any common stock and may be modified, discontinued, or suspended at any time without prior notice. The Company anticipates funding for this 2024 Program to come from available sources of liquidity, including cash on hand and future cash flow.

NOTE 13: TRANSACTIONS WITH RELATED PARTIES

At December 31, 2024 and 2023, Simmons Bank had extensions of credit to executive officers and directors and to companies in which Simmons Bank's executive officers or directors were principal owners in the amount of $5.9 million at December 31, 2024 and $3.2 million at December 31, 2023.

(In thousands)	2024	2023
Balance, beginning of year	$ 3,207	$ 3,672
New extensions of credit	4,341	100
Repayments	(1,637)	(565)
Balance, end of year	$ 5,911	$ 3,207

In management's opinion, such loans and other extensions of credit, deposits and vendor contracts (which were not material) were made in the ordinary course of business and were made on substantially the same terms (including interest rates and collateral) as those prevailing at the time for comparable transactions with unrelated persons or through a competitive bid process. Further, in management's opinion, these extensions of credit did not involve more than the normal risk of collectability or present other unfavorable features.

NOTE 14: EMPLOYEE BENEFIT PLANS

Retirement Plans

The Company offers a qualified 401(k) Plan in which the Company makes matching contributions to encourage employees to save money for their retirement. The 401(k) Plan covers substantially all employees. Under the terms of the 401(k) Plan, employees may defer a portion of their eligible pay, up to the maximum allowed by I.R.S. regulation, and the Company matches 100% of the first 3% of compensation and 50% of the next 2% of compensation for a total match of 4% of eligible pay for each participant who defers 5% or more of his or her eligible pay. Additionally, the Company may make profit-sharing contributions to the 401(k) Plan which are allocated among participants based upon 401(k) Plan compensation without regard to participant contributions. Contribution expense to the plan totaled $14.3 million, $11.9 million and $13.0 million in 2024, 2023 and 2022, respectively.

The Company also provides deferred compensation agreements with certain active and retired officers. The agreements provide monthly payments of retirement compensation for either stated periods or for the life of the participant. The charges to income for the plans was $2.0 million for 2024. There was a $316,000 benefit to income related to the plans for 2023. This benefit was primarily due to a reduction in the present value of the liability resulting from a significant increase in the discount factor used, as compared to previous years. The Company also reversed the accrued unvested liability during 2023 related to a former participant. The charges to income for the plans was $2.2 million for 2022. Such charges reflect the straight-line accrual over the employment period of the present value of benefits due each participant, as of their full eligibility date, using an appropriate discount factor.

Employee Stock Purchase Plan

The Company established an Employee Stock Purchase Plan in 2015 which generally allows participants to make contributions of up to $25,000 per year, for the purpose of acquiring the Company's common stock. At the end of each plan year, full shares of the Company's stock are purchased for each employee based on that employee's contributions. The Company has issued both general and special stock offerings under the plan. Substantially all employees are eligible for the general stock offering, under which full shares of the Company's stock are purchased for an amount equal to 95% of their fair market value at the end of the plan year, or, if lower, 95% of their fair market value at the beginning of the plan year.

The special stock offering is available to substantially all non-highly compensated employees with at least six months of service, and these employees may allocate up to $10,000 to this offering. Under the special stock offering, full shares of the Company's stock are purchased for an amount equal to 85% of their fair market value at the end of the plan year, or, if lower, 85% of their fair market value at the beginning of the plan year.

Stock-Based Compensation Plans

The Company's Board of Directors has adopted various stock-based compensation plans, including the Simmons First National Corporation 2023 Stock and Incentive Plan that was approved by shareholders and became effective April 18, 2023. These plans provide for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock units, performance stock units and stock awards. Pursuant to these plans, shares are reserved for future issuance by the Company upon exercise of stock options or awards of restricted stock, restricted stock units, performance stock units, or stock awards granted to directors, officers and other key employees or consultants.

Stock-based compensation expense for all stock-based compensation awards is based on the grant date fair value. For all awards except stock option awards, the grant date fair value is the market value per share as of the grant date. For stock option awards, the fair value is estimated at the date of grant using the Black-Scholes option-pricing model. This model requires the input of highly subjective assumptions, changes to which can materially affect the fair value estimate. Additionally, there may be other factors that would otherwise have a significant effect on the value of employee stock options granted but are not considered by the model. Accordingly, while management believes that the Black-Scholes option-pricing model provides a reasonable estimate of fair value, the model does not necessarily provide the best single measure of fair value for the Company's employee stock options.

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model that uses various assumptions. Expected volatility is based on historical volatility of the Company's stock and other factors. The Company uses historical data to estimate option exercise and employee termination within the valuation model. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Forfeitures are estimated at the time of grant, and are based partially on historical experience.

The table below summarizes the transactions under the Company's active stock compensation plans at December 31, 2024, 2023 and 2022, and changes during the years then ended:

	Stock Options Outstanding		Non-vested Stock Awards Outstanding		Non-vested Stock Units Outstanding[1]	
(Shares in thousands)	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Grant-Date Fair Value	Number of Shares	Weighted Average Grant-Date Fair Value
Balance, December 31, 2021	473	$ 22.50	2	$ 22.20	1,185	$ 26.51
Granted	—	—	—	—	719	26.42
Stock options exercised	(3)	13.30	—	—	—	—
Stock awards/units vested (earned)	—	—	(2)	22.20	(609)	26.30
Forfeited/expired	—	—	—	—	(98)	25.68
Balance, December 31, 2022	470	22.56	—	—	1,197	26.63
Granted	—	—	—	—	798	21.15
Stock options exercised	(1)	10.65	—	—	—	—
Stock awards/units vested (earned)	—	—	—	—	(490)	24.73
Forfeited/expired	(22)	22.87	—	—	(232)	24.81
Balance, December 31, 2023	447	22.56	—	—	1,273	24.23
Granted	—	—	—	—	895	19.08
Stock options exercised	(88)	21.29	—	—	—	—
Stock awards/units vested (earned)	—	—	—	—	(453)	24.45
Forfeited/expired	(36)	22.52		—	(194)	24.98
Balance, December 31, 2024	323	$ 22.92	—	$ —	1,521	$ 21.04
Exercisable, December 31, 2024	323	$ 22.92				

(1) All stock units (including performance stock units).

The following table summarizes information about stock options under the plans outstanding at December 31, 2024:

		Options Outstanding			Options Exercisable	
Range of Exercise Prices		Number of Shares (In thousands)	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Shares (In thousands)	Weighted Average Exercise Price
$ 22.20	— $ 22.20	5	0.23	$22.20	5	$22.20
22.75	— 22.75	249	0.61	22.75	249	22.75
23.51	— 23.51	62	1.05	23.51	62	23.51
24.07	— 24.07	7	0.71	24.07	7	24.07
$ 22.20	— $ 24.07	323	0.69	$22.92	323	$22.92

The table below summarizes the Company's performance stock unit activity for the years ended December 31, 2024, 2023 and 2022:

(In thousands)	Performance Stock Units
Non-vested, December 31, 2021	331
Granted	184
Vested (earned)	(149)
Forfeited	(14)
Non-vested, December 31, 2022	352
Granted	302
Vested (earned)	(72)
Forfeited	(90)
Non-vested, December 31, 2023	492
Granted	188
Vested (earned)	(42)
Forfeited	(115)
Non-vested, December 31, 2024	523

Stock-based compensation expense was $11.3 million in 2024, $12.2 million in 2023 and $15.3 million in 2022. Stock-based compensation expense is recognized ratably over the requisite service period for all stock-based awards. There was no unrecognized stock-based compensation expense related to stock options at December 31, 2024. Unrecognized stock-based compensation expense related to non-vested stock awards and stock units was $14.7 million at December 31, 2024. At such date, the weighted-average period over which this unrecognized expense is expected to be recognized was 1.6 years.

There was no intrinsic value of stock options outstanding and stock options exercisable at December 31, 2024. Aggregate intrinsic value represents the difference between the Company's closing stock price on the last trading day of the period, which was $22.18 at December 31, 2024, and the exercise price multiplied by the number of options outstanding. There were 87,740 stock options exercised in 2024 with an intrinsic value of $78,000. There were 900 stock options exercised in 2023 with an intrinsic value of $8,000. There were 2,750 stock options exercised in 2022 with no intrinsic value.

The fair value of the Company's employee stock options granted is estimated on the date of grant using the Black-Scholes option-pricing model. This model requires the input of highly subjective assumptions, changes to which can materially affect the fair value estimate. There were no stock options granted during the years ended December 31, 2024, 2023 and 2022.

NOTE 15: ADDITIONAL CASH FLOW INFORMATION

The following is a summary of the Company's additional cash flow information during the years ended December 31:

(In thousands)	2024	2023	2022
Interest paid	$ 652,107	$ 540,816	$ 134,980
Income taxes paid	9,979	20,948	25,084
Transfers of loans to foreclosed assets held for sale	9,697	3,075	1,219
Transfers of assets held for sale to other assets	—	—	100
Transfers of available-for-sale to held-to-maturity securities	—	—	1,992,542

NOTE 16: OTHER INCOME AND OTHER OPERATING EXPENSES

Other income for the years ended December 31, 2024, 2023 and 2022 was $27.5 million, $35.4 million and $27.4 million, respectively. Other income for the year ended December 31, 2023 included a $4.0 million legal reserve recapture associated with previously disclosed legal matters.

Other operating expenses consisted of the following during the years ended December 31:

(In thousands)	2024	2023	2022
Professional services	$ 22,179	$ 19,612	$ 19,138
Postage	8,735	9,458	8,955
Telephone	6,388	6,965	6,394
Credit card expense	12,886	13,243	12,243
Marketing	27,369	24,008	28,870
Software and technology	42,939	42,530	40,906
Operating supplies	2,482	2,591	2,556
Amortization of intangibles	15,403	16,306	15,915
Branch right sizing expense	2,746	5,467	3,475
Other expense	37,393	36,984	41,241
Total other operating expenses	$ 178,520	$ 177,164	$ 179,693

NOTE 17: FAIR VALUE MEASUREMENTS

ASC Topic 820, *Fair Value Measurements* defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements.

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance also establishes a fair value hierarchy that requires the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. ASC Topic 820 describes three levels of inputs that may be used to measure fair value:

- *Level 1 Inputs* – Quoted prices in active markets for identical assets or liabilities.
- *Level 2 Inputs* – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets; quoted prices for similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- *Level 3 Inputs* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the Company's creditworthiness, among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Furthermore, the reported fair value amounts have not been comprehensively revalued since the presentation dates, and therefore, estimates of fair value after the balance sheet date may differ significantly from the amounts presented herein. A more detailed description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy.

Available-for-sale securities – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities would include highly liquid government bonds, mortgage products and certain other financial products. Other securities classified as available-for-sale are reported at fair value utilizing Level 2 inputs. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things. In order to ensure the fair values are consistent with ASC Topic 820, the Company periodically checks the fair values by comparing them to another pricing source, such as Bloomberg. The availability of pricing confirms Level 2 classification in the fair value hierarchy. The third-party pricing service is subject to an annual review of internal controls. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Company's investment in U.S. Treasury securities, if any, is reported at fair value utilizing Level 1 inputs. The remainder of the Company's available-for-sale securities are reported at fair value utilizing Level 2 inputs.

Mortgage loans held for sale – Mortgage loans held for sale are reported at fair value on an aggregate basis. Adjustments to fair value are recognized monthly and reflected in earnings. In determining the fair value of loans held for sale, the Company may consider outstanding investor commitments, discounted cash flow analyses with market assumptions or the fair value of the collateral if the loan is collateral dependent. Such loans are classified within either Level 2 or Level 3 of the fair value hierarchy. Where assumptions are made using significant unobservable inputs, such loans held for sale are classified as Level 3. At December 31, 2024 and 2023, the aggregate fair value of mortgage loans held for sale exceeded their cost.

Derivative instruments – The Company's derivative instruments are reported at fair value utilizing Level 2 inputs. The Company obtains fair value measurements from dealer quotes.

The following table sets forth the Company's financial assets by level within the fair value hierarchy that were measured at fair value on a recurring basis as of December 31, 2024 and 2023.

(In thousands)	Fair Value	Fair Value Measurements: Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements: Significant Other Observable Inputs (Level 2)	Fair Value Measurements: Significant Unobservable Inputs (Level 3)
December 31, 2024				
Available-for-sale securities				
U.S. Treasury	$ 996	$ 996	$ —	$ —
U.S. Government agencies	54,547	—	54,547	—
Mortgage-backed securities	1,392,759	—	1,392,759	—
State and political subdivisions	858,182	—	858,182	—
Other securities	222,942	—	222,942	—
Mortgage loans held for sale	11,417	—	—	11,417
Derivative asset	127,474	—	127,474	—
Derivative liability	(24,032)	—	(24,032)	—
December 31, 2023				
Available-for-sale securities				
U.S. Treasury	$ 2,254	$ 2,254	$ —	$ —
U.S. Government agencies	72,502	—	72,502	—
Mortgage-backed securities	1,940,307	—	1,940,307	—
State and political subdivisions	902,793	—	902,793	—
Other securities	234,297	—	234,297	—
Mortgage loans held for sale	9,373	—	—	9,373
Derivative asset	130,271	—	130,271	—
Derivative liability	(27,584)	—	(27,584)	—

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances. Assets and liabilities measured at fair value on a nonrecurring basis include the following:

Individually assessed loans (collateral-dependent) – When the Company has a specific expectation to initiate, or has initiated, foreclosure proceedings, and when the repayment of a loan is expected to be substantially dependent on the liquidation of underlying collateral, the relationship is deemed collateral-dependent. Fair value of the loan is determined by establishing an allowance for credit loss for any exposure based on the valuation of the underlying collateral. The valuation of the collateral is determined by either an independent third-party appraisal or other collateral analysis. Discounts can be made by the Company based upon the overall evaluation of the independent appraisal. Collateral-dependent loans are classified within Level 3 of the fair value hierarchy due to the unobservable inputs used in determining their fair value such as collateral values and the borrower's underlying financial condition. Collateral values supporting the individually assessed loans are evaluated quarterly for updates to appraised values or adjustments due to non-current valuations.

Foreclosed assets and other real estate owned – Foreclosed assets and other real estate owned are reported at fair value, less estimated costs to sell. At foreclosure, if the fair value, less estimated costs to sell, of the real estate acquired is less than the Company's recorded investment in the related loan, a write-down is recognized through a charge to the allowance for credit losses. Additionally, valuations are periodically performed by management and any subsequent reduction in value is recognized by a charge to income. The fair value of foreclosed assets and other real estate owned is estimated using Level 3 inputs based on unobservable market data.

The significant unobservable inputs (Level 3) used in the fair value measurement of collateral for collateral-dependent loans and foreclosed assets primarily relate to the specialized discounting criteria applied to the borrower's reported amount of collateral. The amount of the collateral discount depends upon the condition and marketability of the collateral, as well as other factors which may affect the collectability of the loan. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset. It is reasonably possible that a change in the estimated fair value for instruments measured using Level 3 inputs could occur in the future. As the Company's primary objective in the event of default would be to liquidate the collateral to settle the outstanding balance of the loan, collateral that is less marketable would receive a larger discount.

The following table sets forth the Company's assets by level within the fair value hierarchy that were measured at fair value on a nonrecurring basis as of December 31, 2024 and 2023.

		Fair Value Measurements Using		
(In thousands)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Individually assessed loans [1][2] (collateral-dependent)	$ 102,580	$ —	$ —	$ 102,580
Foreclosed assets and other real estate owned [1]	881	—	—	881
December 31, 2023				
Individually assessed loans [1][2] (collateral-dependent)	$ 144,604	$ —	$ —	$ 144,604
Foreclosed assets and other real estate owned [1]	1,166	—	—	1,166

(1) These amounts represent the resulting carrying amounts on the consolidated balance sheets for collateral-dependent loans and foreclosed assets and other real estate owned for which fair value re-measurements took place during the period.
(2) Identified reserves of $30.1 million and $18.7 million were related to collateral-dependent loans for which fair value re-measurements took place during the years ended December 31, 2024 and 2023, respectively.

ASC Topic 825, *Financial Instruments*, requires disclosure in annual and interim financial statements of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or nonrecurring basis. The following methods and assumptions were used to estimate the fair value of each class of financial instruments not previously disclosed.

Cash and cash equivalents – The carrying amount for cash and cash equivalents approximates fair value (Level 1).

Interest bearing balances due from banks – The fair value of interest bearing balances due from banks – time is estimated using a discounted cash flow calculation that applies the rates currently offered on deposits of similar remaining maturities (Level 2).

Held-to-maturity securities – Fair values for held-to-maturity securities equal quoted market prices, if available, such as for highly liquid government bonds (Level 1). If quoted market prices are not available, fair values are estimated based on quoted market prices of similar securities. For these securities, the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, the U.S. Treasury yield curve, live trading levels, trade execution data, market consensus prepayment speeds, credit information and the security's terms and conditions, among other things (Level 2). In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Loans – The fair value of loans is estimated by discounting the future cash flows, using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturities. Additional factors considered include the type of loan and related collateral, variable or fixed rate, classification status, remaining term, interest rate, historical delinquencies, loan to value ratios, current market rates and remaining loan balance. The loans were grouped together according to similar characteristics and were treated in the aggregate when applying various valuation techniques. The discount rates used for loans were based on current market rates for new originations of similar loans. Estimated credit losses were also factored into the projected cash flows of the loans. The fair value of loans is estimated on an exit price basis incorporating the above factors (Level 3).

Deposits – The fair value of demand deposits, savings accounts and money market deposits is the amount payable on demand at the reporting date (i.e., their carrying amount) (Level 2). The fair value of fixed-maturity time deposits is estimated using a discounted cash flow calculation that applies the rates currently offered for deposits of similar remaining maturities (Level 3).

Federal Funds purchased, securities sold under agreement to repurchase and short-term debt – The carrying amount for federal funds purchased, securities sold under agreement to repurchase and short-term debt are a reasonable estimate of fair value (Level 2).

Other borrowings – For short-term instruments, the carrying amount is a reasonable estimate of fair value. For long-term debt, rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate the fair value (Level 2).

Subordinated debentures – The fair value of subordinated debentures is estimated using the rates that would be charged for subordinated debentures of similar remaining maturities (Level 2).

Accrued interest receivable/payable – The carrying amounts of accrued interest approximated fair value (Level 2).

Commitments to extend credit, letters of credit and lines of credit – The fair value of commitments is estimated using the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties. For fixed rate loan commitments, fair value also considers the difference between current levels of interest rates and the committed rates. The fair values of letters of credit and lines of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate or otherwise settle the obligations with the counterparties at the reporting date.

The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The estimated fair values, and related carrying amounts, of the Company's financial instruments are as follows:

(In thousands)	Carrying Amount	Fair Value Measurements Level 1	Level 2	Level 3	Total
December 31, 2024					
Financial assets:					
Cash and cash equivalents	$ 687,377	$ 687,377	$ —	$ —	$ 687,377
Interest bearing balances due from banks - time	100	—	100	—	100
Held-to-maturity securities, net	3,636,636	—	2,949,951	—	2,949,951
Interest receivable	123,243	—	123,243	—	123,243
Loans, net	16,770,918	—	—	16,153,128	16,153,128
Financial liabilities:					
Noninterest bearing transaction accounts	4,460,517	—	4,460,517	—	4,460,517
Interest bearing transaction accounts and savings deposits	10,982,022	—	10,982,022	—	10,982,022
Time deposits	6,443,211	—	—	6,429,309	6,429,309
Federal funds purchased and securities sold under agreements to repurchase	37,109	—	37,109	—	37,109
Other borrowings	745,372	—	743,940	—	743,940
Subordinated notes and debentures	366,293	—	361,332	—	361,332
Interest payable	67,111	—	67,111	—	67,111
December 31, 2023					
Financial assets:					
Cash and cash equivalents	$ 614,092	$ 614,092	$ —	$ —	$ 614,092
Interest bearing balances due from banks - time	100	—	100	—	100
Held-to-maturity securities, net	3,726,288	—	3,135,370	—	3,135,370
Interest receivable	122,430	—	122,430	—	122,430
Loans, net	16,620,439	—	—	15,734,766	15,734,766
Financial liabilities:					
Noninterest bearing transaction accounts	4,800,880	—	4,800,880	—	4,800,880
Interest bearing transaction accounts and savings deposits	10,997,425	—	10,997,425	—	10,997,425
Time deposits	6,446,673	—	—	6,414,222	6,414,222
Federal funds purchased and securities sold under agreements to repurchase	67,969	—	67,969	—	67,969
Other borrowings	972,366	—	970,846	—	970,846
Subordinated notes and debentures	366,141	—	349,424	—	349,424
Interest payable	35,618	—	35,618	—	35,618

The fair value of commitments to extend credit, letters of credit and lines of credit is not presented since management believes the fair value to be insignificant.

NOTE 18: COMMITMENTS AND CREDIT RISK

The Company grants agribusiness, commercial and residential loans to customers primarily throughout Arkansas, Kansas, Missouri, Oklahoma, Tennessee and Texas, along with credit card loans to customers throughout the United States. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each customer's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but may include accounts receivable, inventory, property, plant and equipment, commercial real estate and residential real estate.

At December 31, 2024, the Company had outstanding commitments to extend credit aggregating approximately $756.9 million and $4.03 billion for credit card commitments and other loan commitments, respectively. At December 31, 2023, the Company had outstanding commitments to extend credit aggregating approximately $738.2 million and $4.17 billion for credit card commitments and other loan commitments, respectively.

As of December 31, 2024 and 2023, the Company had outstanding commitments to originate fixed-rate mortgage loans of approximately $17.8 million and $16.6 million respectively. The commitments extend over varying periods of time with the majority being disbursed within a thirty-day period.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements, including commercial paper, bond financing and similar transactions. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. The Company had total outstanding letters of credit amounting to $41.6 million and $54.2 million at December 31, 2024 and 2023, respectively, with terms ranging from 9 months to 15 years. At December 31, 2024 and 2023, the Company had no deferred revenue under standby letter of credit agreements.

The Company has purchased letters of credit from the FHLB as security for certain public deposits. The amount of the letters of credit was $1.12 billion and $580.8 million at December 31, 2024 and 2023, respectively, and they expire in less than one year from issuance.

At December 31, 2024, the Company did not have concentrations of 5% or more of the investment portfolio in bonds issued by a single municipality.

NOTE 19: NEW ACCOUNTING STANDARDS

Recently Adopted Accounting Standards

Segment Reporting - In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which expanded reportable segment disclosure requirements through enhanced disclosures about significant segment expenses. The amendments in this update introduced a new requirement to disclose significant segment expenses regularly provided to the chief operating decision maker, extend certain annual disclosures to interim periods, clarify that single reportable segment entities must apply Topic 280 in its entirety, permit more than one measure of segment profit or loss to be reported under certain conditions and require disclosure of the title and position of the chief operating decision maker. ASU 2023-07 was effective for public business entities for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-07 did not have a material impact on the Company's operations, financial position or disclosures. See Note 1, Summary of Significant Accounting Policies, for additional information.

Investment-Income Taxes - In March 2023, the FASB issued ASU No. 2023-02, *Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* ("ASU 2023-02"), that introduced the option to apply the proportional amortization method to account for investments made primarily for the purpose of receiving income tax credits and other income tax benefits when certain requirements are met. The proportional amortization method results in the cost of the investment being amortized in proportion to the income tax credits and other income tax benefits received, with the amortization of the investment and the income tax credits being presented net in the income statement as a component of income tax expense (benefit). ASU 2023-02 was effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 31, 2023, with early adoption permitted. The Company elected to early adopt ASU 2023-02 and apply the proportional amortization method for all income tax credits during the first quarter of 2023 by utilizing the modified retrospective method. The adoption of ASU 2023-02 did not have a material impact on the Company's results of operations, financial position or disclosures.

Credit Losses on Financial Instruments - In March 2022, the FASB issued ASU No. 2022-02, *Financial Instruments - Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* ("ASU 2022-02"), which eliminated the accounting guidance on troubled debt restructurings ("TDRs") for creditors in ASC 310-40 and amended the guidance on "vintage disclosures" to require disclosure of current-period gross write-offs by year of origination. The ASU also updated the requirements related to accounting for credit losses under ASC 326 and added enhanced disclosures for creditors with respect to loan refinancings and restructurings made to borrowers experiencing financial difficulty. ASU 2022-02 was effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. The Company adopted ASU 2022-02 effective January 1, 2023 on a prospective basis. The adoption of ASU 2022-02 did not have a material impact on the Company's results of operations or financial position. See Note 4, Loans and Allowance for Credit Losses, for additional information.

Fair Value Hedging - In March 2022, the FASB issued ASU No. 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method* ("ASU 2022-01"), which clarified the guidance on fair value hedge accounting of interest rate risk for portfolios of financial assets. This ASU amended the guidance in ASU 2017-12 that, among other things, established the "last-of-layer" method for making the fair value hedge accounting for these portfolios more accessible. ASU 2022-01 renamed that method the "portfolio layer" method and expanded the scope of this guidance to allow entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets. This scope expansion was consistent with the FASB's efforts to simplify hedge accounting and allowed entities to apply the same method to similar hedging strategies. ASU 2022-01 was effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted. The adoption of 2022-01 did not have a material impact on the Company's results of operations, financial position or disclosures.

Reference Rate Reform – In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU 2020-04"), which provided relief for companies preparing for discontinuation of interest rates such as LIBOR. LIBOR is a benchmark interest rate referenced in a variety of agreements that are used by numerous entities. On March 5, 2021, the U.K. Financial Conduct Authority ("FCA") announced that the majority of LIBOR rates will no longer be published after December 31, 2021. Effective January 1, 2022, the ICE Benchmark Administration Limited, the administrator of the LIBOR, ceased the publication of one-week and two-month USD LIBOR and as of June 30, 2023, ceased the publications of the remaining tenors of USD LIBOR (one, three, six and 12-month).

Other interest rates used globally could also be discontinued for similar reasons. ASU 2020-04 provided optional expedients and exceptions to contracts, hedging relationships and other transactions affected by reference rate reform. The main provisions for contract modifications include optional relief by allowing the modification as a continuation of the existing contract without additional analysis and other optional expedients regarding embedded features. Optional expedients for hedge accounting permitted changes to critical terms of hedging relationships and to the designated benchmark interest rate in a fair value hedge and also provided relief for assessing hedge effectiveness for cash flow hedges. Companies were able to apply ASU 2020-04 immediately; however, the guidance will only be available for a limited time (generally through December 31, 2022). The Company formed a LIBOR Transition Team in 2020, has created standard LIBOR replacement language for new and modified loan notes, and is monitoring the remaining loans with LIBOR rates monthly to ensure progress in updating these loans with acceptable LIBOR replacement language or converting them to other interest rates.

During 2021, the Company did not offer LIBOR-indexed rates on loans which it originated, although it did participate in some shared credit agreements originated by other banks subject to the Company's determination that the LIBOR replacement language in the loan documents met the Company's standards. Pursuant to the Joint Regulatory Statement on LIBOR transition issued in October 2021, the Company's policy, as of January 1, 2022, is not to enter into any new LIBOR-based credit agreements and not extend, renew, or modify prior LIBOR credit agreements without requiring conversion of the agreements to other interest rates. The adoption of ASU 2020-04 did not have a material impact on the Company's financial position or results of operations.

In January 2021, the FASB issued ASU No. 2021-01, *Reference Rate Reform (Topic 848): Scope* ("ASU 2021-01"), which clarified that certain optional expedients and exceptions in ASC 848 for contract modifications and hedge accounting apply to derivatives that are affected by the changes in the interest rates used for margining, discounting, or contract price alignment for derivative instruments that are being implemented as part of the market-wide transition to new reference rates (commonly referred to as the "discounting transition"). ASU 2021-01 also amended the expedients and exceptions in ASC 848 to capture the incremental consequences of the scope clarification and to tailor the existing guidance to derivative instruments affected by the discounting transition. ASU 2021-01 was effective upon issuance and generally can be applied through December 31, 2022. ASU 2021-01 did not have a material impact on the Company's financial position or results of operations.

In December 2022, the FASB issued ASU No. 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848* ("ASU 2022-06"). ASU 2022-06 deferred the sunset date of Topic 848 from December 31, 2022 to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848.

Leases - In July 2021, the FASB issued ASU No. 2021-05, *Leases (Topic 842): Lessors-Certain Leases with Variable Lease Payments* ("ASU 2021-05"), that amended lease classification requirements for lessors. In accordance with ASU 2021-05, lessors should classify and account for a lease that have variable lease payments that do not depend on a reference index rate as an operating lease if both of the following criteria are met: i) the lease would have been classified as a sales-type lease or a direct financing lease under the previous lease classification criteria and ii) sales-type or direct financing lease classification would result in a Day 1 loss. ASU 2021-05 was effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted. The adoption of ASU 2021-05 did not have a material impact on the Company's results of operations, financial position or disclosures.

Recently Issued Accounting Standards

Disaggregation of Income Statement Expenses - In November 2024, the FASB issued ASU No. 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), that requires footnote disclosure about specific expenses by requiring companies to disaggregate, in a tabular presentation, each relevant expense caption on the face of the income statement that includes any of the following natural expenses: (i) purchases of inventory, (ii) employee compensation, (iii) depreciation, (iv) intangible asset amortization and (v) depreciation, depletion and amortization recognized as part of oil- and gas-producing activities. The tabular disclosure would also include certain other expenses, when applicable. ASU 2024-03 does not change or remove existing expense disclosure requirements; however, it may affect where that information appears in the footnotes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact ASU 2024-03 will have on its results of operations, financial position or disclosures.

Stock Compensation - In March 2024, the FASB issued ASU No. 2024-01, *Compensation-Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards* ("ASU 2024-01"), in response to feedback received by the FASB requesting guidance on how entities should determine the appropriate guidance to apply when accounting for the issuance of profits interest units and similar types of awards. ASU 2024-01 added an example with four fact patterns to ASC 718-10 to assist preparers of financial statements in determining whether profits interest and similar awards should be accounted for within the scope of the guidance. ASU 2024-01 only addresses the scope determination and does not amend the recognition, classification or measurement guidance. ASU 2024-01 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted for interim or annual financial statements that have not yet been issued or made available for issuance. Entities may choose to adopt 2024-01 on a prospective or retrospective basis. The adoption of ASU 2024-01 is not expected to have a material impact on the Company's operations, financial position or disclosures.

Income Taxes - In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"), primarily focused on income tax disclosures regarding effective tax rates and cash income taxes paid. ASU 2023-09 requires public business entities, on an annual basis, to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income by the applicable statutory income tax rate). ASU 2023-09 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2024, with early adoption permitted. The adoption of ASU 2023-09 is not expected to have a material impact on the Company's operations, financial position or disclosures.

Presently, the Company is not aware of any other changes to the Accounting Standards Codification that will have a material impact on the Company's present or future financial position or results of operations.

NOTE 20: DERIVATIVE INSTRUMENTS

The Company utilizes derivative instruments to manage exposure to various types of interest rate risk for itself and its customers within policy guidelines. Transactions should only be entered into with an associated underlying exposure. All derivative instruments are carried at fair value.

Derivative contracts involve the risk of dealing with institutional derivative counterparties and their ability to meet contractual terms. Institutional counterparties must have an investment grade credit rating and be approved by the Company's asset/liability management committee. In arranging these products for its customers, the Company assumes additional credit risk from the customer and from the dealer counterparty with whom the transaction is undertaken. Credit risk exists due to the default credit risk created in the exchange of the payments over a period of time. Credit exposure on interest rate swaps is limited to the net favorable value and interest payments of all swaps with each counterparty. Access to collateral in the event of default is reasonably assured. Therefore, credit exposure may be reduced by the amount of collateral pledged by the counterparty.

Hedge Structures

The Company will seek to enter derivative structures that most effectively address the risk exposure and structural terms of the underlying position being hedged. The term and notional principal amount of a hedge transaction will not exceed the term or principal amount of the underlying exposure. In addition, the Company will use hedge indices which are the same as, or highly correlated to, the index or rate on the underlying exposure. Derivative credit exposure is monitored on an ongoing basis for each customer transaction and aggregate exposure to each counterparty is tracked. The Company has set a maximum outstanding notional contract amount at 25% of the Company's assets.

Fair Value Hedges

For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument as well as the offsetting loss or gain on the hedged asset or liability attributable to the hedged risk are recognized in current earnings. The gain or loss on the derivative instrument is presented on the same income statement line item as the earnings effect of the hedged item. During the third quarter of 2021, the Company began utilizing interest rate swaps designated as fair value hedges to mitigate the effect of changing interest rates on the fair values of fixed rate callable AFS securities. The hedging strategy converts the fixed interest rates to variable interest rates based on federal funds rates. The two year forward start date for these swaps occurred during late third quarter of 2023 and involves the payment of fixed interest rates with a weighted average of 1.21% in exchange for variable interest rates based on federal funds rates. For the year ended December 31, 2024, the net amount included in interest income on investment securities in the consolidated statements of income related to fair value hedges was $42.9 million.

The following table summarizes the fair value hedges recorded in the accompanying consolidated balance sheets.

				December 31, 2024		December 31, 2023	
(In thousands)	Balance Sheet Location	Weighted Average Pay Rate	Receive Rate	Notional	Fair Value	Notional	Fair Value
Derivative assets	Other assets	1.21%	Federal Funds	$ 1,001,715	$ 103,366	$ 1,001,715	$ 102,644

The following amounts were recorded on the balance sheet related to carrying amounts and cumulative basis adjustments for fair value hedges.

	Carrying Amount of Hedged Assets		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Amount of Hedged Assets	
Line Item on the Balance Sheet (In thousands)	2024	2023	2024	2023
Investment securities - Available-for-sale	$ 934,132	$ 940,010	$ 103,595	$ 104,408

Customer Risk Management Interest Rate Swaps

The Company's qualified loan customers have the opportunity to participate in its interest rate swap program for the purpose of managing interest rate risk on their variable rate loans with the Company. The Company enters into such agreements with customers, then offsetting agreements are executed between the Company and an approved dealer counterparty to minimize market risk from changes in interest rates. The counterparty contracts are identical to customer contracts in terms of notional amounts, interest rates, and maturity dates, except for a fixed pricing spread or fee paid to the Company by the dealer counterparty. These interest rate swaps carry varying degrees of credit, interest rate and market or liquidity risks. The fair value of these derivative instruments is recognized as either derivative assets or liabilities in the accompanying consolidated balance sheets. The Company has a limited number of swaps that are standalone without a similar agreement with the loan customer.

The following table summarizes the fair values of loan derivative contracts recorded in the accompanying consolidated balance sheets for the years ended December 31, 2024 and 2023.

	2024		2023	
(In thousands)	Notional	Fair Value	Notional	Fair Value
Derivative assets	$ 748,752	$ 24,108	$ 551,314	$ 27,627
Derivative liabilities	749,683	24,032	552,274	27,584

Risk Participation Agreements

The Company has a limited number of Risk Participation Agreement swaps, that are associated with loan participations, where the Company is not the counterparty to the interest rate swaps that are associated with the risk participation sold. The interest rate swap mark to market only impacts the Company if the swap is in a liability position to the counterparty and the customer defaults on payments to the counterparty. The notional amount of these contingent agreements is $23.1 million as of December 31, 2024.

Energy Hedging

The Company, from time-to-time, has provided energy derivative services to qualifying, high quality oil and gas borrowers for hedging purposes. The Company has served as an intermediary on energy derivative products between the Company's borrowers and dealers. The Company will only enter into back-to-back trades, thus maintaining a balanced book between the dealer and the borrower.

The energy hedging risk exposure to the Company's customer would increase as energy prices for crude oil and natural gas rise. As prices decrease, exposure to the exchange would increase. These risks are mitigated by customer credit underwriting policies and establishing a predetermined hedge line for each borrower and by monitoring the exchange margin.

During the second quarter of 2023, the Company's remaining energy hedge swap contracts expired and there were no outstanding notional values related to these contracts as of December 31, 2024. Currently, the Company generally does not intend to offer hedging services to any remaining energy related customers.

NOTE 21: CONTINGENT LIABILITIES

In the ordinary course of its operations, the Company and its subsidiaries are parties to various legal proceedings incidental to the conduct of its business, including proceedings based on breach of contract claims, lender liability claims, and other ordinary-course claims, some of which seek substantial relief or damages.

The Company establishes reserves for legal proceedings when potential losses become probable and can be reasonably estimated. While the ultimate resolution (including amounts thereof) of any legal proceedings cannot be determined at this time, based on information presently available and after consultation with legal counsel, management believes that the ultimate outcome in such proceedings, either individually or in the aggregate, will not have a material adverse effect on the Company's business, consolidated results of operations, financial condition, or cash flows. It is possible, however, that future developments could result in an unfavorable outcome for or resolution of any of these proceedings, which may be material to the Company's results of operations for a given fiscal period.

NOTE 22: STOCKHOLDERS' EQUITY

Simmons Bank, the Company's subsidiary bank, is subject to legal limitations on dividends that can be paid to the parent company without prior approval of the applicable regulatory agencies. The approval of the Commissioner of the Arkansas State Bank Department is required if the total of all dividends declared by an Arkansas state bank in any calendar year exceeds seventy-five percent (75%) of the total of its net profits, as defined, for that year combined with seventy-five percent (75%) of its retained net profits of the preceding year. Under the foregoing dividend restrictions, and while maintaining its "well capitalized" status, at December 31, 2024, Simmons Bank had paid to the Company all available dividends. Past dividends are not necessarily indicative of amounts that may be paid, or available to be paid, in future periods.

The Company's bank subsidiary is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and its bank subsidiary must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classifications are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The risk-based capital guidelines of the Federal Reserve Board and the Arkansas State Bank Department include the definitions for (1) a well-capitalized institution, (2) an adequately-capitalized institution, and (3) an undercapitalized institution. Under the Basel III Rules effective January 1, 2015, the criteria for a well-capitalized institution are: a 5% "Tier l leverage capital" ratio, an 8% "Tier 1 risk-based capital" ratio, 10% "total risk-based capital" ratio; and a 6.5% "common equity Tier 1 (CET1)" ratio. CET1 generally consists of common stock; retained earnings; accumulated other comprehensive income and certain minority interests; all subject to applicable regulatory adjustments and deductions.

The Company and Simmons Bank must hold a capital conservation buffer of 2.5% composed of CET1 capital above its minimum risk-based capital requirements. Failure to meet this capital conservation buffer would result in additional limits on dividends, other distributions and discretionary bonuses.

Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios (set forth in the table below) of total, Tier 1 and common equity Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 capital (as defined) to average assets (as defined). As of December 31, 2024, the Company and its subsidiary bank met all capital adequacy requirements under the Basel III Capital Rules and exceeded the fully phased in capital conservation buffer.

As of the most recent notification from regulatory agencies, Simmons Bank was well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Company and the Bank must maintain minimum total risk-based, Tier 1 risk-based, common equity Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table. There are no conditions or events since that notification that management believes have changed these categories.

The Company's and the Bank's actual capital amounts and ratios are presented in the following table.

	Actual		Minimum For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provision	
(In thousands)	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
December 31, 2024						
Total Risk-Based Capital Ratio						
Simmons First National Corporation	$ 2,992,132	14.6	$ 1,639,524	8.0	N/A	
Simmons Bank	2,795,430	13.7	1,632,368	8.0	2,040,460	10.0
Tier 1 Risk-Based Capital Ratio						
Simmons First National Corporation	2,535,527	12.4	1,226,868	6.0	N/A	
Simmons Bank	2,573,121	12.6	1,225,296	6.0	1,633,728	8.0
Common Equity Tier 1 Capital Ratio						
Simmons First National Corporation	2,535,527	12.4	920,151	4.5	N/A	
Simmons Bank	2,573,121	12.6	918,972	4.5	1,327,404	6.5
Tier 1 Leverage Ratio						
Simmons First National Corporation	2,535,527	9.7	1,045,578	4.0	N/A	
Simmons Bank	2,573,121	9.9	1,039,645	4.0	1,299,556	5.0
December 31, 2023						
Total Risk-Based Capital Ratio						
Simmons First National Corporation	$ 2,964,917	14.4	$ 1,647,176	8.0	N/A	
Simmons Bank	2,834,126	13.8	1,642,972	8.0	2,053,714	10.0
Tier 1 Risk-Based Capital Ratio						
Simmons First National Corporation	2,493,799	12.1	1,236,595	6.0	N/A	
Simmons Bank	2,663,153	13.0	1,229,148	6.0	1,638,863	8.0
Common Equity Tier 1 Capital Ratio						
Simmons First National Corporation	2,493,799	12.1	927,446	4.5	N/A	
Simmons Bank	2,663,153	13.0	921,861	4.5	1,331,577	6.5
Tier 1 Leverage Ratio						
Simmons First National Corporation	2,493,799	9.4	1,061,191	4.0	N/A	
Simmons Bank	2,663,153	10.0	1,065,261	4.0	1,331,577	5.0

NOTE 23: CONDENSED FINANCIAL INFORMATION (PARENT COMPANY ONLY)

Condensed Balance Sheets
December 31, 2024 and 2023

(In thousands)	2024	2023
ASSETS		
Cash and cash equivalents	$ 287,066	$ 164,439
Investments in wholly-owned subsidiaries	3,570,446	3,603,066
Loans	—	102
Intangible assets, net	133	133
Premises and equipment	18,929	20,498
Other assets	75,707	50,642
TOTAL ASSETS	$ 3,952,281	$ 3,838,880
LIABILITIES		
Long-term debt	$ 383,720	$ 385,285
Other liabilities	39,689	27,107
Total liabilities	423,409	412,392
STOCKHOLDERS' EQUITY		
Common stock	1,257	1,252
Surplus	2,511,590	2,499,930
Undivided profits	1,376,935	1,329,681
Accumulated other comprehensive loss:		
Unrealized depreciation on available-for-sale securities, net of income taxes of $(127,698) and $(143,076) at December 31, 2024 and 2023, respectively	(360,910)	(404,375)
Total stockholders' equity	3,528,872	3,426,488
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 3,952,281	$ 3,838,880

Condensed Statements of Income
Years Ended December 31, 2024, 2023 and 2022

(In thousands)	2024	2023	2022
INCOME			
Dividends from subsidiaries	$ 265,965	$ 166,874	$ 219,868
Other income	570	303	508
Income	266,535	167,177	220,376
EXPENSE	50,075	44,685	46,133
Income before income taxes and equity in undistributed net income of subsidiaries	216,460	122,492	174,243
Provision for income taxes	(12,294)	(10,790)	(9,391)
Income before equity in undistributed net income of subsidiaries	228,754	133,282	183,634
Equity in undistributed net income (loss) of subsidiaries	(76,061)	41,775	72,778
NET INCOME	$ 152,693	$ 175,057	$ 256,412

Condensed Statements of Comprehensive Income
Years Ended December 31, 2024, 2023 and 2022

(In thousands)	2024	2023	2022
NET INCOME	$ 152,693	$ 175,057	$ 256,412
OTHER COMPREHENSIVE INCOME (LOSS)			
Equity in other comprehensive income (loss) of subsidiaries	43,465	113,185	(507,015)
COMPREHENSIVE INCOME (LOSS)	$ 196,158	$ 288,242	$ (250,603)

Condensed Statements of Cash Flows
Years Ended December 31, 2024, 2023 and 2022

(In thousands)	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 152,693	$ 175,057	$ 256,412
Items not requiring (providing) cash			
Stock-based compensation expense	11,290	12,189	15,317
Depreciation and amortization	1,614	1,637	1,981
Deferred income taxes	(1,628)	(1,742)	(652)
Equity in undistributed net income (loss) of bank subsidiaries	76,061	(41,775)	(72,778)
Changes in:			
Other assets	(23,437)	37,720	(26,775)
Other liabilities	12,734	2,293	(28,745)
Net cash provided by operating activities	229,327	185,379	144,760
CASH FLOWS FROM INVESTING ACTIVITIES			
Net collections of loans	102	1,310	1,198
Net purchases of premises and equipment	(45)	(52)	(21)
Cash acquired in business combinations	—	—	60,126
Other, net	24	5,856	1,688
Net cash provided by investing activities	81	7,114	62,991
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term debt, net	(1,717)	(1,664)	(57,436)
Issuance (cancellation) of common stock, net	375	(2,021)	(3,882)
Stock repurchases	—	(40,322)	(111,133)
Dividends paid on common stock	(105,439)	(100,962)	(94,096)
Net cash used in financing activities	(106,781)	(144,969)	(266,547)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	122,627	47,524	(58,796)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	164,439	116,915	175,711
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 287,066	$ 164,439	$ 116,915

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures. Under the supervision and with the participation of our management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) was carried out as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, the Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer have concluded that the Company's current disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Controls. Our management, including the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, regularly review our disclosure controls and procedures and make changes intended to ensure the quality of our financial reporting. There were no changes in our internal control over financial reporting during the Company's fourth quarter of its 2024 fiscal year that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Management's Report on Internal Control Over Financial Reporting. Management's report on internal control over financial reporting, as well as the audit report of Forvis Mazars, LLP on the Company's internal control over financial reporting are included in Item 8, Consolidated Financial Statements and Supplementary Data, of this Annual Report on Form 10-K and are incorporated herein by this reference.

ITEM 9B. OTHER INFORMATION

Trading Arrangements

During the three months ended December 31, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

Indemnification Agreement

On February 25, 2025, Simmons First National Corporation ("Company") entered into an Indemnification Agreement with Christopher Van Steenberg, executive vice president and chief operating officer of the Company. The Indemnification Agreement supplements indemnification provisions already contained in the Company's Amended and Restated Articles of Incorporation (as amended) and Amended and Restated By-Laws and generally provides that the Company shall indemnify Mr. Van Steenberg to the fullest extent permitted by applicable law, subject to certain exceptions, against expenses, judgments, fines and other amounts actually and reasonably incurred in connection with his service as an officer and also provides for rights to advancement of expenses and contribution.

The description of the Indemnification Agreement set forth in this Item 9B is not complete and is qualified in its entirety by reference to the full text of the Indemnification Agreement between the Company and Mr. Van Steenberg, which is included as Exhibit 10.41 to this Annual Report on Form 10-K and is incorporated herein by reference.

Executive Change in Control Severance Agreement

On February 25, 2025, the Company and Simmons Bank entered into an Executive Change in Control Severance Agreement ("CIC Agreement") with Christopher Van Steenberg. The CIC Agreement provides Mr. Van Steenberg with termination compensation if (1) Mr. Van Steenberg's employment is involuntarily terminated without "cause" (as defined in the CIC Agreement) either (a) on or after the date a change in control of the Company occurs or (b) within 180 days immediately preceding the date a change in control of the Company occurs, or (2) a change in control occurs and Mr. Van Steenberg voluntarily terminates his employment within six months following a "trigger event" (as defined in the CIC Agreement). For purposes of the CIC Agreement, a "change in control" includes a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, each as defined in Treasury Regulation Section 1.409A-3(i)(5). For purposes of the CIC Agreement, "termination compensation" means two times the sum of (1) Mr. Van Steenberg's annual base salary as of his termination date and (2) the greater of (a) the average of any annual cash incentive award paid or payable to Mr. Van Steenberg for the Company's last two completed fiscal years prior to his employment termination or (b) Mr. Van Steenberg's target annual cash incentive award opportunity for the year in which Mr. Van Steenberg's employment termination occurs. In order to receive termination compensation under the CIC Agreement, Mr. Van Steenberg must also execute a release of claims. The CIC Agreement provides that Mr. Van Steenberg may elect to continue any life insurance and accidental death and dismemberment coverage, provided that Mr. Van Steenberg will be responsible for payment of any premiums on any such continued coverage elected. The CIC Agreement has a three-year term that automatically renews for additional one-year periods unless the Company elects to terminate; provided that in the event of a change in control of the Company, if the CIC Agreement is still in effect, the CIC Agreement's term will be amended to two years beginning on the date of the change in control.

The description of the CIC Agreement set forth in this Item 9B is not complete and is qualified in its entirety by reference to the full text of the CIC Agreement for Mr. Van Steenberg, which is included as Exhibit 10.40 to this Annual Report on Form 10-K and is incorporated herein by reference.

Bank Owned Life Insurance

The Company's bank subsidiary, Simmons Bank, maintains the Simmons Bank Endorsement Split-Dollar Life Insurance Plan ("Split-Dollar Plan") under which, among other things, Simmons Bank maintains life insurance on the lives of certain officers and provides, subject to certain terms and conditions set forth in the Split-Dollar Plan, a defined, lump sum life insurance benefit upon the death of the officer to such officer's designated beneficiary, surviving spouse or estate ("Benefit"). Among certain other officers, George Makris, Jr., the Company's chairman and chief executive officer, is a participant in the Split-Dollar Plan. Effective February 25, 2025, Mr. Makris's Benefit was increased from $2,547,000 to $3,000,000. Also effective February 25, 2025, C. Daniel Hobbs, the Company's executive vice president and chief financial officer, and Christopher Van Steenberg, the Company's executive vice president and chief operating officer, became participants in the Split-Dollar Plan, and their Benefits are $950,000 and $900,000, respectively.

The description of the Split-Dollar Plan set forth in this Item 9B is not complete and is qualified in its entirety by reference to the full text of the Split-Dollar Plan, which is included as Exhibit 10.16 to this Annual Report on Form 10-K and is incorporated herein by reference.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

This information is incorporated herein by reference from the Company's definitive proxy statement for the Annual Meeting of Shareholders to be held May 7, 2025, to be filed pursuant to Regulation 14A within 120 days of the Company's fiscal year-end (the "Proxy Statement") under the captions "Proposal 2 - Election of Directors," "Audit Committee," "Delinquent Section 16(a) Reports," as applicable, "Codes of Ethics," " Executive Officers," "Insider Trading Policy" and the last two paragraphs under the caption "Transactions with Related Persons."

The table below also sets forth the names and principal occupations of the Company's executive officers.

Name	Principal Occupation
George A. Makris, Jr.	Chairman of the Board and Chief Executive Officer*
James M. Brogdon	President*
C. Daniel Hobbs	Executive Vice President and Chief Financial Officer*
Christopher Van Steenberg	Executive Vice President and Chief Operating Officer*
George A. Makris III	Executive Vice President, General Counsel and Secretary*
Jennifer B. Compton	Executive Vice President and Chief People Officer*
David W. Garner	Executive Vice President and Chief Accounting Officer*
Tina Groves	Executive Vice President and Chief Risk Officer*
Brad Yaney	Executive Vice President of Credit Risk Management, Simmons Bank

* The officer holds the positions at both the Company and Simmons Bank.

The table below also sets forth the names, principal occupations, and employers of the Company's directors.

Name	Principal Occupation and Employer
Marty D. Casteel	Retired Senior Executive Vice President of the Company; Retired Chairman, President and Chief Executive Officer of Simmons Bank
William E. Clark, II	Chairman and Chief Executive Officer, Clark Contractors, LLC
Steven A. Cossé	Retired President and Chief Executive Officer, Murphy Oil Corporation
Mark C. Doramus	Chief Financial Officer, Stephens Inc.
Edward Drilling	Retired Senior Vice President of External and Regulatory Affairs, AT&T Inc.
Eugene Hunt	Attorney, Hunt Law Firm
Jerry Hunter	Senior Counsel, Bryan Cave Leighton Paisner LLP
Susan Lanigan	Retired Executive Vice President and General Counsel, Chico's FAS, Inc.
George A. Makris, Jr.	Chairman of the Board and Chief Executive Officer, the Company and Simmons Bank
Tom Purvis	Partner, L2L Development Advisors, LLC
Robert L. Shoptaw	Retired Executive, Arkansas Blue Cross and Blue Shield
Julie Stackhouse	Retired Executive Vice President, Federal Reserve Bank of St. Louis
Russell W. Teubner	Distinguished Engineer, Broadcom, Inc.
Mindy West	Executive Vice President, Chief Operating Officer, Murphy USA Inc

ITEM 11. EXECUTIVE COMPENSATION

This information is incorporated herein by reference from the Proxy Statement under the captions "Compensation Committee Interlocks and Insider Participation," "Compensation Discussion and Analysis," "Relationship of Compensation Policies and Practices to Risk Management," "Summary of Compensation and Other Payments to the Named Executive Officers," "2024 Pay Ratio Disclosure," "Timing of Option Grants," "Director Compensation," and "2024 Director Compensation."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

This information is incorporated herein by reference from the Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners" and "Equity Compensation Plan Information."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

This information is incorporated herein by reference from the Proxy Statement under the captions "Transactions with Related Persons," "Policies and Procedures for Approval of Related Party Transactions," and the first two paragraphs under the caption "Proposal 2 – Election of Directors."

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

This information is incorporated herein by reference from the Proxy Statement under the caption "Principal Accountant Fees" and the fourth paragraph under the caption "Audit Committee."

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1 and 2. Financial Statements and any Financial Statement Schedules

The financial statements and financial statement schedules listed in the accompanying index to the consolidated financial statements and financial statement schedules are filed as part of this report.

(b) Listing of Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger, dated as of November 13, 2018, by and between Simmons First National Corporation and Reliance Bancshares, Inc., as amended on February 11, 2019 (incorporated by reference to Annex A to the Proxy Statement/Prospectus filed pursuant to Rule 424(b)(3) by Simmons First National Corporation filed on March 4, 2019 (File No. 333-229378)).
2.2	Agreement and Plan of Merger, dated as of July 30, 2019, by and between Simmons First National Corporation and The Landrum Company (incorporated by reference to Exhibit 2.1 to Simmons First National Corporation Current Report on Form 8-K filed on July 31, 2019 (File No. 000-6253)).
2.3	Agreement and Plan of Merger, dated as of June 4, 2021, by and among Simmons First National Corporation, Simmons Bank and Landmark Community Bank (incorporated by reference to Annex A to the Registration Statement on Form S-4 filed under the Securities Act of 1933 by Simmons First National Corporation on July 21, 2021 (File No. 333-258059)).
2.4	Agreement and Plan of Merger, dated as of June 4, 2021, by and between Simmons First National Corporation and Triumph Bancshares, Inc. (incorporated by reference to Annex B to the Registration Statement on Form S-4 filed under the Securities Act of 1933 by Simmons First National Corporation on July 21, 2021 (File No. 333-258059)).
2.5	Agreement and Plan of Merger, dated as of November 18, 2021, by and between Simmons First National Corporation and Spirit of Texas Bancshares, Inc. (incorporated by reference to Annex A to the Registration Statement on Form S-4 filed under the Securities Act of 1933 by Simmons First National Corporation on January 18, 2022 (File No. 333-261842)).

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Simmons First National Corporation, as amended on July 14, 2021 (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-4 filed under the Securities Act of 1933 by Simmons First National Corporation on July 21, 2021 (File No. 333-258059)).
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of Simmons First National Corporation, dated August 3, 2022 (incorporated by reference to Exhibit 3.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (File No. 000-06253)).
3.3	Amended and Restated By-Laws of Simmons First National Corporation (incorporated by reference to Exhibit 3.1 to Simmons First National Corporation's Current Report on Form 8-K filed on December 26, 2023 (File No. 000-06253)).
4.1	Instruments defining the rights of security holders, including indentures. Simmons First National Corporation hereby agrees to furnish copies of instruments defining the rights of holders of long-term debt of the Corporation and its consolidated subsidiaries to the U.S. Securities and Exchange Commission upon request. No issuance of debt exceeds ten percent of the total assets of the Corporation and its subsidiaries on a consolidated basis.
4.2	Description of Registrant's Securities.*
10.1	Second Amended and Restated Simmons First National Corporation 2015 Incentive Plan (incorporated by reference to Exhibit 10.1 to Amendment No. 1 to Simmons First National Corporation's Current Report on Form 8-K filed on April 7, 2020 (File No. 000-06253)).^
10.2	Form of Associate Restricted Stock Unit Award Certificate and Terms and Conditions (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 000-06253)).^
10.3	Form of Associate Restricted Stock Unit Award Certificate and Terms and Conditions (2022) (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 000-06253)).^
10.4	Form of Associate Performance Share Unit Award Certificate and Terms and Conditions (2020) (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 000-06253)).^
10.5	Form of Associate Performance Share Unit Award Certificate and Terms and Conditions (2021) (incorporated by reference to Exhibit 10.4 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2021 (File No. 000-06253)).^
10.6	Form of Associate Performance Share Unit Award Certificate and Terms and Conditions (2022) (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 000-06253)).^
10.7	Form of Associate Cash Award Certificate and Terms and Conditions (incorporated by reference to Exhibit 10.5 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2021 (File No. 000-06253)).^
10.8	Form of Associate Cash Award Certificate and Terms and Conditions (2022) (incorporated by reference to Exhibit 10.4 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 000-06253)).^
10.9	Form of Director Restricted Stock Unit Award Certificate and Terms and Conditions (incorporated by reference to Exhibit 10.5 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 000-06253)).^
10.10	Form of Director Restricted Stock Unit Award Certificate and Terms and Conditions (2022) (incorporated by reference to Exhibit 10.5 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 000-06253)).^

Exhibit No.	Description
10.11	Deferred Compensation Agreement for Marty D. Casteel dated January 22, 2018 (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-06253)).^
10.12	Deferred Compensation Agreement for George A. Makris, Jr. dated January 2, 2013 (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Current Report on Form 8-K filed on January 7, 2013 (File No. 000-06253)).^
10.13	Amendment to Deferred Compensation Agreement for George A. Makris, Jr. dated January 25, 2018 (incorporated by reference to Exhibit 10.4 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 000-06253)).^
10.14	Amended and Restated Deferred Compensation Agreement for Robert A. Fehlman effective February 27, 2017 (incorporated by reference to Exhibit 10.25 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2016 (File No. 000-06253)).^
10.15	First Amended and Restated Executive Change in Control Severance Agreement for George A. Makris, Jr. dated March 26, 2021 (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Current Report on Form 8-K filed on April 1, 2021 (File No. 000-06253)).^
10.16	Simmons Bank Endorsement Split-Dollar Life Insurance Plan.*^
10.17	Deferred Compensation Agreement for Marty D. Casteel dated January 25, 2010 (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Current Report on Form 8-K filed on January 29, 2010 (File No. 000-06253)).^
10.18	Amended and Restated Executive Severance Agreement for Robert A. Fehlman dated March 1, 2006 (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Current Report on Form 8-K filed on March 2, 2006 (File No. 000-06253)).^
10.19	First Amendment to Amended and Restated Executive Severance Agreement for Robert A. Fehlman dated March, 1, 2006. (incorporated by reference to Exhibit 10.14 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 000-06253)).^
10.20	Second Amendment to Amended and Restated Executive Severance Agreement for Robert A. Fehlman dated March 1, 2006. (incorporated by reference to Exhibit 10.15 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2020 (File No. 000-06253)).^
10.21	Deferred Compensation Agreement for Jennifer B. Compton dated February 28, 2017 (incorporated by reference to Exhibit 10.11 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 000-06235)).^
10.22	First Amendment to Deferred Compensation Agreement for Jennifer B. Compton dated July 27, 2022 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (File No. 000-06235)).^
10.23	First Amended and Restated Executive Change in Control Severance Agreement for Jennifer B. Compton dated March 26, 2021 (incorporated by reference to Exhibit 10.5 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 000-06253)).^
10.24	First Amended and Restated Executive Change in Control Severance Agreement for David Garner dated March 26, 2021 (incorporated by reference to Exhibit 10.7 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 000-06253)).^
10.25	First Amended and Restated Executive Change in Control Severance Agreement for George A. Makris III dated March 26, 2021 (incorporated by reference to Exhibit 10.6 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 000-06253)).^
10.26	Deferred Compensation Agreement for George A. Makris III dated March 11, 2022 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 (File No. 000-06253)).^

Exhibit No.	Description
10.27	First Amendment to Deferred Compensation Agreement for George A. Makris III dated July 27, 2022 (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (File No. 000-06235)).^
10.28	Deferred Compensation Agreement for David Garner dated January 2, 2020 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (File No. 000-06253)).^
10.29	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 (File No. 000-06253)).^
10.30	Indemnification Agreement for James M. Brogdon dated July 30, 2021 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Current Report on Form 8-K filed on August 5, 2021 (File No. 000-06253)).^
10.31	Executive Change in Control Severance Agreement for James M. Brogdon dated July 30, 2021 (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Current Report on Form 8-K filed on August 5, 2021 (File No. 000-06253)).^
10.32	Deferred Compensation Agreement for James M. Brogdon dated July 30, 2021 (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Current Report on Form 8-K filed on August 5, 2021 (File No. 000-06253)).^
10.33	Simmons First National Corporation Directors Deferred Compensation Plan (Amended and Restated Effective December 31, 2022) (incorporated by reference to Exhibit 10.36 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2022 (File No. 000-06253)).^
10.34	Second Amendment to Deferred Compensation Agreement for George A. Makris, Jr. dated January 25, 2023 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Current Report on Form 8-K filed January 25, 2023 (File No. 000-06253)).^
10.35	Form of Associate Restricted Stock Unit Award Certificate and Terms of Conditions (2015 Plan - 2023) (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 000-06253)).^
10.36	Form of Associate Performance Share Unit Award Certificate and Terms and Conditions (2015 Plan - 2023) (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 000-06253)).^
10.37	Form of Associate Cash Award Certificate and Terms and Conditions (2015 Plan - 2023) (incorporated by reference to Exhibit 10.4 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 000-06253)).^
10.38	Executive Change in Control Severance Agreement for Tina Groves dated May 7, 2021.*^
10.39	Indemnification Agreement for Tina Groves dated May 7, 2021.*^
10.40	Executive Change in Control Severance Agreement for Christopher Van Steenberg dated February 25, 2025.*^
10.41	Indemnification Agreement for Christopher Van Steenberg dated February 25, 2025.*^
10.42	Executive Change in Control Severance Agreement for Brad Yaney dated November 4, 2022 (incorporated by reference to Exhibit 10.9 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 000-06253)).^
10.43	Indemnification Agreement for Brad Yaney dated November 4, 2022 (incorporated by reference to Exhibit 10.10 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 (File No. 000-06253)).^

Exhibit No.	Description
10.44	Simmons First National Corporation 2023 Stock and Incentive Plan (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Current Report on Form 8-K filed on April 19, 2023 (File No. 000-06253)).^
10.45	Form of Non-Employee Director Restricted Stock Unit Award Agreement (2023 Plan – for awards on or after April 18, 2023) (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (File No. 000-06253)).^
10.46	Form of Associate Restricted Stock Unit Award Agreement (2023 Plan – for awards on or after May 23, 2023) (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 (File No. 000-06253)).^
10.47	Indemnification Agreement for C. Daniel Hobbs dated January 25, 2024 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Current Report on Form 8-K filed on January 26, 2024 (File No. 000-06253)).^
10.48	Executive Change in Control Severance Agreement for C. Daniel Hobbs dated January 25, 2024 (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Current Report on Form 8-K filed on January 26, 2024 (File No. 000-06253)).^
10.49	Deferred Compensation Agreement for C. Daniel Hobbs dated January 25, 2024 (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Current Report on Form 8-K filed on January 26, 2024 (File No. 000-06253)).^
10.50	Aircraft Time Sharing Agreement between Simmons First National Corporation and Steve Cossé, dated July 1, 2024 (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 (File No. 000-06253)).
10.51	Form of Associate Restricted Stock Unit Award Agreement (2023 Plan – 2024 Form) (incorporated by reference to Exhibit 10.1 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (File No. 000-06253)).^
10.52	Form of Performance Cash Award Agreement (2023 Plan – 2024 Form) (incorporated by reference to Exhibit 10.2 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (File No. 000-06253)).^
10.53	Form of Performance Share Unit Award Agreement (2023 Plan – 2024 Form) (incorporated by reference to Exhibit 10.3 to Simmons First National Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (File No. 000-06253)).^
14.1	Simmons First National Corporation Code of Ethics (as amended and restated on December 19, 2023) (incorporated by reference to Exhibit 14.1 to Simmons First National Corporation's Current Report on Form 8-K filed on December 26, 2023 (File No. 000-06253)).
14.2	Simmons First National Corporation Finance Group Code of Ethics, (as amended and restated on December 19, 2023) (incorporated by reference to Exhibit 14.2 to Simmons First National Corporation's Current Report on Form 8-K filed on December 26, 2023 (File No. 000-06253)).
19	Simmons First National Corporation Insider Trading Policy.*
21	Subsidiaries of the Registrant.*
23	Consent of Forvis Mazars, LLP.*
31.1	Rule 13a-15(e) and 15d-15(e) Certification – George A. Makris, Jr., Chairman and Chief Executive Officer.*
31.2	Rule 13a-15(e) and 15d-15(e) Certification – C. Daniel Hobbs, Executive Vice President and Chief Financial Officer.*
31.3	Rule 13a-15(e) and 15d-15(e) Certification – David W. Garner, Executive Vice President and Chief Accounting Officer.*

Exhibit No.	Description
32.1	Certification Pursuant to 18 U.S.C. Sections 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – George A. Makris, Jr., Chairman and Chief Executive Officer.*
32.2	Certification Pursuant to 18 U.S.C. Sections 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – C. Daniel Hobbs, Executive Vice President and Chief Financial Officer.*
32.3	Certification Pursuant to 18 U.S.C. Sections 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – David W. Garner, Executive Vice President and Chief Accounting Officer.*
97	Simmons First National Corporation Compensation Clawback Policy (incorporated by reference to Exhibit 97 to Simmons First National Corporation's Annual Report on Form 10-K for the year ended December 31, 2023 (File No. 000-06253)).^
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. * / **
101.SCH	Inline XBRL Taxonomy Extension Schema.* / **
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.* / **
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.* / **
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase. * / **
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.* / **
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). **

*	Filed herewith
**	Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.
^	Management contract or a compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/ James M. Brogdon — February 27, 2025
James M. Brogdon, President

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on or about February 27, 2025.

Signature	Title
/s/ George A. Makris, Jr. George A. Makris, Jr.	Chairman, Chief Executive Officer and Director (Principal Executive Officer)
/s/ James M. Brogdon James M. Brogdon	President
/s/ C. Daniel Hobbs C. Daniel Hobbs	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ David W. Garner David W. Garner	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)
/s/ Marty D. Casteel Marty D. Casteel	Director
/s/ William E. Clark, II William E. Clark, II	Director
/s/ Steven A. Cossé Steven A. Cossé	Director
/s/ Mark C. Doramus Mark C. Doramus	Director
/s/ Edward Drilling Edward Drilling	Director
/s/ Eugene Hunt Eugene Hunt	Director
/s/ Jerry M. Hunter Jerry M. Hunter	Director
/s/ Susan Lanigan Susan Lanigan	Director

/s/ Tom Purvis	Director
Tom Purvis	
/s/ Robert L. Shoptaw	Director
Robert L. Shoptaw	
/s/ Julie Stackhouse	Director
Julie Stackhouse	
/s/ Russell W. Teubner	Director
Russell W. Teubner	
	Director
Mindy West	

Exhibit 4.2

DESCRIPTION OF REGISTRANT'S SECURITIES
REGISTERED UNDER SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

Simmons First National Corporation's ("Company," "we," "us," or "our") Class A Common Stock, par value $0.01 per share ("common stock"), is the only class of its securities registered under Section 12 of the Securities Exchange Act of 1934, as amended.

DESCRIPTION OF COMMON STOCK

The following description of our common stock and the relevant provisions of our amended and restated articles of incorporation (as amended) ("Articles") and amended and restated by-laws ("By-laws") is a summary and does not purport to be complete. The description is not exhaustive and is subject to and qualified in its entirety by reference to our Articles and By-laws, as well as to applicable federal and state law. Our Articles and By-laws are included as exhibits to our Annual Report on Form 10-K of which this Exhibit 4.2 forms a part. We encourage you to carefully read our Articles, By-laws, and the applicable provisions of federal and state law for additional information.

General

Pursuant to the Articles, we are authorized to issue 350,000,000 shares of common stock and 40,040,000 shares of preferred stock ("preferred stock").

Our common stock is listed on the Nasdaq Global Select Market.

Dividends

The holders of our common stock are entitled to receive ratably dividends when and if declared by our board of directors out of funds legally available thereof.

Holders of our debt securities have priority to distributions and payment over holders of our common stock. Under the terms of our preferred stock, our ability to declare or pay dividends on, or purchase, redeem, or otherwise acquire, shares of our common stock is subject to certain restrictions in the event that we do not declare and pay (or have set aside) dividends on the preferred stock for the most recent dividend period.

Voting Rights

A majority of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of the shareholders.

The holders of our common stock have one vote per share on all matters submitted to a vote of our shareholders.

In an uncontested election, directors are elected by a majority of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote thereon. In a contested election, directors are elected by a plurality of the votes cast by the shares present in person or represented by proxy at the meeting and entitled to vote thereon.

There are no cumulative voting rights for the election of directors.

Preemptive and Other Rights

Holders of our common stock have no preemptive, subscription, redemption, sinking fund or conversion rights.

Liquidation Rights

In the event of our liquidation, dissolution or winding up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any outstanding preferred stock.

Classification of the Board

Our board of directors is not classified.

Antitakeover Effects of Certain Provisions in our Articles

Our Articles contain certain provisions that could delay, discourage or prevent an attempted acquisition or change of control of the Company.

Our Articles define "Interested Stockholder" to mean any person (other than the Company) who:

(i) is the beneficial owner, directly or indirectly, of more than 10% of our common stock; or

(ii) is an affiliate of the Company and at any time within two years prior thereto was the beneficial owner, directly or indirectly, of not less than 6% of the then outstanding shares of common stock.

Article ELEVENTH requires the approval of shareholders owning at least 80% of our common stock for any acquisition of the Company by merger or consolidation or by asset acquisition unless approved by the affirmative vote of 80% of all directors (provided that, in the event the proponent of the acquisition (or its affiliates or associates) is an Interested Stockholder, then 80% of the directors who were in office prior to the proponent of the acquisition becoming an Interested Stockholder).

Article THIRTEENTH of our Articles requires our board of directors to consider the following matters prior to making any recommendation concerning any tender offer, merger offer or other acquisitive offer for our shares or assets:

- the likely impact on us, our subsidiaries, shareholders and employees and the communities served by us;
- the timeliness of the proposed transaction considering the business climate and our strategic plans;
- the possibility of any legal defects or regulatory issues involved in the proposed transaction;
- the risk of non-consummation of the transaction due to lack of financing, regulatory issues or other identified risks;
- current market price of our common stock and consolidated assets;
- book value of our common stock;
- the relationship of the offered price for our common stock to our board of directors' opinion of our current value in a negotiated transaction;
- the relationship of the offered price for our common stock to our board of directors' opinion of our future value as an independent entity; and
- such other factors as our board of directors may deem pertinent.

Article FOURTEENTH requires the affirmative vote of 80% of the shares entitled to vote to amend, repeal or modify any provision of our Articles unless such amendment, repeal or modification is approved by 80% of all directors (provided that, in the event the proponent of any business combination (or its affiliates or associates) is an Interested Stockholder, then 80% of the directors who were in office prior to the proponent of the business combination becoming an Interested Stockholder).

Finally, our board of directors, without shareholder approval, has the authority under our Articles to issue preferred stock with rights superior to the rights of the holders of common stock. As a result, preferred stock, while not intended as a defensive measure against takeovers, could be issued quickly and easily, which may adversely affect the rights of holders of common stock and could make it more difficult or time consuming for a third party to acquire a majority of our outstanding voting stock or otherwise effect a change of control. Within certain limits, our board of directors may issue preferred stock for capital raising transactions, acquisitions, joint ventures or other corporate purposes that has the effect of making an acquisition of the Company more difficult or costly.

Transfer Agent

The transfer agent and registrar for our common stock is Computershare Limited.

Exhibit 10.16

SIMMONS BANK
ENDORSEMENT SPLIT-DOLLAR
LIFE INSURANCE PLAN

EFFECTIVE APRIL 26, 2021

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SIMMONS BANK
ENDORSEMENT SPLIT-DOLLAR
LIFE INSURANCE PLAN

This Simmons Bank Endorsement Split-Dollar Life Insurance Plan ("Plan") is adopted by Simmons Bank effective April 26, 2021 for the benefit of certain Eligible Employees who agree to participate in the Plan.

WHEREAS, Simmons Bank previously established the Simmons First Endorsement Split Dollar Life Insurance Program effective December 1, 2005 (“2005 Program”) under which thirty-eight (38) currently active Simmons Bank employees participate who are set forth on Schedule A;

WHEREAS, the 2005 Program provides that prior to a Change in Control the terms of the 2005 Program may be amended at any time, in whole or in part, by Simmons Bank; provided that the amendment shall not reduce the vested benefits payable on behalf of a deceased employee, a disabled employee or any living employee age 62 or over;

WHEREAS, it is the intention of Simmons Bank to replace the terms of the 2005 Program with the terms of this Plan as of the Effective Date for the currently active Simmons Bank employees set forth on Schedule A, but only with respect to such an employee who provides their consent to such replacement as evidenced in their Participation Certificate;

WHEREAS, the Policies previously purchased pursuant to the terms of the 2005 Program which insure the currently active Simmons Bank employees set forth on Schedule A shall upon the Effective Date and the execution of the Participation Certificate by such employees become subject to the terms and conditions of this Plan;

WHEREAS, future Plan Participants will agree to permit Simmons Bank to purchase one or more Policies and participate in this Plan, as evidenced by the Participant's execution of the Participation Certificate; and

NOW, THEREFORE, in consideration of the premises and of the mutual promises contained herein, Simmons Bank and each Participant agree as follows:

1. ***Definitions.*** For purposes of this Plan, the following terms shall have the meanings set forth below.

(a) "Administrator" shall mean the Compensation Committee of the Board of Directors of Simmons First National Corporation, or such other individuals or committee as shall from time to time be designated in writing as the administrator of the Plan by the Compensation Committee. The administration of the Plan, the exclusive and discretionary power to determine eligibility for participation, to decide any disputes arising under the Plan, to interpret the terms of the Plan, and the responsibility for carrying out the Plan's provisions shall be vested in the Administrator. In exercising any discretion under the Plan, the Administrator shall have sole, absolute and discretionary authority, final and binding on all affected persons, to the maximum extent permitted by applicable law. The Administrator shall be the named fiduciary and "plan administrator" for the Plan within the meaning of ERISA.

(b) “Beneficiary” shall mean the persons or entity designated on the Participant’s Beneficiary Designation to receive the Participant Death Benefit. If no valid Beneficiary Designation has been filed with the Administrator, or if the persons on the Participant’s Beneficiary Designation all predecease the Participant and no entity is designated, upon the Participant’s death the Beneficiary will be the Participant’s Surviving Spouse, or if the Participant does not have a Surviving Spouse the Beneficiary will be the Participant’s estate.

(c) “Beneficiary Designation” shall mean the form established by the Administrator that a Participant completes, signs and returns to the Administrator to designate a Beneficiary.

(d) “Cash Surrender Value” shall mean the accrued cash surrender value of the applicable Policy as determined by the Insurer of such Policy.

(e) “Cause” shall mean any of the following that result in an adverse effect on Simmons Bank: (i) gross negligence or gross neglect; (ii) the commission of a felony or gross misdemeanor involving moral turpitude, fraud, or dishonesty; (iii) the willful violation of any law, rule, or regulation (other than a traffic violation or similar offense); (iv) an intentional failure to perform stated duties; or (v) a breach of fiduciary duty involving personal profit.

(f) “Change in Control” shall mean a change in ownership or effective control of Simmons First National Corporation, or a change in the ownership of a substantial portion of the assets of Simmons First National Corporation, each as defined in Treasury Regulation Section 1.409A-3(i)(5) for Section 409A of the Code or any subsequently applicable Treasury Regulation.

(g) “Code” shall mean the Internal Revenue Code, as amended.

(h) “Death Benefit Proceeds” shall mean the proceeds paid by the Insurer pursuant to the Policies upon the Participant’s death.

(i) “Disabled” shall mean shall mean a Participant is determined to be eligible for long term disability benefits under a long term disability insurance policy.

(j) “Effective Date” shall mean April 26, 2021.

(k) “Eligible Employee” shall mean an employee of Simmons Bank who is a member of Simmons Banks’s select group of management employees and is either a highly compensated employee within the meaning of Section 101(j)(2)(A)(ii)(II) of the Code or a highly compensated individual within the meaning of Section 101(j)(2)(A)(ii)(III) of the Code at the time the Policy is issued. An Eligible Employee shall also include a member of the Board of Directors of Simmons Bank at the time the Policy is issued.

(l) “ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

(m) “Insurer” shall mean the insurance carrier for the Policies.

(n) “Net Amount At Risk” shall mean the portion of the Death Benefit Proceeds equal to the excess of the amount of the Death Benefit Proceeds over the amount of the Cash Surrender Value of the Policies.

(o) “Participant Death Benefit” shall mean the lesser of (i) the stated dollar amount set forth on the Participant’s Participation Certificate as the Participant Death Benefit, or (ii) the Net Amount At Risk portion of the Death Benefit Proceeds.

(p) “Participant” shall mean an Eligible Employee of Simmons who has been selected to participate in the Plan by the Administrator and has executed a Participation Certificate. Each of the employees listed on Schedule A shall also be a Participant.

(q) “Participation Certificate” shall mean the Participation Certificate substantially in the form set forth on Schedule B which is executed by each Participant in the Plan.

(r) “Plan” shall mean this Simmons Bank Endorsement Split-Dollar Life Insurance Plan document, as amended, and shall include the Participation Certificate executed by each Participant.

(s) “Policy” or “Policies” shall mean the in-force life insurance policies purchased by Simmons Bank on the life of the Participant as set forth on the Participant’s Participation Certificate, which shall be subject to the terms and conditions of this Plan.

(t) “Simmons Bank” shall mean Simmons Bank and any affiliate of Simmons Bank which is 80% or more controlled, directly or indirectly, by Simmons First National Corporation.

(u) "Surviving Spouse" shall mean the person to whom the Participant is married upon the Participant's date of death.

2. ***Replacement of 2005 Program for Schedule A Participants***. The active Simmons Bank employees set forth on Schedule A who previously participated in the 2005 Program shall on and after the Effective Date and execution of their Participation Certificate participate in this Plan in accordance with the terms of this Plan. The Policies purchased pursuant to the terms of the 2005 Program with respect to each such Participant shall upon execution of such Participant's Participation Certificate be subject to the terms and conditions of this Plan.

3. ***Ownership of Policies.*** Simmons Bank shall be the sole and absolute owner of the Policies, and may exercise all ownership rights granted to the owner thereof by the terms of the Policies, without the consent of the Participant.

4. ***Beneficiary Designation.*** A Participant shall have the right and power to designate a Beneficiary and to elect and change a payment option for such Beneficiary, subject to any right or interest that Simmons Bank may have in the Death Benefit Proceeds, as provided under this Plan.

5. ***Cash Surrender Value.*** Simmons Bank shall at all times be entitled to the Cash Surrender Values under the terms of the Policies. A Participant shall have no right, at any time, to surrender the Policies, take or borrow against the Cash Surrender Values of the Policies or any other right or power constituting an incident of ownership in the Policies.

6. ***Division of Death Benefit Proceeds during Participation in the Plan.*** Prior to the Participant's termination of participation in the Plan pursuant to Section 8, the division of the Death Benefit Proceeds of the Policies is as follows:

(a) **Participant's Share**. Upon the death of the Participant, the Beneficiary shall be entitled to an amount equal to the Participant Death Benefit.

(b) **Simmons Bank's Share**. Simmons Bank shall be entitled to the remainder of the Death Benefit Proceeds, which shall include the amount of the Death Benefit Proceeds in excess of the amount of the Participant Death Benefit.

(c) **Interest Income on the Death Benefit Proceeds**. If, upon the death of a Participant, a Beneficiary is entitled to any portion of the Death Benefit Proceeds, Simmons Bank and the Beneficiary shall share in any interest income paid by the Insurer with respect to the Death Benefit Proceeds on a pro-rata basis as the proceeds due each respectively bears to the total Death Benefit Proceeds, excluding any such interest.

7. ***Premium Payments.***

(a) Unless Simmons Bank shall surrender or terminate the Policies as permitted herein, Simmons Bank shall pay an amount equal to the planned premiums and any other premium payments that might become necessary to keep the Policies in force.

(b) Simmons Bank shall annually furnish to the Participant a statement of the amount reportable by the Participant for federal and state income tax purposes, if any, as a result of the insurance protection provided during the Participant's participation in the Plan.

8. ***Termination of Participation in the Plan.*** Upon a Participant's termination of participation in the Plan, Simmons Bank may, in its sole discretion, continue to maintain the Policies, and if Simmons Bank does continue to maintain such Policies, Simmons Bank will then be entitled to the entire amount of Death Benefit Proceeds with respect to the Policies and no amount shall then be paid to the former Participant's Beneficiary upon the death of the former Participant. A Participant's participation in the Plan will terminate upon the Participant's termination of employment with Simmons Bank (or if the Participant is, at the time Participant becomes a Participant, a non-employee member of the Board of Directors of Simmons Bank, upon such Participant's resignation or removal from, or failure to be reelected to, the Board of Directors), except as otherwise provided below:

(a) If the Participant's employment with Simmons Bank is terminated for any reason other than for Cause after attainment of age 59½ and prior to attainment of age 65, then the Participant shall continue to participate in the Plan unless such Participant shall at any time during a period of two (2) years after termination of employment with Simmons Bank directly or indirectly, as owner, officer, employee, independent contractor, agent or in any other capacity, take part or engage in any manner in any business, activity or endeavor within the region served by Simmons Bank which, in the sole determination of the Administrator, shall be in competition with the business of Simmons Bank in such region.

(b) If the Participant's employment with Simmons Bank is terminated for any reason other than for Cause after attainment of age 65, then the Participant shall continue to participate in the Plan.

(c) If the Participant terminates employment as a result of becoming Disabled while employed by Simmons Bank (or, in the case of a non-employee director Participant, if the Participant resigns from the Board of Directors as a result of becoming Disabled while serving on the Board of Directors), then the Participant shall continue to participate in the Plan.

(d) If the Participant's employment with Simmons Bank (or its successor) is terminated for any reason other than for Cause on or after a Change in Control, then the Participant shall continue to participate in the Plan.

9. ***Status of Plan under ERISA.*** This Plan is intended to be an "employee welfare benefit plan" within the meaning of Section 3(1) of ERISA and is intended to qualify as a plan maintained for purposes of providing benefits for a select group of management and highly compensated employees under Title I of ERISA.

10. ***Funding Policy.*** Except for the surrender or termination of a Policy pursuant to Section 12, the funding policy for this Plan shall be to maintain the Policies in force by paying, when due, all premiums required.

11. ***Claims.***

(a) **Filing of Claim.** Any person claiming a benefit, requesting an interpretation or ruling under this Plan, or requesting information under this Plan shall present the request in writing to the Administrator, which shall respond in writing within a reasonable period of time, but not later than ninety (90) days after receipt of the request.

(b) **Denial of Claim.** If the claim or request is denied, the written notice of denial shall state:

(i) The reason for denial, with specific reference to the provisions in this instrument on which the denial is based;

(ii) A description of any additional material or information required and an explanation of why it is necessary; and

(iii) An explanation of the Plan's claims review procedure.

(c) **Review of Claim.** Any person whose claim or request is denied may request a review by notice given to Administrator within sixty (60) days following receipt of notification of the adverse determination. The claim or request shall be reviewed by Administrator which may, but shall not be required to, grant the claimant a hearing. On review, the claimant may have representation, examine pertinent documents, and submit issues and comments in writing.

(d) **Final Decision.** The decision on review shall normally be made within sixty (60) days. If an extension of time is required for a hearing or other special circumstances, the claimant shall be notified within such sixty (60) day period of an extension which shall not be for more than an additional sixty (60) days. Administrator's decision shall be delivered in writing to Participant and shall state the reason and the relevant provisions in the Plan for the decision. All decisions on review shall be final and bind all parties concerned.

(e) **Limitation Period and Venue.** Any lawsuit by any person seeking benefits under the Plan, including against the Administrator or any member thereof, must be brought on or before one (1) year after the earliest of: (i) the date of the notice of final decision in a decision on review by the Administrator; (ii) the expiration of one hundred twenty (120) days following the Administrator's receipt of the request to review an initial denied claim; or (iii) the expiration of the applicable time period to request a review of an initial denied claim by the Administrator, if the person does not timely file a request to review an initial denied claim. In any event, such lawsuit must be brought no later than three (3) years from when the claim has accrued, which includes when such person knows or reasonably should know of the claim under the Plan or when such person knows or reasonably should know of the facts and circumstances that are the basis of such person's claim under the Plan. The venue for any such lawsuit shall be the United States District Court for the Eastern District of Arkansas.

12. ***Surrender or Termination of the Policies; Amendment or Termination of the Plan.***

(a) **Prior to a Change in Control.** Prior to a Change in Control, Simmons Bank shall have the absolute right to surrender or terminate the Policies at any time and for any reason. If a Policy with respect to a Participant has lapsed, been surrendered or terminated, then such Policy shall be excluded from the Participant Death Benefit without regard to the reference to such Policy on the Participation Certificate. If all of the Policies with respect to a Participant have lapsed, been surrendered or terminated, then such person shall no longer participate in the Plan. In addition, prior to a Change in Control, Simmons Bank may amend or terminate this Plan, including the Participation Certificate, at any time, in whole or in part. In no event shall an amendment or termination of the Plan adversely affect the right of a Beneficiary of a then deceased Participant to receive the Participant Death Benefit.

(b) **After a Change in Control**. After a Change in Control, Simmons Bank (or its successor) may surrender or terminate the Policies and amend or terminate the Plan only upon the occurrence of a material adverse change in the tax treatment of the benefits hereunder to the Participant or Beneficiary or a material adverse change in the regulatory or tax treatment to Simmons Bank (or its successor) of either (i) the benefits granted hereunder, or (ii) bank owned life insurance. In no event shall an amendment or termination of the Plan adversely affect the right of a Beneficiary of a then deceased Participant to receive the Participant Death Benefit.

13. ***Insurance Companies.*** In no event shall the insurance companies issuing the Policies be considered a party to or a sponsor of this Plan.

14. ***Validity.*** If any provision of this Plan is held illegal, invalid or unenforceable, the remaining provisions shall nonetheless be enforceable according to their terms. Further, in the event that any provision is held to be illegal, invalid or unenforceable, such provision shall be deemed amended to the extent necessary to make the provision valid, legal and enforceable according to law while maintaining to the maximum extent possible the original intent and effect of the provision, and such provision shall be enforced as amended.

15. ***Notices.*** All notices shall be in writing, and shall be sufficiently given to Simmons Bank or the Administrator if delivered to Simmons Bank at its principal place of business, or to the Participant at his or her last known address as shown in Simmons Bank's records, in person, by Federal Express or similar receipted delivery, or, if mailed, postage prepaid, by certified mail, return receipt requested. The date of such mailing shall be deemed the date of notice, demand or consent.

16. ***Successors.*** The terms and provisions of this Plan shall bind and inure to the benefit of Simmons Bank and its successors and assigns, and each Participant and his or her heirs, successors, personal representatives and assigns.

17. ***Governing Law.*** The provisions of this Plan shall be construed and interpreted according to the laws of the State of Arkansas, except as preempted by ERISA, and any persons who now or shall subsequently become parties to the Plan shall be deemed to consent to this provision.

IN WITNESS WHEREOF, Simmons Bank has executed and adopted this Plan on the date set forth below and each Participant shall evidence his or her agreement with the terms and conditions herein by the execution of a Participation Certificate.

SIMMONS BANK

By: /s/ Bob Fehlman

Title: President and COO

Date: April 26, 2021

SCHEDULE B

SIMMONS BANK
ENDORSEMENT SPLIT-DOLLAR
LIFE INSURANCE PLAN
Participation Certificate

Participant Name: _____

I hereby elect to participate in the Simmons Bank Endorsement Split-Dollar Life Insurance Plan, in accordance with the terms and conditions of the Plan as same may be amended from time to time, a copy of which has been provided to me. The defined terms below are defined in accordance with the Plan document. The effective date of my participation in the Plan is _____, 20__.

If the Policies listed below were originally acquired pursuant to the 2005 Program, I hereby agree that such Policies from the date of my execution below shall be governed by and subject to the terms of the Plan.

I hereby consent to Simmons Bank acquiring and owning the life insurance policies on my life, as described below, and acknowledge that Simmons Bank may continue to maintain these life insurance policies after my employment with Simmons Bank or any of its affiliates has terminated:

Insurer	Policy Number	Face Amount of Policy

During my participation in the Plan the amount of my Participant Death Benefit shall be paid to my Beneficiary in accordance with the terms of the Plan. The amount of my Participant Death Benefit is $_____, provided that the amount of my Participant Death Benefit shall not exceed the Net Amount At Risk portion of the Death Benefit Proceeds of the Policies. Further, I acknowledge that all of the Cash Surrender Value and the amount of the Death Benefit Proceeds of the Policies in excess of the amount of the Participant Death Benefit will be paid over to and retained by Simmons Bank.

IN WITNESS WHEREOF, I have set my hand to this Participation Certificate on this _____ day of _____. 20__.

_____

Schedule of Material Differences

The following executive officers are participants in the Simmons Bank Endorsement Split-Dollar Life Insurance Plan ("Plan") and have executed a Participation Certificate, each of which are substantially identical in all material respects to the form of Schedule B to the Plan, except as noted below. The actual Participation Certificates are omitted pursuant to Instruction 2 to Item 601 of Regulation S-K.

Participant Name	Participant Death Benefit
George Makris, Jr.	$3,000,000
Robert Fehlman	$1,650,000
James Brogdon	$890,000
C. Daniel Hobbs	$950,000
Christopher Van Steenberg	$900,000
George Makris III	$610,000
Jennifer Compton	$660,000
Tina Groves	$593,000
David Garner	$550,000
Brad Yaney	$648,000

FIRST AMENDED AND RESTATED EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS FIRST AMENDED AND RESTATED EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT ("**Agreement**") is made and entered into as of this 7 day of May, 2021 (the "**Effective Date**"), by and among Simmons First National Corporation ("**Company**"), an Arkansas corporation, Simmons Bank ("**Bank**" and together with the Company (as more fully described in Article 12), "(**Simmons**"), an Arkansas state bank and Tina Groves ("**Executive**").

RECITALS:

WHEREAS, Simmons acknowledges that the Executive is to significantly contribute to the growth and success of Simmons, and as a publicly held corporation, a Change in Control of the Company may occur with or without the approval of the Board of Directors of the Company ("**Company Board**"), and the Company Board also recognizes that the possibility of such a Change in Control may contribute to uncertainty on the part of senior management resulting in distraction from their operating responsibilities or in the departure of senior management;

WHEREAS, the Company Board believes that outstanding management is critical to advancing the best interests of the Bank, the Company and its shareholders and that it is essential that the management of Simmons' business be continued with a minimum of disruption during any proposed bid to acquire Simmons or to engage in a business combination with Simmons, and Simmons believes that the objective of securing and retaining outstanding management will be achieved if certain of Simmons' senior management employees are given assurances of employment security so they will not be distracted by personal uncertainties and risks created by such circumstances;

WHEREAS, the Company and the Executive previously entered into an Executive Severance Agreement effective February 2, 2016 ("**Prior Agreement**"), which is hereby superseded in its entirety by this Agreement; and

WHEREAS, concurrently with executing this Agreement, the Company and the Executive have executed and delivered an indemnification agreement providing the Executive with indemnification with respect to her service to Simmons as a member of senior management.

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein and the compensation Simmons agrees herein to pay the Executive, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Simmons and the Executive agree as follows:

ARTICLE 1
TERM OF AGREEMENT

1.1 Term. This Agreement shall be effective for thirty-six (36) months from the Effective Date and will automatically be extended for twelve (12) months as of each anniversary date of the Effective Date ("**Agreement Term**") unless the Agreement is terminated by Simmons upon written notification to the Executive, within thirty (30) days before an anniversary date of the Effective Date, that the Agreement will terminate as of last day of the Agreement Term as in effect immediately prior to such anniversary date.

Unless Simmons has effectively terminated this Agreement as prescribed above in this Section 1.1, in the event of a Change in Control, the Agreement Term shall be amended to twenty-four (24) months commencing upon the Control Change Date (as defined in Section 1.3) and shall then expire at the end of such twenty-four (24) month period.

1.2 Change in Control. Change in Control shall mean a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, each as defined in Treasury Regulation Section 1.409A-3(i)(5) or any subsequently applicable Treasury Regulation.

1.3 Control Change Date. Control Change Date means the date on which an event described in Section 1.2 occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

ARTICLE 2
TERMINATION OF EMPLOYMENT

2.1 General. The Executive shall be entitled to receive Termination Compensation, as defined in Section 2.5, according to this Article if:

(a) the Executive's employment is involuntarily terminated as specified in Section 2.2, or

(b) the Executive voluntarily terminates employment as specified in Section 2.3;

provided, however, that no Termination Compensation shall be payable to the Executive, and the Executive shall forfeit all rights, under Section 2.5 of this Agreement unless a Release in substantially the form attached as **Exhibit A** (the "**Release**") is signed and becomes irrevocable within the time period specified by the Release for review and revocation. To the extent any Termination Compensation under Section 2.5 has been paid and the Release requirement of this Section 2.1 is not met, then any such Termination Compensation previously paid shall be forfeited and the Executive shall repay such forfeited Termination Compensation to Simmons within thirty (30) days following demand by Simmons.

2.2 Termination by Simmons.

(a) The Executive shall be entitled to receive Termination Compensation (as described in Section 2.5) if during an Agreement Term, all employment of the Executive is terminated by Simmons without Cause on or after a Control Change Date.

(b) The Executive shall be entitled to receive Termination Compensation (as described in Section 2.5) if during an Agreement Term, all employment of the Executive is terminated by Simmons without Cause within the 180 days immediately preceding a Control Change Date.

(c) Cause means, for purposes of this Agreement, (i) willful and continued failure by the Executive to perform her duties as established by Simmons; (ii) a material breach by the Executive of her fiduciary duties of loyalty or care to Simmons; (iii) conviction of a felony; or (iv) willful, flagrant, deliberate and repeated infractions of material published policies and procedures of Simmons of which the Executive has actual knowledge (**"Cause Exception"**). If Simmons desires to discharge the Executive under the Cause Exception, it shall give notice to the Executive as provided in Section 2.7 and the Executive shall have thirty (30) days after notice has been given to him in which to cure the reason for Simmons' exercise of the Cause Exception. If the reason for Simmons' exercise of the Cause Exception is timely cured by the Executive (as determined by a committee appointed by the Board of Directors of Simmons), Simmons' notice shall become null and void.

2.3 Voluntary Termination. The Executive shall be entitled to receive Termination Compensation (as defined in Section 2.5) if a Change in Control occurs during an Agreement Term, and the Executive voluntarily terminates employment after a Control Change Date during an Agreement Term and within six (6) months following the occurrence of a Trigger Event.

2.4 Trigger Event. A Trigger Event means, for purposes of this Agreement, the occurrence of any one of the following events:

(a) the failure by the Company or the Bank to reelect or appoint the Executive to a position with duties, functions and responsibilities substantially equivalent to the position held by the Executive on the Control Change Date;

(b) a material modification by the Company or the Bank of the title, duties, functions or responsibilities of the Executive without her written consent;

(c) the failure of the Company or the Bank to permit the Executive to exercise such responsibilities as are consistent with the Executive's position and of such a nature as are usually associated with such office of a corporation engaged in substantially the same business as Simmons;

(d) the Company or the Bank requires the Executive to relocate her employment more than fifty (50) miles from her place of employment, without the written consent of the Executive, excluding reasonably required business travel or temporary assignments for a reasonable period of time;

(e) any decrease, without the Executive's written consent, in the Executive's (i) annual base salary, (ii) target or maximum annual cash incentive award opportunity or (iii) target annual equity incentive award opportunity;

(f) the Company or the Bank shall fail to make a payment when due to the Executive; or

(g) a breach by Simmons of the obligations set forth in Article 15 of this Agreement.

2.5 Termination Compensation. Termination Compensation equal to two (2) times the Executive's Base Period Income shall be paid to the Executive in a single sum payment in cash on the thirtieth (30^{th}) business day after the later of (a) the Control Change Date and (b) the date of the Executive's employment termination; provided that if at the time of the Executive's termination of employment the Executive is a Specified Employee, then payment of the Termination Compensation to the Executive shall be made on the first day of the seventh (7^{th}) month following the Executive's employment termination.

2.6 Base Period Income. The Executive's Base Period Income equals the sum of (a) her annual base salary as of the Executive's termination date, and (b) the greater of: (i) the average of any annual cash incentive award paid or payable to the Executive for the Company's last two completed fiscal years prior to the Executive's employment termination or (ii) the Executive's target annual cash incentive award opportunity for the year in which the Executive's employment termination occurs.

2.7 Notice of Termination. Any termination by Simmons under the Cause Exception or by the Executive after a Trigger Event shall be communicated by Notice of Termination to the other party hereto. A "**Notice of Termination**" shall be a written notice which (a) indicates the specific termination provision in this Agreement relied upon, (b) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (c) if the termination date is other than the date of receipt of such notice, specifies the effective date of termination.

2.8 Specified Employee. Specified Employee is a "specified employee" (within the meaning of Section 409A (as defined below)) of Simmons (or any related "service recipient" within the meaning of Section 409A).

ARTICLE 3
ATTORNEYS' FEES

In the event that the Executive incurs any attorneys' fees in protecting or enforcing her rights under this Agreement and the Executive prevails on at least one material point in such dispute or claim, Simmons shall reimburse the Executive for such reasonable attorneys' fees and for any other reasonable expenses related thereto. Such reimbursement shall be made within thirty

(30) days following the Executive's written request (which must include a detailed description of such fees and expenses) which must be submitted within thirty (30) days following final resolution of the dispute or claim giving rise to such fees and expenses.

ARTICLE 4
LIFE INSURANCE POLICIES

In connection with the Executive's termination of employment, the life insurance and accidental death and dismemberment coverage provided by Simmons for the Executive and her eligible dependents will terminate as of the date specified in the applicable policy or contract unless the Executive elects to convert such coverage to an individual policy in accordance with the terms of such policy or contract; provided, however, that the Executive will be responsible for payment of any premiums on any such continued coverage elected. Upon the Executive's termination of employment, Simmons shall not be obligated to continue the Executive's participation in the Simmons First Endorsement Split-Dollar Life Insurance Program or provide any alternative benefits to such program after termination of the Executive's employment, except as specifically provided pursuant to the terms of the program documents governing such program.

ARTICLE 5
MITIGATION OF PAYMENT

Simmons and the Executive agree that, following the termination of employment by the Executive with Simmons, the Executive has no obligation to take any steps whatsoever to secure other employment and such failure by the Executive to search for or to find other employment upon termination from Simmons shall in no way impact the Executive's right to receive payment under any of the provisions of this Agreement.

ARTICLE 6
DECISIONS BY SIMMONS; FACILITY OF PAYMENT

Any powers granted to the Board of Directors of Simmons hereunder may be exercised by a committee, appointed by the Board of Directors of Simmons, and such committee, if appointed, shall have general responsibility for the administration and interpretation of this Agreement. If the Board of Directors of Simmons or the committee shall find that any person to whom any amount is or was payable hereunder is unable to care for her affairs because of illness or accident, or has died, then the Board of Directors of Simmons or the committee, if it so elects, may direct that any payment due her or her estate (unless a prior claim therefore has been made by a duly appointed legal representative) or any part thereof be paid or applied for the benefit of such person or to or for the benefit of her spouse, children or other dependents, an institution maintaining or having custody of such person, any other person deemed by the Board of Directors of Simmons or committee to be a proper recipient on behalf of such person otherwise entitled to payment, or any of them, in such manner and proportion as the Board of Directors of Simmons or committee may

deem proper. Any such payment shall be in complete discharge of the liability of Simmons therefor.

ARTICLE 7
SOURCE OF PAYMENTS; NO TRUST

The obligations of Simmons to make payments hereunder shall constitute an unsecured liability of Simmons to the Executive. Such payments shall be made from the general funds of Simmons, and Simmons shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure that such payments shall be made, and neither the Executive nor her designated beneficiary shall have any interest in any particular asset of Simmons by reason of its obligations hereunder. Nothing contained in this Agreement shall create or be construed as creating a trust of any kind or any other fiduciary relationship between Simmons and the Executive or any other person. To the extent that any person acquires a right to receive payments from Simmons hereunder, such right shall be no greater than the right of an unsecured creditor of Simmons.

ARTICLE 8
REDUCTION IN BENEFITS, EXCISE TAX

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to the Executive (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) but for this Article 8, would be subject to the excise tax imposed by Section 4999 of the Code, then the Executive's payments and benefits will be either:

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by the Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.

If a reduction in severance and other payments and benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (I) reduction of cash payments; (II) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G), (III) cancellation of accelerated vesting of equity awards, and (IV) reduction of employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards.

Any determination required under this Article 8 will be made in writing by Simmons' independent tax accountants engaged by Simmons for general tax purposes immediately prior to

the Change in Control ("**Accountants**"), whose good faith determination will be conclusive and binding upon the Executive and Simmons for all purposes. If the tax accounting firm so engaged by Simmons is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, or if such firm otherwise cannot perform the calculations, Simmons shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. For purposes of making the calculations, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Simmons and the Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. Simmons will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Article 8.

ARTICLE 9
SEVERABILITY

All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.

ARTICLE 10
ASSIGNMENT PROHIBITED

This Agreement is personal to each of the parties hereto, and no party may assign or delegate any of her or its rights or obligations hereunder except as specified in Article 15. Any attempt to assign any rights or delegate any obligations under this Agreement shall be void.

ARTICLE 11
NO ATTACHMENT

Except as otherwise provided in this Agreement or required by applicable law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

ARTICLE 12
HEADINGS AND INTERPRETATION

The headings of articles, paragraphs and sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement. References herein to "Simmons" shall refer to both the Company and the Bank or the Company or the Bank, as the context requires, and the Company and the Bank shall have the option to perform the obligations provided herein, in their sole discretion, through

either entity; provided, however, that for purposes of such obligations and the rights of Simmons under this Agreement, the Company and Bank shall be treated as one and the same; provided, further, that this statement shall not be deemed ineffective or construed to have any effect other than the effect expressly stated herein by reference in this Agreement to both the Company and the Bank, such references included solely to emphasize in certain places the intent of this statement and the Agreement as a whole. The Executive may enforce her rights against either the Company, the Bank, or both the Company and the Bank.

ARTICLE 13
GOVERNING LAW

The parties intend that this Agreement and the performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with and under and pursuant to the laws of the State of Arkansas, and that in any action, special proceeding or other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of Arkansas, shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted.

ARTICLE 14
BINDING EFFECT

This Agreement shall be binding upon, and inure to the benefit of, the Executive and her heirs, executors, administrators and legal representatives and Simmons and its permitted successors and assigns.

ARTICLE 15
MERGER OR CONSOLIDATION

Simmons shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or the Bank ("**Successor Corporation**") to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Simmons would be required to perform it if no such succession had taken place. Upon such assumption, the Executive and the Successor Corporation shall become obligated to perform the terms and conditions of this Agreement.

ARTICLE 16
ENTIRE AGREEMENT

This Agreement expresses the whole and entire agreement between the parties with reference to the Executive's change in control-related severance and, as of the Effective Date, supersedes and replaces any prior employment agreement, understanding or arrangement (whether written or oral) between Simmons and the Executive on this subject, including the Prior

Agreement; provided, however, that, for the avoidance of doubt, nothing herein shall affect the rights of the Executive and the Company under (a) the Indemnification Agreement dated as of May 7, 2021 between the Company and the Executive, (b) any Associate Agreement and (c) the terms and conditions associated with any grant of restricted stock units or other equity award. Each of the parties hereto has relied on her or its own judgment in entering into this Agreement.

ARTICLE 17
NOTICES

All notices, requests and other communications to any party under this Agreement shall be in writing and shall be given to such party at its address set forth below or such other address as such party may hereafter specify for the purpose by notice to the other party:

(a) If to the Executive: Tina Groves
15 Fontenay Circle
Little Rock, AR 72223

(b) If to the Company or the Bank:

Simmons First National Corporation / Simmons Bank
Attention: Chairman
P. O. Box 7009
Pine Bluff, AR 71611

Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means, when delivered at the address specified in this Article 17.

ARTICLE 18
MODIFICATION OF AGREEMENT

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver of modification shall be offered or received in evidence at any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. The parties further agree that the provisions of this Article 18 may not be waived except as herein set forth.

ARTICLE 19
TAXES

To the extent required by applicable law, Simmons shall deduct and withhold all necessary Social Security taxes and all necessary federal and state withholding taxes and any other similar sums required by laws to be withheld from any payments made pursuant to the terms of this Agreement. This term shall be construed in conjunction with Article 8 and shall not supersede or modify it in any way.

ARTICLE 20
409A COMPLIANCE

(a) The intent of the parties is that payment and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "**Section 409A**") or comply with an exemption from the application of Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither the Executive, the Company, nor the Bank shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any matter which would not be in compliance with Section 409A.

(c) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the form or timing of payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" (within the meaning of Section 409A) and, for purposes of any such provision of this Agreement under which (and to the extent) deferred compensation subject to Section 409A is paid, references to a "termination" or "termination of employment" or like references shall mean separation from service. A "separation from service" shall not occur under Section 409A unless such Executive has completely severed the Executive's relationship with the Company and Bank or the Executive has permanently decreased Executive's services to twenty percent (20%) or less of the average level of bona fide services over the immediately preceding thirty-six (36) month period (or the full period if the Executive has been providing services for less than thirty-six (36) months). A leave of absence shall only trigger a termination of employment that constitutes a separation from service at the time required under Section 409A.

(d) Notwithstanding any other provision of this Agreement, the Executive shall be solely liable, and neither the Company nor the Bank shall be liable in any way to the Executive if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Section 409A otherwise fails to comply with, or be exempt from, the requirements of Section 409A.

ARTICLE 21
RECITALS

The Recitals to this Agreement are incorporated herein and shall constitute an integral part of this Agreement.

ARTICLE 22
COUNTERPARTS

This Agreement shall become legally binding when the last party hereto executes and delivers this Agreement. This Agreement may be executed and delivered in multiple counterparts (including by Docusign/Echosign or a similarly accredited secure signature service or other electronic transmission or signature), each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Counterparts may be delivered by facsimile, e-mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and shall be valid and effective for all purposes.

[Remainder of page intentionally blank. Signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

EXECUTIVE:

Tina Groves

COMPANY: **SIMMONS FIRST NATIONAL CORPORATION**

By:
Title: EVP Chief People & Strategy Officer

BANK: **SIMMONS BANK**

By:
Title: EVP Chief People and Strategy Officer

Exhibit A

RELEASE

In consideration of the benefits promised in the First Amended and Restated Executive Change in Control Severance Agreement to which this Release is attached as **Exhibit A** (and further defined below), Tina Groves (the "**Executive**"), hereby irrevocably and unconditionally releases, acquits, and forever discharges Simmons First National Corporation (the "**Company**") and Simmons Bank (the "**Bank**"), and each of their agents, directors, members, shareholders, affiliated entities, officers, employees, former employees, attorneys, and all persons acting by, through, under or in concert with any of them (collectively "**Releasees**") from any and all charges, complaints, claims, liabilities, grievances, obligations, promises, agreements, controversies, damages, policies, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any rights arising out of alleged violations or breaches of any contracts, express or implied, or any tort, or any legal restrictions on Releasees' right to terminate employees, or any federal, state or other governmental statute, regulation, law or ordinance, including without limitation, (1) Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, (2) the Americans with Disabilities Act, (3) 42 U.S.C. § 1981, (4) the federal Age Discrimination in Employment Act (age discrimination), (5) the Older Workers Benefit Protection Act, (6) the Equal Pay Act, (7) the Family and Medical Leave Act, (8) the Employee Retirement Income Security Act, and (9) the Arkansas Civil Rights Act ("**Claim**" or "**Claims**"), which the Executive now has, owns or holds, or claims to have, own or hold, or which the Executive at any time heretofore had owned or held, or claimed to have owned or held, against each or any of the Releasees at any time up to and including the date of the execution of this Release.

Nothing in this Release shall restrict or prohibit the Executive or the Executive's counsel from filing a charge or complaint with, initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before a self-regulatory authority or a governmental, law enforcement or other regulatory authority, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Congress, and any Office of Inspector General (collectively, the "**Regulators**"), from participating in any reporting of, investigation into, or proceeding regarding suspected violations of law, or from making other disclosures that are protected under or from receiving an award for information provided under the whistleblower award programs administered by a state or federal agency. The Executive does not need the prior authorization of the Company or the Bank to engage in such communications with the Regulators, respond to such inquiries from the Regulators, provide confidential information or documents containing confidential information to the Regulators, or make any such reports or disclosures to the Regulators. The Executive is not required to notify the Company or the Bank that the Executive has engaged in such communications with the Regulators. The Executive recognizes and agrees that, in connection with any such activity outlined above, the Executive must inform the Regulators that the information the Executive is providing is confidential. To the extent, that any such charge or complaint is made against the Releasees, the Executive expressly waives any claim or right to

any form of monetary relief or other damages, or any form of individual recovery or relief in connection with any such charge or complaint, except that the Executive does not waive her right with respect to any government-issued award for information provided under the whistleblower award programs administered by a state or federal agency.

In addition, pursuant to the Defend Trade Secrets Act of 2016, the Executive is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

The Executive hereby acknowledges and agrees that the execution of this Release and the cessation of the Executive's employment and all actions taken in connection therewith are in compliance with the federal Age Discrimination in Employment Act and the Older Workers Benefit Protection Act and that the releases set forth above shall be applicable, without limitation, to any claims brought under these Acts. The Executive further acknowledges and agrees that:

a. The Release given by the Executive is given solely in exchange for the benefits set forth in the First Amended and Restated Executive Change in Control Severance Agreement dated as of May 7, 2021 between the Company, the Bank and the Executive to which this Release was initially attached and such consideration is in addition to anything of value which the Executive was entitled to receive prior to entering into this Release;

b. By entering into this Release, the Executive does not waive any rights the Executive may have to indemnification, including without limitation indemnification for attorneys' fees, costs and/or expenses, pursuant to applicable statute, the articles of incorporation and by-laws of the Company or the Bank or pursuant to the Indemnification Agreement dated as of May 7, 2021 between the Company and the Executive;

c. By entering into this Release, the Executive does not waive rights or claims that may arise after the date this Release is executed;

d. By entering into this Release, and subject to the limitations above, the Executive agrees not to knowingly make any statement or engage in any conduct which may reasonably be expected to have the effort of disparaging the Company or the Bank to any: (i) media; (ii) potential, current or former employees; or (iii) third parties. The Executive acknowledges that the Company and the Bank will be irreparably harmed by a breach of this provision and that there may be no adequate remedy at law;

e. The Executive has been advised to consult an attorney prior to entering into this Release, and this provision of the Release satisfies the requirements of the Older Workers Benefit Protection Act that the Executive be so advised in writing;

f. The Executive has been offered twenty-one (21) days [or 45 days if applicable] from receipt of this Release within which to consider whether to sign this Release; and

g. For a period of seven (7) days following the Executive's execution of this Release, the Executive may revoke this Release by delivering the revocation to the Chief People Officer of the Company, and it shall not become effective or enforceable until such seven (7) day period has expired.

This Release shall be binding upon the heirs and personal representatives of the Executive and shall inure to the benefit of the successors and assigns of the Company and the Bank.

Date _____

_____
Tina Groves

INDEMNIFICATION AGREEMENT

This INDEMNIFICATION AGREEMENT ("Agreement"), dated as of May 7, 2021 (the "Effective Date"), is made by and between Simmons First National Corporation, an Arkansas corporation ("Company"), and the undersigned indemnitee ("Indemnitee").

RECITALS

A. The Company recognizes that competent and experienced persons are increasingly reluctant to serve or to continue to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors and officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;

C. The Company believes that it is unfair for its directors and officers to assume the risk of large judgments and other expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable;

D. The Company, after reasonable investigation, has determined that the liability insurance coverage presently available to the Company may be inadequate in certain circumstances to cover all possible exposure for which Indemnitee should be protected. The Company believes that the interests of the Company and its shareholders would best be served by a combination of such insurance and the indemnification by the Company of the directors and officers of the Company;

E. The indemnification provisions applicable to directors and officers contained in the Company's Amended and Restated Articles of Incorporation ("Articles") and the Company's By-laws ("By-laws") expressly provide that such right of indemnification is not exclusive, and contemplate that agreements may be entered into between the Company and its directors and officers with respect to indemnification;

F. Section 850 of the Arkansas Business Corporation Act of 1987 ("Act") (Arkansas Code Section 4-27-850) ("Section 850") empowers the Company to indemnify its officers, directors, employees and agents by agreement and to indemnify persons who serve, at the request of the Company, as the directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by Section 850 is not exclusive;

G. The Board of Directors of the Company ("Board") has determined that contractual indemnification as set forth herein is not only reasonable and prudent but also promotes the best interests of the Company and its shareholders;

H. The Company desires and has requested Indemnitee to serve or continue to serve as a director and/or officer of the Company, or an affiliate or subsidiary thereof, free from undue concern for unwarranted claims for damages arising out of or related to such services to the Company, or an affiliate or subsidiary thereof; and

I. Indemnitee is willing to serve, continue to serve or to provide additional service for or on behalf of the Company, or an affiliate or subsidiary thereof, on the condition that Indemnitee is furnished the indemnity provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of Indemnitee's service or continued service as a director, officer, and/or other key employee of the Company or an affiliate or subsidiary thereof, the mutual covenants and agreements

set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Generally. To the fullest extent permitted by the laws of the State of Arkansas:

    a. The Company shall indemnify Indemnitee if Indemnitee was or is a party or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent (which, for purposes of this Agreement, shall include, without limitation, a trustee, partner or manager or similar capacity) of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise). For the avoidance of doubt, the foregoing indemnification obligation includes, without limitation, claims for monetary damages against Indemnitee in respect of an alleged breach of fiduciary duties, to the fullest extent permitted under Section 202(b)(3) of the Act as in existence on the date hereof.

    b. The indemnification provided by this Section 1 shall be from and against all expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf in connection with such action, suit or proceeding, but shall only be provided if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action, suit or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

    c. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful.

2. Partial Indemnification. If Indemnitee is entitled under any provision of the Agreement to indemnification by the Company for some or a portion of the expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf in connection with any action, suit or proceeding, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) to which Indemnitee is entitled.

3. Advance Payment of Expenses; Notification and Defense of Claim.

    a. Expenses incurred by Indemnitee or on Indemnitee's behalf in defending any action, suit or proceeding by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) or in connection with an enforcement action pursuant to Section 4(b) shall be paid by the Company in advance of the final disposition of such action, suit or proceeding within ten (10) days after receipt by the Company of (i) a statement or statements from Indemnitee requesting such advance or advances from time to time, and (ii) an undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized by the Act, the Agreement or otherwise. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment. Advances shall be unsecured and interest-free. For the avoidance of doubt, advances shall include, without limitation, any and all expenses incurred pursuing an action to enforce this right of advancement.

b. Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee shall, if a claim thereof is to be made against the Company hereunder, notify the Company of the commencement thereof. The failure to promptly notify the Company of the commencement of the action, suit or proceeding, or of Indemnitee's request for indemnification, will not relieve the Company from any liability that it may have to Indemnitee hereunder or otherwise.

c. In the event the Company shall be obligated to pay the expenses of Indemnitee with respect to an action, suit or proceeding as provided in the Agreement, the Company, if appropriate, shall be entitled to assume the defense of such action, suit or proceeding with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under the Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same action, suit or proceeding, provided that (1) Indemnitee shall have the right to employ Indemnitee's own counsel in such action, suit or proceeding at Indemnitee's expense and (2) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (ii) counsel to the Company or Indemnitee shall have reasonably concluded that there may be a conflict of interest or position, or reasonably believes that a conflict is likely to arise, on any significant issue between the Company and Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such action, suit or proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company, except as otherwise expressly provided by the Agreement. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company or as to which counsel for the Company or Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

d. Notwithstanding any other provision of the Agreement to the contrary, to the extent that Indemnitee is, by reason of Indemnitee's corporate status with respect to the Company or any corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise which Indemnitee is or was serving or has agreed to serve at the request of the Company, a witness or otherwise participates in any action, suit or proceeding at a time when Indemnitee is not a party in the action, suit or proceeding, the Company shall indemnify Indemnitee against all expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

4. Procedure for Indemnification.

a. To obtain indemnification, Indemnitee shall promptly submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

b. The Company shall determine whether to grant Indemnitee's indemnification request promptly, and in any event within sixty (60) days following receipt of a request for indemnification pursuant to Section 4(a), and in accordance with applicable law. The right to indemnification as granted by the Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction if the Company denies such request, in whole or in part, or fails to respond within such 60-day period. Any such action shall be conducted as a de novo trial, on the merits. It shall be a defense to any such action (other than an action brought to enforce a claim for the advancement of expenses under Section 3 hereof where the required undertaking, if any, has been received by the Company) that Indemnitee has not met the standard of conduct set forth in Section 1 hereof, but the burden of proving such defense by clear and convincing evidence shall be on the Company. Neither the failure of the Company (including its Board, its independent legal counsel, and its shareholders) to have

made a determination prior to the commencement of such action that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct set forth in Section 1 hereof, nor the fact that there has been an actual determination by the Company (including its Board, its independent legal counsel, or its shareholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has or has not met the applicable standard of conduct or otherwise prejudice Indemnitee. The Company shall also indemnify the Indemnitee from and against the Indemnitee's expenses (including, without limitation, attorneys' fees) incurred in connection with (1) successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding or otherwise, and (2) successfully establishing Indemnitee's right to advancement of expenses, in whole or in part, in any proceeding or otherwise.

c. The Indemnitee shall be presumed to be entitled to indemnification under the Agreement upon submission of a request for indemnification pursuant to this Section 4, and the Company shall have the burden of proof in overcoming that presumption in reaching a determination contrary to that presumption. Such presumption shall be used as a basis for a determination of entitlement to indemnification unless the Company overcomes such presumption by clear and convincing evidence. If a determination that Indemnitee is entitled to indemnification has been made pursuant this Section 4 or otherwise pursuant to the terms of this Agreement, the Company shall be bound by such determination in the absence of (i) misrepresentation of a material fact by Indemnitee or (ii) a specific finding (which has become final) by an appropriate court that all or any part of such indemnification is expressly prohibited by law.

5. Insurance and Subrogation.

a. The Company may purchase and maintain insurance on behalf of Indemnitee who is or was a director or officer of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) against any liability asserted against Indemnitee and incurred by Indemnitee or on Indemnitee's behalf in any such capacity or arising out of such status, whether or not the Company would have the power to indemnify Indemnitee against such liability. To the extent that the Company maintains liability insurance for directors and officers of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise on which any such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for such director or officer under such policy or policies. If the Company has such insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of an action, suit or proceeding, the Company shall give prompt notice of the commencement of such action, suit or proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit or proceeding in accordance with the terms of such policy.

b. In the event of any payment by the Company under the Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such subrogation.

c. The Company shall not be liable under the Agreement to make any payment of amounts otherwise indemnifiable hereunder (including, without limitation, ERISA excise taxes or penalties, judgments,

fines and amounts paid or to be paid in settlement) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

6. Certain Definitions. For purposes of the Agreement:

   a. The term "action, suit or proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether instituted by, in the right of, or on behalf of the Company or any other party or parties.

   b. The term "by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise)" shall be broadly construed and shall include, without limitation, any actual or alleged act or omission to act by Indemnitee in such capacity.

   c. The term "expenses" shall be broadly and reasonably construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements, appeal bonds, other out-of-pocket costs and reasonable compensation for time spent by Indemnitee for which Indemnitee is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is approved by the Board, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with the investigation, preparation, prosecution, defense, settlement, arbitration or appeal of (or the giving of testimony in) an action, suit or proceeding or establishing or enforcing a right to indemnification or advancement under the Agreement, Section 850 or otherwise.

   d. The term "judgments, fines and amounts paid or to be paid in settlement" shall be broadly construed and shall include, without limitation, all direct and indirect payments of any type or nature whatsoever (including, without limitation, all penalties and amounts required to be forfeited or reimbursed to the Company), as well as any penalties or excise taxes assessed on a person with respect to an employee benefit plan.

   e. The term "Company" shall include, without limitation and in addition to the resulting corporation, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation (or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) shall stand in the same position under the provisions of the Agreement with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

   f. The term "other enterprise" shall include, without limitation, employee benefit plans.

   g. The term "fines" shall include, without limitation, any excise taxes assessed on a person with respect to an employee benefit plan.

   h. The term "serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise", as well as variations thereof, shall include (without limitation) in each case service to or actions taken while a director, officer, trustee, employee or agent of any subsidiary or affiliate of the Company.

i. The term "serving at the request of the Company" shall also include, without limitation, any service as a director, officer, employee or agent of the Company or an affiliate or subsidiary thereof which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

j. With respect to matters involving employee benefit plans, a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in the Agreement.

7. Limitations on Indemnification. Notwithstanding any other provision herein to the contrary, the Company shall not be obligated pursuant to the Agreement:

a. Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) initiated by Indemnitee, except with respect to an action, suit or proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Agreement, any other agreement, any insurance policy, the Articles, the By-laws, any law or otherwise, unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board.

b. Improper Benefits. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) based upon or attributable to the Indemnitee gaining in fact any remuneration, personal profit or advantage to which Indemnitee was not legally entitled.

c. Section 16 Violations. To indemnify Indemnitee on account of any action, suit or proceeding with respect to which final judgment is rendered against Indemnitee for payment or an accounting of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute.

d. Reimbursement of the Company. To indemnify Indemnitee for any reimbursement of the Company by Indemnitee of any bonus, other incentive-based or equity-based compensation, or of any profits realized by Indemnitee from the sale of securities of the Company, in each case as may be required pursuant to any applicable federal or other law or regulation (including, without limitation, any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002), any applicable listing standard of a national securities exchange or system on which the common stock of the Company is then listed or reported or pursuant to any incentive compensation recovery or clawback policy as may be adopted from time to time by the Board or one of its committees, or any expenses incurred by Indemnitee in connection with any action, suit or proceeding to enforce such reimbursement obligation.

e. Non-compete, Non-solicitation, Non-disclosure, Non-disparagement. To indemnify Indemnitee in connection with any action, suit or proceeding involving the enforcement of non-compete, non-solicitation, non-disclosure and/or non-disparagement agreements, or the non-compete, non-solicitation, non-disclosure and/or non-disparagement provisions of employment, consulting, severance or similar agreements, to which the Indemnitee may be a party with the Company, or any subsidiary of the Company or any other applicable foreign or domestic corporation, partnership, joint venture, trust or other enterprise, if any.

f. Payments Prohibited by Law. To indemnify or advance expenses to Indemnitee where such indemnification or advancement of expenses related thereto are prohibited by any applicable law or regulation promulgated by any federal or state legislation or banking regulatory agency.

8. Certain Settlement Provisions. The Company shall have no obligation to indemnify Indemnitee under the Agreement for amounts paid in settlement of any action, suit or proceeding without the Company's prior

written consent, which shall not be unreasonably withheld. The Company shall not settle any action, suit or proceeding in any manner that would impose any fine, judgment, penalty, liability, loss, expense, limitation or other obligation on Indemnitee without Indemnitee's prior written consent; provided, however, that, with respect to settlements requiring solely the payment of money either by the Company or by Indemnitee for which the Company is obligated to reimburse Indemnitee promptly and completely, in either case without recourse to Indemnitee, no such consent of Indemnitee shall be required.

9. Severability. If any provision or provisions of the Agreement shall be held to be invalid, illegal, void, or unenforceable on any ground by any court of competent jurisdiction, then (1) this Agreement shall be deemed automatically modified to the extent necessary to (a) make such provision or provisions valid, legal, and enforceable and (b) as closely as possible maintain and accomplish the original intent of the provision or provisions in question, and (2) the remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.

10. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is held by a court of competent jurisdiction to be unavailable to Indemnitee in whole or in part, it is agreed that, in such event, the Company shall, to the fullest extent permitted by law, contribute to the payment of Indemnitee's costs, charges and expenses (including, without limitation, attorneys' fees), judgments, fines and amounts paid or to be paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, in an amount that is just and equitable in light of all the circumstances in order to reflect (1) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such action, suit or proceeding; and (2) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s); provided, that, without limiting the generality of the foregoing, such contribution shall not be required where such holding by the court is due to any limitation on indemnification set forth in Section 5(c), 7 or 8 hereof. The relative fault of the Company and of Indemnitee shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such action, suit or proceeding. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

11. Form and Delivery of Communications. Any notice, request or other communication required or permitted to be given to the parties under the Agreement shall be in writing and either delivered in person or sent by overnight mail or courier service, or certified or registered mail, return receipt requested, postage prepaid, addressed to Indemnitee at Indemnitee's most recent address on the Company's records, and to the Company as follows:

    Simmons First National Corporation
    501 Main Street
    Pine Bluff, Arkansas 71601
    Attention: General Counsel

    or to such other address as the Company or Indemnitee may, from time to time, designate in writing by notice hereunder.

12. Subsequent Legislation. If the Act is amended after the Effective Date to expand further the indemnification permitted to directors or officers, then the Company shall indemnify Indemnitee to the fullest extent permitted by the Act, as so amended.

13. Additional Indemnification Rights; Non-exclusivity.

    a. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify the Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Articles, the By-Laws or by statute.

b. The provisions for indemnification and advancement of expenses set forth in the Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Articles, the By-laws, the vote of the Company's shareholders or disinterested directors, insurance policies, other agreements or otherwise; and nothing in this Agreement shall be used to interpret or otherwise affect such other rights. Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as a director, officer, employee or agent of the Company and shall inure to the benefit of the heirs, executors and administrators of Indemnitee. However, no amendment or alteration after the Effective Date of the Articles or By-laws or any other agreement shall adversely affect the rights provided to Indemnitee under the Agreement.

14. Enforcement. The Company shall be precluded from asserting in any judicial proceeding that the procedures and presumptions of the Agreement are not valid, binding and enforceable. The Company agrees that its execution of the Agreement shall constitute a stipulation by which it shall be irrevocably bound in any court of competent jurisdiction in which a proceeding by Indemnitee for enforcement of Indemnitee's rights hereunder shall have been commenced, continued or appealed, that its obligations set forth in the Agreement are unique and special, and that failure of the Company to comply with the provisions of the Agreement will cause irreparable and irremediable injury to Indemnitee, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy Indemnitee may have at law or in equity with respect to breach of the Agreement, Indemnitee shall be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under the Agreement.

15. Interpretation of Agreement. It is understood that the parties hereto intend the Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law.

16. Modification and Waiver. No supplement, modification or amendment of the Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of the Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. No waiver of any of the provisions of the Agreement shall be effective unless in a writing signed by the party against whom enforcement of the waiver is sought.

17. Successor and Assigns. All of the terms and provisions of the Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform the Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

18. Service of Process and Venue. For purposes of any claims or proceedings to enforce the Agreement, the Company consents to the jurisdiction and venue of any federal or state court of competent jurisdiction in the State of Arkansas, and waives and agrees not to raise any defense that any such court is an inconvenient forum or any similar claim.

19. Governing Law. The Agreement shall be governed exclusively by and construed according to the laws of the State of Arkansas, as applied to contracts between Arkansas residents entered into and to be performed entirely within Arkansas. If a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Arkansas govern indemnification by the Company of its directors and officers, then the indemnification provided under the Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of the Agreement to the contrary.

20. Employment Rights; Board Service. Nothing in the Agreement is intended to create in Indemnitee any right to employment or continued employment. Nothing in the Agreement is intended to create in Indemnitee any right to continued service on the Board.

21. Counterparts. The Agreement shall become legally binding when the last party hereto executes and delivers the Agreement. The Agreement may be executed and delivered in multiple counterparts (including, without limitation, by Docusign/Echosign or a similarly accredited secure signature service or other electronic transmission or signature), each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Counterparts may be delivered by facsimile, e-mail (including, without limitation, .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and shall be valid and effective for all purposes.

22. Headings. The section and subsection headings contained in the Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered the Agreement to be effective as of the Effective Date.

SIMMONS FIRST NATIONAL CORPORATION

By: _____

Name: Jena Compton

Title: EVP Chief People & Strategy Officer

INDEMNITEE

_____

Signature

Tina Groves

[*Signature Page to Indemnification Agreement*]

Exhibit 10.40

EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT

THIS EXECUTIVE CHANGE IN CONTROL SEVERANCE AGREEMENT ("**Agreement**") is made and entered into as of February 25, 2025 (the "**Effective Date**"), by and among Simmons First National Corporation ("**Company**"), an Arkansas corporation, Simmons Bank ("**Bank**" and together with the Company (as more fully described in Article 12), "**Simmons**"), an Arkansas state bank and Chris Van Steenberg ("**Executive**").

R E C I T A L S:

WHEREAS, Simmons acknowledges that the Executive is to significantly contribute to the growth and success of Simmons, and as a publicly held corporation, a Change in Control of the Company may occur with or without the approval of the Board of Directors of the Company ("**Company Board**"), and the Company Board also recognizes that the possibility of such a Change in Control may contribute to uncertainty on the part of senior management resulting in distraction from their operating responsibilities or in the departure of senior management; and

WHEREAS, the Company Board believes that outstanding management is critical to advancing the best interests of the Bank, the Company and its shareholders and that it is essential that the management of Simmons' business be continued with a minimum of disruption during any proposed bid to acquire Simmons or to engage in a business combination with Simmons, and Simmons believes that the objective of securing and retaining outstanding management will be achieved if certain of Simmons' senior management employees are given assurances of employment security so they will not be distracted by personal uncertainties and risks created by such circumstances.

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein and the compensation Simmons agrees herein to pay the Executive, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Simmons and the Executive agree as follows:

ARTICLE 1
TERM OF AGREEMENT

1.1 Term. This Agreement shall be effective for thirty-six (36) months from the Effective Date and will automatically be extended for twelve (12) months as of each anniversary date of the Effective Date ("**Agreement Term**") unless the Agreement is terminated by Simmons upon written notification to the Executive, within thirty (30) days before an anniversary date of the Effective Date, that the Agreement will terminate as of last day of the Agreement Term as in effect immediately prior to such anniversary date.

Unless Simmons has effectively terminated this Agreement as prescribed above in this Section 1.1, in the event of a Change in Control, the Agreement Term shall be amended to twenty-four (24) months commencing upon the Control Change Date (as defined in Section 1.3) and shall then expire at the end of such twenty-four (24) month period.

1.2 Change in Control. Change in Control shall mean a change in ownership or effective control of the Company, or a change in the ownership of a substantial portion of the assets of the Company, each as defined in Treasury Regulation Section 1.409A-3(i)(5) or any subsequently applicable Treasury Regulation.

1.3 Control Change Date. Control Change Date means the date on which an event described in Section 1.2 occurs. If a Change in Control occurs on account of a series of transactions, the Control Change Date is the date of the last of such transactions.

ARTICLE 2
TERMINATION OF EMPLOYMENT

2.1 General. The Executive shall be entitled to receive Termination Compensation, as defined in Section 2.5, according to this Article if:

(a) the Executive's employment is involuntarily terminated as specified in Section 2.2, or

(b) the Executive voluntarily terminates employment as specified in Section 2.3;

provided, however, that no Termination Compensation shall be payable to the Executive, and the Executive shall forfeit all rights, under Section 2.5 of this Agreement unless a Release in substantially the form attached as **Exhibit A** (the "**Release**") is signed and becomes irrevocable within the time period specified by the Release for review and revocation. To the extent any Termination Compensation under Section 2.5 has been paid and the Release requirement of this Section 2.1 is not met, then any such Termination Compensation previously paid shall be forfeited and the Executive shall repay such forfeited Termination Compensation to Simmons within thirty (30) days following demand by Simmons.

2.2 Termination by Simmons.

(a) The Executive shall be entitled to receive Termination Compensation (as described in Section 2.5) if during an Agreement Term, all employment of the Executive is terminated by Simmons without Cause on or after a Control Change Date.

(b) The Executive shall be entitled to receive Termination Compensation (as described in Section 2.5) if during an Agreement Term, all employment of the Executive is terminated by Simmons without Cause within the 180 days immediately preceding a Control Change Date.

(c) Cause means, for purposes of this Agreement, (i) willful and continued failure by the Executive to perform his duties as established by Simmons; (ii) a material breach by the Executive of his fiduciary duties of loyalty or care to Simmons; (iii) conviction of a felony; or (iv) willful, flagrant, deliberate and repeated infractions of material published policies and procedures of Simmons of which the Executive has actual knowledge (**"Cause Exception"**). If Simmons desires to discharge the Executive under the Cause Exception, it shall give notice to the Executive as provided in Section 2.7 and the Executive shall have thirty (30) days after notice has been given to him in which to cure the reason for Simmons' exercise of the Cause Exception. If the reason for Simmons' exercise of the Cause Exception is timely cured by the Executive (as determined by a committee appointed by the Board of Directors of Simmons), Simmons' notice shall become null and void.

2.3 Voluntary Termination. The Executive shall be entitled to receive Termination Compensation (as defined in Section 2.5) if a Change in Control occurs during an Agreement Term, and the Executive voluntarily terminates employment after a Control Change Date during an Agreement Term and within six (6) months following the occurrence of a Trigger Event.

2.4 Trigger Event. A Trigger Event means, for purposes of this Agreement, the occurrence of any one of the following events:

(a) the failure by the Company or the Bank to reelect or appoint the Executive to a position with duties, functions and responsibilities substantially equivalent to the position held by the Executive on the Control Change Date;

(b) a material modification by the Company or the Bank of the title, duties, functions or responsibilities of the Executive without his written consent;

(c) the failure of the Company or the Bank to permit the Executive to exercise such responsibilities as are consistent with the Executive's position and of such a nature as are usually associated with such office of a corporation engaged in substantially the same business as Simmons;

(d) the Company or the Bank requires the Executive to relocate his employment more than fifty (50) miles from his place of employment, without the written consent of the Executive, excluding reasonably required business travel or temporary assignments for a reasonable period of time;

(e) any decrease, without the Executive's written consent, in the Executive's (i) annual base salary, (ii) target or maximum annual cash incentive award opportunity or (iii) target annual equity incentive award opportunity;

(f) the Company or the Bank shall fail to make a payment when due to the Executive; or

(g) a breach by Simmons of the obligations set forth in Article 15 of this Agreement.

2.5 Termination Compensation. Termination Compensation equal to two (2) times the Executive's Base Period Income shall be paid to the Executive in a single sum payment in cash on the thirtieth (30th) business day after the later of (a) the Control Change Date and (b) the date of the Executive's employment termination; provided that if at the time of the Executive's termination of employment the Executive is a Specified Employee, then payment of the Termination Compensation to the Executive shall be made on the first day of the seventh (7th) month following the Executive's employment termination.

2.6 Base Period Income. The Executive's Base Period Income equals the sum of (a) his annual base salary as of the Executive's termination date, and (b) the greater of: (i) the average of any annual cash incentive award paid or payable to the Executive for the Company's last two completed fiscal years prior to the Executive's employment termination or (ii) the Executive's target annual cash incentive award opportunity for the year in which the Executive's employment termination occurs.

2.7 Notice of Termination. Any termination by Simmons under the Cause Exception or by the Executive after a Trigger Event shall be communicated by Notice of Termination to the other party hereto. A "**Notice of Termination**" shall be a written notice which (a) indicates the specific termination provision in this Agreement relied upon, (b) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (c) if the termination date is other than the date of receipt of such notice, specifies the effective date of termination.

2.8 Specified Employee. Specified Employee is a "specified employee" (within the meaning of Section 409A (as defined below)) of Simmons (or any related "service recipient" within the meaning of Section 409A).

ARTICLE 3
ATTORNEYS' FEES

In the event that the Executive incurs any attorneys' fees in protecting or enforcing his rights under this Agreement and the Executive prevails on at least one material point in such dispute or claim, Simmons shall reimburse the Executive for such reasonable attorneys' fees and for any other reasonable expenses related thereto. Such reimbursement shall be made within thirty (30) days following the Executive's written request (which must include a detailed description of such fees and expenses) which must be submitted within thirty (30) days following final resolution of the dispute or claim giving rise to such fees and expenses.

ARTICLE 4
LIFE INSURANCE POLICIES

In connection with the Executive's termination of employment, the life insurance and accidental death and dismemberment coverage provided by Simmons for the Executive and his or her eligible dependents will terminate as of the date specified in the applicable policy or contract unless the Executive elects to convert such coverage to an individual policy in accordance with the terms of such policy or contract; provided, however, that the Executive will be responsible for payment of any premiums on any such continued coverage elected. Upon the Executive's termination of employment, Simmons shall not be obligated to continue the Executive's participation in the Simmons First Endorsement Split-Dollar Life Insurance Program or provide any alternative benefits to such program after termination of the Executive's employment, except as specifically provided pursuant to the terms of the program documents governing such program.

ARTICLE 5
MITIGATION OF PAYMENT

Simmons and the Executive agree that, following the termination of employment by the Executive with Simmons, the Executive has no obligation to take any steps whatsoever to secure other employment and such failure by the Executive to search for or to find other employment upon termination from Simmons shall in no way impact the Executive's right to receive payment under any of the provisions of this Agreement.

ARTICLE 6
DECISIONS BY SIMMONS; FACILITY OF PAYMENT

Any powers granted to the Board of Directors of Simmons hereunder may be exercised by a committee, appointed by the Board of Directors of Simmons, and such committee, if appointed, shall have general responsibility for the administration and interpretation of this Agreement. If the Board of Directors of Simmons or the committee shall find that any person to whom any amount is or was payable hereunder is unable to care for his affairs because of illness or accident, or has died, then the Board of Directors of Simmons or the committee, if it so elects, may direct that any payment due him or his estate (unless a prior claim therefore has been made by a duly appointed legal representative) or any part thereof be paid or applied for the benefit of such person or to or for the benefit of his spouse, children or other dependents, an institution maintaining or having custody of such person, any other person deemed by the Board of Directors of Simmons or committee to be a proper recipient on behalf of such person otherwise entitled to payment, or any of them, in such manner and proportion as the Board of Directors of Simmons or committee may deem proper. Any such payment shall be in complete discharge of the liability of Simmons therefor.

ARTICLE 7
SOURCE OF PAYMENTS; NO TRUST

The obligations of Simmons to make payments hereunder shall constitute an unsecured liability of Simmons to the Executive. Such payments shall be made from the general funds of Simmons, and Simmons shall not be required to establish or maintain any special or separate fund, or otherwise to segregate assets to assure that such payments shall be made, and neither the Executive nor his designated beneficiary shall have any interest in any particular asset of Simmons by reason of its obligations hereunder. Nothing contained in this Agreement shall create or be construed as creating a trust of any kind or any other fiduciary relationship between Simmons and the Executive or any other person. To the extent that any person acquires a right to receive payments from Simmons hereunder, such right shall be no greater than the right of an unsecured creditor of Simmons.

ARTICLE 8
REDUCTION IN BENEFITS, EXCISE TAX

In the event that the severance and other benefits provided for in this Agreement or otherwise payable to the Executive (a) constitute "parachute payments" within the meaning of Section 280G of the Code and (b) but for this Article 8, would be subject to the excise tax imposed by Section 4999 of the Code, then the Executive's payments and benefits will be either:

(i) delivered in full, or

(ii) delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by the Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.

If a reduction in severance and other payments and benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (I) reduction of cash payments; (II) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G), (III) cancellation of accelerated vesting of equity awards, and (IV) reduction of employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards.

Any determination required under this Article 8 will be made in writing by Simmons' independent tax accountants engaged by Simmons for general tax purposes immediately prior to the Change in Control ("**Accountants**"), whose good faith determination will be conclusive and binding upon the Executive and Simmons for all purposes. If the tax accounting firm so engaged by Simmons is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, or if such firm otherwise cannot perform the calculations, Simmons shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. For purposes of making the calculations, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Simmons and the Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section. Simmons will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Article 8.

ARTICLE 9
SEVERABILITY

All agreements and covenants contained herein are severable, and in the event any of them shall be held to be invalid by any competent court, this Agreement shall be interpreted as if such invalid agreements or covenants were not contained herein.

ARTICLE 10
ASSIGNMENT PROHIBITED

This Agreement is personal to each of the parties hereto, and no party may assign or delegate any of his or its rights or obligations hereunder except as specified in Article 15. Any attempt to assign any rights or delegate any obligations under this Agreement shall be void.

ARTICLE 11
NO ATTACHMENT

Except as otherwise provided in this Agreement or required by applicable law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

ARTICLE 12
HEADINGS AND INTERPRETATION

The headings of articles, paragraphs and sections herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement. References herein to "Simmons" shall refer to both the Company and the Bank or the Company or the Bank, as the context requires, and the Company and the Bank shall have the option to perform the obligations provided herein, in their sole discretion, through either entity; provided, however, that for purposes of such obligations and the rights of Simmons under this Agreement, the Company and Bank shall be treated as one and the same; provided, further, that this statement shall not be deemed ineffective or construed to have any effect other than the effect expressly stated herein by reference in this Agreement to both the Company and the Bank, such references included solely to emphasize in certain places the intent of this statement and the Agreement as a whole. The Executive may enforce his rights against either the Company, the Bank, or both the Company and the Bank.

ARTICLE 13
GOVERNING LAW

The parties intend that this Agreement and the performance hereunder and all suits and special proceedings hereunder shall be construed in accordance with and under and pursuant to the laws of the State of Arkansas, and that in any action, special proceeding or other proceeding that may be brought arising out of, in connection with, or by reason of this Agreement, the laws of the State of Arkansas, shall be applicable and shall govern to the exclusion of the law of any other forum, without regard to the jurisdiction in which any action or special proceeding may be instituted.

ARTICLE 14
BINDING EFFECT

This Agreement shall be binding upon, and inure to the benefit of, the Executive and his heirs, executors, administrators and legal representatives and Simmons and its permitted successors and assigns.

ARTICLE 15
MERGER OR CONSOLIDATION

Simmons shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or the Bank ("**Successor Corporation**") to assume expressly and agree to perform this Agreement in the same manner and to the same extent that Simmons would be required to perform it if no such succession had taken place. Upon such assumption, the Executive and the Successor Corporation shall become obligated to perform the terms and conditions of this Agreement.

ARTICLE 16
ENTIRE AGREEMENT

This Agreement expresses the whole and entire agreement between the parties with reference to the Executive's change in control-related severance and, as of the Effective Date, supersedes and replaces any prior employment agreement, understanding or arrangement (whether written or oral) between Simmons and the Executive on this subject; provided, however, that, for the avoidance of doubt, nothing herein shall affect the rights of the Executive and the Company under (a) any Associate Agreement and (b) the terms and conditions associated with any grant of restricted stock units or other equity award. Each of the parties hereto has relied on his or its own judgment in entering into this Agreement.

ARTICLE 17
NOTICES

All notices, requests and other communications to any party under this Agreement shall be in writing and shall be given to such party at its address set forth below or such other address as such party may hereafter specify for the purpose by notice to the other party:

(a) If to the Executive: Chris Van Steenberg
3396 Beford Lane
Germantown, TN 38139

(b) If to the Company or the Bank:

Simmons First National Corporation / Simmons Bank
Attention: Chairman
P. O. Box 7009
Pine Bluff, Arkansas 71611

Each such notice, request or other communication shall be effective (i) if given by mail, 72 hours after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means, when delivered at the address specified in this Article 17.

ARTICLE 18
MODIFICATION OF AGREEMENT

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. No evidence of any waiver of modification shall be offered or received in evidence at any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. The parties further agree that the provisions of this Article 18 may not be waived except as herein set forth.

ARTICLE 19
TAXES

To the extent required by applicable law, Simmons shall deduct and withhold all necessary Social Security taxes and all necessary federal and state withholding taxes and any other similar sums required by laws to be withheld from any payments made pursuant to the terms of this Agreement. This term shall be construed in conjunction with Article 8 and shall not supersede or modify it in any way.

ARTICLE 20
409A COMPLIANCE

(a) The intent of the parties is that payment and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "**Section 409A**") or comply with an exemption from the application of Section 409A and, accordingly, all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither the Executive, the Company, nor the Bank shall take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any matter which would not be in compliance with Section 409A.

(c) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the form or timing of payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" (within the meaning of Section 409A) and, for purposes of any such provision of this Agreement under which (and to the extent) deferred compensation subject to Section 409A is paid, references to a "termination" or "termination of employment" or like references shall mean separation from service. A "separation from service" shall not occur under Section 409A unless such Executive has completely severed the Executive's relationship with the Company and Bank or the Executive has permanently decreased Executive's services to twenty percent (20%) or less of the average level of bona fide services over the immediately preceding thirty-six (36) month period (or the full period if the Executive has been providing services for less than thirty-six (36) months). A leave of absence shall only trigger a termination of employment that constitutes a separation from service at the time required under Section 409A.

(d) Notwithstanding any other provision of this Agreement, the Executive shall be solely liable, and neither the Company nor the Bank shall be liable in any way to the Executive if any payment or benefit which is to be provided pursuant to this Agreement and which is considered deferred compensation subject to Section 409A otherwise fails to comply with, or be exempt from, the requirements of Section 409A.

ARTICLE 21
RECITALS

The Recitals to this Agreement are incorporated herein and shall constitute an integral part of this Agreement.

ARTICLE 22
COUNTERPARTS

This Agreement shall become legally binding when the last party hereto executes and delivers this Agreement. This Agreement may be executed and delivered in multiple counterparts (including by Docusign/Echosign or a similarly accredited secure signature service or other electronic transmission or signature), each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Counterparts may be delivered by facsimile, e-mail (including .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and shall be valid and effective for all purposes.

[Remainder of page intentionally blank. Signatures on next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

EXECUTIVE: /s/ Chris Van Steenberg
Chris Van Steenberg

COMPANY: **SIMMONS FIRST NATIONAL CORPORATION**

By: /s/ Jena Compton
Title: EVP and Chief People Officer

BANK: **SIMMONS BANK**

By: /s/ Jena Compton
Title: EVP and Chief People Officer

Exhibit A

RELEASE

In consideration of the benefits promised in the Executive Change in Control Severance Agreement to which this Release is attached as **Exhibit A** (and further defined below), Chris Van Steenberg (the "**Executive**"), hereby irrevocably and unconditionally releases, acquits, and forever discharges Simmons First National Corporation (the "**Company**") and Simmons Bank (the "**Bank**"), and each of their agents, directors, members, shareholders, affiliated entities, officers, employees, former employees, attorneys, and all persons acting by, through, under or in concert with any of them (collectively "**Releasees**") from any and all charges, complaints, claims, liabilities, grievances, obligations, promises, agreements, controversies, damages, policies, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any rights arising out of alleged violations or breaches of any contracts, express or implied, or any tort, or any legal restrictions on Releasees' right to terminate employees, or any federal, state or other governmental statute, regulation, law or ordinance, including without limitation, (1) Title VII of the Civil Rights Act of 1964, as amended by the Civil Rights Act of 1991, (2) the Americans with Disabilities Act, (3) 42 U.S.C. § 1981, (4) the federal Age Discrimination in Employment Act (age discrimination), (5) the Older Workers Benefit Protection Act, (6) the Equal Pay Act, (7) the Family and Medical Leave Act, (8) the Employee Retirement Income Security Act, and (9) the Arkansas Civil Rights Act ("**Claim**" or "**Claims**"), which the Executive now has, owns or holds, or claims to have, own or hold, or which the Executive at any time heretofore had owned or held, or claimed to have owned or held, against each or any of the Releasees at any time up to and including the date of the execution of this Release.

Nothing in this Release shall restrict or prohibit the Executive or the Executive's counsel from filing a charge or complaint with, initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before a self-regulatory authority or a governmental, law enforcement or other regulatory authority, including the U.S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Congress, and any Office of Inspector General (collectively, the "**Regulators**"), from participating in any reporting of, investigation into, or proceeding regarding suspected violations of law, or from making other disclosures that are protected under or from receiving an award for information provided under the whistleblower award programs administered by a state or federal agency. The Executive does not need the prior authorization of the Company or the Bank to engage in such communications with the Regulators, respond to such inquiries from the Regulators, provide confidential information or documents containing confidential information to the Regulators, or make any such reports or disclosures to the Regulators. The Executive is not required to notify the Company or the Bank that the Executive has engaged in such communications with the Regulators. The Executive recognizes and agrees that, in connection with any such activity outlined above, the Executive must inform the Regulators that the information the Executive is providing is confidential. To the extent, that any such charge or complaint is made against the Releasees, the Executive expressly waives any claim or right to any form of monetary relief or other damages, or any form of individual recovery or relief in connection with any such charge or complaint, except that the Executive does not waive his right with respect to any government-issued award for information provided under the whistleblower award programs administered by a state or federal agency.

In addition, pursuant to the Defend Trade Secrets Act of 2016, the Executive is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

The Executive hereby acknowledges and agrees that the execution of this Release and the cessation of the Executive's employment and all actions taken in connection therewith are in compliance with the federal Age Discrimination in Employment Act and the Older Workers Benefit Protection Act and that the releases set forth above shall be applicable, without limitation, to any claims brought under these Acts. The Executive further acknowledges and agrees that:

i. The Release given by the Executive is given solely in exchange for the benefits set forth in the Executive Change in Control Severance Agreement dated as of [•] between the Company, the Bank and the Executive to which this Release was initially attached and such consideration is in addition to anything of value which the Executive was entitled to receive prior to entering into this Release;

ii. By entering into this Release, the Executive does not waive any rights the Executive may have to indemnification, including without limitation indemnification for attorneys' fees, costs and/or expenses, pursuant to applicable statute, the articles of incorporation and by-laws of the Company or the Bank;

iii. By entering into this Release, the Executive does not waive rights or claims that may arise after the date this Release is executed;

iv. By entering into this Release, and subject to the limitations above, the Executive agrees not to knowingly make any statement or engage in any conduct which may reasonably be expected to have the effort of disparaging the Company or the Bank to any: (i) media; (ii) potential, current or former employees; or (iii) third parties. The Executive acknowledges that the Company and the Bank will be irreparably harmed by a breach of this provision and that there may be no adequate remedy at law;

v. The Executive has been advised to consult an attorney prior to entering into this Release, and this provision of the Release satisfies the requirements of the Older Workers Benefit Protection Act that the Executive be so advised in writing;

vi. The Executive has been offered twenty-one (21) days [or 45 days if applicable] from receipt of this Release within which to consider whether to sign this Release; and

vii. For a period of seven (7) days following the Executive's execution of this Release, the Executive may revoke this Release by delivering the revocation to the Chief People Officer of the Company, and it shall not become effective or enforceable until such seven (7) day period has expired.

This Release shall be binding upon the heirs and personal representatives of the Executive and shall inure to the benefit of the successors and assigns of the Company and the Bank.

Date: _____

_____
Chris Van Steenberg

Exhibit 10.41

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement"), dated as of February 25, 2025 (the "Effective Date"), is made by and between Simmons First National Corporation, an Arkansas corporation ("Company"), and the undersigned indemnitee ("Indemnitee").

RECITALS

A. The Company recognizes that competent and experienced persons are increasingly reluctant to serve or to continue to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance or indemnification, or both, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and due to the fact that the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. The statutes and judicial decisions regarding the duties of directors and officers are often difficult to apply, ambiguous, or conflicting, and therefore fail to provide such directors and officers with adequate, reliable knowledge of legal risks to which they are exposed or information regarding the proper course of action to take;

C. The Company believes that it is unfair for its directors and officers to assume the risk of large judgments and other expenses which may occur in cases in which the director or officer received no personal profit and in cases where the director or officer was not culpable;

D. The Company, after reasonable investigation, has determined that the liability insurance coverage presently available to the Company may be inadequate in certain circumstances to cover all possible exposure for which Indemnitee should be protected. The Company believes that the interests of the Company and its shareholders would best be served by a combination of such insurance and the indemnification by the Company of the directors and officers of the Company;

E. The indemnification provisions applicable to directors and officers contained in the Company's Amended and Restated Articles of Incorporation ("Articles") and the Company's By-laws ("By-laws") expressly provide that such right of indemnification is not exclusive, and contemplate that agreements may be entered into between the Company and its directors and officers with respect to indemnification;

F. Section 850 of the Arkansas Business Corporation Act of 1987 ("Act") (Arkansas Code Section 4-27-850) ("Section 850") empowers the Company to indemnify its officers, directors, employees and agents by agreement and to indemnify persons who serve, at the request of the Company, as the directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by Section 850 is not exclusive;

G. The Board of Directors of the Company ("Board") has determined that contractual indemnification as set forth herein is not only reasonable and prudent but also promotes the best interests of the Company and its shareholders;

H. The Company desires and has requested Indemnitee to serve or continue to serve as a director and/or officer of the Company, or an affiliate or subsidiary thereof, free from undue concern for unwarranted claims for damages arising out of or related to such services to the Company, or an affiliate or subsidiary thereof; and

I. Indemnitee is willing to serve, continue to serve or to provide additional service for or on behalf of the Company, or an affiliate or subsidiary thereof, on the condition that Indemnitee is furnished the indemnity provided for herein.

AGREEMENT

NOW, THEREFORE, in consideration of Indemnitee's service or continued service as a director, officer, and/or other key employee of the Company or an affiliate or subsidiary thereof, the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Generally. To the fullest extent permitted by the laws of the State of Arkansas:

    a. The Company shall indemnify Indemnitee if Indemnitee was or is a party or is threatened to be made a party to, or is involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent (which, for purposes of this Agreement, shall include, without limitation, a trustee, partner or manager or similar capacity) of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise). For the avoidance of doubt, the foregoing indemnification obligation includes, without limitation, claims for monetary damages against Indemnitee in respect of an alleged breach of fiduciary duties, to the fullest extent permitted under Section 202(b)(3) of the Act as in existence on the date hereof.

    b. The indemnification provided by this Section 1 shall be from and against all expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf in connection with such action, suit or proceeding, but shall only be provided if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action, suit or proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

    c. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that Indemnitee's conduct was unlawful.

2. Partial Indemnification. If Indemnitee is entitled under any provision of the Agreement to indemnification by the Company for some or a portion of the expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by Indemnitee or on Indemnitee's behalf in connection with any action, suit or proceeding, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion of such expenses, liabilities and losses (including, without limitation, attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) to which Indemnitee is entitled.

3. Advance Payment of Expenses; Notification and Defense of Claim.

a. Expenses incurred by Indemnitee or on Indemnitee's behalf in defending any action, suit or proceeding by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) or in connection with an enforcement action pursuant to Section 4(b) shall be paid by the Company in advance of the final disposition of such action, suit or proceeding within ten (10) days after receipt by the Company of (i) a statement or statements from Indemnitee requesting such advance or advances from time to time, and (ii) an undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that Indemnitee is not entitled to be indemnified by the Company as authorized by the Act, the Agreement or otherwise. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment. Advances shall be unsecured and interest-free. For the avoidance of doubt, advances shall include, without limitation, any and all expenses incurred pursuing an action to enforce this right of advancement.

b. Promptly after receipt by Indemnitee of notice of the commencement of any action, suit or proceeding, Indemnitee shall, if a claim thereof is to be made against the Company hereunder, notify the Company of the commencement thereof. The failure to promptly notify the Company of the commencement of the action, suit or proceeding, or of Indemnitee's request for indemnification, will not relieve the Company from any liability that it may have to Indemnitee hereunder or otherwise.

c. In the event the Company shall be obligated to pay the expenses of Indemnitee with respect to an action, suit or proceeding as provided in the Agreement, the Company, if appropriate, shall be entitled to assume the defense of such action, suit or proceeding with counsel reasonably acceptable to Indemnitee, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under the Agreement for any fees of counsel subsequently incurred by Indemnitee with respect to the same action, suit or proceeding, provided that (1) Indemnitee shall have the right to employ Indemnitee's own counsel in such action, suit or proceeding at Indemnitee's expense and (2) if (i) the employment of counsel by Indemnitee has been previously authorized in writing by the Company, (ii) counsel to the Company or Indemnitee shall have reasonably concluded that there may be a conflict of interest or position, or reasonably believes that a conflict is likely to arise, on any significant issue between the Company and Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such action, suit or proceeding, then the fees and expenses of Indemnitee's counsel shall be at the expense of the Company, except as otherwise expressly provided by the Agreement. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company or as to which counsel for the Company or Indemnitee shall have reasonably made the conclusion provided for in clause (ii) above.

d. Notwithstanding any other provision of the Agreement to the contrary, to the extent that Indemnitee is, by reason of Indemnitee's corporate status with respect to the Company or any corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise which Indemnitee is or was serving or has agreed to serve at the request of the Company, a witness or otherwise participates in any action, suit or proceeding at a time when Indemnitee is not a party in the action, suit or proceeding, the Company shall indemnify Indemnitee against all expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

4. Procedure for Indemnification.

a. To obtain indemnification, Indemnitee shall promptly submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

b. The Company shall determine whether to grant Indemnitee's indemnification request promptly, and in any event within sixty (60) days following receipt of a request for indemnification pursuant to Section 4(a), and in accordance with applicable law. The right to indemnification as granted by the Agreement shall be enforceable by Indemnitee in any court of competent jurisdiction if the Company denies such request, in whole or in part, or fails to respond within such 60-day period. Any such action shall be conducted as a de novo trial, on the merits. It shall be a defense to any such action (other than an action brought to enforce a claim for the advancement of expenses under Section 3 hereof where the required undertaking, if any, has been received by the Company) that Indemnitee has not met the standard of conduct set forth in Section 1 hereof, but the burden of proving such defense by clear and convincing evidence shall be on the Company. Neither the failure of the Company (including its Board, its independent legal counsel, and its shareholders) to have made a determination prior to the commencement of such action that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct set forth in Section 1 hereof, nor the fact that there has been an actual determination by the Company (including its Board, its independent legal counsel, or its shareholders) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has or has not met the applicable standard of conduct or otherwise prejudice Indemnitee. The Company shall also indemnify the Indemnitee from and against the Indemnitee's expenses (including, without limitation, attorneys' fees) incurred in connection with (1) successfully establishing Indemnitee's right to indemnification, in whole or in part, in any such proceeding or otherwise, and (2) successfully establishing Indemnitee's right to advancement of expenses, in whole or in part, in any proceeding or otherwise.

c. The Indemnitee shall be presumed to be entitled to indemnification under the Agreement upon submission of a request for indemnification pursuant to this Section 4, and the Company shall have the burden of proof in overcoming that presumption in reaching a determination contrary to that presumption. Such presumption shall be used as a basis for a determination of entitlement to indemnification unless the Company overcomes such presumption by clear and convincing evidence. If a determination that Indemnitee is entitled to indemnification has been made pursuant this Section 4 or otherwise pursuant to the terms of this Agreement, the Company shall be bound by such determination in the absence of (i) misrepresentation of a material fact by Indemnitee or (ii) a specific finding (which has become final) by an appropriate court that all or any part of such indemnification is expressly prohibited by law.

5. Insurance and Subrogation.

   a. The Company may purchase and maintain insurance on behalf of Indemnitee who is or was a director or officer of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) against any liability asserted against Indemnitee and incurred by Indemnitee or on Indemnitee's behalf in any such capacity or arising out of such status, whether or not the Company would have the power to indemnify Indemnitee against such liability. To the extent that the Company maintains liability insurance for directors and officers of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise on which any such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for such director or officer under such policy or policies. If the Company has such insurance in effect at the time the Company receives from Indemnitee any notice of the commencement of an action, suit or proceeding, the Company shall give prompt notice of the commencement of such action, suit or proceeding to the insurers in accordance with the procedures set forth in the policy. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such action, suit or proceeding in accordance with the terms of such policy.

   b. In the event of any payment by the Company under the Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such subrogation.

   c. The Company shall not be liable under the Agreement to make any payment of amounts otherwise indemnifiable hereunder (including, without limitation, ERISA excise taxes or penalties, judgments, fines and amounts paid or to be paid in settlement) if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

6. Certain Definitions. For purposes of the Agreement:

   a. The term "action, suit or proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed claim, action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether instituted by, in the right of, or on behalf of the Company or any other party or parties.

   b. The term "by reason of the fact that Indemnitee is or was a director, officer, employee or agent of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise)" shall be broadly construed and shall include, without limitation, any actual or alleged act or omission to act by Indemnitee in such capacity.

c. The term “expenses” shall be broadly and reasonably construed and shall include, without limitation, all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys’ fees and related disbursements, appeal bonds, other out-of-pocket costs and reasonable compensation for time spent by Indemnitee for which Indemnitee is not otherwise compensated by the Company or any third party, provided that the rate of compensation and estimated time involved is approved by the Board, which approval shall not be unreasonably withheld) actually and reasonably incurred by Indemnitee in connection with the investigation, preparation, prosecution, defense, settlement, arbitration or appeal of (or the giving of testimony in) an action, suit or proceeding or establishing or enforcing a right to indemnification or advancement under the Agreement, Section 850 or otherwise.

d. The term “judgments, fines and amounts paid or to be paid in settlement” shall be broadly construed and shall include, without limitation, all direct and indirect payments of any type or nature whatsoever (including, without limitation, all penalties and amounts required to be forfeited or reimbursed to the Company), as well as any penalties or excise taxes assessed on a person with respect to an employee benefit plan.

e. The term “Company” shall include, without limitation and in addition to the resulting corporation, any constituent corporation (including, without limitation, any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation (or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise) shall stand in the same position under the provisions of the Agreement with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

f. The term “other enterprise” shall include, without limitation, employee benefit plans.

g. The term “fines” shall include, without limitation, any excise taxes assessed on a person with respect to an employee benefit plan.

h. The term “serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan, limited liability company or other enterprise”, as well as variations thereof, shall include (without limitation) in each case service to or actions taken while a director, officer, trustee, employee or agent of any subsidiary or affiliate of the Company.

i. The term “serving at the request of the Company” shall also include, without limitation, any service as a director, officer, employee or agent of the Company or an affiliate or subsidiary thereof which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries.

j. With respect to matters involving employee benefit plans, a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Company” as referred to in the Agreement.

7. Limitations on Indemnification. Notwithstanding any other provision herein to the contrary, the Company shall not be obligated pursuant to the Agreement:

   a. Claims Initiated by Indemnitee. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) initiated by Indemnitee, except with respect to an action, suit or proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Agreement, any other agreement, any insurance policy, the Articles, the By-laws, any law or otherwise, unless such action, suit or proceeding (or part thereof) was authorized or consented to by the Board.

   b. Improper Benefits. To indemnify or advance expenses to Indemnitee with respect to an action, suit or proceeding (or part thereof) based upon or attributable to the Indemnitee gaining in fact any remuneration, personal profit or advantage to which Indemnitee was not legally entitled.

   c. Section 16 Violations. To indemnify Indemnitee on account of any action, suit or proceeding with respect to which final judgment is rendered against Indemnitee for payment or an accounting of profits arising from the purchase or sale by Indemnitee of securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended, or any similar successor statute.

   d. Reimbursement of the Company. To indemnify Indemnitee for any reimbursement of the Company by Indemnitee of any bonus, other incentive-based or equity-based compensation, or of any profits realized by Indemnitee from the sale of securities of the Company, in each case as may be required pursuant to any applicable federal or other law or regulation (including, without limitation, any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act of 2002), any applicable listing standard of a national securities exchange or system on which the common stock of the Company is then listed or reported or pursuant to any incentive compensation recovery or clawback policy as may be adopted from time to time by the Board or one of its committees, or any expenses incurred by Indemnitee in connection with any action, suit or proceeding to enforce such reimbursement obligation.

   e. Non-compete, Non-solicitation, Non-disclosure, Non-disparagement. To indemnify Indemnitee in connection with any action, suit or proceeding involving the enforcement of non-compete, non-solicitation, non-disclosure and/or non-disparagement agreements, or the non-compete, non-solicitation, non-disclosure and/or non-disparagement provisions of employment, consulting, severance or similar agreements, to which the Indemnitee may be a party with the Company, or any subsidiary of the Company or any other applicable foreign or domestic corporation, partnership, joint venture, trust or other enterprise, if any.

   f. Payments Prohibited by Law. To indemnify or advance expenses to Indemnitee where such indemnification or advancement of expenses related thereto are prohibited by any applicable law or regulation promulgated by any federal or state legislation or banking regulatory agency.

8. Certain Settlement Provisions. The Company shall have no obligation to indemnify Indemnitee under the Agreement for amounts paid in settlement of any action, suit or proceeding without the Company's prior written consent, which shall not be unreasonably withheld. The Company shall not settle any action, suit or proceeding in any manner that would impose any fine, judgment, penalty, liability, loss, expense, limitation or other obligation on Indemnitee without Indemnitee's prior written consent; provided, however, that, with respect to settlements requiring solely the payment of money either by the Company or by Indemnitee for which the Company is obligated to reimburse Indemnitee promptly and completely, in either case without recourse to Indemnitee, no such consent of Indemnitee shall be required.

9. Severability. If any provision or provisions of the Agreement shall be held to be invalid, illegal, void, or unenforceable on any ground by any court of competent jurisdiction, then (1) this Agreement shall be deemed automatically modified to the extent necessary to (a) make such provision or provisions valid, legal, and enforceable and (b) as closely as possible maintain and accomplish the original intent of the provision or provisions in question, and (2) the remaining provisions of this Agreement shall not be affected and shall remain in full force and effect.

10. Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for herein is held by a court of competent jurisdiction to be unavailable to Indemnitee in whole or in part, it is agreed that, in such event, the Company shall, to the fullest extent permitted by law, contribute to the payment of Indemnitee's costs, charges and expenses (including, without limitation, attorneys' fees), judgments, fines and amounts paid or to be paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, in an amount that is just and equitable in light of all the circumstances in order to reflect (1) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such action, suit or proceeding; and (2) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s); provided, that, without limiting the generality of the foregoing, such contribution shall not be required where such holding by the court is due to any limitation on indemnification set forth in Section 5(c), 7 or 8 hereof. The relative fault of the Company and of Indemnitee shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such action, suit or proceeding. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

11. Form and Delivery of Communications. Any notice, request or other communication required or permitted to be given to the parties under the Agreement shall be in writing and either delivered in person or sent by overnight mail or courier service, or certified or registered mail, return receipt requested, postage prepaid, addressed to Indemnitee at Indemnitee's most recent address on the Company's records, and to the Company as follows:

    Simmons First National Corporation
    501 Main Street
    Pine Bluff, Arkansas 71601
    Attention: General Counsel

    or to such other address as the Company or Indemnitee may, from time to time, designate in writing by notice hereunder.

12. Subsequent Legislation. If the Act is amended after the Effective Date to expand further the indemnification permitted to directors or officers, then the Company shall indemnify Indemnitee to the fullest extent permitted by the Act, as so amended.

13. Additional Indemnification Rights; Non-exclusivity.

    a. Notwithstanding any other provision of this Agreement, the Company hereby agrees to indemnify the Indemnitee to the fullest extent permitted by law, notwithstanding that such indemnification is not specifically authorized by the other provisions of this Agreement, the Articles, the By-Laws or by statute.

b. The provisions for indemnification and advancement of expenses set forth in the Agreement shall not be deemed exclusive of any other rights which Indemnitee may have under any provision of law, the Articles, the By-laws, the vote of the Company's shareholders or disinterested directors, insurance policies, other agreements or otherwise; and nothing in this Agreement shall be used to interpret or otherwise affect such other rights. Indemnitee's rights hereunder shall continue after Indemnitee has ceased acting as a director, officer, employee or agent of the Company and shall inure to the benefit of the heirs, executors and administrators of Indemnitee. However, no amendment or alteration after the Effective Date of the Articles or By-laws or any other agreement shall adversely affect the rights provided to Indemnitee under the Agreement.

14. Enforcement. The Company shall be precluded from asserting in any judicial proceeding that the procedures and presumptions of the Agreement are not valid, binding and enforceable. The Company agrees that its execution of the Agreement shall constitute a stipulation by which it shall be irrevocably bound in any court of competent jurisdiction in which a proceeding by Indemnitee for enforcement of Indemnitee's rights hereunder shall have been commenced, continued or appealed, that its obligations set forth in the Agreement are unique and special, and that failure of the Company to comply with the provisions of the Agreement will cause irreparable and irremediable injury to Indemnitee, for which a remedy at law will be inadequate. As a result, in addition to any other right or remedy Indemnitee may have at law or in equity with respect to breach of the Agreement, Indemnitee shall be entitled to injunctive or mandatory relief directing specific performance by the Company of its obligations under the Agreement.

15. Interpretation of Agreement. It is understood that the parties hereto intend the Agreement to be interpreted and enforced so as to provide indemnification to Indemnitee to the fullest extent now or hereafter permitted by law.

16. Modification and Waiver. No supplement, modification or amendment of the Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of the Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) nor shall such waiver constitute a continuing waiver. No waiver of any of the provisions of the Agreement shall be effective unless in a writing signed by the party against whom enforcement of the waiver is sought.

17. Successor and Assigns. All of the terms and provisions of the Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the parties hereto and their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company shall require and cause any direct or indirect successor (whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement in form and substance reasonably satisfactory to Indemnitee, expressly to assume and agree to perform the Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

18. Service of Process and Venue. For purposes of any claims or proceedings to enforce the Agreement, the Company consents to the jurisdiction and venue of any federal or state court of competent jurisdiction in the State of Arkansas, and waives and agrees not to raise any defense that any such court is an inconvenient forum or any similar claim.

19. Governing Law. The Agreement shall be governed exclusively by and construed according to the laws of the State of Arkansas, as applied to contracts between Arkansas residents entered into and to be performed entirely within Arkansas. If a court of competent jurisdiction shall make a final determination that the provisions of the law of any state other than Arkansas govern indemnification by the Company of its directors and officers, then the indemnification provided under the Agreement shall in all instances be enforceable to the fullest extent permitted under such law, notwithstanding any provision of the Agreement to the contrary.

20. Employment Rights; Board Service. Nothing in the Agreement is intended to create in Indemnitee any right to employment or continued employment. Nothing in the Agreement is intended to create in Indemnitee any right to continued service on the Board.

21. Counterparts. The Agreement shall become legally binding when the last party hereto executes and delivers the Agreement. The Agreement may be executed and delivered in multiple counterparts (including, without limitation, by Docusign/Echosign or a similarly accredited secure signature service or other electronic transmission or signature), each of which when so executed and delivered shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Counterparts may be delivered by facsimile, e-mail (including, without limitation, .pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and shall be valid and effective for all purposes.

22. Headings. The section and subsection headings contained in the Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of the Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed and delivered the Agreement to be effective as of the Effective Date.

SIMMONS FIRST NATIONAL CORPORATION

By: /s/ Jena Compton
Name: Jena Compton
Title: EVP and Chief People Officer

INDEMNITEE
/s/ Chris Van Steenberg
Signature

Chris Van Steenberg
Printed or Typed Name

Exhibit 19

Insider Trading Policy

(Version 5)

This Insider Trading Policy (the "**Policy**") describes the standards of Simmons First National Corporation and its subsidiaries (collectively, the "**Company**") with respect to trading, and causing the trading of, Company securities or securities of certain other publicly traded entities while in possession of material nonpublic information. This Policy is divided into two parts: the first part prohibits trading under certain circumstances and applies to all directors, officers and employees of the Company, and the second part imposes special additional trading restrictions and applies to all Covered Persons (as defined below), a subset of those persons covered by the first part.

The federal securities laws prohibit "insider trading." Insider trading occurs when a person uses material nonpublic information to make decisions to purchase, sell, or otherwise trade the securities of a publicly traded entity or provides that information to others who make such a decision (or pass it to a third person who does). The prohibitions against insider trading apply to trades, tips, and recommendations by any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic" (each as defined below). The prohibitions would apply to any director, officer or employee who buys or sells any securities on the basis of material nonpublic information that he or she obtained about the Company, its customers, suppliers, or other companies.

PART I

1. Applicability

This Policy applies to all trading or other transactions in the Company's securities, including common stock and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, including, without limitation, options, whether or not issued by the Company. This Policy also applies to securities of other companies about which you learn material nonpublic information during the course of your relationship with the Company.

2. General Policy: Trading Restrictions

(a) No director, officer, or employee, while in possession of material nonpublic information about the Company, shall (i) purchase or sell, or offer to purchase or sell, any Company security, whether or not issued by the Company or (ii) communicate that information to any third party, including, without limitation, family members and friends, without authorization from executive management of the Company.

(b) No director, officer, or employee, while in possession of material nonpublic information about an entity that was obtained in the course of his or her involvement with the Company, shall (i) purchase or sell any security of any other publicly traded entity or (ii) communicate that information to any third party, including, without limitation, family members and friends, without authorization from executive management of the Company.

3. Definitions

(a) "Material" Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects, *among others*, is reasonably likely to be found material in particular situations:

(i) significant changes in the Company's prospects;

(ii) significant write-downs in assets or increases in reserves;

(iii) developments regarding significant litigation, government agency investigations or similar proceedings;

(iv) liquidity problems;

(v) changes in earnings estimates or unusual gains or losses in major operations;

(vi) changes in management;

(vii) changes in dividends;

(viii) borrowings outside of the ordinary course of business;

(ix) award or loss of a significant contract;

(x) changes in debt ratings;

(xi) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, purchases or sales of substantial assets, or similar strategic transactions; and

(xii) offerings of Company securities.

As noted above, material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new business line or service, the point at which negotiations or implementation of the new business line or service are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger or acquisition, may be material even if the possibility that the event will occur is relatively small.

If you are unsure whether information is material, you should either (i) consult the Compliance Office before making any decision to trade in or recommend securities to which that information relates or (ii) assume that the information is material.

(b) "Nonpublic" The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public," the information must have been disseminated in a manner designed to reach investors generally, such as through a press release carried over a major news service or a public filing with the U.S. Securities and Exchange Commission. In addition, investors must be given the opportunity to absorb the information. Generally, one full business day is deemed sufficient time to absorb the information.

Nonpublic information may include, among other things:

(i) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and

(ii) information that has been entrusted to the Company on a confidential basis, until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information.

As with questions of materiality, if you are unsure whether information is considered public, you should either (i) consult the Compliance Office before making any decision to trade in or recommend securities to which that information relates or (ii) assume that the information is nonpublic and treat it as confidential.

(c) "Compliance Office" The Company has appointed the Legal Department as the "Compliance Office" for this Policy. The duties of the Compliance Office include, without limitation, the following:

(i) assisting with implementation and enforcement of this Policy (provided that disciplinary action for violations of this Policy shall be recommended by the Human Resources Department);

(ii) making this Policy available to all employees and ensuring that this Policy is amended as necessary to remain up-to-date with applicable laws;

(iii) pre-clearing all trading in securities of the Company by Covered Persons in accordance with the procedures set forth in Part II, Section 3 below;

(iv) reviewing any Rule 10b5-1 Plans (as defined below) under Part II, Section 1 below and investigating any prohibited transactions under Part II, Section 4 below; and

(v) assisting with appropriate public disclosure of the policies laid out herein and, where required, trading of Company securities, including pursuant to 10b5-1 Plans and as required by Section 16 of the Securities Exchange Act of 1934, as amended, and its implementing rules and regulations (the "**Exchange Act**").

4. Exceptions

The trading restrictions of this Policy do not apply to the following:

(a) ESPP Elections (including changes to prior elections) under, as well as purchases of Company stock through, the Company's Employee Stock Purchase Plan ("**ESPP**"). However, the sale of any Company stock acquired under the ESPP is subject to trading restrictions under this Policy.

(b) Options Exercising stock options granted under the Company's incentive plans as long as the exercise does not involve the sale of any Company stock. The trading restrictions *do* apply to the sale of any shares issued on the exercise of a stock option (including, without limitation, any sale of stock as part of a "broker-assisted cashless" exercise of an option or any market sale for the purpose of generating the cash needed to pay the exercise price of the option).

(c) Surrender of Shares to the Company Surrender of shares to the Company in payment of the exercise price of a stock option or in satisfaction of any tax withholding obligations for awards granted under the Company's incentive plans.

(d) Certain Standing Instructions Acquisitions, transfers or dispositions of Company stock under the Company's dividend reinvestment plan or any individual account that are made pursuant to standing instructions (including a dividend reinvestment election in a brokerage account) given when not (i) in possession of material nonpublic information about the Company or (ii) with respect to Covered Persons, subject to a closed Trading Window (as defined below). The trading restrictions *do* apply to the giving of such instructions or elections (including changes to prior elections) under such plans or accounts.

(e) Estate Planning and Gifts Bona fide gifts of Company securities (such as charitable donations or family gifts or estate planning transfers). Depending on the circumstances, recipients of gifts may be subject to restrictions on subsequent sales of securities. Gifts that are part of a plan to otherwise circumvent this Policy or other restrictions on insider trading are not permitted.

(f) 10b5-1 Plans Acquisitions, transfers or dispositions pursuant to a valid 10b5-1 Plan that satisfies the conditions set forth in the Section immediately below.

5. 10b5-1 Plans

Parts I and II of this Policy address, among other things, transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Exchange Act (a "**10b5-1 Plan**"). Under this Policy, a valid and permitted 10b5-1 Plan is one that:

(a) requires the person to make a written representation that he or she is establishing the plan (i) in good faith, (ii) not as a part of a plan or scheme to evade the prohibitions of Rule 10b5-1, and (iii) at a time when he or she is not in possession of material non-public information;

(b) with respect to any Covered Person, was established during an open Trading Window without possession of material nonpublic information;

(c) was entered into by a person who (i) does not have any other outstanding 10b5-1 Plan (subject to certain exceptions which must be approved by the Compliance Office prior to adoption of the additional plan) and (ii) if the proposed 10b5-1 Plan is single-trade, has not used a single-trade 10b5-1 Plan in the last 12 months;

(d) is not designed to effect all of the trades thereunder as a single transaction (subject to certain exceptions which must be approved by the Compliance Office prior to adoption of the plan);

(e) does not permit any trades thereunder until the expiration of the applicable "cooling off" period pursuant to 17 C.F.R. § 240.10b5-1, meaning (i) for Section 16 Insiders (as defined below) the later of 90 days after the adoption of the 10b5-1 Plan and two business days following disclosure of the Company's results in a Quarterly Report on Form 10-Q or Annual Report on Form 10-K for a completed fiscal quarter in which such 10b5-1 Plan was adopted (provided that, in no event will the required cooling off period be longer than 120 days after the adoption of such 10b5-1 Plan) and (ii) for all other persons, 30 days after the adoption of such 10b5-1 Plan; and

(f) specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions.

All 10b5-1 Plans and any amendments thereto must be reviewed by the Compliance Office prior to their establishment to confirm compliance with this Policy. The Compliance Office must also be notified of any amendments to, or termination of, any 10b5-1 Plan, as well as any trades thereunder. Any modification to the amount, pricing, or timing of purchases or sales of securities under a 10b5-1 Plan will constitute the termination of the 10b5-1 Plan and adoption of a new 10b5-1 Plan. As a result, any such modification will trigger the need for the modified 10b5-1 Plan to satisfy all of the foregoing, including a new cooling off period, before trading can resume.

With respect to any purchase or sale under a 10b5-1 Plan, the third party effecting transactions must be instructed to send duplicate confirmations of all such transactions to the Compliance Office.

6. Violations of Insider Trading Policy

In addition to potential personal civil and criminal liability, employees who violate this Policy may be subject to disciplinary action by the Company, up to and including termination for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Office.

7. Post-Separation Transactions

The prohibition on directors, officers, and employees of the Company engaging in trading in the securities of the Company and certain other public entities while in possession of material nonpublic information persists after the relationship with the Company has ended. If any such person is in possession of material nonpublic information when his or her service terminates, that person may not trade in any such securities until that information has become public or is no longer material.

PART II

1. General Policy

Recognizing that such individuals have an increased likelihood of being in possession of material nonpublic information at certain times, this Part II applies to all (i) directors of Simmons First National Corporation and Simmons Bank, (ii) officers of the Company at the level of Executive Vice President and above and (iii) Company employees assigned to the departments listed on Appendix A (collectively, "**Covered Persons**"). Such Covered Persons are prohibited from trading in the Company's securities except during an open Trading Window. This trading restriction is subject to the exceptions set forth under Part I, Section 4 above.

2. Trading Window and Special Blackouts

For purposes of this Policy, a "**Trading Window**" is each thirty-day period beginning on the second trading day following the public release of the Company's quarterly financial results. However, a Trading Window shall not open for any Covered Person who is in possession of any material nonpublic information. In addition, a Trading Window shall close for any Covered Person who comes into possession of material nonpublic information after such window has opened.

The Company may impose special periods during which specified Covered Persons will be prohibited from trading or otherwise effecting transactions in the Company's securities (a "Special Blackout"), even though a Trading Window is open. This may occur if, for example, such Covered Persons are working on a material merger or acquisition transaction. If a Special Blackout is imposed, the Company will notify the affected individuals by sending them a notice. The Company will also notify affected individuals at the end of such Special Blackout.

3. Pre-clearance of Securities Transactions

(a) Because Covered Persons may obtain material nonpublic information in the normal course of their employment/service, the Company requires all such persons to refrain from trading, even during an open Trading Window, without first pre-clearing all transactions in the Company's securities pursuant to this Policy.

(b) Subject to the exemptions in Section 3(d) below, no Covered Person may, directly or indirectly, purchase, sell, or gift any Company security at any time without first obtaining prior approval from the Compliance Office. This requirement also applies to transactions by such person's spouse, other persons living in such person's household and minor children and to transactions by entities over which such person exercises control. **Covered Persons shall submit all pre-clearance requests to tradeclearance@simmonsbank.com.**

(c) The Compliance Office shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading five business days following the day on which it was granted. If the transaction does not occur during the five-business-day period, pre-clearance of the transaction must be re-requested.

(d) Pre-clearance is not required for the following:

(i) ESPP Elections (including changes to prior elections) or purchases through the ESPP; however, sales by a Covered Person of any Company stock acquired under the ESPP are subject to pre-clearance under this Policy;

(ii) Surrender of Shares to the Company Surrender of shares to the Company in payment of the exercise price of a stock option or in satisfaction of any tax withholding obligations for awards granted under the Company's incentive plans;

(iii) Certain Standing Instructions Acquisitions, transfers or dispositions of Company stock under the Company's dividend reinvestment plan or any individual account that are made pursuant to standing instructions (including a dividend reinvestment election in a brokerage account) given when not (i) in possession of material nonpublic information about the Company or (ii) subject to a closed Trading Window; however, pre-clearance is required prior to the giving of such instructions or elections (including changes to prior elections) under such plans or accounts; or

(iv) 10b5-1 Plans Acquisitions, transfers, or dispositions pursuant to a valid 10b5-1 Plan under this Policy.

4. Other Prohibited Transactions

Covered Persons who are required to file SEC Forms 3, 4, and 5 pursuant to the Exchange Act (the "Section 16 Insiders") are required to pay over to the Company any "profit" received from the purchase and sale or the sale and purchase of shares of the Company occurring within a six-month period. In order to comply with this provision concerning a prospective sale or purchase of Company shares, a Section 16 Insider must determine that he or she has not bought or sold, respectively, any shares within the last six months and, after the prospective sale or purchase is consummated, must refrain from buying or selling, respectively, any Company shares during the next six months.

5. Acknowledgment and Certification

All Covered Persons are required to sign the following acknowledgment and certification (provided, however, that the failure to execute such acknowledgement and certification shall have no impact on the enforceability of this Policy):

ACKNOWLEDGMENT AND CERTIFICATION

The undersigned does hereby acknowledge receipt of the Company's Insider Trading Policy. The undersigned has read and understands (or has had explained) such Policy and agrees to be governed by such Policy at all times in connection with the purchase and sale of securities and the confidentiality of nonpublic information.

_____

(Signature)

_____

(Please print name)

_____

Date

INQUIRIES

If you have any questions regarding any of the provisions of this Policy, please contact the Compliance Office. As noted above, if you are a Covered Person and would like to request pre-clearance of a potential transaction in Company securities, please submit your request to tradeclearance@simmonsbank.com.

REVISION HISTORY

Version 1 – Effective 7/19/2018

Version 2 – Effective 7/18/2019

Version 3 – Effective 7/19/2022

Version 4 – Effective 4/18/2023

Version 5 – Effective 7/27/2023

APPENDIX A

Legal Department

Finance and Accounting Department

Treasury Department

Mergers, Acquisitions, and Divestitures Group

Investor Relations Group

Internal Audit Department

Enterprise Risk Management Department

Information Security Group

Associates whose offices are located on the 12th floor of the Company's River Market Building (601 E. 3rd Street, Little Rock, Arkansas 72201)

Exhibit 21

SIMMONS FIRST NATIONAL CORPORATION
DIRECT AND INDIRECT SUBSIDIARIES
AS OF DECEMBER 31, 2024

Name of Direct or Indirect Subsidiary	State of Incorporation or Organization
Simmons Bank	AR
Simmons First Insurance Services, Inc.	AR
Simmons First Properties, Inc.	TN
Simmons First Insurance Services of TN, LLC	TN
FS Providence PCC of Grenada, LLC	TN
Providence PCC of Grenada, LLC	MS
Simmons First Special Assets, Inc.	TN
PSH LLC	MO
Simmons First Auto, Inc.	TN
Simmons First Investments, Inc.	NV
Simmons First REIT of MO, LLC	MO
Simmons First SW REIT, Inc.	DE
Simmons First REIT of TN, Inc.	MD
SB Harob, LLC	TX
Simmons NMTC Holding, LLC	AR
Stillwater NMTC, LLC	OK
Stillwater NMTC Investment Fund II, LLC	OK
AAC Investment Fund, LLC	AR
Santa Ana Holdings, LLC	MO
Heartland Bank Liquidating Trust	AR
Sunridge Meadows, LP	MO
Tax Credit Holdings – Meadowood, LLC	MO
Tax Credit Holdings – Sunridge Meadows, LLC	MO
Beacon Village Tax Credit Fund, L.L.C.	MO
Beacon Village, LP	MO
Capital Partners Series SB II, LLC	MO
Capital Partners Series SB III, LLC	MO
Capital Partners Series SB IV, LLC	MO
Capital Partners Series SB, LLC	MO
Gateway Neighborhood Fund I, LLC	MO
Raintree LMB, LLC	MO
WNC – Institutional Tax Credit NWA, LP	CA
Tax Credit Holdings – Vandeventer, LLC	MO
Vandeventer Place, LP	MO
Tax Credit Holdings Woodbury II, LLC	MO
Woodbury Place II, LP	MO
Tax Credit Holding Jennings II, LLC	MO

Name of Direct or Indirect Subsidiary	State of Incorporation or Organization
Jennings Place II, LP	MO
Capital Partners Series SB V, LLC	MO
Capital Partners Series SB VI, LLC	MO
Enhanced Capital Tax Credit Fund 64, LLC	DE
Simmons First Public Finance, Inc.	AR
Tax Credit Holdings – Vandeventer Place II, LLC	MO
Vandeventer Place II, LLC	MO
Woodbury Place II, LLC	MO
99 Front HTC, LLC	TN
Brewery HTC Tenant, LLC	TN
PR RT, LLC	MO
Meadowood Estates, LP	MO

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement on Form S-3ASR (Registration No. 333-279502) and the Registration Statements on Form S-8 (Registration Nos. 333-134240, 333-134241, 333-134276, 333-134301, 333-134356, 333-138629, 333-186253, 333-186254, 333-197708, 333-206160, 333-234166, 333-239309, 333-271417 and 333-281746) of Simmons First National Corporation (the Company) of our report dated February 27, 2025, on our audits of the consolidated financial statements of the Company as of December 31, 2024 and 2023, and for each of the years in the three-year period ended December 31, 2024, which report is included in this annual report on Form 10-K. We also consent to the incorporation by reference of our report dated February 27, 2025, on our audit of the internal control over financial reporting of the Company as of December 31, 2024, which report is included in this annual report on Form 10-K.

FORVIS, LLP

/s/ FORVIS, LLP

Little Rock, Arkansas
February 27, 2025

Exhibit 31.1

CERTIFICATION

I, George A. Makris, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Simmons First National Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ George A. Makris, Jr.
George A. Makris, Jr.
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, C. Daniel Hobbs, certify that:

1. I have reviewed this annual report on Form 10-K of Simmons First National Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ C. Daniel Hobbs
C. Daniel Hobbs
Executive Vice President and Chief Financial Officer

Exhibit 31.3

CERTIFICATION

I, David W. Garner, certify that:

1. I have reviewed this annual report on Form 10-K of Simmons First National Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ David W. Garner
David W. Garner
Executive Vice President and Chief Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Simmons First National Corporation (the "Company"), on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George A. Makris, Jr., Chairman and Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2025

/s/ George A. Makris, Jr.
George A. Makris, Jr.
Chairman and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Simmons First National Corporation (the "Company"), on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, C. Daniel Hobbs, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2025

/s/ C. Daniel Hobbs
C. Daniel Hobbs
Executive Vice President and Chief Financial Officer

Exhibit 32.3

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Simmons First National Corporation (the "Company"), on Form 10-K for the period ending December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David W. Garner, Executive Vice President and Chief Accounting Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2025

/s/ David W. Garner
David W. Garner
Executive Vice President and Chief Accounting Officer

FDIC Call Report

Simmons Bank®

Member FDIC | simmonsbank.com

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency

Federal Financial Institutions Examination Council



Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only - FFIEC 041

Institution Name	**SIMMONS BANK**
City	**PINE BLUFF**
State	**AR**
Zip Code	**71601**
Call Report Report Date	**12/31/2024**
Report Type	**041**
RSSD-ID	**663245**
FDIC Certificate Number	**3890**
OCC Charter Number	**0**
ABA Routing Number	**82900432**
Last updated on	**2/18/2025**

Federal Financial Institutions Examination Council

Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only - FFIEC 041

Report at the close of business December 31, 2024

(20241231)
(RCON 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State non member banks); 12 U.S.C. §161 (National banks); and 12 U.S.C. §1464 (Savings associations).

Unless the context indicates otherwise, the term "bank" in this report form refers to both banks and savings associations.

NOTE: Each bank's board of directors and senior management are responsible for establishing and maintaining an effective system of internal control, including controls over the Reports of Condition and Income. The Reports of Condition and Income are to be prepared in accordance with federal regulatory authority instructions. The Reports of Condition and Income must be signed by the Chief Financial Officer (CFO) of the reporting bank (or by the individual performing an equivalent function) and attested to by not less than two directors (trustees) for state non member banks and three directors for state member banks, national banks, and savings associations.

I, the undersigned CFO (or equivalent) of the named bank, attest that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Reports of Condition and Income (including the supporting schedules) for this report date and declare that the Reports of Condition and Income have been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true and correct.

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

Director (Trustee)

Director (Trustee)

Director (Trustee)

Submission of Reports

Each bank must file its Reports of Condition and Income (Call Report) data by either:

(a) Using computer software to prepare its Call Report and then submitting the report data directly to the FFIEC's Central Data Repository (CDR), an Internet-based system for datacollection (https://cdr.ffiec.gov/cdr/), or

(b) Completing its Call Report in paper form and arranging with a software vendor or another party to convert the data in to the electronic format that can be processed by the CDR. The software vendor or other party then must electronically submit the bank's data file to the CDR.

For technical assistance with submissions to the CDR, please contact the CDR Help Desk by telephone at (888) CDR-3111, by fax at (703) 774-3946, or by e-mail at CDR.Help@cdr.ffiec.gov.

FDIC Certificate Number **3890** (RSSD 9050)

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach your bank's completed signature page (or a photocopy or a computer generated version of this page) to the hard-copy record of the data file submitted to the CDR that your bank must place in its files.

The appearance of your bank's hard-copy record of the submitted data file need not match exactly the appearance of the FFIEC's sample report forms, but should show at least the caption of each Call Report item and the reported amount.

SIMMONS BANK
Legal Title of Bank (RSSD 9017)

PINE BLUFF
City (RSSD 9130)

AR State Abbreviation (RSSD 9200)

71601 Zip Code (RSSD 9220)

The estimated average burden associated with this information collection is 50.4 hours per respondent and is estimated to vary from 20 to 775 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503, and to one of the following: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551; Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429.

Consolidated Reports of Condition and Income for A Bank With Domestic Offices Only - FFIEC 041

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For information or assistance, national banks, state nonmember banks, and savings associations should contact the FDIC's Data Collection and Analysis Section, 550 17th Street, NW, Washington, DC 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern Time. State member banks should contact their Federal Reserve District Bank.

Legend: NR - Not Reported, CONF - Confidential

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the Chief Financial Officer (or equivalent) of the bank signing the reports for this quarter, and (2) the person at the bank—other than the Chief Financial Officer (or equivalent)—to whom questions about the reports should be directed. If the Chief Financial Officer (or equivalent) is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Chief Financial Officer (or Equivalent) Signing the Reports

CONF
Name (TEXT C490)

CONF
Title (TEXT C491)

CONF
E-mail Address (TEXT C492)

CONF
Area Code / Phone Number / Extension (TEXT C493)

CONF
Area Code / FAX Number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

CONF
Name (TEXT C495)

CONF
Title (TEXT C496)

CONF
E-mail Address (TEXT 4086)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

CONF
Area Code / FAX Number (TEXT 9116)

Primary Contact

CONF
Name (TEXT C366)

CONF
Title (TEXT C367)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C369)

CONF
Area Code / FAX Number (TEXT C370)

Secondary Contact

CONF
Name (TEXT C371)

CONF
Title (TEXT C372)

CONF
E-mail Address (TEXT C373)

CONF
Area Code / Phone Number / Extension (TEXT C374)

CONF
Area Code / FAX Number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering

Contact Information

This information is being requested to identify points-of-contact who are in charge of your bank's USA PATRIOT Act Section 314(a) information requests. Bank personnel listed could be contacted by law enforcement officers or the Financial Crimes Enforcement Network (FinCEN) for additional information related to specific Section 314(a) search requests or other anti-terrorist financing and anti- money laundering matters. Communications sent by FinCEN to the bank for purposes other than Section 314(a) notifications will state the intended purpose and should be directed to the appropriate bank personnel for review. Any disclosure of customer records to law enforcement officers or FinCEN must be done in compliance with applicable law, including the Right to Financial Privacy Act (12 U.S.C. 3401 et seq.).

Please provide information for a primary and secondary contact. Information for a third and fourth contact may be provided at the bank's option. Enter "none" for the contact's e-mail address if not available. This contact information is for the confidential use of the Agencies, FinCEN, and law enforcement officers and will not be released to the public.

Primary Contact

CONF
Name (TEXT C437)

CONF
Title (TEXT C438)

CONF
E-mail Address (TEXT C439)

CONF
Area Code / Phone Number / Extension (TEXT C440)

Secondary Contact

CONF
Name (TEXT C442)

CONF
Title (TEXT C443)

CONF
E-mail Address (TEXT C444)

CONF
Area Code / Phone Number / Extension (TEXT 8902)

Third Contact

CONF
Name (TEXT C870)

CONF
Title (TEXT C871)

CONF
E-mail Address (TEXT C368)

CONF
Area Code / Phone Number / Extension (TEXT C873)

Fourth Contact

CONF
Name (TEXT C875)

CONF
Title (TEXT C876)

CONF
E-mail Address (TEXT C877)

CONF
Area Code / Phone Number / Extension (TEXT C878)

Contact Information(Form Type - 041)

Dollar amounts in thousands

1. Contact Information for the Reports of Condition and Income			1.
a. Chief Financial Officer (or Equivalent) Signing the Reports			1.a.
1. Name	TEXTC490	CONF	1.a.1.
2. Title	TEXTC491	CONF	1.a.2.
3. E-mail Address	TEXTC492	CONF	1.a.3.
4. Telephone	TEXTC493	CONF	1.a.4.
5. FAX	TEXTC494	CONF	1.a.5.
b. Other Person to Whom Questions about the Reports Should be Directed			1.b.
1. Name	TEXTC495	CONF	1.b.1.
2. Title	TEXTC496	CONF	1.b.2.
3. E-mail Address	TEXT4086	CONF	1.b.3.
4. Telephone	TEXT8902	CONF	1.b.4.
5. FAX	TEXT9116	CONF	1.b.5.
2. Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed			2.
a. Name and Title	TEXTB962	CONF	2.a.
b. E-mail Address	TEXTB926	CONF	2.b.
c. Telephone	TEXTB963	CONF	2.c.
d. FAX	TEXTB964	CONF	2.d.
3. Emergency Contact Information			3.
a. Primary Contact			3.a.
1. Name	TEXTC366	CONF	3.a.1.
2. Title	TEXTC367	CONF	3.a.2.
3. E-mail Address	TEXTC368	CONF	3.a.3.
4. Telephone	TEXTC369	CONF	3.a.4.
5. FAX	TEXTC370	CONF	3.a.5.
b. Secondary Contact			3.b.
1. Name	TEXTC371	CONF	3.b.1.
2. Title	TEXTC372	CONF	3.b.2.
3. E-mail Address	TEXTC373	CONF	3.b.3.
4. Telephone	TEXTC374	CONF	3.b.4.
5. FAX	TEXTC375	CONF	3.b.5.
4. USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information			4.
a. Primary Contact			4.a.
1. Name	TEXTC437	CONF	4.a.1.
2. Title	TEXTC438	CONF	4.a.2.
3. E-mail Address	TEXTC439	CONF	4.a.3.
4. Telephone	TEXTC440	CONF	4.a.4.
b. Secondary Contact			4.b.
1. Name	TEXTC442	CONF	4.b.1.
2. Title	TEXTC443	CONF	4.b.2.
3. E-mail Address	TEXTC444	CONF	4.b.3.
4. Telephone	TEXTC445	CONF	4.b.4.
c. Third Contact			4.c.
1. Name	TEXTC870	CONF	4.c.1.
2. Title	TEXTC871	CONF	4.c.2.
3. E-mail Address	TEXTC872	CONF	4.c.3.
4. Telephone	TEXTC873	CONF	4.c.4.
d. Fourth Contact			4.d.
1. Name	TEXTC875	CONF	4.d.1.

Dollar amounts in thousands

2. Title	TEXTC876	**CONF**	4.d.2.
3. E-mail Address	TEXTC877	**CONF**	4.d.3.
4. Telephone	TEXTC878	**CONF**	4.d.4.
5. Chief Executive Officer Contact Information			5.
a. Chief Executive Officer			5.a.
1. Name	TEXTFT42	**CONF**	5.a.1.
2. E-mail Address	TEXTFT44	**CONF**	5.a.2.
3. Telephone	TEXTFT43	**CONF**	5.a.3.
4. FAX	TEXTFT45	**CONF**	5.a.4.

Schedule RI - Income Statement(Form Type - 041)

Dollar amounts in thousands

1. Interest income:			1.
a. Interest and fee income on loans:			1.a.
1. Loans secured by real estate:			1.a.1.
a. Loans secured by 1-4 family residential properties	RIAD4435	**147,876**	1.a.1.a.
b. All other loans secured by real estate	RIAD4436	**690,645**	1.a.1.b.
2. Commercial and industrial loans	RIAD4012	**174,572**	1.a.2.
3. Loans to individuals for household, family, and other personal expenditures:			1.a.3.
a. Credit cards	RIADB485	**19,448**	1.a.3.a.
b. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RIADB486	**4,538**	1.a.3.b.
4. Not applicable			1.a.4.
5. All other loans[1]	RIAD4058	**46,733**	1.a.5.
6. Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5))	RIAD4010	**1,083,812**	1.a.6.
b. Income from lease financing receivables	RIAD4065	**6**	1.b.
c. Interest income on balances due from depository institutions[2]	RIAD4115	**11,808**	1.c.
d. Interest and dividend income on securities:			1.d.
1. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).	RIADB488	**11,532**	1.d.1.
2. Mortgage-backed securities	RIADB489	**77,102**	1.d.2.
3. All other securities (includes securities issued by states and political subdivisions in the U.S.)	RIAD4060	**84,920**	1.d.3.
e. Not applicable			1.e.
f. Interest income on federal funds sold and securities purchased under agreements to resell	RIAD4020	**0**	1.f.
g. Other interest income	RIAD4518	**42,879**	1.g.
h. Total interest income (sum of items 1.a.(6) through 1.g)	RIAD4107	**1,312,059**	1.h.
2. Interest expense:			2.
a. Interest on deposits:			2.a.
1. Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RIAD4508	**155,589**	2.a.1.
2. Nontransaction accounts:			2.a.2.
a. Savings deposits (includes MMDAs)	RIAD0093	**152,867**	2.a.2.a.
b. Time deposits of $250,000 or less	RIADHK03	**213,567**	2.a.2.b.
c. Time deposits of more than $250,000	RIADHK04	**78,224**	2.a.2.c.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	RIAD4180	**603**	2.b.
c. Interest on trading liabilities and other borrowed money	RIAD4185	**54,552**	2.c.
d. Interest on subordinated notes and debentures	RIAD4200	**0**	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	RIAD4073	**655,402**	2.e.
3. Net interest income (item 1.h minus 2.e)	RIAD4074	**656,657**	3.
4. Provisions for credit losses[3]	RIADJJ33	**46,785**	4.
5. Noninterest income:			5.
a. Income from fiduciary activities [2]	RIAD4070	**30,741**	5.a.
b. Service charges on deposit accounts	RIAD4080	**49,899**	5.b.
c. Trading revenue	RIADA220	**0**	5.c.
d. Income from securities-related and insurance activities			5.d.
1. Fees and commissions from securities brokerage	RIADC886	**0**	5.d.1.
2. Investment banking, advisory, and underwriting fees and commissions	RIADC888	**7,275**	5.d.2.
3. Fees and commissions from annuity sales	RIADC887	**0**	5.d.3.

1. Includes interest and fee income on "Loans to depository institutions and acceptances of other banks," "Loans to fi nance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Other loans."
2. Includes interest income on time certificates of deposit not held for trading.
3. Institutions should report in item 4 the provisions for credit losses for all financial assets and off-balance-sheet credit exposures
2. For banks required to complete Schedule RC-T, items 14 through 22, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 22.

Dollar amounts in thousands

4. Underwriting income from insurance and reinsurance activities	RIADC386	**20**	5.d.4.
5. Income from other insurance activities	RIADC387	**4,684**	5.d.5.
e. Venture capital revenue	RIADB491	**0**	5.e.
f. Net servicing fees	RIADB492	**858**	5.f.
g. Net securitization income	RIADB493	**0**	5.g.
h. Not applicable			5.h.
i. Net gains (losses) on sales of loans and leases	RIAD5416	**9,044**	5.i.
j. Net gains (losses) on sales of other real estate owned	RIAD5415	**928**	5.j.
k. Net gains (losses) on sales of other assets[3]	RIADB496	**-605**	5.k.
l. Other noninterest income*	RIADB497	**89,783**	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	RIAD4079	**192,627**	5.m.
6. Not available			6.
a. Realized gains (losses) on held-to-maturity securities	RIAD3521	**0**	6.a.
b. Realized gains (losses) on available-for-sale debt securities	RIAD3196	**-28,393**	6.b.
7. Noninterest expense:			7.
a. Salaries and employee benefits	RIAD4135	**279,000**	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)	RIAD4217	**68,431**	7.b.
c. Not available			7.c.
1. Goodwill impairment losses	RIADC216	**0**	7.c.1.
2. Amortization expense and impairment losses for other intangible assets	RIADC232	**15,403**	7.c.2.
d. Other noninterest expense*	RIAD4092	**190,283**	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	RIAD4093	**553,117**	7.e.
8. Not available			8.
a. Income (loss) before change in net unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)	RIADHT69	**220,989**	8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading[4]	RIADHT70	**-193**	8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b)	RIAD4301	**220,796**	8.c.
9. Applicable income taxes (on item 8.c)	RIAD4302	**30,946**	9.
10. Income (loss) before discontinued operations (item 8.c minus item 9)	RIAD4300	**189,850**	10.
11. Discontinued operations, net of applicable income taxes (Describe on Schedule RI-E - Explanations)*	RIADFT28	**0**	11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)	RIADG104	**189,850**	12.
13. LESS: Net income (loss) attributable to noncontrolling (minority) interests (if net income, report as a positive value; if net loss, report as a negative value)	RIADG103	**0**	13.
14. Net income (loss) attributable to bank (item 12 minus item 13)	RIAD4340	**189,850**	14.
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	RIAD4513	**0**	M.1.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets			
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8)[1]	RIAD8431	**2,091**	M.2.
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	RIAD4313	**9,980**	M.3.
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	RIAD4507	**63,020**	M.4.
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	RIAD4150	**2932**	M.5.
Memorandum item 6 is to be completed by: ** banks with $300 million or more in total assets, and* ** banks with less than $300 million in total assets that have loans to finance agricultural product and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans*	RIAD4024	**17,627**	M.6.
6. Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5))[1]			

3. Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.

*. Describe on Schedule RI-E-Explanations

*. Describe on Schedule RI-E - Explanations.

4. Item 8.b is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.

1. The asset size tests and the 5 percent of total loans test are based on the total assets and total loans reported in the June 30, 2023, Report of Condition.

1. The asset size tests and the 5 percent of total loans test are based on the total assets and total loans reported in the June 30, 2023, Report of Condition.

		Dollar amounts in thousands	
7. If the reporting institution has applied pushdown accounting this calendar year, report the date of the institution's acquisition (see instructions)[2]	RIAD9106	**00000000**	M.7.
8. Not applicable			M.8.
Memorandum items 9.a and 9.b are to be completed by banks with $10 billion or more in total assets. 9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:[1]			M.9.
a. Net gains (losses) on credit derivatives held for trading	RIADC889	**0**	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	RIADC890	**0**	M.9.b.
Memorandum item 10 is to be completed by banks with $300 million or more in total assets. 10. Credit losses on derivatives (see instructions)[1]	RIADA251	**0**	M.10.
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?	RIADA530	**No**	M.11.
12. Not applicable			M.12.
Memorandum item 13 is to be completed by banks that have elected to account for assets and liabilities under a fair value option. 13. Net gains (losses) recognized in earnings on assets and liabilities that are reported at fair value under a fair value option:			M.13.
a. Net gains (losses) on assets	RIADF551	**165**	M.13.a.
1. Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	RIADF552	**0**	M.13.a.1.
b. Net gains (losses) on liabilities	RIADF553	**0**	M.13.b.
1. Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	RIADF554	**0**	M.13.b.1.
14. Not applicable			M.14.
Memorandum item 15 is to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Schedule RC-E, Memorandum item 5. 15. Components of service charges on deposit accounts in domestic offices (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):[1]			M.15.
a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH032	**23,709**	M.15.a.
b. Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH033	**1,617**	M.15.b.
c. Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use	RIADH034	**0**	M.15.c.
d. All other service charges on deposit accounts	RIADH035	**24,573**	M.15.d.

Schedule RI-A - Changes in Bank Equity Capital(Form Type - 041)

		Dollar amounts in thousands	
1. Total bank equity capital most recently reported for the December 31, 2023, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIAD3217	**3,599,542**	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*	RIADB507	**0**	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	RIADB508	**3,599,542**	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	RIAD4340	**189,850**	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	RIADB509	**0**	5.
6. Treasury stock transactions, net	RIADB510	**0**	6.
7. Changes incident to business combinations, net	RIAD4356	**0**	7.
8. LESS: Cash dividends declared on preferred stock	RIAD4470	**0**	8.
9. LESS: Cash dividends declared on common stock	RIAD4460	**262,388**	9.
10. Other comprehensive income[1]	RIADB511	**43,441**	10.
11. Other transactions with stockholders (including a parent holding company) (not included in items 5, 6, 8, or 9 above)*	RIAD4415	**0**	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)	RIAD3210	**3,570,445**	12.

2. Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2024, would report 20240301.

1. The asset size tests and the 5 percent of total loans test are based on the total assets and total loans reported in the June 30, 2023, Report of Condition.

1. The asset size tests and the 5 percent of total loans test are based on the total assets and total loans reported in the June 30, 2023, Report of Condition.

1. The $1 billion asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.

*. Describe on Schedule RI-E -- Explanations.

1. Includes, but is not limited to, changes in net unrealized holding gains (losses) on available-for-sale debt securities, changes in accumulated net gains (losses) on cash flow hedges, and pension and other postretirement plan-related changes other than net periodic benefit cost.

Schedule RI-B Part I - Charge-offs and Recoveries on Loans and Leases(Form Type - 041)

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar amounts in thousands	(Column A) Charge-offs Calendar year-to-date		(Column B) Recoveries Calendar year-to-date		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans	RIADC891	**521**	RIADC892	**15**	1.a.1.
2. Other construction loans and all land development and other land loans	RIADC893	**162**	RIADC894	**12**	1.a.2.
b. Secured by farmland	RIAD3584	**0**	RIAD3585	**63**	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RIAD5411	**13**	RIAD5412	**64**	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens	RIADC234	**871**	RIADC217	**654**	1.c.2.a.
b. Secured by junior liens	RIADC235	**0**	RIADC218	**51**	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RIAD3588	**0**	RIAD3589	**0**	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RIADC895	**19**	RIADC896	**198**	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RIADC897	**5,364**	RIADC898	**428**	1.e.2.
2. Not applicable					2.
3. Not applicable					3.
4. Commercial and industrial loans	RIAD4638	**26,629**	RIAD4608	**1,544**	4.
5. Loans to individuals for household, family, and other personal expenditures:					5.
a. Credit cards	RIADB514	**6,437**	RIADB515	**1,091**	5.a.
b. Automobile loans	RIADK129	**603**	RIADK133	**562**	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RIADK205	**1,709**	RIADK206	**834**	5.c.
6. Not applicable					6.
7. All other loans[2]	RIAD4644	**237**	RIAD4628	**51**	7.
8. Lease financing receivables	RIAD4266	**0**	RIAD4267	**0**	8.
9. Total (sum of items 1 through 8)	RIAD4635	**42,565**	RIAD4605	**5,567**	9.
1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above	RIAD5409	**0**	RIAD5410	**0**	M.1.
2. Not available					M.2.
Memorandum items 2.a. through 2.d. are to be completed by banks with $300 million or more in total assets: a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 1, above)[2]	RIAD4652	**0**	RIAD4662	**0**	M.2.a.
b. Not applicable					M.2.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, part I, item 4, above)	RIAD4646	**0**	RIAD4618	**0**	M.2.c.
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RI-B, part I, item 8, above)	RIADF185	**0**	RIADF187	**0**	M.2.d.
Memorandum item 3 are to be completed by: * *banks with $300 million or more in total assets, and* * *banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans:* 3. Loans to finance agricultural production and other loans to farmers (included in Schedule RI-B, part I, item 7, above)[2]	RIAD4655	**237**	RIAD4665	**51**	M.3.

Dollar amounts in thousands			
Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for credit losses on loans and leases)	RIADC388	**NR**	M.4.

Schedule RI-B Part II - Changes in Allowances for Credit Losses(Form Type - 041)

Dollar amounts in thousands	(Column A) Loans and Leases Held for Investment		(Column B) Held-to-maturity Debt Securities		(Column C) Available-for-sale Debt Securities		
1. Balance most recently reported for the December 31, 2023, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	RIADB522	**225,228**	RIADJH88	**3,214**	RIADJH94	**0**	1.
2. Recoveries (column A must equal Part I, item 9, column B, above)	RIAD4605	**5,567**	RIADJH89	**0**	RIADJH95	**0**	2.
3. LESS: Charge-offs (column A must equal Part I, item 9, column A, above less Schedule RI-B, Part II, item 4, column A)	RIADC079	**42,565**	RIADJH92	**0**	RIADJH98	**0**	3.
4. LESS: Write-downs arising from transfers of financial assets	RIAD5523	**0**	RIADJJ00	**0**	RIADJJ01	**0**	4.
5. Provisions for credit losses[1]	RIAD4230	**46,785**	RIADJH90	**0**	RIADJH96	**0**	5.
6. Adjustments (see instructions for this schedule)[*]	RIADC233	**0**	RIADJH91	**0**	RIADJH97	**0**	6.
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (column A must equal Schedule RC, item 4.c)	RIAD3123	**235,015**	RIADJH93	**3,214**	RIADJH99	**0**	7.

Dollar amounts in thousands			
1. Allocated transfer risk reserve included in Schedule RI-8, Part II, item 7, column A, above	RIADC435	**NR**	M.1.
Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 2. Separate valuation allowance for uncollectible retail credit card fees and finance charges	RIADC389	**NR**	M.2.
3. Amount of allowance for credit losses on loans and leases attributable to retail credit card fees and finance charges.	RIADC390	**NR**	M.3.
4. Not applicable			M.4.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above)	RIADJJ02	**0**	M.5.
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above)	RCONJJ03	**0**	M.6.
7. Provisions for credit losses on off-balance-sheet credit exposures	RIADMG93	**0**	M.7.
8. Estimated amount of expected recoveries of amounts previously written off included within the allowance for credit losses on loans and leases held for investment (included in item 7, column A, "Balance end of current period," above).	RIADMG94	**0**	M.8.

2. Includes charge-offs and recoveries on "Loans to finance agricultural production and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

2. The $300 million asset size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.

2. The $300 million asset size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.

1. The sum of item 5, columns A through C, plus schedule RI-B, Part II, Memorandum items 5 and 7, below, must equal Schedule RI, item 4.

*. Describe on Schedule RI-E - Explanations.

Schedule RI-C - Disaggregated Data on the Allowances for Credit Losses(Form Type - 041)

Dollar amounts in thousands	(Column A) Amortized Cost		(Column B) Allowance Balance		
1. Real estate loans:					1.
a. Construction loans	RCONJJ04	**2,789,249**	RCONJJ12	**45,337**	1.a.
b. Commercial real estate loans	RCONJJ05	**7,938,300**	RCONJJ13	**103,827**	1.b.
c. Residential real estate loans	RCONJJ06	**2,689,944**	RCONJJ14	**32,798**	1.c.
2. Commercial loans[2]	RCONJJ07	**3,335,135**	RCONJJ15	**39,654**	2.
3. Credit cards	RCONJJ08	**151,880**	RCONJJ16	**6,007**	3.
4. Other consumer loans	RCONJJ09	**101,428**	RCONJJ17	**7,392**	4.
5. Unallocated, if any			RCONJJ18	**0**	5.
6. Total (sum of items 1.a. through 5)[3]	RCONJJ11	**17,005,936**	RCONJJ19	**235,015**	6.

Dollar amounts in thousands			
7. Securities issued by states and political subdivisions in the U.S.	RCONJJ20	**196**	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS)	RCONJJ21	**0**	8.
9. Asset-backed securities and structured financial products	RCONJJ23	**0**	9.
10. Other debt securities	RCONJJ24	**3,018**	10.
11. Total (sum of items 7 through 10)[4]	RCONJJ25	**3,214**	11.

2. Include all loans and leases not reported as real estate loans, credit cards, or other consumer loans in items 1, 3, or 4 of Schedule RI-C,Part II.
3. Item 6, column B, must equal Schedule RC, item 4.c.
4. Item 11 must equal Schedule RI-B, Part II, item 7, column B.

Schedule RI-E - Explanations (Form Type - 041)

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

Dollar amounts in thousands

1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 5.l:			1.
a. Income and fees from the printing and sale of checks	RIADC013	**NR**	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance	RIADC014	**14,974**	1.b.
c. Income and fees from automated teller machines (ATMs)	RIADC016	**NR**	1.c.
d. Rent and other income from other real estate owned	RIAD4042	**NR**	1.d.
e. Safe deposit box rent	RIADC015	**NR**	1.e.
f. Bank card and credit card interchange fees	RIADF555	**40,195**	1.f.
g. Income and fees from wire transfers	RIADT047	**NR**	1.g.
h. Disclose component and the dollar amount of that component:			1.h.
(TEXT4461) OTHER INCOME	RIAD4461	**6,317**	1.h.1.
i. Disclose component and the dollar amount of that component:			1.i.
(TEXT4462) OTHER INCOME AND FEES ON LOANS	RIAD4462	**6,495**	1.i.1.
j. Disclose component and the dollar amount of that component:			1.j.
(TEXT4463) STOCK DIVIDENDS	RIAD4463	**9,453**	1.j.1.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $100,000 that exceed 7 percent of Schedule RI, item 7.d:			2.
a. Data processing expenses	RIADC017	**NR**	2.a.
b. Advertising and marketing expenses	RIAD0497	**26,549**	2.b.
c. Directors' fees	RIAD4136	**NR**	2.c.
d. Printing, stationery, and supplies	RIADC018	**NR**	2.d.
e. Postage	RIAD8403	**NR**	2.e.
f. Legal fees and expenses	RIAD4141	**NR**	2.f.
g. FDIC deposit insurance assessments	RIAD4146	**CONF**	2.g.
h. Accounting and auditing expenses	RIADF556	**NR**	2.h.
i. Consulting and advisory expenses	RIADF557	**NR**	2.i.
j. Automated teller machine (ATM) and interchange expenses	RIADF558	**22,965**	2.j.
k. Telecommunications expenses	RIADF559	**NR**	2.k.
l. Other real estate owned expenses	RIADY923	**NR**	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses)	RIADY924	**NR**	2.m.
n. Disclose component and the dollar amount of that component:			2.n.
(TEXT4464) SOFTWARE DEPRECIATION & EXPENSES	RIAD4464	**42,934**	2.n.1.
o. Disclose component and the dollar amount of that component:			2.o.
(TEXT4467) NR	RIAD4467	**NR**	2.o.1.
p. Disclose component and the dollar amount of that component:			2.p.
(TEXT4468) NR	RIAD4468	**NR**	2.p.1.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):			3.
a. Disclose component, the gross dollar amount of that component, and its related income tax:			3.a.
(TEXTFT29) NR	RIADFT29	**0**	3.a.1.
3. Applicable income tax effect	RIADFT30	**0**	3.a.3.
b. Disclose component, the gross dollar amount of that component, and its related income tax:			3.b.
(TEXTFT31) NR	RIADFT31	**0**	3.b.1.
3. Applicable income tax effect	RIADFT32	**0**	3.b.3.
4. Cumulative effect of changes in accounting principles and corrections of material accounting errors (from Schedule RI-A, item 2) (itemize and describe all such effects):			4.
a. Disclose component and the dollar amount of that component:			4.a.
(TEXTB526) 0	RIADB526	**0**	4.a.1.

Dollar amounts in thousands

b. Disclose component and the dollar amount of that component:			4.b.
(TEXTB527) NR	RIADB527	**0**	4.b.1.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):			5.
a. Disclose component and the dollar amount of that component:			5.a.
(TEXT4498) NR	RIAD4498	**0**	5.a.1.
b. Disclose component and the dollar amount of that component:			5.b.
(TEXT4499) NR	RIAD4499	**0**	5.b.1.
6. Adjustments to allowance for loan and lease losses (from Schedule RI-B, part II, item 6) (itemize and describe all adjustments):			6.
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets[1].....	RIADJJ27	**NR**	6.a.
b. Disclose component and the dollar amount of that component:			6.b.
(TEXT4521) NR	RIAD4521	**0**	6.b.1.
c. Disclose component and the dollar amount of that component:			6.c.
(TEXT4522) NR	RIAD4522	**0**	6.c.1.
7. Other explanations (the space below is provided for the bank to briefly describe, at its option, any other significant items affecting the Report of Income):			7.
a. Comments?.....	RIAD4769	**No**	7.a.
b. Other explanations.....	TEXT4769	**NR**	7.b.

1. Institutions should report initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets after the adoption of FASB ASC Topic 326.

Schedule RC - Balance Sheet(Form Type - 041)

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

		Dollar amounts in thousands	
1. Cash and balances due from depository institutions (from Schedule RC-A):			1.
a. Noninterest-bearing balances and currency and coin[1]	RCON0081	**429,689**	1.a.
b. Interest-bearing balances[2]	RCON0071	**257,772**	1.b.
2. Securities:			2.
a. Held-to-maturity securities (from Schedule RC-B, column A)[3]	RCONJJ34	**3,636,636**	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D)	RCON1773	**2,529,415**	2.b.
c. Equity securities with readily determinable fair values not held for trading[4]	RCONJA22	**20,076**	2.c.
3. Federal funds sold and securities purchased under agreements to resell:			3.
a. Federal funds sold	RCONB987	**0**	3.a.
b. Securities purchased under agreements to resell[5]	RCONB989	**0**	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):			4.
a. Loans and leases held for sale	RCON5369	**11,417**	4.a.
b. Loans and leases held for investment	RCONB528	**17,005,936**	4.b.
c. LESS: Allowance for credit losses on loans and leases	RCON3123	**235,015**	4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c)	RCONB529	**16,770,921**	4.d.
5. Trading assets (from Schedule RC-D)	RCON3545	**0**	5.
6. Premises and fixed assets (including right-of-use assets)	RCON2145	**561,464**	6.
7. Other real estate owned (from Schedule RC-M)	RCON2150	**9,270**	7.
8. Investments in unconsolidated subsidiaries and associated companies	RCON2130	**0**	8.
9. Direct and indirect investments in real estate ventures	RCON3656	**0**	9.
10. Intangible assets (from Schedule RC-M)	RCON2143	**1,417,908**	10.
11. Other assets (from Schedule RC-F)[6]	RCON2160	**1,198,534**	11.
12. Total assets (sum of items 1 through 11)	RCON2170	**26,843,102**	12.
13. Deposits:			13.
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)	RCON2200	**22,172,718**	13.a.
1. Noninterest-bearing[7]	RCON6631	**4,747,222**	13.a.1.
2. Interest-bearing	RCON6636	**17,425,496**	13.a.2.
b. Not applicable			13.b.
14. Federal funds purchased and securities sold under agreements to repurchase:			14.
a. Federal funds purchased[8]	RCONB993	**400**	14.a.
b. Securities sold under agreements to repurchase[9]	RCONB995	**36,709**	14.b.
15. Trading liabilities (from Schedule RC-D)	RCON3548	**0**	15.
16. Other borrowed money (includes mortgage indebtedness) (from Schedule RC-M)	RCON3190	**727,945**	16.
17. Not applicable			17.
18. Not applicable			18.
19. Subordinated notes and debentures[10]	RCON3200	**0**	19.
20. Other liabilities (from Schedule RC-G)	RCON2930	**334,885**	20.
21. Total liabilities (sum of items 13 through 20)	RCON2948	**23,272,657**	21.
22. Not applicable			22.

1. Includes cash items in process of collection and unposted debits.
2. Includes time certificates of deposit not held for trading.
3. Institutions should report in item 2.a, amounts net of any applicable allowance for credit losses, and should equal to Schedule RC-B, item 8, column A less Schedule RI-B, Part II, item 7, column B.
4. Item 2.c is to be completed by all institutions. See the instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities.
5. Includes all securities resale agreements, regardless of maturity.
6. Institutions should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.
7. Includes noninterest-bearing demand, time, and savings deposits.
8. Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
9. Includes all securities repurchase agreements, regardless of maturity.
10. Includes limited-life preferred stock and related surplus.

Dollar amounts in thousands

23. Perpetual preferred stock and related surplus	RCON3838	**0**	23.
24. Common stock	RCON3230	**35**	24.
25. Surplus (exclude all surplus related to preferred stock)	RCON3839	**3,380,919**	25.
26. Not available			26.
a. Retained earnings	RCON3632	**550,401**	26.a.
b. Accumulated other comprehensive income[1]	RCONB530	**-360,910**	26.b.
c. Other equity capital components[2]	RCONA130	**0**	26.c.
27. Not available			27.
a. Total bank equity capital (sum of items 23 through 26.c)	RCON3210	**3,570,445**	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	RCON3000	**0**	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	RCONG105	**3,570,445**	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	RCON3300	**26,843,102**	29.
1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2023	RCON6724	**NR**	M.1.
2. Bank's fiscal year-end date (report the date in MMDD format)	RCON8678	**NR**	M.2.

Schedule RC-A - Cash and Balances Due From Depository Institutions(Form Type - 041)

Schedule RC-A is to be completed only by banks with $300 million or more in total assets.
Exclude assets held for trading.

Dollar amounts in thousands

1. Cash items in process of collection, unposted debits, and currency and coin:			1.
a. Cash items in process of collection and unposted debits	RCON0020	**1,851**	1.a.
b. Currency and coin	RCON0080	**155,885**	1.b.
2. Balances due from depository institutions in the U.S.	RCON0082	**51,224**	2.
3. Balances due from banks in foreign countries and foreign central banks	RCON0070	**0**	3.
4. Balances due from Federal Reserve Banks	RCON0090	**478,501**	4.
5. Total	RCON0010	**687,461**	5.

1. Includes, but is not limited to, net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses) on cash flow hedges, and accumulated defined benefit pension and other postretirement plan adjustments.
2. Includes treasury stock and unearned Employee Stock Ownership Plan shares.

Schedule RC-B - Securities(Form Type - 041)

Exclude assets held for trading.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
1. U.S. Treasury securities	RCON0211	**0**	RCON0213	**0**	RCON1286	**999**	RCON1287	**996**	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities)[1]	RCONHT50	**455,870**	RCONHT51	**335,662**	RCONHT52	**55,589**	RCONHT53	**54,547**	2.
3. Securities issued by states and political subdivisions in the U.S.	RCON8496	**1,857,373**	RCON8497	**1,382,978**	RCON8498	**1,119,214**	RCON8499	**858,183**	3.
4. Mortgage-backed securities (MBS):									4.
a. Residential mortgage pass-through securities:									4.a.
1. Guaranteed by GNMA	RCONG300	**55,213**	RCONG301	**48,601**	RCONG302	**18,034**	RCONG303	**15,832**	4.a.1.
2. Issued by FNMA and FHLMC	RCONG304	**877,905**	RCONG305	**768,315**	RCONG306	**999,419**	RCONG307	**859,706**	4.a.2.
3. Other pass-through securities	RCONG308	**0**	RCONG309	**0**	RCONG310	**0**	RCONG311	**0**	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									4.b.
1. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONG312	**56,501**	RCONG313	**50,786**	RCONG314	**38,533**	RCONG315	**33,679**	4.b.1.
2. Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONG316	**0**	RCONG317	**0**	RCONG318	**0**	RCONG319	**0**	4.b.2.
3. All other residential MBS	RCONG320	**0**	RCONG321	**0**	RCONG322	**0**	RCONG323	**0**	4.b.3.
c. Commercial MBS:									4.c.
1. Commercial mortgage pass-through securities:									4.c.1.
a. Issued or guaranteed by FNMA, FHLMC, or GNMA	RCONK142	**19,356**	RCONK143	**17,526**	RCONK144	**136,006**	RCONK145	**134,125**	4.c.1.a.
b. Other pass-through securities	RCONK146	**0**	RCONK147	**0**	RCONK148	**0**	RCONK149	**0**	4.c.1.b.
2. Other commercial MBS:									4.c.2.
a. Issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONK150	**51,709**	RCONK151	**42,891**	RCONK152	**12,011**	RCONK153	**10,988**	4.c.2.a.
b. All other commercial MBS	RCONK154	**0**	RCONK155	**0**	RCONK156	**0**	RCONK157	**0**	4.c.2.b.
5. Asset-backed securities and structured financial products:									5.
a. Asset-backed securities (ABS)	RCONC026	**0**	RCONC988	**0**	RCONC989	**0**	RCONC027	**0**	5.a.
b. Structured financial products	RCONHT58	**9,347**	RCONHT59	**8,379**	RCONHT60	**341,540**	RCONHT61	**338,434**	5.b.
6. Other debt securities:									6.
a. Other domestic debt securities	RCON1737	**256,576**	RCON1738	**221,299**	RCON1739	**235,011**	RCON1741	**222,925**	6.a.
b. Other foreign debt securities	RCON1742	**0**	RCON1743	**0**	RCON1744	**0**	RCON1746	**0**	6.b.
7. Unallocated portfolio layer fair value hedge basis adjustments[2]					RCONMG95	**NR**			7.
8. Total (sum of items 1 through 7)[3]	RCON1754	**3,639,850**	RCON1771	**2,876,437**	RCON1772	**2,956,356**	RCON1773	**2,529,415**	8.

		Dollar amounts in thousands	
1. Pledged securities[1]	RCON0416	**2,356,923**	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):[1]			M.2.
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.a.
1. Three months or less	RCONA549	**588,706**	M.2.a.1.
2. Over three months through 12 months	RCONA550	**116,981**	M.2.a.2.
3. Over one year through three years	RCONA551	**99,620**	M.2.a.3.
4. Over three years through five years	RCONA552	**64,550**	M.2.a.4.
5. Over five years through 15 years	RCONA553	**1,358,954**	M.2.a.5.
6. Over 15 years	RCONA554	**1,978,926**	M.2.a.6.
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of:[2]			M.2.b.
1. Three months or less	RCONA555	**3,814**	M.2.b.1.
2. Over three months through 12 months	RCONA556	**0**	M.2.b.2.
3. Over one year through three years	RCONA557	**524**	M.2.b.3.
4. Over three years through five years	RCONA558	**702**	M.2.b.4.
5. Over five years through 15 years	RCONA559	**859,546**	M.2.b.5.
6. Over 15 years	RCONA560	**944,065**	M.2.b.6.
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of:[5]			M.2.c.
1. Three years or less	RCONA561	**360**	M.2.c.1.
2. Over three years	RCONA562	**152,517**	M.2.c.2.
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	RCONA248	**9,334**	M.2.d.
Memorandum item 3 is to be completed semiannually in the June and December reports only.			
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	RCON1778	**0**	M.3.
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			M.4.
a. Amortized cost	RCON8782	**0**	M.4.a.
b. Fair value	RCON8783	**0**	M.4.b.

1. Includes Small Business Administration "Guaranteed Loan Pool Certificates"; U.S. Maritime Administration obligations; Export-Import Bank participation certificates; and obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

2. This item is to be completed by institutions that have adopted ASU 2022-01, as applicable.

3. The total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. The total reported in column D must equal Schedule RC, item 2.b.

Dollar amounts in thousands	(Column A) Held-to-maturity Amortized Cost		(Column B) Held-to-maturity Fair Value		(Column C) Available-for-sale Amortized Cost		(Column D) Available-for-sale Fair Value		
Memorandum items 5.a through 5.f are to be completed by banks with $10 billion or more in total assets.									
5. Asset-backed securities (ABS) (for each column, sum of Memorandum items 5.a through 5.f must equal Schedule RC-B, item 5.a):[1]									M.5.
a. Credit card receivables	RCONB838	**0**	RCONB839	**0**	RCONB840	**0**	RCONB841	**0**	M5a.
b. Home equity lines	RCONB842	**0**	RCONB843	**0**	RCONB844	**0**	RCONB845	**0**	M5b.
c. Automobile loans	RCONB846	**0**	RCONB847	**0**	RCONB848	**0**	RCONB849	**0**	M5c.
d. Other consumer loans	RCONB850	**0**	RCONB851	**0**	RCONB852	**0**	RCONB853	**0**	M5d.
e. Commercial and industrial loans	RCONB854	**0**	RCONB855	**0**	RCONB856	**0**	RCONB857	**0**	M5e.
f. Other	RCONB858	**0**	RCONB859	**0**	RCONB860	**0**	RCONB861	**0**	M.5.f.
Memorandum items 6.a through 6.g are to be completed by banks with $10 billion or more in total assets.									
6. Structured financial products by underlying collateral or reference assets (for each column, sum of Memorandum items 6.a through 6.g must equal Schedule RC-B, item 5.b):[1]									M.6.
a. Trust preferred securities issued by financial institutions	RCONG348	**0**	RCONG349	**0**	RCONG350	**0**	RCONG351	**0**	M6a.
b. Trust preferred securities issued by real estate investment trusts	RCONG352	**0**	RCONG353	**0**	RCONG354	**0**	RCONG355	**0**	M6b.
c. Corporate and similar loans	RCONG356	**0**	RCONG357	**0**	RCONG358	**0**	RCONG359	**0**	M6c.
d. 1-4 family residential MBS issued or guaranteed by U.S. government-sponsored enterprises (GSEs)	RCONG360	**0**	RCONG361	**0**	RCONG362	**0**	RCONG363	**0**	M6d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	RCONG364	**0**	RCONG365	**0**	RCONG366	**0**	RCONG367	**0**	M6e.
f. Diversified (mixed) pools of structured financial products	RCONG368	**0**	RCONG369	**0**	RCONG370	**0**	RCONG371	**0**	M.6.f.
g. Other collateral or reference assets	RCONG372	**9,347**	RCONG373	**8,379**	RCONG374	**341,540**	RCONG375	**338,434**	M6g.
7. Guaranteed by U.S. Government agencies or sponsored agencies included in Schedule RC-B, item 5.b	RCONPU98	**9,347**	RCONPU99	**8,379**	RCONPV00	**341,540**	RCONPV01	**338,434**	M.7.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

1. Includes held-to-maturity securities at amortized cost, available-for-sale debt securities at fair value, and equity securities with readily determinable fair values not held for trading (reported in Schedule RC, item 2.c) at fair value.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

2. Report fixed-rate debt securities by remaining maturity and floating-rate debt securities by next repricing date.

5. Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 4.b and 4.c.(2), columns A and D.

1. The $10 billion asset size test is based on the total assets reported on the June 30, 2023, Report of Condition.

1. The $10 billion asset size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-C Part I - Loans and Leases(Form Type - 041)

Do not deduct the allowance for credit losses on loans and leases or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or fair value, (2) loans and leases held for investment, net of unearned income, and (3) loans and leases accounted for at fair value under a fair value option. Exclude assets held for trading and commercial paper.

Dollar amounts in thousands	(Column A) To Be Completed by Banks with $300 Million or More in Total Assets		(Column B) To Be Completed by All Banks		
1. Loans secured by real estate:					1.
a. Construction, land development, and other land loans:					1.a.
1. 1-4 family residential construction loans			RCONF158	**366,385**	1.a.1.
2. Other construction loans and all land development and other land loans			RCONF159	**2,422,863**	1.a.2.
b. Secured by farmland (including farm residential and other improvements)			RCON1420	**524,301**	1.b.
c. Secured by 1-4 family residential properties:					1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			RCON1797	**222,259**	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:					1.c.2.
a. Secured by first liens			RCON5367	**2,398,573**	1.c.2.a.
b. Secured by junior liens			RCON5368	**80,530**	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties			RCON1460	**878,827**	1.d.
e. Secured by nonfarm nonresidential properties:					1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties			RCONF160	**2,206,090**	1.e.1.
2. Loans secured by other nonfarm nonresidential properties			RCONF161	**4,329,082**	1.e.2.
2. Loans to depository institutions and acceptances of other banks			RCON1288	**0**	2.
a. To commercial banks in the U.S.	RCONB531	**0**			2.a.
b. To other depository institutions in the U.S.	RCONB534	**0**			2.b.
c. To banks in foreign countries	RCONB535	**0**			2.c.
3. Loans to finance agricultural production and other loans to farmers			RCON1590	**261,175**	3.
4. Commercial and industrial loans			RCON1766	**2,448,159**	4.
a. To U.S. addressees (domicile)	RCON1763	**2,448,159**			4.a.
b. To non-U.S. addressees (domicile)	RCON1764	**0**			4.b.
5. Not applicable					5.
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					6.
a. Credit cards			RCONB538	**151,880**	6.a.
b. Other revolving credit plans			RCONB539	**24,048**	6.b.
c. Automobile loans			RCONK137	**30,267**	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans and all student loans)			RCONK207	**47,113**	6.d.
7. Not applicable					7.
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.			RCON2107	**319,074**	8.
9. Loans to nondepository financial institutions and other loans:					9.
a. Loans to nondepository financial institutions			RCONJ454	**290,584**	9.a.
b. Other loans			RCONJ464	**15,997**	9.b.
1. Loans for purchasing or carrying securities, including margin loans	RCON1545	**0**			9.b.1.
2. All other loans (exclude consumer loans)	RCONJ451	**15,997**			9.b.2.
10. Lease financing receivables (net of unearned income)			RCON2165	**147**	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	RCONF162	**3**			10.a.
b. All other leases	RCONF163	**144**			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above			RCON2123	**0**	11.
12. Total loans and leases held for investment and held for sale (sum of items 1 through 10 minus item 11) (must equal Schedule RC, sum of items 4.a and 4.b)			RCON2122	**17,017,354**	12.

Dollar amounts in thousands

1. Loan modifications to borrowers experiencing financial difficulty* that are in compliance with their modified terms (included in Schedule RC-C, Part 1, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):*			M.1.
a. Construction, land development, and other land loans:			M.1.a.
1. 1-4 family residential construction loans	RCONK158	**0**	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK159	**0**	M.1.a.2.
b. Loans secured by 1-4 family residential properties	RCONF576	**644**	M.1.b.
c. Secured by multifamily (5 or more) residential properties	RCONK160	**0**	M.1.c.
d. Secured by nonfarm nonresidential properties:			M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK161	**0**	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK162	**26,894**	M.1.d.2.
e. Commercial and industrial loans	RCONK256	**68**	M.1.e.
Memorandum items 1.e.(1) and (2) are to be completed by banks with $300 million or more in total assets (sum of Memorandum items 1.e(1) and (2) must equal Memorandum item 1.e): 1. To U.S. addressees (domicile)	RCONK163	**68**	M.1.e.1.
2. To non-U.S. addressees (domicile)	RCONK164	**0**	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCONK165	**0**	M.1.f.
1. Loans secured by farmland*	RCONK166	**0**	M.1.f.1.
2. Not applicable			M.1.f.2.
3. Not applicable			M.1.f.3.
4. Loans to individuals for household, family, and other personal expenditures:			M.1.f.4.
a. Credit cards	RCONK098	**0**	M.1.f.4.a.
b. Automobile loans	RCONK203	**0**	M.1.f.4.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK204	**0**	M.1.f.4.c.
Memorandum item 1.f.(5) is to be completed by: ** Banks with $300 million or more in total assets* ** Banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans* 5. Loans to finance agricultural production and other loans to farmers included in Schedule RC-C, part I, Memorandum item 1.f, above[1]	RCONK168	**0**	M.1.f.5.
g. Total loan modifications to borrowers experiencing financial difficulty that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.f)	RCONHK25	**27,606**	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			M.2.
a. Closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:			M.2.a.
1. Three months or less	RCONA564	**197,775**	M.2.a.1.
2. Over three months through 12 months	RCONA565	**263,716**	M.2.a.2.
3. Over one year through three years	RCONA566	**461,151**	M.2.a.3.
4. Over three years through five years	RCONA567	**142,740**	M.2.a.4.
5. Over five years through 15 years	RCONA568	**214,464**	M.2.a.5.
6. Over 15 years	RCONA569	**1,090,010**	M.2.a.6.
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B, above) with a remaining maturity or next repricing date of:			M.2.b.
1. Three months or less	RCONA570	**6,054,403**	M.2.b.1.
2. Over three months through 12 months	RCONA571	**1,375,084**	M.2.b.2.
3. Over one year through three years	RCONA572	**4,340,234**	M.2.b.3.
4. Over three years through five years	RCONA573	**1,429,393**	M.2.b.4.
5. Over five years through 15 years	RCONA574	**1,104,377**	M.2.b.5.
6. Over 15 years	RCONA575	**233,853**	M.2.b.6.
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column B, above) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	RCONA247	**4,278,069**	M.2.c.

*. * The loan modification to borrowers experiencing financial difficulty revisions are effective as of the June 30, 2024, report date.

*. *The loan modification to borrowers experiencing financial difficulty revisions are effective as of the June 30, 2024, report date.

1. The $300 million asset size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.

Dollar amounts in thousands

3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column B[6]	RCON2746	**0**	M.3.
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON5370	**1,132,411**	M.4.
To be completed by banks with $300 million or more in total assets: 5. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-C, Part I, items 1.a through 1.e, column B)[2]	RCONB837	**0**	M.5.
Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes. 6. Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a	RCONC391	**NR**	M.6.
7. Not applicable			M.7.
Memorandum item 8.a is to be completed by all banks semiannually in the June and December reports only. 8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:			M.8.
a. Total amount of closed-end loans with negative amortization features secured by 1-4 family residential properties (included in Schedule RC-C, part I, items 1.c.(2)(a) and 1.c.(2)(b))	RCONF230	**0**	M.8.a.
Memorandum items 8.b and 8.c are to be completed semiannually in the June and December reports only by banks that had closed-end loans with negative amortization features secured by 1-4 family residential properties (as reported in Schedule RC-C, Part I, Memorandum item 8.a) as of December 31, 2021, that exceeded the lesser of $100 million or 5 percent of total loans and leases held for investment and held for sale (as reported in Schedule RC-C, Part I, item 12, column B). b. Total maximum remaining amount of negative amortization contractually permitted on closed-end loans secured by 1-4 family residential properties	RCONF231	**NR**	M.8.b.
c. Total amount of negative amortization on closed-end loans secured by 1-4 family residential properties included in the amount reported in Memorandum item 8.a above	RCONF232	**NR**	M.8.c.
9. Loans secured by 1-4 family residential properties in process of foreclosure (included in Schedule RC-C, part I, items 1.c.(1), 1.c.(2)(a), and 1.c.(2)(b))	RCONF577	**3,980**	M.9.
10. Loans to nondepository financial institutions:[2]			M.10.
a. Loans to mortgage credit intermediaries	RCONPV05	**270,584**	M.10.a.
b. Loans to business credit intermediaries	RCONPV06	**0**	M.10.b.
c. Loans to private equity funds	RCONPV07	**0**	M.10.c.
d. Loans to consumer credit intermediaries	RCONPV08	**0**	M.10.d.
e. Other loans to nondepository financial institutions	RCONPV09	**20,000**	M.10.e.

6. Exclude loans secured by real estate that are included in Schedule RC-C, Part I, items 1.a through 1.e, column B.

2. The asset size tests are based on the total assets reported on the June 30, 2023, Report of Condition.

2. The asset-size tests are based on the total assets reported on the June 30, 2023, Report of Condition.

Dollar amounts in thousands		
11. Not applicable		M.11.

Dollar amounts in thousands	(Column A) Fair value of acquired loans and leases at acquisition date		(Column B) Gross contractual amounts receivable at acquisition date		(Column C) Best estimate at acquisition date of contractual cash flows not expected to be collected		
Memorandum items 12.a, 12.b, 12.c, and 12.d are to be completed semiannually in the June and December reports only.							
12. Loans (not considered purchased credit deteriorated) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:							M.12.
a. Loans secured by real estate	RCONG091	**0**	RCONG092	**0**	RCONG093	**0**	M.12.a.
b. Commercial and industrial loans	RCONG094	**0**	RCONG095	**0**	RCONG096	**0**	M.12.b.
c. Loans to individuals for household, family, and other personal expenditures	RCONG097	**0**	RCONG098	**0**	RCONG099	**0**	M.12.c.
d. All other loans and all leases	RCONG100	**0**	RCONG101	**0**	RCONG102	**0**	M.12.d.

Dollar amounts in thousands			
Memoranda item 13 is to be completed by banks that had construction, land development, and other land loans (as reported in Schedule RC-C, Part I, item 1.a, column B) that exceeded the sum of tier 1 capital (as reported in Schedule RC-R, Part I, item 26) plus the allowance for credit losses on loans and leases (as reported in Schedule RC, item 4.c) as of December 31.			M.13.
13. Construction, land development, and other land loans in domestic offices with interest reserves:			
a. Amount of loans that provide for the use of interest reserves (included in Schedule RC-C, part I, item 1.a, column B)	RCONG376	**0**	M.13.a.
b. Amount of interest capitalized from interest reserves on construction, land development, and other land loans that is included in interest and fee income on loans during the quarter (included in Schedule RI, item 1.a.(1)(a)(2)).	RIADG377	**0**	M.13.b.
Memorandum item 14 is to be completed by all banks.			
14. Pledged loans and leases	RCONG378	**13,521,620**	M.14.
Memorandum item 15 is to be completed for the December report only.			
15. Reverse mortgages:			M.15.
Memorandum item 15 is to be completed for the December report only.			
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above)	RCONPR04	**0**	M.15.a.
b. Estimated number of reverse mortgage loan referrals to other lenders during the year from whom compensation has been received for services performed in connection with the origination of the reverse mortgages	RCONPR05	**0**	M.15.b.
c. Principal amount of reverse mortgage originations that have been sold during the year	RCONPR06	**0**	M.15.c.
Memorandum item 16 is to be completed by all banks.			
16. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit that have converted to non-revolving closed-end status (included in item 1.c.(1) above)	RCONLE75	**0**	M.16.
Amounts reported in Memorandum items 17.a and 17.b will not be made available to the public on an individual institution basis.			
17. Eligible loan modifications under Section 4013, Temporary Relief from Troubled Debt Restructurings, of the 2020 Coronavirus Aid, Relief, and Economic Security Act:			M.17.
a. Number of Section 4013 loans outstanding	RCONLG24	**CONF**	M.17.a.
b. Outstanding balance of Section 4013 loans	RCONLG25	**CONF**	M.17.b.

Schedule RC-C Part II - Loans to Small Businesses and Small Farms(Form Type - 041)

Report the number and amount currently outstanding as of the report date of business loans with "original amounts" of $1,000,000 or less and farm loans with "original amounts" of $500,000 or less. The following guidelines should be used to determine the "original amount" of a loan:
(1) For loans drawn down under lines of credit or loan commitments, the "original amount" of the loan is the size of the line of credit or loan commitment when the line of credit or loan commitment was most recently approved, extended, or renewed prior to the report date. However, if the amount currentlyoutstanding as of the report date exceeds this size, the "original amount" is the amount currently outstanding on the report date. (2) For loan participations and syndications, the "original amount" of the loan participation or syndication is the entire amount of the credit originated by the lead lender. (3) For all other loans, the "original amount" is the total amount of the loan at origination or the amount currently outstanding as of the report date, whichever is larger.

Dollar amounts in thousands

1. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2), and all or substantially all of the dollar volume of your bank's "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4, have original amounts of $100,000 or less	RCON6999	**No**	1.
If YES, complete items 2.a and 2.b below, skip items 3 and 4, and go to item 5. If NO and your bank has loans outstanding in either loan category, skip items 2.a and 2.b, complete items 3 and 4 below, and go to item 5. If NO and your bank has no loans outstanding in both loan categories, skip items 2 through 4, and go to item 5			2.
2. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			
a. "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2)	RCON5562	**NR**	2.a.
b. "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4[1]	RCON5563	**NR**	2.b.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
3. Number and amount currently outstanding of "Loans secured by nonfarm nonresidential properties" reported in Schedule RC-C, part I, items 1.e.(1) and 1.e.(2):					3.
a. With original amounts of $100,000 or less	RCON5564	**484**	RCON5565	**20,792**	3.a.
b. With original amounts of more than $100,000 through $250,000	RCON5566	**838**	RCON5567	**103,744**	3.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5568	**1642**	RCON5569	**631,899**	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, part I, item 4:					4.
a. With original amounts of $100,000 or less	RCON5570	**4083**	RCON5571	**106,510**	4.a.
b. With original amounts of more than $100,000 through $250,000	RCON5572	**1385**	RCON5573	**111,307**	4.b.
c. With original amounts of more than $250,000 through $1,000,000	RCON5574	**1269**	RCON5575	**329,557**	4.c.

Dollar amounts in thousands

5. Indicate in the appropriate box at the right whether all or substantially all of the dollar volume of your bank's "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b, and all or substantially all of the dollar volume of your bank's "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3, have original amounts of $100,000 or less	RCON6860	**No**	5.
If YES, complete items 6.a and 6.b below, and do not complete items 7 and 8. If NO and your bank has loans outstanding in either loan category, skip items 6.a and 6.b and complete items 7 and 8 below. If NO and your bank has no loans outstanding in both loan categories, do not complete items 6 through 8.			6.
6. Report the total number of loans currently outstanding for each of the following Schedule RC-C, part I, loan categories:			
a. "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b	RCON5576	**NR**	6.a.
b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3	RCON5577	**NR**	6.b.

Dollar amounts in thousands

	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
7. Number and amount currently outstanding of "Loans secured by farmland (including farm residential and other improvements)" reported in Schedule RC-C, part I, item 1.b:					7.
a. With original amounts of $100,000 or less	RCON5578	**637**	RCON5579	**25,579**	7.a.
b. With original amounts of more than $100,000 through $250,000	RCON5580	**524**	RCON5581	**64,880**	7.b.
c. With original amounts of more than $250,000 through $500,000	RCON5582	**278**	RCON5583	**75,225**	7.c.
8. Number and amount currently outstanding of "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, part I, item 3:					8.
a. With original amounts of $100,000 or less	RCON5584	**1385**	RCON5585	**33,839**	8.a.
b. With original amounts of more than $100,000 through $250,000	RCON5586	**314**	RCON5587	**34,272**	8.b.
c. With original amounts of more than $250,000 through $500,000	RCON5588	**144**	RCON5589	**34,035**	8.c.

Schedule RC-D - Trading Assets and Liabilities(Form Type - 041)

RC-D is to be completed by banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar amounts in thousands

1. U.S. Treasury securities	RCON3531	**0**	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	RCON3532	**0**	2.
3. Securities issued by states and political subdivisions in the U.S.	RCON3533	**0**	3.
4. Mortgage-backed securities (MBS):			4.
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	RCONG379	**0**	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (include CMOs, REMICs, and stripped MBS)	RCONG380	**0**	4.b.
c. All other residential MBS	RCONG381	**0**	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies[1]	RCONK197	**0**	4.d.
e. All other commercial MBS	RCONK198	**0**	4.e.
5. Other debt securities:			5.
a. Structured financial products	RCONHT62	**0**	5.a.
b. All other debt securities	RCONG386	**0**	5.b.
6. Loans:			6.
a. Loans secured by real estate:			6.a.
1. Loans secured by 1-4 family residential properties	RCONHT63	**0**	6.a.1.
2. All other loans secured by real estate	RCONHT64	**0**	6.a.2.
b. Commercial and industrial loans	RCONF614	**0**	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCONHT65	**0**	6.c.
d. Other loans	RCONF618	**0**	6.d.
7. Not applicable			7.
8. Not applicable			8.
9. Other trading assets	RCON3541	**0**	9.
10. Not applicable			10.
11. Derivatives with a positive fair value	RCON3543	**0**	11.
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)	RCON3545	**0**	12.
13. Not available			13.
a. Liability for short positions	RCON3546	**0**	13.a.
b. Other trading liabilities	RCONF624	**0**	13.b.
14. Derivatives with a negative fair value	RCON3547	**0**	14.
15. Total trading liabilities (sum of items 13.a through 14) (must equal Schedule RC, item 15)	RCON3548	**0**	15.
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a.(1) through 6.d):			M.1.
a. Loans secured by real estate:			M.1.a.
1. Loans secured by 1-4 family residential properties	RCONHT66	**0**	M.1.a.1.
2. All other loans secured by real estate	RCONHT67	**0**	M.1.a.2.
b. Commercial and industrial loans	RCONF632	**0**	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCONHT68	**0**	M.1.c.
d. Other loans	RCONF636	**0**	M.1.d.

1. Banks with $300 million or more in total assets should provide the requested information for "Commercial and industrial loans" based on the loans reported in Schedule RC-C, Part I, item 4.a, column A, "Commercial and industrial loans to U.S. addressees."

1. U.S. Government agencies include, but are not limited to, such agencies as the Government National Mortgage Association (GNMA), the Federal Deposit Insurance Corporation (FDIC), and the National Credit Union Administration (NCUA). U.S. Government-sponsored agencies include, but are not limited to, such agencies as the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA).

Schedule RC-E - Deposit Liabilities(Form Type - 041)

Dollar amounts in thousands	(Column A) Transaction Accounts Total transaction accounts (including total demand deposits)		(Column B) Transaction Accounts Memo: Total demand deposits (included in column A)		(Column C) Nontransaction Accounts Total nontransaction accounts (including MMDAs)		
Deposits of:							
1. Individuals, partnerships, and corporations (include all certified and official checks)	RCONB549	**7,768,226**			RCONB550	**11,104,071**	1.
2. U.S. Government	RCON2202	**4**			RCON2520	**0**	2.
3. States and political subdivisions in the U.S.	RCON2203	**1,914,369**			RCON2530	**1,318,248**	3.
4. Commercial banks and other depository institutions in the U.S.	RCONB551	**64,874**			RCONB552	**2,926**	4.
5. Banks in foreign countries	RCON2213	**0**			RCON2236	**0**	5.
6. Foreign governments and official institutions (including foreign central banks)	RCON2216	**0**			RCON2377	**0**	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	RCON2215	**9,747,473**	RCON2210	**6,126,417**	RCON2385	**12,425,245**	7.

Dollar amounts in thousands

1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			M.1.
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	RCON6835	**262,022**	M.1.a.
b. Total brokered deposits	RCON2365	**3,297,665**	M.1.b.
c. Brokered deposits of $250,000 or less (fully insured brokered deposits)[2]	RCONHK05	**3,297,665**	M.1.c.
d. Maturity data for brokered deposits:			M.1.d.
1. Brokered deposits of $250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above)	RCONHK06	**3,291,665**	M.1.d.1.
2. Not applicable			M.1.d.2.
3. Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b above)	RCONK220	**0**	M.1.d.3.
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law) (to be completed for the December report only).	RCON5590	**2,801,994**	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	RCONK223	**0**	M.1.f.
g. Total reciprocal deposits (as of the report date)	RCONJH83	**1,559,744**	M.1.g.
h. Sweep deposits:			M.1.h.
1. Fully insured, affiliate sweep deposits	RCONMT87	**0**	M.1.h.1.
2. Not fully insured, affiliate sweep deposits	RCONMT89	**0**	M.1.h.2.
3. Fully insured, non-affiliate sweep deposits	RCONMT91	**1,998,228**	M.1.h.3.
4. Not fully insured, non-affiliate sweep deposits	RCONMT93	**0**	M.1.h.4.
i. Total sweep deposits that are not brokered deposits	RCONMT95	**1,357,426**	M.1.i.
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			M.2.
a. Savings deposits:			M.2.a.
1. Money market deposit accounts (MMDAs)	RCON6810	**5,061,245**	M.2.a.1.
2. Other savings deposits (excludes MMDAs)	RCON0352	**920,527**	M.2.a.2.
b. Total time deposits of less than $100,000	RCON6648	**3,614,739**	M.2.b.
c. Total time deposits of $100,000 through $250,000	RCONJ473	**1,276,760**	M.2.c.
d. Total time deposits of more than $250,000	RCONJ474	**1,551,975**	M.2.d.
e. Individual Retirement Accounts (IRAs) and Keogh Plan accounts of $100,000 or more included in Memorandum items 2.c and 2.d above	RCONF233	**25,928**	M.2.e.
3. Maturity and repricing data for time deposits of $250,000 or less:			M.3.
a. Time deposits of $250,000 or less with a remaining maturity or next repricing date of:[1, 2]			M.3.a.
1. Three months or less	RCONHK07	**2,158,595**	M.3.a.1.
2. Over three months through 12 months	RCONHK08	**2,566,867**	M.3.a.2.
3. Over one year through three years	RCONHK09	**159,626**	M.3.a.3.
4. Over three years	RCONHK10	**6,410**	M.3.a.4.
b. Time deposits of $250,000 or less with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) and 3.a.(2) above)[3]	RCONHK11	**4,722,822**	M.3.b.
4. Maturity and repricing data for time deposits of more than $250,000:			M.4.
a. Time deposits of more than $250,000 with a remaining maturity or next repricing date of:[1, 4]			M.4.a.
1. Three months or less	RCONHK12	**911,824**	M.4.a.1.
2. Over three months through 12 months	RCONHK13	**593,089**	M.4.a.2.
3. Over one year through three years	RCONHK14	**46,383**	M.4.a.3.
4. Over three years	RCONHK15	**679**	M.4.a.4.
b. Time deposits of more than $250,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) and 4.a.(2) above)[3]	RCONK222	**1,504,912**	M.4.b.
5. Does your institution offer one or more consumer deposit account products, i.e., transaction account or nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use?	RCONP752	**Yes**	M.5.

2. The dollar amount used as the basis for reporting in Memorandum item 1.c reflects the deposit insurance limit in effect on the report date.

1, 2. Report fixed-rate time deposits by remaining maturity and floating rate time deposits by next repricing date.

3. Report both fixed-and floating-rate time deposits by remaining maturity. Exclude floating-rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

1, 4. Report fixed-rate time deposits by remaining maturity and floating rate time deposits by next repricing date.

3. Report both fixed-and floating-rate time deposits by remaining maturity. Exclude floating-rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

Dollar amounts in thousands

Memorandum items 6 and 7 are to be completed by institutions with $1 billion or more in total assets that answered "Yes" to Memorandum item 5 above.			
6. Components of total transaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 6.a and 6.b must be less than or equal to item 1, column A, above):[5]			M.6.
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP753	**1,368,833**	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	RCONP754	**1,316,367**	M.6.b.
7. Components of total nontransaction account deposits of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1), 7.a.(2), 7.b.(1), and 7.b.(2) plus all time deposits of individuals, partnerships, and corporations must equal item 1, column C, above):			M.7.
a. Money market deposit accounts (MMDAs) of individuals, partnerships, and corporations (sum of Memorandum items 7.a.(1) and 7.a.(2) must be less than or equal to Memorandum item 2.a.(1) above):			M.7.a.
1. Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	RCONP756	**2,133,385**	M.7.a.1.
2. Deposits in all other MMDAs of individuals, partnerships, and corporations	RCONP757	**2,916,311**	M.7.a.2.
b. Other savings deposit accounts of individuals, partnerships, and corporations (sum of Memorandum items 7.b.(1) and 7.b.(2) must be less than or equal to Memorandum item 2.a.(2) above):			M.7.b.
1. Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	RCONP758	**897,509**	M.7.b.1.
2. Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	RCONP759	**23,018**	M.7.b.2.

5. The $1 billion asset size test is based on the total assets reported on the June 30, 2023, Report of Condition.

Schedule RC-F - Other Assets(Form Type - 041)

Dollar amounts in thousands

1. Accrued interest receivable[2]	RCONB556	**123,245**	1.
2. Net deferred tax assets[3]	RCON2148	**124,259**	2.
3. Interest-only strips receivable (not in the form of a security)[4]	RCONHT80	**0**	3.
4. Equity investments without readily determinable fair values[5]	RCON1752	**192,456**	4.
5. Life insurance assets:			5.
a. General account life insurance assets	RCONK201	**499,977**	5.a.
b. Separate account life insurance assets	RCONK202	**0**	5.b.
c. Hybrid account life insurance assets	RCONK270	**31,829**	5.c.
6. All other assets (itemize and describe amounts greater than $100,000 that exceed 25% of this item)	RCON2168	**226,768**	6.
a. Prepaid expenses	RCON2166	**NR**	6.a.
b. Repossessed personal property (including vehicles)	RCON1578	**NR**	6.b.
c. Derivatives with a positive fair value held for purposes other than trading	RCONC010	**127,587**	6.c.
d. Not applicable			6.d.
e. Computer software	RCONFT33	**NR**	6.e.
f. Accounts receivable	RCONFT34	**NR**	6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans	RCONFT35	**NR**	6.g.
h. Disclose component and the dollar amount of that component:			6.h.
1. Describe component	TEXT3549	**NR**	6.h.1.
2. Amount of component	RCON3549	**NR**	6.h.2.
i. Disclose component and the dollar amount of that component:			6.i.
1. Describe component	TEXT3550	**NR**	6.i.1.
2. Amount of component	RCON3550	**NR**	6.i.2.
j. Disclose component and the dollar amount of that component:			6.j.
1. Describe component	TEXT3551	**NR**	6.j.1.
2. Amount of component	RCON3551	**NR**	6.j.2.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)	RCON2160	**1,198,534**	7.

2. Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivables on financial assets that are reported elsewhere on the balance sheet.
3. See discussion of deferred income taxes in Glossary entry on "income taxes."
4. Report interest-only strips receivable in the form of a security as available-for-sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.
5. Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G - Other Liabilities(Form Type - 041)

Dollar amounts in thousands

1. Not available			1.
a. Interest accrued and unpaid on deposits[1]	RCON3645	**60,820**	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)	RCON3646	**51,220**	1.b.
2. Net deferred tax liabilities[2]	RCON3049	**0**	2.
3. Allowance for credit losses on off-balance sheet credit exposures	RCONB557	**25,628**	3.
4. All other liabilities (itemize and describe amounts greater than $100,000 that exceed 25 percent of this item)	RCON2938	**197,217**	4.
a. Accounts payable	RCON3066	**NR**	4.a.
b. Deferred compensation liabilities	RCONC011	**NR**	4.b.
c. Dividends declared but not yet payable	RCON2932	**NR**	4.c.
d. Derivatives with a negative fair value held for purposes other than trading	RCONC012	**NR**	4.d.
e. Operating lease liabilities	RCONLB56	**69,319**	4.e.
f. Disclose component and the dollar amount of that component:			4.f.
1. Describe component	TEXT3552	**NR**	4.f.1.
2. Amount of component	RCON3552	**NR**	4.f.2.
g. Disclose component and the dollar amount of that component:			4.g.
1. Describe component	TEXT3553	**NR**	4.g.1.
2. Amount of component	RCON3553	**NR**	4.g.2.
h. Disclose component and the dollar amount of that component:			4.h.
1. Describe component	TEXT3554	**NR**	4.h.1.
2. Amount of component	RCON3554	**NR**	4.h.2.
5. Total	RCON2930	**334,885**	5.

1. For savings banks, include "dividends" accrued and unpaid on deposits.
2. See discussion of deferred income taxes in Glossary entry on "income taxes."

Schedule RC-K - Quarterly Averages(Form Type - 041)

Dollar amounts in thousands

1. Interest-bearing balances due from depository institutions	RCON3381	**238,726**	1.
2. U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)[2]	RCONB558	**514,152**	2.
3. Mortgage-backed securities[2]	RCONB559	**2,327,735**	3.
4. All other debt securities and equity securities with readily determinable fair values not held for trading[2]	RCONB560	**3,841,210**	4.
5. Federal funds sold and securities purchased under agreements to resell	RCON3365	**6**	5.
6. Loans:			6.
a. Total loans	RCON3360	**17,222,725**	6.a.
b. Loans secured by real estate:			6.b.
1. Loans secured by 1-4 family residential properties	RCON3465	**2,717,282**	6.b.1.
2. All other loans secured by real estate	RCON3466	**10,807,023**	6.b.2.
c. Commercial and industrial loans	RCON3387	**2,514,306**	6.c.
d. Loans to individuals for household, family, and other personal expenditures:			6.d.
1. Credit cards	RCONB561	**158,233**	6.d.1.
2. Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	RCONB562	**100,437**	6.d.2.
Item 7 is to be completed by banks with total trading assets of $10 million or more in any of the four preceding calendar quarters and all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes. 7. Trading assets	RCON3401	**0**	7.
8. Lease financing receivables (net of unearned income)	RCON3484	**147**	8.
9. Total assets[4]	RCON3368	**27,345,647**	9.
10. Interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	RCON3485	**4,703,425**	10.
11. Nontransaction accounts:			11.
a. Savings deposits (includes MMDAs)	RCONB563	**6,216,295**	11.a.
b. Time deposits of $250,000 or less	RCONHK16	**4,812,344**	11.b.
c. Time deposits of more than $250,000	RCONHK17	**1,585,137**	11.c.
12. Federal funds purchased and securities sold under agreements to repurchase	RCON3353	**47,314**	12.
To be completed by banks with $100 million or more in total assets: 13. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)[5]	RCON3355	**914,710**	13.
Memorandum item 1 is to be completed by: *banks with $300 million or more in total assets, and* *banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part 1, item 3) exceeding 5 percent of total loans.* 1. Loans to finance agricultural production and other loans to farmers [2]	RCON3386	**280,468**	M.1.

2. Quarterly averages for all debt securities should be based on amortized cost.
2. Quarterly averages for all debt securities should be based on amortized cost.
4. The quarterly average for total assets should reflect securities not held for trading as follows: a) Debt securities at amortized cost, b) Equity securities with readily determinable fair values at fair value, and c) Equity investments without readily determinable fair values, their balance sheet carrying values (i.e., fair value or, if elected, cost minus impairment, if any, plus or minus changes resulting from observable price changes).
5. The $100 million asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.
2. The $300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.

Schedule RC-L - Derivatives and Off-Balance Sheet Items(Form Type - 041)

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar amounts in thousands

1. Unused commitments:			1.
a. Revolving, open-end lines secured by 1-4 family residential properties, i.e., home equity lines	RCON3814	**238,325**	1.a.
Item 1.a.(1) is to be completed for the December report only. 1. Unused commitments for reverse mortgages outstanding that are held for investment in domestic offices (included in item 1.a. above)	RCONHT72	**0**	1.a.1.
b. Credit card lines (Sum of items 1.b.(1) and 1.b.(2) must equal item 1.b)	RCON3815	**756,921**	1.b.
Items 1.b.(1) and 1.b.(2) are to be completed semiannually in the June and December reports only by banks with either $300 million or more in total assets or $300 million or more in credit card lines (sum of items 1.b.(1) and 1.b.(2) must equal item 1.b). 1. Unused consumer credit card lines[1]	RCONJ455	**624,351**	1.b.1.
2. Other unused credit card lines	RCONJ456	**132,570**	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			1.c.
1. Secured by real estate:			1.c.1.
a. 1-4 family residential construction loan commitments	RCONF164	**256,096**	1.c.1.a.
b. Commercial real estate, other construction loan, and land development loan commitments	RCONF165	**1,667,237**	1.c.1.b.
2. Not secured by real estate	RCON6550	**0**	1.c.2.
d. Securities underwriting	RCON3817	**0**	1.d.
e. Other unused commitments:			1.e.
1. Commercial and industrial loans	RCONJ457	**1,312,475**	1.e.1.
2. Loans to depository financial institutions	RCONPV10	**0**	1.e.2.
3. Loans to nondepository financial institutions	RCONPV11	**0**	1.e.3.
a. Loans to mortgage credit intermediaries[1]	RCONPV12	**0**	1.e.3.a.
b. Loans to business credit intermediaries	RCONPV13	**0**	1.e.3.b.
c. Loans to private equity funds	RCONPV14	**0**	1.e.3.c.
d. Loans to consumer credit intermediaries	RCONPV15	**0**	1.e.3.d.
e. Other loans to nondepository financial institutions	RCONPV16	**0**	1.e.3.e.
4. All other unused commitments	RCONJ459	**555,732**	1.e.4.
2. Financial standby letters of credit	RCON3819	**41,635**	2.
Item 2.a is to be completed by banks with $1 billion or more in total assets. a. Amount of financial standby letters of credit conveyed to others[1]	RCON3820	**0**	2.a.
3. Performance standby letters of credit	RCON3821	**0**	3.
Item 3.a is to be completed by banks with $1 billion or more in total assets a. Amount of performance standby letters of credit conveyed to others[1]	RCON3822	**0**	3.a.
4. Commercial and similar letters of credit	RCON3411	**0**	4.
5. Not applicable			5.
6. Securities lent and borrowed:			6.
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	RCON3433	**0**	6.a.
b. Securities borrowed	RCON3432	**0**	6.b.

Dollar amounts in thousands	(Column A) Sold Protection		(Column B) Purchased Protection		
7. Credit derivatives:					7.
a. Notional amounts:					7.a.
1. Credit default swaps	RCONC968	**0**	RCONC969	**0**	7.a.1.
2. Total return swaps	RCONC970	**0**	RCONC971	**0**	7.a.2.
3. Credit options	RCONC972	**0**	RCONC973	**0**	7.a.3.
4. Other credit derivatives	RCONC974	**0**	RCONC975	**0**	7.a.4.
b. Gross fair values:					7.b.
1. Gross positive fair value	RCONC219	**0**	RCONC221	**0**	7.b.1.
2. Gross negative fair value	RCONC220	**0**	RCONC222	**0**	7.b.2.

Dollar amounts in thousands			
c. Notional amounts by regulatory capital treatment:[1]			7.c.
1. Positions covered under the Market Risk Rule:			7.c.1.
a. Sold protection	RCONG401	**0**	7.c.1.a.
b. Purchased protection	RCONG402	**0**	7.c.1.b.
2. All other positions:			7.c.2.
a. Sold protection	RCONG403	**0**	7.c.2.a.
b. Purchased protection that is recognized as a guarantee for regulatory capital purposes	RCONG404	**0**	7.c.2.b.
c. Purchased protection that is not recognized as a guarantee for regulatory capital purposes	RCONG405	**0**	7.c.2.c.

Dollar amounts in thousands	(Column A) Remaining Maturity of One Year or Less		(Column B) Remaining Maturity of Over One Year Through Five Years		(Column C) Remaining Maturity of Over Five Years		
d. Notional amounts by remaining maturity:							7.d.
1. Sold credit protection:[2]							7.d.1.
a. Investment grade	RCONG406	**0**	RCONG407	**0**	RCONG408	**0**	7.d.1.a.
b. Subinvestment grade	RCONG409	**0**	RCONG410	**0**	RCONG411	**0**	7.d.1.b.
2. Purchased credit protection:[3]							7.d.2.
a. Investment grade	RCONG412	**0**	RCONG413	**0**	RCONG414	**0**	7.d.2.a.
b. Subinvestment grade	RCONG415	**0**	RCONG416	**0**	RCONG417	**0**	7.d.2.b.

1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2023, Report of Condition.
1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported on the June 30, 2023, Report of Condition.
1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2023, Report of Condition.
1. The asset-size tests and the $300 million credit card lines test are based on the total assets and credit card lines reported in the June 30, 2023, Report of Condition.

Dollar amounts in thousands

8. Not applicable			8.
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCON3430	**1,117,253**	9.
a. Not applicable			9.a.
b. Commitments to purchase when-issued securities	RCON3434	**0**	9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf	RCONC978	**1,117,253**	9.c.
d. Disclose component and the dollar amount of that component:			9.d.
1. Describe component	TEXT3555	**NR**	9.d.1.
2. Amount of component	RCON3555	**0**	9.d.2.
e. Disclose component and the dollar amount of that component:			9.e.
1. Describe component	TEXT3556	**NR**	9.e.1.
2. Amount of component	RCON3556	**0**	9.e.2.
f. Disclose component and the dollar amount of that component:			9.f.
(TEXT3557) NR	RCON3557	**0**	9.f.1.
10. All other off-balance sheet assets (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 27.a, "Total bank equity capital")	RCON5591	**0**	10.
a. Commitments to sell when-issued securities	RCON3435	**0**	10.a.
b. Disclose component and the dollar amount of that component:			10.b.
1. Describe component	TEXT5592	**NR**	10.b.1.
2. Amount of component	RCON5592	**0**	10.b.2.
c. Disclose component and the dollar amount of that component:			10.c.
1. Describe component	TEXT5593	**NR**	10.c.1.
2. Amount of component	RCON5593	**0**	10.c.2.
d. Disclose component and the dollar amount of that component:			10.d.
1. Describe component	TEXT5594	**NR**	10.d.1.
2. Amount of component	RCON5594	**0**	10.d.2.
e. Disclose component and the dollar amount of that component:			10.e.
1. Describe component	TEXT5595	**NR**	10.e.1.
2. Amount of component	RCON5595	**0**	10.e.2.
Items 11.a and 11.b are to be completed semiannually in the June and December reports only. 11. Year-to-date merchant credit card sales volume:			11.
a. Sales for which the reporting bank is the acquiring bank	RCONC223	**0**	11.a.
b. Sales for which the reporting bank is the agent bank with risk	RCONC224	**0**	11.b.

1. Sum of items 7.c.(1)(a) and 7.c.(2)(a), must equal sum of items 7.a.(1) through (4), column A. Sum of items 7.c.(1)(b), 7.c.(2)(b), and 7.c.(2)(c) must equal sum of items 7.a.(1) through (4), column B.
2. Sum of items 7.d.(1)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column A.
3. Sum of items 7.d.(2)(a) and (b), columns A through C, must equal sum of items 7.a.(1) through (4), column B.

Dollar amounts in thousands	(Column A) Interest Rate Contracts		(Column B) Foreign Exchange Contracts		(Column C) Equity Derivative Contracts		(Column D) Commodity and Other Contracts		
12. Gross amounts (e.g., notional amounts):									12.
a. Futures contracts	RCON8693	0	RCON8694	0	RCON8695	0	RCON8696	0	12.a.
b. Forward contracts	RCON8697	11,417	RCON8698	0	RCON8699	0	RCON8700	0	12.b.
c. Exchange-traded option contracts:									12.c.
1. Written options	RCON8701	0	RCON8702	0	RCON8703	0	RCON8704	0	12c1.
2. Purchased options	RCON8705	0	RCON8706	0	RCON8707	0	RCON8708	0	12c2.
d. Over-the-counter option contracts:									12.d.
1. Written options	RCON8709	0	RCON8710	0	RCON8711	0	RCON8712	0	12d1.
2. Purchased options	RCON8713	0	RCON8714	0	RCON8715	0	RCON8716	0	12d2.
e. Swaps	RCON3450	2,500,151	RCON3826	0	RCON8719	0	RCON8720	0	12.e.
13. Total gross notional amount of derivative contracts held for trading	RCONA126	0	RCONA127	0	RCON8723	0	RCON8724	0	13.
14. Total gross notional amount of derivative contracts held for purposes other than trading	RCON8725	2,511,568	RCON8726	0	RCON8727	0	RCON8728	0	14.
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCONA589	1,751,398							14.a.
15. Gross fair values of derivative contracts:									15.
a. Contracts held for trading:									15.a.
1. Gross positive fair value	RCON8733	0	RCON8734	0	RCON8735	0	RCON8736	0	15a1.
2. Gross negative fair value	RCON8737	0	RCON8738	0	RCON8739	0	RCON8740	0	15a2.
b. Contracts held for purposes other than trading:									15.b.
1. Gross positive fair value	RCON8741	127,587	RCON8742	0	RCON8743	0	RCON8744	0	15b1.
2. Gross negative fair value	RCON8745	24,032	RCON8746	0	RCON8747	0	RCON8748	0	15b2.

Dollar amounts in thousands	(Column A) Banks and Securities Firms	(Column B)	(Column C) Hedge Funds	(Column D) Sovereign Governments	(Column E) Corporations and All Other Counterparties	
Item 16 is to be completed only by banks with total assets of $10 billion or more						
16. Over-the counter derivatives:[1]						16.
a. Net current credit exposure	RCONG418 15,960				RCONG422 111,626	16.a.
b. Fair value of collateral:						16.b.
1. Cash - U.S. dollar	RCONG423 0				RCONG427 0	16.b.1.
2. Cash - Other currencies	RCONG428 0				RCONG432 0	16.b.2.
3. U.S. Treasury securities	RCONG433 0				RCONG437 0	16.b.3.
4. Not applicable						16.b.4.
5. Not applicable						16.b.5.
6. Not applicable						16.b.6.
7. All other collateral	RCONG453 0				RCONG457 0	16.b.7.
8. Total fair value of collateral (sum of items 16.b.(1) through (7))	RCONG458 0				RCONG462 0	16.b.8.

1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.

Schedule RC-M - Memoranda(Form Type - 041)

Dollar amounts in thousands

1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:			1.
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests	RCON6164	**5,911**	1.a.
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of $500,000 or 5 percent of total capital as defined for this purpose in agency regulations	RCON6165	**2**	1.b.
2. Intangible assets:			2.
a. Mortgage servicing assets	RCON3164	**1,413**	2.a.
1. Estimated fair value of mortgage servicing assets	RCONA590	**1,413**	2.a.1.
b. Goodwill	RCON3163	**1,320,666**	2.b.
c. All other intangible assets	RCONJF76	**95,829**	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10)	RCON2143	**1,417,908**	2.d.
3. Other real estate owned:			3.
a. Construction, land development, and other land	RCON5508	**3,932**	3.a.
b. Farmland	RCON5509	**0**	3.b.
c. 1-4 family residential properties	RCON5510	**1,266**	3.c.
d. Multifamily (5 or more) residential properties	RCON5511	**0**	3.d.
e. Nonfarm nonresidential properties	RCON5512	**4,072**	3.e.
f. Total (sum of items 3.a through 3.e) (must equal Schedule RC, item 7)	RCON2150	**9,270**	3.f.
4. Cost of equity securities with readily determinable fair values not held for trading (the fair value of which is reported in Schedule RC, item 2.c)[1]	RCONJA29	**20,076**	4.
5. Other borrowed money:			5.
a. Federal Home Loan Bank advances:			5.a.
1. Advances with a remaining maturity or next repricing date of:[1]			5.a.1.
a. One year or less	RCONF055	**725,000**	5.a.1.a.
b. Over one year through three years	RCONF056	**0**	5.a.1.b.
c. Over three years through five years	RCONF057	**860**	5.a.1.c.
d. Over five years	RCONF058	**2,085**	5.a.1.d.
2. Advances with a remaining maturity of one year or less (included in item 5.a.(1)(a) above)[2]	RCON2651	**725,000**	5.a.2.
3. Structured advances (included in items 5.a.(1)(a) - (d) above)	RCONF059	**0**	5.a.3.
b. Other borrowings:			5.b.
1. Other borrowings with a remaining maturity or next repricing date of:[3]			5.b.1.
a. One year or less	RCONF060	**0**	5.b.1.a.
b. Over one year through three years	RCONF061	**0**	5.b.1.b.
c. Over three years through five years	RCONF062	**0**	5.b.1.c.
d. Over five years	RCONF063	**0**	5.b.1.d.
2. Other borrowings with a remaining maturity of one year or less (included in item 5.b.(1)(a) above)[4]	RCONB571	**0**	5.b.2.
c. Total (sum of items 5.a.(1)(a)-(d) and items 5.b.(1)(a)-(d)) (must equal Schedule RC, item 16)	RCON3190	**727,945**	5.c.
6. Does the reporting bank sell private label or third party mutual funds and annuities?	RCONB569	**Yes**	6.
7. Assets under the reporting bank's management in proprietary mutual funds and annuities	RCONB570	**0**	7.
8. Internet Web site addresses and physical office trade names:			8.
a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):	TEXT4087	**Click here for value**	8.a.

1. Item 4 is to be completed only by insured state banks that have been approved by the FDIC to hold grandfathered equity investments. See instructions for this item and the Glossary entry for "Securities Activities" for further detail on accounting for investments in equity securities

1. Report fixed-rate advances by remaining maturity and floating-rate advances by next repricing date.
2. Report both fixed- and floating-rate advances by remaining maturity. Exclude floating-rate advances with a next repricing date of one year or less that have a remaining maturity of over one year
3. Report fixed-rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.
4. Report both fixed- and floating-rate other borrowings by remaining maturity. Exclude floating-rate other borrowings with a next repricing date of one year or less that have a remaining maturity of over one year.

		Dollar amounts in thousands	
b. URLs of all other public-facing Internet Web sites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):[1]			8.b.
1. URL 1	TE01N528	**NR**	8.b.1.
2. URL 2	TE02N528	**NR**	8.b.2.
3. URL 3	TE03N528	**NR**	8.b.3.
4. URL 4	TE04N528	**NR**	8.b.4.
5. URL 5	TE05N528	**NR**	8.b.5.
6. URL 6	TE06N528	**NR**	8.b.6.
7. URL 7	TE07N528	**NR**	8.b.7.
8. URL 8	TE08N528	**NR**	8.b.8.
9. URL 9	TE09N528	**NR**	8.b.9.
10. URL 10	TE10N528	**NR**	8.b.10.
c. Trade names other than the reporting institution's legal title used to identify one or more of the institution's physical offices at which deposits are accepted or solicited from the public, if any:			8.c.
1. Trade name 1	TE01N529	**NR**	8.c.1.
2. Trade name 2	TE02N529	**NR**	8.c.2.
3. Trade name 3	TE03N529	**NR**	8.c.3.
4. Trade name 4	TE04N529	**NR**	8.c.4.
5. Trade name 5	TE05N529	**NR**	8.c.5.
6. Trade name 6	TE06N529	**NR**	8.c.6.
Item 9 is to be completed annually in the December report only. 9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?	RCON4088	**Yes**	9.
10. Secured liabilities:			10.
a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a)	RCONF064	**0**	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	RCONF065	**0**	10.b.
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	RCONG463	**Yes**	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	RCONG464	**No**	12.
13. Assets covered by loss-sharing agreements with the FDIC:	RCONK192	**0**	13.
Items 14.a and 14.b are to be completed annually in the December report only. 14. Captive insurance and reinsurance subsidiaries:			14.
a. Total assets of captive insurance subsidiaries[1]	RCONK193	**0**	14.a.
b. Total assets of captive reinsurance subsidiaries[1]	RCONK194	**0**	14.b.
Item 15 is to be completed by institutions that are required or have elected to be treated as a Qualified Thrift Lender. 15. Qualified Thrift Lender (QTL) test:			15.
a. Does the institution use the Home Owners' Loan Act (HOLA) QTL test or the Internal Revenue Service Domestic Building and Loan Association (IRS DBLA) test to determine its QTL compliance? (for the HOLA QTL test, enter 1; for the IRS DBLA test, enter 2)	RCONL133	**NR**	15.a.
b. Has the institution been in compliance with the HOLA QTL test as of each month end during the quarter or the IRS DBLA test for its most recent taxable year, as applicable?	RCONL135	**NR**	15.b.
Item 16.a and, if appropriate, items 16.b.(1) through 16.b.(3) are to be completed annually in the December report only. 16. International remittance transfers offered to consumers:[1]			16.
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date	RCONN523	**1165**	16.a.
Items 16.b.(1) through 16.b.(3) are to be completed by institutions that reported 501 or more international remittance transfers in item 16.a in either or both of the current report or the prior December report in which item 16.a was required to be completed. b. Estimated dollar value of remittance transfers provided by your institution and usage of regulatory exceptions during the calendar year ending on the report date:			16.b.
1. Estimated dollar value of international remittance transfers	RCONN524	**24,069**	16.b.1.

1. Report only highest level URLs (for example, report www.examplebank.biz, but do not also report www.examplebank.biz/checking). Report each top level domain name used (for example, report both www.examplebank.biz and www.examplebank.net).

1. Report total assets before eliminating intercompany transactions between the consolidated insurance or reinsurance subsidiary and other offices or consolidated subsidiaries of the reporting bank.

1. Report information about international electronic transfers of funds offered to consumers in the United States that: (a) are "remittance transfers" as defined by subpart B of Regulation E (12 CFR § 1005.30(e)), or (b) would qualify as "remittance transfers" under subpart B of Regulation E (12 CFR § 1005.30(e)) but are excluded from that definition only because the provider is not providing those transfers in the normal course of its business. See 12 CFR § 1005.30(f). For purposes of this item 16, such trans

		Dollar amounts in thousands	
2. Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception	RCONMM07	**0**	16.b.2.
3. Estimated number of international remittance transfers for which your institution applied the permanent covered third-party fee exception	RCONMQ52	**0**	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans and the Federal Reserve PPP Liquidity Facility (PPPLF):[2]			17.
a. Number of PPP loans outstanding	RCONLG26	**29**	17.a.
b. Outstanding balance of PPP loans	RCONLG27	**1,659**	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF	RCONLG28	**0**	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			17.d.
1. One year or less	RCONLL59	**0**	17.d.1.
2. More than one year	RCONLL60	**0**	17.d.2.
e. Quarterly average amount of PPP loans pledged to the PPPLF and excluded from "Total assets for the leverage ratio" reported in Schedule RC-R, Part I, item 30	RCONLL57	**0**	17.e.

(TEXT4087) www.simmonsbank.com

2. Paycheck Protection Program (PPP) covered loans as defined in sections 7(a)(36) and 7(a)(37) of the Small Business Act (15 U.S.C. 636(a)(36) and (37)).

Schedule RC-N - Past Due and Nonaccrual Loans Leases and Other Assets(Form Type - 041)

Amounts reported in Schedule RC-N, items 1 through 8, include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in items 10 and 11 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
1. Loans secured by real estate:							1.
a. Construction, land development, and other land loans:							1.a.
1. 1-4 family residential construction loans	RCONF172	**257**	RCONF174	**0**	RCONF176	**970**	1.a.1.
2. Other construction loans and all land development and other land loans	RCONF173	**56**	RCONF175	**0**	RCONF177	**9,711**	1.a.2.
b. Secured by farmland	RCON3493	**1,036**	RCON3494	**0**	RCON3495	**1,598**	1.b.
c. Secured by 1-4 family residential properties:							1.c.
1. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON5398	**1,826**	RCON5399	**0**	RCON5400	**2,994**	1.c.1.
2. Closed-end loans secured by 1-4 family residential properties:							1.c.2.
a. Secured by first liens	RCONC236	**23,409**	RCONC237	**0**	RCONC229	**28,717**	1.c.2.a.
b. Secured by junior liens	RCONC238	**106**	RCONC239	**0**	RCONC230	**2,261**	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	RCON3499	**0**	RCON3500	**0**	RCON3501	**6,850**	1.d.
e. Secured by nonfarm nonresidential properties:							1.e.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONF178	**505**	RCONF180	**0**	RCONF182	**13,869**	1.e.1.
2. Loans secured by other nonfarm nonresidential properties	RCONF179	**3,322**	RCONF181	**0**	RCONF183	**6,207**	1.e.2.
2. Loans to depository institutions and acceptances of other banks	RCONB834	**0**	RCONB835	**0**	RCONB836	**0**	2.
3. Not applicable							3.
4. Commercial and industrial loans	RCON1606	**2,660**	RCON1607	**74**	RCON1608	**35,160**	4.
5. Loans to individuals for household, family, and other personal expenditures:							5.
a. Credit cards	RCONB575	**1,672**	RCONB576	**529**	RCONB577	**565**	5.a.
b. Automobile loans	RCONK213	**729**	RCONK214	**0**	RCONK215	**451**	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK216	**938**	RCONK217	**0**	RCONK218	**228**	5.c.
6. Not applicable							6.
7. All other loans[1]	RCON5459	**283**	RCON5460	**0**	RCON5461	**570**	7.
8. Lease financing receivables	RCON1226	**0**	RCON1227	**0**	RCON1228	**3**	8.
9. Total loans and leases (sum of items 1 through 8)	RCON1406	**36,799**	RCON1407	**603**	RCON1403	**110,154**	9.
10. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	RCON3505	**0**	RCON3506	**0**	RCON3507	**0**	10.
11. Loans and leases reported in items 1 through 8 above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC:	RCONK036	**1,640**	RCONK037	**0**	RCONK038	**13,263**	11.
a. Guaranteed portion of loans and leases included in item 11 above, excluding rebooked "GNMA loans"	RCONK039	**74**	RCONK040	**0**	RCONK041	**5,848**	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above	RCONK042	**0**	RCONK043	**0**	RCONK044	**0**	11.b.
12. Loans and leases reported in items 1 through 8 above that are covered by loss-sharing agreements with the FDIC:	RCONK102	**0**	RCONK103	**0**	RCONK104	**0**	12.
1. Loan modifications to borrowers experiencing financial difficulty included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part 1, Memorandum item 1):							M.1.
a. Construction, land development, and other land loans:							M.1.a.
1. 1-4 family residential construction loans	RCONK105	**0**	RCONK106	**0**	RCONK107	**0**	M.1.a.1.
2. Other construction loans and all land development and other land loans	RCONK108	**0**	RCONK109	**0**	RCONK110	**0**	M.1.a.2.
b. Loans secured by 1-4 family residential properties	RCONF661	**0**	RCONF662	**0**	RCONF663	**597**	M.1.b.
c. Secured by multifamily (5 or more) residential properties	RCONK111	**0**	RCONK112	**0**	RCONK113	**0**	M.1.c.

1. Includes past due and nonaccrual "Loans to finance agricultural productions and other loans to farmers," "Obligations (other than securities and leases) of states and political subdivisions in the U.S.," and "Loans to nondepository financial institutions and other loans."

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
d. Secured by nonfarm nonresidential properties:							M.1.d.
1. Loans secured by owner-occupied nonfarm nonresidential properties	RCONK114	**0**	RCONK115	**0**	RCONK116	**0**	M.1.d.1.
2. Loans secured by other nonfarm nonresidential properties	RCONK117	**0**	RCONK118	**0**	RCONK119	**0**	M.1.d.2.
e. Commercial and industrial loans	RCONK257	**0**	RCONK258	**0**	RCONK259	**0**	M.1.e.
Memorandum items 1.e.(1) and (2) are to be completed by banks with $300 million or more in total assets (sum of Memorandum items 1.e.(1) and (2) must equal Memorandum item 1.e):	RCONK120	**0**	RCONK121	**0**	RCONK122	**0**	M.1.e.1.
1. To U.S. addressees (domicile)[1]	RCONK123	**0**	RCONK124	**0**	RCONK125	**0**	M.1.e.2.
2. To non-U.S. addressees (domicile)	RCONK126	**0**	RCONK127	**0**	RCONK128	**0**	M.1.f.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	RCONK130	**0**	RCONK131	**0**	RCONK132	**0**	M.1.f.1.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loan modifications to borrowers experiencing financial difficulty that are past due 30 days or more or in nonaccrual status (sum of Memorandum items 1.a through 1.e plus 1.f, columns A through C):							M.1.f.2.
1. Loans secured by farmland							M.1.f.3.
2. Not applicable							M.1.f.4.
3. Not applicable							M.1.f.4.a.
4. Loans to individuals for household, family, and other personal expenditures:	RCONK274	**0**	RCONK275	**0**	RCONK276	**0**	M.1.f.4.b.
a. Credit cards	RCONK277	**0**	RCONK278	**0**	RCONK279	**0**	M.1.f.4.c.
b. Automobile loans	RCONK280	**0**	RCONK281	**0**	RCONK282	**0**	M.1.f.5.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	RCONK138	**0**	RCONK139	**0**	RCONK140	**0**	M.1.g.
Memorandum item 1.f.(5) is to be completed by: *Banks with $300 million or more in total assets* *Banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans*							M.2.
5. Loans to finance agricultural production and other loans to farmers included in Schedule RC-N, Memorandum item 1.f, above[1]							M.3.
g. Total loan modifications to borrowers experiencing financial difficulty included in Schedule RC-N, items 1 through 7, above (sum of items Memorandum item 1.a.(1) through 1.e plus 1.f)[2]	RCONHK26	**0**	RCONHK27	**0**	RCONHK28	**597**	M.3.a.
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above	RCON6558	**0**	RCON6559	**0**	RCON6560	**0**	M.3.b.
3. Not available							M.3.c.
Memorandum items 3.a through 3.d are to be completed by banks with $300 million or more in total assets:							M.3.d.
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)[1]	RCON1248	**0**	RCON1249	**0**	RCON1250	**0**	M.4.
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2, above)	RCON5380	**0**	RCON5381	**0**	RCON5382	**0**	
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above)	RCON1254	**0**	RCON1255	**0**	RCON1256	**0**	
d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8, above)	RCONF166	**0**	RCONF167	**0**	RCONF168	**0**	
Memorandum item 4 is to be completed by: ** banks with $300 million or more in total assets* ** banks with less than $300 million in total assets that have loans to finance agricultural production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans:*	RCON1594	**8**	RCON1597	**0**	RCON1583	**570**	
4. Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above)[1]							

1. The $300 million asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.
1. The $300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.
2. Exclude amounts reported in Memorandum items 1.e.(1), 1.e.(2), and 1.f.(1) through 1.f.(5) when calculating the total in Memorandum item 1.g.
1. The $300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.
1. The $300 million asset-size test and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2023, Report of Condition.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above)	RCONC240	**0**	RCONC241	**0**	RCONC226	**0**	M.5.

Dollar amounts in thousands			
6. Not applicable			M.6.

Dollar amounts in thousands			
Memorandum items 7 and 8 are to be completed semiannually in the June and December reports only.			
7. Additions to nonaccrual assets during the previous six months	RCONC410	**66,869**	M.7.
8. Nonaccrual assets sold during the previous six months	RCONC411	**0**	M.8.

Dollar amounts in thousands	(Column A) Past due 30 through 89 days and still accruing		(Column B) Past due 90 days or more and still accruing		(Column C) Nonaccrual		
9. Loans to nondepository financial institutions included in Schedule RC-N, item 7	RCONPV23	**0**	RCONPV24	**0**	RCONPV25	**0**	M.9.

Schedule RC-O - Other Data for Deposit Insurance and FICO Assessments(Form Type - 041)

All FDIC-insured depository institutions must complete items 1 and 2, 4 through 9,10, and 11, Memorandum item 1, and, if applicable, item 9.a, Memorandum items 2, 3, and 6 through 18 each quarter. Unless otherwise indicated, complete items 1 through 11 and Memorandum items 1 through 3 on an "unconsolidated single FDIC certificate number basis" (see instructions) and complete Memorandum items 6 through 18 on a fully consolidated basis.

		Dollar amounts in thousands	
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	RCONF236	**23,058,138**	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	RCONF237	**0**	2.
3. Not applicable			3.
4. Average consolidated total assets for the calendar quarter	RCONK652	**27,345,647**	4.
a. Averaging method used (for daily averaging, enter 1; for weekly averaging, enter 2)	RCONK653	**1**	4.a.
5. Average tangible equity for the calendar quarter[1]	RCONK654	**2,581,881**	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	RCONK655	**0**	6.
7. Unsecured "Other borrowings" with a remaining maturity of (sum of items 7.a through 7.d must be less than or equal to Schedule RC-M, items 5.b.(1)(a)-(d) minus item 10.b):			7.
a. One year or less	RCONG465	**0**	7.a.
b. Over one year through three years	RCONG466	**0**	7.b.
c. Over three years through five years	RCONG467	**0**	7.c.
d. Over five years	RCONG468	**0**	7.d.
8. Subordinated notes and debentures with a remaining maturity of (sum of items 8.a through 8.d must equal Schedule RC, item 19):			8.
a. One year or less	RCONG469	**0**	8.a.
b. Over one year through three years	RCONG470	**0**	8.b.
c. Over three years through five years	RCONG471	**0**	8.c.
d. Over five years	RCONG472	**0**	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Memorandum item 1.b)	RCONG803	**0**	9.
Item 9.a is to be completed on a fully consolidated basis by all institutions that own another insured depository institution. a. Fully consolidated brokered reciprocal deposits	RCONL190	**NR**	9.a.
10. Banker's bank certification: Does the reporting institution meet both the statutory definition of a banker's bank and the business conduct test set forth in FDIC regulations? If the answer to item 10 is "YES," complete items 10.a and 10.b	RCONK656	**No**	10.
If the answer to item 10 is "YES," complete items 10.a and 10.b. a. Banker's bank deduction	RCONK657	**NR**	10.a.
b. Banker's bank deduction limit	RCONK658	**NR**	10.b.
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations? If the answer to item 11 is "YES," complete items 11.a and 11.b	RCONK659	**No**	11.
If the answer to item 11 is "YES," complete items 11.a and 11.b. a. Custodial bank deduction	RCONK660	**NR**	11.a.
b. Custodial bank deduction limit	RCONK661	**NR**	11.b.
1. Total deposit liabilities of the bank (including related interest accrued and unpaid) less allowable exclusions (including related interest accrued and unpaid) (sum of Memorandum items 1.a.(1), 1.b.(1), 1.c.(1), and 1.d.(1) must equal Schedule RC-O, item 1 less item 2):			M.1.
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:[1]			M.1.a.
1. Amount of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF049	**12,401,234**	M.1.a.1.
2. Number of deposit accounts (excluding retirement accounts) of $250,000 or less	RCONF050	**606806**	M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:[1]			M.1.b.
1. Amount of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF051	**10,389,317**	M.1.b.1.
2. Number of deposit accounts (excluding retirement accounts) of more than $250,000	RCONF052	**8934**	M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:[1]			M.1.c.
1. Amount of retirement deposit accounts of $250,000 or less	RCONF045	**241,779**	M.1.c.1.
2. Number of retirement deposit accounts of $250,000 or less	RCONF046	**13044**	M.1.c.2.
d. Retirement deposit accounts of more than $250,000:[1]			M.1.d.

1. See instructions for averaging methods. For deposit insurance assessment purposes, tangible equity is defined as Tier 1 capital as set forth in the banking agencies' regulatory capital standards and reported in Schedule RC-R, Part I, item 26, except as described in the instructions.

1. The dollar amounts used as the basis for reporting in Memorandum items 1.a through 1.d reflect the deposit insurance limits in effect on the report date.

Dollar amounts in thousands

1. Amount of retirement deposit accounts of more than $250,000	RCONF047	**25,808**	M.1.d.1.
2. Number of retirement deposit accounts of more than $250,000	RCONF048	**73**	M.1.d.2.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets.			
2. Estimated amount of uninsured deposits, including related interest accrued and unpaid (see instructions)[3]	RCON5597	**8,467,290**	M.2.
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report? If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:			M.3.
a. Legal title	TEXTA545	**NR**	M.3.a.
b. FDIC Certificate Number	RCONA545	**0**	M.3.b.
4. Not applicable			M.4.
Memorandum items 5 through 12 are to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.			
5. Applicable portion of the CECL transitional amount or modified CECL transitional amount that has been added to retained earnings for regulatory capital purposes as of the current report date and is attributable to loans and leases held for investment	RCONMW53	**30,873**	M.5.
6. Criticized and classified items:			M.6.
a. Special mention	RCONK663	**CONF**	M.6.a.
b. Substandard	RCONK664	**CONF**	M.6.b.
c. Doubtful	RCONK665	**CONF**	M.6.c.
d. Loss	RCONK666	**CONF**	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			M.7.
a. Nontraditional 1-4 family residential mortgage loans	RCONN025	**CONF**	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	RCONN026	**CONF**	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			M.8.
a. Higher-risk consumer loans	RCONN027	**CONF**	M.8.a.
b. Securitizations of higher-risk consumer loans	RCONN028	**CONF**	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			M.9.
a. Higher-risk commercial and industrial loans and securities	RCONN029	**CONF**	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	RCONN030	**CONF**	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate:			M.10.
a. Total unfunded commitments	RCONK676	**1,693,182**	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	RCONK677	**0**	M.10.b.
11. Amount of other real estate owned recoverable from the U.S. government under guarantee or insurance provisions (excluding FDIC loss-sharing agreements)	RCONK669	**0**	M.11.
12. Nonbrokered time deposits of more than $250,000 (included in Schedule RC-E, Memorandum item 2.d)	RCONK678	**1,551,975**	M.12.
Memorandum item 13.a is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations. Memorandum items 13.b through 13.h are to be completed by "large institutions" only.			
13. Portion of funded loans and securities guaranteed or insured by the U.S. government (including FDIC loss-sharing agreements):			M.13.
a. Construction, land development, and other land loans secured by real estate	RCONN177	**3,109**	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	RCONN178	**65,035**	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	RCONN179	**1,402**	M.13.c.
d. Closed-end loans secured by junior liens on 1-4 family residential properties and revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONN180	**11,207**	M.13.d.
e. Commercial and industrial loans	RCONN181	**31,292**	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	RCONN182	**0**	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	RCONN183	**0**	M.13.g.
h. Non-agency residential mortgage-backed securities	RCONM963	**0**	M.13.h.
Memorandum items 14 and 15 are to be completed by "highly complex institutions" as defined in FDIC regulations.			
14. Amount of the institution's largest counterparty exposure	RCONK673	**CONF**	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	RCONK674	**CONF**	M.15.
Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.			
16. Portion of loan modifications to borrowers experiencing financial difficulty that are in compliance with their modified terms and are guaranteed or insured by the U.S. government (including the FDIC) (included in Schedule RC-C, Part I, Memorandum item 1)	RCONL189	**0**	M.16.

3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Dollar amounts in thousands

Memorandum item 17 is to be completed on a fully consolidated basis by those "large institutions" and "highly complex institutions" as defined in FDIC regulations that own another insured depository institution.			M.17.
17. Selected fully consolidated data for deposit insurance assessment purposes:			
a. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations.....	RCONL194	**NR**	M.17.a.
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions.....	RCONL195	**NR**	M.17.b.
c. Unsecured "Other borrowings" with a remaining maturity of one year or less.....	RCONL196	**NR**	M.17.c.
d. Estimated amount of uninsured deposits, including related interest accrued and unpaid.....	RCONL197	**NR**	M.17.d.

Dollar amounts in thousands	(Column A) Two-Year Probability of Default (PD) <= 1%	(Column B) Two-Year Probability of Default (PD) 1.01–4%	(Column C) Two-Year Probability of Default (PD) 4.01–7%	(Column D) Two-Year Probability of Default (PD) 7.01–10%	(Column E) Two-Year Probability of Default (PD) 10.01–14%	(Column F) Two-Year Probability of Default (PD) 14.01–16%	(Column G) Two-Year Probability of Default (PD) 16.01–18%	(Column H) Two-Year Probability of Default (PD) 18.01–20%	(Column I) Two-Year Probability of Default (PD) 20.01–22%	(Column J) Two-Year Probability of Default (PD) 22.01–26%	(Column K) Two-Year Probability of Default (PD) 26.01–30%	(Column L) Two-Year Probability of Default (PD) > 30%	(Column M) Two-Year Probability of Default (PD) Unscoreable	(Column N) Two-Year Probability of Default (PD) Total	(Column O) PDs Were Derived Using	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:																M18.
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	RCONM964 CONF	RCONM965 CONF	RCONM966 CONF	RCONM967 CONF	RCONM968 CONF	RCONM969 CONF	RCONM970 CONF	RCONM971 CONF	RCONM972 CONF	RCONM973 CONF	RCONM974 CONF	RCONM975 CONF	RCONM976 CONF	RCONM977 CONF	RCONM978 CONF	M18a
b. Closed-end loans secured by first liens on 1-4 family residential properties	RCONM979 CONF	RCONM980 CONF	RCONM981 CONF	RCONM982 CONF	RCONM983 CONF	RCONM984 CONF	RCONM985 CONF	RCONM986 CONF	RCONM987 CONF	RCONM988 CONF	RCONM989 CONF	RCONM990 CONF	RCONM991 CONF	RCONM992 CONF	RCONM993 CONF	M18b
c. Closed-end loans secured by junior liens on 1-4 family residential properties	RCONM994 CONF	RCONM995 CONF	RCONM996 CONF	RCONM997 CONF	RCONM998 CONF	RCONM999 CONF	RCONN001 CONF	RCONN002 CONF	RCONN003 CONF	RCONN004 CONF	RCONN005 CONF	RCONN006 CONF	RCONN007 CONF	RCONN008 CONF	RCONN009 CONF	M18c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCONN010 CONF	RCONN011 CONF	RCONN012 CONF	RCONN013 CONF	RCONN014 CONF	RCONN015 CONF	RCONN016 CONF	RCONN017 CONF	RCONN018 CONF	RCONN019 CONF	RCONN020 CONF	RCONN021 CONF	RCONN022 CONF	RCONN023 CONF	RCONN024 CONF	M18d
e. Credit cards	RCONN040 CONF	RCONN041 CONF	RCONN042 CONF	RCONN043 CONF	RCONN044 CONF	RCONN045 CONF	RCONN046 CONF	RCONN047 CONF	RCONN048 CONF	RCONN049 CONF	RCONN050 CONF	RCONN051 CONF	RCONN052 CONF	RCONN053 CONF	RCONN054 CONF	M18e
f. Automobile loans	RCONN055 CONF	RCONN056 CONF	RCONN057 CONF	RCONN058 CONF	RCONN059 CONF	RCONN060 CONF	RCONN061 CONF	RCONN062 CONF	RCONN063 CONF	RCONN064 CONF	RCONN065 CONF	RCONN066 CONF	RCONN067 CONF	RCONN068 CONF	RCONN069 CONF	M18f
g. Student loans	RCONN070 CONF	RCONN071 CONF	RCONN072 CONF	RCONN073 CONF	RCONN074 CONF	RCONN075 CONF	RCONN076 CONF	RCONN077 CONF	RCONN078 CONF	RCONN079 CONF	RCONN080 CONF	RCONN081 CONF	RCONN082 CONF	RCONN083 CONF	RCONN084 CONF	M18g
h. Other consumer loans and revolving credit plans other than credit cards	RCONN085 CONF	RCONN086 CONF	RCONN087 CONF	RCONN088 CONF	RCONN089 CONF	RCONN090 CONF	RCONN091 CONF	RCONN092 CONF	RCONN093 CONF	RCONN094 CONF	RCONN095 CONF	RCONN096 CONF	RCONN097 CONF	RCONN098 CONF	RCONN099 CONF	M18h
i. Consumer leases	RCONN100 CONF	RCONN101 CONF	RCONN102 CONF	RCONN103 CONF	RCONN104 CONF	RCONN105 CONF	RCONN106 CONF	RCONN107 CONF	RCONN108 CONF	RCONN109 CONF	RCONN110 CONF	RCONN111 CONF	RCONN112 CONF	RCONN113 CONF	RCONN114 CONF	M18i
j. Total	RCONN115 CONF	RCONN116 CONF	RCONN117 CONF	RCONN118 CONF	RCONN119 CONF	RCONN120 CONF	RCONN121 CONF	RCONN122 CONF	RCONN123 CONF	RCONN124 CONF	RCONN125 CONF	RCONN126 CONF	RCONN127 CONF	RCONN128 CONF		M18j

Schedule RC-P - 1-4 Family Residential Mortgage Banking Activities(Form Type - 041)

Schedule RC-P is to be completed by banks at which either 1-4 family residential mortgage loan originations and purchases for resale from all sources, loan sales, or quarter-end loans held for sale or trading exceed $10 million for two consecutive quarters.

Dollar amounts in thousands			
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale[1]	RCONHT81	**66,029**	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale[2]	RCONHT82	**0**	2.
3. 1-4 family residential mortgage loans sold during the quarter	RCONFT04	**62,557**	3.
4. 1-4 family residential mortgage loans held for sale or trading at quarter-end (included in Schedule RC, items 4.a and 5)	RCONFT05	**10,880**	4.
5. Noninterest income for the quarter from the sale, securitization, and servicing of 1-4 family residential mortgage loans (included in Schedule RI, items 5.c, 5.f, 5.g, and 5.i)	RIADHT85	**2,113**	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter	RCONHT86	**0**	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			7.
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	RCONL191	**CONF**	7.a.
b. For representations and warranties made to other parties	RCONL192	**CONF**	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	RCONM288	**0**	7.c.

Schedule RC-Q - Assets and Liabilities Measured at Fair Value on a Recurring Basis(Form Type - 041)

Schedule RC-Q is to be completed by banks that:
(1) Have elected to report financial instruments or servicing assets and liabilities at fair value under a fair value option with changes in fair value recognized in earnings, or
(2) Are required to complete Schedule RC-D, Trading Assets and Liabilities.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading[1]	RCONJA36 **2,549,491**	RCONG474 **0**	RCONG475 **0**	RCONG476 **2,549,491**	RCONG477 **0**	1.
2. Not applicable						2.
3. Loans and leases held for sale	RCONG483 **6,294**	RCONG484 **0**	RCONG485 **0**	RCONG486 **6,294**	RCONG487 **0**	3.
4. Loans and leases held for investment	RCONG488 **0**	RCONG489 **0**	RCONG490 **0**	RCONG491 **0**	RCONG492 **0**	4.
5. Trading assets:						5.
a. Derivative assets	RCON3543 **0**	RCONG493 **0**	RCONG494 **0**	RCONG495 **0**	RCONG496 **0**	5.a.
b. Other trading assets	RCONG497 **0**	RCONG498 **0**	RCONG499 **0**	RCONG500 **0**	RCONG501 **0**	5.b.
1. Nontrading securities at fair value with changes in fair value reported in current earnings (included in Schedule RC-Q, item 5.b, above)	RCONF240 **0**	RCONF684 **0**	RCONF692 **0**	RCONF241 **0**	RCONF242 **0**	5.b.1.
6. All other assets	RCONG391 **20,034**	RCONG392 **4,074**	RCONG395 **0**	RCONG396 **24,108**	RCONG804 **0**	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	RCONG502 **2,575,819**	RCONG503 **4,074**	RCONG504 **0**	RCONG505 **2,579,893**	RCONG506 **0**	7.
8. Deposits	RCONF252 **0**	RCONF686 **0**	RCONF694 **0**	RCONF253 **0**	RCONF254 **0**	8.
9. Not applicable						9.
10. Trading liabilities:						10.
a. Derivative liabilities	RCON3547 **0**	RCONG512 **0**	RCONG513 **0**	RCONG514 **0**	RCONG515 **0**	10.a.
b. Other trading liabilities	RCONG516 **0**	RCONG517 **0**	RCONG518 **0**	RCONG519 **0**	RCONG520 **0**	10.b.
11. Not applicable						11.
12. Not applicable						12.

1. Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.
2. Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.
1. The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
13. All other liabilities	RCONG805 19,958	RCONG806 4,074	RCONG807 0	RCONG808 24,032	RCONG809 0	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	RCONG531 19,958	RCONG532 4,074	RCONG533 0	RCONG534 24,032	RCONG535 0	14.
1. All other assets (itemize and describe amounts included in Schedule RC-Q, item 6, that are greater than $100,000 and exceed 25% of item 6):						M.1.
a. Mortgage servicing assets	RCONG536 NR	RCONG537 NR	RCONG538 NR	RCONG539 NR	RCONG540 NR	M.1.a.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG541	RCONG542	RCONG543	RCONG544	RCONG545	
b. Nontrading derivative assets	20,034	4,074	NR	24,108	NR	M.1.b.

Dollar amounts in thousands		
c. Disclose component and the dollar amount of that component:		M.1.c.
1. Describe component	TEXTG546	NR M.1.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG546	RCONG547	RCONG548	RCONG549	RCONG550	
2. Amount of component	NR	NR	NR	NR	NR	M.1.c.2.

Dollar amounts in thousands		
d. Disclose component and the dollar amount of that component:		M.1.d.
1. Describe component	TEXTG551	NR M.1.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG551	RCONG552	RCONG553	RCONG554	RCONG555	
2. Amount of component	NR	NR	NR	NR	NR	M.1.d.2.

Dollar amounts in thousands		
e. Disclose component and the dollar amount of that component:		M.1.e.
1. Describe component	TEXTG556	NR M.1.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
	RCONG556	RCONG557	RCONG558	RCONG559	RCONG560	
2. Amount of component	NR	NR	NR	NR	NR	M.1.e.2.

Dollar amounts in thousands		
f. Disclose component and the dollar amount of that component:		M.1.f.
1. Describe component	TEXTG561	NR M.1.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCONG561 NR	RCONG562 NR	RCONG563 NR	RCONG564 NR	RCONG565 NR	M.1.f.2.
2. All other liabilities (itemize and describe amounts included in Schedule RC-Q, item 13, that are greater than $100,000 and exceed 25% of item 13):						M.2.
a. Loan commitments (not accounted for as derivatives)	RCONF261 NR	RCONF689 NR	RCONF697 NR	RCONF262 NR	RCONF263 NR	M.2.a.
b. Nontrading derivative liabilities	RCONG566 19,958	RCONG567 4,074	RCONG568 NR	RCONG569 24,032	RCONG570 NR	M.2.b.

Dollar amounts in thousands		
c. Disclose component and the dollar amount of that component:		M.2.c.
1. Describe component	TEXTG571 NR	M.2.c.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCONG571 NR	RCONG572 NR	RCONG573 NR	RCONG574 NR	RCONG575 NR	M.2.c.2.

Dollar amounts in thousands		
d. Disclose component and the dollar amount of that component:		M.2.d.
1. Describe component	TEXTG576 NR	M.2.d.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCONG576 NR	RCONG577 NR	RCONG578 NR	RCONG579 NR	RCONG580 NR	M.2.d.2.

Dollar amounts in thousands		
e. Disclose component and the dollar amount of that component:		M.2.e.
1. Describe component	TEXTG581 NR	M.2.e.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCONG581 NR	RCONG582 NR	RCONG583 NR	RCONG584 NR	RCONG585 NR	M.2.e.2.

Dollar amounts in thousands		
f. Disclose component and the dollar amount of that component:		M.2.f.
1. Describe component	TEXTG586 NR	M.2.f.1.

Dollar amounts in thousands	(Column A) Total Fair Value Reported on Schedule RC	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value	(Column C) Level 1 Fair Value Measurements	(Column D) Level 2 Fair Value Measurements	(Column E) Level 3 Fair Value Measurements	
2. Amount of component	RCONG586 NR	RCONG587 NR	RCONG588 NR	RCONG589 NR	RCONG590 NR	M.2.f.2.

Dollar amounts in thousands

3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			M.3.
a. Loans secured by real estate:			M.3.a.
1. Secured by 1-4 family residential properties	RCONHT87	**6,294**	M.3.a.1.
2. All other loans secured by real estate	RCONHT88	**0**	M.3.a.2.
b. Commercial and industrial loans	RCONF585	**0**	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCONHT89	**0**	M.3.c.
d. Other loans	RCONF589	**0**	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			M.4.
a. Loans secured by real estate:			M.4.a.
1. Secured by 1-4 family residential properties	RCONHT91	**6,157**	M.4.a.1.
2. All other loans secured by real estate	RCONHT92	**0**	M.4.a.2.
b. Commercial and industrial loans	RCONF597	**0**	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	RCONHT93	**0**	M.4.c.
d. Other loans	RCONF601	**0**	M.4.d.

Schedule RC-R Part I - Regulatory Capital Components and Ratios(Form Type - 041)

Part I is to be completed on a consolidated basis.

Dollar amounts in thousands

1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	RCOAP742	**3,380,954**	1.
2. Retained earnings[1]	RCOAKW00	**581,274**	2.
a. Does your institution have a CECL transition election in effect as of the quarter-end report date? (enter "0" for No; enter "1" for Yes with a 3-year CECL transition election; enter "2" for Yes with a 5-year 2020 CECL transition election.)	RCOAJJ29	**2**	2.a.
3. Accumulated other comprehensive income (AOCI)	RCOAB530	**-360,910**	3.
a. AOCI opt-out election (enter "1" for Yes; enter "0" for No.)	RCOAP838	**1**	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCOAP839	**0**	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	RCOAP840	**3,601,318**	5.
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	RCOAP841	**1,303,256**	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	RCOAP842	**73,578**	7.
8. LESS: Deferred tax assets (DTAs) that arise from net operating loss and tax credit carryforwards, net of any related valuation allowances and net of DTLs	RCOAP843	**8,161**	8.
9. AOCI-related adjustments (items 9.a through 9.e are effective January 1, 2015) (if entered "1" for Yes in item 3.a, complete only items 9.a through 9.e; if entered "0" for No in item 3.a, complete only item 9.f):			9.
a. LESS: Net unrealized gains (losses) on available-for-sale debt securities (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAP844	**-331,189**	9.a.
b. Not applicable.			9.b.
c. LESS: Accumulated net gains (losses) on cash flow hedges (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAP846	**78,421**	9.c.
d. LESS: Amounts recorded in AOCI attributed to defined benefit postretirement plans resulting from the initial and subsequent application of the relevant GAAP standards that pertain to such plans (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAP847	**0**	9.d.
e. LESS: Net unrealized gains (losses) on held-to-maturity securities that are included in AOCI (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAP848	**-108,142**	9.e.
f. LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relate to the hedging of items that are not recognized at fair value on the balance sheet (if a gain, report as a positive value; if a loss, report as a negative value) (To be completed only by institutions that entered "0" for No in item 3.a)	RCOAP849	**NR**	9.f.
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			10.
a. LESS: Unrealized net gain (loss) related to changes in the fair value of liabilities that are due to changes in own credit risk (if a gain, report as a positive value; if a loss, report as a negative value)	RCOAQ258	**0**	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions.	RCOAP850	**4,112**	10.b.
11. Not applicable			11.
12. Subtotal (item 5 minus items 6 through 10.b)	RCOAP852	**2,573,121**	12.
13. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12	RCOALB58	**0**	13.
14. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12	RCOALB59	**0**	14.
15. LESS: DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, net of related valuation allowances and net of DTLs, that exceed 25 percent of item 12	RCOALB60	**0**	15.
16. Not applicable			16.
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital to cover deductions[1]	RCOAP857	**0**	17.
18. Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17)	RCOAP858	**0**	18.
19. Common equity tier 1 capital (item 12 minus item 18)	RCOAP859	**2,573,121**	19.
20. Additional tier 1 capital instruments plus related surplus	RCOAP860	**0**	20.
21. Non-qualifying capital instruments subject to phase out from additional tier 1 capital	RCOAP861	**0**	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	RCOAP862	**0**	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	RCOAP863	**0**	23.
24. LESS: Additional tier 1 capital deductions	RCOAP864	**0**	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	RCOAP865	**0**	25.
26. Tier 1 capital (sum of items 19 and 25)	RCOA8274	**2,573,121**	26.

1. Institutions that have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in this item.

1. An institution that has a CBLR framework election in effect as of the quarter-end report date is neither required to calculate tier 2 capital nor make any deductions that would have been taken from tier 2 capital as of the report date.

Dollar amounts in thousands

27. Average total consolidated assets[2]	RCOAKW03	**27,376,520**	27.
28. LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (sum of items 6, 7, 8, 10.b, 13 through 15, 17, and certain elements of item 24 - see instructions)	RCOAP875	**1,389,107**	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes	RCOAB596	**-3,952**	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29)	RCOAA224	**25,991,365**	30.
31. Leverage ratio (item 26 divided by 30)	RCOA7204	**9.8999%**	31.
a. Does your institution have a community bank leverage ratio (CBLR) framework election in effect as of the quarter-end report date? (enter "1" for Yes; enter "0" for No)	RCOALE74	**0**	31.a.

2. Institutions that have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 27.

Dollar amounts in thousands			
Item 31.b is to be completed only by non-advanced approaches institutions that elect to use the Standardized Approach for Counterparty Credit Risk (SA-CCR) for purposes of the standardized approach and supplementary leverage ratio.			
b. Standardized Approach for Counterparty Credit Risk opt-in election (enter "1" for Yes; leave blank for No.)[1]	RCOANC99	**NR**	31.b.

Dollar amounts in thousands	(Column A) Amount		(Column B) Percentage		
32. Total assets (Schedule RC, item 12); (must be less than $10 billion)	RCOA2170	**NR**			32.
33. Trading assets and trading liabilities (Schedule RC, sum of items 5 and 15). Report as a dollar amount in Column A and as a percentage of total assets (5% limit) in Column B	RCOAKX77	**NR**	RCOAKX78	**NR**	33.
34. Off-balance sheet exposures:					34.
a. Unused portion of conditionally cancellable commitments	RCOAKX79	**NR**			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)	RCOAKX80	**NR**			34.b.
c. Other off-balance sheet exposures	RCOAKX81	**NR**			34.c.
d. Total off-balance sheet exposures (sum of items 34.a through 34.c). Report as a dollar amount in Column A and as a percentage of total assets (25% limit) in Column B	RCOAKX82	**NR**	RCOAKX83	**NR**	34.d.

Dollar amounts in thousands			
35. Unconditionally cancellable commitments	RCOAS540	**NR**	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions	RCOALB61	**NR**	36.
37. Allocated transfer risk reserve	RCOA3128	**NR**	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets:			38.
a. Loans and leases held for investment	RCOAJJ30	**NR**	38.a.
b. Held-to-maturity debt securities	RCOAJJ31	**NR**	38.b.
c. Other financial assets measured at amortized cost	RCOAJJ32	**NR**	38.c.
39. Tier 2 capital instruments plus related surplus	RCOAP866	**0**	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital	RCOAP867	**0**	40.
41. Total capital minority interest that is not included in tier 1 capital	RCOAP868	**0**	41.
42. Adjusted allowances for credit losses (AACL) includable in tier 2 capital[2]	RCOA5310	**222,309**	42.
43. Not applicable.			43.
44. Tier 2 capital before deductions (sum of items 39 through 42)	RCOAP870	**222,309**	44.
45. LESS: Tier 2 capital deductions	RCOAP872	**0**	45.
46. Tier 2 capital (greater of item 44 minus item 45, or zero)	RCOA5311	**222,309**	46.
47. Total capital (sum of items 26 and 46)	RCOA3792	**2,795,430**	47.
48. Total risk-weighted assets (from Schedule RC-R, Part II, item 31)	RCOAA223	**20,433,276**	48.

Dollar amounts in thousands			
49. Common equity tier 1 capital ratio (item 19 divided by item 48)	RCOAP793	**12.5928%**	49.
50. Tier 1 capital ratio (item 26 divided by item 48)	RCOA7206	**12.5928%**	50.
51. Total capital ratio (item 47 divided by item 48)	RCOA7205	**13.6808%**	51.

Dollar amounts in thousands			
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:			52.
a. Capital conservation buffer	RCOAH311	**5.6808%**	52.a.
b. Institutions subject to Category III capital requirements only: Total applicable capital buffer	RCOWH312	**NR**	52.b.
53. Eligible retained income[3]	RCOAH313	**NR**	53.
54. Distributions and discretionary bonus payments during the quarter[4]	RCOAH314	**NR**	54.
55. Institutions subject to Category III capital standards only: Supplementary leverage ratio information:			55.
a. Total leverage exposure[5]	RCOAH015	**NR**	55.a.
b. Supplementary leverage ratio	RCOAH036	**NR**	55.b.

1. For the December 31, 2021, report date only, advanced approaches institutions that adopt SA-CCR prior to the mandatory compliance date should enter "1" in item 31.b.
2. Institutions should report the adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, in item 30.a.
3. Non-advanced approaches institutions other than Category III institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to 2.5000 percent. Category III institutions must complete item 53 only if the amount reported in item 52.a above is less than or equal to the amount reported in item 52.b above.
4. Non-advanced approaches institutions other than Category III institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 52.a, in the Call Report for the previous calendar quarter-end report date was less than or equal to 2.5000 percent. Category III institutions must complete item 54 only if the amount reported in Schedule RC-R, Part I, item 52.a, in the Call Report for the previous calendar quarter-end report date was less than or equal to the amount reported in Schedule
5. Institutions that have elected to apply the 3-year or the 5-year 2020 CECL transition provision should include the applicable portion of the CECL transitional amount or the modified CECL transitional amount, respectively, in item 55.a.

Schedule RC-R Part II - Risk-Weighted Assets(Form Type - 041)

Institutions are required to assign a 100 percent risk weight to all assets not specifically assigned a risk weight under Subpart D of the federal banking agencies' regulatory capital rules and not deducted from tier 1 or tier 2 capital.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
1. Cash and balances due from depository institutions.....	RCOND957 687,461	RCONS396 0	RCOND958 634,386				RCOND959 53,075	RCONS397 0	RCOND960 0	RCONS398 0	1.
2. Securities:											2.
a. Held-to-maturity securities[3].....	RCOND961 3,636,636	RCONS399 -3,214	RCOND962 107,199	RCONHJ74 0	RCONHJ75 0		RCOND963 2,630,992	RCOND964 645,083	RCOND965 256,575	RCONS400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....	RCONJA21 2,549,491	RCONS402 -426,943	RCOND967 50,188	RCONHJ76 0	RCONHJ77 0		RCOND968 2,168,234	RCOND969 502,919	RCOND970 255,092	RCONS403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											3.
a. Federal funds sold.....	RCOND971 0		RCOND972 0				RCOND973 0	RCONS410 0	RCOND974 0	RCONS411 0	3.a.
b. Securities purchased under agreements to resell.....	RCONH171 0	RCONH172 0									3.b.
4. Loans and leases held for sale:											4.
a. Residential mortgage exposures.....	RCONS413 11,417	RCONS414 0	RCONH173 0				RCONS415 0	RCONS416 11,417	RCONS417 0		4.a.
b. High volatility commercial real estate exposures.....	RCONS419 0	RCONS420 0	RCONH174 0				RCONH175 0	RCONH176 0	RCONH177 0	RCONS421 0	4.b.
c. Exposures past due 90 days or more or on nonaccrual[3].....	RCONS423 0	RCONS424 0	RCONS425 0	RCONHJ78 0	RCONHJ79 0		RCONS426 0	RCONS427 0	RCONS428 0	RCONS429 0	4.c.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
1. Cash and balances due from depository institutions										1.
2. Securities:										2.
a. Held-to-maturity securities										2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading.....		RCONS405 0		RCONS406 0				RCONH271 0	RCONH272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										3.
a. Federal funds sold										3.a.

3. Institutions should report as a negative number allowances eligible for inclusion in tier 2 capital in Column B, which excludes PCD allowances.

3. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										4.
a. Residential mortgage exposures.....								RCONH273 0	RCONH274 0	4.a.
b. High volatility commercial real estate exposures.....								RCONH275 0	RCONH276 0	4.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
c. Exposures past due 90 days or more or on nonaccrual[6]								RCONH277 0	RCONH278 0	4.c.

Dollar amounts in thousands	(Column A) Totals from Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
4. Loans and leases held for sale (continued):											4.
d. All other exposures	RCONS431 0	RCONS432 0	RCONS433 0	RCONHJ80 0	RCONHJ81 0		RCONS434 0	RCONS435 0	RCONS436 0	RCONS437 0	4.d.
5. Loans and leases held for investment:[2]											5.
a. Residential mortgage exposures	RCONS439 2,734,968	RCONS440 0	RCONH178 0				RCONS441 11,556	RCONS442 2,533,632	RCONS443 189,780		5.a.
b. High volatility commercial real estate exposures	RCONS445 14,747	RCONS446 0	RCONH179 0				RCONH180 0	RCONH181 0	RCONH182 0	RCONS447 14,747	5.b.
c. Exposures past due 90 days or more or on nonaccrual[7]	RCONS449 112,437	RCONS450 0	RCONS451 18	RCONHJ82 0	RCONHJ83 0		RCONS452 5,280	RCONS453 0	RCONS454 0	RCONS455 107,139	5.c.
d. All other exposures	RCONS457 14,143,784	RCONS458 0	RCONS459 85,273	RCONHJ84 0	RCONHJ85 0		RCONS460 208,069	RCONS461 194,610	RCONS462 13,655,832	RCONS463 0	5.d.
6. LESS: Allowance for credit losses on loans and leases	RCON3123 235,015	RCON3123 235,015									6.
7. Trading assets	RCOND976 0	RCONS466 0	RCOND977 0	RCONHJ86 0	RCONHJ87 0		RCOND978 0	RCOND979 0	RCOND980 0	RCONS467 0	7.
8. All other assets[8]	RCOND981 3,187,176	RCONS469 1,387,528	RCOND982 101,429	RCONHJ88 0	RCONHJ89 0		RCOND983 60,382	RCOND984 0	RCOND985 1,604,595	RCONH185 0	8.
a. Separate account bank-owned life insurance											8.a.
b. Default fund contributions to central counterparties											8.b.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
4. Loans and leases held for sale (continued):										4.
d. All other exposures								RCONH279 0	RCONH280 0	4.d.
5. Loans and leases held for investment:										5.
a. Residential mortgage exposures								RCONH281 0	RCONH282 0	5.a.
b. High volatility commercial real estate exposures								RCONH283 0	RCONH284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual[11]								RCONH285 0	RCONH286 0	5.c.
d. All other exposures								RCONH287 0	RCONH288 0	5.d.
6. LESS: Allowance for credit losses on loans and leases										6.
7. Trading assets		RCONH186 0	RCONH290 0	RCONH187 0				RCONH291 0	RCONH292 0	7.
8. All other assets[12]	RCONH293 1,413	RCONH188 0	RCONS470 0	RCONS471 0				RCONH294 0	RCONH295 0	8.
a. Separate account bank-owned life insurance								RCONH296 31,829	RCONH297 31,829	8.a.
b. Default fund contributions to central counterparties								RCONH298 0	RCONH299 0	8.b.

6. For loans and leases held for sale, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
2. Institutions should report as a positive number in column B of items 5.a through 5.d, as appropriate, any allowances for credit losses on purchased credit deteriorated assets reported in column A of items 5.a through 5.d, as appropriate.
7. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
8. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.
11. For loans and leases, net of unearned income, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
12. Includes premises and fixed assets; other real estate owned; investments in unconsolidated subsidiaries and associated companies; direct and indirect investments in real estate ventures; intangible assets; and other assets.

Dollar amounts in thousands	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Exposure Amount 1,250%	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology SSFA	(Column U) Total Risk-Weighted Asset Amount by Calculation Methodology Gross-Up	
9. On-balance sheet securitization exposures:						9.
a. Held-to-maturity securities[13]	RCONS475 0	RCONS476 0	RCONS477 0	RCONS478 0	RCONS479 0	9.a.
b. Available-for-sale securities	RCONS480 0	RCONS481 0	RCONS482 0	RCONS483 0	RCONS484 0	9.b.
c. Trading assets	RCONS485 0	RCONS486 0	RCONS487 0	RCONS488 0	RCONS489 0	9.c.
d. All other on-balance sheet securitization exposures	RCONS490 0	RCONS491 0	RCONS492 0	RCONS493 0	RCONS494 0	9.d.
10. Off-balance sheet securitization exposures	RCONS495 0	RCONS496 0	RCONS497 0	RCONS498 0	RCONS499 0	10.

13. Institutions should report as a negative number in item 9.a, column B, those allowances for credit losses eligible for inclusion in tier 2 capital, which excludes allowances for credit losses on purchased credit-deteriorated assets.

Dollar amounts in thousands	(Column A) Totals From Schedule RC	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
11. Total balance sheet assets[14]	RCON2170 26,843,102	RCONS500 722,356	RCOND987 978,493	RCONHJ90 0	RCONHJ91 0		RCOND988 5,137,588	RCOND989 3,887,661	RCOND990 15,961,874	RCONS503 121,886	11.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Exposure Amount	
11. Total balance sheet assets[14]	RCONS504 1,413	RCONS505 0	RCONS506 0	RCONS507 0			RCONS510 0	RCONH300 31,829	11.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
12. Financial standby letters of credit	RCOND991 41,635	RCOND992 41,635	RCOND993 0	RCONHJ92 0	RCONHJ93 0		RCOND994 0	RCOND995 0	RCOND996 41,635	RCONS511 0	12.
13. Performance standby letters of credit and transaction-related contingent items	RCOND997 0	RCOND998 0	RCOND999 0				RCONG603 0	RCONG604 0	RCONG605 0	RCONS512 0	13.
14. Commercial and similar letters of credit with an original maturity of one year or less	RCONG606 0	RCONG607 0	RCONG608 0	RCONHJ94 0	RCONHJ95 0		RCONG609 0	RCONG610 0	RCONG611 0	RCONS513 0	14.
15. Retained recourse on small business obligations sold with recourse	RCONG612 0	RCONG613 0	RCONG614 0				RCONG615 0	RCONG616 0	RCONG617 0	RCONS514 0	15.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
16. Repo-style transactions[21]	RCONS515 36,709	RCONS516 36,709	RCONS517 0	RCONS518 0	RCONS519 0		RCONS520 36,709	RCONS521 0	RCONS522 0	RCONS523 0	16.
17. All other off-balance sheet liabilities	RCONG618 0	RCONG619 0	RCONG620 0				RCONG621 0	RCONG622 0	RCONG623 0	RCONS524 0	17.
18. Unused commitments:*											18.
a. Original maturity of one year or less	RCONS525 1,169,999	RCONS526 234,000	RCONS527 0	RCONHJ96 0	RCONHJ97 0		RCONS528 0	RCONS529 0	RCONS530 234,000	RCONS531 0	18.a.

14. For each of columns A through R of item 11, report the sum of items 1 through 9. For item 11, the sum of columns B through R must equal column A. Item 11, column A, must equal Schedule RC, item 12.

21. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

*. Excludes unused commitments to asset-backed commercial paper conduits.

Dollar amounts in thousands	(Column A) Face, Notional, or Other Amount	(Column B) Credit Equivalent Amount	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
b. Original maturity exceeding one year	RCONG624 1,969,629	RCONG625 984,815	RCONG626 0	RCONHJ98 0	RCONHJ99 0		RCONG627 0	RCONG628 0	RCONG629 984,814	RCONS539 0	18.b.
19. Unconditionally cancelable commitments	RCONS540 1,647,158	RCONS541 0									19.
20. Over-the-counter derivatives		RCONS542 31,381	RCONS543 0	RCONHK00 0	RCONHK01 0	RCONS544 0	RCONS545 21,637	RCONS546 0	RCONS547 9,744	RCONS548 0	20.
21. Centrally cleared derivatives		RCONS549 0	RCONS550 0	RCONS551 0	RCONS552 0		RCONS554 0	RCONS555 0	RCONS556 0	RCONS557 0	21.
22. Unsettled transactions (failed trades)[22]	RCONH191 0		RCONH193 0				RCONH194 0	RCONH195 0	RCONH196 0	RCONH197 0	22.

22. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	(Column R) Application of Other Risk-Weighting Approaches Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches Risk-Weighted Asset Amount	
16. Repo-style transactions[24]				RCONH301 0	RCONH302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments:*						18.
a. Original maturity of one year or less				RCONH303 0	RCONH304 0	18.a.
b. Original maturity exceeding one year				RCONH307 0	RCONH308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives				RCONH309 0	RCONH310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades)[25]	RCONH198 0	RCONH199 0	RCONH200 0			22.

24. Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.

*. Excludes unused commitments to asset-backed commercial paper conduits.

25. For item 22, the sum of columns C through Q must equal column A.

Dollar amounts in thousands	(Column C) Allocation by Risk-Weight Category 0%	(Column D) Allocation by Risk-Weight Category 2%	(Column E) Allocation by Risk-Weight Category 4%	(Column F) Allocation by Risk-Weight Category 10%	(Column G) Allocation by Risk-Weight Category 20%	(Column H) Allocation by Risk-Weight Category 50%	(Column I) Allocation by Risk-Weight Category 100%	(Column J) Allocation by Risk-Weight Category 150%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)	RCONG630 978,493	RCONS558 0	RCONS559 0	RCONS560 0	RCONG631 5,195,934	RCONG632 3,887,661	RCONG633 17,232,067	RCONS561 121,886	23.
24. Risk weight factor									24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCONG634 0	RCONS569 0	RCONS570 0	RCONS571 0	RCONG635 1,039,187	RCONG636 1,943,831	RCONG637 17,232,067	RCONS572 182,829	25.

Dollar amounts in thousands	(Column K) Allocation by Risk-Weight Category 250%	(Column L) Allocation by Risk-Weight Category 300%	(Column M) Allocation by Risk-Weight Category 400%	(Column N) Allocation by Risk-Weight Category 600%	(Column O) Allocation by Risk-Weight Category 625%	(Column P) Allocation by Risk-Weight Category 937.5%	(Column Q) Allocation by Risk-Weight Category 1,250%	
23. Total assets, derivatives, off-balance sheet items, and other items subject to risk weighting by risk-weight category (for each of columns C through P, sum of items 11 through 22; for column Q, sum of items 10 through 22)	RCONS562 1,413	RCONS563 0	RCONS564 0	RCONS565 0	RCONS566 0	RCONS567 0	RCONS568 0	23.
24. Risk weight factor								24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCONS573 3,533	RCONS574 0	RCONS575 0	RCONS576 0	RCONS577 0	RCONS578 0	RCONS579 0	25.

Dollar amounts in thousands			
26. Risk-weighted assets base for purposes of calculating the adjusted allowances for credit losses (AACL) 1.25 percent threshold	RCONS580	**20,433,276**	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rule)	RCONS581	**0**	27.
28. Risk-weighted assets before deductions for excess AACL and allocated risk transfer risk reserve[27]	RCONB704	**20,433,276**	28.
29. LESS: Excess AACL[28]	RCONA222	**0**	29.
30. LESS: Allocated transfer risk reserve	RCON3128	**0**	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30)	RCONG641	**20,433,276**	31.
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules	RCONG642	**20,042**	M.1.

Dollar amounts in thousands	(Column A) With a remaining maturity of One year or less		(Column B) With a remaining maturity of Over one year through five years		(Column C) With a remaining maturity of Over five years		
2. Notional principal amounts of over-the-counter derivative contracts:							M.2.
a. Interest rate	RCONS582	**50,537**	RCONS583	**1,037,984**	RCONS584	**409,915**	M.2.a.
b. Foreign exchange rate and gold	RCONS585	**0**	RCONS586	**0**	RCONS587	**0**	M.2.b.
c. Credit (investment grade reference asset)	RCONS588	**0**	RCONS589	**0**	RCONS590	**0**	M.2.c.
d. Credit (non-investment grade reference asset)	RCONS591	**0**	RCONS592	**0**	RCONS593	**0**	M.2.d.
e. Equity	RCONS594	**0**	RCONS595	**0**	RCONS596	**0**	M.2.e.
f. Precious metals (except gold)	RCONS597	**0**	RCONS598	**0**	RCONS599	**0**	M.2.f.
g. Other	RCONS600	**0**	RCONS601	**0**	RCONS602	**0**	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							M.3.
a. Interest rate	RCONS603	**1,001,715**	RCONS604	**0**	RCONS605	**0**	M.3.a.
b. Foreign exchange rate and gold	RCONS606	**0**	RCONS607	**0**	RCONS608	**0**	M.3.b.
c. Credit (investment grade reference asset)	RCONS609	**0**	RCONS610	**0**	RCONS611	**0**	M.3.c.
d. Credit (non-investment grade reference asset)	RCONS612	**0**	RCONS613	**0**	RCONS614	**0**	M.3.d.
e. Equity	RCONS615	**0**	RCONS616	**0**	RCONS617	**0**	M.3.e.
f. Precious metals (except gold)	RCONS618	**0**	RCONS619	**0**	RCONS620	**0**	M.3.f.
g. Other	RCONS621	**0**	RCONS622	**0**	RCONS623	**0**	M.3.g.

Dollar amounts in thousands			
4. Amount of allowances for credit losses on purchased credit-deteriorated assets:			M.4.
a. Loans and leases held for investment	RCONJJ30	**0**	M.4.a.
b. Held-to-maturity debt securities	RCONJJ31	**0**	M.4.b.
c. Other financial assets measured at amortized cost	RCONJJ32	**0**	M.4.c.

Schedule RC-S - Servicing Securitization and Asset Sale Activities(Form Type - 041)

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans		(Column G) All Other Loans, All Leases, and All Other Assets		
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements	RCONB705	**0**	RCONB711	**0**	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1	RCONHU09	**0**	RCONHU15	**0**	2.
3. Not applicable					3.
4. Past due loan amounts included in item 1:					4.
a. 30-89 days past due	RCONB733	**0**	RCONB739	**0**	4.a.
b. 90 days or more past due	RCONB740	**0**	RCONB746	**0**	4.b.

27. Sum of items 2.b through 20, column S; items 9.a, 9.b, 9.c, 9.d, and 10, columns T and U; item 25, columns C through Q; and item 27 (if applicable).

28. Institutions that have elected to apply the 3-year or the 5-year 2020 CECL transition provision should subtract the applicable portion of the AACL transitional amount or the modified AACL transitional amount, respectively, from the AACL, as defined in the regulatory capital rule, before determining the amount of excess AACL.

Dollar amounts in thousands	(Column A) 1-4 Family Residential Loans		(Column G) All Other Loans, All Leases, and All Other Assets		
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):					5.
a. Charge-offs	RIADB747	**0**	RIADB753	**0**	5.a.
b. Recoveries	RIADB754	**0**	RIADB760	**0**	5.b.
Item 6 is to be completed by banks with $10 billion or more in total assets.					
6. Total amount of ownership (or seller's) interest carried as securities or loans[1]			RCONHU19	**0**	6.
7. Not applicable					7.
8. Not applicable					8.
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements	RCONB776	**0**	RCONB782	**0**	9.
Item 10 is to be completed by banks with $10 billion or more in total assets.					
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures[1]	RCONB783	**0**	RCONB789	**0**	10.
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	RCONB790	**0**	RCONB796	**0**	11.
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	RCONB797	**0**	RCONB803	**0**	12.

Dollar amounts in thousands			
1. Not applicable			M.1.
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			M.2.
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	RCONB804	**0**	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	RCONB805	**231**	M.2.b.
c. Other financial assets (includes home equity lines)[1]	RCONA591	**523,811**	M.2.c.
d. 1-4 family residential mortgages serviced for others that are in process of foreclosure at quarter-end (includes closed-end and open-end loans)	RCONF699	**0**	M.2.d.
Memorandum item 3 is to be completed by banks with $10 billion or more in total assets.			
3. Asset-backed commercial paper conduits:[2]			M.3.
a. Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:			M.3.a.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB806	**0**	M.3.a.1.
2. Conduits sponsored by other unrelated institutions	RCONB807	**0**	M.3.a.2.
b. Unused commitments to provide liquidity to conduit structures:			M.3.b.
1. Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	RCONB808	**0**	M.3.b.1.
2. Conduits sponsored by other unrelated institutions	RCONB809	**0**	M.3.b.2.
4. Outstanding credit card fees and finance charges[2]	RCONC407	**NR**	M.4.

1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.
1. The $10 billion asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.
1. Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than $10 million.
2. The $10 billion asset-size test is based on the total assets reported on the June 30, 2023, Report of Condition.
2. Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed $500 million as of the report date, or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Schedule RC-T - Fiduciary and Related Services(Form Type - 041)

Dollar amounts in thousands

1. Does the institution have fiduciary powers? (If "NO," do not complete Schedule RC-T.)	RCONA345	**Yes**	1.
2. Does the institution exercise the fiduciary powers it has been granted?	RCONA346	**Yes**	2.
3. Does the institution have any fiduciary or related activity (in the form of assets or accounts) to report in this schedule? (If "NO," do not complete the rest of Schedule RC-T.)	RCONB867	**Yes**	3.

Dollar amounts in thousands

	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts		
4. Personal trust and agency accounts	RCONB868	**1,412,285**	RCONB869	**24,502**	RCONB870	**1202**	RCONB871	**22**	4.
5. Employee benefit and retirement-related trust and agency accounts:									5.
a. Employee benefit - defined contribution	RCONB872	**265,351**	RCONB873	**92,557**	RCONB874	**78**	RCONB875	**27**	5.a.
b. Employee benefit - defined benefit	RCONB876	**36,924**	RCONB877	**132,398**	RCONB878	**2**	RCONB879	**1**	5.b.
c. Other employee benefit and retirement-related accounts	RCONB880	**516,670**	RCONB881	**232,932**	RCONB882	**1201**	RCONB883	**106**	5.c.
6. Corporate trust and agency accounts	RCONB884	**0**	RCONB885	**542,357**	RCONC001	**0**	RCONC002	**131**	6.
7. Investment management and investment advisory agency accounts	RCONB886	**2,122,700**	RCONJ253	**0**	RCONB888	**1112**	RCONJ254	**0**	7.
8. Foundation and endowment trust and agency accounts	RCONJ255	**179,416**	RCONJ256	**14,982**	RCONJ257	**110**	RCONJ258	**2**	8.
9. Other fiduciary accounts	RCONB890	**3,980**	RCONB891	**15,356**	RCONB892	**2**	RCONB893	**7**	9.
10. Total fiduciary accounts (sum of items 4 through 9)	RCONB894	**4,537,326**	RCONB895	**1,055,084**	RCONB896	**3707**	RCONB897	**296**	10.
11. Custody and safekeeping accounts			RCONB898	**691,256**			RCONB899	**198**	11.
12. Not applicable									12.
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	RCONJ259	**490,261**	RCONJ260	**34,943**	RCONJ261	**1184**	RCONJ262	**90**	13.

Dollar amounts in thousands

14. Personal trust and agency accounts	RIADB904	**10,840**	14.
15. Employee benefit and retirement-related trust and agency accounts:			15.
a. Employee benefit - defined contribution	RIADB905	**1,192**	15.a.
b. Employee benefit - defined benefit	RIADB906	**518**	15.b.
c. Other employee benefit and retirement-related accounts	RIADB907	**4,318**	15.c.
16. Corporate trust and agency accounts	RIADA479	**1,932**	16.
17. Investment management and investment advisory agency accounts	RIADJ315	**9,861**	17.
18. Foundation and endowment trust and agency accounts	RIADJ316	**929**	18.
19. Other fiduciary accounts	RIADA480	**3**	19.
20. Custody and safekeeping accounts	RIADB909	**718**	20.
21. Other fiduciary and related services income	RIADB910	**430**	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	RIAD4070	**30,741**	22.
23. Less: Expenses	RIADC058	**20,940**	23.
24. Less: Net losses from fiduciary and related services	RIADA488	**103**	24.
25. Plus: Intracompany income credits for fiduciary and related services	RIADB911	**0**	25.
26. Net fiduciary and related services income	RIADA491	**9,698**	26.

Dollar amounts in thousands	(Column A) Personal Trust and Agency and Investment Management Agency Accounts		(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts		(Column C) All Other Accounts		
1. Managed assets held in fiduciary accounts:							M.1.
a. Noninterest-bearing deposits	RCONJ263	**730**	RCONJ264	**124**	RCONJ265	**36**	M.1.a.
b. Interest-bearing deposits	RCONJ266	**70,012**	RCONJ267	**32,206**	RCONJ268	**10,566**	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations	RCONJ269	**591,689**	RCONJ270	**36,553**	RCONJ271	**13,396**	M.1.c.
d. State, county, and municipal obligations	RCONJ272	**316,039**	RCONJ273	**10,827**	RCONJ274	**3,214**	M.1.d.
e. Money market mutual funds	RCONJ275	**306,154**	RCONJ276	**45,796**	RCONJ277	**9,430**	M.1.e.
f. Equity mutual funds	RCONJ278	**653,415**	RCONJ279	**357,085**	RCONJ280	**66,127**	M.1.f.
g. Other mutual funds	RCONJ281	**248,387**	RCONJ282	**108,600**	RCONJ283	**16,816**	M.1.g.
h. Common trust funds and collective investment funds	RCONJ284	**0**	RCONJ285	**0**	RCONJ286	**0**	M.1.h.
i. Other short-term obligations	RCONJ287	**0**	RCONJ288	**0**	RCONJ289	**0**	M.1.i.
j. Other notes and bonds	RCONJ290	**170,850**	RCONJ291	**38,669**	RCONJ292	**12,019**	M.1.j.
k. Investments in unregistered funds and private equity investments	RCONJ293	**0**	RCONJ294	**0**	RCONJ295	**0**	M.1.k.
l. Other common and preferred stocks	RCONJ296	**801,749**	RCONJ297	**153,131**	RCONJ298	**44,337**	M.1.l.
m. Real estate mortgages	RCONJ299	**3**	RCONJ300	**11**	RCONJ301	**0**	M.1.m.
n. Real estate	RCONJ302	**146,979**	RCONJ303	**0**	RCONJ304	**3,765**	M.1.n.
o. Miscellaneous assets	RCONJ305	**228,979**	RCONJ306	**35,943**	RCONJ307	**3,690**	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	RCONJ308	**3,534,986**	RCONJ309	**818,945**	RCONJ310	**183,396**	M.1.p.

Dollar amounts in thousands	(Column A) Managed Assets		(Column B) Number of Managed Accounts		
q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	RCONJ311	**0**	RCONJ312	**0**	M.1.q.

Dollar amounts in thousands	(Column A) Number of Issues		(Column B) Principal Amount Outstanding		
2. Corporate trust and agency accounts:					M.2.
a. Corporate and municipal trusteeships	RCONB927	**120**	RCONB928	**1,843,333**	M.2.a.
1. Issues reported in Memorandum item 2.a that are in default	RCONJ313	**0**	RCONJ314	**0**	M.2.a.1.
b. Transfer agent, registrar, paying agent, and other corporate agency	RCONB929	**11**			M.2.b.

Dollar amounts in thousands	(Column A) Number of Funds		(Column B) Market Value of Fund Assets		
Memoranda items 3.a through 3.g are to be completed by banks with collective investment funds and common trust funds with a total market value of $1 billion or more as of the preceding December 31.					M.3.
3. Collective investment funds and common trust funds:					
a. Domestic equity	RCONB931	**NR**	RCONB932	**NR**	M.3.a.
b. International/Global equity	RCONB933	**NR**	RCONB934	**NR**	M.3.b.
c. Stock/Bond blend	RCONB935	**NR**	RCONB936	**NR**	M.3.c.
d. Taxable bond	RCONB937	**NR**	RCONB938	**NR**	M.3.d.
e. Municipal bond	RCONB939	**NR**	RCONB940	**NR**	M.3.e.
f. Short term investments/Money market	RCONB941	**NR**	RCONB942	**NR**	M.3.f.
g. Specialty/Other	RCONB943	**NR**	RCONB944	**NR**	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	RCONB945	**0**	RCONB946	**0**	M.3.h.

Dollar amounts in thousands	(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries		
4. Fiduciary settlements, surcharges, and other losses:							M.4.
a. Personal trust and agency accounts	RIADB947	**13**	RIADB948	**2**	RIADB949	**0**	M.4.a.
b. Employee benefit and retirement-related trust and agency accounts	RIADB950	**57**	RIADB951	**8**	RIADB952	**0**	M.4.b.
c. Investment management agency accounts	RIADB953	**23**	RIADB954	**0**	RIADB955	**0**	M.4.c.
d. Other fiduciary accounts and related services	RIADB956	**0**	RIADB957	**0**	RIADB958	**0**	M.4.d.
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 24)	RIADB959	**93**	RIADB960	**10**	RIADB961	**0**	M.4.e.

Schedule RC-V - Variable Interest Entities(Form Type - 041)

Dollar amounts in thousands	(Column A) Securitization Vehicles		(Column B) Other VIEs		
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:					1.
a. Cash and balances due from depository institutions	RCONJ981	**0**	RCONJF84	**0**	1.a.
b. Securities not held for trading	RCONHU20	**0**	RCONHU21	**0**	1.b.
c. Loans and leases held for investment, net of allowance, and held for sale	RCONHU22	**0**	RCONHU23	**0**	1.c.
d. Other real estate owned	RCONK009	**0**	RCONJF89	**0**	1.d.
e. Other assets	RCONJF91	**0**	RCONJF90	**0**	1.e.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank:					2.
a. Other borrowed money	RCONJF92	**0**	RCONJF85	**0**	2.a.
b. Other liabilities	RCONJF93	**0**	RCONJF86	**0**	2.b.
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e above)	RCONK030	**0**	RCONJF87	**0**	3.
4. All other liabilities of consolidated VIEs (not included in items 2.a and 2.b above)	RCONK033	**0**	RCONJF88	**0**	4.

Dollar amounts in thousands			
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs	RCONJF77	**0**	5.
6. Total liabilities of ABCP conduit VIEs	RCONJF78	**0**	6.

Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income(Form Type - 041)

Dollar amounts in thousands			
1. Comments?	RCON6979	**No**	1.
2. Bank Management Statement	TEXT6980	**NR**	2.

Custodial Services Agreement

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CUSTODIAL SERVICES AGREEMENT

This Custodial Services Agreement ("*Agreement*") effective as of the date of the last signature below, is by and between ("*Public Depositor*"), Simmons Bank, an Arkansas state chartered bank ("*Bank*"), and Federal Home Loan Bank of Topeka ("*Custodian*").

WITNESSETH:

WHEREAS, the Public Depositor has agreed to deposit Public Deposits with the Bank pursuant to the terms and provisions of a Depository Collateral and Security Agreement ("*Collateral Agreement*") by and between the Public Depositor and the Bank;

WHEREAS, pursuant to the terms and provisions of the Collateral Agreement, the Bank has agreed to assign, transfer, pledge and convey to the Public Depositor a security interest in certain Eligible Collateral (up to the Collateral Requirement) owned by the Bank (the "*Pledged Collateral*", as defined further below); and

WHEREAS, in order to perfect the Public Depositor's security interest in the Pledged Collateral, Public Depositor and Bank wish to appoint the Custodian, as agent for the Public Depositor, to take possession of and hold in custody, solely for the benefit of the Public Depositor, the Pledged Collateral, pursuant to the Collateral Agreement and subject to the terms set forth below.

NOW THEREFORE, in consideration of the mutual covenants and premises herein contained, the parties do hereby, agree as follows:

Section 1. Definitions.

The following defined terms apply to this Agreement. Except as otherwise expressly defined in this Agreement, all terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in Kansas (the "*UCC*") have the same meaning as in the UCC.

"*Authorized Person*" means any officer of the Public Depositor or the Bank, as the case may be, duly authorized to give Instructions on behalf of the Public Depositor or Bank, respectively, such authorization to be evidenced and recorded pursuant to Custodian's policies and procedures. Notwithstanding the foregoing, the parties agree that any duly authorized representative listed as a signatory on this Agreement shall be, in addition to any subsequently authorized persons, and until such authorization is revoked, an Authorized Person for the purpose of carrying out this Agreement.

"*Approved Substitution*" means the pledge of Substitute Collateral that has a Market Value equal to or greater than the Market Value of the Pledged Collateral to be substituted and the concurrent release of the Pledged Collateral substituted.

"*Book-Entry System*" means the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

"*Business Day*" means any day on which Custodian and Bank are open for business and on which the Book-Entry System is open for business.

"*Collateral Requirement*" means the Market Value of Eligible Collateral required to be pledged by Bank, as set forth in the Collateral Agreement.

"*Custody Account*" means the safekeeping account established with Custodian in the name of Bank and, to the extent it contains Pledged Collateral, in accordance with this Agreement.

"*Depository*" includes the Depository Trust Company and any other securities depository and clearing agency (and their successors and nominees) registered with the Securities and Exchange Commission or otherwise regulated by appropriate federal or state agencies as a securities depository or clearing agency.

"*Eligible Collateral*" means any Securities, surety bond, private insurance or irrevocable letter of credit of the types set forth in the Collateral Agreement.

"*Excess Collateral Withdrawal*" means the release of Pledged Collateral which exceeds the Collateral Requirement, such that, after the release, the aggregate Market Value of the remaining Pledged Collateral shall remain equal to or greater than the Collateral Requirement.

"*Instructions*" means written or verbal communications actually received by Custodian from an Authorized Person or from a person reasonably believed by Custodian to be an Authorized Person.

"*Market Value*" means, with respect to any Security held in the Custody Account, the market value of such Security as made available to Custodian by a generally recognized source selected by the Custodian, or, if such source does not make available a market value, the market value shall be as determined by Custodian in its sole discretion based on information furnished to Custodian by one or more brokers or dealers; provided, however, that if agreed in writing by the parties hereto, and as permitted by applicable law, Bank may provide Custodian with such Market Values.

"*Pledged Collateral*" means Eligible Collateral (up to the Collateral Requirement) from time to time held by the Custodian and identified on the Custodian's books as held in the Custody Account for the benefit of the Public Depositor or jointly for the account of the Bank and the Public Depositor, together with the products and proceeds of the foregoing and any substitutions or replacements thereof, whenever acquired and wherever located.

"*Public Deposits*" means all deposits by the Public Depositor held in a designated Public Funds Account (as defined in the Collateral Agreement) at Bank, including all accrued interest on such deposits, that are available for all uses generally permitted by the Bank to the Public Depositor for actually and finally collected funds under the Bank's deposit account terms and conditions, treasury management agreements, and other applicable agreements and documentation between the Bank and the Public Depositor.

"*Security*" or "*Securities*" shall include, without limitation, any security or securities held in the Book-Entry System; common stock and other equity securities; bonds, debentures and other debt securities; notes, mortgages, or other obligations; and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests in such security or securities.

"*Substitute Collateral*" means Eligible Collateral that the Bank may substitute for other Pledged Collateral.

"*Trust Receipt*" means evidence of receipt, identification, and recording, including a written or electronically transmitted advice or confirmation of transaction or statement of Custody Account. Each advice

or confirmation of transaction may identify the specific Securities which are the subject of the transaction and the Market Value thereof.

"*Uninsured Deposits*" means that portion of the Public Deposits which exceeds the Federal Deposit Insurance Corporation ("*FDIC*") deposit insurance coverage limits.

"*Written Instructions*" means written Instructions actually received by Custodian from an Authorized Person or from a person reasonably believed by Custodian to be an Authorized Person.

Section 2. Custodian.

2.1 The Custodian acknowledges receipt of a copy of the Collateral Agreement. This Agreement is subject to the terms, conditions, and provisions of the Collateral Agreement (including any applicable exhibits), which Collateral Agreement is expressly incorporated herein by reference.

2.2 The Custodian hereby accepts appointment as the Public Depositor's Custodian and Depository pursuant to the terms of this Agreement.

2.3 The Custodian shall accept and retain as Custodian solely for the benefit of the Public Depositor all Securities tendered by the Bank as Pledged Collateral.

2.4 Within one (1) Business Day of the receipt of Pledged Collateral from the Bank, and at the request of the Bank, the Custodian shall issue a Trust Receipt to the Bank evidencing that the Bank has pledged and the Custodian has received the Pledged Collateral.

2.5 The Custodian shall identify on its books and records as being pledged to the Public Depositor specific Securities or a quantity of specific Securities received by it for the benefit of the Public Depositor. Custodian agrees to hold the Pledged Collateral, or any Approved Substitutions therefore, or additions thereto, in a Custody Account upon the terms contained herein. The Custodian's records shall at all times show the Public Depositor's security interest in the Pledged Collateral. The Custodian shall have no power or authority to transfer, assign, hypothecate, pledge or otherwise dispose of any such Securities, except pursuant to the terms of this Agreement. The Bank and the Public Depositor agree that Pledged Collateral delivered to the Custodian for deposit in or credit to the Custody Account may be in the form of credits to the accounts of the Custodian at the Book-Entry System or a Depository or by delivery to the Custodian of physical certificates in a form suitable for transfer or with an assignment in blank to the Public Depositor or Custodian. The Bank and the Public Depositor hereby authorize the Custodian, on a continuous and ongoing basis, to deposit in the Book-Entry System and/or the Depositories all Pledged Collateral that may be deposited therein and to utilize the Book-Entry System and/or Depositories, or any combination thereof, in connection with its performance hereunder. Pledged Collateral that is not held in the Book-Entry System, Depositories, or through another financial intermediary will be held in the Custodian's vault and physically segregated from Securities and other non-cash property belonging to the Custodian.

2.6 The Custodian agrees to provide to the Bank, at least monthly, at no charge, a statement of holdings reflecting the Securities pledged by the Bank and the Market Value of the Securities constituting the Pledged Collateral.

2.7 The parties intend that this Agreement vest "control" of the Collateral in the Public Depositor as required under the UCC. Subject to the terms of this Agreement, from and after the date of this Agreement, the Custodian will comply with all notifications and Instructions it receives from the Public Depositor directing

it to transfer or redeem the Pledged Collateral, originated by the Public Depositor without further consent of the Bank. The Custodian agrees not to take any act that would permit a person other than the Public Depositor to have "control" of the Pledged Collateral as that term is defined in the UCC.

2.8 It is intended that the Custodian act as a "securities intermediary" as such term is defined in the UCC with respect to the Pledged Collateral. In addition, the parties intend that the Pledged Collateral be treated as "financial assets" and that the Public Depositor is an "entitlement holder" as such terms are defined under the UCC.

2.9 The Custodian represents and warrants that it is not, and shall not be at any time, an affiliate of the Bank. In the event the Custodian becomes an affiliate of the Bank subsequent to the date of this Agreement, the Custodian shall immediately notify the Public Depositor.

Section 3. Pledged Collateral.

3.1 The Pledged Collateral cannot be re-pledged by the Custodian or Bank until it has been substituted or released, or the security interest has been terminated, as provided for herein and in the Collateral Agreement.

3.2 The Pledged Collateral shall not be held in a margin account and no margin or other credit will be extended to the Bank with respect to the Pledged Collateral.

3.3 The Custodian subordinates in favor of the Public Depositor any security interest, lien, or right to setoff it may have, now or in the future, against the Pledged Collateral.

3.4 The Custodian represents and warrants that it does not know of any claims to or interest in the Pledged Collateral except for those of the parties to this Agreement, and Custodian will not enter into any other control agreement with regard to the Pledged Collateral while this Agreement remains in effect.

3.5 The Custodian represents and warrants that no third-party has a right to give an entitlement order regarding the Pledged Collateral and Custodian shall notify the Public Depositor and the Bank if another person claims a property interest in the Pledged Collateral.

3.6 The Public Depositor acknowledges and agrees that the Bank shall be entitled to income on Securities held by the Custodian in the Custody Account, and the parties agree that Custodian may dispose of such income consistent with Instructions from the Bank without approval of the Public Depositor. Custodian is hereby authorized and directed, and Custodian hereby agrees, to promptly distribute to the Bank any cash received by the Custodian as payment of all income and other payments reflecting interest on any of the Securities constituting the Pledged Collateral.

3.7 The Bank shall pay, without reimbursement by the Public Depositor, all fees, expenses, and costs charged by the Custodian in connection with the safekeeping and maintenance of the Pledged Collateral in its performance under this Agreement.

Section 4. Approved Substitutions; Excess Collateral Withdrawals. The Public Depositor hereby authorizes and directs Custodian to process Approved Substitutions and Excess Collateral Withdrawals. Other than for Approved Substitutions and Excess Collateral Withdrawals, the Custodian will not release or transfer to the Bank any Securities constituting the Pledged Collateral without either (a) prior Written Instructions from

the Public Depositor, or (b) confirmation from Bank that the Public Depositor no longer has any Public Deposit balances with Bank.

4.1 In cases of an Approved Substitution, the Custodian shall, as soon as practicable but no later than the first Business Day following receipt by the Custodian of Bank's request, allow the Bank to withdraw any of the Securities constituting the Pledged Collateral, if the Bank shall simultaneously deliver to the Custodian, as Substitute Collateral, Eligible Collateral having at least the same Market Value as the Securities being substituted.

4.2 In cases of an Excess Collateral Withdrawal, the Public Depositor agrees that its failure to object to any such withdrawal of excess Pledged Collateral within one business day after the Bank's request to the Public Depositor and Custodian will constitute the Public Depositor's approval of the withdrawal.

Section 5. Event of Default.

5.1 In the event the Bank commits an event of default under this Agreement and fails to cure such event of default within thirty (30) days of Bank's receipt of written notice of such default from the Public Depositor, or in the event Bank commits an event of default under the Collateral Agreement and fails to cure such default within any applicable notice and cure periods set forth therein, the Public Deposits shall become due and payable immediately. Following a written notice to Custodian notifying Custodian of (a) the nature of Bank's default; (b) Bank's subsequent failure to cure such default within any applicable notice and cure period; and (c) Bank's inability to pay the Public Deposits following a written demand from the Public Depositor (such written notice from the Public Depositor to Custodian shall also provide evidence of the dollar amount of the Uninsured Deposits as of the date of the default for purposes of calculating the Collateral Requirement and any costs or expenses for which the Public Depositor is entitled to reimbursement under the Collateral Agreement), this Agreement shall further serve as a power of attorney, authorizing the Public Depositor to transfer or liquidate the Pledged Collateral in accordance with this Agreement and the Collateral Agreement, subject to the terms of this section. Furthermore, upon Custodian's receipt of such written notice from the Public Depositor, Custodian may immediately disregard any further Instruction by or on behalf of Bank, subject to the terms of this section.

5.2 Following Bank's default and failure to timely cure, if the Bank is unable to pay the Public Deposits following a written demand from the Public Depositor to the Bank, the Public Depositor shall be deemed to have full title to all Pledged Collateral held by Custodian under this Agreement vested with the Public Depositor and, subject to the terms of this section, the Public Depositor shall have the right to:

5.2.1 direct the Custodian to liquidate the Pledged Collateral held in the Custody Account, up to the amount needed to cure the default, and pay the proceeds thereof to the Public Depositor and to exercise any and all other security entitlements with respect to the Custody Account and the other Pledged Collateral;

5.2.2 withdraw the Pledged Collateral, up to the amount needed to cure the default, or any part thereof, from the Custody Account; or

5.2.3 transfer the Pledged Collateral or any part thereof, up to the amount needed to cure the default, into the name of the Public Depositor or into the name of the Public Depositor's nominee, and ownership of such Pledged Collateral shall transfer to the Public Depositor.

5.3 In the event Public Depositor exercises the remedies under section 5.2.1, the Custodian shall, on behalf of Public Depositor, have the right to sell Pledged Collateral, up to the amount needed to cure the default, at any public or private sale, upon commercially reasonable notice (which shall not be less than three (3) days' prior written notice to the Bank). The sale must be conducted in a commercially reasonable manner. In the event of such sale, the Custodian, after paying proceeds of the sale to the Public Depositor (up to the amount to which Public Depositor is entitled) and deducting all legal expenses and other costs, including reasonable attorneys' fees, from the proceeds of such sale, shall return the surplus, if any, to the Bank, or its receiver or conservator.

5.4 In the event Public Depositor exercises the remedies under section 5.2.2 or 5.2.3, the Public Depositor shall have the right to sell Pledged Collateral, up to the amount needed to cure the default, at any public or private sale, upon commercially reasonable notice (which shall not be less than three (3) days' prior written notice to the Bank and the Custodian). The sale must be conducted in a commercially reasonable manner. In the event of such sale, the Public Depositor, after deducting all legal expenses and other costs, including reasonable attorneys' fees, from the proceeds of such sale, shall return the surplus, if any, to the Bank, or its receiver or conservator.

5.5 For the avoidance of doubt, the remedies available to Public Depositor under this Agreement shall, in the aggregate together with other remedies available to Public Depositor, involve only such amounts of Pledged Collateral that are up to the amount needed to cure the default, but in no event more than the Uninsured Deposits as of the date the default occurs.

Section 6. Liability of Custodian. The Public Depositor and the Bank agree that, in the absence of bad faith on the part of the Custodian, the Custodian shall be permitted to rely upon the authenticity of, and the truth of the statements and the accuracy of the opinions expressed in, and will be protected in acting upon, any document reasonably believed by the Custodian to be genuine and to have been signed, affixed or presented by an Authorized Person. The Custodian shall not be liable with respect to any action taken or omitted to be taken by it in accordance with any Written Instruction of the Public Depositor. In addition, the Custodian shall not be liable for any error of judgment made in good faith by an officer of the Custodian, unless it shall be proved that the Custodian was negligent in ascertaining the pertinent facts. In the event the Custodian contemporaneously receives substantially contrary Written Instructions from the Public Depositor and the Bank, then the Custodian may, at its election and without liability to either the Public Depositor or the Bank, interplead the Pledged Collateral in a court of competent jurisdiction, and the Public Depositor's and Bank's sole recourse shall be against each other and the Securities constituting the Pledged Collateral so interpled.

Section 7. Termination.

7.1 Any of the parties hereto may terminate this Agreement by giving to the other parties a notice in writing specifying the date of such termination, which shall be the earlier of (a) not less than 30 days after the date of giving such notice or (b) the date on which the Public Depositor no longer has Public Deposits deposited with Bank. The provision of such notice shall not affect or terminate Public Depositor's security interest in any Pledged Collateral in the Custody Account. Upon termination hereof, Custodian shall follow such reasonable Written Instructions of the Bank and the Public Depositor concerning the transfer of custody of Pledged Collateral, collateral records and other items. Upon the date set forth in the termination notice, this Agreement shall terminate except as otherwise provided herein and all duties and obligations of the parties to each other hereunder shall cease.

7.2 The parties agree that if, upon termination of this Agreement, the Collateral Agreement continues to require Bank to pledge Eligible Collateral, any Pledged Collateral in the Custody Account will be transferred to a custody account with a third-party custodian as permitted under the Collateral Agreement.

7.3 If and when a receiver or conservator is appointed for Custodian under federal and/or state banking or similar law, or there is commenced by or against Custodian any liquidation or dissolution proceeding, Custodian shall immediately notify Bank and Public Depositor, and, as soon as practicable following Written Instruction from the Public Depositor or Bank, transfer the Pledged Collateral to such other custodian as is permitted under the Collateral Agreement. If, however, the Pledged Collateral is delivered to the Bank, the Bank shall hold the Pledged Collateral in trust as trustee on behalf of the Public Depositor, and the Bank shall, as soon as practicable, transfer the Pledged Collateral to such other custodian as is permitted under the Collateral Agreement. Upon a transfer of all Pledged Collateral by Custodian under this section, this Agreement shall terminate.

Section 8. General Terms.

8.1 No provision of this Agreement may be waived except by a writing signed by the part(ies) to be bound thereby and any waiver of any nature shall not be construed to act as a waiver of subsequent acts.

8.2 This Agreement shall be subject to and construed in accordance with the laws of the State of Kansas, and it supersedes any and all prior agreements, arrangements, or understandings with respect to the subject matter hereof.

8.3 This Agreement may be executed in one or more counterparts, each of which may be executed or delivered electronically, and each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. This Agreement may not be amended or modified in any manner except by written agreement executed by the parties.

8.4 Any notice that must be given under this Agreement shall be given in writing and sent by regular mail, certified mail, return receipt requested, or third-party overnight priority carrier to the address set forth on the signature page to this Agreement or such other place as may be designated by written notice in the same manner from one party to the others. Notwithstanding the foregoing, collateral reports, Approved Substitution requests, Excess Collateral Withdrawal requests, and Trust Receipts may be delivered electronically (by email or otherwise).

8.5 The Public Depositor and the Bank each agree to furnish to the Custodian sufficient documentation as required by Custodian and in compliance with Custodian's policies and procedures, in the event that any Authorized Person ceases to be an Authorized Person or in the event that any other Authorized Persons are appointed and authorized.

8.6 All parties to this Agreement agree to execute any additional documents that may be reasonably required to effectuate the terms, conditions, and intent of this Agreement.

8.7 If any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, such holding shall not affect the validity, legality or enforceability of the remaining provisions of this Agreement.

8.8 All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The Custodian may not assign this

Agreement without the prior written consent of the Public Depositor and the Bank. The Public Depositor may not assign this Agreement without the prior written consent of the Bank. There are no third-party beneficiaries to this Agreement.

[*remainder of page intentionally blank*]

IN WITNESS WHEREOF, the parties have caused this Custodial Services Agreement to be executed by their duly authorized representatives.

BANK:

Address for Notices:
601 East 3rd Street, 11th Floor
Little Rock, AR 72201
Attention: Finance and Planning

SIMMONS BANK

By: _____
Name and Title (*Circle one*):
Richard Hughes, Executive Vice President, Treasurer
OR
Edward Standige, Senior Vice President, Deputy Treasurer
Date:

PUBLIC DEPOSITOR:

Address for Notices:

Attention:

By: _____

Name:

Title:

Date:

CUSTODIAN:

Address for Notices:

Federal Home Loan Bank of Topeka

500 Wanamaker

Topeka, KS 66606-2444

Attention:

FEDERAL HOME LOAN BANK OF TOPEKA

By: _____

Name:

Title:

Date:



$2\pi\phi$

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Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

Simmons Bank

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☑ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 5

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

5 Address (number, street, and apt. or suite no.). See instructions.

601 East 3rd Street

Requester's name and address (optional)

6 City, state, and ZIP code

Little Rock, AR 72201

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

7	1	–	0	1	6	2	3	0	0

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person Misty D Baugh Date 9-22-25

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

Simmons Bank

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☑ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 5

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

5 Address (number, street, and apt. or suite no.). See instructions.

PO Box 7009

Requester's name and address (optional)

6 City, state, and ZIP code

Pine Bluff, AR 71611

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–			–				

or

Employer identification number

7	1	–	0	1	6	2	3	0	0

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

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Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

Legal Exceptions and Clarifications

Simmons Bank®

Member FDIC | simmonsbank.com

Exceptions and Clarifications:

The proposal submitted by Simmons Bank ("**Simmons**" or the "**Bank**") is subject to the following exceptions and clarifications to the City of Tool (the "**City**") Request for Proposals (RFP) for Tool Depository Services RFP # 2026-01 (the "**RFP**").

1. Use of Bank Forms: While the RFP may have included certain terms and specifications for convenience, the Bank requires its standard documents and agreements, including, but not limited to, deposit account agreements, treasury management services agreements, and collateral and custodial agreements for public funds ("**Banking Agreements**") to govern over any conflicting terms in the RFP. Our agreements have been drafted to reflect the uniqueness of the financial services industry and to reflect how Simmons provides the services. If there are certain contractual provisions that the City is required to include by law, or is prohibited from including by law, we can work together to separately address those requirements.

2. Ambiguity, Error, or Omission: Simmons reserves the right to clarify, via either written amendment or during negotiations with the City, any misunderstanding, error, or miscalculation contained in the proposal. Any ambiguity or conflict between the proposal and RFP shall be resolved between the parties and shall not, without the consent of the parties, be construed in favor of the RFP.

3. Termination: Banking Agreements contain provisions regarding the Bank's and the City's ability to terminate any or all of the services. Generally, customers are permitted to terminate their treasury management services upon 30 days prior notice and may close a deposit account at any time. Due to the highly regulated nature of the financial services industry, there are circumstances where the Bank must maintain the right to terminate certain accounts or services without such prior notice.

4. Return/Destruction of Data: Simmons' obligation to return or destroy a customer's data after termination of a banking relationship remains subject to all applicable record retention laws and Simmons' internal record retention policies.

5. Cost of Additional Banking Services: Any costs for Banking services requested by the City but not detailed in the proposal will be provided at a cost agreed upon by Bank and the City in writing.

6. Confidentiality: This bid shall be considered confidential and may not be disclosed by the City without the consent of Simmons, except as may otherwise be required by applicable law, including as required by any federal or state Open Records, Freedom of Information, or similar laws.

7. Review of Banking Agreements. While certain Banking Agreements in use at the time of Bank's proposal may be provided for reference in conjunction with Bank's proposal, Bank does not represent nor warrant that such Banking Agreements will still be the versions in use at any later date nor that such Banking Agreements provided for reference are an exhaustive list of Banking Agreements that may be required to be executed by the City, based on the banking services requested by the City.

PROSPERITY BANK®

February 5, 2026

City Council Members
City of Tood
701 N Tool Dr
Tool, TX 75143

RE: Depository Bid City of Tool – 2026-2029

Ladies and Gentlemen:

Enclosed is our bid for your review and consideration to serve as depository bank for City of Tool from March 2, 2026 through March 1, 2029.. Prosperity Bank has served as the depository bank for many public fund entities and would welcome the opportunity to start that relationship and grow with the City to the next level.

Prosperity Bank, a member of the FDIC, is a $39 billion Texas based bank formed in 1983. Operating under a community banking philosophy, Prosperity Bank seeks to develop broad customer relationships based on service and convenience. We currently contract with over 530 public fund entities statewide, servicing deposits in excess of $2.436 billion. Prosperity Bank operates 287 full service banking centers including 3 in the City area.

We have attempted to bid in a very straightforward and simple manner. However, if you have any questions or need additional information, please do not hesitate to contact us at 903-432-5250 or tate.cramm@prosperitybankusa.com.

We look forward to the opportunity to establish a relationship with the officers and employees of City of Tool. We are here to be a contributing member of our community and look forward to the opportunity to be your depository bank. The bid proposal is valid for 60 days from February 8, 2026.

Respectfully,

C Tate Cramm

Tate Cramm
Banking Center President
Seven Points Banking Center
Prosperity Bank

CITY OF TOOL

REQUEST FOR PROPOSALS

RFP # 2026-01

TOOL DEPOSITORY SERVICES

SUBMITTAL DEADLINE: FEBRUARY 8TH, 2026 – 11:59 PM CST

CITY OF TOOL
701 N. TOOL DR.
TOOL, TX 75143
(903) 432-3522

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I. INTRODUCTION

A. Request for Proposal

The City of Tool (COT) is pleased to issue this Request for Proposal (RFP) for Banking Services.

The City of Tool is seeking sealed proposals from institutions to administer their extensive banking and deposit operation to further their objectives of; maintaining security of funds, enhanced fund availability, increased use of technology, and comparable market charges for banking services.

The scope of services will include, but is not limited to, general account services, information reporting, reconcilement, electronic funds transfer, positive pay, controlled disbursement, return of items processed, image capture, custody services, electronic receipt and payment platforms to provide treasury management services.

Institutions eligible to respond to this RFP are those defined in the Texas Local Government Code, Chapter 105, Depositories for Municipal Funds, and who are a qualified public depository in accordance with the State of Texas General Statutes. The bank must be a member of the Federal Reserve System and comply with all applicable state and federal laws, regulations, statutes and policies. The bank must be a State of Texas or federally chartered financial institution and in good standing among other comparable banks.

All qualified banking institutions will be considered. We encourage you to be creative and educational in your responses.

This Request for Proposal, or "RFP", is intended to serve as the bid form for the depository agreement. There are several blanks to fill in and questions to be answered. The depository contract shall be prepared based on the bidder's response to the RFP. All points outlined and materials requested should be incorporated into the bidder's reply to be considered for evaluation. Attachments will be appropriate in order to provide more clarification of the bidder's response and to provide investment services separately from the main response to the RFP.

B. Scope of Services

The selected Respondent shall furnish sufficient organization, personnel and management staff with the necessary skill and judgement to perform all the duties and responsibilities normally associated with providing comprehensive banking services to a large organization with public funds.

The services proposed by the Respondent shall fully detail the proposer's offer pertaining to each of the following, including the submittal of sample forms and investment information, if applicable.

The contract period will be three (3) years, beginning March 2nd, 2026 and ending March 1st, 2029, or thereafter until the successor depository shall have been duly selected and qualified according to State laws. The depository contract shall provide that the City reserves the right to cancel any agreement, at any time, upon ninety (90) days prior written notice of its intent to terminate this agreement.

C. OBJECTIVES OF THE PROPOSAL

The primary objectives of the bank depository agreement, an important component of the overall treasury program of the City are as follows:

- To seek a bank capable of providing banking services and willing to be attentive to the City's money matters;
- To seek a bank which meets the legal qualifications and the terms and conditions specified in this Request for Proposal;
- To develop a foundation for a good working relationship with the depository bank; and
- To adequately compensate the depository bank for services provided and to allow a reasonable profit to be earned, subject to competitive forces in the market place.

II. CALENDAR OF EVENTS

Target Date	Description of Events
January 18th - February 8th, 2026	Advertise bank depository public bid notice in the newspaper and on the City's official website.
February 8th, 2026	Written/Emailed requests for additional information due by 11:59 p.m. via email or in-person at 701 N. Tool Dr., Tool, TX 75143
February 9th, 2026 at 10 a.m.	Proposals received and opened at an open public bidding, located at the Oran White Civic Center, 701 N. Tool Dr., Tool, TX 75143
February 19th, 2026	Approval and Award of Contract by City Council.
March 2nd, 2026	Contract Term Begins.

III. CRITERIA FOR EVALUATION

The City will review the submitted proposals carefully. The recommendations will be based on the bid determined to be in the best interests of the City and the taxpayers. Only banking institutions that meet the legal qualifications of the RFP, have a sound financial condition, and are able to provide sufficient collateral for deposits will be considered. Other evaluation criteria with associated weights shall consist of the following:

Bidder will be judged on the basis of:

Evaluation of Factors		
		Percentage Allocation
Ability of the bank to perform the requested services in the RFP.		25%
Cost of the proposed banking services net of effective rates. (Includes evaluation of cost factors of transitional expenses to City)		25%
Securities clearance and safekeeping procedures.		25%
Ability and experience and success in providing banking services to municipal governments in Texas, with effective and innovative cash management services and reporting.		25%

Bidders will be based on the basis on the categories listed in the table above. Incomplete bids will not be considered for the award of a depository contract.

IV. CITY ACCOUNT INFORMATION

The City intends to initially establish and maintain the following bank accounts. Other accounts may be set up as needed during the term of the contract.

Ad Valorem Account	Interest Bearing Account (No checks needed)
General Fund	Demand Deposit Account
City Hall Construction	Interest Bearing Account (No checks needed)
Escrow Draw Account	Interest Bearing Account (No checks needed)
Capital Improvement Fund	Interest Bearing Account (No checks needed)
Park Construction Fund	Demand Deposit Account (Interest Bearing)
HOT Funds	Interest Bearing Account (No checks needed)
Court Security & Tech Fund	Interest Bearing Account (No checks needed)
Emergency Fund	Interest Bearing Account (No checks needed)
Police Seizure Fund	Demand Deposit Account
Municipal Court Fund	Demand Deposit Account (Interest Bearing)
Municipal Court Security Fund	Interest Bearing Account (No checks needed)
Municipal Court Technology Fund	Interest Bearing Account (No checks needed)
Interest & Sinking Fund	Interest Bearing Account (No checks needed)

Ad Valorem Account is the account that houses nearly all of the city's income, in the form of property taxes paid year-by-year by residents of Tool. This account needs to be interest-bearing.

General Fund Account will constitute almost all of the City's banking business. This account is used to issue daily accounts payable checks. This account also collects all daily City deposits. All securities clearance and safekeeping activity of investments will be debited or credited against this account. This account requires check fraud protection via positive check verification of issued check numbers against check numbers and check amounts that are presented for payment. The City is also considering the use of payee positive pay fraud protection on this account. Account reconciliation service will be required for this account.

The City Hall Construction Account is set up for all expenses paid for the City Hall Construction project, that started in 2024. The expenses and this account should close by Spring 2026.

The Escrow Draw Account is an interest-bearing account that holds the cash for the Litchfield annexation the city went into an agreement in February 2023. The funds in this account are not expected to be expensed periodically until 2027, at the earliest.

The Capital Improvement Account is an account that keeps leftover general fund monies, from previous fiscal years, expensed in accordance with Ordinance 2023-13. This fund is one of the city's most robust funds, similar to the Ad Valorem Fund account.

The Park Construction Fund Account is an account that keeps funds used in the construction of the Eight at Tool park. Most of these monies are leftover from a grant, from Texas Parks & Wildlife, first applied for in 2019 and expended mostly in 2025.

The HOT Funds Account is an account used in accordance with Section 351 of the Texas Tax Code, from revenues of those staying in short-term rentals or hotels in the City of Tool. This account captures revenue once each quarter, mostly.

The Court Security & Tech Fund Account is an account, created in 2025, after House Bill 1950 was passed, that consolidates revenue from citations to be used for the purposes of improvements the municipal court for security and technology purposes.

The Emergency Fund Account is an account that is seldom used in the City of Tool, for the explicit purposes of the City Council and decisions they may deem as an "emergency" for the City of Tool.

The Police Seizure Fund Account is an account, used in accordance with Chapter 59 of the Code of Criminal Procedure. This account is for the seizure and enforcement of property linked to crimes. This account shall have no account analysis charges against it.

The Municipal Court Account is an account set up to receive most of the municipal court's income and also is used to send monies out to the Texas Comptroller.

The Municipal Court Security Account is an account that is used only for improvements to the Municipal Court for security purposes, in accordance with the Texas Code of Criminal Procedure Article 102.017.

The Municipal Technology Account is an account that is used only for improvements to the Municipal Court for technological purposes, in accordance with the Texas Code of Criminal Procedure Article 102.0172.

The Interest & Sinking Fund Account is the account that houses nearly all of the city's indebtedness income. This fund is allocated and revenue is raised, by the calculation of the tax rate.

V. BANKING SERVICES AND CITY REQUIREMENTS

A. GENERAL DESCRIPTION OF SERVICES

Banking services to be provided are listed on the Bid Form, along with estimated volumes. The following identifies and discusses the services to be provided and the requirements to be met. Please attach copies of reports and separate agreements that apply to each service, if applicable.

1. PC & Mobile Online Banking Services.

The City requires a PC & mobile online balance reporting system which will provide the daily ending ledger and collected balances from the prior day for all accounts and a detail of the prior day's debits and credits. Current day account balance and activity detail inquiry capability is required. The bank should provide the capability to perform online stop payments, repetitive and non-repetitive wire transfers, additions and deletions and overrides to the check fraud protection feature through its PC online banking system.

On-line, Real-time Internet Banking Services

- *Account information inquiry includes current and available balances.*
- *Online statement retrieval*
- *Transaction history download*
- *Schedule "one time" or "recurring" funds transfer between accounts.*
- *Schedule "one time" or "recurring" loan payments.*

Web-based Wire Transfer Origination

- *Set up and initiate "one time" or "recurring" wire transfer instructions through our Internet Banking Product. Single-user, multi-user, and/or dual control authorities are allowed with password and dollar-limit restrictions.*

Web-based ACH Origination

- *Originate electronic payroll deposits or payment drafts through our Internet Banking Product*
- *Import NACHA-ready files from third-party software applications, or create payroll or payment databases directly in our products.*

Web-based Bill Pay Services

- *Create accounts payable databases and initiate payments online through our Internet Banking Product.*

Positive Pay Accounting

- *Help prevent unauthorized, stolen or counterfeit checks from paying against your account.*

Remote Deposit Capture

- *Scan checks for deposit and electronically transmit those check deposits to your account.*

2. Transaction Services.

The Bank is to provide processing of all deposited items of checks and cash to include encoding services, credit and debit advices given to the City within three business days of the debit or credit, clearing returned items twice, and return of receipted copies of deposit slips to the City within one business day of the deposit.

All transactions accepted at a banking center are processed on the same business day. The cut-off time for deposits presented at any Prosperity Bank location is the banking centers closing time. For Remote Deposit Capture deposits, the cut-off time is 6:00PM. Internet banking internal bank account transfers may be made until 6:00PM for same-day credit. Fastline telephone banking internal bank account transfers may be made until 8:00PM for same-day credit. Account advices are mailed to the City the next business day.

Currently Prosperity does not offer an online reporting system to monitor returned items. Special instructions can be added to the City's accounts to redeposit return items once and then return to the City. RCK services are not available.

3. General ACH Services.

Currently, ACH services consist primarily of transactions from federal and state funding agencies, Henderson County Tax Office, and other city customers. ACH services are needed to fund the City's bi-weekly payroll and weekly bank drafting. This service is anticipated to be expanded to include ACH for vendor drafts to reduce the number of checks.

The response to the RFP should describe the financial institution's ability to provide the proposed services including:

a. Method by which the City can submit ACH files or initiate ACH via bank software

Individual ACH transactions may be input and initiated online through Internet banking.

b. Pre-notification policy and cost

Prosperity Bank encourages the City to submit ACH pre-notification files to ensure correct transaction posting, however, it is not required. The Bank will not charge for pre-note transactions.

c. Funding requirements for the ACH payment file

Per the National Automated Clearing House rules, a payroll credit file must be submitted at least one day prior to the effective date. So for an effective date of Friday the ACH file must be delivered to the Bank through Treasury Center by 6:30 PM the preceding business day. Same Day ACH is also available on a limited basis.

d. Security measures for ACH initiative/origination and ACH reception (ACH filters and blocks)

The following filters/blocks for ACH transactions are available:

- *Stop All ACH Debits*
- *Stop All ACH Credits*
- *Stop all ACH Debits and Credits*
- *Stop ACH Debits by Company ID (by Vendor)*
- *Stop ACH Credits by Company ID (by Vendor)*
- *Stop ACH Debits and Credits by Company ID (by Vendor)*

e. Deadlines for ACH

Per the National Automated Clearing House rules, a payroll credit file must be submitted at least one day prior to the effective date. So for an effective date of Friday the ACH file must be delivered to the Bank through Treasury Center by 6:30 PM the preceding business day. Same Day ACH is also available on a limited basis.

f. Availability of same day ACH

Same Day ACH is also available on a limited basis, at an additional cost.

g. Does the bank offer both ACH Debit and ACH Credit Programs? Please describe any differences in requirements

ACH credits and debits may be input and initiated online through Internet banking.

4. Wire Transfer Services.

General wire transfer services including a customer direct-link to allow initiation of repetitive and non-repetitive wire transfers via the bank depository's online banking portal by the customer's personal computer. The bank should have the ability to make wire transactions by phone or facsimile on the same business day and mailed within three days of wire debit or credit should the bank's online access become unavailable.

The Internet banking system offers a robust wire transfer product, and the City is encouraged to view the Demo to get a "hands on" feel for what is offered. Wire recipient information may be saved and recalled for future wire events. Dual-controls may be implemented to require an approval process before submitting transfer requests. In the event the online system is unavailable, the Ctiy may submit a wire request to the local banking center by fax or telephone. Certain requests submitted manually may require a call-back confirmation. A call-back confirmation PIN process may be utilized to expedite manual wire requests.

5. Account Reconciliation Services.

Bank statements on all accounts shall be rendered within seven (7) working days after the close of the calendar month. Statements shall include transaction activity made on the last day of the period. Processed check activity should be available on the banks' website and cancelled checks should be submitted to the customer on CD format for the operating account. Copies of deposit corrections should be included with the bank statements. In addition to the bank statements that are required on each account, a report on paid and unpaid items and a report for miscellaneous debits and credits that balance to the bank statements are required for the operating and payroll accounts.

Responses to the RFP should provide:

a. A sample copy of the bank's monthly statement

b. A sample of the account analysis statements, if applicable

c. The bank's Earning's Credit Rate and how it is calculated and applied to the monthly analysis statement

*Tier 1 $0 - $99,999.99 *0.10%*
*Tier 2 $100,000.00 - $499,999.99 *0.15%*
*Tier 3 $500,000.00 - $999,999.99 *0.20%*
*Tier 4 $1,000,000.00 - $2,499,999.99 *0.20%*
*Tier 5 $2.500.000.00 ... *0.25%*
**This is a variable rate and is subject to change from time to time.*

The bank's Earning's Credit Rate will be calculated on all non-interest-bearing account balances and applied to the monthly analysis statement

d. The current FDIC rate and how it is computed and charged

Fees to be waived.

e. Describe services, including when reports are available and how they are made available, how long report images are maintained and how they are maintained.

Check images are available on-line at the start of the next day (typically 7:00 AM). Images may be retrieved one-for-one through transaction history inquiry, or full image statements may be available when enrolled in e-Statement. Image e-Statements are available in .PDF format and may be downloaded. Transaction history may be downloaded through Internet banking. Transaction history images are maintained on-line for a 90 day period. Full image statements available through e-Statement enrollment are available online for a 2-year period.

6. Account Analysis Statements.

The City intends to pay for all account services provided by the bank as set forth on the Bid Form. The City shall require an account analysis each month with all accounts grouped to obtain maximum credit for balances which shall clearly show volume counts, fees charged, and total prices for servicing the accounts. The account analysis shall also show average ledger balances, average collected balances, interest rates, and earnings credit calculations. The City chooses the direct payment method for payment of monthly banking charges derived under this depository agreement. Respondent should provide information on:

a. Levels of reconciliation services available (partial, full, deposit)

b. Sample reports available

c. File transmissions deadlines

d. File layout requirements

e. Imaging capabilities (paper vs electronic)

f. System requirements for interface

g. Date file can be received

Prosperity Bank's proposed bid waives many fees typically passed through analysis and thus a monthly account analysis report is not applicable.

Safekeeping fees for the City's investments shall also be set up on account analysis and paid monthly. The City requires that all charges for securities clearance and safekeeping, including fees passed on from the Federal Reserve Bank, be on the account analysis and not be deducted from each security settlement.

Prosperity Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.

7. Investments.

The City of Tool manages its own investment portfolio. Therefore, the City reserves the right to withdraw, from time to time, any amount of funds on deposit in any City account and to invest those funds in accordance with the City's investment policy.

Interest Bearing Checking Accounts: *Interest would be paid on the net collected balance at our posted NOW account rate as it changes plus 0.85%. This is a variable rate and is subject to change from time to time.*

Current posted rates:	*Rate*	*0.15%*	*APY*	*0.15%*

Premier Money Market Account: *Interest would be paid on the net collected balance at our posted rates as it changes plus 0.50%. This is a variable rate account and subject to change from time to time.*

Current posted rates:			*Rate*	*APY*
Tier 1	*$0*	*$9,999.99*	*0.30%*	*0.30%*
Tier 2	*$10,000*	*$24,999.99*	*0.55%*	*0.55%*
Tier 3	*$25,000*	*$49,999.99*	*0.80%*	*0.80%*
Tier 4	*$50,000*	*$99,999.99*	*1.20%*	*1.21%*
Tier 5	*$100,000*	*$249,999.99*	*1.70%*	*1.71%*
Tier 6	*$250,000*	*$999,999.99*	*2.45%*	*2.48%*
Tier 7	*$1,000,000...*		*2.70%*	*2.73%*

Interest rates on Time Deposits will be at a Prosperity Bank CD rate in effect at the time of purchase for like balance and term of the Time Deposit.

Prosperity Bank reserves the right to accept or decline additional depository funds in the aggregate, in excess of $10,000,000.

Prosperity Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.

8. Securities Clearance and Safekeeping of City Investments.

Investment securities purchased by the City will be delivered by book entry at the Federal Reserve.

The purchase and sale of all securities shall be on a delivery versus payment or payment versus delivery basis (i.e., for securities purchases, funds will not be released by the City's safekeeping bank until securities are received at the Federal Reserve Bank or further credit to the City's safekeeping bank. In the case of securities sales, funds will be received by the City's safekeeping bank via the Federal Reserve Bank as the securities are simultaneously released to the purchaser). In this manner the City will always have possession of either its securities or its funds.

The City will send written instructions to the securities clearance department for each transaction. Most of these instructions will be sent by facsimile to assure the timeliness of the operation. The City expects the bank to give prompt notification of any settlement problems, including securities delivered where the instructions do not match or where instructions have not been given to the bank.

All book entry securities owned by the City shall be evidenced by a safekeeping receipt issued in the City's name.

The original safekeeping receipt for each security transaction will be forwarded to the City Controller or her designated representative.

Prosperity Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.

9. Positive Pay or "Payee" Positive Pay

Respondent should provide information on this service for both checks and ACH items on each disbursement account, such as:

a. Describe service, including positive pay services and verification items

b. Teller data update schedules

c. Data transmission method and time windows

d. Control options – notification of default

e. Internet/online access (including technical capabilities and system requirements)

f. Provide sample report from the bank X.

Positive pay data-files will be securely transferred to the Bank through an Internet banking import. Changed, removed, or voided checks can be included in the regular data-file or manually entered. The City's Internet banking user will log in to Internet banking daily and view exception items. Users may also be setup to receive notification and reminder emails. Exception information is available online in Internet banking by 9:00AM. The deadline for City exception elections is 12:00PM. Exception elections are processed by the City's designated Internet banking user. Images of exceptions are available in Internet banking. All checks, including those received by tellers and other Bank venues, are verified against the positive pay file before processing. Teller information is updated at the start of the business day, and updated periodically throughout the day after any new file is delivered through Internet banking to Prosperity Bank. Prosperity Bank is able to accept most file layout formats (Microsoft Excel, delimited, or fixed length) and offers custom file mapping to simplify the import process.

10. Stop Payment Respondent should provide information on this service, such as:

    a. Online stop payment services (initiation and renewal)

    b. Same day processing of stop payment orders

    c. Confirmation requirements

    d. Look-up availability

    e. Duration of a stop payment (e.g., six months or in perpetuity) and renewal processing options

Stop Payment orders are in effect for a 6 month period. Upon expiration of an existing Stop Payment order, a new Stop Payment order is required. A Stop Payment order must be received in time to allow processing, which is at least one hour after the opening of the next business day after the business day we receive the item. Stop Payment orders may be initiated online. No paper follow-up documentation is required.

B. COLLATERAL REQUIREMENTS

1. Securities Pledged.

The City of Tool requires all balances to be collateralized at 102%. As security for the deposits of the City of Tool, the bank shall pledge to the City securities equal to the total ledger balances the City of Tool maintains in the bank, less the amount of coverage provided by the Federal Deposit Insurance Corporation (F.D.I.C.). The securities comprising the pledge shall be valued at market. The securities so pledged, the amounts thereon and the time for pledging same shall satisfy the requirements of the Public Funds Collateral Act (Texas Government Code Chapter 2257) and any statutes passed under Texas law. Securities purchased by the depository bank under the terms of a Repurchase Agreement are not acceptable as collateral to the City of Tool.

Prosperity Bank uses Mortgage Backed Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank. Prosperity Bank maintains internal controls to monitor and maintain the required collateral. If the City is aware of a large transaction that will significantly increase deposit balances, the City will notify the Bank with two day's advance notice to ensure the timely pledging of additional collateral.

2. Reporting Requirements.

The bank shall provide the City a report of securities pledged at the end of each month or at any time requested by the City Controller or a designated representative. This report should reflect the following information at the end of each month:

Total pledged securities itemized by:

a. Name

b. Type/description/CUSIP number

c. Par value

d. Market value at month end

e. Maturity date

f. Moody's or Standard and Poor's rating

If the market value of the pledged securities falls below the ledger balances of the City's fourteen accounts at any time, the City will require additional securities to be pledged to maintain 102% collateral.

Agreed

3. Safekeeping of Collateral.

The securities pledged shall be held in safekeeping under the name of the depository bank and pledged to the City of Tool. Safekeeping must be done at the Federal Reserve Bank or Federal Home Loan Bank with a three-party agreement signed.

The original copy of all security receipts shall be filed with the Controller of the City of Tool. The City shall reimburse the depository bank for all charges associated with pledged collateral at the fee rate quoted in the Bid Form.

Please submit a copy of the safekeeping agreement with the Federal Reserve Bank or Federal Home Loan Bank to be used in the event you are awarded the depository bank contract. The safekeeping agreement shall clearly state that the Federal Reserve Bank or Federal Home Loan Bank is instructed to release the collateral to the City of Tool if the City has determined that the bank has failed to pay on any accounts, has been closed by a regulatory authority, or is in default of this agreement, and if the instructions for release have been formally requested by the City.

The safekeeping agreement shall have signatories from the Federal Reserve Bank or Federal Home Loan Bank as trustee, the depository bank, and the City of Tool.

Prosperity Bank uses Mortgage Backed Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank.

4. Substitutions.

Any substitutions of the securities or reductions in the total amount pledged shall be made only by and with the proper written authorization approved by the City Controller or a designated representative. All securities to be pledged are subject to approval by the City of Tool. Any state or local government securities (municipals) pledged to the City shall have a rating of "A1" or better by Moody's Investor Services.

Agreed

C. DIRECT FEES FOR SERVICES PROVIDED

A direct fee basis for services provided by the bank with an offsetting earning credit for available balances is the method preferred by the City. This process requires the monthly calculation of a net banking service cost. The bank will calculate the total monthly service costs for all accounts and the total monthly earnings credit for all accounts on the account analysis statement. The net of total service costs and total earnings credits equals net banking service costs for the month. Credit should be given the City for all account balances grouped together and not just single account balances.

Per Schedule A, depository service fees will be waived and "target balance requirements" are not applicable.

D. FUNDS TRANSFER REQUIREMENTS

Incoming wire transfers occur regularly. The depository shall give both ledger and collected credit the day of the wire receipt, regardless of the time the bank receives the transfer through the Fedwire System. Credit to City accounts for incoming wire transfers should be immediate. Wire advices should be made by phone or facsimile on the same business day and mailed within three days of wire debit or credit.

The City actively invests in marketable securities. An outgoing wire transfer will be initiated in the morning for the reinvestment of funds expected by an incoming wire transfer. The depository shall allow the City to reinvest and to wire funds out in anticipation of an incoming wire transfer later in the day.

The bank will not charge the City for daylight overdrafts. When a daylight overdraft is anticipated, a City official will notify the designated bank official of the situation and will take appropriate action to avoid daylight overdrafts.

Notification to the City of any problems with outgoing wire transfers shall be made within one hour of the transaction. The City allows two authorized employees to initiate repetitive transfers. All authorized employees shall be issued a personal identification number in order to initiate wire transactions. If the wire is non-repetitive, the City requires the bank funds transfer personnel to call the City back and specifically request to speak to an authorized employee other than the person initiating the wire to achieve verification that the wire is authorized prior to releasing it.

(Please attach a sample funds transfer agreement).

Outgoing wires sent by the City during the business day will be processed against collected balances only.

E. OVERDRAFTS

The City does not intend to have an overdraft position on any of its bank accounts singly or net throughout the course of the depository contract. In the event a check or checks presented for payment on any City account where there exist insufficient funds available for payment, the City will require the depository bank to pay said checks and promptly notify the Controller or said designated representative of the existence of the overdraft situation. The City agrees to cover the overdraft within one business day.

Define in the Bid Form whether the bank would consider an overdraft to be a negative balance in any individual City account or a negative balance in the three City accounts collectively. The City would expect the depository to view all City accounts together for purposes of any charges on overdrawn collected balances.

Overdrafts may be subject to the following:

a. *Overdraft Item Fee – The Overdraft Item Fee will be waived if offsetting collected balances are on deposit in non-interest-bearing deposit accounts.*
b. *Accrued Interest Adjustment – If offsetting collected balances are maintained in interest-bearing deposit accounts only, the Overdraft Item Fee will be waived and an interest accrual debit adjustment will be made to the interest-bearing deposit account calculated on the amount and duration of the overdraft.*
c. *Frequent and Continuous Overdrafts – If overdrafts continue to occur on a frequent basis, Prosperity Bank reserves the right to assess Overdraft Item fees, regardless of compensating balances. Additionally, if an account remains overdrawn for more than one business day, Prosperity Bank reserves the right to assess an Overdraft Interest Charge of which the rate will be equal to the prime rate published in the Wall Street Journal, as it changes.*

F. OTHER STIPULATIONS

1. The successful bidder shall notify the City in writing within ten (10) days of any changes in federal or state regulations or laws that would thereafter affect the depository agreement. The bank shall also notify the City of any services which become available to the City throughout the contract period.

Agreed

2. In the event it would be ruled illegal under the provisions of any federal statute or regulation for the bank to pay interest or calculate net cost in the matter outlined in this RFP, then the City expressly reserves the right and privilege to cancel the contract and re-bid the depository services.

Agreed

3. All checks deposited by the City which do not clear the first time, should be submitted a second time before returning them to the City.

Currently Prosperity does not offer an online reporting system to monitor returned items. Special instructions can be added to the City's accounts to redeposit return items once and then return to the City. RCK services are not available.

4. The bank's records relating to the City of Tool's accounts shall be open to review by either City staff members or City appointed independent auditors during normal business hours.

Agreed

5. The proposing bank shall submit a copy of the last annual financial statements along with the last two quarterly FDIC CALL reports. The successful bidder shall provide to the City any public information concerning changes in the ownership, management or financial position of the bank or its parent.

FFIEC Call Report & UBPR Reference
Prosperity Bank IDRSSD #664756, Prosperity Bank Certificate #16835
https://cdr.ffiec.gov/public/ManageFacsimiles.aspx

Prosperity Bancshares Inc Annual Reports
http://www.prosperitybankusa.com

6. Notwithstanding any other provision of this agreement which may be to the contrary, this agreement and the respective rights and obligations of the parties hereunder shall remain in full force and effect and not otherwise be affected by the merger of the bank.

Agreed

7. The beginning date of the bank depository contract will be established after city council approves the awarding of the contract to be effective for a period of five years. The contract shall be automatically extended up to 90 days if the City is actively proceeding with re-bidding procedures but, for whatever reason, cannot finalize the bidding or selection process by the end of the contract period.

8. The laws of the State of Texas govern this contract. Venue shall be exclusively in Henderson County.

VI. BIDDING INSTRUCTIONS/REQUIREMENTS

A. Proposals will be received at the Office of the City Controller until **11:59 p.m. (CST) on February 8th, 2026**. Proposals shall be completed and signed. Two (2) original, whether digital or printed, versions of all submission materials shall be provided.

Responses to the request for proposals must be received in sealed envelopes clearly marked with "RFP 2026-01, Tool Depository Services", closing date and company submitting the response. **ANY RESPONSE RECEIVED AFTER THE TIME AND DATE LISTED ABOVE, REGARDLESS OF THE MODE OF DELIVERY, SHALL NOT BE CONSIDERED AND WILL BE RETURNED UNOPENED.**

Submissions are to be delivered to:

City of Tool
Attn: Kimberly Kroha
Email: Contact@tooltexas.org
701 N. Tool Dr.
Tool, Texas 75143

B. Requests for clarification or additional information should be submitted in writing to the attention of Kimberly Kroha, by email to contact@tooltexas.org or by phone at (903) 432-3522 x 112, **no later than 4:00 p.m. (CDT), Friday, February 6th, 2026**.

Responses to requests such requests will be issued in the form of an addendum posted to the City of Tool's website: tooltexas.org. It is the proposing agency's responsibility to check this website for any updated information regarding this RFP.

C. The proposing bank shall use this RFP form as the OFFICIAL BID FORM to submit rates and to answer questions. Additionally, proposers shall include a signed proposal affidavit form provided in this RFP. Any alterations, changes or deletions to this RFP shall be grounds for the City to disregard and reject the RFP and the bid. Included with this RFP is a historical account of banking services the City has used with its current bank depository for which proposing banks should complete. The proposed banking fees should be maintained for the life of the awarded contract. Any banking service which does not have a fee indicated on the Bid Form will be considered to be free of charge under the depository bank contract. Proposing banks should list any additional services they deem relevant and the corresponding pricing for the service(s). Additional pages needed for the OFFICIAL BID FORM should be attached as needed and should reference the questions to which a response applies.

D. The City reserves the right to request additional information or to meet with representatives from proposing banks to discuss points in the proposal before and after submission, any and all of which may be used in forming a recommendation.

E. The City reserves the right to reject any and all proposals, to waive any non-material irregularities in any RFP, and to accept or reject any item or combination of items.

F. The bidder states that it is a banking institution chartered under laws of the United States or of the State of Texas, and/or with main or branch banking facilities located within the city limits of Tool, Texas.

G. The final appointment of a depository bank shall be made by the City of Tool's City Council. The bidder shall be required to enter into a contract that incorporates all of the obligatory points in this RFP. (*Please attach a copy of the proposed depository contract*).

H. This RFP for a depository bank bid has been duly advertised and is being offered for consideration to financial institutions with a business location or branch bank in the City of Tool.

I. If a service requirement cannot be met by a proposer, then the term "No Proposal" should be entered on the Bid Form for that specific requirement. In the case of a "No Proposal" response, the proposer may offer an alternative equivalent service for the City's consideration. Responsiveness to the service requirements will be a major part of the selection criteria.

J. All costs incurred by the proposer in responding to the RFP shall be the responsibility of the proposer.

K. Upon being awarded the contract; the depository bank shall designate an individual to be the official contact person for all correspondence. The City of Tool's official contact person will be Kimberly Kroha, City Controller. The bank shall be responsible for training and communicating the terms of this contract to bank employees.

VII. SUBMISSION CHECKLIST

A. Bid Form with fill-in-the blank format
B. Sample bank statement
C. Sample account reconciliation statement
D. Availability of funds schedule with a clear explanation of deadlines
E. Sample monthly pledged collateral report
F. Sample safekeeping agreement with the depository bank for the City's investment securities.
G. Sample safekeeping agreement for collateral
H. Sample account analysis statement
I. Proposed depository contract
J. Positive Pay Agreement
K. Sample funds transfer and ACH agreement
L. Annual bank financial statement and FDIC Call Reports
M. Proposal Affidavit
N. Pricing for Banking Services
O. Certifications of Boycotts
P. W-9

CITY OF TOOL, TEXAS DEPOSITORY BANK SERVICES

VIII. OFFICIAL BID FORM – PROPOSAL NO. 2026-01

RESPONSES TO SERVICES REQUESTED - Please answer the following questions. Please attach additional information if necessary to provide the below answers with your proposal:

1. Indicate if the proposer has read, understands and agrees to the City's request for mobile and PC based online banking services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

On-line, Real-time Internet Banking Services

- *Account information inquiry includes current and available balances.*
- *Online statement retrieval*
- *Transaction history download*
- *Schedule "one time" or "recurring" funds transfer between accounts.*
- *Schedule "one time" or "recurring" loan payments.*

Web-based Wire Transfer Origination

- *Set up and initiate "one time" or "recurring" wire transfer instructions through our Internet Banking Product. Single-user, multi-user, and/or dual control authorities are allowed with password and dollar-limit restrictions.*

Web-based ACH Origination

- *Originate electronic payroll deposits or payment drafts through our Internet Banking Product*
- *Import NACHA-ready files from third-party software applications, or create payroll or payment databases directly in our products.*

Web-based Bill Pay Services

- *Create accounts payable databases and initiate payments online through our Internet Banking Product.*

Positive Pay Accounting

- *Help prevent unauthorized, stolen or counterfeit checks from paying against your account.*

Remote Deposit Capture

- *Scan checks for deposit and electronically transmit those check deposits to your account.*

2. Indicate if the proposer has read, understands and agrees to the City's request for transaction services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

All transactions accepted at a banking center are processed on the same business day. The cut-off time for deposits presented at any Prosperity Bank location is the banking centers closing time. For Remote Deposit Capture deposits, the cut-off time is 6:00PM. Internet banking internal bank account transfers may be made until 6:00PM for same-day credit. Fastline telephone banking internal bank account transfers may be made until 8:00PM for same-day credit. Account advices are mailed to the City the next business day.

Currently Prosperity does not offer an online reporting system to monitor returned items. Special instructions can be added to the City's accounts to redeposit return items once and then return to the City. RCK services are not available.

_____

_____

_____

_____

_____

3. Indicate if the proposer has read, understands and agrees to the City's request for general ACH services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Individual ACH transactions may be input and initiated online through Internet banking.

Prosperity Bank encourages the City to submit ACH pre-notification files to ensure correct transaction posting, however, it is not required. The Bank will not charge for pre-note transactions. Per the National Automated Clearing House rules, a payroll credit file must be submitted at least one day prior to the effective date. So for an effective date of Friday the ACH file must be delivered to the Bank through Treasury Center by 6:30 PM the preceding business day. Same Day ACH is also available on a limited basis.

The following filters/blocks for ACH transactions are available:

- *Stop All ACH Debits*
- *Stop All ACH Credits*
- *Stop all ACH Debits and Credits*
- *Stop ACH Debits by Company ID (by Vendor)*
- *Stop ACH Credits by Company ID (by Vendor)*
- *Stop ACH Debits and Credits by Company ID (by Vendor)*

Same Day ACH is also available on a limited basis, at an additional cost. ACH credits and debits may be input and initiated online through Internet banking.

4. Indicate if the proposer has read, understands and agrees to the City's request for wire transfer services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

The Internet banking system offers a robust wire transfer product, and the City is encouraged to view the Demo to get a "hands on" feel for what is offered. Wire recipient information may be saved and recalled for future wire events. Dual-controls may be implemented to require an approval process before submitting transfer requests. In the event the online system is unavailable, the Ctiy may submit a wire request to the local banking center by fax or telephone. Certain requests submitted manually may require a call-back confirmation. A call-back confirmation PIN process may be utilized to expedite manual wire requests.

5. Indicate if the proposer has read, understands and agrees to the City's request for account reconciliation services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Tier 1 $0 - $99,999.99	**0.10%*
Tier 2 $100,000.00 - $499,999.99	**0.15%*
Tier 3 $500,000.00 - $999,999.99	**0.20%*
Tier 4 $1,000,000.00 - $2,499,999.99	**0.20%*
Tier 5 $2,500,000.00 ...	**0.25%*

**This is a variable rate and is subject to change from time to time.*

The bank's Earning's Credit Rate will be calculated on all non-interest-bearing account balances and applied to the monthly analysis statement

Check images are available on-line at the start of the next day (typically 7:00 AM). Images may be retrieved one-for-one through transaction history inquiry, or full image statements may be available when enrolled in e-Statement. Image e-Statements are available in .PDF format and may be downloaded. Transaction history may be downloaded through Internet banking. Transaction history images are maintained on-line for a 90 day period. Full image statements available through e-Statement enrollment are available online for a 2-year period.

6. Indicate if the proposer has read, understands and agrees to the City's request for account analysis statements as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Prosperity Bank's proposed bid waives many fees typically passed through analysis and thus a monthly account analysis report is not applicable.

7. Indicate if the proposer has read, understands and agrees to the City's request for securities clearance and safekeeping services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Prosperity Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.

8. Indicate if the proposer has read, understands and agrees to the City's request for pledged securities services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Prosperity Bank uses Mortgage Backed Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank. Prosperity Bank maintains internal controls to monitor and maintain the required collateral. If the City is aware of a large transaction that will significantly increase deposit balances, the City will notify the Bank with two day's advance notice to ensure the timely pledging of additional collateral.

9. Indicate if the proposer has read, understands and agrees to the reporting requirements as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Agreed

10. Indicate if the proposer has read, understands and agrees to the City's request for safekeeping of collateral services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Prosperity Bank uses Mortgage Backed Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank. Prosperity Bank maintains internal controls to monitor and maintain the required collateral. If the City is aware of a large transaction that will significantly increase deposit balances, the City will notify the Bank with two day's advance notice to ensure the timely pledging of additional collateral.

11. Indicate if the proposer has read, understands and agrees to the City's request for substitution services as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Agreed

12. Indicate if the proposer has read, understands and agrees to the City's request for direct fees with offsetting earnings credit as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Per Schedule A, depository service fees will be waived and "target balance requirements" are not applicable.

13. Indicate if the proposer has read, understands and agrees to the City's requirements for fund transfers as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Outgoing wires sent by the City during the business day will be processed against collected balances only.

14. Indicate if the proposer has read, understands and agrees to the City's requirements regarding overdrafts as outlined in Section V of this RFP. Exceptions to any item in this service request should be clearly indicated below.

Overdrafts may be subject to the following:

d. Overdraft Item Fee – The Overdraft Item Fee will be waived if offsetting collected balances are on deposit in non-interest-bearing deposit accounts.

e. Accrued Interest Adjustment – If offsetting collected balances are maintained in interest-bearing deposit accounts only, the Overdraft Item Fee will be waived and an interest accrual debit adjustment will be made to the interest-bearing deposit account calculated on the amount and duration of the overdraft.

f. Frequent and Continuous Overdrafts – If overdrafts continue to occur on a frequent basis, Prosperity Bank reserves the right to assess Overdraft Item fees, regardless of compensating balances. Additionally, if an account remains overdrawn for more than one business day, Prosperity Bank reserves the right to assess an Overdraft Interest Charge of which the rate will be equal to the prime rate published in the Wall Street Journal, as it changes.

15. Indicate if the proposer has read, understands and agrees to the requirements of other stipulations as outlined in Section V of this RFP. Exceptions to any item in this section should be clearly indicated below.

***Interest Bearing Checking Accounts**: Interest would be paid on the net collected balance at our posted NOW account rate as it changes plus 0.85%. This is a variable rate and is subject to change from time to time.*

Current posted rates:			*Rate 0.15%*	*APY 0.15%*

***Premier Money Market Account**: Interest would be paid on the net collected balance at our posted rates as it changes plus 0.50%. This is a variable rate account and subject to change from time to time.*

Current posted rates:			*Rate*	*APY*
Tier 1	*$0*	*$9,999.99*	*0.30%*	*0.30%*
Tier 2	*$10,000*	*$24,999.99*	*0.55%*	*0.55%*
Tier 3	*$25,000*	*$49,999.99*	*0.80%*	*0.80%*
Tier 4	*$50,000*	*$99,999.99*	*1.20%*	*1.21%*
Tier 5	*$100,000*	*$249,999.99*	*1.70%*	*1.71%*
Tier 6	*$250,000*	*$999,999.99*	*2.45%*	*2.48%*
Tier 7	*$1,000,000...*		*2.70%*	*2.73%*

Interest rates on Time Deposits will be at a Prosperity Bank CD rate in effect at the time of purchase for like balance and term of the Time Deposit.

Prosperity Bank reserves the right to accept or decline additional depository funds in the aggregate, in excess of $10,000,000.

Prosperity Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.

16. Describe alternatives, enhancements or improved methods of providing services mentioned in the RFP.

Prosperity Bank strives to deliver the most cost-effective electronic banking solutions. As emerging technologies enter the market-place, please make us aware of your needs and will assist to the best of our ability in engaging solutions for the City.

17. Describe any products or services not specifically mentioned in the RFP that the bank believes would be beneficial to the City.

Prosperity Bank offers remote check deposit. A scanning device is used by the City to scan checks, prepare the electronic deposit using software provided by the Bank, and securely transmit the electronic deposit to the Bank. Prosperity utilizes the standard x9.37 format for remote check deposit. The cut-off time for same-day credit is 6:00PM.

EARNINGS CREDIT CALCULATION - Please provide the following information:

How you determine the balance available for earnings credit. How you determine the earnings credit percentage. The monthly earnings credit percentages used by your bank for the months of October 2025 through December 2026. Show an example of the calculation made.

Tier 1 $0 - $99,999.99 **0.10%*
Tier 2 $100,000.00 - $499,999.99 **0.15%*
Tier 3 $500,000.00 - $999,999.99 **0.20%*
Tier 4 $1,000,000.00 - $2,499,999.99 **0.20%*
Tier 5 $2,500,000.00 ... **0.25%*
**This is a variable rate and is subject to change from time to time.*

The bank's Earning's Credit Rate will be calculated on all non-interest-bearing account balances and applied to the monthly analysis statement.

BANK QUALIFICATIONS AND CONTRACT PERSONNEL- Please provide the following information:

1. A list of governmental customers with which the bank has contracted for depository services with appropriate reference contact information.

Prosperity Bank is proud to have been awarded the bids of our local, Texas based governmental entities and currently banks over 523 such entities. The Bank currently manages public fund accounts totaling approximately $2.996 billion in deposits.

2. A list of bank contact personnel with their pertinent professional experience who will be assigned to provide the City of Tool with information and assistance in carrying out the banking services requested in this RFP.

Primary contact with us.

Name Tate Cramm

Title Banking Center President

Telephone # 903-432-5250

Fax # 903-432-5415

Email tate.cramm@prosperitybankusa.com

Secondary contact with us.

Name Jerry Smith

Title Banking Center Manager

Telephone # 903-432-5212

Fax # 903-432-5415

Email jerry.smith@prosperitybankusa.com

Certification of No Boycott

No Boycott Israel

If Contractor/Vendor is a "Company", as that term is defined in Section 808.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not boycott Israel and (ii) will not boycott Israel during the term of the Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code §2271.002.**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §808.001 states that "Boycott Israel" means "refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes". Furthermore, Texas Government Code §808.001 states that the term "Company" means a "for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit", provided however that Texas Government Code §2271.001(2) excludes sole proprietorships from this definition of "Company".

Vendor/Contractor Name or Company Name	Prosperity Bank
Street Address	220 East Cedar Creek Parkway
City	Seven Points
State	Texas
Zip Code	75143
Phone Number	903-432-5250
Printed Name of Authorized Representative	Tate Cramm
Title of Authorized Representative	Banking Center President
Signature of Authorized Representative	
Date	02/05/2026

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION - No Boycott Israel - FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §808.001 and §2271.001.
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

Certification of No Boycott

No Boycott Energy Company

If Contractor/Vendor is a "Company", as that term is defined in Section 809.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not boycott energy companies and (ii) will not boycott energy companies during the term of Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code §2274.002.**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §809.001(1) states that "Boycott energy company" means "without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company: (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by Paragraph (A)". Furthermore, Texas Government Code §809.001(2) states that the term "Company" means a "for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit", provided however that Texas Government Code §2274.001(2) excludes sole proprietorships from this definition of "Company".

Vendor/Contractor Name or Company Name	Prosperity Bank
Street Address	220 East Cedar Creek Parkway
City	Seven Points
State	Texas
Zip Code	75143
Phone Number	903-432-5250
Printed Name of Authorized Representative	Tate Cramm
Title of Authorized Representative	Banking Center President
Signature of Authorized Representative	
Date	02/05/2026

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION – No Boycott Energy Company - FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §809.001(2) and §2274.001(2).
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

Certification of No Boycott

No Discrimination against Firearm and Ammunition Industries

If Contractor/Vendor is a "Company", as that term is defined in Section 2274.001 of the Texas Government Code and is not a sole proprietorship, then Contractor/Vendor certifies and verifies that it: (i) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (ii) will not discriminate against a firearm entity or firearm trade association during the term of the Purchase Order or Contract this Certification is attached to and incorporated into; or (iii) that it meets the requirements of an exception listed below.

Form requirements:

- **This certification is required by Texas Government Code § 2274.002**
- This form is required to be attached to and is incorporated into all Purchase Orders (goods) and Contracts (services) with a value of $100,000 or more that is paid in whole or in part with state funds with a company with 10 or more full time employees. The campus department making the purchase of goods or contracting for services is responsible for obtaining the form from the Vendor or Contractor.

Texas Government Code §2274.001(3) states that " discriminate against a firearm entity or firearm trade association " means "with respect to the entity or association, to: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association". Furthermore, Texas Government Code §2274.001(2) states that the term "Company" means a "a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit. The term does not include a sole proprietorship."

Vendor/Contractor Name or Company Name	Prosperity Bank
Street Address	220 East Cedar Creek Parkway
City	Seven Points
State	Texas
Zip Code	75143
Phone Number	903-432-5250
Printed Name of Authorized Representative	Tate Cramm
Title of Authorized Representative	Banking Center President
Signature of Authorized Representative	
Date	02/05/2026

ONLY COMPLETE THIS SECTION IF YOU BELIEVE YOU ARE NOT REQUIRED TO PROVIDE THE CERTIFICATION –No Discrimination against Firearm and Ammunition Industries- FOR THE REASONS CITED BELOW

My business is not required to provide the certification listed above because (select one):

- ☐ My business is not a for-profit "Company" as defined above, pursuant to Texas Government Code §2274.001(2).
- ☐ My Company has less than 10 full-time employees
- ☐ This is not an agreement for goods or services to be provided to the City.

Name _____ Signature _____ Date _____

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY

1 **Name of business entity filing form, and the city, state and country of the business entity's place of business.**

2 **Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

3 **Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.**

4 Name of Interested Party	City, State, Country (place of business)	Nature of Interest (check applicable)	
		Controlling	Intermediary

5 **Check only if there is NO Interested Party.** ☐

6 **AFFIDAVIT**

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

_____
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said _____, this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

_____ _____ _____
Signature of officer administering oath | Printed name of officer administering oath | Title of officer administering oath

ADD ADDITIONAL PAGES AS NECESSARY

The City of Tool must have a W-9 on file in order to conduct business with any vendor.

All vendors must include the following items in their bid submission:

- W-9 Form
- EIN # or Social Security #
- Current mailing address
- Current remittance address
- Sample Invoice

All accounts are to be updated or created with the following information:

Billing Address:
City of Tool
701 N. Tool Dr.
Tool, TX 75143

Electronic Invoices:
bills@tooltexas.org

Respectfully,

Kimberly Kroha
City Controller

PROSPERITY BANK®

Statement Date 3/31/2016
Account No XXXXXXXX

Sample Statement

STATEMENT SUMMARY

Check Account No XXXXXXX

03/01/2016	Beginning Balance			$6,163.66
	19 Deposits/Other Credits		+	$13,962.00
	35 Checks/Other Debits		-	$19,128.57
03/31/2016	Ending Balance	31 Days in Statement Period		$997.09
	Total Enclosures			31

DEPOSITS/OTHER CREDITS

Date	Description	Amount
03/01/2016	Internet Trf Deposit IB TR FROM ACCT ***** Transfer	$240.00
03/02/2016	Deposit	$830.00
03/03/2016	ACH Test	$616.22
03/04/2016	ACH Test	$638.32
03/07/2016	ACH Test	$598.62
03/08/2016	Deposit	$367.00
03/08/2016	Deposit	$100.00
03/09/2016	Deposit	$225.00
03/10/2016	ACH Test	$1,171.99
03/15/2016	Deposit	$480.00
03/16/2016	ACH Test	$625.45
03/17/2016	Deposit	$118.00
03/21/2016	ACH Test	$252.80
03/22/2016	Deposit	$230.00
03/23/2016	Deposit	$900.00
03/24/2016	Deposit	$254.00
03/28/2016	ACH Test	$614.60
03/30/2016	Internet Trf Deposit IB TR FROM ACCT ***** Transfer	$2,500.00
03/31/2016	Deposit	$3,200.00

CHECKS

Check Number	Date	Amount	Check Number	Date	Amount	Check Number	Date	Amount
1052	03-01	$600.00	1059	03-11	$700.00	1066	03-22	$170.67
1053	03-07	$700.00	1060	03-14	$151.73	1067	03-22	$720.00
1054	03-08	$176.20	1061	03-11	$70.00	1068	03-30	$392.00
1055	03-10	$204.04	1062	03-14	$206.00	1069	03-30	$204.04
1056	03-09	$89.56	1063	03-15	$600.00	1070	03-28	$720.00
1057	03-09	$262.53	1064	03-17	$592.50	1071	03-30	$325.00
1058	03-08	$600.00	1065	03-17	$300.00	1075*	03-31	$2,756.94

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PROSPERITY BANK®

Sample Statement

Statement Date 3/31/2016
Account No XXXXXXXX

OTHER DEBITS

Date	Description	Amount
03/01/2016	Internet Trf W/D IB TR TO ACCT ****** Transfer	$3,500.00
03/02/2016	ACH Payment DISCOVER E-PAYMENT PY	$258.34
03/03/2016	ACH Payment DISCOVER E-PAYMENT PY	$194.90
03/04/2016	ACH Payment DISCOVER E-PAYMENT PY	$131.15
03/08/2016	ACH Payment DISCOVER E-PAYMENT PY	$356.59
03/15/2016	ACH Payment DISCOVER E-PAYMENT PY	$379.35
03/17/2016	Debit Card - Sig MY ALARM	$48.69
03/17/2016	ACH Payment DISCOVER E-PAYMENT PY	$62.98
03/22/2016	ACH Payment DISCOVER E-PAYMENT PY	$79.99
03/24/2016	ACH Payment DISCOVER E-PAYMENT PY	$81.74
03/29/2016	ACH Payment DISCOVER E-PAYMENT PY	$527.98
03/30/2016	ACH Payment DISCOVER E-PAYMENT PY	$455.65
03/31/2016	Internet Trf W/D IB TR TO ACCT ***** Transfer	$2,500.00
03/31/2016	Service Charge	$10.00

TOTAL OVERDRAFT FEES

	Total For This Period	Total Year-to-Date
Total Overdraft Fees	$0.00	$0.00
Total Return Item Fees	$0.00	$0.00

DAILY ENDING BALANCE

Date	Balance	Date	Balance	Date	Balance
03-01	$2,303.66	03-10	$3,877.50	03-22	$1,501.84
03-02	$2,875.32	03-11	$3,107.50	03-23	$2,401.84
03-03	$3,296.64	03-14	$2,749.77	03-24	$2,574.10
03-04	$3,803.81	03-15	$2,250.42	03-28	$2,468.70
03-07	$3,702.43	03-16	$2,875.87	03-29	$1,940.72
03-08	$3,036.64	03-17	$1,989.70	03-30	$3,064.03
03-09	$2,909.55	03-21	$2,242.50	03-31	$997.09

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SERVICE CHARGE SUMMARY

Service Charge 03/31/2016	$10.00	Service Charge Balance	$1,007.09
Maintenance Fee	$10.00		

Full Account Reconciliation Sample:

Account ID: [redacted]

Run Date: 03/30/2021
Reconcilement Period: - to 03/29/2021

Account Reconciliation Summary

	Transaction Type	Count	Total Amount
1	Previous Outstanding Checks	0	$0.00
2	Issued Checks	1,640	$3,960,270.27
3	Paid Checks	322	$670,604.36
4	Stop Payments	0	$0.00
5	Voids	0	$0.00
6	ACH Debits	4	$18,936,370.42
7	ACH Credits	2	$59.31
8	Miscellaneous Debits	28	$1,955,569.68
9	Miscellaneous Credits	1	$635.13
10	Deposits	26	$23,806,508.91
11	Service Charges Paid	0	$0.00
12	Interest Paid	0	$0.00
13	Taxes/Withholding	0	$0.00
14	Current Outstanding Checks	1,318	$3,289,665.91

Balance Summary

Account Balance:	$1,456,246.49
Current Outstanding Checks:	$3,289,665.91
Current Register Balance:	-$1,833,419.42

Fee Schedule City of Tool

Prosperity Bank
2026 - 2029

Provide a price schedule for all services and include any one-time charges or set-up fees.

Service	Unit Basis	Est. Vol.	Unit Bank Charge	Explanatory Notes, if applicable
Account Deposit Services				
Master Account Maintenance Fee	Per account		N/C	N/C = NO CHARGE
Subsidiary Account Maintenance	Per account		N/C	
Money Market Account Maintenance Fee	Per account		N/C	
Interest Bearing Accounts Maintenance Fee	Per account		N/C	
ZBA Accounts Maintenance Fee Master	Per account		N/C	
ZBA Accounts Maintenance Subsidiary	Per account		N/C	
ZBA Account Transfers	Per item		N/C	
Investment Sweep - master account	Per account/mo		N/C	
Investment Sweep - Subsidiary accounts	Per account/mo		N/C	
Debits Posted	Per item		N/C	
Credits Posted	Per item		N/C	
	Per item			
Automated Services - Balance & Detail				
If Services are Bundled:				
Bundled Balance & Activity Reporting	Per month		N/C	
Monthly Maintenance	Per month/account		N/C	
Detail Item Fees	Per item		N/C	
If services are Un-Bundled (by Module)				
Balance Reporting Module Maintenance	Per account		N/C	
Daily Balance Reporting	Per account		N/C	
Previous day Reporting	Per account		N/C	
Previous Day Dr/Cr Items	Per item		N/C	
ACH Module Maintenance	Per account/overall		N/C	
ACH Detail	Per item		N/C	
Reconciliation Module Maintenance	Per account/overall		N/C	
Recon detail	Per item		N/C	
Stop Pay Module Maintenance	Per account/overall		N/C	
Stop pay item	Per item		N/C	
Wire and Internal Transfer Module Maintenance	Per account/overall		N/C	
Addenda reporting	Per item		N/C	
Positive Pay Module	Per account/mo		N/C	
PP Detail	Per item		N/C	
Detail Transactions - All modules	Per item		N/C	
Deposits				
Commercial Account Maintenance	Per account		N/C	
Banking Center Deposits	Per item		N/C	
Night Drop Deposit	Per item		N/C	
Items Deposited			N/C	
Items deposited	Per deposit		N/C	
On-us Items	Per item		N/C	
Local items	Per item		N/C	
Local Fed/RCPC Clearing	Per item		N/C	
City Items (in state)	Per Item		N/C	
Other State Items	Per item		N/C	
11th Fed Country Items	Per item		N/C	
Other 11th Fed RCPC Items	Per item		N/C	
Transit Item Clearing	Per item		N/C	
Encoding Charge	Per item		N/C	
Cash Vault				
Cash Vault Base Fee Processing Fee	Per item		N/C	
Standard Deposit Vault	Per deposit		N/C	
Standard Deposit Note Vault	Per deposit		N/C	
Currency Deposits			N/C	
Cash deposited	Per $$		N/C	
Strapped currency furnished			N/C	
Currency Wraps Shipped	Per strap		N/C	
Coin Deposits			N/C	
Full bag - loose coin			N/C	

Fee Schedule City of Tool

Prosperity Bank
2026 - 2029

Provide a price schedule for all services and include any one-time charges or set-up fees.

Service	Unit Basis	Est. Vol.	Unit Bank Charge	Explanatory Notes, if applicable
Partial bag of loose coin			N/C	
Rolled Coin Furnished	Per roll		N/C	
Minimum Change Order			N/C	
Branch Order Processing	Per Order		N/C	
Branch Per Deposit	Per Deposit		N/C	
Branch Coin Shipped	Per Shipment		N/C	
Change Order	Per item		N/C	
Deposit Corrections	Per item		N/C	
Return Item - Per overdraft item	Per item		$35.00	
Return Items Return and Reclear	Per item		N/C	
Charge-backs	Per item		N/C	
Return Check Notice Fax	Per item		N/C	
Return Check Notice Internet	Per item		N/C	
ACH Processing				
Service Monthly Maintenance (Base) Fee	Per month/account		N/C	
ACH Transactions Originated	Per item		N/C	
Debits originated	Per item		N/C	
Credits Originated	Per item		N/C	
Electronic Credit Received/Posted	Per Item		N/C	
Electronic Debit Recived/Posted	Per item		N/C	
Electronic Originated Addenda	Per item		N/C	
ACH Return Items	Per item		N/C	
Return Notification	Per Item		N/C	
Deletions or Reversal Charges	Per item		N/C	
Transmission	Per file		N/C	
Same Day ACH	Per item		$0.25	
Same Day ACH	Per Batch		$20.00	
Fraud Filter - Review - Base Fee	Per month		N/C	
Fraud Filter - Review - Per Item	Per item		N/C	
Reports - by Fax	Per item		N/C	
Positive Pay				
Service Monthly Maintenance (Base) Fee*	Per account or mo		N/C	
Positive Pay Item	Per item		N/C	
Per item charge with Partial Recon	Per item		N/C	
Per item charge with Full Recon	Per item		N/C	
Per item without recon services			N/C	
Transmission - File Transmission	Per item		N/C	
Payee Match Monthly	Per account		N/C	
Payee Match	Per item		N/C	
Imaging				
Imaging Maintenance	Per month		N/C	
CD Rom Service - Per Item	Per item		Not Offered	
CD Rom Service - Per Disk	Per item		Not Offered	
Reconciliation				
ACH Monthly Maintenance	Per Month		N/C	
Partial Recon Monthly Maintenance	Per Month		N/C	
Partial reconciliation - detail	Per item		N/C	
Full recon monthly maintenance	Per month		N/C	
Full recon detail	Per item		N/C	
Deposit Reconciliation - Mo Maintenance	Per Month		N/C	
Deposit Recon - per detail	Per item		N/C	

Fee Schedule City of Tool

Prosperity Bank
2026 - 2029

Provide a price schedule for all services and include any one-time charges or set-up fees.

Service	Unit Basis	Est. Vol.	Unit Bank Charge	Explanatory Notes, if applicable
Transmissions	Per Transmission		N/C	
Transmission Detail	Per item		N/C	
Safekeeping			Service Not Offered	
Service Monthly Maintenance Custody	Per month			
Clearing Fees				
Securities Received/ Delivered - DVP	Per item			
Safekeeping Fees	Per item			
Custody per Cusip/Holding	Per cusip			
Income Collection to DDA	Per item			
Lockbox				
Set up	One time		$100.00	
Monthly	Monthly		$100.00	
Per item processed	Per item		$0.30	
Per Unprocessable item	Unprocessable item		$0.30	
Per Photocopy	Per Photocopy		$0.10	
Per item scanned	per item scanned		$0.10	
Data Capture: Alpha & Numeric	Data Capture: Alpha & Numeric Characters		$0.10	
Web Access, per month, per company	Web Access, per month, per company		$50.00	
Special Instructions	Special Instructions		Variable	
Stop Pays				
Stop Pays (automated)	Per item		N/C	
Wire Transfers				
Service Monthly Maintenance*	Per month		N/C	
Incoming - domestic Straight	Per item		N/C	
Outgoing - repetitive - automated,domestic	Per item		N/C	
Outgoing - non-repetitive - automated,domestic	Per item		N/C	
Book Transfer Internet Initiated	Per item		N/C	
Wire Advices Faxed/Mailed	Per item		N/C	
OPTIONAL SERVICES REQUESTED				
Remote capture of checks				
One-time set-up or training fees	One time		N/C	
Monthly maintenance	Per month/card		N/C	
Capture and transmission fee from provider	Per item		N/C	
On-us Item	Per item		N/C	
Local Item	Per item		N/C	
Transit Item	Per item		N/C	
Merchant Card Services		Pricing Available Upon Request		
Fees				
One-time set up fee				
Application fees: First location				
Locations 2-5				
Locations >5				
Annual fee / Monthly Maintenance fee	Per month/location			
Monthly Statement Fee	Per month			
Supply fee	Per month			
Minimum processing fee				
Internet Set-up fee	Per location			
Credit Card Processing fees	Per item			
VISA CPS-2 Interchange	%			
Assocation	%			
Visa fee	$			
Bank fee	$			
MC Merit III Interchange	%			
Assocation	%			
MC fee	$			
Bank fee	$			
Visa Check Card Interchange (Signature)	%			

Fee Schedule City of Tool

Prosperity Bank
2026 - 2029

Provide a price schedule for all services and include any one-time charges or set-up fees.

Service	Unit Basis	Est. Vol.	Unit Bank Charge	Explanatory Notes, if applicable
Assocation	%			
Visa fee	$			
Bank fee	$			
MC Debit Card Interchange (Signature)	%			
Assocation	%			
MC fee	$			
Bank fee	$			
Debit Card Processing MC/Visa				
Authorization Fees				
Voice authorizations				
Address verification				
Terminal Authorizations				
MC Electronic authorization				
Discover Electronic authorization				
AmEx Electronic authorization				
Processing Fees				
Chargeback processing				
Batch settlement fee				
Transmission Fee	Per item			
Transmission - Item	Per item			
Supplies				
Checks, Deposit Slips	Per order		Customer Pays Bank Cost	
Endorsement Stamps	Per stamp			

PUBLIC FUNDS COLLATERAL AND PLEDGE AGREEMENT

This PUBLIC FUNDS COLLATERAL AND PLEDGE AGREEMENT (the "**Agreement**") is dated _____, 20__ and is by and among the [name of public entity:] _____ ("**Public Entity**"), the Federal Home Loan Bank of Dallas ("**Safekeeping Bank**"), and Prosperity Bank, a Texas State Banking Association ("**Prosperity**"), and

WHEREAS, Public Entity has selected Prosperity as a depository for certain of its funds; and

WHEREAS, Safekeeping Bank has agreed to hold securities deposited with it by Prosperity in accordance with the terms hereof to secure deposits by Public Entity with Prosperity in excess of applicable insurance provided by the Federal Deposit Insurance Corporation ("**FDIC**").

NOW THEREFORE, for value received and in consideration of the mutual promises and covenants herein contained, Public Entity, Prosperity, and, as applicable, Safekeeping Bank, agree as follows:

1. Collateral. Prosperity hereby agrees that deposits by Public Entity with Prosperity in excess of applicable FDIC insurance shall hereafter be secured by Prosperity pledging certain investment securities owned by Prosperity, and Prosperity does hereby so pledge, to be held by Safekeeping Bank (the "**Collateral**") in an amount which shall at all times, including any accrued interest, be equal to at least _____ % of the amount by which aggregate Public Entity deposits with Prosperity exceed applicable FDIC insurance (the "**Collateral Amount**").

If, at any time, the securities held in pledge have an aggregate market value in excess of the sum on deposit, as increased by accrued interest and decreased by the amount insured by the Federal Deposit Insurance Corporation, then the Prosperity will have the right to withdraw securities equal in amount to the amount of the excess. In the event of withdrawal, the Prosperity will promptly notify the Public Entity.

2. Safekeeping. Except as provided in Section 6, "Default," below, such Collateral shall be subject only to the joint written instructions of at least one authorized individual of both Public Entity and Prosperity. Public Entity and Prosperity will each provide written notice of their respective authorized officers to Safekeeping Bank reasonably prior to any transaction or communication authorized by any such authorized officers. Safekeeping Bank hereby agrees to hold all Collateral deposited with it pursuant to the terms of this Agreement and the Master Transactions Agreement between Safekeeping Bank and Prosperity dated July 19, 2005, including the Terms and Conditions of Custodial Services, and to deliver such Collateral in accordance with the terms hereof and thereof. Additionally, Safekeeping Bank agrees to serve as collateral agent for Public Entity to the extent necessary to allow Public Entity to perfect its security interest granted

herein in the Collateral. Whenever pledged securities are placed by Prosperity with Safekeeping Bank, the Safekeeping Bank shall issue original safekeeping receipts within three (3) business days of such placement to Prosperity.

3. Statements. Contemporaneously with the execution of this Agreement and at the time of the substitution or release of any of the Collateral, Prosperity shall execute and deliver to Public Entity a statement describing the securities constituting the Collateral deposited to or withdrawn from the Collateral held pursuant to this Agreement. Prosperity agrees to furnish to Public Entity a statement listing a description of the securities pledged and held in safekeeping in Safekeeping Bank on at least a monthly basis. The statement will include par value, market value and maturity date of the securities held in safekeeping. The same statement will also be available upon demand of Public Entity. The Safekeeping Bank is not responsible for monitoring the type or amount of the deposits or the securities pledged by Prosperity or whether they comply with the terms of this Agreement.

4. Substitution. Prosperity shall have the right, with the prior written consent of Public Entity, to purchase and sell, and substitute or replace, any and all of the securities pledged pursuant to this Agreement with like securities. A written notice stating the par value, maturity date and market value on the proposed date of substitution must be sent to Public Entity by Prosperity prior to any substitution or exchange. If approved, the substituted securities shall thereafter be subject to all the terms and conditions of this Agreement. Safekeeping Bank shall be under no obligation or duty to confirm whether or not Prosperity has or is complying with the terms of this Section 4 and shall rely on any direction of Prosperity in this regard without any investigation or inquiry.

5. Representations. Prosperity represents to Public Entity:

a. That the Prosperity is the sole legal and actual owner of the securities utilized to collateralize Public Entity deposits;

b. That no other security interest has been, nor will be, granted in the securities utilized to collateralize Public Entity deposits; and

c. That Public Entity's deposits are insured by the FDIC up to $250,000.00, or such other amount as may be applicable from time to time.

6. Default. Prosperity shall be in default if it fails to pay all or any part of a "collected" demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at the specified maturity date. Prosperity shall also be in default if ruled "bankrupt," "insolvent," or "failed" by federal or state banking regulators, or if a receiver is appointed for the Prosperity.

7. Proceeds. In the event of a default of Prosperity, Public Entity shall give written notice of such default to Prosperity, and Prosperity shall have three (3) business days to cure such default. In the event Prosperity fails to cure such default within such 3 business day period, Public Entity shall then be deemed to have vested full title to all

approved securities pledged pursuant to this Agreement. The investment officer of Public Entity will then certify the uncured default in writing to the Safekeeping Bank, describing the default and failure to cure in detail, with a copy to Prosperity. Safekeeping Bank will then deliver to the investment officer of the Public Entity all securities deposited hereunder without requiring further authorization, release or direction from Prosperity. Public Entity is hereby then empowered to take possession of and transfer or sell any and all securities pledged pursuant to this Agreement. If the security is transferred, ownership of the security will transfer entirely to Public Entity. If the security is liquidated, any proceeds over the value of the defaulted amount of the matured investment, including accrued interest, plus reasonable expenses related to the liquidation transaction, shall be returned to Prosperity. This power is in addition to other remedies which Public Entity may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by Public Entity under this Agreement. Prosperity does hereby release and discharge Safekeeping Bank from any liability for the release of the pledged securities to the Public Entity in accordance with the provisions of this paragraph.

8. Duties.

a. Prosperity shall faithfully do and perform all of the duties and obligations required by the laws of the State of Texas for depositories of Public Entity, and shall upon presentation pay all checks drawn on it by the duly authorized representatives of Public Entity against collected funds of Public Entity on demand deposit, and shall at the expiration of the term for which it has been chosen as depository of Public Entity turn over to its successor all funds, property and things of value coming into its hands as depository.

b. Safekeeping Bank agrees to perform all duties hereof and to indemnify the Public Entity for any reasonable loss, cost, or expense, including reasonable attorney's fees, resulting from its failure to perform the duties imposed upon it by this Collateral and Pledge Agreement unless such loss can be demonstrated by Safekeeping Bank to have been due to a cause or causes beyond the reasonable control of Safekeeping Bank (such as acts of God, acts of the public enemy, insurrections, riots, explosions, or other cataclysmic events) or to have been caused in whole or in part by the error, dishonesty, omission, fraud, embezzlement, theft or negligence of the Public Entity, its employees, its officers, its agents, or its directors.

9. Non-Assignability. This Agreement is not assignable in whole or in part but is binding on the parties hereto, their successors and assigns.

10. Law Governing. The laws of the State of Texas, without regard to its conflicts of law principles, but including without limitation all applicable provisions and requirements governing depositories for public entities, shall govern this Agreement.

11. Director Authorization. Prosperity represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of Prosperity.

12. Safekeeping Fees. Any and all fees associated with the safekeeping of securities for benefit of Public Entity which Safekeeping Bank shall charge shall be borne by Prosperity.

13. County Agreement Terms. In the event that Public Entity is a County in the State of Texas, the following provision applies: the parties understand and agree that Texas Local Government Code Section 116.021 requires a depository contract of the nature of this Agreement that is for a term of four years to allow the County to establish, on the basis of negotiations with Prosperity, new interest rates and financial terms of the contract that will take effect during the final two (2) years of the four-year contract. The parties agree that, notwithstanding anything else to the contrary in this Agreement, in the event they enter into such negotiations but are unable to come to agreement upon any such new interest rates or financial terms, Prosperity may, at its option, terminate this Agreement upon written notice to the County without cost or penalty.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS the execution hereof this _____ day of _____, 20___.

PUBLIC ENTITY: [Name of Public Entity:] _____

By:_____
Name:_____
Title:_____

PROSPERITY BANK

By:_____
Name:_____
Title:_____

SAFEKEEPING BANK:

FEDERAL HOME LOAN BANK OF DALLAS

By:_____
Name:_____
Title:_____

IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT
Substitute Checks and Your Rights

What is a substitute check?

To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What are my rights regarding substitute checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).
The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.
If you use this procedure, you may receive up to $2,500.00 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.
We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

How do I make a claim for a refund?

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at:
Prosperity Bank
1301 N Mechanic St
El Campo, TX 77437-2633
(800) 531-1401

You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include —

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check or the following information to help us identify the substitute check: For example, the check number, the name of the person to whom you wrote the check, and the amount of the check is required in addition to or instead of the substitute check.

Electronic Fund Transfers

Your Rights and Responsibilities

The Electronic Fund Transfers we are capable of handling for consumers are indicated below, some of which may not apply to your account. Some of these may not be available at all terminals. Please read this disclosure carefully because it tells you your rights and obligations for these transactions. Options following a checkbox (☐) only apply if checked. You should keep this notice for future reference.

Types of Transfers, Frequency and Dollar Limitations

☒ **(a) Prearranged Transfers.**

- ☒ Preauthorized credits. You may make arrangements for certain direct deposits to be accepted into your ☒ checking ☒ savings ☐ prepaid account(s).
- ☒ Preauthorized payments. You may make arrangements to pay certain recurring bills from your ☒ checking ☐ savings ☐ prepaid account(s).
- ☐

☒ **(b) Telephone Transfers.** You may access your account(s) by telephone at Fastline using a touch tone phone, your account numbers, and your personal identification number ("PIN") to:

- ☒ Transfer funds from checking to savings
- ☒ Transfer funds from savings to checking
- ☐ Transfer funds from to
- ☐ Transfer funds from to
- ☒ Make payments from checking to loan accounts with us
- ☐ Make payments from to
- ☐ Make payments from to
- ☒ Get checking account(s) information
- ☒ Get saving account(s) information
- ☐
- ☐

☒ **(c) ATM Transfers.** You may access your account(s) by ATM using your ATM Card or Debit Card and personal identification number to:

- ☒ Making deposits to checking accounts
- ☒ Make deposits to savings accounts
- ☒ Get cash withdrawals from checking accounts you may withdraw no more than $600.00 per day
- ☒ Get cash withdrawals from savings accounts you may withdraw no more than $600.00 per day
- ☒ Transfer funds from savings to checking
- ☒ Transfer funds from checking to savings
- ☐ Transfer funds from to
- ☒ Make payments from checking account to loans you have with us. Payments at ATMs are subject to verification.
- ☐ Make payments from to
- ☒ Get checking account(s) information
- ☒ Get saving account(s) information
- ☒ Some of these services may not be available at all terminals.
- ☐

☒ **(d) Point-Of-Sale Transactions.**

Using your card:

- ☒ You may access your ☒ checking account ☐ account(s) to purchase goods (☒ in person, ☒ by phone, ☒ by computer), pay for services (☒ in person, ☒ by phone, ☒ by computer), get cash from a merchant, if the merchant permits, or from a participating financial institution, and do anything that a participating merchant will accept.

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Types of Transfers, Frequency and Dollar Limitations, Continued

☒ You may not exceed more than $ 200.00 in transactions per day for accounts open less than one year .
☒ For accounts opened at least one year, Debit Cards may not exceed more than $2,500 in transactions per day; ATM Cards may not exceed
☒ more than $600 in transactions per day.

☒ **(e) Computer Transfers.** You may access your account(s) by computer by online banking access at www.prosperitybankusa.com

and using your
User Name and Password to:

☒ Transfer funds from checking to savings
☒ Transfer funds from savings to checking
☒ Transfer funds from your account with us to your account at another institution
☐ Transfer funds from to
☒ Make payments from checking to loan accounts with us
☒ Make payments from your checking account to third parties for bill payment
☐ Make payments from to
☒ Get checking account(s) information
☒ Get saving account(s) information
☒ Wire transfers and ACH origination transfers are available for Treasury Management customers (not available on mobile application)
☐

☒ **(f) Mobile Banking Transfers.** You may access your account(s) by web-enabled cell phone by mobile application or at www.prosperitybankusa.com

and using your
User Name and Password to:

☒ Transfer funds from checking to savings
☒ Transfer funds from savings to checking
☐ Transfer funds from to
☐ Transfer funds from to
☒ Make payments from checking to loan accounts with us
☒ Make payments from checking accounts to third parties
☐ Make payments from to
☒ Get checking account(s) information
☒ Get saving account(s) information
☒ Deposit funds via mobile application (limitations apply)
☐
☐
☐
☒ You may be charged access fees by your cell phone provider based on your individual plan. Web access is needed to use this service. Check with your cell phone provider for details on specific fees and charges.

☒ **(g) Electronic Fund Transfers Initiated By Third Parties.** You may authorize a third party to initiate electronic fund transfers between your account and the third party's account. These transfers to make or receive payment may be one-time occurrences or may recur as directed by you. These transfers may use the Automated Clearing House (ACH) or other payments network. Your authorization to the third party to make these transfers can occur in a number of ways. For example, your authorization to convert a check to an electronic fund transfer or to electronically pay a returned check charge can occur when a merchant provides you with notice and you go forward with the transaction (typically, at the point of purchase, a merchant will post a sign and print the notice on a receipt). In all cases, these third party transfers will require you to provide the third party with your account number and financial institution information. This information can be found on your check as well as on a deposit or withdrawal slip. Thus, you should only provide your financial institution and account information (whether over the phone, the Internet, or via some other method) to trusted third parties whom you have authorized to initiate these electronic fund transfers. Examples of these transfers include, but are not limited to:

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Types of Transfers, Frequency and Dollar Limitations, Continued

(g) EFTs Initiated By Third Parties, Continued

☒ **Electronic check conversion.** You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills. You may:

☐ Not exceed more than payments by electronic check per .

☐ Make payments by electronic check from . Payments are limited to per .

☒ **Electronic returned check charge.** You may authorize a merchant or other payee to initiate an electronic fund transfer to collect a charge in the event a check is returned for insufficient funds. You may:

☐ Make no more than payments per for electronic payment of charges for checks returned for insufficient funds.

☐ Make electronic payment of charges for checks returned for insufficient funds from . Payments are limited to per .

☐

General Limitations

In addition to those limitations on transfers elsewhere described, if any, the following limitations apply:

☐ Transfer or withdrawals from a account to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction, computer transfer, or by check, draft, debit card or similar order to a third party, are limited to per . If you exceed the transfer limitations set forth above, your account shall be subject to closure.

☐

Fees

☐ We charge each to our customers whose accounts are set up to use .

☐ We charge each but only if the balance in the falls below during the .

☐ Please refer to for a list of all the prepaid account/card fees.

☒ $3.00, each, ATM/Debit transaction off premises.

☒ $10.00, each, Overdraft Transfer

$5.50, each, Telephone Transfer

Except as indicated above, we do not charge for Electronic Fund Transfers.

ATM Operator/Network Fees: When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used (and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer).

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Documentation

(a) Terminal Transfers. You can get a receipt at the time you make a transfer to or from your account using a(n)

☒ automated teller machine

☒ point-of-sale terminal.

☒ You may not get a receipt if the amount of the transfer is $15 or less.

(b) Preauthorized Credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at the telephone number listed below to find out whether or not the deposit has been made.

(c) In addition,

☒ You will get a monthly account statement from us, unless there are no transfers in a particular month. In any case you will get a statement at least quarterly.

☐ You will get a quarterly statement from us on your savings account if the only possible electronic transfer to or from the account is a preauthorized credit.

☐ If you bring your passbook to us, we will record any electronic deposits that were made to your account since the last time you brought in your passbook.

☐ You may obtain information about the amount of money you have remaining in your prepaid account by calling the telephone number listed below. This information, along with a 12-month history of account transactions, is also available online at

☐ If your prepaid account is registered with us, you also have the right to obtain at least 24 months of written history of account transactions by calling or writing us at the telephone number or address listed in this disclosure. You will not be charged a fee for this information unless you request it more than once per month.

☐ You also have the right to obtain at least 24 months of written history of your prepaid account transactions by calling or writing us at the telephone number or address listed in this disclosure. You will not be charged a fee for this information unless you request it more than once per month.

☐

Preauthorized Payments

(a) Right to stop payment and procedure for doing so. If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call or write us at the telephone number or address listed in this disclosure, in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

☒ We charge $35.00 for each stop payment.

(b) Notice of varying amounts. If these regular payments may vary in amount, the person you are going to pay will tell you, 10 days before each payment, when it will be made and how much it will be. (You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.)

(c) Liability for failure to stop payment of preauthorized transfer. If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

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Financial Institution's Liability

(a) Liability for failure to make transfers. If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses and damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the terminal or system was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you.

Confidentiality

We will disclose information to third parties about your account or the transfers you make:

(1) where it is necessary for completing transfers; or

(2) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant; or

(3) in order to comply with government agency or court orders; or

(4) ☒ if you give us written permission.
☐ as explained in the separate Privacy Disclosure.
☐

Unauthorized Transfers

☒ **(a) Consumer Liability.** Tell us at once if you believe your card and/or code has been lost or stolen, or (if your account can be accessed by check) if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your card and/or code, you can lose no more than $50 if someone used your card and/or code without your permission. Also, if you do NOT tell us within 2 business days after you learn of the loss or theft of your card and/or code, and we can prove we could have stopped someone from using your card and/or code without your permission if you had told us, you could lose as much as $500. Also, if your statement (or for a prepaid account where no statement is sent, if your electronic history or written history) shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was transmitted to you (or for a prepaid account where no statement is sent, 60 days after the earlier of the date you electronically access your account, if the error could be viewed in your electronic history, or the date we sent the FIRST written history on which the error appeared), you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time period.

☐ **Visa® Debit Card.** Additional Limits on Liability for
Unless you have been negligent or have engaged in fraud, you will not be liable for any unauthorized transactions using your lost or stolen Visa card. This additional limit on liability does not apply to ATM transactions outside of the U.S., to ATM transactions not sent over Visa or Plus networks, to anonymous Visa prepaid card transactions, or to

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Unauthorized Transfers, Continued

transactions using your Personal Identification Number which are not processed by Visa. Visa is a registered trademark of Visa International Service Association.

☒ **Mastercard® Debit Card.** Additional Limits on Liability for debit cards
You will not be liable for any unauthorized transactions using your Mastercard debit card if: (i) you can demonstrate that you have exercised reasonable care in safeguarding your card from the risk of loss or theft, and (ii) upon becoming aware of a loss or theft, you promptly report the loss or theft to us. This additional limit on liability does not apply to a prepaid card until such time as the prepaid card is registered with us and we have completed our customer identification program requirements. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

☐

(b) Contact in event of unauthorized transfer. If you believe your card and/or code has been lost or stolen, call or write us at the telephone number or address listed at the end of this disclosure. You should also call the number or write to the address listed at the end of this disclosure if you believe a transfer has been made using the information from your check without your permission.

☐ **(a) Consumer Liability.** There are no limitations on your liability for unauthorized transfers using this prepaid card. This is because we do not have a consumer identification or verification process for this prepaid card.

Error Resolution Notice

☒ In Case of Errors or Questions About Your Electronic Transfers, Call or Write us at the telephone number or address listed below, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

(1) Tell us your name and account number (if any).

(2) Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.

(3) Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days involving a Visa® point-of-sale transaction, other than an anonymous Visa prepaid card transaction, processed by Visa or 20 business days if the transfer involved a new account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days (90 days if the transfer involved a new account, a point-of-sale transaction, or a foreign-initiated transfer) to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days involving a Visa point-of-sale transaction, other than an anonymous Visa prepaid card transaction, processed by Visa or 20 business days if the transfer involved a new account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account. An account is considered a new account for 30 days after the first deposit is made, if you are a new customer.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

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Error Resolution Notice, Continued

☐ There is not an error resolution process for prepaid cards. This is because we do not have a consumer identification or verification process for the prepaid cards we offer.

☐ In Case of Errors or Questions About Your Prepaid Account Telephone or Write at the telephone number or address listed in this disclosure as soon as you can, if you think an error has occurred in your prepaid account. We must allow you to report an error until 60 days after the earlier of the date you electronically access your account, if the error could be viewed in your electronic history, or the date we sent the FIRST written history on which the error appeared. You may request a written history of your transactions at any time by calling or writing us at the telephone number or address listed in this disclosure. You will need to tell us:

(1) Your name and prepaid account number.

(2) Why you believe there is an error, and the dollar amount involved.

(3) Approximately when the error took place.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days (5 business days involving a Visa point-of-sale transaction, other than an anonymous Visa prepaid card transaction, processed by Visa) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, and your account is registered with us, we will credit your account within 10 business days (5 business days involving a Visa point-of-sale transaction, other than an anonymous Visa prepaid card transaction, processed by Visa) for the amount you think is in error, so that you will have the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation.

You may ask for copies of the documents that we used in our investigation.

If you need more information about our error-resolution procedures, call us at the telephone number listed in this disclosure ☐ or visit

☐ Keep reading to learn more about how to register your card.

☐ **Warning regarding unverified prepaid accounts.** It is important to register your prepaid account as soon as possible. Until you register your account and we verify your identity, we are not required to research or resolve any errors regarding your account. To register your account, go to the website or call us at the telephone number listed in this disclosure. We will ask you for identifying information about yourself (including your full name, address, date of birth, and Social Security Number or government-issued identification number, so that we can verify your identity.

Important Information Regarding Your Prepaid Card

☐ **FDIC insurance eligibility for your prepaid card.**

☐ Be sure to register your card for FDIC insurance eligibility and other protections.

☐ Your funds are eligible for FDIC insurance.

Your funds will be held at or transferred to us, an FDIC insured institution. Once here, your funds are insured up to $250,000 by the FDIC in the event we fail, if specific deposit insurance requirements are met and your card is registered. See fdic.gov/deposit/deposits/prepaid.html for details.

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Important Information Regarding Your Prepaid Card, Continued

☐ **NCUA insurance for your prepaid card, if eligible.**

☐ Be sure to register your card for NCUA insurance, if eligible, and other protections.

☐ Your funds are NCUA insured, if eligible.

Your funds will be held at or transferred to us, an NCUA-insured institution. Once here, if specific share insurance requirements are met and your card is registered, your funds are insured up to $250,000 by the NCUA in the event we fail.

☐ **NOT FDIC or NCUA insured.** The funds in our prepaid card are not FDIC or NCUA insured.

☐ Treat this card like cash.

☐ Your funds will be held at or transferred to us. If we fail, you are not protected by FDIC deposit or NCUA share insurance and you could lose some or all of your money.

☐ Register your card for other protections.

No overdraft/credit feature. There is no overdraft/credit feature associated with your prepaid card.

Prepaid account information or complaints. For general information about prepaid accounts, visit *cfpb.gov/prepaid*. If you have a complaint about a prepaid account, call the Consumer Financial Protection Bureau at 1-855-411-2372 or visit *cfpb.gov/complaint*.

Our contact information. You can use the contact information listed in this disclosure to get more information about your prepaid card. Contact us by: ☐ phone ☐ mail ☐ at our website

---

By signing below customer acknowledges receipt of pages 1, 2, 3, 4, 5, 6, 7, 8 and 9 of this notice:

_____

Signed *Dated*

INSTITUTION (name, address, telephone number, etc., and business days)

Prosperity Bank

1301 N Mechanic St
El Campo, TX 77437-2633

DEFINITION OF BUSINESS DAY: Business days are Monday through Friday excluding federal holidays.

CALL US AT: (800) 531-1401

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Additional Information

Currency Conversion and Cross-Border Transaction Fees. If you effect a transaction with your Mastercard - branded Debit Card in a currency other than US Dollars, Mastercard will convert the charge into a US Dollar amount. The Mastercard currency conversion procedure includes use of either a government-mandated exchange rate, or a wholesale exchange rate selected by Mastercard. The exchange rate Mastercard uses will be a rate in effect on the day the transaction is processed. This rate may differ from the rate in effect on the date of purchase or the date the transaction was posted to your account. Mastercard charges us a Currency Conversion Assessment of 20 basis points (.2% of the transaction) on all cross-border transactions regardless of whether there is a currency conversion. As a result, we charge you a Currency Conversion fee of .2% and a Cross-Border Transaction fee of .9%. The Cross-Border Transaction fee is charged on all cross-border transactions regardless of whether there is a currency conversion. A cross-border transaction is a transaction processed through the Global Clearing Management System or the Mastercard Debit Switch in which the country of the merchant is different than the country of the cardholder.

Advisory Against Illegal Use. You agree not to use your card(s) for illegal gambling or other illegal purpose. Display of a payment card logo by, for example, an online merchant does not necesssarily mean that transactions are lawful in all jurisdictions in which the cardholder may be located. Please see your cardholder agreement for additional information relating to the use of your Debit Card.

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PROSPERITY BANK®

FUNDS AVAILABILITY POLICY DISCLOSURE

Your Ability to Withdraw Funds

The information in our Funds Availability Policy describes our policy for holding deposited items in a transaction account before funds are made available to you for withdrawal. Once the funds are available, you can withdraw them in cash, and we will use the funds to pay checks that you have written.

DETERMINING THE AVAILABILITY OF YOUR DEPOSIT

For determining the availability of your deposit. Every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before **6:00 p.m.** on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after **6:00 p.m.** or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delays varies depending on the type of deposit. When we delay your ability to withdraw funds from a deposit, you may not withdraw funds in cash, and we will not pay checks you have written on your account using these funds. Even after we have made funds available to you, and you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

Holds on Other Funds

Check Cashing. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Other Account. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Availibility Schedule

Same Day Availability. Funds from electronic direct deposits to your account will be available on the day we receive the deposit.

Next Day Availability. Funds from the following deposits are available on the first business day after the day of your deposit: (a) cash; (b) wire transfers; and (c) checks drawn on us.

If the items are payable to you and you make the deposit in person to one of our employees, funds from the following deposits will also be available on the first business day after the day of your deposit; (a) U.S. Treasury checks, (b) Federal Reserve Bank or Federal Home Loan Bank checks and postal money orders, (c) State and local government checks, (d) Cashier's, certified and teller's checks. If you do not make your deposit in person to one of our employees (for example, if you mail the deposit), funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits. The first $225 from a deposit of checks other than those listed above will be available on the first business day after the day of your deposit. The remaining funds with be available on the second business day after the day of your deposit.

For example, if you deposit a check of $700 on a Monday, $225 of the deposit is available on Tuesday. The remaining $475 is available on Wednesday.

Longer Delays May Apply

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Exceptions. Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $5,525 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over $5,525 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,525 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

Deposits at Automated Teller Machines

We only allow deposits to be made at ATMs that we own or operate. All ATMs that we own or operate are identified as our machines.

Notice of Negative Information (Pre-sharing)

Federal law requires us to provide the following notice to customers before any "negative information" may be furnished to a nationwide consumer reporting agency. "Negative information" means information concerning delinquencies, late payments, insolvency, or any form of default. This notice does not mean that we will be reporting such information about you, only that we may report such information about customers that have not done what they are required to do under our agreement.

After providing this notice, additional negative information may be submitted without providing another notice.

* * * *

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.



PROSPERITY BANK®

NOTICE REGARDING PAYMENT OF ITEMS -

To help you better utilize your Prosperity account it is important that you are aware of the order in which we pay items drawn against your checking (demand deposit) account. When processing items drawn on your account, our policy is to pay items in the order received.

The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. The law permits us to pay items drawn on your account in any order. There is no policy that is favorable in every instance. Paying items in the order received is a neutral posting order.

If an item is presented without sufficient funds in your account to pay it, we may, at our discretion, pay the item (creating an overdraft) or return the item for non-sufficient funds. Costs of the overdraft and return item fees have been disclosed to you previously. We encourage you to make careful records and practice good account management. This will help you avoid items being drawn against your account without sufficient funds and incurring the resulting fees.

PROSPERITY BANK®

Rev 3/1/2022

FACTS

WHAT DOES PROSPERITY BANK DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Payment History and transaction or loss history
- Checking account information and account transactions

When you are *no longer* our customer, we may continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Prosperity Bank chooses to share; and whether you can limit this sharing.

Reasons financial companies can share your personal information	Does Prosperity Bank share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share

Questions? Call 1-800-531-1401 or visit www.prosperitybankusa.com

What we do	
How does Prosperity Bank protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Prosperity Bank collect my personal information?	We collect your personal information, for example, when you • Open an account or deposit money • Apply for a loan or give us your income information • Give us your contact information We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only • Sharing for affiliates' everyday business purposes—information about your creditworthiness • Affiliates from using your information to market to you • Sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. • *Prosperity Bank does not share with our affiliates*
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. • *Prosperity Bank does not share with nonaffiliates for marketing purposes*
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. • *Our joint marketing partner is another financial institution that executes securities transactions for our customers*

Other important information

Prosperity Bank® is chartered under the laws of the State of Texas and by state law is subject to regulatory oversight by the Texas Department of Banking. Any consumer wishing to file a complaint against Prosperity Bank® should contact the Texas Department of Banking through the means indicated below.

In Person or by U.S. Mail:	Texas Department of Banking 2601 North Lamar Boulevard, Suite 300 Austin, Texas 78705-4294
By Telephone:	1-877/276-5554 (toll free)
By Fax:	1-512/475-1313
By Email:	consumer.complaints@dob.texas.gov
Via the Internet Website:	www.dob.texas.gov

California Residents: In accordance with California law, Prosperity Bank will not share personal information we collect about California Residents with companies outside of Prosperity Bank, except as permitted by law, such as legal processes, as required to service your account or unless you provide us with express consent to do so.

Terms and Conditions of Your Account

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(1) Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

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(2) Agreement

This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Texas and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

"Party" means a person who, by the terms of an account, has a present right, subject to request, to payment from the account other than as a beneficiary or agent.

(3) Liability

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

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(4) Deposits

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

(5) Withdrawals

Important Terms for Accounts Where More Than One Person Can Withdraw. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated Checks. A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and Withdrawal Rules. If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash Withdrawals. We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

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(5) Withdrawals, Continued

Multiple Signatures, Electronic Check Conversion, and Similar Transactions. An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of Withdrawal. We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

(6) Uniform Single-Party or Multiple-Party Account Selection Form Notice

The type of account you select may determine how property passes on your death. Your will may not control the disposition of funds held in some of the following accounts. You may choose to designate one or more convenience signers on an account, even if the account is not a convenience account. A designated convenience signer may make transactions on your behalf during your lifetime, but does not own the account during your lifetime. The designated convenience signer owns the account on your death only if the convenience signer is also designated as a P.O.D. payee or trust account beneficiary.

Single-Party Account Without "P.O.D." (Payable on Death) Designation. The party to the account owns the account. On the death of the party, ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

Single-Party Account With "P.O.D." (Payable on Death) Designation. The party to the account owns the account. On the death of the party, ownership of the account passes to the P.O.D. beneficiaries of the account. The account is not a part of the party's estate.

Multiple-Party Account Without Right of Survivorship. The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes as a part of the party's estate under the party's will or by intestacy.

Multiple-Party Account With Right of Survivorship. The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of a party, the party's ownership of the account passes to the surviving parties.

Multiple-Party Account With Right of Survivorship and "P.O.D." (Payable on Death) Designation. The parties to the account own the account in proportion to the parties' net contributions to the account. The financial institution may pay any sum in the account to a party at any time. On the death of the last surviving party, the ownership of the account passes to the P.O.D. beneficiaries.

Convenience Account. The parties to the account own the account. One or more convenience signers to the account may make account transactions for a party. A convenience signer does not own the account. On the death of the last surviving party, ownership of the account passes as a part of the last surviving party's estate under the last surviving party's will or by intestacy. The financial institution may pay funds in the account to a convenience signer before the financial institution receives notice of the death of the last surviving party. The payment to a convenience signer does not affect the parties' ownership of the account.

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(6) Uniform Single-Party or Multiple-Party Account Selection Form Notice, Continued

Trust Account. The parties named as trustees to the account own the account in proportion to the parties' net contributions to the account. A trustee may withdraw funds from the account. A beneficiary may not withdraw funds from the account before all trustees are deceased. On the death of the last surviving trustee, the ownership of the account passes to the beneficiary. The trust account is not a part of a trustee's estate and does not pass under the trustee's will or by intestacy, unless the trustee survives all of the beneficiaries and all other trustees.

(7) Business, Organization, and Association Accounts

Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

(8) Stop Payments

The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law; it must be made in a dated, authenticated record that describes the item with certainty. (Generally, a "record" is information that is stored in such a way that it can be retrieved and can be heard or read and understood - you can ask us what type of stop-payment records you can give us.) We must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not. Your stop-payment order is effective for six months. Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

(9) Telephone Transfers

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

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(10) Amendments and Termination

We may change any term of this agreement. For such changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also suspend or terminate a service or close this account at any time upon reasonable notice to you and, if we close the account, tender of the account balance personally or by mail. Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new terms.

When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account.

Items presented for payment after the account is closed may be dishonored.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

(11) Correction of Clerical Errors

Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the Statements section.

(12) Notices

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

(13) Statements

Your Duty to Report Unauthorized Signatures (Including Forgeries and Counterfeit Checks) and Alterations on Checks and Other Items. You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

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(13) Statements, Continued

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

Your Duty to Report Other Errors or Problems. In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors Relating to Electronic Fund Transfers or Substitute Checks *(For consumer accounts only)*. For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

Duty to Notify if Statement Not Received. You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

(14) Reimbursement of Federal Benefit Payments

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

(15) Temporary Account Agreement

If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

(16) Setoff

We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

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(16) Setoff, Continued

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity, or (d) the debt is created by a home equity loan. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

(17) Check Processing

We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements.

We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

(18) Check Cashing

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

(19) Truncation, Substitute Checks, and Other Check Images

If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

(20) Remotely Created Checks

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner's name typed or printed on the signature line.

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(20) Remotely Created Checks, Continued

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

(21) Unlawful Internet Gambling Notice

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

(22) ACH and Wire Transfers

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

(23) International ACH Transactions

Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

(24) Facsimile Signatures

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

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(25) Restrictive Legends or Indorsements

The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than $1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

(26) Account Transfer

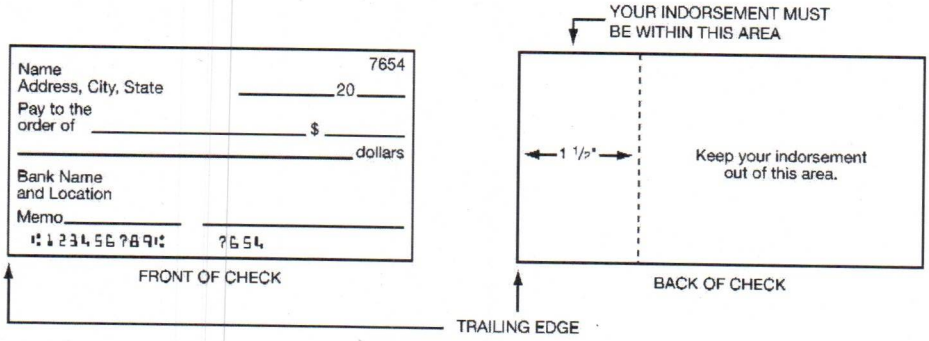
This account may not be transferred or assigned without our prior written consent.

(27) Indorsements

We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g., additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement, or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

(28) Death or Incompetence

You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of

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(28) Death or Incompetence, Continued

incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

(29) Fiduciary Accounts

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

(30) Credit Verification

You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

(31) Legal Actions Affecting Your Account

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

(32) Account Security

Your Duty to Protect Account Information and Methods of Access. Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for

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(32) Account Security, Continued

example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive Pay and Other Fraud Prevention Services. Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

(33) Instructions From You

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

(34) Monitoring and Recording Telephone Calls and Account Communications

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

(35) Claim of Loss

The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other

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(35) Claim of Loss, Continued

unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

(36) Early Withdrawal Penalties *(and involuntary withdrawals)*

We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

(37) Changes in Name and Contact Information

You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

(38) Resolving Account Disputes

We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

(39) Waiver of Notices

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

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(40) Additional Terms

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Addendum to Terms and Conditions of Consumer Account

This Addendum to Terms and Conditions of Account (the "Addendum") is attached to and made a part of the Terms and Conditions of Account of Prosperity Bank (the "Terms and Conditions"), which together with any and all documents we provide you relating to your account at Prosperity Bank ("Prosperity" or "we" or "us") constitute your account agreement for your deposit account(s) (the "Account(s)") at Prosperity (all together, the "Account Agreement"), and supplements the Terms and Conditions. Unless otherwise noted, terms herein shall have the same meaning as in the Terms and Conditions. In the event of a conflict between the terms of this Addendum and the Terms and Conditions, the terms of this Addendum shall control.

In addition to and notwithstanding anything to the contrary in the Terms and Conditions, we and each of you agree on the following terms:

Restrictive Legends - We will not agree, in writing or otherwise, to honor any restrictive legend on checks you write.

Your Duty to Examine Your Statement - For all non-consumer accounts and consumer account issues not governed by specific regulatory requirements such as those of the Federal Reserve Board's Regulation E, your duty to examine your statement includes an examination for any unauthorized Automated Clearing House ("ACH") transactions or unauthorized wire transfer transactions, whether into or from your Account(s). You must report to us these and any other unauthorized transactions within the time frames described in the Terms and Conditions for reporting errors in your statements.

Limitation of Liability - Neither you nor we are liable to the other for indirect, consequential, special, incidental, or punitive damages of any kind or nature whatsoever (including without limitation lost profits, lost revenues, lost savings, lost opportunity or harm to business), whether or not foreseeable, whether or not the party had or should have had any knowledge, actual or constructive, that such damages might be incurred, and regardless of the form of action, nature of the claim asserted or the frustration of either party's purpose.

The provisions of this Account Agreement will survive the closing of the Account(s).

Subaccount Organization - We have organized your account in a nontraditional way. Your account consists of two subaccounts. One of these accounts is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontraditional transaction subaccount (e.g., a savings account). You cannot directly access the nontraditional transaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your account operates and the way a traditionally organized account operates, but this organization makes us more efficient and helps to keep costs down.

Understanding and Avoiding Overdraft and Return Item Fees

General. This Addendum is part of the Terms and Conditions of Your Account. The information in this Addendum is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or a return item fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If we cover a transaction for which there is not enough money in your account to pay, we consider that an overdraft and assess an overdraft fee. We treat all other transactions for which there is not enough money in your account as an NSF transaction and assess a return item fee.

Determining Your Available Balance. We use the "account balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your accouunt balance may not be the same as your available balance.

Your account balance only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The account balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes transactions that have been authorized but not yet settled and subtracts them from the account balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from your balance.

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Transactions made after a business day cutoff time will not be processed and settled to your account until the bank receives the settlement transaction. Business day cutoff times may vary by location or service. Cutoff times are subject to change and may be extended without notice. The cutoff times below generally apply:

Deposits, payments or transfers in banking center	Banking center closing time - varies by location
Customer Service Center transfers	Customer Service Center closing time - hours vary
ACH credits or debits	Memo credit/debit and posted/settled on transaction effective date
Incoming wire transfers	5 PM CT
Outgoing wire transfers - consumer domestic	4 PM CT; 1:30 PM CT tax payment
Outgoing wire transfers - consumer international	3:30 PM CT
Debit Card transactions (including refunds, cash apps)	5 PM CT
ATM deposits or transactions	6 PM CT
Mobile deposits	6 PM CT
Internet Banking/Mobile transfers between Prosperity Bank accounts	8 PM CT
Fastline (IVR) phone transfers between Prosperity Bank accounts	8 PM CT
Real-time Zelle credits	8 PM CT

If we add a new deposit service with a different cutoff time, this disclosure will be updated and an updated copy may be obtained upon request. The cutoff time for a new deposit service may also be obtained by calling our Customer Service Center at 800-531-1401 or by visiting any banking center.

For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A Temporary Debit Authorization Hold Affects Your Available Balance."

Discretionary Overdraft Payments. We may pay overdrafts on your accounts at our discretion. If you write a check or initiate another form of payment that will overdraw your account if paid, we will either (a) pay the overdraft or (b) return the item or debit unpaid for nonsufficient funds (NSF) (see "Return Item Fees/Multiple Presentment" below). In either case, you will be charged an overdraft or return item fee according to our Schedule of Fees. We will not charge fees for overdrafts caused by ATM withdrawals or one-time debit card transactions if you have not opted-in to the Advantage Overdraft Program specifically for ATM/debit cards. We pay overdrafts at our discretion, which means we do not guarantee that we will always pay or authorize any type of transaction. The fact that we may pay one or more items creating overdrafts does not obligate us to do so in the future. So, you CANNOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Categories of Transactions. The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, draft, or similar order; in-person withdrawal; ATM withdrawal; ACH transactions; or other electronic means. We will not pay ATM and one-time debit card transactions at our discretion unless you opt-in to the Advantage Overdraft Program from an eligible account.

Your Responsibilities for Overdrafts. If you have an overdraft of your account, you must immediately deposit enough money into your account to pay both the overdraft amount and the fee(s) we charge.

Circumstances That May Affect Whether We Pay. The circumstances under which we pay an item or transaction that would overdraw your account are entirely within our discretion, and we have the right not to pay any overdraft item or transaction.

Less Costly Alternatives. Overdraft fees can add up quickly, especially if multiple overdraft items clear the same day. Similarly, return item fees can also add up quickly. Accordingly, we discourage the intentional and routine writing of checks or initiating of electronic funds transfers or other transactions that will overdraw your account if paid. If more than occasional and inadvertent use of discretionary overdraft payments is anticipated, we believe you should consider less costly alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account, your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, you would automatically borrow funds on the line of credit and have them transferred to your checking account as needed to avoid overdrafts. As an overdraft line of credit is a loan, it is subject to credit approval. We encourage you to inquire about the alternatives we offer. A line of credit or a linked account can be cheaper than overdraft fees.

Return Item Fees/Multiple Presentment. If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and we decide not to pay the item or transaction, you agree that we can charge you a return item fee for returning the NSF item or transaction. Be aware that such an item or transaction may be presented multiple times, such as when a merchant or payee re-presents a check or ACH transaction on more than one occasion after the initial unpaid transaction was declined. We do not monitor or control the number of times a merchant or payee presents an item or transaction for payment. You agree that we may charge you a return item fee each time an item or transaction is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the item or transaction is presented.

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Fees. (Refer to the Current Schedule of Fees)
We charge a return item fee for each presentment of an NSF item or transaction.
We charge an overdraft fee each time we pay an overdraft item or transaction.
A maximum of five overdraft fees and a maximum of five return item fees will be assessed per account per day.
We charge a negative balance fee. The fee will be assessed in any statement period in which your account balance is below $0.00 on any day during such statement period.
See the separate form entitled "What You Need to Know about Overdrafts and Overdraft Fees" for more information.

Payment Types. Some, but not necessarily all, of the ways you can access the funds in your account include debit card or ATM transactions, ACH transactions, in-person transactions, and check, draft or similar transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account.

Payment Order of Items. The order in which items are paid is important if there is not enough money in your account to pay all of the items or transactions that are presented. The payment order can affect the number of items or transactions overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we provide you with information regarding how we process those items. We encourage you to make careful records and practice good account management. This will help you to avoid items or transactions without sufficient funds and potentially incurring the resulting fees. When processing items drawn on your account, our policy is to pay items or transactions in the order received. For more information, see the "Notice Regarding Payment of Items".

Processing of Transactions. The order in which we receive and process payments may not be the order in which the item or transaction occurred. The order in which items or transactions are received and processed by us can affect the total amount of fees that you are charged.

Balance Information. Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our banking centers.

Funds Availability. Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees. Please see our funds availability policy disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for nonsufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are nonsufficient available funds.

A Temporary Debit Authorization Hold Affects Your Available Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold.

FDIC Insurance. This institution is a Member of the Federal Deposit Insurance Corporation.



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Terms and Conditions of Your Account

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(1) Important Information about Procedures for Opening a New Account

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

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(2) Agreement

This document, along with any other documents we give you pertaining to your account(s), is a contract (also referred to as "this agreement") that establishes rules which control your account(s) with us. Please read this carefully and retain it for future reference. If you open the account (whether in-person, electronically, or by any other method permitted by us) or continue to use the account after receiving a notice of change or amendment, you agree to these rules. You will receive a separate schedule of rates, qualifying balances, and fees if they are not included in this agreement. If you have any questions, please ask us.

This agreement is subject to applicable federal laws, the laws of the state of Oklahoma and other applicable rules such as the operating letters of the Federal Reserve Banks and payment processing system rules (except to the extent that this agreement can and does vary such rules or laws). The body of state and federal law that governs our relationship with you, however, is too large and complex to be reproduced here. The purpose of this agreement is to:

1. summarize some laws that apply to common transactions;
2. establish rules to cover transactions or events which the law does not regulate;
3. establish rules for certain transactions or events which the law regulates but permits variation by agreement; and
4. give you disclosures of some of our policies to which you may be entitled or in which you may be interested.

If any provision of this agreement is found to be unenforceable according to its terms, all remaining provisions will continue in full force and effect. We may permit some variations from our standard agreement, but we must agree to any variation in writing either on the signature card for your account or in some other document. Nothing in this agreement is intended to vary our duty to act in good faith and with ordinary care when required by law.

As used in this agreement the words "we," "our," and "us" mean the financial institution and the words "you" and "your" mean the account holder(s) and anyone else with the authority to deposit, withdraw, or exercise control over the funds in the account. However, this agreement does not intend, and the terms "you" and "your" should not be interpreted, to expand an individual's responsibility for an organization's liability. If this account is owned by a corporation, partnership or other organization, individual liability is determined by the laws generally applicable to that type of organization. The headings in this agreement are for convenience or reference only and will not govern the interpretation of the provisions. Unless it would be inconsistent to do so, words and phrases used in this agreement should be construed so the singular includes the plural and the plural includes the singular.

(3) Liability

You agree, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges. You authorize us to deduct these charges, without notice to you, directly from the account balance as accrued. You will pay any additional reasonable charges for services you request which are not covered by this agreement.

Each of you also agrees to be jointly and severally (individually) liable for any account shortage resulting from charges or overdrafts, whether caused by you or another with access to this account. This liability is due immediately, and we can deduct any amounts deposited into the account and apply those amounts to the shortage. You have no right to defer payment of this liability, and you are liable regardless of whether you signed the item or benefited from the charge or overdraft.

You will be liable for our costs as well as for our reasonable attorneys' fees, to the extent permitted by law, whether incurred as a result of collection or in any other dispute involving your account. This includes, but is not limited to, disputes between you and another joint owner; you and an authorized signer or similar party; or a third party claiming an interest in your account. This also includes any action that you or a third party takes regarding the account that causes us, in good faith, to seek the advice of an attorney, whether or not we become involved in the dispute. All costs and attorneys' fees can be deducted from your account when they are incurred, without notice to you.

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(4) Deposits

We will give only provisional credit until collection is final for any items, other than cash, we accept for deposit (including items drawn "on us"). Before settlement of any item becomes final, we act only as your agent, regardless of the form of indorsement or lack of indorsement on the item and even though we provide you provisional credit for the item. We may reverse any provisional credit for items that are lost, stolen, or returned. Unless prohibited by law, we also reserve the right to charge back to your account the amount of any item deposited to your account or cashed for you which was initially paid by the payor bank and which is later returned to us due to an allegedly forged, unauthorized or missing indorsement, claim of alteration, encoding error, counterfeit cashier's check or other problem which in our judgment justifies reversal of credit. You authorize us to attempt to collect previously returned items without giving you notice, and in attempting to collect we may permit the payor bank to hold an item beyond the midnight deadline. Actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars. We are not responsible for transactions by mail or outside depository until we actually record them. We will treat and record all transactions received after our "daily cutoff time" on a business day we are open, or received on a day we are not open for business, as if initiated on the next business day that we are open. At our option, we may take an item for collection rather than for deposit. If we accept a third-party check or draft for deposit, we may require any third-party indorsers to verify or guarantee their indorsements, or indorse in our presence.

(5) Withdrawals

Important Terms for Accounts Where More Than One Person Can Withdraw. Unless clearly indicated otherwise on the account records, any of you, acting alone, who signs to open the account or has authority to make withdrawals may withdraw or transfer all or any part of the account balance at any time. Each of you (until we receive written notice to the contrary) authorizes each other person who signs or has authority to make withdrawals to indorse any item payable to you or your order for deposit to this account or any other transaction with us.

Postdated Checks. A postdated check is one which bears a date later than the date on which the check is written. We may properly pay and charge your account for a postdated check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to have a reasonable opportunity to act. Because we process checks mechanically, your notice will not be effective and we will not be liable for failing to honor your notice unless it precisely identifies the number, date, amount and payee of the item.

Checks and Withdrawal Rules. If you do not purchase your check blanks from us, you must be certain that we approve the check blanks you purchase. We may refuse any withdrawal or transfer request which you attempt on forms not approved by us or by any method we do not specifically permit. We may refuse any withdrawal or transfer request which is greater in number than the frequency permitted by our policy, or which is for an amount greater or less than any withdrawal limitations. We will use the date the transaction is completed by us (as opposed to the date you initiate it) to apply any frequency limitations. In addition, we may place limitations on the account until your identity is verified.

Even if we honor a nonconforming request, we are not required to do so later. If you violate the stated transaction limitations (if any), in our discretion we may close your account or reclassify your account as another type of account. If we reclassify your account, your account will be subject to the fees and earnings rules of the new account classification.

If we are presented with an item drawn against your account that would be a "substitute check," as defined by law, but for an error or defect in the item introduced in the substitute check creation process, you agree that we may pay such item.

Cash Withdrawals. We recommend you take care when making large cash withdrawals because carrying large amounts of cash may pose a danger to your personal safety. As an alternative to making a large cash withdrawal, you may want to consider a cashier's check or similar instrument. You assume full responsibility of any loss in the event the cash you withdraw is lost, stolen, or destroyed. You agree to hold us harmless from any loss you incur as a result of your decision to withdraw funds in the form of cash.

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(5) Withdrawals, Continued

Multiple Signatures, Electronic Check Conversion, and Similar Transactions. An electronic check conversion transaction is a transaction where a check or similar item is converted into an electronic fund transfer as defined in the Electronic Fund Transfers regulation. In these types of transactions the check or similar item is either removed from circulation (truncated) or given back to you. As a result, we have no opportunity to review the signatures or otherwise examine the original check or item. You agree that, as to these or any items as to which we have no opportunity to examine the signatures, you waive any requirement of multiple signatures.

Notice of Withdrawal. We reserve the right to require not less than 7 days' notice in writing before each withdrawal from an interest-bearing account, other than a time deposit or demand deposit, or from any other savings deposit as defined by Regulation D. (The law requires us to reserve this right, but it is not our general policy to use it.) Withdrawals from a time account prior to maturity or prior to any notice period may be restricted and may be subject to penalty. See your separately provided notice of penalty for early withdrawal.

(6) Ownership of Account and Beneficiary Designation

These rules apply to this account depending on the form of ownership and beneficiary designation, if any, specified on the account records. We reserve the right to refuse some forms of ownership and beneficiary designations on any or all of our accounts unless otherwise prohibited by law. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account. This is an account in the name of one person.

Joint Account - With Survivorship *(And Not As Tenants In Common).* This is an account in the name of two or more persons. Each of you intend that when you die the balance in the account (subject to any previous pledge to which we have agreed) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship *(As Tenants In Common).* This is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the number of signatures necessary for withdrawal.

Revocable Trust or Pay-on-Death Account. If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless all persons creating the account die.

- If only primary beneficiaries have been named on the account:
  - On the death of the last surviving account owner, the account is payable to the surviving beneficiaries. If two or more primary beneficiaries are named and survive the death of all persons creating the account, such primary beneficiaries will own this account in equal shares, without right of survivorship. If all primary beneficiaries die before the last surviving account owner dies, the account is payable to the estate of the last surviving account owner.
- If there is only one primary beneficiary on the account, an account owner may designate one or more contingent beneficiaries. If there is more than one primary beneficiary on the account, contingent beneficiaries shall not be allowed. If one or more contingent beneficiaries have been named on the account:
  - On the death of the last surviving account owner, the account is payable to the primary beneficiary if living.
  - On the death of the last surviving account owner, if the primary beneficiary is not living, the account is payable to the contingent beneficiaries who are alive at the time of the account owner's death in equal shares. No interest in the account will belong to either the primary beneficiary's estate or to the estate of any predeceased contingent beneficiary.
  - On the death of the last surviving account owner, if neither the primary beneficiary nor any contingent beneficiary is living, the account is payable to the estate of the last surviving account owner.

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(6) Ownership of Account and Beneficiary Designation, Continued

The person(s) creating either of these account types reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the account funds at any time. Distributions from POD accounts shall be consistent with 6 Okl. St. 901 for banks.

(7) Business, Organization, and Association Accounts

Earnings in the form of interest, dividends, or credits will be paid only on collected funds, unless otherwise provided by law or our policy. You represent that you have the authority to open and conduct business on this account on behalf of the entity. We may require the governing body of the entity opening the account to give us a separate authorization telling us who is authorized to act on its behalf. We will honor the authorization until we actually receive written notice of a change from the governing body of the entity.

(8) Stop Payments

The rules in this section cover stopping payment of items such as checks and drafts. Rules for stopping payment of other types of transfers of funds, such as consumer electronic fund transfers, may be established by law or our policy. If we have not disclosed these rules to you elsewhere, you may ask us about those rules.

We may accept an order to stop payment on any item from any one of you. You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. Because the most effective way for us to execute a stop-payment order is by using an automated process, to be effective, your stop-payment order must precisely identify the number, date, and amount of the item, and the payee.

You may stop payment on any item drawn on your account whether you sign the item or not. Your stop-payment order is effective for six months if it is given to us in writing or by another type of record. (Generally, a "record" is information that is stored in such a way that it can be retrieved and can be heard or read and understood - you can ask us what type of stop-payment records you can give us.) Your order will lapse after that time if you do not renew the order in writing before the end of the six-month period. If the original stop-payment order was oral your stop-payment order will lapse after 14 calendar days if it is not confirmed in writing or by another type of record within that time period. We are not obligated to notify you when a stop-payment order expires.

If you stop payment on an item and we incur any damages or expenses because of the stop payment, you agree to indemnify us for those damages or expenses, including attorneys' fees. You assign to us all rights against the payee or any other holder of the item. You agree to cooperate with us in any legal actions that we may take against such persons. You should be aware that anyone holding the item may be entitled to enforce payment against you despite the stop-payment order.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law (e.g., we paid the item in cash or we certified the item).

(9) Telephone Transfers

A telephone transfer of funds from this account to another account with us, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to withdrawals made in writing. Limitations on the number of telephonic transfers from a savings account, if any, are described elsewhere.

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(10) Amendments and Termination

We may change any term of this agreement. For such changes, we will give you reasonable notice in writing or by any other method permitted by law. We may also suspend or terminate a service or close this account at any time upon reasonable notice to you and, if we close the account, tender of the account balance personally or by mail. Reasonable notice depends on the circumstances, and in some cases, such as when we cannot verify your identity or we suspect fraud, it might be reasonable for us to give you notice after the change or account closure becomes effective. For instance, if we suspect fraudulent activity with respect to your account, we might immediately freeze or close your account and then give you notice. If we have notified you of a change in any term of your account and you continue to have your account after the effective date of the change, you have agreed to the new terms.

When you close your account, you are responsible for leaving enough money in the account to cover any outstanding items to be paid from the account.

Items presented for payment after the account is closed may be dishonored.

Note: Rules governing changes in interest rates are provided separately in the Truth-in-Savings disclosure or in another document. In addition, for changes governed by a specific law or regulation, we will follow the specific timing and format notice requirements of those laws or regulations.

(11) Correction of Clerical Errors

Unless otherwise prohibited by law, you agree, if determined necessary in our reasonable discretion, to allow us to correct clerical errors, such as obtaining your missing signature, on any account documents or disclosures that are part of our agreement with you. For errors on your periodic statement, please refer to the Statements section.

(12) Notices

Any written notice you give us is effective when we actually receive it, and it must be given to us according to the specific delivery instructions provided elsewhere, if any. We must receive any notice in time to have a reasonable opportunity to act on it. If a notice is regarding a check or other item, you must give us sufficient information to be able to identify the check or item, including the precise check or item number, amount, date and payee. Notice we give you via the United States Mail is effective when it is deposited in the United States Mail with proper postage and addressed to your mailing address we currently have on file. Notice we give you through your email of record, or other electronic method to which you agreed, will be treated as delivered to you when sent. Notice to any of you is notice to all of you.

(13) Statements

Your Duty to Report Unauthorized Signatures (Including Forgeries and Counterfeit Checks) and Alterations on Checks and Other Items. You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized signatures (including forgeries and counterfeit checks) or alterations, you must promptly notify us of the relevant facts. As between you and us, if you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items with unauthorized signatures or alterations by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first sent or made available to you.

You further agree that if you fail to report any unauthorized signatures or alterations in your account within 60 days of when we first send or make the statement available, you cannot assert a claim against us on any items in that statement, and as between you and us the loss will be entirely yours. This 60-day limitation is without regard to whether we used ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

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(13) Statements, Continued

Your Duty to Report Other Errors or Problems. In addition to your duty to review your statements for unauthorized signatures and alterations, you agree to examine your statement with reasonable promptness for any other error or problem - such as an encoding error or an unexpected deposit amount. Also, if you receive or we make available either your items or images of your items, you must examine them for any unauthorized or missing indorsements or any other problems. You agree that the time you have to examine your statement and items and report to us will depend on the circumstances. However, this time period shall not exceed 60 days. Failure to examine your statement and items and report any errors to us within 60 days of when we first send or make the statement available precludes you from asserting a claim against us for any errors on items identified in that statement and as between you and us the loss will be entirely yours.

Errors Relating to Electronic Fund Transfers or Substitute Checks *(For consumer accounts only)*. For information on errors relating to electronic fund transfers (e.g., online, mobile, debit card or ATM transactions) refer to your Electronic Fund Transfers disclosure and the sections on consumer liability and error resolution. For information on errors relating to a substitute check you received, refer to your disclosure entitled Substitute Checks and Your Rights.

Duty to Notify if Statement Not Received. You agree to immediately notify us if you do not receive your statement by the date you normally expect to receive it. Not receiving your statement in a timely manner is a sign that there may be an issue with your account, such as possible fraud or identity theft. Absent a lack of ordinary care by us, a failure to receive your statement in a timely manner does not extend the time you have to conduct your review under this agreement.

(14) Reimbursement of Federal Benefit Payments

If we are required for any reason to reimburse the federal government for all or any portion of a benefit payment that was directly deposited into your account, you authorize us to deduct the amount of our liability to the federal government from the account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other available legal remedy to recover the amount of our liability.

(15) Temporary Account Agreement

If the account documentation indicates that this is a temporary account agreement, each person who signs to open the account or has authority to make withdrawals (except as indicated to the contrary) may transact business on this account. However, we may at some time in the future restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

(16) Setoff

We may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt any of you owe us now or in the future. If this account is owned by one or more of you as individuals, we may set off any funds in the account against a due and payable debt a partnership owes us now or in the future, to the extent of your liability as a partner for the partnership debt. If your debt arises from a promissory note, then the amount of the due and payable debt will be the full amount we have demanded, as entitled under the terms of the note, and this amount may include any portion of the balance for which we have properly accelerated the due date.

This right of setoff does not apply to this account if prohibited by law. For example, the right of setoff does not apply to this account if: (a) it is an Individual Retirement Account or similar tax-deferred account, or (b) the debt is created by a consumer credit transaction under a credit card plan (but this does not affect our rights under any consensual security interest), or (c) the debtor's right of withdrawal only arises in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of setoff.

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(17) Check Processing

We process items mechanically by relying almost exclusively on the information encoded in magnetic ink along the bottom of the items. This means that we do not individually examine all of your items to determine if the item is properly completed, signed and indorsed or to determine if it contains any information other than what is encoded in magnetic ink. You agree that we have exercised ordinary care if our automated processing is consistent with general banking practice, even though we do not inspect each item. Because we do not inspect each item, if you write a check to multiple payees, we can properly pay the check regardless of the number of indorsements unless you notify us in writing that the check requires multiple indorsements. We must receive the notice in time for us to have a reasonable opportunity to act on it, and you must tell us the precise date of the check, amount, check number and payee. We are not responsible for any unauthorized signature or alteration that would not be identified by a reasonable inspection of the item. Using an automated process helps us keep costs down for you and all account holders.

(18) Check Cashing

We may charge a fee for anyone that does not have an account with us who is cashing a check, draft or other instrument written on your account. We may also require reasonable identification to cash a check, draft or other instrument. We can decide what identification is reasonable under the circumstances and such identification may be documentary or physical and may include collecting a thumbprint or fingerprint.

(19) Truncation, Substitute Checks, and Other Check Images

If you truncate an original check and create a substitute check, or other paper or electronic image of the original check, you warrant that no one will be asked to make payment on the original check, a substitute check or any other electronic or paper image, if the payment obligation relating to the original check has already been paid. You also warrant that any substitute check you create conforms to the legal requirements and generally accepted specifications for substitute checks. You agree to retain the original check in conformance with our policy for retaining original checks. You agree to indemnify us for any loss we may incur as a result of any truncated check transaction you initiate. We can refuse to accept substitute checks that have not previously been warranted by a bank or other financial institution in conformance with the Check 21 Act. Unless specifically stated in a separate agreement between you and us, we do not have to accept any other electronic or paper image of an original check.

(20) Remotely Created Checks

Like any standard check or draft, a remotely created check (sometimes called a telecheck, preauthorized draft or demand draft) is a check or draft that can be used to withdraw money from an account. Unlike a typical check or draft, however, a remotely created check is not issued by the paying bank and does not contain the signature of the account owner (or a signature purported to be the signature of the account owner). In place of a signature, the check usually has a statement that the owner authorized the check or has the owner' s name typed or printed on the signature line.

You warrant and agree to the following for every remotely created check we receive from you for deposit or collection: (1) you have received express and verifiable authorization to create the check in the amount and to the payee that appears on the check; (2) you will maintain proof of the authorization for at least 2 years from the date of the authorization, and supply us the proof if we ask; and (3) if a check is returned you owe us the amount of the check, regardless of when the check is returned. We may take funds from your account to pay the amount you owe us, and if there are insufficient funds in your account, you still owe us the remaining balance.

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(21) Unlawful Internet Gambling Notice

Restricted transactions as defined in Federal Reserve Regulation GG are prohibited from being processed through this account or relationship. Restricted transactions generally include, but are not limited to, those in which credit, electronic fund transfers, checks, or drafts are knowingly accepted by gambling businesses in connection with the participation by others in unlawful Internet gambling.

(22) ACH and Wire Transfers

This agreement is subject to Article 4A of the Uniform Commercial Code - Fund Transfers as adopted in the state in which you have your account with us. If you originate a fund transfer and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. Credit entries may be made by ACH. If we receive a payment order to credit an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

(23) International ACH Transactions

Financial institutions are required by law to scrutinize or verify any international ACH transaction (IAT) that they receive against the Specially Designated Nationals (SDN) list of the Office of Foreign Assets Control (OFAC). This action may, from time to time, cause us to temporarily suspend processing of an IAT and potentially affect the settlement and/or availability of such payments.

(24) Facsimile Signatures

Unless you make advance arrangements with us, we have no obligation to honor facsimile signatures on your checks or other orders. If we do agree to honor items containing facsimile signatures, you authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us. You give us this authority regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen filed with us, and contain the required number of signatures for this purpose. You must notify us at once if you suspect that your facsimile signature is being or has been misused.

(25) Authorized Signer

The authorized signer is merely designated to conduct transactions on behalf of the individual owner or joint owners. Joint owners agree that the authorized signer can sign on behalf of any of the joint owners. Owners do not give up any rights to act on the account. The authorized signer may not in any manner affect the rights of the owners or beneficiaries, if any, other than by withdrawing funds from the account. The authorized signer has the following powers:

- Sign checks
- Make deposits of checks payable to the account owner into the account
- Make cash deposits into the account
- Obtain an account balance
- View copies of checks he or she has signed, and
- Obtain deposit slips when making a deposit.

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(25) Authorized Signer, Continued

Additional options and powers may be granted by separate agreement.

Account owners are responsible for any transactions of the authorized signer. We undertake no obligation to monitor transactions to determine that they are on behalf of the owners. Any one owner may terminate the authorization at any time. For accounts owned by a single individual, the authorization is automatically terminated by the death of the owner. For accounts owned by multiple individuals, the authority is terminated by the death of the last surviving owner. However, we may continue to honor the transactions of the authorized signer until: (a) we have received written notice or have actual knowledge of the termination of authority, and (b) we have a reasonable opportunity to act on that notice or knowledge. We may refuse to accept the designation of an authorized signer.

(26) Restrictive Legends or Indorsements

The automated processing of the large volume of checks we receive prevents us from inspecting or looking for restrictive legends, restrictive indorsements or other special instructions on every check. For this reason, we are not required to honor any restrictive legend or indorsement or other special instruction placed on checks you write unless we have agreed in writing to the restriction or instruction. Unless we have agreed in writing, we are not responsible for any losses, claims, damages, or expenses that result from your placement of these restrictions or instructions on your checks. Examples of restrictive legends placed on checks are "must be presented within 90 days" or "not valid for more than $1,000.00." The payee's signature accompanied by the words "for deposit only" is an example of a restrictive indorsement.

(27) Account Transfer

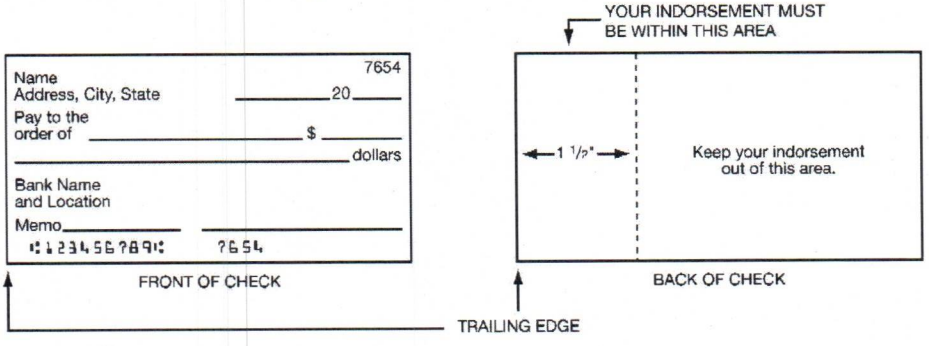
This account may not be transferred or assigned without our prior written consent.

(28) Indorsements

We may accept for deposit any item payable to you or your order, even if they are not indorsed by you. We may give cash back to any one of you. We may supply any missing indorsement(s) for any item we accept for deposit or collection, and you warrant that all indorsements are genuine.

To ensure that your check or share draft is processed without delay, you must indorse it (sign it on the back) in a specific area. Your entire indorsement (whether a signature or a stamp) along with any other indorsement information (e.g., additional indorsements, ID information, driver's license number, etc.) must fall within 1 1/2" of the "trailing edge" of a check. Indorsements must be made in blue or black ink, so that they are readable by automated check processing equipment.

As you look at the front of a check, the "trailing edge" is the left edge. When you flip the check over, be sure to keep all indorsement information within 1 1/2" of that edge.



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(28) Indorsements, Continued

It is important that you confine the indorsement information to this area since the remaining blank space will be used by others in the processing of the check to place additional needed indorsements and information. You agree that you will indemnify, defend, and hold us harmless for any loss, liability, damage or expense that occurs because your indorsement, another indorsement, or information you have printed on the back of the check obscures our indorsement. These indorsement guidelines apply to both personal and business checks.

(29) Death or Incompetence

You agree to notify us promptly if any person with a right to withdraw funds from your account(s) dies or is adjudicated (determined by the appropriate official) incompetent. We may continue to honor your checks, items, and instructions until: (a) we know of your death or adjudication of incompetence, and (b) we have had a reasonable opportunity to act on that knowledge. You agree that we may pay or certify checks drawn on or before the date of death or adjudication of incompetence for up to ten (10) days after your death or adjudication of incompetence unless ordered to stop payment by someone claiming an interest in the account.

(30) Fiduciary Accounts

Accounts may be opened by a person acting in a fiduciary capacity. A fiduciary is someone who is appointed to act on behalf of and for the benefit of another. We are not responsible for the actions of a fiduciary, including the misuse of funds. This account may be opened and maintained by a person or persons named as a trustee under a written trust agreement, or as executors, administrators, or conservators under court orders. You understand that by merely opening such an account, we are not acting in the capacity of a trustee in connection with the trust nor do we undertake any obligation to monitor or enforce the terms of the trust or letters.

(31) Credit Verification

You agree that we may verify credit and employment history by any necessary means, including preparation of a credit report by a credit reporting agency.

(32) Legal Actions Affecting Your Account

If we are served with a subpoena, restraining order, writ of attachment or execution, levy, garnishment, search warrant, or similar order relating to your account (termed "legal action" in this section), we will comply with that legal action as required by applicable law. However, nothing in this agreement shall be construed as a waiver of any rights you may have under applicable law with regards to such legal action. Subject to applicable law, we may, in our sole discretion, choose to freeze the assets in the account and not allow any payments or transfers out of the account until there is a final court determination regarding the legal action. We may do these things even if the legal action involves less than all of you. In these cases, we will not have any liability to you if there are insufficient funds to pay your items because we have withdrawn funds from your account or in any way restricted access to your funds in accordance with the legal action and applicable law. Any fees or expenses we incur in responding to any legal action (including, without limitation, attorneys' fees, and our internal expenses) may be charged against your account, unless otherwise prohibited by applicable law. The list of fees applicable to your account(s) - provided elsewhere - may specify additional fees that we may charge for responding to certain legal actions.

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(33) Account Security

Your Duty to Protect Account Information and Methods of Access. Our policy may require methods of verifying your identity before providing you with a service or allowing you access to your account. We can decide what identification is reasonable under the circumstances. For example, process and identification requirements may vary depending on whether they are online or in person. Identification may be documentary or physical and may include collecting a fingerprint, voiceprint, or other biometric information.

It is your responsibility to protect the account numbers and electronic access devices (e.g., an ATM card) we provide you for your accounts. You should also safeguard your username, password, and other access and identifying information when accessing your account through a computer or other electronic, audio, or mobile device or technology. If you give anyone authority to access the account on your behalf, you should exercise caution and ensure the trustworthiness of that agent. Do not discuss, compare, or share information about your account numbers with anyone unless you are willing to give them full use of your money. An account number can be used by thieves to issue an electronic debit or to encode your number on a false demand draft which looks like and functions like an authorized check. If you furnish your access device or information and grant actual authority to make transfers to another person (a family member or coworker, for example) who then exceeds that authority, you are liable for the transfers unless we have been notified that transfers by that person are no longer authorized. Your account number can also be used to electronically remove money from your account, and payment can be made from your account even though you did not contact us directly and order the payment.

You must also take precaution in safeguarding your blank checks. Notify us at once if you believe your checks have been lost or stolen. As between you and us, if you are negligent in safeguarding your checks, you must bear the loss entirely yourself or share the loss with us (we may have to share some of the loss if we failed to use ordinary care and if we substantially contributed to the loss).

Positive Pay and Other Fraud Prevention Services. Except for consumer electronic fund transfers subject to Regulation E, you agree that if we offer you services appropriate for your account to help identify and limit fraud or other unauthorized transactions against your account, and you reject those services, you will be responsible for any fraudulent or unauthorized transactions which could have been prevented by the services we offered. You will not be responsible for such transactions if we acted in bad faith or to the extent our negligence contributed to the loss. Such services include positive pay or commercially reasonable security procedures. If we offered you a commercially reasonable security procedure which you reject, you agree that you are responsible for any payment order, whether authorized or not, that we accept in compliance with an alternative security procedure that you have selected. The positive pay service can help detect and prevent check fraud and is appropriate for account holders that issue a high volume of checks, a lot of checks to the general public, or checks for large dollar amounts.

(34) Instructions From You

Unless required by law or we have agreed otherwise in writing, we are not required to act upon instructions you give us via facsimile transmission, email, voicemail, or phone call to a facsimile number, email address, or phone number not designated by us for a particular purpose or for a purpose that is unrelated to the request or instruction.

(35) Monitoring and Recording Telephone Calls and Account Communications

Subject to federal and state law, we may monitor or record phone calls for security reasons, to maintain a record, and to ensure that you receive courteous and efficient service. You consent in advance to any such recording.

To provide you with the best possible service in our ongoing business relationship for your account, we may need to contact you about your account from time to time by telephone, text messaging, or email. In contacting you about your account, we may use any telephone numbers or email addresses that you have previously provided to us by virtue of an existing business relationship or that you may subsequently provide to us.

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(35) Monitoring and Recording Telephone Calls and Account Communications, Continued

You acknowledge that the number we use to contact you may be assigned to a landline, a paging service, a cellular wireless service, a specialized mobile radio service, other radio common carrier service, or any other service for which you may be charged for the call. You acknowledge that we may contact you by voice, voicemail, or text messaging. You further acknowledge that we may use pre-recorded voice messages, artificial voice messages, or automatic telephone dialing systems.

If necessary, you may change or remove any of the telephone numbers, email addresses, or other methods of contacting you at any time using any reasonable means to notify us.

(36) Claim of Loss

The following rules do not apply to a transaction or claim related to a consumer electronic fund transfer governed by Regulation E (e.g., an everyday/one-time consumer debit card or ATM transaction). The error resolution procedures for consumer electronic fund transfers can be found in our initial Regulation E disclosure generally titled, "Electronic Fund Transfers." For other transactions or claims, if you claim a credit or refund because of a forgery, alteration, or any other unauthorized withdrawal, you agree to cooperate with us in the investigation of the loss, including giving us an affidavit containing whatever reasonable information we require concerning your account, the transaction, and the circumstances surrounding the loss. You will notify law enforcement authorities of any criminal act related to the claim of lost, missing, or stolen checks or unauthorized withdrawals. We will have a reasonable period of time to investigate the facts and circumstances surrounding any claim of loss. Unless we have acted in bad faith, we will not be liable for special or consequential damages, including loss of profits or opportunity, or for attorneys' fees incurred by you. You agree that you will not waive any rights you have to recover your loss against anyone who is obligated to repay, insure, or otherwise reimburse you for your loss. You will pursue your rights or, at our option, assign them to us so that we may pursue them. Our liability will be reduced by the amount you recover or are entitled to recover from these other sources.

(37) Early Withdrawal Penalties (and involuntary withdrawals)

We may impose early withdrawal penalties on a withdrawal from a time account even if you don't initiate the withdrawal. For instance, the early withdrawal penalty may be imposed if the withdrawal is caused by our setoff against funds in the account or as a result of an attachment or other legal process. We may close your account and impose the early withdrawal penalty on the entire account balance in the event of a partial early withdrawal. See your separately provided notice of penalty for early withdrawal for additional information.

(38) Changes in Name and Contact Information

You are responsible for notifying us of any change in your name, address, or other information we use to communicate with you. Unless we agree otherwise, notice of such a change must be made in writing. Informing us of your address or name change on a check reorder form is not sufficient. We will attempt to communicate with you only by use of the most recent information you have provided to us. If provided elsewhere, we may impose a service fee if we attempt to locate you.

(39) Resolving Account Disputes

We may place an administrative hold on the funds in your account (refuse payment or withdrawal of the funds) if it becomes subject to a claim adverse to (1) your own interest; (2) others claiming an interest as survivors or beneficiaries of your account; or (3) a claim arising by operation of law. The hold may be placed for such period of time as we believe reasonably necessary to allow a legal proceeding to determine the merits of the claim or until we receive evidence satisfactory to us that the dispute has been resolved. We will not be liable for any items that are dishonored as a consequence of placing a hold on funds in your account for these reasons.

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(40) Waiver of Notices

To the extent permitted by law, you waive any notice of non-payment, dishonor or protest regarding any items credited to or charged against your account. For example, if you deposit an item and it is returned unpaid or we receive a notice of nonpayment, we do not have to notify you unless required by federal Regulation CC or other law.

(41) Additional Terms

We reserve the right to decline adding contingent beneficiaries on accounts.

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Addendum to Terms and Conditions of Business Account

This Addendum to Terms and Conditions of Account (the "Addendum") is attached to and made a part of the Terms and Conditions of Account of Prosperity Bank (the "Terms and Conditions"), which together with any and all documents we provide you relating to your account at Prosperity Bank ("Prosperity" or "we" or "us") constitute your account agreement for your deposit account(s) (the "Account(s)") at Prosperity (all together, the "Account Agreement"), and supplements the Terms and Conditions. Unless otherwise noted, terms herein shall have the same meaning as in the Terms and Conditions. In the event of a conflict between the terms of this Addendum and the Terms and Conditions, the terms of this Addendum shall control.

In addition to and notwithstanding anything to the contrary in the Terms and Conditions, we and each of you agree on the following terms:

Restrictive Legends - We will not agree, in writing or otherwise, to honor any restrictive legend on checks you write.

Your Duty to Examine Your Statement - For all non-consumer accounts and consumer account issues not governed by specific regulatory requirements such as those of the Federal Reserve Board's Regulation E, your duty to examine your statement includes an examination for any unauthorized Automated Clearing House ("ACH") transactions or unauthorized wire transfer transactions, whether into or from your Account(s). You must report to us these and any other unauthorized transactions within the time frames described in the Terms and Conditions for reporting errors in your statements.

Limitation of Liability - Neither you nor we are liable to the other for indirect, consequential, special, incidental, or punitive damages of any kind or nature whatsoever (including without limitation lost profits, lost revenues, lost savings, lost opportunity or harm to business), whether or not foreseeable, whether or not the party had or should have had any knowledge, actual or constructive, that such damages might be incurred, and regardless of the form of action, nature of the claim asserted or the frustration of either party's purpose.

The provisions of this Account Agreement will survive the closing of the Account(s).

Subaccount Organization - We have organized your account in a nontraditional way. Your account consists of two subaccounts. One of these accounts is a transaction subaccount (e.g., a checking subaccount). You will transact business on this subaccount. The other is a nontraditional transaction subaccount (e.g., a savings account). You cannot directly access the nontraditional transaction subaccount, but you agree that we may automatically, and without a specific request from you, initiate individual transfers of funds between subaccounts from time to time at no cost to you. This account organization will not change the amount of federal deposit insurance available to you, your available balance, the information on your periodic statements, or the interest calculation, if this is an interest-bearing account. You will not see any difference between the way your account operates and the way a traditionally organized account operates, but this organization makes us more efficient and helps to keep costs down.

Account Information Required (Texas Only) - We require that you provide us with the following information upon the opening of your account and at least annually if the information has changed.

If the business is a sole proprietorship:

- The name of the business owner
- The physical address of the business
- The home address of the business owner
- The driver's license number or personal identification card number issued to the business owner by the Department of Public Safety

If the business is a corporation or other legal entity:

A copy of the business' certificate of incorporation or a comparable document and an assumed name certificate, if applicable

Understanding and Avoiding Overdraft and Return Item Fees

General. This Addendum is part of the Terms and Conditions of Your Account. The information in this Addendum is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of overdrafts and nonsufficient funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to overdrafts and NSF transactions.

An overdrawn account will typically result in you being charged an overdraft fee or a return item fee. Generally, an overdraft occurs when there is not enough money in your account to pay for a transaction, but we pay (or cover) the transaction anyway. An NSF transaction is slightly different. In an NSF transaction, we do not cover the transaction. Instead, the transaction is rejected and the item or requested payment is returned. In either situation, we can charge you a fee.

If we cover a transaction for which there is not enough money in your account to pay, we consider that an overdraft and assess an overdraft fee. We treat all other transactions for which there is not enough money in your account as an NSF transaction and assess a return item fee.

Determining Your Available Balance. We use the "account balance" method to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your account balance may not be the same as your available balance.

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Your account balance only includes transactions that have settled up to that point in time, that is, transactions (deposits and payments) that have posted to your account. The account balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). The balance on your periodic statement is the balance for your account as of the statement date.

As the name implies, your available balance is calculated based on the money "available" in your account to make payments. In other words, the available balance takes transactions that have been authorized but not yet settled and subtracts them from the account balance. In addition, when calculating your available balance, any "holds" placed on deposits that have not yet cleared are also subtracted from your balance.

Transactions made after a business day cutoff time will not be processed and settled to your account until the bank receives the settlement transaction. Business day cutoff times may vary by location or service. Cutoff times are subject to change and may be extended without notice. The cutoff times below generally apply:

Deposits, payments or transfers in banking center	Banking center closing time - varies by location
Customer Service Center transfers	Customer Service Center closing time - hours vary
ACH credits or debits	Memo credit/debit and posted/settled on transaction effective date
Incoming wire transfers	5 PM CT
Outgoing wire transfers - in person/voice/email/fax/mail	4 PM CT Domestic; 3:30 PM CT International
Outgoing wire transfers - tax payment	1:30 PM CT
Outgoing wire transfers - Treasury Center US dollar	5 PM CT
Outgoing wire transfers - Treasury Center foreign currency	4:30 PM CT
Debit Card transactions (including refunds, cash apps)	5 PM CT
ATM deposits or transactions	6 PM CT
Mobile deposits	6 PM CT
Remote Deposit Capture	6 PM CT
Internet Banking/Mobile transfers between Prosperity Bank accounts	8 PM CT
Fastline (IVR) phone transfers between Prosperity Bank accounts	8 PM CT
Real-time Zelle credits	8 PM CT

If we add a new deposit service with a different cutoff time, this disclosure will be updated and an updated copy may be obtained upon request. The cutoff time for a new deposit service may also be obtained by calling our Customer Service Center at 800-531-1401 or by visiting any banking center.

For more information on how holds placed on funds in your account can impact your available balance, read the subsection titled "A Temporary Debit Authorization Hold Affects Your Available Balance."

Discretionary Overdraft Payments. We may pay overdrafts on your accounts at our discretion. If you write a check or initiate another form of payment that will overdraw your account if paid, we will either (a) pay the overdraft or (b) return the item or debit unpaid for nonsufficient funds (NSF) (see "Return Item Fees/Multiple Presentment" below). In either case, you will be charged an overdraft or return item fee according to our Schedule of Fees. We pay overdrafts at our discretion, which means we do not guarantee that we will always pay or authorize any type of transaction. The fact that we may pay one or more items creating overdrafts does not obligate us to do so in the future. So, you CANNOT rely on us to pay overdrafts on your account regardless of how frequently or under what circumstances we have paid overdrafts on your account in the past. We can change our practice of paying, or not paying, discretionary overdrafts on your account without notice to you. You agree that we may charge fees for overdrafts. We may use subsequent deposits, including deposits of social security or other government benefits, to cover such overdrafts and overdraft fees.

Categories of Transactions. The categories of transactions for which an overdraft fee may be imposed are those by any of the following means: check, draft, or similar order; in-person withdrawal; ATM withdrawal; ACH transactions; or other electronic means.

Your Responsibilities for Overdrafts. If you have an overdraft of your account, you must immediately deposit enough money into your account to pay both the overdraft amount and the fee(s) we charge.

Circumstances That May Affect Whether We Pay. The circumstances under which we pay an item or transaction that would overdraw your account are entirely within our discretion, and we have the right not to pay any overdraft item or transaction.

Less Costly Alternatives. Overdraft fees can add up quickly, especially if multiple overdraft items clear the same day. Similarly, return item fees can also add up quickly. Accordingly, we discourage the intentional and routine writing of checks or initiating of electronic funds transfers or other transactions that will overdraw your account if paid. If more than occasional and inadvertent use of discretionary overdraft payments is anticipated, we believe you should consider less costly alternatives such as linked accounts or obtaining a line of credit to avoid overdrawing your account. Under a linked account, your checking account would be connected to another account, such as a savings account, so as to automatically transfer funds from the other account to the checking account as needed to avoid overdrafts. Under an overdraft line of credit, you would automatically borrow funds on the line of credit and have them transferred to your checking account as needed to avoid overdrafts. As an overdraft line of credit is a loan, it is subject to credit approval. We encourage you to inquire about the alternatives we offer. A line of credit or a linked account can be cheaper than overdraft fees.

Return Item Fees/Multiple Presentment. If an item drafted by you (such as a check) or a transaction you set up (such as a preauthorized transfer) is presented for payment in an amount that is more than the amount of money available in your account, and

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we decide not to pay the item or transaction, you agree that we can charge you a return item fee for returning the NSF item or transaction. Be aware that such an item or transaction may be presented multiple times, such as when a merchant or payee re-presents a check or ACH transaction on more than one occasion after the initial unpaid transaction was declined. We do not monitor or control the number of times a merchant or payee presents an item or transaction for payment. You agree that we may charge you a return item fee each time an item or transaction is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the item or transaction is presented.

Fees. (Refer to the Current Schedule of Fees)
We charge a return item fee for each presentment of an NSF item or transaction.
We charge an overdraft fee each time we pay an overdraft item or transaction.
We charge a business overdraft (negative balance) fee. The fee will be assessed each business day your account balance is below $0.00.

Payment Types. Some, but not necessarily all, of the ways you can access the funds in your account include debit card or ATM transactions, ACH transactions, in-person transactions, and check, draft or similar transactions. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account.

Payment Order of Items. The order in which items are paid is important if there is not enough money in your account to pay all of the items or transactions that are presented. The payment order can affect the number of items or transactions overdrawn or returned unpaid and the amount of the fees you may have to pay. To assist you in managing your account, we provide you with information regarding how we process those items. We encourage you to make careful records and practice good account management. This will help you to avoid items or transactions without sufficient funds and potentially incurring the resulting fees. When processing items drawn on your account, our policy is to pay items or transactions in the order received. For more information, see the "Notice Regarding Payment of Items".

Processing of Transactions. The order in which we receive and process payments may not be the order in which the item or transaction occurred. The order in which items or transactions are received and processed by us can affect the total amount of fees that you are charged.

Balance Information. Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your periodic statement, reviewing your balance online, accessing your account information by phone, or coming into one of our banking centers.

Funds Availability. Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees. Please see our funds availability policy disclosure for information on when different types of deposits will be made available for withdrawal. For those accounts to which our funds availability policy disclosure does not apply, you can ask us when you make a deposit when those funds will be available for withdrawal. An item may be returned after the funds from the deposit of that item are made available for withdrawal. In that case, we will reverse the credit of the item. We may determine the amount of available funds in your account for the purpose of deciding whether to return an item for nonsufficient funds at any time between the times we receive the item and when we return the item or send a notice in lieu of return. We need only make one determination, but if we choose to make a subsequent determination, the account balance at the subsequent time will determine whether there are nonsufficient available funds.

A Temporary Debit Authorization Hold Affects Your Available Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold.

FDIC Insurance. This institution is a Member of the Federal Deposit Insurance Corporation.



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INTERNET BANKING SERVICES AGREEMENT

Print & Retain for Customer's Records

PLEASE READ THE FOLLOWING TERMS AND CONDITIONS CAREFULLY. THEY GOVERN CUSTOMER'S ACCESS AND USE OF THE PROSPERITY BANK INTERNET BANKING SERVICES. BY ACCESSING OR USING THE PROSPERITY INTERNET BANKING SERVICE, CUSTOMER AGREES TO BE BOUND BY THESE TERMS AND CONDITIONS AND ACCEPT THEM IN FULL, AS THEY MAY BE MODIFIED BY PROSPERITY BANK FROM TIME TO TIME AS DESCRIBED BELOW.

This Internet Banking Services Agreement (the "**Agreement**") is between the Prosperity Bank customer entering into this Agreement or obtaining the services described herein (referred to herein as "**you**" or "**your**") and Prosperity Bank ("**Bank**" or "**Prosperity**" or "**we**" or "**our**") for the delivery, access and usage of Internet Banking Service (also described as the "**Service(s)**" or "**Internet Banking**" or "**Online Banking**") as described below, including, without limitation, the Bill Pay and Delivery and Popmoney[SM] Personal Payment Services. In this Agreement, "you," or "your" also refers to each person that accesses the Service (or if an entity, whose representatives access the Service on its behalf) and each owner of the Account(s) accessed by the Service. In this Agreement, "we" or "our" also refers to any agent, independent contractor, Service Provider, subcontractor, licensor, designee, or assignee that Bank may involve in the provision of the Service. Your use of the Service will be further evidence of your agreement to these terms and the other related agreements that Bank provides to you.

I. DEFINITIONS. Please also see Section X.14, "Definitions," of the "Bill Pay – Terms and Conditions " and Section XI.10, "Definitions," of the "Popmoney® Personal Payment Service Terms of Use," both of which are below.

Account(s): Any Consumer Account, Consumer Loan, or other Business Account or Business Loan you have with Prosperity included on the Internet Banking Services Application and approved by the Bank in writing for use with the Service, whether on paper or by electronic or other means ("**enrolled**"):

(1) For purposes of this Agreement, "**Consumer Account**" or "**Consumer Loan**" means a deposit or loan account, as applicable, owned by one or more individuals and used primarily for personal, family, or household purposes; and

(2) Any and all other deposit accounts and loans you have with Prosperity Bank, including but not limited to business, association, and sole proprietorship accounts, are considered "**Business Accounts**" or "**Business Loans,**" as applicable. (For the avoidance of doubt, "Account(s)" does not include any accounts held by Bank that reflect the customer's ownership interest in various securities or portions thereof pursuant to any repurchase or sweep agreements between the parties, which are not deposit accounts (and may be called "Repurchase Accounts" or "Repo Accounts"); such securities are governed by separate agreements).

ACH Network: means the funds transfer system, governed by the NACHA Rules, that provides funds transfer services to participating financial institutions.

Affiliates: are companies related by common ownership or control.

Available Balance: The Current Balance of the Account minus any and all Holds, and Memo Posted Debits plus Memo Posted Credits. If you have a line of credit related to your Account, the Available Balance figure may also include any unused, available credit on your line of credit if you have requested and Bank has approved and implemented such functionality.

Bill Pay or Bill Payment Service: The Bank's online bill payment service that can be used to send payments to payees such as companies, bill collectors, and individuals, more fully described at Section X. below.

Bill Payment or Payment: The payment to be made by the Bill Payment Service in accordance with and as described in Section X., "Bill Pay – Terms and Conditions," of this Agreement.

Business Customer: Anyone other than a Consumer who owns an Account with respect to which the Service is requested for business purposes.

Business Day: is every Monday through Friday, excluding Federal Reserve holidays or other days that banks are legally closed.

Consumer or Consumer Customer: A natural person who owns an Account and who uses the Service primarily for personal, family, or household purposes.

Current Balance: The Account balance that is the result of the total debit and credit activity as of a specific date and time for the Account.

Eligible Transaction Account: is a transaction Account from which your payments will be debited, your Service fees, if any, will be automatically debited, or to which payments and credits to you will be credited, that is eligible for the Service. Depending on the Service, an Eligible Transaction Account may include a checking, money market or other direct deposit Account, or credit card account, including any required routing information that you have with Prosperity.

Hold: A restriction on payment of all or any part of the balance in an Account.

Memo Posted Credits: Any pending credits posted to the Account for a given Business Day. For example, ACH credit transactions and wire transfers.

Memo Posted Debits: Any pending debits posted to the Account for a given Business Day. For example ACH debit transactions, wire transfers, and teller cashed checks.

Payment Instruction: is the information provided for a payment to be made under the applicable Service, which may be further defined and described below in connection with a specific Service.

Payment Network: means a debit or credit network (such as the ACH Network or ACCEL / Exchange payment network) through which funds may be transferred.

Service Guarantee: The amount for which Bank's Service Providers will bear responsibility in accordance with the terms and conditions of this Agreement should a Bill Payment post after its Due Date. See Section X.3., "The Service Guarantee," below for further details.

Service Provider: means companies that we have engaged (and their Affiliates) to render some or all of the Service to you on our behalf

Site: The Bank's website through which the Internet Banking Service is provided.

User: Any individual or entity that you have authorized or otherwise allowed to access and use the Services or any part of the Services, whether one or more.

II. THE INTERNET BANKING SERVICE

A. About this Agreement and Your Information.

1. **Accepting this Agreement; Your Application and Information**. Bank makes the Internet Banking Service available at Bank's sole discretion and only to individuals and businesses that already maintain an Account with Bank, who apply for the Internet Banking Service, who are approved by Bank, who have accepted and agreed to the Electronic Disclosure Consent Statement, and who read and accept this Agreement. You will evidence that acceptance and agreement by selecting the button on your Computer screen declaring your acceptance as part of your enrollment in the Internet Banking Service. You represent and warrant that all information on your Internet Banking Services application, including without limitation any information you insert onto the enrollment or other website pages for the Internet Banking Service (together with the instructions, procedures, conditions, or other terms provided within such enrollment or pages, the "**Application**"), are true and complete in all respects. It is your responsibility, and you agree to ensure, that the contact information in your user profile is current and accurate. This responsibility includes, but is not limited to, updating name, physical address, phone numbers, and electronic mail ("**Email**") addresses promptly when and if changed. Depending on the Service, changes may be able to be made within the user interface of the Service or by contacting Prosperity's Customer Service Support at (800) 531-1401, or as Bank may otherwise direct. We are not responsible for any payment processing errors or fees incurred if you do not provide accurate Account or Eligible Transaction Account, Payment Instructions, or contact information.

2. **Account Documents; Renewals and Changes to this Agreement**. You agree that the Terms and Conditions of your Account(s) (the "**Account Agreement**"), the Electronic Disclosure Consent Statement, the Prosperity Bank Privacy Policy and Internet Privacy Policy (together, the "**Privacy Notice**"), and any other depository or loan agreements or disclosures applicable to your Account(s) (collectively, the "**Account Documents**") also apply to the Internet Banking Services, and all such documents and agreements are incorporated herein by reference. To the extent there is a direct conflict between the terms of this Agreement and the Account Documents, the terms of this Agreement will control except as may be otherwise stated herein. You agree that you are deemed to renew your acceptance of

this Agreement each time you or your User logs in to the Internet Banking Service to conduct any transaction. In addition to this Agreement and the Account Documents, you agree to be bound by and comply with all applicable state and federal law and rules of the automated clearinghouse associations, as applicable. Unless otherwise required by applicable law, statute, regulation, opinion, or ordinance ("**Applicable Law(s)**"), Bank may change the terms of this Agreement at any time without notice to you, to be effective immediately or as otherwise noted by Bank; Bank will provide updates of this Agreement through the "Messages" feature of the Internet Banking Service or make them available to you in other ways Bank deems appropriate, such as by posting in the Internet Banking portion of the Site (if available), and you agree it is your responsibility to check for such updates periodically. You agree that by continuing to use the Service after the effective date of any change, you are deemed to have accepted that change.

3. **Your Privacy.** Protecting your privacy is very important to us. Please review our Privacy Notice, which you can find on our Site **[LINK]**, in order to better understand our commitment to maintaining your privacy, as well as our use and disclosure of your information.

4. **Privacy of Others.** If you receive information about another person through the Service, you agree to keep the information confidential and only use it in connection with the Service.

5. **Information Authorization.** Your enrollment in the Service may not be fulfilled if we cannot verify your identity or other necessary information. Through your enrollment in or use of the Service, you agree that we reserve the right to request a review of your credit rating at our own expense through an authorized bureau. In addition, and in accordance with our Privacy Notice, you agree that we reserve the right to obtain personal information about you, including without limitation, financial information and transaction history regarding your Eligible Transaction Account. You further understand and agree that we reserve the right to use personal information about you for our and our Service Providers' everyday business purposes, such as but not only to maintain your ability to access the Service, to authenticate you when you log in, to send you information about the Service, to perform fraud screening, to verify your identity, to determine your transaction limits, to perform collections, to comply with Applicable Laws, court orders and lawful instructions from government agencies, to protect the personal safety of subscribers or the public, to defend claims, to resolve disputes, to troubleshoot problems, to enforce this Agreement, to protect our rights and property, and to customize, measure, and improve the Service and the content and layout of the Site. Additionally, we and our Service Providers may use your information for risk management purposes and may use, store and disclose your information acquired in connection with this Agreement as permitted by Applicable Law, including (without limitation) any use to effect, administer or enforce a transaction or to protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability. We and our Service Providers shall have the right to retain such data even after termination or expiration of this Agreement for risk management, regulatory compliance, or audit reasons, and as permitted by Applicable Law. In addition, we and our Service Providers may use, store and disclose such information acquired in connection with the Service in statistical form for pattern recognition, modeling, enhancement and improvement, system analysis and to analyze the performance of the Service.

a. **Mobile Subscriber Information.** If applicable, you authorize your wireless carrier to disclose information about your account, such as subscriber status, payment method and device details, if available, to support identity verification, fraud avoidance and other uses in support of transactions for the duration of your business relationship with us. This information may

also be shared with other companies to support your transactions with us and for identity verification and fraud avoidance purposes.

b. **Device Data.** If applicable, we may share certain personal information and device-identifying technical data about you and your devices with third party Service Providers, who will compare and add device data and fraud data from and about you to a database of similar device and fraud information in order to provide fraud management and prevention services, which include but are not limited to identifying and blocking access to the applicable service or web site by devices associated with fraudulent or abusive activity. Such information may be used by us and our third party Service Providers to provide similar fraud management and prevention services for services or web sites not provided by us. We will not share with Service Providers any information that personally identifies the user of the applicable device.

6. **Links and Frames**. Links to other sites may be provided on the portion of the Site through which the Service is offered for your convenience. By providing these links, we are not endorsing, sponsoring or recommending such sites or the materials disseminated by or services provided by them, and are not responsible for the materials, services or other situations at or related to or from any other site, and make no representations concerning the content of sites listed in any of the Service web pages. Consequently, we cannot be held responsible for the accuracy, relevancy, copyright compliance, legality or decency of material contained in sites listed in any search results or otherwise linked to the Site. For example, if you click on a banner advertisement or a search result, your click may take you off the Site. Such links may include those from advertisers, sponsors, and content partners that may use our logo(s) as part of a co-branding agreement. When linking to those third-party sites, you are subject to the terms that govern those third-party sites, which may provide less security than we do and have a different privacy policy than ours. These third-party sites may send their own cookies to users, collect data, solicit personal information, or contain information that you may find inappropriate or offensive. In addition, advertisers on the Site may send cookies to users that we do not control. You may link to the home page of our Site. However, you agree not to link to other pages of our Site or to "frame" material on our Site without our express written permission. We reserve the right to disable links from any third party sites to the Site

B. Electronic Communications

You agree that each Email message Bank sends you may not be encrypted, but specific Account information may be masked. **You agree that transmission of the masked information does not constitute transmission of personal or private information, and you hereby authorize Bank to send such information via Email to your Email address. BANK SHALL NOT BE LIABLE FOR LOSSES OR DAMAGES ARISING FROM NON-DELIVERY, DELAYED DELIVERY, OR WRONG DELIVERY BY AN EMAIL SERVICE, INACCURATE CONTENT IN ANY NON-BANK EMAIL, ANY ACTIONS RESULTING FROM THE INTENTIONAL OR UNINTENTIONAL DISCLOSURE OF ANY EMAIL OR ITS CONTENTS BY YOU TO ANY UNAUTHORIZED PERSON, OR YOUR USE OR RELIANCE ON THE CONTENTS OF ANY NON-BANK EMAIL OR EMAIL SERVICE FOR ANY PURPOSE.**

Text Messages, Calls and/or Emails to You. By providing us with a telephone number (including a wireless/cellular, mobile telephone number and/or Email address), you consent to receiving calls from us and our Service Providers at that number INCLUDING THOSE MADE BY USE OF AN AUTOMATIC TELEPHONE DIALING SYSTEM ("**ATDS**"), and/or Emails from us for our everyday

business purposes (including identity verification). You acknowledge and agree that such telephone calls include, but are not limited to, live telephone calls, prerecorded or artificial voice message calls, text messages, and calls made by an ATDS from us or our affiliates and agents. Please review our Privacy Notice for more information.

Receipts and Transaction History. You may view your transaction history by logging into the Service and looking at your transaction history. You agree to review your transactions by this method instead of receiving receipts by mail.

C. Basic Internet Banking Services May Include

You or your User may request any of the following basic Internet Banking Services:

1. Account Access. You can use the Service to download a transaction history file to save or print for future reference, perform Account inquiries on Account data and transaction history on the Accounts, and perform other activities.

2. Stop payment requests.

a. Generally. The purpose of this stop payment feature is to stop payments only on checks that you have written or for stopping pre-authorized electronic funds transfers that are deducted from your Account. You agree that the provisions of the Account Documents applicable to stop payment requests also apply to any electronically transmitted stop-payment order initiated through Internet Banking, and you agree that the "Stop Payment" screen from either the "Quick Links" or "Accounts" sections in the Internet Banking portion of the Site applies to these stop payment requests and is incorporated herein by reference. Because processing this type of stop payment request may require up to three (3) Business Days, if your request is urgent, you agree to contact your Customer Service Support number at (800) 531-1401.

b. **DIFFERENT PROCEDURE FOR BILL PAY AND ACCOUNT TRANSFERS. YOU AGREE THAT THIS STOP PAYMENT FEATURE SHOULD NOT BE USED TO CANCEL ACCOUNT TRANSFERS AND/OR BILL PAYMENTS (SEE SECTION X.5. AND X.6. BELOW FOR CANCELING BILL PAYMENTS). YOU AGREE YOU CANNOT CANCEL AN ACCOUNT TRANSFER AFTER IT HAS BEEN ENTERED INTO THE SYSTEM AND THE INFORMATION HAS BEEN PROCESSED AND/OR TRANSMITTED TO BANK THROUGH THE SERVICE, BUT YOU CAN EDIT OR CHANGE A TRANSFER THAT IS STILL "PENDING." YOU AGREE TO CALL YOUR CUSTOMER SERVICE SUPPORT NUMBER AT (800) 531-1401 FOR FURTHER DETAILS AND ASSISTANCE.**

c. Stopping Preauthorized Payments. If you have told us in advance to make regular payments out of your Account, you can stop any of these payments. Here's how: Call us at (800)531-1401 or write us at Prosperity Bank, ATTN: Internet Banking Support, 1401 Avenue Q, Lubbock, Texas, 79401, in time for us to receive your request 3 Business Days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within 14 days after you call.

3. Messages. Send and receive messages (to and from the Bank) through the "Messages" feature of the Internet Banking Service ("**Message(s)**"). Bank is not responsible for any delay

in Messages being sent to Bank. Bank will make reasonable efforts to retrieve such Messages, but you agree delays can occur. You will confirm any urgent Messages you send Bank by a telephone call to Customer Service Support at (800)531-1401. You and any User are responsible to check periodically for Messages sent by the Bank. You agree not to send sensitive data (such as but not only driver's license numbers, Social Security numbers, or other sensitive data) via Messages or any Emails sent to Bank.

4. **Account Transfers.** Initiate transfers between any Accounts enrolled and set up within Internet Banking Services, with the exception of time Accounts. Refer to Section III., "Internet Banking System Setup/Account Transfers and Limits," below for other transfer limits and additional provisions regarding transfers. Account Transfers to a loan Account will be considered a scheduled payment on the loan and will affect the payment schedule of the loan Account unless you designate the appropriate type of payment with the transfer. You can make unscheduled principal or interest payments by designating the appropriate type of payment with the transfer, as allowed by your loan documents. A confirmation number will be given at the time you process an Account Transfer using the Internet Banking Services. It is your responsibility to record this number, along with scheduled date and transaction amount in your checkbook register (or other permanent record), because doing so will help in resolving any problems that may occur.

5. **ACH and Wire Transfers**. While available through the Internet Banking Service, these transfers are governed by a separate ACH Origination Agreement and Wire Transfer Services Agreement, as applicable, which are incorporated herein by reference if executed by you, and must be approved by the Bank. You will refer to your ACH Origination Agreement or your Wire Transfer Services Agreement for Internet Banking for details.

6. **Bill Pay and Popmoney® Services.** While available through the Internet Banking Service, these Services are optional and must be requested and approved by Bank. Please see Section X., "Bill Pay—Terms and Conditions," and Section XI., "Popmoney Personal Payment Service Terms of Use" below.

Other services may be available or may become available. From time to time Bank may add, and may modify or delete, particular Internet Banking functions or geographic areas served by the Internet Banking Service. Except as may otherwise be required by Applicable Law, Bank may make such changes with or without prior notice. Bank reserves the right to refuse to make any transaction that you may request through the Internet Banking Service.

D. Internet Banking Service Availability

Prosperity will use commercially reasonable efforts to make the Internet Banking Service available for your use on a continuous basis. However, Bank and its third party Service Providers cannot guarantee functionality of the Service (or any Internet Banking Service software) or that you will have continuous access or continuous or error-free operation of the Service. The Service may be temporarily unavailable for regular or emergency system maintenance. Bank will endeavor to have scheduled maintenance occur during non-peak hours, but Bank may conduct maintenance at any time. In addition, Bank will not be responsible for failure of the Service to perform under this Agreement resulting from any Event Beyond Bank's Control (defined below at Section VI.G.). Even so, Bank will use commercially reasonable efforts to re-establish the Service in those instances.

E. Service Providers.

We are offering you the Service through one or more Service Providers that we have engaged to render some or all of the Service to you on our behalf. However, in most cases, notwithstanding that we have engaged such a Service Provider to render some or all of the Service to you, our third party Service Providers, including without limitation, providers of the Popmoney Services, will not be subject to liability to you. You agree that we have the right under this Agreement to delegate to Service Providers all of the rights and performance obligations that we have under this Agreement, and that the Service Providers will be third party beneficiaries of this Agreement and will be entitled to all the rights and protections that this Agreement provides to us. Service Provider and certain other capitalized terms are defined in Section I., "Definitions," above.

III. INTERNET BANKING SYSTEM SETUP AND LIMITS

Bank will set up your Account information on Internet Banking Services as described in the Internet Banking Services Application that you have submitted, and you authorize Bank to do so. Bank assumes no liability for changes or modifications to the Account setup information after initial installation of the Internet Banking Services of which you do not notify Bank in accordance with Bank's procedures. You must notify Bank in writing or as otherwise directed by Bank if you wish Bank to set up additional Accounts. Additional Accounts set up on Internet Banking may increase any monthly maintenance fee that may apply.

Account Transfers. Transfers involving Money Market Deposit Accounts and Savings Accounts made via Internet Banking Services are subject to the limitations described in your Account Agreement, and you agree to consult your Account Agreement or call Customer Service Support at (800) 531-1401 for details. You are not permitted to transfer more than the Available Balance from the Account. You agree that your request(s) to move funds between enrolled Accounts ("**Account Transfers**") received after Bank's Account Transfer cutoff time, which may change from time to time, may not be processed until the following Business Day. Our cutoff times are posted in the Internet Banking FAQs section of our Site [**LINK**] or you may call Bank's Customer Service Support at (800) 531-1401 for the correct Account Transfer cutoff time for your Account(s).

Payment Methods and Limits on Amounts. There are limits on the amount of money you can send or receive through our Service. Your limits may be adjusted from time to time in our sole discretion. You may log in to the Site to view your individual transaction limits. We or our Service Provider also reserve the right to select the method in which to remit funds on your behalf though the Service, and in the event that your Eligible Transaction Account is closed or otherwise unavailable to us, the method to return funds to you. These payment methods may include, but may not be limited to, an electronic debit, a paper check drawn on the account of our Service Provider, or draft drawn against your account.

IV. ACKNOWLEDGEMENTS, RESPONSIBILITIES, AND LIABILITIES OF YOU AND YOUR USER

A. Hardware/Software Requirements

You and your User are responsible for obtaining, maintaining, and updating the necessary hardware and related equipment needed to utilize the Services. As of the date of this Agreement, the necessary equipment includes: personal computer with internet access and web browser software that supports the 128-bit encryption standard (your "**Computer**"). We will post hardware/software requirements in the Internet Banking portion of our Site, currently located in the Internet Banking FAQ section for System Requirements and 128 Bit Encryption [**LINK**] or you can call our Customer Service Support at (800) 531-1401 to confirm current requirements. To ensure your ability to view various features of Bank's Internet Banking Service, you understand it is your responsibility to update your web browser periodically so that the Bank's entire web site may be viewed.

You and/or any or all Internet Banking Service Users may be required to download, install and use certain software systems and programs developed by Bank, its licensors, or other third party providers ("**Internet Banking Software**"). Bank is not responsible for any damage to your Computer resulting from those activities, and you will be engaging in those activities at your own risk. You are responsible for obtaining your own internet service provider, and your provider may charge you for internet-related use. You will look to your provider for further details about its charges. Bank is not a party to, and Bank has no duty, liability, or responsibility in connection with your internet service provider agreement or any computer device, including but not only your Computer, or service that you may purchase from others relating to your use of the internet. You agree that you are responsible and Bank is not responsible for meeting the terms and conditions of and paying the fees and charges required by any such agreements, and that your internet service provider and the providers of your hardware and software products that enable you to access and use the Internet Banking Service are responsible for their products and services. You agree that you use those products and services at your own risk, and that you will resolve any problems you may have concerning those products and services directly with the providers of those products and services without involving Bank.

YOU AGREE THAT NEITHER BANK NOR ANY SERVICE PROVIDER IS RESPONSIBLE FOR, AND YOU AGREE TO HOLD BANK AND EACH SERVICE PROVIDER HARMLESS FROM, ANY DAMAGES, LOSSES, COSTS, ERRORS, DELETIONS, FAILURES, OR DISCLOSURES OF PERSONAL OR BUSINESS ACCOUNT INFORMATION THAT OCCUR AS A RESULT OF OR IN CONNECTION WITH ANY MALFUNCTION OF YOUR COMPUTER OR COMPUTER SYSTEM OR SOFTWARE OR MOBILE DEVICE, OR YOUR FAILURE TO OBTAIN ADEQUATE ONLINE SECURITY HARDWARE AND SOFTWARE OR TO MAINTAIN AND SECURE YOUR COMPUTER AND SOFTWARE PROPERLY, NOR WILL BANK OR ANY SERVICE PROVIDER BE RESPONSIBLE FOR ANY COMPUTER VIRUSES THAT AFFECT YOUR COMPUTER OR SOFTWARE WHILE USING THE INTERNET BANKING SERVICE. IN ADDITION, NEITHER BANK NOR ANY SERVICE PROVIDER WILL BE RESPONSIBLE FOR ANY THIRD PARTY ACCESS OR ATTEMPTED ACCESS TO YOUR COMPUTER OR SOFTWARE WHILE USING THE INTERNET BANKING SERVICE OR OUR SITE.

B. Set-Up and Security Procedures

You agree to follow any and all instructions provided by Bank for setting up or implementing security measures and procedures, which Bank may provide separately, whether initial security measures and procedures or any that Bank may request or require subsequent to initial setup, for the Internet Banking Services, such as, but not limited to, creating and maintaining User access or identification code(s) accepted by the Bank ("**Access ID**") and a string of words or characters for your further authentication and access approval ("**Password**") (all such measures and procedures collectively, "**Security**

Procedures"), all of which are incorporated herein by reference. . Bank is not responsible for your actions or negligence in setting up your security access to Internet Banking Services or designating or allowing Users access to the Service or assigning Access IDs to Users.

Password and Security. If you are issued or create any Password or other credentials to access the Service or the portion of the Site through which the Service is offered, you agree not to give or make available your Password or credentials to any unauthorized individuals, and you agree to be responsible for all actions taken by anyone to whom you have provided such credentials. If you believe that your credentials have been lost or stolen or that someone may attempt to use them to access the Site or Service without your consent, you must inform us at once at our Customer Service Support number at (800) 531-1401. See also Section IV.H., "**Liability & Unauthorized Use**," below regarding how the timeliness of your notice impacts your liability for unauthorized transfers.

Neither you nor your User will disclose any information pertaining to the use or the components of the Internet Banking Services to any other persons. **YOU AGREE THAT YOU ARE RESPONSIBLE FOR YOUR ACTIONS AND THE ACTIONS OF ANY AND ALL USERS IN UTILIZING THE INTERNET BANKING SERVICES, INCLUDING BUT NOT ONLY ANY PAYMENTS, TRANSFERS, OR OTHER TRANSACTIONS YOU OR ANY USERS AUTHORIZE USING THE SERVICE. YOU AGREE TO ENSURE THAT ALL YOUR USERS UNDERSTAND AND COMPLY WITH ALL APPLICABLE TERMS AND CONDITIONS OF THIS AGREEMENT. YOU AGREE YOU ARE RESPONSIBLE FOR ALL ACTIVITY OF ANY USER UTILIZING THE INTERNET BANKING SERVICES, EVEN IF YOUR USER EXCEEDS YOUR AUTHORIZATION.** You should not leave your Computer unattended while using the Service, and you should log out after completing an Internet Banking Service transaction.

You agree to the Security Procedures required or recommended by Bank in connection with the Service. Such Security Procedures offered by Bank are described herein and in related instructions and communications applicable to the Service provided online or otherwise by the Bank. As part of those Security Procedures, Bank may employ various authentication technologies, including, but not limited to, use of Access IDs, Passwords, and other "**Additional Authentication Information**" ("**AAI**") that Bank may require you to provide at Bank's sole discretion. Bank employs various security and authentication technologies to ensure that you are communicating directly with Bank and also to ensure that your Computer is communicating with a legitimate Bank computer—but the purpose of the Security Procedures is not to detect errors in any transmission or content. You agree that you are responsible for establishing and maintaining internal procedures reasonably adapted to insure the confidentiality and security of the Security Procedures. **YOU AGREE THAT YOU WILL BE RESPONSIBLE FOR MAINTAINING SECURITY AND CONTROL OVER YOUR ACCESS ID AND PASSWORD AND ANY AAI PROVIDED BY BANK AND SHALL USE SECURITY FOR SUCH ITEMS COMPARABLE TO THE SECURITY AND CONTROL YOU WOULD USE FOR CASH, BUT IN NO EVENT LESS THAN REASONABLE SECURITY AND CONTROL IN THE CIRCUMSTANCES.**

No Bank employee, nor any company affiliated with Bank or a third party Service Provider of Bank will contact you by Email or phone requesting your Access ID, Password, or any AAI. If you are contacted by anyone requesting such information, YOU WILL NOT GIVE ANY OF YOUR INFORMATION OUT, and you will contact Bank immediately to report the details of the incident. Please see Bank's Privacy Notice on its website for details regarding the safekeeping of your personal information.

If your Account is a Business Account, or if you use your Account for business purposes, you also agree to (i) keep all Security Procedures, including but not only Access IDs, Passwords, or other security codes, strictly confidential, disclosing them only to trustworthy employees or other Users who have access to them as necessary to perform their duties related to the Services; (ii) instruct those employees that they are not to disclose any Security Procedures to any other person or entity; and (iii) establish and maintain and follow all procedures necessary to assure the Security Procedures will be maintained in strictest confidence. You further agree to notify the Bank immediately if any of the Security Procedures become known to an unauthorized person or if you believe they have become known to an unauthorized person. Bank may disable Passwords of Users even without receiving such notice from you if Bank or its Service Provider(s) suspect Password(s) are being used in an unauthorized or fraudulent manner. You agree that the Security Procedures are commercially reasonable and appropriate for your intended use of the Service, and you agree to be bound by the Bank's Security Procedures, which may be periodically updated. You agree that the Security Procedures used by you and the Bank in connection with the Services are to be used to verify the authenticity and validity of communications, including requests for funds transfers, received by the Bank in the entity's or your name, and are not intended to detect errors in such communications.

C. Other Responsibilities of You and Your User.

Reviewing Statements. Unless you have opted to receive your statements electronically, you will continue to receive regular Account statements, and both types of statements describe all transactions for the Account(s), including the transactions that you have initiated through the Internet Banking Services. You are responsible for promptly reviewing all statements and notices from the Bank and reporting in writing any irregularities to the Bank at once. For all electronic transactions governed by the Consumer Financial Protection Bureau's Regulation E at 12 CFR Part 1005, errors or questions about your electronic transactions must be reported to the Bank as described in Section IV.G., "Error Resolution," below.

D. On-Line Help

You can access on-line help by accessing the "Help" feature on the Internet Banking Services screen, and you agree to do so or to call Customer Service Support at (800) 531-1401 if you have a question regarding or problem using the Internet Banking Services. Email to Bank could be delayed, so if you want Bank to receive time-sensitive information relating to your Account or Service (for example, stop payments or reporting unauthorized use of your Service or Account), you must call the Customer Service Support telephone number above or contact Bank in person and give Bank a reasonable time to act upon your request.

E. Use and Unauthorized Use of the Services; Legal Compliance

Acceptable Use. You agree that you are independently responsible for complying with all Applicable Laws in all of your activities related to your use of the Service, regardless of the purpose of the use, and for all communications you send through the Service. We and our Service Providers have the right but not the obligation to monitor and remove communications content that we find in our sole discretion to be objectionable in any way. In addition, you are prohibited from using the Service for communications or activities that: (a) violate any law, statute, ordinance or regulation; (b) promote hate, violence, racial intolerance, or the financial exploitation of a crime; (c) defame, abuse, harass or threaten

others; (d) include any language or images that are bigoted, hateful, racially offensive, vulgar, obscene, indecent or discourteous; (e) infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the laws of any jurisdiction; (f) impose an unreasonable or disproportionately large load on our infrastructure; (g) facilitate any viruses, trojan horses, worms or other computer programming routines that may damage, detrimentally interfere with, surreptitiously intercept or expropriate any system, data or information; (h) constitute use of any robot, spider, other automatic device, or manual process to monitor or copy the Service or the portion of the Site through which the Service is offered without our prior written permission; (i) constitute use of any device, software or routine to bypass technology protecting the Site or Service, or interfere or attempt to interfere, with the Site or the Service; or (j) may cause us or our Service Providers to lose any of the services from our internet service providers, payment processors, or other vendors. We encourage you to provide notice to us by the methods described in Section IX.H., "Notices," below of any violations of this Agreement.

Unauthorized Acts. You agree that you have no right, title, or interest to the Internet Banking Service or system (the "**System**") or copies of it. You will not make, or permit anyone else to make, copies of the System, nor will you modify, distribute, transmit, display, perform, reproduce, transfer, resell, lease, rent, distribute access to or republish any of the contents of the Internet Banking Services or System without the prior written consent of Prosperity, which may be withheld in its sole discretion. You agree to notify Bank promptly and in writing of any circumstances of which you have knowledge relating to any possession, use, or use of any portion of the System and/or Services by an unauthorized person. Except as otherwise required by Law, Bank will not be liable to you or any User for any losses caused by the failure of you or any User to use the Service or the Computer properly.

Prohibited Uses. You agree not to use the Service in any way that would (a) infringe any third party's copyright, patent, trademark, trade secret or other proprietary right or rights of publicity or privacy; (b) be fraudulent or involve the sale of counterfeit or stolen items, including, but not limited to, use of the Service to impersonate another person or entity; (c) violate this Agreement or any Applicable Law, including without limitation those governing export control, consumer protection, unfair competition, anti-discrimination, false advertising, anti-money laundering, or bank secrecy; (d) be false, misleading or inaccurate; (e) create liability for us or our affiliates or Service Providers, or cause us to lose (in whole or in part) the services of any of our Service Providers; (f) be defamatory, trade libelous, unlawfully threatening or unlawfully harassing, (g) potentially be perceived as illegal, offensive or objectionable; (h) interfere with or disrupt the computer network's connection to the Service; (i) damage, disable, overburden, or impair the Service or interfere with or disrupt the use of the Service by any other user; or (m) use the Service in such a manner as to gain unauthorized entry or access to the Bank's computer systems or the computer systems of others. You will not obtain or attempt to obtain any materials or information through any means not intentionally made available or provided through the Service. You agree that these and other warranties and representations you make in this Agreement will remain in full force and effect even if this Agreement terminates for any reason.

Compliance. You and we each agree to abide by all Applicable Laws pertaining to the Services. You agree that software programs, materials, tools, and technical data may be subject to U.S. export controls or the trade laws of other countries, and you agree to comply with all export control rules and regulations applicable to you. You represent and warrant that (a) you are not located in a country that is subject to a U.S. government embargo, or that has been designated by the U.S. Government as a "terrorist supporting" country, and (b) that you are not listed on any U.S. Government list of prohibited or restricted

parties, such as the U.S. Department of Treasury's Office of Foreign Asset Control's Specially Designated Nationals List (the "**OFAC List**").

Prohibited Payments. The following types of payments are prohibited through the Service, and we have the right but not the obligation to monitor for, block, cancel and/or reverse such payments:

a. Payments to or from persons or entities located in prohibited territories (including any territory outside of the United States); and
b. Payments that violate any law, statute, ordinance or regulation; and
c. Payments that violate the Acceptable Use terms above; and
d. Payments related to: (1) tobacco products, (2) prescription drugs and devices; (3) narcotics, steroids, controlled substances or other products that present a risk to consumer safety; (4) drug paraphernalia; (5) ammunition, firearms, or firearm parts or related accessories; (6) weapons or knives regulated under Applicable Law; (7) goods or services that encourage, promote, facilitate or instruct others to engage in illegal activity; (8) goods or services that are sexually oriented; (9) goods or services that promote hate, violence, racial intolerance, or the financial exploitation of a crime; (10) goods or services that defame, abuse, harass or threaten others; (11) goods or services that include any language or images that are bigoted, hateful, racially offensive, vulgar, obscene, indecent or discourteous; (12) goods or services that advertise, sell to, or solicit others; or (13) goods or services that infringe or violate any copyright, trademark, right of publicity or privacy, or any other proprietary right under the laws of any jurisdiction; and
e. Payments related to gambling, gaming and/or any other activity with an entry fee and a prize, including, but not limited to, casino games, sports betting, horse or dog racing, lottery tickets, other ventures that facilitate gambling, games of skill (whether or not it is legally defined as a lottery) and sweepstakes; and
f. Payments relating to transactions that (1) support pyramid or ponzi schemes, matrix programs, other "get rich quick" schemes or multi-level marketing programs, (2) are associated with purchases of real property, annuities or lottery contracts, lay-away systems, off-shore banking or transactions to finance or refinance debts funded by a credit card, (3) are for the sale of items before the seller has control or possession of the item, (4) constitute money-laundering or terrorist financing, (5) are associated with the following "money service business" activities: the sale of traveler's checks or money orders, currency dealers or exchanges, or check cashing, or (6) provide credit repair or debt settlement services; and
g. Tax payments and court ordered payments.

Except as required by Applicable Law, in no event shall we or our Service Providers be liable for any claims or damages resulting from your scheduling of prohibited payments. We encourage you to provide notice to us by the methods described in Section IX.H., "Notices to Us Regarding the Service," below of any violations of this Agreement.

F. Internet Banking Service License Rights Generally

In connection with your use of the Internet Banking Service and any Internet Banking Software, Bank and its licensors (or other third parties who have directly or indirectly granted rights in those software systems and programs with respect to Internet Banking) will require your agreement to certain license rights arrangements and/or end-user agreements ("**Licenses**"). By enrolling in portions of the Service

relating to those software systems and programs, and/or by downloading and/or installing Internet Banking Software, you will be evidencing your acceptance of the terms and conditions of those Licenses. Bank may also condition your use of the Internet Banking Software upon your affirming such Licenses by the use of "I Accept" dialogue box acknowledgments or by other affirmative or use-based acknowledgment and agreement features.

Bank and its Service Providers (including without limitation third party providers of Internet Banking Software) reserve all rights not granted to me in this Agreement and under the terms of such Licenses. If you obtain a different Computer, you may be required to download and/or install Internet Banking Software to that different Computer, under the same terms set forth in this Agreement. You agree to delete all such software from your Computer promptly if the Licenses or this Agreement terminate for any reason. You agree Bank reserves the right to change, add to, or terminate services with Bank's third party Internet Banking Service or Internet Banking Software providers and to enter into or arrange for the provision of Internet Banking Software by other licensors and third parties.

Intellectual Property. All marks and logos related to the Service are either trademarks or registered trademarks of us or our licensors. In addition, all page headers, custom graphics, button icons, and scripts are our service marks, trademarks, and/or trade dress or those of our licensors. You may not copy, imitate, or use any of the above without our prior written consent, which we may withhold in our sole discretion, and you may not use them in a manner that is disparaging to us or the Service or display them in any manner that implies our sponsorship or endorsement. All right, title and interest in and to the Service, the portion of the Site through which the Service is offered, the technology related to the Site and Service, and any and all technology and any content created or derived from any of the foregoing, is our exclusive property or that of our licensors. Moreover, any suggestions, ideas, notes, drawings, concepts, or other information you may send to us through or regarding the Site or Service shall be considered an uncompensated contribution of intellectual property to us and our licensors, shall also be deemed our and our licensors' exclusive intellectual property, and shall not be subject to any obligation of confidentiality on our part. By submitting any such materials to us, you automatically grant (or warrant that the owner of such materials has expressly granted) to us and our licensors a perpetual, royalty-free, irrevocable, non-exclusive right and license to use, reproduce, modify, adapt, publish, translate, publicly perform and display, create derivative works from and distribute such materials or incorporate such materials into any form, medium, or technology now known or later developed, and you warrant that all so-called "moral rights" in those materials have been waived, and you warrant that you have the right to make these warranties and transfers of rights.

G. Error Resolution

1. Consumer Accounts

In case of errors or questions about your electronic transfers, you will:

a. call Customer Service Support at (800) 531-1401, or
b. write to:

Prosperity Bank
ATTN: Internet Banking Support
1401 Avenue Q

Lubbock, Texas 79401, or

c. Send a message to us through the "Messages" feature within the Internet Banking Service,

as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we released the FIRST statement on which the problem or error appeared. You must:

(1) tell us your name and Account number,
(2) describe the error or the transfer you am unsure about, and explain as clearly as you can why you believe it is an error or why you need more information and
(3) tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) Business Days. We will determine whether an error occurred within ten (10) Business Days (twenty (20) Business Days if the transfer involved a new Account) after we hear from you and will correct any error promptly. If we need more time, however, we may take up to forty-five (45) days (ninety (90) days if the transfer involved a new Account, a point-of-sale transaction, or a foreign-initiated transaction) to investigate your complaint or question. If we decide to do this, we will credit your Account within ten (10) Business Days (twenty (20) Business Days if the transfer involved a new Account) for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) Business Days, we may not credit your Account. An Account is considered a new Account for thirty (30) days after the first deposit is made; if you are a new customer. We will tell you the results within three (3) Business Days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

2. Business Accounts

The Error Resolution provisions above, which are applicable to consumers and Consumer Accounts, do not apply to Business and other non-Consumer Accounts. If your Account is a Business Account, you agree to notify the Bank immediately in the case of errors or questions about a transfer listed on your statement. To provide such notice, you will:

a. Call Customer Service Support at (800) 531-1401, or
b. Write to Prosperity Bank, ATTN: Internet Banking Support, 1401 Avenue Q, Lubbock Texas, 79401 or
c. Send a message to the Bank through the "Messages" feature within the Internet Banking Service.

You agree to provide notice of, and at the Bank's request, an affidavit, regarding the problem within a reasonable time (not to exceed fourteen (14) calendar days) from the date of discovery or your receipt of the first statement, report or notice reflecting the problem, whichever occurs first.

You must notify Bank of errors, discrepancies, or possible unauthorized transactions as soon as possible upon learning of the discrepancy. If you fail to notify Bank within ***sixty (60) days*** after you have

received notice of an unauthorized or erroneous transaction, Bank will not owe you any interest on the amount in question, even if Bank is otherwise liable to you in connection with the transaction. If you fail to notify Bank of any discrepancy within one (1) year, regardless of the care or lack of care of you or Bank, you will be precluded from asserting any such discrepancy against Bank or its Service Provider(s).

Bank and/or its Service Providers shall have no liability to you for any unauthorized transactions made using your Password that occurs before you have notified Bank of any possible unauthorized use and Bank has had a reasonable opportunity to act upon that notice.

H. Liability & Unauthorized Use

1. Consumer Accounts

You must tell us AT ONCE if you believe your Access ID or Password or any other access method has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your Account (plus your maximum overdraft line of credit, if applicable).

If you tell us within two (2) Business Days after you learn of the loss or theft of your Access ID or Password or other access method, you can lose no more than $50 if someone used your Access Id or Password or other access method without your permission. If you do NOT tell us within two (2) Business Days after you learn of the loss or theft of your Access ID or Password or other access method, and we can prove we could have stopped someone from using your Access ID or Password or other means to access your Account without your permission if you had told us, you could lose as much as $500.

Also, if your Account statement shows transfers that you did not make or authorize, including those made by card, code, or other means, you will tell us at once. If you do not tell us within sixty (60) days after the statement was mailed or made available to you, you may not get back any money you lost or amount transferred without your authorization after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we may extend the time period.

If you believe your Access ID or Password or other access method have become lost or stolen or that someone has transferred or may transfer money from your Account without your permission, call us at Customer Service Support at (800) 531-1401, or write to Prosperity Bank, ATTN: Internet Banking Support, P.O. Drawer G, El Campo, TX 77437.

2. Business Accounts.

The Liability and Unauthorized Use provisions in Section IV.H.1. above, which are applicable to Consumer Accounts, do not apply to Business Accounts. ***If you are a business customer, please contact us as described in Section IV.G.2 (Error Resolution, Business Accounts) to report unauthorized transactions. In addition, the following provisions apply to you.***

Business Customer(s) and not Bank will be solely responsible for designating Users and assigning privileges within the Internet Banking Service. **YOU REPRESENT AND WARRANT THAT THE INDIVIDUAL**

INDICATING AGREEMENT TO THIS AGREEMENT HAS THE AUTHORITY TO DO SO ON YOUR BEHALF AND THAT YOUR USERS HAVE THE APPROPRIATE AUTHORITY TO INITIATE TRANSACTIONS THROUGH THE INTERNET BANKING SERVICE. YOU AGREE TO PROVIDE BANK WRITTEN DOCUMENTATION OF SUCH AUTHORITY AT BANK'S REQUEST. YOU ALSO REPRESENT AND WARRANT THAT YOU MAINTAIN OR REQUIRE CURRENT AND UPDATED ANTI-VIRUS AND OTHER SECURITY RELATED SOFTWARE IN ALL COMPUTERS USED TO ACCESS THE INTERNET BANKING SERVICE BY YOU OR ON YOUR BEHALF.

You authorize Bank and its Service Providers to act upon, and you agree to be bound by, any transaction, whether or not authorized, that is initiated with an Access ID and Password of any User(s). Furthermore, any instructions, directions, or other information provided by you, or any of your Users will be deemed to have been authorized by you. Bank and its Service Providers will not be responsible for verifying the identity or authenticity of any person claiming to be your authorized User. YOU ASSUME ANY AND ALL LIABILITY ARISING FROM THE USE OR MISUSE OF THE INTERNET BANKING SERVICE OR ENROLLED ACCOUNTS BY YOUR USER OR AS A RESULT OF A COMPROMISED COMPUTER DUE TO A BREACH OF ANY OF THE FOREGOING WARRANTIES. IN ADDITION TO YOUR OTHER INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, YOU AGREE TO INDEMNIFY AND HOLD BANK AND/OR ITS SERVICE PROVIDERS HARMLESS FOR ANY LIABILITY AND DAMAGES RESULTING FROM OR ACTING UPON ANY TRANSACTION, DIRECTION, INSTRUCTION, OR INFORMATION THAT IS INITIATED WITH AN ACCESS ID AND PASSWORD OF YOUR USER REGARDLESS WHETHER SUCH TRANSACTION, DIRECTION, OR INSTRUCTION IS MADE BY AN AUTHORIZED USER.

You agree that Bank may send notices and other communications, including Emails, to the current address shown in Bank's records for you, whether or not that address includes a designation for delivery to the attention of any particular individual. YOU FURTHER AGREE THAT BANK AND/OR ITS SERVICE PROVIDERS WILL NOT BE RESPONSIBLE OR LIABLE TO YOU IN ANY WAY IF INFORMATION IS INTERCEPTED BY AN UNAUTHORIZED PERSON, EITHER IN TRANSIT OR AT YOUR PLACE OF BUSINESS.

YOU SHALL BE SOLELY RESPONSIBLE FOR THE IMPLEMENTATION OF ALL COMMERCIALLY REASONABLE SECURITY PROCEDURES TO PROTECT YOUR COMPUTER SYSTEMS USED TO ACCESS THE INTERNET BANKING SERVICE. BANK AND ITS SERVICE PROVIDERS SHALL HAVE NO OBLIGATION OR LIABILITY, AND EXCEPT FOR ANY INTERNET SOFTWARE BANK MAY HAVE SPECIFICALLY INSTRUCTED YOU TO IMPLEMENT, CONTROL, EITHER DIRECTLY OR INDIRECTLY, CONCERNING YOUR SELECTION OF SECURITY SYSTEMS OR DEVICES USED TO PROTECT YOUR COMPUTER SYSTEM(S). FURTHERMORE, NEITHER BANK NOR ITS SERVICE PROVIDERS SHALL HAVE CONTROL OVER YOUR DEVELOPMENT OR IMPLEMENTATION OF SAID SECURITY PROCEDURES OR YOUR FAILURE TO MAINTAIN SAID PROCEDURES. Business customers shall be solely responsible for any and all losses and damages arising from any authorized or unauthorized access to the Internet Banking Service using a valid Access ID and Password.

I. **Remedies.** If we have reason to believe that you have engaged in any of the prohibited or unauthorized activities described in this Agreement or have otherwise breached your obligations under this Agreement, we may terminate, suspend or limit your access to or use of the Site or the Service; notify law enforcement, regulatory authorities, impacted third parties, and others as we deem appropriate; refuse to provide our services to you in the future; and/or take legal action against you. In addition, we, in our sole discretion, reserve the right to terminate this Agreement, access to the Site and/or use of the Service for any reason or no reason and at any time. The remedies contained in this Section IV.I. are cumulative

and are in addition to the other rights and remedies available to us under this Agreement, by law or otherwise.

J. Fees

You will pay the fees for the Internet Banking Services monthly as disclosed on the Bank's Schedule of Service Charges and Fees or as we have otherwise informed you, as they may be changed by us from time to time. You can obtain current information about applicable fees by calling Bank's Customer Service Support number at (800) 531-1401 during customer service hours. These fees are in addition to any fees and service charges that you currently pay for other products or services you are receiving from Bank. Any pricing or policy changes related to the Internet Banking Services adopted by Bank in the future will constitute modifications or addendums to this Agreement but will not nullify it. You may be asked to designate an Eligible Transaction Account for selected services such as Bill Pay, and you authorize Bank to charge your Account or any other account for the fees.

If you are a consumer, some features of Prosperity Internet Banking may be currently free although Prosperity reserves the right to impose fee(s) for any such Internet Banking Services at any time in the future. For all Accounts, additional fees may apply for Bill Pay, Wire Transfer Services, ACH Origination, Lockbox, and Positive Pay services. See Prosperity Bank's Schedule of Service Charges and Fees for additional services and fees or call Customer Service Support at (800) 531-1401.

V. TERMINATION AND DISPUTES

A. Termination. Subject to Bank's rights to terminate as described in this Agreement, this Agreement shall continue until Bank receives written notification of your revocation. Termination by either party does not relieve you of your liability for transactions or responsibilities for payment of all fees incurred prior to termination. You may terminate the Service(s) by writing to Prosperity Bank, ATTN: Internet Customer Service Support, 1401 Avenue Q, Lubbock, Texas, 79401. Any payment(s) that have begun processing before the requested cancellation date will be processed by us. You agree that we may terminate or suspend your use of the Internet Banking Service, in whole or in part, including without limitation the Bill Pay or Popmoney Services, at any time and for any reason or no reason. Neither termination, cancellation nor suspension shall affect your liability or obligations under this Agreement.

B. Disputes

In the event of a dispute regarding the Service, you and we agree to resolve the dispute by looking to this Agreement.

Arbitration. For any claim (excluding claims for injunctive or other equitable relief) where the total amount of the award sought is less than $10,000.00 USD, the party requesting relief may elect to resolve the dispute in a cost effective manner through binding non-appearance-based arbitration. If a party elects arbitration, that party will initiate such arbitration through Judicial Arbitration and Mediation Services ("JAMS"), the American Arbitration Association ("AAA"), or an established alternative dispute resolution (ADR) administrator mutually agreed upon by the parties. The parties agree that that the following rules shall apply: (a) the arbitration may be

conducted telephonically, online and/or be solely based on written submissions, at the election of the party initiating the arbitration; (b) the arbitration shall not involve any personal appearance by the parties, their representatives or witnesses unless otherwise mutually agreed by the parties; (c) discovery shall not be permitted; (d) the matter shall be submitted for decision within ninety (90) days of initiation of arbitration, unless otherwise agreed by the parties, and the arbitrator must render a decision within thirty (30) days of submission; and (e) any award in such arbitration shall be final and binding upon the parties and may be submitted to any court of competent jurisdiction for confirmation. The parties acknowledge that remedies available under federal, state and local laws remain available through arbitration. NO CLASS ACTION, OTHER REPRESENTATIVE ACTION, OR PRIVATE ATTORNEY GENERAL ACTION, OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON SHALL BE ALLOWABLE IN ARBITRATION.

VI. LIMITS ON BANK'S RESPONSIBILITIES

A. **Failed Account Transfers**. In the event of a failed Account Transfer, Bank will not be liable for any failure of the funds to transfer in accordance with your instructions, for instance, if: (1) through no fault of Bank, your Account does not contain sufficient funds to make the Account Transfer, (2) the payment or Account Transfer would go over the credit limit on your overdraft line of credit, (3) the equipment, phone lines, or computer systems were not working properly or were temporarily unavailable, (4) Event(s) Beyond Bank's Control (defined below in Section VI.G.) prevented or interfered with the payment or Account Transfer, (5) a court order or legal process prevents Bank from making an Account Transfer or payment, (6) you have previously reported, or Bank has a reasonable basis for believing that unauthorized use of Access ID and Password, or designated account have occurred or may be occurring, (7) if you default under any agreement with Bank, or (8) if Bank or you terminate this Agreement.

B. **Failed or Returned Payment Instructions.** In using certain Services, you are requesting that we or our Service Provider attempt to make payments for you from your Eligible Transaction Account. If the Payment Instruction cannot be completed for any reason associated with your Eligible Transaction Account (for example, there are insufficient funds in your Eligible Transaction Account, or the Payment Instruction would exceed the credit or overdraft protection limit of your Eligible Transaction Account, to cover the payment), the Payment Instruction may or may not be completed. In certain circumstances, our Service Provider may either advance funds drawn on their corporate account or via an electronic debit, and in such circumstances will attempt to debit the Eligible Transaction Account a second time to complete the Payment Instruction. In some instances, you will receive a return notice from us or our Service Provider. In each such case, you agree that:

a. You will reimburse our Service Provider immediately upon demand the amount of the Payment Instruction if the payment has been delivered but there are insufficient funds in, or insufficient overdraft credits associated with, your Eligible Transaction Account to allow the debit processing to be completed;

b. You may be assessed a late fee equal to one and a half percent (1.5%) of any unpaid amounts plus costs of collection by our Service Provider or their third-party contractor if the Payment Instruction cannot be debited because you have insufficient funds in your Eligible Transaction Account, or the transaction would exceed the credit or overdraft protection limit of

your Eligible Transaction Account, to cover the payment, or if the funds cannot otherwise be collected from you. The aforesaid amounts will be charged in addition to any NSF charges that may be assessed by us, as set forth in your fee schedule from us (including as may be disclosed on the Site) or your Account Agreement with us. You hereby authorize us and our Service Provider to deduct all of these amounts from your designated Eligible Transaction Account, including by ACH debit;

Service Provider is authorized to report the facts concerning the return to any credit reporting agency.

C. Bank's Failure to Make Electronic Funds Transfer.

1. If, not due to any Event Beyond the Bank's Control (defined below in Section VI.G.) or bona fide error on Bank's part notwithstanding the maintenance of procedures reasonably adapted to avoid any such error, Bank and/or its Service Providers fail or delay in making an electronic funds transfer in accordance with your proper instruction, or we fail to credit properly a deposit to your Account that would have provided sufficient funds for the transfer, or if we fail to stop payment of a preauthorized transfer in accordance with your proper instruction, then Bank will be liable in accordance with Applicable Law.

2. We will not, however, be liable where:

a. your Account has insufficient funds;
b. the funds are subject to legal process or other encumbrance restricting such transfer;
c. such transfer would exceed an established credit limit; or
d. as otherwise provided by Applicable Law.

3. Unless otherwise required by Applicable Law, our liability shall be limited to interest on the amount which we failed to timely pay, calculated from the date on which the payment or Account Transfer was to be made until the date it was actually made or you canceled the instruction, calculated in the manner described below in Section VII. We may pay such interest either to you or the intended recipient of the payment or Account Transfer, but in no event will we be liable to both parties, and our payment to either party will fully discharge any obligation to the other. If we make a payment in an erroneous amount which exceeds the amount per your Payment Instruction, or if we permit an unauthorized payment after we have had a reasonable time to act on a notice from you of possible unauthorized use as described above, unless otherwise required by Law, our liability will be limited to a refund of the amount erroneously paid, plus interest thereon from the date of the payment to the date of the refund, but in no event to exceed sixty (60) days' interest.

D. Our Relationship With You. We are an independent contractor for all purposes, except that we act as your agent with respect to the custody of your funds for the Service. We do not have control of, or liability for, any products or services that are paid for with our Service. We also do not guarantee the identity of any user of the Service (including but not limited to recipients to whom you send payments).

E. Taxes. It is your responsibility to determine what, if any, taxes apply to the transactions you make or receive, and it is your responsibility to collect, report and remit the correct tax to the

appropriate tax authority. We are not responsible for determining whether taxes apply to your transaction, or for collecting, reporting or remitting any taxes arising from any transaction.

F. BUSINESS CUSTOMERS. IF YOU ARE A BUSINESS CUSTOMER, YOU AGREE THAT BANK AND ITS SERVICE PROVIDERS WILL BE DEEMED TO HAVE EXERCISED ALL DUE CARE AND TO HAVE ACTED REASONABLY IF THEY ACT IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT AND WILL BE LIABLE FOR LOSS SUSTAINED BY YOU ONLY TO THE EXTENT SUCH LOSS IS CAUSED BY THEIR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. BANK AND ITS SERVICE PROVIDERS WILL HAVE NO LIABILITY FOR ANY LOSS OR DAMAGE RELATED TO THE DISHONESTY OF YOUR EMPLOYEES, OFFICERS, AGENTS, OR AUTHORIZED USERS OR:

- **RESULTING FROM ANY RECEIVING FINANCIAL INSTITUTION'S FAILURE TO ACCEPT ANY PAYMENT OR FUNDS TRANSFER REQUEST;**
- **RESULTING FROM ANY DELAY IN THE PERFORMANCE OF THIS AGREEMENT THAT IS CAUSED BY AN EVENT BEYOND BANK'S CONTROL (DEFINED BELOW IN SECTION VI.G.).**

If your Account is a Business Account, you agree that the amount of any claim you bring against the Bank in connection with the Service is subject to reduction and offset on the basis of your negligence or failure to use reasonable care on your part, or negligence or such failure on the part of any other owner or signer on the Account or that of any User, or any of your agents or any of your employees that contributed to the loss that is the basis of your claim; and, to the extent to which damages could not be avoided by the Bank's use of ordinary care.

G. Events Beyond Bank's Control (Force Majeure). Neither Bank nor any of its Service Providers will be responsible for failure to perform in a timely manner under this Agreement when its failure results from any of the following causes: Acts of God or public enemies, terrorism or terrorists' acts, civil war, insurrection or riot, fire, flood, hurricane or other windstorm, explosion, earthquake or serious accident, strike, labor trouble, computer system hackers, or any cause beyond its reasonable control ("**Event(s) Beyond Bank's Control**"). Notwithstanding the foregoing, Bank shall take all reasonable steps to avoid or remove such cause of non-performance and resume performance hereunder as soon as reasonably possible. In the event of a system failure or interruption, your data may be lost or destroyed. You assume the responsibility to verify the accuracy and completeness of any transaction affected by the system failure or interruption through means other than the Service. You acknowledge that there are certain security and access availability risks associated with using open networks such as the internet, and you hereby expressly assume such risks. We are not responsible for any delay, error, damages or other loss you may suffer due to an Event Beyond Bank's Control, including a malfunction or misapplication of your Internet service provider, wireless provider, or third parties, or any equipment you may use to access or communicate with the Service, and you hereby expressly assume such risks.

VII. EXCLUSIONS OF WARRANTIES AND LIMITATION OF DAMAGES

Exclusions of Warranties. THE SITE AND SERVICE AND RELATED DOCUMENTATION ARE PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. IN PARTICULAR, WE DO NOT GUARANTEE CONTINUOUS, UNINTERRUPTED OR SECURE ACCESS TO ANY PART OF OUR SERVICE, AND OPERATION OF OUR SITE MAY BE INTERFERED WITH BY NUMEROUS FACTORS OUTSIDE OF OUR CONTROL. SOME STATES

DO NOT ALLOW THE DISCLAIMER OF CERTAIN IMPLIED WARRANTIES, SO THE FOREGOING DISCLAIMERS MAY NOT APPLY TO YOU. THIS PARAGRAPH GIVES YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER LEGAL RIGHTS THAT VARY FROM STATE TO STATE.

YOUR USE OF ANY INTERNET BANKING SOFTWARE OR INTERNET BANKING SERVICE, AND ANY MATERIAL OR SERVICES DOWNLOADED OR OTHERWISE OBTAINED VIA INTERNET BANKING IS AT YOUR OWN DISCRETION AND RISK, AND YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE RESULTING FROM THEIR USE. NOTWITHSTANDING OUR EFFORTS TO ENSURE THAT THE INTERNET BANKING SERVICE IS SECURE, YOU AGREE THAT WE CANNOT AND DO NOT WARRANT THAT ALL DATA TRANSFERS VIA THE INTERNET BANKING SERVICE WILL BE FREE FROM MONITORING OR ACCESS BY OTHERS. YOU AGREE THAT WE DO NOT GUARANTEE CONTINUOUS, UNINTERRUPTED, OR SECURE ACCESS TO ANY PART OF THE INTERNET BANKING SERVICES, AND OPERATION OF OUR SITE MAY BE INTERFERED WITH BY NUMEROUS FACTORS OUTSIDE OF OUR CONTROL. SOME STATES DO NOT ALLOW THE DISCLAIMER OF CERTAIN IMPLIED WARRANTIES, SO THE FOREGOING DISCLAIMERS MAY NOT APPLY TO YOU. THIS PARAGRAPH GIVES YOU SPECIFIC LEGAL RIGHTS, AND YOU MAY ALSO HAVE OTHER LEGAL RIGHTS THAT VARY FROM STATE TO STATE.

NO THIRD PARTY WILL HAVE RIGHTS OR CLAIMS AGAINST BANK AND ITS SERVICE PROVIDERS UNDER THIS AGREEMENT. THE TERMS OF THIS SECTION WILL SURVIVE TERMINATION OF THIS AGREEMENT.

If Bank should become liable to you for interest compensation under this Agreement or applicable Law, such interest shall be calculated based on the average federal funds rate at the Federal Reserve Bank in the district including Houston, Texas for each day interest is due, computed on the basis of a three hundred sixty (360) day year. IN ADDITION TO ANY OTHER PROVISIONS IN THIS AGREEMENT LIMITING BANK'S LIABILITY, BANK IS NOT RESPONSIBLE OR LIABLE FOR ANY OF YOUR LOSSES OR DAMAGES IF YOU DEFAULT UNDER THIS AGREEMENT, THE ACCOUNT DOCUMENTS, OR ANY OTHER AGREEMENT YOU HAVE WITH BANK OR IF BANK OR YOU TERMINATE THIS AGREEMENT IN ACCORDANCE WITH THE TERMS HEREOF.

Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, EXCEPT AS MAY OTHERWISE BE REQUIRED BY APPLICABLE LAW, BANK WILL NOT BE LIABLE TO YOU FOR ANY MATTERS RELATED TO THIS AGREEMENT EXCEPT FOR ACTS OF GROSS NEGLIGENCE OR WILLFUL BREACH OF DUTIES BY BANK. EXCEPT AS MAY OTHEREWISE BE REQUIRED BY APPLICABLE LAW, AND OTHER THAN PAYMENT OF INTEREST AS DESCRIBED ABOVE IN SECTION VI.C. AND BELOW, YOU AGREE THAT YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY FAILURE OR NON-PERFORMANCE OF THE SERVICE WILL BE FOR BANK TO USE COMMERCIALLY REASONABLE EFFORTS TO PERFORM AND ADJUST OR REPAIR THE SERVICE. BECAUSE SOME STATES DO NOT ALLOW FOR THE EXCLUSION OF CERTAIN WARRANTIES, THE ABOVE EXCLUSIONS MAY NOT APPLY TO YOU.

THE FOREGOING SHALL CONSTITUTE YOUR EXCLUSIVE REMEDIES AND THE ENTIRE LIABILITY OF US AND OUR AFFILIATES AND SERVICE PROVIDERS AND THE EMPLOYEES AND CONTRACTORS OF EACH OF THESE, FOR THE SERVICE AND THE PORTION OF THE SITE THROUGH WHICH THE SERVICE IS OFFERED. YOU ACKNOWLEDGE AND AGREE

THAT FROM TIME TO TIME, THE SERVICE MAY BE DELAYED, INTERRUPTED OR DISRUPTED PERIODICALLY FOR AN INDETERMINATE AMOUNT OF TIME DUE TO EVENTS BEYOND BANK'S CONTROL, INCLUDING BUT NOT LIMITED TO ANY INTERRUPTION, DISRUPTION OR FAILURE IN THE PROVISION OF THE SERVICE, WHETHER CAUSED BY STRIKES, POWER FAILURES, EQUIPMENT MALFUNCTIONS INTERNET DISRUPTION OR OTHER REASONS. IN NO EVENT SHALL WE OR OUR AFFILIATES OR SERVICE PROVIDERS OR THE EMPLOYEES OR CONTRACTORS OF ANY OF THESE, BE LIABLE FOR ANY CLAIM ARISING FROM OR RELATED TO THE SERVICE CAUSED BY OR ARISING OUT OF ANY SUCH DELAY, INTERRUPTION, DISRUPTION OR SIMILAR FAILURE. IN NO EVENT SHALL WE OR OUR AFFILIATES OR SERVICE PROVIDERS OR THE EMPLOYEES OR CONTRACTORS OF ANY OF THESE, BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOSS OF GOODWILL OR LOST PROFITS (EVEN IF ADVISED OF THE POSSIBILITY THEREOF) ARISING IN ANY WAY OUT OF THE INSTALLATION, USE, OR MAINTENANCE OF THE SERVICE OR THE PORTION OF THE SITE THROUGH WHICH THE SERVICE IS OFFERED, EVEN IF SUCH DAMAGES WERE REASONABLY FORESEEABLE AND NOTICE WAS GIVEN REGARDING THEM. IN NO EVENT SHALL WE OR OUR AFFILIATES OR SERVICE PROVIDERS OR THE EMPLOYEES OR CONTRACTORS OF ANY OF THESE BE LIABLE FOR ANY CLAIM ARISING FROM OR RELATED TO THE SERVICE OR THE PORTION OF THE SITE THROUGH WHICH THE SERVICE IS OFFERED THAT YOU DO NOT STATE IN WRITING IN A COMPLAINT FILED IN A COURT OR ARBITRATION PROCEEDING AS DESCRIBED IN SECTION V.B. ABOVE WITHIN TWO (2) YEARS OF THE DATE THAT THE EVENT GIVING RISE TO THE CLAIM OCCURRED. THESE LIMITATIONS WILL APPLY TO ALL CAUSES OF ACTION, WHETHER ARISING FROM BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER LEGAL THEORY. OUR AGGREGATE LIABILITY, AND THE AGGREGATE LIABILITY OF OUR AFFILIATES AND SERVICE PROVIDERS AND THE EMPLOYEES AND CONTRACTORS OF EACH OF THESE, TO YOU AND ANY THIRD PARTY FOR ANY AND ALL CLAIMS OR OBLIGATIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO DIRECT OUT OF POCKET DAMAGES UP TO A MAXIMUM OF $500 (FIVE HUNDRED DOLLARS). SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES SO THE ABOVE LIMITATION OR EXCLUSION MAY NOT APPLY TO YOU.

VIII. INDEMNIFICATION AND RELEASE

IN ADDITION TO MY OTHER INDEMNIFICATION OBLIGATIONS HEREIN, YOU AGREE AS FOLLOWS:

INDEMNIFICATION. YOU AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS US AND OUR AFFILIATES AND SERVICE PROVIDERS AND THEIR AFFILIATES AND THE EMPLOYEES AND CONTRACTORS OF EACH OF THESE, FROM ANY LOSS, DAMAGE, CLAIM OR DEMAND (INCLUDING ATTORNEY'S FEES) MADE OR INCURRED BY ANY THIRD PARTY DUE TO OR ARISING OUT OF (I) YOUR BREACH OF THIS AGREEMENT AND/OR YOUR USE OF THE SITE OR THE APPLICABLE SERVICE; (II) THE USE OF THE SERVICE BY ANYONE USING YOUR ACCESS ID OR PASSWORD OR THE CREDENTIALS WE ASSIGN TO SOMEONE ELSE AT YOUR DIRECTION; (III) YOUR VIOLATION OF APPLICABLE LAW, CLEARINGHOUSE ASSOCIATION RULES OR THE RIGHTS OF ANY THIRD PARTY; OR (IV)

YOUR PROVISION TO US OF A TELEPHONE OR MOBILE PHONE NUMBER, EMAIL ADDRESS OR OTHER DELIVERY LOCATION THAT IS NOT YOUR OWN. THE TERMS OF THIS SECTION WILL SURVIVE TERMINATION OF THIS AGREEMENT.

Release. You release us and our Affiliates and Service Providers and the employees and contractors of each of these, from any and all claims, demands and damages (actual and consequential) of every kind and nature arising out of or in any way connected with any dispute that may arise between you or one or more other users of the Site or the applicable Service. In addition, if applicable to you, you waive California Civil Code §1542, which states that a general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if not known by him must have materially affected his settlement with the debtor.

IX. GENERAL PROVISIONS

A. Governing Law. This Agreement is governed by and will be interpreted under applicable federal law and the laws of the State of Texas without regard to its conflicts of laws provisions.

B. Severability; Captions. The invalidity or unenforceability of any provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. The captions of sections hereof are for convenience only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

C. Assignment. You may not assign this Agreement to any other party. Bank may assign this Agreement or any of its rights and responsibilities under this Agreement in its sole discretion.

D. Entire Agreement. You agree that this Agreement is the complete and exclusive statement of the agreement between us and you regarding the Internet Banking Services and the portion of the Site through which the Service is offered, which supersedes any proposal or prior agreement, oral or written, and any other communications between us. If there is a conflict between the terms of this Agreement and something stated by an employee or contractor of ours (including but not limited to our Customer Service Support personnel), the terms of this Agreement will prevail.

E. Waiver of Trial by Jury. The parties hereby knowingly, voluntarily and intentionally waive any right they may have to a trial by jury with respect to any litigation brought based upon this Agreement, or arising out of, under, or in connection with this Agreement and any agreement contemplated to be executed in conjunction herewith, or any course of conduct, course of dealing, statements or actions of the parties. This provision is a material inducement for the parties entering this Agreement.

F. Ownership of Material. Copyright in the pages and in the screens displaying the pages, and in the information and material therein and in their arrangement, is owned by Bank and/or its Service Providers unless otherwise indicated. All registered and unregistered trademarks used in the Service are the sole property of their respective owners. Unauthorized reproduction in whole or part is prohibited.

G. Notices to Us Regarding the Service. Except as otherwise stated below, notice to us concerning the Site or the Service must be sent by postal mail to:

Prosperity Bank
ATTN: Internet Banking Support
1401 Avenue Q
Lubbock, Texas 79401.

We may also be reached at (800) 531-1401 for questions and other purposes concerning the Service. We will act on your telephone calls as described above in Section IV.G.22, "Error Resolution," but otherwise, such telephone calls will not constitute legal notices under this Agreement.

H. Notices to You. You agree that we may provide notice to you by posting it on the Site, sending you an in-product Message within the Service, Emailing it to an Email address that you have provided us, mailing it to any postal address that you have provided us, or by sending it as a text message to any mobile phone number that you have provided us, including but not limited to the mobile phone number that you have listed in your Service setup or customer profile. For example, users of the Service may receive certain notices (such as notices of processed Payment Instructions, alerts for validation and notices of receipt of payments) as text messages on their mobile phones. All notices by any of these methods shall be deemed received by you no later than twenty-four (24) hours after they are sent or posted, except for notice by postal mail, which shall be deemed received by you no later than three (3) Business Days after it is mailed. You may request a paper copy of any legally required disclosures and you may terminate your consent to receive required disclosures through electronic communications by contacting us as described in the Electronic Disclosure Consent Statement you received in your enrollment materials (calling us at (800) 531-1401). We will provide the first copy for free. Charges may apply for additional paper copies. We reserve the right to terminate your use of the Service if you withdraw your consent to receive electronic communications.

J. Survival. Expiration or termination of this Agreement shall not release either you or us of our respective obligations of payment for Products actually delivered or Services actually performed prior to date of termination, or from warranty, intellectual property rights, governing law, notices, disputes or waiver of jury trial, or from the confidentiality or indemnity provisions hereof.

K. No Waiver. We shall not be deemed to have waived any rights or remedies hereunder unless such waiver is in writing and signed by one of our authorized representatives. No delay or omission on our part in exercising any rights or remedies shall operate as a waiver of such rights or remedies or any other rights or remedies. A waiver on any one occasion shall not be construed as a bar or waiver of any rights or remedies on future occasions.

IF YOU ENROLL IN AND BANK HAS APPROVED THE BILL PAY AND POPMONEY SERVICE, THE FOLLOWING SECTIONS X. AND XI. WILL APPLY TO YOUR USE OF THOSE SERVICES. YOU CAN ENROLL BY LOGGING ONTO THE INTERNET BANKING SERVICES AND CHOOSING BILL PAY, INCLUDING POPMONEY. Bill Pay and Popmoney Services are provided together and cannot be obtained separately. In the event of a conflict between the provisions of Sections X. and XI. and the provisions elsewhere in this Agreement, the provisions of Sections X. and XI. will control with respect to the Bill Pay and PopMoney Services.

X. BILL PAY - TERMS AND CONDITIONS

BILL PAYMENT SERVICE ADDITIONAL TERMS

1. Description of Service. The term "Bill Payment Terms" means these Bill Payment Service Additional Terms. The bill payment service (for purposes of these Bill Payment Terms, and the General Terms as they apply to these Bill Payment Terms, the "Service") enables you to receive, view, and pay bills from the Site to Billers you have specified. Our receipt of your Payment Instructions authorizes us to debit your Eligible Transaction Account and to remit funds on your behalf to the designated Biller.

2. Payment Scheduling. The earliest possible Scheduled Payment Date for each Biller will be designated within the portion of the Site through which the Service is offered when you are scheduling the payment. Therefore, the Service will not permit you to select a Scheduled Payment Date less than the earliest possible Scheduled Payment Date designated for each Biller. When scheduling payments you must select a Scheduled Payment Date that is no later than the actual Due Date reflected on your Biller statement unless the Due Date falls on a non-Business Day. If the actual Due Date falls on a non-Business Day, you must select a Scheduled Payment Date that is at least one (1) Business Day before the actual Due Date. Scheduled Payment Dates must be prior to any late date or grace period. Depending on the method of payment, your Eligible Transaction Account may be debited prior to the Scheduled Payment Date. For example, if the selected method of payment is a draft, the draft arrives earlier than the Scheduled Payment Date due to expedited delivery by the postal service, and the Biller immediately deposits the draft, your Eligible Transaction Account may be debited earlier than the Scheduled Payment Date.

3. The Service Guarantee. Due to circumstances beyond the control of the Service, particularly delays in handling and posting payments by Billers or other financial institutions, some transactions may take longer to be credited to the Biller's account. The Service will bear responsibility for any late payment related charges up to $50.00 should a payment post after its Due Date as long as the payment was scheduled in accordance with the Section 2 of the Bill Payment Terms (Payment Scheduling), subject to the circumstances outlined in Section 4 below.

4. Payment Authorization and Payment Remittance. By providing the Service with names and account information of Billers to whom you wish to direct payments, you authorize the Service to follow the Payment Instructions that it receives through the Site. In order to process payments more efficiently and effectively, the Service may edit or alter payment data or data formats in accordance with Biller directives.

When the Service receives a Payment Instruction, you authorize the Service to debit your Eligible Transaction Account and remit funds on your behalf so that the funds arrive as close as reasonably possible to the Scheduled Payment Date designated by you. You also authorize the Service to credit your Eligible Transaction Account for payments returned to the Service by the United States Postal Service or Biller, or payments remitted to you on behalf of another authorized user of the Service.

The Service will attempt to make all your payments properly. However, the Service shall incur no liability and any Service Guarantee (as described in Section 3 of the Bill Payment Terms) shall be void if the

Service is unable to complete any payments initiated by you because of the existence of any one or more of the following circumstances:

1. If, through no fault of the Service, your Eligible Transaction Account does not contain sufficient funds to complete the transaction or the transaction would exceed the credit limit of your overdraft account;
2. The payment processing center is not working properly and you know or have been advised by the Service about the malfunction before you execute the transaction;
3. You have not provided the Service with the correct Eligible Transaction Account information, or the correct name, address, phone number, or account information for the Biller;
4. Circumstances beyond control of the Service (such as, but not limited to, fire, flood, or interference from an outside force) prevent the proper execution of the transaction and the Service has taken reasonable precautions to avoid those circumstances;
5. Payee is a blocked person under OFAC List;
6. You have previously reported, or Bank has a reasonable basis for believing that unauthorized use of an Access ID and Password, or designated account have occurred or may be occurring; or
7. Payee delays crediting the payment or fails or refuses to accept a payment delivered by Bank.

Provided none of the foregoing exceptions are applicable, if the Service causes an incorrect amount of funds to be removed from your Eligible Transaction Account or causes funds from your Eligible Transaction Account to be directed to a Biller which does not comply with your Payment Instructions, the Service shall be responsible for returning the improperly transferred funds to your Eligible Transaction Account, and for directing to the proper Biller any previously misdirected transactions, and, if applicable, for any late payment related charges up to $50 as provided in the Service Guarantee in Section 3 of the Bill Payment Terms.

5. Payment Cancellation Requests. You may cancel or edit any Scheduled Payment (including recurring payments) by following the directions within the Internet Banking portion of the Site through which the Service is offered, currently located in the Payments section. There is no charge for canceling or editing a Scheduled Payment. Once the Service has begun processing a payment it cannot be cancelled or edited, therefore a stop payment request must be submitted.

6. Stop Payment Requests. The Service's ability to process a stop payment request will depend on the payment method and whether or not a check has cleared. The Service may also not have a reasonable opportunity to act on any stop payment request after a payment has been processed. If you desire to stop any payment that has already been processed, you must contact Customer Service Support for the Service in the manner set forth in Section IV.G., "Error Resolution," above. Although the Service will attempt to accommodate your request, the Service will have no liability for failing to do so. The Service may also require you to present your request in writing within fourteen (14) days. The charge for each stop payment request will be the current charge for such service as set out in the applicable fee schedule.

7. Exception Payments Requests. Exception Payments may be scheduled through the Service, however Exception Payments are discouraged and must be scheduled at your own risk. Except as required by applicable law, in no event shall the Service be liable for any claims or damages resulting from your scheduling of Exception Payments. The Service Guarantee (as described in Section 3 of the Bill Payment Terms) does not apply to Exception Payments.

8. Bill Delivery and Presentment. The Service includes a feature that electronically presents you with electronic bills from select Billers. Electronic bills may not be available from all of your Billers. Electronic bills are provided as a convenience only, and you remain solely responsible for contacting your Billers directly if you do not receive their statements. In addition, if you elect to activate one of the Service's electronic bill options, you also agree to the following:

1. Presentation of electronic bills – You will receive electronic bills from a Biller only if both: (a) you have designated it in the Service as one of your Billers, and (b) the Biller has arranged with our Service Provider to deliver electronic bills. The Service may then present you with electronic bills from that Biller if either: (1) you affirmatively elect online within the Service to receive electronic bills from the Biller, or (2) the Biller chooses to send you electronic bills on a temporary "trial basis." In either case, you can elect online within the Service to stop receiving electronic bills from a Biller. Electing to receive electronic bills, automatically receiving trial electronic bills, and declining further elected or trial electronic bills all occur on an individual Biller basis. The Service does not include an option to prevent ever participating in the automatic trial electronic bill feature. When affirmatively electing to receive electronic bills from a particular Biller, you may be presented with terms from that Biller for your acceptance. We are not a party to such terms.

2. Paper Copies of electronic bills – If you start receiving electronic bills from a Biller, the Biller may stop sending you paper or other statements. The ability to receive a paper copy of your statement(s) is at the sole discretion of the Biller. Check with the individual Biller regarding your ability to obtain paper copies of electronic bills on a regular or as-requested basis.

3. Sharing Information with Billers – You authorize us to share identifying personal information about you (such as name, address, telephone number, Biller account number) with companies that you have identified as your Billers and which we have identified as offering electronic bills for purposes of matching your identity on the Service's records and the Biller's records to (a) activate your affirmative request for electronic bills, and/or (b) confirm your eligibility for "trial basis" electronic bills.

4. Information held by the Biller. We are unable to update or change your personal information such as, but not limited to, name, address, phone numbers and email addresses, that is held by the Biller. Any changes will require you to contact the Biller directly. Additionally it is your responsibility to maintain all usernames and passwords for all electronic Biller sites. You also agree not to use someone else's information to gain unauthorized access to another person's bill. We may, at the request of the Biller, provide to the Biller your email address, service address, or other data specifically requested by the Biller for purposes of the Biller matching your identity against its records or informing you about the Biller's services and/or bill information.

5. Activation. We will notify the Biller of your request to receive electronic billing information. The presentment of your first electronic bill may vary from Biller to Biller and may take up to sixty (60) days, depending on the billing cycle of each Biller. While your electronic bill feature is being activated it is your responsibility to keep your accounts current. Each electronic Biller reserves the right to accept or deny your request to receive electronic bills.

6. Authorization to obtain bill data. You authorize us to obtain bill data from your Billers that you have requested to send you electronic bills, and from your Billers that wish to send you trial electronic bills. For some Billers, you will be asked to provide us with your user name and password for that Biller. By providing us with such information, you authorize us to use the information to obtain your bill data.

7. Notification. We will attempt to present all of your electronic bills promptly. In addition to notification within the Service, we may send an e-mail notification to the e-mail address listed for your account. It is your sole responsibility to ensure that this information is accurate. In the event you do not receive notification, it is your responsibility to periodically logon to the Service and check on the delivery of new electronic bills. The time for notification may vary from Biller to Biller. You are responsible for ensuring timely payment of all bills.

8. Cancellation of electronic bill notification. The electronic Biller reserves the right to cancel the presentment of electronic bills at any time. You may cancel electronic bill presentment at any time. The timeframe for cancellation of your electronic bill presentment may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. We will notify your electronic Biller(s) as to the change in status of your account and it is your sole responsibility to make arrangements for an alternative form of bill delivery. We will not be responsible for presenting any electronic bills that are already in process at the time of cancellation.

9. Non-Delivery of electronic bill(s). You agree to hold us harmless should the Biller fail to deliver your statement(s). You are responsible for ensuring timely payment of all bills. Copies of previously delivered bills must be requested from the Biller directly.

10. Accuracy and dispute of electronic bill. We are not responsible for the accuracy of your electronic bill(s). We are only responsible for presenting the information we receive from the Biller. Any discrepancies or disputes regarding the accuracy of your electronic bill summary or detail must be directly addressed and resolved with the Biller by you.

This Agreement does not alter your liability or obligations that currently exist between you and your Billers.

9. Disclosure of Account Information to Third Parties. It is our general policy to treat your account information as confidential. However, we will disclose information to third parties about your account or the transactions you make in the following situations pursuant to our Privacy Policy (as further described in Section II.A.3. (Your Privacy) of the General Terms), in addition to the circumstances set forth in Section II.A.5. of the General Terms (Information Authorization):

1. Where it is necessary for completing transactions;
2. Where it is necessary for activating additional services;
3. In order to verify the existence and condition of your account to a third party, such as a credit bureau or Biller;
4. To a consumer reporting agency for research purposes only;
5. In order to comply with a governmental agency or court orders; or,
6. If you give us your written permission.

10. Service Fees and Additional Charges. You are responsible for paying all fees associated with your use of the Service. Section VI.B. of the General Terms (Failed Or Returned Payment Instructions) applies if you do not pay our fees and charges for the Service, including without limitation if we debit the Billing Account for such fees, as described in this Section, and there are insufficient fees in the Billing Account.

11. Biller Limitation. The Service reserves the right to refuse to pay any Biller to whom you may direct a payment. As required by applicable law, the Service will notify you promptly if it decides to refuse to pay a Biller designated by you. as set forth in Section VI.E. of the General Terms (Prohibited Payments) or an Exception Payment under this Agreement.

12. Returned Payments. In using the Service, you understand that Billers and/or the United States Postal Service may return payments to the Service for various reasons such as, but not limited to, Biller's forwarding address expired; Biller account number is not valid; Biller is unable to locate account; or Biller account is paid in full. The Service will attempt to research and correct the returned payment and return it to your Biller, or void the payment and credit your Eligible Transaction Account. You may receive notification from the Service if required by Applicable Law.

13. Information Authorization. In addition to Section II.A.5. of the General Terms (Information Authorization), you agree that the Service reserves the right to obtain financial information regarding your account from a Biller or your financial institution (for example, to resolve payment posting problems or for verification).

14. Definitions.

"Biller" is the person or entity to which you wish a bill payment to be directed or is the person or entity from which you receive electronic bills, as the case may be.

"Billing Account" is the checking account from which all Service fees will be automatically debited.

"Due Date" is the date reflected on your Biller statement for which the payment is due, not the late payment date or the date beginning or a date during any grace period.

"Eligible Transaction Account" is as defined in Section 36 of the General Terms, except that it shall be limited to an account that you hold with us, and from which bill payments will be debited.

"Exception Payments" means payments to deposit accounts or brokerage accounts, payments to settle securities transactions (including, without limitation, stocks, bonds, securities, futures (forex), options, or an investment interest in any entity or property).

"Payment Instruction" is the information provided by you to the Service for a bill payment to be made to the Biller (such as, but not limited to, Biller name, Biller account number, and Scheduled Payment Date).

"Scheduled Payment" is a payment that has been scheduled through the Service but has not begun processing.

"Scheduled Payment Date" is the day you want your Biller to receive your bill payment, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day.

XI. POPMONEY℠ PERSONAL PAYMENT SERVICE TERMS OF USE.

POPMONEY® PAYMENTS SERVICE ADDITIONAL TERMS

1. Description of Service.

a. The term "Popmoney Terms" means these Popmoney Payments Service Additional Terms. "Popmoney" is a trademark of CashEdge Inc. or its Affiliates. The Popmoney Service is part of the Service(s). The Popmoney Service (for purposes of these Popmoney Terms, and the General Terms as it applies to these Popmoney Terms, the "Service") enables you: (1) to initiate a Payment Instruction from an Eligible Transaction Account to an account at a U.S. financial institution; and/or (2) to receive a payment from another person into an Eligible Transaction Account, in U.S. dollars. Although the ACH Network is often used to execute Popmoney Service Payment Instructions for the Popmoney Service, other Payment Networks may be used to facilitate the execution and transmission of Payment Instructions. All payments must be made through the Site and are subject to the terms of this Agreement and Applicable Laws and regulations, in each case as in effect from time to time. Receipt of payments may be made through the Site and is subject to the terms of this Agreement and Applicable Laws and regulations, in each case as in effect from time to time. In some instances, receipt of payments may be made through www.Popmoney.com (the "Popmoney Website") and if you choose to initiate or receive a payment at the Popmoney Website you acknowledge and agree that you shall be subject to the terms of other agreements, including, but not limited to, the "terms of use" for the Popmoney Website and applicable laws and regulations, in each case as in effect from time to time.

b. The Instant Payments feature within the Popmoney Service ("Popmoney Instant Payments") uses Payment Networks designed to transfer funds on the same day or sooner, if practicable, to debit or credit funds to the Eligible Transaction Account of the Receiver, as applicable. Popmoney Instant Payments is only available for Payment Instructions submitted by a Sender to a Receiver (and not via a Popmoney Request). Not all Payment Networks participate in Popmoney Instant Payments. Popmoney Instant Payments are not instantaneous. Payment delivery speed may vary based upon the funds availability policy of each financial institution and Payment Network availability.

2. Payment Authorization and Payment Remittance.

a. By providing us with names and telephone numbers, email addresses, and/or bank account information of Receivers to whom you wish to direct payments, you authorize us to follow the Payment Instructions that we receive through the Service. Once registered, you authorize us to credit your Eligible Transaction Account for payments remitted to you on behalf of a Sender without further approval from you.

b. When we receive a Payment Instruction from you, you authorize us to debit your Eligible Transaction Account for the amount of any such Payment Instruction plus any related fees in effect (and as disclosed on the Site or otherwise) at the time you initiate the Payment Instruction, and to

remit funds on your behalf. You acknowledge and agree that any applicable fees will be charged when we receive a Payment Instruction from you, regardless of whether the Payment Instruction is ultimately completed. You also authorize us to credit your Eligible Transaction Account for the receipt of payments, including but not limited to those payments returned to us from Receivers to whom you sent payment(s) and those payments that were cancelled and returned to you because the processing of the Payment Instruction could not be completed.

c. You acknowledge and agree that if your Payment Instructions identify an account by name and account number, the relevant financial institution may execute those Payment Instructions by reference to the account number only, even if such account number does not correspond to the account name. You further acknowledge and agree that financial institutions holding the account may choose to not investigate discrepancies between account names and account numbers. We have no responsibility to investigate discrepancies between account names and account numbers, outside of our obligations under the law to investigate errors, described above in Section IV.G. of the General Terms (Error Resolution).

d. You agree that we will not be liable in any way for any payments that you may receive, regardless of whether you authorized the Sender to send them to you. Furthermore, you agree that our third party providers of the Popmoney Service will not be subject to liability to you.

e. We will use reasonable efforts to complete all your Payment Instructions properly. However, we shall incur no liability if we are unable to complete any transaction because of the existence of any one or more of the following circumstances:

    1. If, through no fault of ours, the Eligible Transaction Account does not contain sufficient funds to complete the Payment Instruction or the Payment Instruction would exceed the credit limit of your overdraft account;
    2. The Service is not working properly and you know or have been advised by us about the malfunction before you execute the Payment Instruction;
    3. The payment is refused as described in Section 5 of the Popmoney Terms below;
    4. You have not provided us with the correct information, including but not limited to the correct Payment Instructions or Eligible Transaction Account information, or the correct name and address or mobile phone number of the Receiver to whom you are initiating a Payment Instruction; and/or,
    5. Circumstances beyond our control (such as, but not limited to, fire, flood, network or system down time, issues with the financial institution, or interference from an outside force) prevent the proper execution of the Payment Instruction.

f. It is the responsibility of the Sender and the Receiver to ensure the accuracy of any information that they enter into the Service (including but not limited to the Payment Instructions and name, telephone number and/or email address for the Receiver to whom you are attempting to send a payment), and for informing us as soon as possible if they become aware that this information is inaccurate. We will make a reasonable effort to stop or recover a payment made to the wrong person or entity once informed, but we do not guarantee such stoppage or recovery and will bear no responsibility or liability for damages resulting from incorrect information entered by the Sender or Receiver.

g. Popmoney Instant Payments: We are not responsible for the performance, speed, or other acts or omissions of the Payment Networks. Notwithstanding anything to the contrary in the Agreement, Popmoney Instant Payments settlements are final except as set forth in the applicable Payment Network rules and recovery may not be possible; however, if applicable Payment Network rules allow for reversal of funds, we will attempt to recover such funds from the Receiver's Eligible Transaction Account. We shall not be obligated to comply with the Automated Clearinghouse (ACH) Rules in such recovery efforts or otherwise in connection with Popmoney Instant Payments. We are only responsible for delivery of the applicable Payment Instructions to the applicable Payment Network in the format required by the applicable Payment Network's specifications. We will choose the Payment Networks in which we will participate in our sole discretion.

3. Initiation of Payment Instructions. You may initiate (a) a one-time Payment Instruction to a Receiver for which processing shall be initiated immediately, (b) a one-time Payment Instruction to a Receiver for which processing shall be initiated at a later specified date up to one (1) year, and (c) a recurring series of Payment Instructions to a Receiver for which processing shall be initiated on the specified dates. Options (b) and (c) above are not available for Popmoney Instant Payments. Further details about each of these options can be found in the Internet Banking portion of the Site, currently in the Bills & Payments section.

Payment Instructions initiated to Receivers are processed in two ways. You can provide all the required information about the Receiver, including his/her Eligible Transaction Account, necessary to complete a transfer of funds. Alternatively, you can provide contact information about the Receiver (including an Email address and/or mobile telephone number) and the Popmoney Service may contact the Receiver and request that the Receiver (i) provide information so that we may validate the identity of the Receiver at the Popmoney Website and then (ii) provide Eligible Transaction Account information in order to complete the Payment Instruction (a "**Two-Step Transfer**"). If the Receiver maintains an Eligible Transaction Account with an institution that participates in or offers the Popmoney Service, the Receiver may access the Popmoney Service at his or her financial institution's website or mobile application to complete the Payment Instruction and receive the payment.

For Popmoney Instant Payments, you can initiate a Payment Instruction using (i) the Receiver's Email address or mobile number, and the Popmoney Service will validate the Popmoney Instant Payments eligibility of the Receiver prior to transferring the funds; or (ii) the Receiver's debit card information, and the funds will be immediately deposited into the Receiver's checking or savings account affiliated with the debit card. Not all Payment Networks participate in Popmoney Instant Payments. Payment delivery speed may vary based upon the funds availability policy of each financial institution and Payment Network availability.

You understand and agree that when you initiate a Payment Instruction from an Eligible Transaction Account using the Popmoney Service, the processing of the Payment Instruction will begin and the debiting of your Eligible Transaction Account will occur as early as the day of such initiation. However, other than with respect to Popmoney Instant Payments, the payment funds will be transferred into the Receiver's Eligible Transaction Account no earlier than the next Business Day after you initiated the Payment Instruction. If you request a one-time Payment Instruction to be initiated on a specified date or a recurring series of Payment Instruction to be initiated on specified dates, then the processing of the Payment Instruction will begin on the specified date and the debiting of your Eligible Transaction Account

will occur as early as the specified date(s). However, the payment funds will be transferred into the Receiver's Eligible Transaction Account no earlier than the next Business Day following the specified date. In addition, in the case of all Two-Step Transfers, the deposit of the payment funds into the Receiver's Eligible Transaction Account (even if debited or withdrawn from your Eligible Transaction Account) may be delayed if the Receiver has not provided the Popmoney Service with certain required information such as his or her Eligible Transaction Account information. The Site may contain additional information regarding the delivery of a payment to an Eligible Transaction Account.

You acknowledge and agree that we will begin to process the requested transfer of funds once the Receiver has provided (or we otherwise obtain) all required information, and you hereby authorize and direct us to retain such funds until the earlier of such time as the Receiver has provided (or we otherwise obtain) all required information or ten (10) Business Days. You further acknowledge and agree that our receipt of money to be transmitted to a Receiver shall not be deemed to have occurred and our obligation to complete a Payment Instruction shall not begin until such time as the Receiver provides us with (or we otherwise obtain) all required information necessary to process the related Payment Instruction in accordance with this Agreement. Any cancellation of a Payment Instruction prior to the Receiver providing us with such information shall be subject to the provisions of Section 5 of the Popmoney Terms, below.

4. Receiving Payments. If another person wants to initiate a Payment Instruction (including in response to a Popmoney Request, if applicable) using the Popmoney Service to an Eligible Transaction Account you hold or, as applicable, if you as a Requestor want to initiate a Popmoney Request, he, she or you can do that from the Site or from an Eligible Transaction Account at a financial institution that participates in the Popmoney Service or at the Popmoney Website.

You understand and agree that there may be a delay between the time you are notified of the pending Payment Instruction and the deposit of the payment funds into your Eligible Transaction Account, and you may be required to take additional steps to facilitate the deposit of the payment of funds into your Eligible Transaction Account. You authorize the Sender, the financial institution which holds the Sender's Eligible Transaction Account and us (including through the Site) to send Emails to you and text messages to your mobile phone in connection with the Sender's initiation of Payment Instructions to you, and, as a Receiver, you may also receive Popmoney Requests from others through the Service.

You acknowledge and agree that in the event that funds are transferred into your Eligible Transaction Account as a result of a Payment Instruction and it is determined that such transfer was improper because it was not authorized by the Sender, because there were not sufficient funds in the Sender's account, or for any other reason, then you hereby authorize us or our Service Provider to withdraw from your Eligible Transaction Account an amount equal to the amount of funds improperly transferred to you.

If applicable, if you as a Requestor initiate a Popmoney Request using the Service you acknowledge and agree that as disclosed on the Site or otherwise (a) the applicable service fee will be deducted from payments received by you from a Sender(s), and (b) no service fee will be charged if you as the Requestor do not receive any payments from the individuals to whom the Popmoney Request is sent. Further details about the foregoing can be found on the Site or by calling Customer Service Support at (800) 531-1401. You acknowledge and agree that individuals to whom you send a Popmoney Request may not receive, or otherwise may reject or ignore, your Popmoney Request. We do not guarantee that you will receive any payments from individuals by initiating a Popmoney Request.

5. Payment Cancellation, Stop Payment Requests and Refused Payments. Sender may cancel the initiation of a Payment Instruction or stop a Payment Instruction at any time until the processing of the Payment Instruction into the Receiver's Eligible Transaction Account has begun. Popmoney Instant Payments Payment Instructions may not be cancelled as the Payment Instructions will be processed immediately. Our ability to stop a Payment Instruction or recover funds associated with an unauthorized Payment Instruction will depend on the manner in which the Payment Instruction was initiated, and whether the Payment Instruction to the Receiver's Eligible Transaction Account has begun processing. Although we will make a reasonable effort to accommodate a stop payment request and to recover funds associated with an unauthorized Payment Instruction, we will have no liability for failing to do so. We may also require you to present your stop payment request or request to recover funds in writing within fourteen (14) days after contacting Customer Service Support. If we charge you to stop the payment or recover funds, then the charge for each stop payment or fund recovery request will be the current charge as set out in our current fee schedule. Payments not claimed by a Receiver will be automatically cancelled ten (10) days after the processing of the payment begins. When a Sender initiates a Payment Instruction, the Receiver is not required to accept the payment. You agree that you as a Sender will not hold us liable for any damages resulting from a Receiver's decision to accept or not to accept a Payment Instruction initiated or attempted through the Service. We will, to the extent permitted by law, make reasonable attempts to return any unclaimed, refused, refunded, prohibited, or denied payment to your Eligible Transaction Account or use other reasonable efforts to return such payment to you as permitted by Applicable Law.

6. Mobile Phone Users. Your phone service provider is not the provider of the Service. Users of the Service will receive text messages relating to their Payment Instructions and other notices from time to time if a mobile phone number is provided. Data and messaging charges from your telecommunications provider may apply, and you are responsible for any such charges. In the event your enrolled mobile device is lost or stolen, you agree to update your enrollment information and make the appropriate changes to disable the use of such device. You understand that there are risks associated with using a mobile device, and that in the event of theft or loss, your confidential information could be compromised. If you have questions about mobile service, you may send a text message with the word "HELP" to this number: 767666. To stop receiving text messages on your mobile phone, text "STOP" to this number: 767666.

7. Service Fees and Additional Charges. You are responsible for paying all fees associated with your use of the Service. Applicable fees will be disclosed in the user interface for, or elsewhere within, the Service or Site or otherwise or by calling Customer Service Support at (800) 531-1401. YOU FURTHER ACKNOWLEDGE AND AGREE THAT ANY APPLICABLE FEES WILL BE CHARGED REGARDLESS OF WHETHER THE PAYMENT INSTRUCTION IS COMPLETED, UNLESS THE FAILURE TO COMPLETE THE INSTRUCTION IS SOLELY DUE TO OUR FAULT, except for those fees that are specifically use-based, such as Popmoney Request, if applicable. There may be a charge for additional transactions and other optional services. You agree to pay such charges and authorize us to deduct the calculated amount from your designated Eligible Transaction Account for these amounts and any additional charges that may be incurred by you. Any financial fees associated with your standard deposit accounts (or Other Eligible Transaction Accounts) will continue to apply. You are responsible for any and all telephone access fees and Internet service fees that may be assessed by your telephone and Internet service provider. Section VI.B. of the General Terms (Failed Or Returned Payment Instructions) applies if you do not pay our fees and charges for the Service, including without limitation if we debit the

Eligible Transaction Account for such fees, as described in this Section, and there are insufficient fees in the Eligible Transaction Account.

8. Refused Payments. We reserve the right to refuse to pay any Receiver. We will attempt to notify the Sender promptly if we decide to refuse to pay a Receiver designated by the Sender.

9 Returned Payments. In using the Service, you understand that Receivers may reject Payment Instructions or otherwise return payments. We will use reasonable efforts to complete Payment Instructions initiated through the Service.

10. Definitions.

"Popmoney Request" means functionality that, if provided to you, allows a Requestor to request that another individual initiate a Payment Instruction to the Requestor through the Popmoney Service.

"Receiver" is a person or business entity that is sent a Payment Instruction through the Service.

"Requestor" is a person that requests an individual to initiate a Payment Instruction through the Popmoney Service.

"Sender" is a person or business entity that sends a Payment Instruction through the Service.

Proceed with Enrollment for the Internet Banking Service.

By clicking the "I agree" button below you represent that you are the owner of an Eligible Transaction Account enrolled or to be enrolled in the Internet Banking Services and/or have been authorized by the owner to enroll for the Internet Banking Services. Clicking on the "I Agree" button also indicates you have read and understand this Agreement and have had opportunity to review this Agreement with an advisor of your choice if so desired. By clicking on the button below that is labeled "I Agree" or similar wording, you are agreeing to the terms and conditions of this Agreement and affix your electronic signature to this Internet Banking Services Agreement.

You understand you can obtain a copy of this Agreement, including the Bill Pay and Popmoney provisions, at any time by accessing the Internet Banking section of the Prosperity Bank website (https://prosperitybankusa.com).

I AGREE

Company Name: [Company] Company ID: Company ID



PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES
MASTER AGREEMENT

THIS TREASURY MANAGEMENT SERVICES MASTER AGREEMENT (the "**Master Agreement**") by and between Prosperity Bank, a Texas banking association ("**Prosperity**") and the undersigned "**Customer**," governs the provision by Prosperity of any and all Treasury Management Services chosen or accessed by Customer (the "**Services**"). Unless otherwise defined herein, capitalized terms shall have the meaning provided in Section 25 of this Agreement.

1. SCOPE AND DELIVERY OF SERVICES.

1.1. Service Terms. This Master Agreement, together with the applicable Service Terms and Documentation, collectively make up the "**Agreement**" which governs the Services. The Agreement supersedes any prior agreement between Prosperity and Customer relating to any Service. To use any Service, Customer must maintain one or more Accounts at Prosperity. The Account Terms apply to the use of an Account in connection with a Service and are incorporated herein by reference.

1.2. Conflicts. In the event of any conflict between the Agreement and the Account Terms, the Agreement shall prevail to the extent necessary to resolve the conflict. In the event of any conflict between the terms of this Master Agreement and any Service Terms, the Service Terms shall prevail except as the parties may otherwise agree in writing. If there is a conflict between the terms of the Agreement and something stated by an employee or contractor of Prosperity's (including but not limited to Prosperity's Treasury Support personnel), the terms of the Agreement will prevail.

1.3. Requesting Services. Customer may request a Service by any means Prosperity permits, including by filling out the attached **Exhibit A**. By using a Service, Customer acknowledges and agrees it has received a copy of the Service Terms for that Service, the Service Terms apply to Customer's use of the Service, and the Service Terms are incorporated into, and made a part of, this Agreement. Prosperity makes the Services available at Prosperity's sole discretion and a Service will not be available unless and until Prosperity approves and enables the Service for Customer.

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1.4. Customer Information, Implementation. Customer agrees to provide all information that Prosperity requires in order to implement the Services, including completing any relevant Documentation. Customer represents that all information provided to Prosperity on the Documentation or otherwise in connection with the Services is true and correct and agrees to provide any additional information that Prosperity requests in order to set up or continue providing the Services. Any changes to the Documentation or other information Customer has provided to Prosperity in connection with the Services (each, a "**Change Request**"): (a) must be made in writing in a form acceptable to Prosperity, (b) remains subject to Prosperity's approval, and (c) will only be effective after Prosperity has actually received the Change Request and had a reasonable opportunity to implement it, which may take several Business Days.

2. ACCOUNTS.

Customer must maintain sufficient Available Funds in its Accounts to pay for Customer's use of, and Transactions in, such Accounts, including Fees and other expenses payable to Bank. Prosperity may, without notice, reject any Transaction if it involves a transfer of funds from an Account in which there are insufficient Available Funds.

3. INTERNET BANKING SERVICES; TREASURY CENTER.

Treasury Center is the online access portal on Prosperity's website through which Customer can access the Internet Banking Service, the Mobile Banking Service, and certain other Services. Customer is required to use the Internet Banking Service in order to access and use the Services, and Customer may also elect to use the Mobile Banking Service to access the Services. The Internet Banking Service, Mobile Banking Service and any other applications or access channels that may be used to access the Services from time to time, including but not limited to Secure File Transfer Protocol (SFTP), are each deemed "**Services**" under this Agreement and collectively referred to as the "**Internet Banking Services**." Through the Internet Banking Services, Customer may have the ability to view and manage its Account information, submit Transactions, files and other instructions to Prosperity, and use other online features as described in the Service Terms and applicable Documentation. The Service Terms for the Internet Banking Services are set forth in this Master Agreement in Sections 26-29 below.

4. PAYMENT OF FEES; TAXES.

4.1. Service Fees. Customer agrees to pay any and all fees for the Services along with fees and charges for any special services requested or required by Customer (collectively, "**Fees**"), as they may be changed by Prosperity from time to time without amending the Agreement. Prosperity will notify Customer regarding Fee changes according to Prosperity's normal business practices or as required by Applicable Law. Prosperity may collect any Fees due from Customer by debiting any of Customer's accounts with Prosperity, billing Customer, and/or setting off against any amounts Prosperity owes Customer, without any obligation to give prior notice to Customer.

4.2. Taxes. Customer is responsible for all taxes attributable to its use of the Services or otherwise related to the transactions contemplated under this Agreement, including collecting, reporting and remitting the correct tax to the correct tax authority, but excluding taxes based on Prosperity's employees, property or net income.

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4.3. Costs and Expenses. Customer will be responsible for any and all attorneys' fees and other costs and expenses Prosperity may incur in collecting any Fees or other sums Customer owes Prosperity. Customer further agrees to reimburse all costs and charges incurred by Prosperity, including reasonable attorneys' fees, in responding to subpoenas and other third party requests for information relating to Customer's Account(s). If applicable for the particular Service, intermediate or receiving banks may charge additional fees, for which Customer agrees to pay in accordance with the terms of this Agreement.

5. TRANSACTION REQUESTS, LIMITS.

5.1. Content. Prosperity shall have the right, but not the obligation, to reject any Transaction if the request is incomplete or inaccurate in any respect. Prosperity shall have no duty to discover, and will not be liable for, errors or omissions in the Transaction submitted by Customer. Customer shall be solely responsible for the timeliness, accuracy, and completeness of any Transaction sent to Prosperity.

5.2. Electronic Submission. Each Transaction that is sent to Prosperity electronically in accordance with the Agreement, including through the Internet Banking Services, shall be considered to be an original writing and to have been signed by an Authorized Representative of Customer. Any such Transaction shall not be effective until Prosperity actually receives it and has had a reasonable opportunity to act upon it. Prosperity is not responsible for any Losses incurred by Customer arising from interception of any information relating to the Services or Transactions if Customer uses regular email or sends a message using another unsecure method.

5.3. Transaction Limits. Prosperity has the right to limit Customer's Transaction volume, dollar amounts, or the types of Transactions that Customer may initiate through the Services or impose other requirements such as prefunding amounts based on Prosperity's good faith determination that such limits are necessary to comply with Applicable Law or address a default by Customer under this Agreement or any other agreement between Customer and Prosperity, or as Prosperity otherwise reasonably determines to be necessary or appropriate to permit Prosperity to mitigate potential losses or evaluate its exposure or risk. Prosperity also reserves the right to limit Transaction volumes or dollar amounts in any other circumstances, provided Prosperity gives Customer prior notice of any material limitation or decrease in previously communicated limitations. Customer agrees not to exceed any Transaction limitations established by Prosperity from time to time.

6. SECURITY PROCEDURES; CUSTOMER OBLIGATIONS.

6.1. Commercially Reasonable Security Procedures.

(a) Prosperity may require or recommend that Customer use certain procedures, including without limitation, Credentials, encryption, repetitive codes, dual control, dedicated computer, virus and malware protection, and other security devices, systems and software, including those provided by Prosperity's Service Providers or any payment network (collectively, the "**Security Procedures**"), in connection with the Services. Such Security Procedures are described herein, in the Service Terms for a particular Service, and in related instructions and communications applicable to the Services provided online or otherwise by Prosperity. Customer agrees to use the Services in accordance with the terms of this Agreement, including any Security Procedures offered by Prosperity.

(b) The Security Procedures are designed to verify the origin and authenticity of Transactions and are not designed to detect errors in any Transaction sent to Prosperity. Customer acknowledges that the Security Procedures offered by Prosperity are commercially reasonable and suitable for Customer with respect to Customer's intended use of the Services, including the size, type and frequency of Customer's Transactions. Prosperity reserves the right to require or recommend new Security Procedures and/or cancel or change any Security Procedures from time to time.

(c) Any Transactions communicated to Prosperity in Customer's name in compliance with the Security Procedures, and all access to and use of Services (including the Internet Banking Services) using the Security Procedures assigned to Customer, are considered authorized by Customer, whether or not authorized, and Customer shall be bound by the same in accordance with Applicable Law and the terms of this Agreement. Prosperity has no obligation to accept any Transaction that is not communicated in compliance with the Security Procedures, and Prosperity shall not be responsible for its refusal to act upon any Transaction received which does not comply with the Security Procedures.

6.2. Authorized Representatives; Reliance. The titles/positions, individuals, and authorized signers designated in Prosperity's records for the Accounts and Services shall be deemed "**Authorized Representatives**" of Customer. Prosperity is entitled to rely and act upon any notice, Transaction or other instruction received by Prosperity purportedly from an Authorized Representative of Customer. The Security Procedures are in addition to and do not limit or revoke the authority of any Authorized Representative to submit Transactions and other instructions in Customer's name. Customer may add or delete any Authorized Representative by written notice to Prosperity signed by the Authorized Representative(s) on file with Prosperity, which notice must be given in the manner and form required by Prosperity. Prosperity will not be responsible for Losses or unauthorized Transactions if Customer fails to timely and properly notify Prosperity of changes in the Authorized Representatives and/or their contact information. Customer is bound by any Transaction or other instruction and by use of the Services by any Authorized Representative.

6.3. Rejection or Waiver of Security Procedures. If Customer requests or chooses to communicate any Transactions to Prosperity in a manner that varies from the Security Procedures, then Customer will be deemed to have refused the Security Procedures that Prosperity recommends as commercially reasonable and agrees to be bound by such Transactions, whether or not authorized, when accepted by Prosperity in good faith, and agrees to indemnify Prosperity for any unauthorized Transactions resulting therefrom in accordance with Section 15 (Indemnification) below.

6.4. Customer's Obligation to Safeguard the Security Procedures. Customer agrees to maintain the complete security and confidentiality of the Security Procedures, and to implement prudent internal security practices to control access to and use of the Security Procedures. Customer acknowledges that its failure to protect the confidentiality of the Security Procedures may enable unauthorized access to the Services, Accounts and Customer's data. In addition to Customer's obligations to safeguard the Security Procedures and establish procedures to ensure their confidentiality, Customer agrees to change the Credentials periodically and whenever anyone who has had access to the Credentials is no longer employed or authorized by Customer to use the Services or there is known or suspected unauthorized access to the Security Procedures.

6.5. Notice of Security Breach. If Customer has reason to believe there has been a breach of its security or that any Security Procedure has or may have been lost, stolen, misused or accessed by

unauthorized persons, Customer shall immediately notify Prosperity by telephone at (855) 888-2242 and confirm such oral notification in writing to Prosperity within twenty-four (24) hours if directed by Prosperity. Prosperity will replace the Security Procedures in accordance with Prosperity's standard security requirements related to the Services. Customer may be denied access to the Internet Banking Services until they have been reactivated and new Credentials and Security Procedures are activated. To the maximum extent permitted by Applicable Law, Customer will be solely liable for all Transactions initiated before Prosperity has received notification of any such security breach and has had a reasonable opportunity to act on such notification.

6.6. Fraud Protection Measures. Customer acknowledges that Prosperity offers products and services designed to assist Customer in reducing or eliminating Account fraud and unauthorized activity with respect to the Services, including fraud prevention services for checks issued by Customer and ACH Entries (as defined in the NACHA Rules) received by Customer. Prosperity also offers a variety of viewing and reporting services in the Internet Banking Service, which may provide real-time access to Account data. To the extent Customer chooses not to utilize these Services or features and the proper use of that Service or feature could reasonably have prevented Losses due to the incidence of fraud or unauthorized activity, Customer will be deemed to have assumed the risk of such incident, shall hold Prosperity harmless for the amount of such Loss, and will be precluded from asserting that Prosperity is responsible for such incident.

6.7. Internal Controls. Customer understands that unauthorized or fraudulent use of the Services can occur by many means, including without limitation, through the use of email. In addition to Customer's obligation to safeguard the Security Procedures and establish procedures to ensure their confidentiality, Customer is responsible for protecting its Accounts and the Services used by Customer, and for combating fraud and the unauthorized use of Accounts. Customer agrees to maintain and enforce effective policies and procedures to monitor and control the secure use of its Accounts and the Services including, but not limited to: (a) controlling the use of internet access, software, scanning equipment and other systems and devices used in Transactions; (b) training Customer personnel on the proper use of the Services and fraud prevention measures, particularly in connection with the Internet Banking Services and use of email; and (c) controlling check stock, mechanical signing devices and Account information.

6.8. Single Sign-On. Prosperity may in certain instances permit Customer to access the Internet Banking Services, and the other Services accessible to Customer through the Internet Banking Services, following authentication by a third party other than Prosperity's Service Provider (a "**Third Party**") without logging in to the Internet Banking Services using the Security Procedures. This is referred to as "**Single Sign-On**" or "**SSO**." Prosperity reserves the right to impose additional requirements before allowing the use of SSO, including requiring Customer and/or the Third Party to enter into a separate agreement or provide additional information or documentation requested by Prosperity. Customer's use of any SSO will be subject to the Third Party's terms of use, as applicable. In the event Customer accesses any Services using SSO, Customer agrees that it has waived use of the Security Procedures and that Prosperity is entitled to rely upon, and treat as authorized and binding on Customer, each Transaction sent to Prosperity following SSO. Customer agrees to indemnify and hold Prosperity harmless from and against any Losses arising from or related to Customer's use of SSO, including acting upon and executing any Transactions sent to Prosperity following SSO.

7. EXTENSIONS OF CREDIT.

Prosperity is not obligated to extend credit to Customer unless it has specifically agreed to do so in a separate agreement. If Prosperity extends credit to Customer by permitting any Transactions or other use of the Services that exceed the amount of Available Funds in Customer's Accounts thereby creating an overdraft, the amount of the overdraft shall be immediately due and payable, together with interest thereon at a per annum rate determined by Prosperity from time to time, but not to exceed the maximum rate permitted by Applicable Law, plus overdraft fees and any Losses that Prosperity incurs in collecting the overdraft from Customer, as applicable. If Prosperity performs any Services that create an overdraft, such action shall not establish a course of dealing between the parties that would obligate Prosperity to continue permitting overdrafts in the future. Prosperity may stop permitting overdrafts at any time without prior notice and is entitled to refuse to process any Transaction that would create an overdraft in an Account. Customer agrees that Prosperity may debit any Account or other account owned by Customer at Prosperity or that Prosperity may set off against any amount Prosperity owes to Customer, in order to obtain payment for Customer's overdrafts.

8. SECURITY INTEREST; RIGHT TO DEBIT AND SETOFF.

8.1. Right of Setoff; Security Interest. In addition to all rights provided by Applicable Law, Customer agrees that any and all amounts on deposit in any Accounts or other accounts of Customer with Prosperity may be set-off and applied against any liability Customer owes Prosperity under this Agreement or any other agreement between Customer and Prosperity. Customer grants Prosperity a security interest in all accounts (including all Accounts) of Customer with Prosperity now or in the future to secure payment of any and all of Customer's obligations under the Agreement or any other agreement between Customer and Prosperity; provided, that this security interest shall be subordinate to any security interest separately agreed to in writing by Prosperity. Prosperity's rights hereunder are limited to the extent of limitations and restrictions imposed by Applicable Law.

8.2. Line of Credit/Loan. If a Loan is connected with this Agreement and the Services, this security interest is in addition to any other security interest granted by Customer in connection with the Loan, except where prohibited by Applicable Law.

8.3. Termination. Any security interest in Customer's accounts (including all Accounts), or any other setoff rights against Customer's Account(s), will not terminate until Customer has fully and indefeasibly satisfied all of Customer's Obligations, whether arising before or after termination of this Agreement or any Service.

9. ACCOUNT RECONCILIATION AND ERROR REPORTING.

Customer is responsible for monitoring its use of the Services and all activity in its Accounts with Prosperity. Transactions will be reflected on Customer's Account statements, on daily reports and advices, and/or through the viewing and reporting services in the Internet Banking Service. Prosperity assumes no responsibility for Customer's reliance on any information related to the Services, Accounts or any Transaction reported on an intraday or prior day basis that is subsequently updated, verified or corrected. Customer agrees to promptly and regularly review all Statements, reports, and other information and immediately notify Prosperity of any error, unauthorized transaction, discrepancy or similar issue (each, an "**Error**") by:

(a) Calling Treasury Support at (855) 888-2242, or

(b) Writing to Prosperity, ATTN: Internet Banking Treasury Support, 1401 Avenue Q, Lubbock Texas, 79401, or

(c) Sending a message to Prosperity through the messages feature within the Internet Banking Service.

Customer understands that the nature of certain Transactions and Applicable Laws relating to certain Services require that Customer provide Timely Notice (as defined below) of an Error in order to preserve or exercise rights against third parties that may have been the beneficiary of such Error. "**Timely Notice**" is defined as notice provided to Prosperity: (i) on the same Business Day with respect to any Payment Order, (ii) the next Business Day for other electronic funds transfers, or (iii) within thirty (30) days for any other Transactions or Fees, following the date on which such information is sent by Prosperity or otherwise made available to Customer. If Customer fails to provide Timely Notice to Prosperity of any Error, Customer shall be precluded from asserting such Error against Prosperity. The Timely Notice requirement does not limit Prosperity's or Customer's rights to attempt to collect on unauthorized or fraudulent transactions from other banks. Notwithstanding the foregoing, Prosperity reserves the right in its sole discretion to adjust transaction records for good cause after the expiration of the Timely Notice time periods.

10. COMPLIANCE; AUDIT.

10.1. In General. Customer shall comply with (a) all Applicable Laws (including the Operating Rules) and (b) the terms of this Agreement, the Account Terms, and Prosperity's internal rules and procedural requirements of which Prosperity makes Customer aware. Customer may choose Services to which the NACHA Rules are applicable and Customer agrees to be bound by the NACHA Rules. Customer understands that software programs, materials, tools, and technical data related to the Services or the Agreement may be subject to U.S. export controls or the trade laws of other countries, and Customer agrees to comply with all export control rules and regulations applicable to Customer.

10.2. Restricted Transactions. The Unlawful Internet Gambling Enforcement Act of 2006 ("**UIGEA**") and its implementing Federal Reserve Regulation GG, prohibit restricted transactions from being processed through Customer's Accounts or relationship with Prosperity. Restricted transactions include, but are not limited to, those in which credit, electronic fund transfers, checks or drafts are knowingly accepted by gambling businesses in connection with a third party's participation in unlawful internet gambling. Customer shall not submit any Transaction through the Services that is restricted nor will it engage in an unlawful internet gambling business within the meaning of UIGEA and Regulation GG.

10.3. Financial Information. Prosperity's approval for Customer's use of any Service may be subject to underwriting criteria established by Prosperity from time to time. In addition, Prosperity may from time to time request financial information, statements and other documentation from Customer in order to evaluate a continuation of the Service to be provided by Prosperity hereunder and/or adjustment of any Transaction limits. Customer agrees to provide such information promptly upon request by Prosperity, in the form required by Prosperity.

10.4. Records and Audit. In order for Prosperity to comply with its obligations under Applicable Law, upon Prosperity's request Customer agrees to: (a) provide the records Customer maintains with

respect to Customer's use of Services as required by Applicable Law and this Agreement; (b) provide internal and external audit reports relating to Customer's use of the Services and Customer's information technology infrastructure and operational procedures; and (c) permit Prosperity (including its regulators and auditors) reasonable access during normal business hours to audit Customer's compliance with the terms of this Agreement and Applicable Law. The foregoing terms regarding access to records and audit rights shall also apply with respect to Customer's Vendors. Customer further agrees to complete a self-assessment of Customer's operations, management, systems, internal controls, training and risk management practices that pertain to Customer's use of the Services if requested by Prosperity.

11. CONFIDENTIALITY.

(a) Any and all Documentation, Service Terms, Security Procedures, software, non-public Service features, Fees and pricing information and other information and systems that Prosperity and its Service Providers provide to Customer in connection with any Service (collectively, the "**Information**") is the proprietary and confidential property of Prosperity (including its Service Providers, as applicable). Customer shall not make any copies, in whole or in part, of any Information without Prosperity's prior written consent. Customer agrees to notify Prosperity immediately if the confidentiality of any Information is compromised. Customer agrees to use the Information only in the manner specified by Prosperity and in the ordinary course of Customer's business, to return it to Prosperity upon termination of the relevant Service, and to keep the Information confidential and limit access thereto only to its agents and employees who require access in the normal course of their duties, except to the extent the Information is already in the public domain or Customer is required to disclose the Information by Applicable Law. Customer will be responsible for the omissions and acts of its employees, Users, agents, Vendors and representatives with respect to the Information.

(b) Prosperity acknowledges that non-public information Prosperity obtains from Customer in connection with providing a Service to Customer may be confidential and Prosperity has implemented policies, procedures, and controls to safeguard such information in accordance with Applicable Law.

12. REPRESENTATIONS AND WARRANTIES.

12.1. Mutual Representations and Warranties. Each of Customer and Prosperity represent and warrant to the other, as of the date this Agreement is entered into and at the time any Service is used or provided, that: (a) it is validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has all requisite power and authority to execute, deliver, and to perform its obligations under this Agreement and the applicable Service Terms; (c) this Agreement has been duly authorized and executed by it and constitutes its legal, valid and binding obligation; and (d) any consent or authorization of any governmental authority or third party required to be obtained by it in connection with this Agreement or any Service has been obtained.

12.2. Customer Representations and Warranties. Customer further represents and warrants to Prosperity that: (a) each Account that Customer maintains with Prosperity and all use of the Services is maintained or used solely for a legitimate business or commercial purpose and not a personal, family or household purpose; (b) Customer is an authorized participant in any payment network it uses in connection with the Services; (c) Customer is not located in a country that is subject to a U.S. government embargo, or that has been designated by the U.S. Government as a "terrorist supporting"

country; (d) Customer is not listed on any U.S. Government list of prohibited or restricted parties, such as the Specially Designated Nationals List administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"); (e) the Transactions contemplated by the Agreement are not and will not be subject to the prohibited transaction rules of Employee Retirement Income Security Act of 1974, as amended; (f) use of the Services does not and will not subject Prosperity, or Prosperity's Service Providers, to the privacy and security requirements of the Health Insurance Portability and Accountability Act as a business associate (defined at 45 CFR 160.103) or otherwise, unless Customer has notified Prosperity of such requirements and the parties have entered into a business associate agreement in a form reasonably acceptable to Prosperity. Customer reaffirms its representations and warranties herein each time it uses a Service and agrees to notify Prosperity promptly in writing if any representation or warranty made by Customer is no longer true.

13. DISCLAIMER OF WARRANTIES.

CUSTOMER AGREES THAT ITS USE OF THE SERVICES, AND ALL INFORMATION AND CONTENT USED IN CONNECTION WITH A SERVICE (INCLUDING THAT OF THIRD PARTIES) IS AT CUSTOMER'S RISK. CUSTOMER ACKNOWLEDGES THAT PROSPERITY AND ITS SERVICE PROVIDERS ARE PROVIDING THE SERVICES TO CUSTOMER ON AN "AS-IS" AND "AS-AVAILABLE" BASIS, WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, AND NON-INFRINGEMENT, OR AS TO THE COMPATIBILITY OF PROSPERITY'S SOFTWARE, EQUIPMENT OR COMMUNICATION INTERFACES WITH THOSE OF CUSTOMER, ALL OF WHICH PROSPERITY HEREBY EXPRESSLY DISCLAIMS TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. NO SERVICE TERMS, DESCRIPTIONS OR SPECIFICATIONS CONSTITUTE REPRESENTATIONS OR WARRANTIES OF ANY KIND. NEITHER PROSPERITY NOR ANY OF ITS SERVICE PROVIDERS WARRANTS THAT THE INTERNET BANKING SERVICES OR ANY OTHER SERVICES OR SOFTWARE WILL OPERATE WITHOUT INTERRUPTION, DEFECTS OR VIRUSES. NEITHER PROSPERITY NOR ANY OF ITS SERVICE PROVIDERS ASSUMES RESPONSIBILITY FOR THE OPERATION, SECURITY, FUNCTIONALITY OR AVAILABILITY OF ANY CUSTOMER SYSTEMS, MOBILE DEVICE, OR MOBILE NETWORK WHICH CUSTOMER UTILIZES TO ACCESS THE SERVICES. CUSTOMER EXPRESSLY CONFIRMS THAT IT HAS NOT RELIED UPON ANY REPRESENTATION BY PROSPERITY AS A BASIS FOR ENTERING INTO THIS AGREEMENT.

14. LIMITATION OF LIABILITY.

14.1. CUSTOMER AGREES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THAT IN ADDITION TO ANY OTHER LIMITATION ON PROSPERITY'S LIABILITY SET FORTH IN THIS AGREEMENT, IN NO EVENT SHALL PROSPERITY (OR ITS OFFICERS, DIRECTORS, AFFILIATES, SERVICE PROVIDERS, EMPLOYEES OR AGENTS) BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, INCLUDING LOSS OF GOODWILL OR LOST PROFITS OR LOSS OF DATA THAT CUSTOMER OR ANY OTHER PERSON MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT, EVEN IF PROSPERITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS, COST OR DAMAGE AND

REGARDLESS OF THE TYPE OF CLAIM. Prosperity's liability to Customer arising from any Service or this Agreement will be limited to Customer's actual monetary damages that are the direct result of Prosperity's gross negligence or willful misconduct. Notwithstanding the foregoing, for Payment Orders which are governed by and subject to UCC Article 4A, Prosperity is liable only for interest losses attributable to Prosperity's failure to exercise ordinary care resulting in the failure, delay, or improper execution of any Payment Order as required by UCC Article 4A. Prosperity's liability for any loss of interest shall be calculated by using a rate equal to the average Federal Funds Rate at the Federal Reserve Bank of New York for the period involved. At Prosperity's option, payment of such interest may be made by crediting an Account.

14.2. In no instance shall Prosperity be responsible or liable for any: (a) act or omission of Customer (including its officers, representatives, employees, Users, agents or Vendors) or of any other third party (other than Prosperity's Service Providers); (b) failure to act by Prosperity if Prosperity reasonably believed taking the omitted action would have violated Applicable Law or if Prosperity was unable to confirm to its satisfaction the authority of any person to act on Customer's behalf; or (c) interception of information relating to Customer or its Transactions as a result of Customer's use of the internet, software, Internet Banking Services or any other Service that is not the result of Prosperity's gross negligence or willful misconduct.

14.3. Customer agrees that: (a) Prosperity shall be excused from failing to transmit or delay in transmitting a Payment Order or any other Transaction if such transmittal would result in Prosperity's having exceeded any limitation upon its intra-day net funds position established pursuant to present or future Federal Reserve guidelines or in Prosperity's reasonable judgment otherwise would violate any provision of any present or future risk control program of the Federal Reserve or any other Applicable Law; and (b) Prosperity will not be responsible for the acts or omissions of any other financial institution, funds transfer system, Federal Reserve Bank, intermediary, transmission or communications facility, any Receiver or Receiving Depository Financial Institution or any other third party, or for any return of an Entry by such Receiver or Receiving Depository Financial Institutions (each as defined in the NACHA Rules), none of whom shall be deemed Prosperity's agent for this purpose.

14.4. Any claim, action or proceeding by Customer to enforce the terms of the Agreement or to recover for any Service-related Losses must be commenced within one (1) year from the date that the event giving rise to the claim, action or proceeding first occurs.

14.5. Customer agrees to cooperate with Prosperity in any loss recovery efforts that Prosperity undertakes to reduce any Losses that arise in connection with the Services. Customer acknowledges that the Fees to be paid for the Services have been established in part in contemplation of the liability limits and indemnification obligations set forth herein and Customer's agreement to assist Prosperity in any loss recovery efforts.

15. INDEMNIFICATION.

In addition to any other indemnification obligations of Customer pursuant to this Agreement, but only to the extent permitted by Applicable Law without waiving any applicable legal immunity, Customer agrees to indemnify and hold harmless Prosperity and its officers, directors, affiliates, Service Providers, employees and agents from and against any and all Losses resulting directly or

indirectly from, or arising in connection with: (a) the acts or omissions of Customer or any person acting on Customer's behalf under this Agreement or otherwise related to the Services, including without limitation Customer's Vendors; (b) Customer's breach of any of the terms of this Agreement, including any Service Terms; (c) Customer's violation of Applicable Law (including the Operating Rules); (d) Customer's use of the Services and Prosperity complying with or carrying out any Transaction or other instructions given to Prosperity in accordance with this Agreement; (e) any dispute between Customer and any third party or between Customer and any User in connection with the Services. Customer agrees to reimburse Prosperity immediately upon demand for any fines, penalties or associated costs (including reasonable attorneys' fees and other legal expenses) assessed against Prosperity by NACHA, any Federal Reserve Bank, any state or federal regulatory agency or other governmental body, or any clearinghouse or other third party having oversight or rulemaking authority over networks relating to any of the Services, when the fine, penalty or other expense is caused by or related to Customer or Customer's use of the Services.

16. BANK'S SERVICE PROVIDERS.

Customer acknowledges and agrees that Prosperity may arrange for some or all of the Services to be performed or provided by a third-party service provider, vendor or processor (each, a "**Service Provider**"). Prosperity's use of a Service Provider shall not relieve Prosperity of its obligations under the Agreement, and Prosperity shall be responsible for the aspects of the Services performed by its Service Providers to the same extent as if Prosperity had performed or failed to perform the Service. Customer agrees not to bring a claim or any form of legal action against any Service Provider and agrees to hold any Service Provider harmless in connection with the Agreement and acknowledges that any such claims will be brought only against Prosperity. Customer acknowledges and agrees that Prosperity may disclose any information concerning Customer or the Accounts to Prosperity's Service Providers and affiliates in connection with the provision of Services.

17. CUSTOMER'S VENDORS.

Any third party servicer, service provider, subcontractor, agent, affiliate, or vendor, including any value added networks, used by Customer in connection with Services (each, a "**Vendor**"), will be Customer's agent, and Customer will be liable for: (a) any Vendor's failure to comply with any Security Procedures or operating requirements relating to the Services, (b) for all fees, costs and expenses owed to each Vendor for its services, (c) for any claims, damages, costs and expenses incurred as a result of any Vendor's failure to perform, or delay or error in performing its services, (d) any Transactions received from a Vendor using Security Procedures assigned to Customer, which shall be deemed to be sent by Customer, and (e) any breach by a Vendor of any provision of the Agreement.

18. NOTICES.

18.1. Notice to Prosperity. Notices to Prosperity under the Agreement shall be provided by Customer in writing at Prosperity's postal address, as follows:

Prosperity Bank
Attn – Treasury Management Services
3333 NW Expressway
Oklahoma City, Oklahoma 73112

or such other address as Prosperity may give to Customer, in writing, from time to time. Any notice sent to Prosperity will be effective only when Prosperity has actually received, and has had a reasonable time to act on, such notice.

18.2. Notice to Customer; Consent to Electronic Notices. Customer agrees and consents to Prosperity providing notices, disclosures, Account statements and any other information under the Agreement or related to the Services to Customer electronically, including information that Prosperity is required by Applicable Law to provide to Customer in writing. Prosperity may provide such notices or other information to Customer by posting it on Treasury Center, sending Customer an in-product message within the Service, via email to any email address that Customer has provided, by telephone or facsimile to any number Customer has given Prosperity, or by sending it as a text message to any mobile phone number that Customer has provided, including but not limited to the mobile phone number that Customer has listed in Customer's Services setup or Customer profile, each of which Customer agrees will be considered "in writing," or by mailing such notice to any postal address that Customer has provided in connection with the Services. Notices sent to Customer by these methods shall be deemed received by Customer no later than twenty-four (24) hours after they are sent or posted, except for notice by postal mail, which shall be deemed received by Customer no later than three (3) Business Days after it is mailed.

19. RECORDINGS; BANK RECORDS.

Prosperity's records as to this Agreement, the Services and Transactions using the Services shall be controlling in the event of any conflict with Customer's records. Customer agrees that Prosperity has the right, but not the obligation, to perform telephone or electronic and data transmission monitoring or recording of communications relating to this Agreement and the Services and to retain records for security, evidence of the Transaction, and quality monitoring purposes. Customer waives any further notice other than that contained in this Agreement that communications may be recorded at any time. All records maintained by Prosperity for Services contemplated by this Agreement shall be and remain Prosperity's property. Prosperity may, at its sole discretion, make available to Customer such records upon request. Any expense incurred by Prosperity in making such records available to Customer shall be paid by Customer.

20. TERM; TERMINATION.

20.1. In General. This Agreement shall remain in full force and effect until terminated by either party as provided herein. Either party may terminate any Service(s) or this Agreement upon thirty (30) days' prior written notice to the other party; provided that the Master Agreement will remain in effect as long as any Service Terms are effective.

20.2. Termination or Suspension by Prosperity. In addition, Prosperity may terminate the Agreement or terminate or suspend any Service(s) immediately, without prior notice to Customer, if at any time: (a) Customer fails to comply with any of its material Obligations hereunder; (b) Customer is in default under any other material Obligation with Prosperity; (c) Customer becomes insolvent, is placed in receivership or is adjudicated bankrupt or Customer becomes subject to any voluntary or involuntary bankruptcy proceeding or any assignment for the benefit of its creditors; (d) there has been a material adverse change in the financial circumstances of Customer, in Prosperity's sole opinion; (e) a change in control has occurred with respect to Customer, whether by merger, stock purchase or issuance, recapitalization, reorganization or otherwise; (f) the continued provision of the

Services under the terms of the Agreement would, in Prosperity's good faith opinion, violate Applicable Law; (g) a Security Incident or compromise of the Security Procedures has occurred; or (h) Prosperity deems such termination necessary or appropriate, in Prosperity's sole judgment, in order to prevent fraud or a financial loss to Prosperity.

20.3. Survival. Notwithstanding any termination, the terms of the Agreement will continue to apply to: (a) all Transactions initiated prior to termination, (b) Customer's payment or other Obligations with respect to such Transactions, and (c) any Fees or other amounts due or to become due under this Agreement or otherwise related to the Services. In addition to any other provisions in this Agreement that survive by their terms or contemplate observance after the termination of this Agreement, all provisions of the Agreement relating to the parties' representations, warranties (or exclusions thereof), intellectual property rights, limitation of liability, waiver of jury trial, governing law, confidentiality and indemnity shall survive the termination of a Service or this Agreement.

21. AMENDMENTS.

21.1. Amendment by Agreement or Notice. The Agreement, including any Service Terms, may be modified by a written agreement executed and signed by the parties. In addition, Prosperity may amend the Agreement, including any Service Terms, by notifying Customer in any manner deemed acceptable by Prosperity, including by posting such amendment on Treasury Center. Customer acknowledges that its access to Treasury Center shall be viewed as sufficient notice and agrees that Prosperity may amend the Agreement in this manner, with no obligation to communicate directly to Customer regarding such amendments. By continuing to use the Services following the posting of such notice and/or any stated effective date for the amendments, Customer shall be deemed to have accepted the Agreement or Service Terms as so amended.

21.2. Regulatory or Security Changes. Notwithstanding the foregoing, if a modification to this Agreement or any Service Terms is required under Applicable Law or by a regulatory authority with jurisdiction over Prosperity, or if modifications to the Security Procedures are necessary in order to maintain the security and integrity of the Services, then Prosperity may modify this Agreement, the applicable Service Terms or Security Procedures, as applicable, by giving Customer notice of the modification by any means permitted, and the modification will be effective immediately upon Prosperity giving such notice.

22. AFFILIATES.

22.1. Primary Customer and Affiliates. Customer, each Affiliate of Customer listed on the signature page below (if any), and Prosperity agree that each such Affiliate shall have all of the rights and obligations of, and shall for all purposes be, a party under the Agreement as a "Customer." The Customer named on the signature page below shall be referred to as the "**Primary Customer**" for purposes of this Section 22. Each Affiliate hereby agrees that it is (a) bound by the terms of this Agreement for the use of the Services, and (b) responsible for the payment of Fees, Transactions and any other obligations and liabilities it incurs related thereto, and maintenance of any required balances for the Services that it receives from Prosperity. Additional Affiliates can be added through an addendum to this Agreement in the form required by Prosperity and executed by Primary Customer and Prosperity.

22.2. Authority of Primary Customer. Each Affiliate hereby authorizes Primary Customer to act as agent for such Affiliate in connection with any and all matters relating to the Agreement, including, without limitation, administering the Services and originating Transactions, issuing Payment Orders and other instructions, executing Documentation, terminating the Agreement, agreeing to amendments to the Agreement, and receiving notices under the Agreement, which will be effective for the Affiliates, even if such notices and communications are sent only to Primary Customer; any and all such actions by the Primary Customer shall be binding on the Affiliates. Prosperity may conclusively rely on Primary Customer's authority to act for itself and to bind the Affiliates with respect to the foregoing. Primary Customer agrees to notify the Affiliates of any such notices received, agreements made, and actions taken on behalf of any Affiliate.

22.3. Security Procedures, Access to Internet Banking Services. Primary Customer and any Affiliate acknowledge and agree that the Security Procedures provided by Prosperity to the Primary Customer shall be used to access the Services, and that such Security Procedures are commercially reasonable for the Transactions to be requested on behalf of each Affiliate. Primary Customer and each Affiliate acknowledge and agree that: (a) Prosperity may rely on and act on any and all Transactions and other communications it receives through the Internet Banking Services using the Security Procedures assigned to the Primary Customer and Prosperity's reliance shall not constitute negligence or willful misconduct or bad faith, (b) Primary Customer and each Affiliate shall be bound by such use of the Services and liable for any Transactions debiting the Account of the Affiliate, and (c) Prosperity shall have no liability or responsibility for notifying any Affiliate with which Primary Customer shares its Security Procedures. Each Affiliate and Primary Customer understand and agree that use of the Services and any Transactions affecting each Affiliate's Accounts may be reflected on the records of Prosperity as initiated by the Primary Customer.

22.4. Representations and Warranties. Primary Customer hereby represents and warrants to Prosperity that: (a) Primary Customer has the authority to use the Services and access the Accounts on behalf of each Affiliate as permitted by this Agreement, (b) each entity listed as an Affiliate below meets the definition of "Affiliate" and shall continue to meet such definition as long as the entity uses the Services, and (c) the individual signing this Agreement is duly authorized to execute this Agreement on behalf of each Affiliate.

22.5. Guarantee. Primary Customer unconditionally and irrevocably guarantees to Prosperity the full and prompt payment and performance by each Affiliate of all obligations they or any of them may incur under this Agreement, now or in the future, including, but not limited to, obligations for Fees, overdrafts, Transactions and indemnification obligations. Primary Customer agrees to pay any and all such amounts upon demand by Prosperity and agrees that Prosperity may enforce the Agreement against Primary Customer without first being required to seek enforcement against any Affiliate. Primary Customer further agrees that unless and until the full amount owing to Prosperity by the Affiliates under this Agreement has been paid in full, Primary Customer will not exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to Primary Customer against such Affiliate. PRIMARY CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS GUARANTEE IS PROVIDED FOR GOOD AND VALUABLE CONSIDERATION AS PROSPERITY WOULD NOT HAVE OTHERWISE PERMITTED ITS AFFILIATES TO USE THE SERVICES AS REQUESTED BY PRIMARY CUSTOMER UNDER THIS AGREEMENT WITHOUT THE FOREGOING GUARANTEE.

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23. GENERAL PROVISIONS.

23.1. Force Majeure Prosperity shall not be responsible, and shall not be liable to Customer for any failure, error, malfunction or delay in providing the Services or otherwise performing its obligations under this Agreement resulting from circumstances beyond Prosperity's reasonable control that prevent Prosperity or its Service Providers from operating normally, including, without limitation, fire, flood, hurricane or other windstorm, explosion, earthquake or other natural disaster; serious accident, casualty, strike, pandemic, epidemic, legally mandated quarantine or travel or work restrictions, unavoidable accident, acts of God, acts of terrorism, riot, war, or emergency; the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree; or the failure of networks, equipment, systems, the internet, telecommunications systems or outages of the Internet Banking Services.

23.2. Binding Effect of Agreement; Waiver. This Agreement shall bind and benefit Prosperity and Customer and their legal representatives, successors and assigns. None of the terms of this Agreement may be waived except as Prosperity may consent in writing, and no agreement with or representation made by any employee, subcontractor, or agent of Prosperity that is in conflict with this Agreement or any Service Terms will be binding on Prosperity unless contained in a written modification of this Agreement, signed by an authorized officer of Prosperity. No delay on the part of Prosperity in exercising any right or power under this Agreement shall operate as a waiver. The rights and remedies under this Agreement are cumulative and not exclusive of any rights or remedies which Prosperity would otherwise have.

23.3. Governing Law; Jury Trial Waiver. Except to the extent superseded by federal law, the provision of Services and this Agreement shall be governed by the laws of the state of Texas, without giving effect to its choice of law or conflict of law provisions. Customer submits to the jurisdiction of any federal or state court in Harris County, Texas for all legal proceedings arising out of this Agreement. Customer waives all objections of inconvenient forum to the fullest extent allowed by Applicable Law. TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, OF WHATEVER TYPE OR NATURE, ARISING OUT OF THIS AGREEMENT AND THE SERVICES PROVIDED UNDER THIS AGREEMENT. CUSTOMER ACKNOWLEDGES THAT THIS JURY TRIAL WAIVER IS A MATERIAL INDUCEMENT TO PROSPERITY TO ENTER INTO THIS AGREEMENT AND THAT NO PROSPERITY REPRESENTATIVE HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT PROSPERITY MAY NOT ENFORCE THIS JURY WAIVER IN CASE OF LITIGATION.

23.4. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Customer may not assign this Agreement or any of the rights or duties hereunder, including without limitation, any Service Terms, to any person without Prosperity's prior written consent. Prosperity may assign this Agreement or any portion thereof, including without limitation, any Service Terms, or any of its rights hereunder without Customer's consent to: (a) an acquirer of all or substantially all of Prosperity's equity, business or assets; (b) a successor in interest, whether by merger, reorganization or otherwise; or (c) any affiliate of Prosperity.

23.5. No Agency or Joint Venture Created. This Agreement shall not be deemed to constitute the parties as partners or joint venturers nor will any party be deemed to constitute any other party's agent. Prosperity is not in a fiduciary or similar relationship with, nor does it have fiduciary duties or obligations to, Customer under the terms of this Agreement.

23.6. Provisions Severable. If any provision of this Agreement shall be held to be void or unenforceable by any court of competent jurisdiction or any governmental regulatory agency, such provision shall be construed by each party to be severed from this Agreement. All remaining provisions of this Agreement will remain in full force and effect.

23.7. Section Headings. Section headings are for reference purposes only and do not in any way limit or otherwise define the rights and liabilities of the parties.

23.8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same agreement.

23.9. Entire Agreement. Customer agrees that this Agreement, including any Service Terms and all agreements and documents incorporated herein by reference, is the complete and exclusive statement of the agreement between Prosperity and Customer regarding the Services, which supersedes any proposal or prior agreement, oral or written, and any other communications between the parties.

24. ELECTRONIC EXECUTION, CONSENT.

The parties agree that this Agreement, including any Service Terms, is entered into on an interstate basis and subject to the Electronic Signatures in Global and National Commerce Act and may be executed and delivered by facsimile, email in PDF or similar format, or other electronic method, and that the copies or counterpart signature pages so sent shall be treated and have the same force and effect as delivery of an original with a manual signature. Prosperity reserves the right, at its discretion, to require Customer to deliver an original of this Agreement or any Service Terms or Documentation with a manual original signature.

25. DEFINITIONS.

Capitalized terms used in this Agreement, including the Service Terms, shall have the meanings given below, in addition to any other defined terms for a particular Service that may be contained within the applicable Service Terms. The meanings of defined terms shall be equally applicable to the singular and plural forms of the defined terms. All references to "include," "includes," or "including" shall be deemed to be followed by the words "without limitation."

"Account" means one or more business deposit accounts at Prosperity that are maintained or controlled by Customer, including accounts held by Customer's Affiliates or other third parties that have granted access to Customer, including through the Internet Banking Services.

"Account Terms" means the (a) deposit account agreement (which may be titled, "Your Deposit Account Terms and Conditions," "Terms and Conditions of Your Account," or similar title), along with any Account disclosure information provided in connection with the Account at any time, (b) any resolutions entered into in connection with the Account, and (c) any pricing information or

pricing lists made available to Customer, all as amended from time to time, which have been issued by Prosperity and relate to the Account(s).

"Administrator" refers to Customer's personnel, employee(s), agent(s) or other individual(s) appointed by Customer or the Lead Administrator to access and use the Internet Banking Services on Customer's behalf with the authorities as described in Section 27.3 (Administrators) below. An Administrator is a User.

"Affiliate" means any entity that is directly or indirectly controlled by, controlling, or under common control with Customer, with the authority to access Accounts of such Affiliate and use the Services under the terms of the Agreement. For the purposes of this definition, "**control**" means the power to direct the management and policies of such entity, directly or indirectly, whether through ownership of voting securities or ownership interests, by contract, or otherwise.

"Applicable Law" means all federal, state and local laws, regulations, and any other requirements, official commentaries or guidance of any agency or division of the federal government or any state or local government that govern or relate to this Agreement or the Services, including the UCC, regulations and sanctions administered by OFAC, and the Operating Rules.

"Available Funds" *means the balance in an Account that is available for use as determined by Prosperity's funds availability schedule in effect from time to time.*

"Business Day" refers to any day during which the main office of Prosperity is open for substantially all of its banking functions, in accordance with specified cut-off times, and during which Prosperity is able to download Customer's information and process transactions. A Business Day does not include Saturday, Sunday, or federal or state holidays.

"Collected Funds" means the balance in the Account representing those funds that have been actually and finally collected as calculated by Prosperity.

"Credentials" means the user names, passwords, personal identification numbers (PINs), identification codes, and other identifying and authentication inputs, security tokens or authentication devices, equipment or software, that Users must apply or use in order to access the Internet Banking Services.

"**Documentation**" means all documents that facilitate the use of a Service, including any Service authorizations, schedules, set up forms, exhibits, pricing and fee schedules, attachments, Transaction limits, written Security Procedures, and forms or agreements establishing Administrators or User Accounts.

"Lead Administrator" refers to Customer's personnel, employee(s), agent(s) or other individual(s) appointed by Customer to act as its administrator with respect to the Internet Banking Services, vested with the authorities described in Section 27.2 (Lead Administrators) below. The Lead Administrator(s) will be those person(s) designated by Customer in the attached **Exhibit B**, attached hereto and made a part hereof, or as Prosperity otherwise directs. The Lead Administrator is an Administrator.

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"Loan" means any line of credit or other loan provided to Customer by Prosperity as part of a Service or an Account.

"Losses" means any and all claims, demands, actions, losses, liabilities, judgments, damages, costs or expenses (including reasonable attorneys' fees and court costs), and all costs of settlement of claims.

"Mobile Device" means a cellular telephone or similar wireless communications device (a) that is installed with software permitted by Prosperity that Customer has downloaded in order to conduct Transactions using the Mobile Banking Service, or (b) that is capable of conducting Transactions through the Mobile Banking Service by using other protocols Prosperity may choose to permit (e.g., Wireless Application Protocol (WAP) or text (SMS) messaging).

"NACHA Rules" means the rules, regulations and operating guidelines of the National Automated Clearing House Association.

"Obligations" means all obligations of payment or performance Customer has relating to Services offered by Prosperity, including but not limited to foreign exchange transactions, overdrafts and shortfalls of any kind, no matter how arising, as well as obligations to pay Fees, to provide information, to make accurate representations and to provide security or collateral.

"Operating Rules" means, collectively, the NACHA Rules and the rules, regulations and operating guidelines of any regional clearinghouse, payment card association, or any payment network in effect from time to time used by Prosperity to provide the Services (e.g., SWIFT, ECCHO).

"Payment Order" has the meaning ascribed thereto in Article 4A of the UCC, and shall include, but not be limited to, instructions given for the use of any Service for the origination, processing and payment of electronic funds transfers, including any wire transfers, ACH Entries, and any internal funds transfers between Accounts.

"Service Terms" means the terms and conditions for a Service provided by Prosperity to Customer under this Agreement, including all related Documentation. The Service Terms for the Internet Banking Service and Mobile Banking Service are set forth in this Master Agreement in Sections 26-29 below. The Service Terms for other Services may be set forth in separate documents.

"Transaction" means any instruction, Payment Order, ACH Entry (as defined in the NACHA Rules), file, request, or other communication provided using Customer's Security Procedures, or otherwise provided by or on behalf of Customer to Prosperity to perform a Service or take action on behalf of Customer or its Accounts.

"Treasury Center" means the access portal on Prosperity's website through which the Customer can access the Internet Banking Service, the Mobile Banking Service, and certain other Services.

"**UCC**" means the Uniform Commercial Code, as enacted in the State of Texas.

"User" refers to the Customer's personnel, employee(s), agent(s) or other individual(s) designated by Customer, the Lead Administrator, or an Administrator and authorized to conduct certain tasks through the Services or otherwise act on behalf of the Customer relating to the Services and/or the Account(s).

"User Account" means an account for the Internet Banking Services set up by a Lead Administrator or Administrator allowing a User to access the Services, including the entitlements and other rights provisioned by the Lead Administrator or Administrator.

26. INTERNET BANKING SERVICES.

The Internet Banking Service, Mobile Banking Service and any other applications or access channels that may be used to access the Services from time to time, including but not limited to Secure File Transfer Protocol (SFTP), are collectively referred to as the "**Internet Banking Services**." The following terms of this Master Agreement (Sections 26-29) comprise the Service Terms for the Internet Banking Services. There may also be separate Service Terms for certain access channels or applications. The Service Terms apply to the Internet Banking Services generally unless stated otherwise, with the exception of Section 29, which relates solely to the Mobile Banking Service.

26.1. Services Description. The Internet Banking Services enable Customer's access to, and electronic management of, the Services and Accounts. Prosperity provides the Internet Banking Services for the sole and exclusive benefit of Customer and Customer's Affiliates who become a party to this Agreement, as described in Section 22 (Affiliates). Prosperity reserves the right to add, remove, change or enhance the features and functionality of the Internet Banking Services at any time without notice, including the Services that may be accessed and Transactions that may be initiated using the Internet Banking Services. Some of the functions and Services available through the Internet Banking Service may not be available through the Mobile Banking Service.

26.2. Availability. Prosperity will use commercially reasonable efforts to make the Internet Banking Services available at all times, but Customer agrees that Prosperity shall not be liable if the Internet Banking Services are unavailable for use at any time, whether due to routine or unscheduled maintenance, upgrades, periods of high volume, system attacks or other activities or circumstances beyond Prosperity's control. Customer acknowledges that information provided through the Internet Banking Services about an Account is provided "as is," changes frequently and is subject to updating, verification and correction. The information Customer obtains through the Internet Banking Services is not the official record of an Account or Transaction unless otherwise specified. Prosperity assumes no responsibility for Customer's reliance on any Account or Service information provided through the Internet Banking Services that is subsequently updated, verified or corrected.

26.3. Customer Systems. Customer is responsible for having and maintaining the hardware, software, internet access, information technology systems and communication devices ("**Customer Systems**"), which are compatible for use with the Internet Banking Services based upon any requirements provided by Prosperity. Prosperity reserves the right to change the software and other protocols that Prosperity allows or requires for the Internet Banking Services at any time without prior notice. Customer can call Prosperity's Treasury Support at (855) 888-2242 to confirm current requirements. Customer is responsible for maintaining the security and reliability of the Customer Systems and agrees to utilize up-to-date virus protection software and update the web browser periodically on the Customer Systems. Customer will be responsible for any malfunction, security

breach, virus, compromise or other misuse or problems with the Customer Systems and for the information transmitted and received through the Customer Systems. Any software that Customer installs or downloads in connection with its use of the Internet Banking Systems is at Customer's own risk, and Prosperity will not be responsible for any damage to the Customer Systems resulting therefrom. Customer agrees that, where required, the acceptance by Users of software and terms of use associated with the Internet Banking Services is authorized by Customer and shall be binding upon Customer and each User. Customer and its Users shall be responsible for any internet access or telecommunications charges they incur related to the Customer Systems or use of the Internet Banking Services, including use of a Mobile Device.

26.4. Limited License; Restrictions on Use. Subject to acceptance or approval by Prosperity as applicable, Prosperity grants Customer a limited, revocable, non-exclusive, non-sublicensable, non-transferable license to use the Internet Banking Services solely in accordance with the terms of the Agreement. Customer agrees to comply with the terms of any license made available to Customer through the Internet Banking Services. Customer agrees that it will not, and will not allow its Users, employees, agents or Vendors to, directly or indirectly: (a) decompile, reverse engineer, disassemble or otherwise attempt to derive source code or trade secrets relating to the Internet Banking Services; (b) copy, reproduce, license, lease, encumber, distribute, resell, or otherwise transfer, co-brand, frame, or link any portion of the Internet Banking Services; (c) adapt, modify, transform or create derivative works of, any aspect of the Internet Banking Services; (d) use the Internet Banking Services in any anti-competitive manner or for any purpose that would be contrary to Prosperity's business interests; or (e) access the Internet Banking Services from any country where such access is prohibited by United States sanctions regulations or other Applicable Law. If access to any software is provided through the Internet Banking Services, Customer agrees not to download the software outside the United States.

26.5. Intellectual Property. Prosperity and its Service Providers or other third parties involved in providing the Internet Banking Services, if any, own and exclusively retain any and all trademark, copyright, patent or trade secret rights ("**Intellectual Property Rights**") and any related rights associated with the Internet Banking Services and the software, design, functionality, processes, procedures, systems, know-how, technical materials, Documentation and other materials provided in connection with the Internet Banking Services. Customer acknowledges and agrees that Prosperity and its Service Providers or such other third parties, as the case may be, shall exclusively own all Intellectual Property Rights in and to any and all improvements, enhancements, derivative works, modifications, or developments made to or resulting from any of the foregoing, including those developed by Prosperity and its Service Providers in connection with providing the Internet Banking Services to Customer.

26.6. Linked Sites. The Internet Banking Services may contain links to the websites of third parties or provide the opportunity to use or access third-party software or services that are not part of the Services (collectively, "**Linked Sites**"). Customer is solely responsible for obtaining and complying with the terms of use or license applicable to any Linked Sites. Prosperity does not endorse or assume any responsibility for the Linked Sites and makes no representations or warranties whatsoever with respect thereto. Use of the Linked Sites is solely at Customer's election, risk and expense, and Customer agrees that it must look to the respective third-party provider, and not Prosperity, for any content, services and claims related to its use of the Linked Site, including any security or data breach.

26.7. Security Incidents. Customer acknowledges that the internet is inherently unsecure and there is a risk that data communications and transfers through the Internet Banking Services may be subject to interception, failure, unavailability, delay or unauthorized access or disclosure (each, a "**Security Incident**"). Prosperity shall not be liable for any Security Incident or Losses attributable thereto unless such Security Incident is directly caused by Prosperity's gross negligence in failing to take commercially reasonable steps to maintain the security of data communications and transfers made through the Internet Banking Services. Customer acknowledges that any message Prosperity sends to Customer through the Internet Banking Services may not be encrypted, but specific Account information may be masked, and Customer hereby authorizes Prosperity to send such information to Customer via email or through the Mobile Banking Service and agrees that this does not constitute a failure by Prosperity to take commercially reasonable steps to maintain the security of data communications and transfers made through the Internet Banking Services.

27. ADMINISTRATION OF INTERNET BANKING SERVICES.

27.1. Set Up and Implementation. Prosperity requires that Customer provide the information necessary to establish the Internet Banking Services and establish the access rights and entitlements of Customer's Users. Prosperity will set up Customer's Account information on the Internet Banking Services as described in the information that Customer has submitted, and Customer authorizes Prosperity to do so. Prosperity assumes no liability for changes or modifications to the Account setup information after initial installation of the Internet Banking Services unless and until Customer has notified Prosperity in writing or as otherwise directed by Prosperity and Prosperity has received it and had a reasonable opportunity to act on such changes.

27.2. Lead Administrator. Customer will appoint a Lead Administrator(s), including by filling out the Appointment of Lead Administrators attached hereto as **Exhibit B** as applicable. Prosperity will provide the Lead Administrator with its initial sign-on credentials and then the Lead Administrator must establish its own Credentials and the Credentials of all other Administrators and Users. Customer is solely responsible for maintaining the security of the Credentials once established and for any use of the Internet Banking Services associated with those Credentials. The Lead Administrator has the ability to reset the Credentials of other Administrators and Users as needed, and Prosperity shall have no liability resulting from its refusal to reset an Administrator's or User's Credentials or an Administrator's or User's inability to access the Internet Banking Services. The same Credentials that are in place for the Internet Banking Service shall apply to the Mobile Banking Service and shall be subject to the Security Procedures terms set forth in Section 6 (Security Procedures; Customer Obligations) above. Customer acknowledges that the Lead Administrator will have broad authority, including the ability to:

(a) enter into, originate and approve Transactions using the Internet Banking Services, access Customer data, and add Administrators and Users for the purpose of entering into, originating and approving Transactions using the Internet Banking Services and accessing Customer data;

(b) remove, eliminate or modify the access or authority granted to any Administrator or User, including without limitation access to a Service, and including the removal of Administrators or Users who no longer have Customer's authority to access the Services and/or perform Transactions;

(c) designate those Users who may utilize the Mobile Banking Service or Mobile Deposit Service;

(d) approve, limit or modify: (i) the data a User may access, (ii) the type of Transactions a User may originate, (iii) the Account(s) that a User may access, and (iv) the dollar amount of Transactions a User is authorized to originate or approve; and

(e) reset the Credentials of any Administrator or User, or override the Credentials of any other User.

Prosperity recommends that Customer designate more than one Lead Administrator so that a Lead Administrator is always available and able to perform their duties. Prosperity will provide the Lead Administrator with permission to all Accounts, Services, and limits that the Customer establishes on the Internet Banking Services, and then the Lead Administrator can designate the other Administrators and Users that will have access thereto, subject to any Transaction or other limits established by Customer and approved by Prosperity. The Lead Administrator shall be the designated recipient for notifications Prosperity sends regarding the Internet Banking Services. The Lead Administrator will have the same authority to administer the Services with respect to any Affiliates who become a party to this Agreement, as described in Section 22 (Affiliates).

27.3. Administrators. The Customer is solely responsible for the naming of its Administrators, specifying the Accounts and Services to which each Administrator will have access through the Internet Banking Services, and monitoring the capabilities and actions of the Administrators. Customer agrees that it is solely responsible for any actions taken by its Administrators, the authority any Administrator gives other Users to act on Customer's behalf, and the actions of the Users designated by the Administrator to access and use the Internet Banking Services. Prosperity shall have no responsibility for maintaining any records regarding the identity of the Administrator or of the Services to which each Administrator has access. Customer acknowledges that Administrators will have the same broad authorities as the Lead Administrator identified in Section 27.2 above.

27.4. Access by Vendor. If permitted by Prosperity, Customer may be able to allow a third party to access Customer's information related to the Accounts and Services through the Internet Banking Services, including by adding the third party as a User or through another method such as an application programming interface (API). Any such third party will be deemed Customer's Vendor and any access method established between Prosperity and such Vendor and agreed upon by Customer will be deemed part of the Internet Banking Services. Customer understands that any authority and access granted to its Vendor using the Internet Banking Services may include the ability to submit Transactions on Customer's behalf and to download, modify or delete Customer's information. Customer agrees that Prosperity will have no liability and will be held harmless for permitting Vendor access as described herein, including acting upon and executing any Transactions submitted by the Vendor, unless and until Prosperity has received a Change Request from Customer requesting to revoke or amend such Vendor's access and Prosperity has had a reasonable opportunity to implement the change (which may take several Business Days).

28. INTERNET BANKING FUNCTIONS AND SERVICES.

Customer may request any of the following functions and Services through the Internet Banking Service. Some, but not all, of the following may also be accessed through the Mobile Banking Service. Other Services that Customer can access through the Internet Banking Service are subject to separate Service Terms, as indicated below.

28.1. Account Access. Customer can use the viewing and reporting services in the Internet Banking Service to download a transaction history file to save or print for future reference, perform

Account inquiries on Account data and transaction history on the Accounts, and perform other activities.

28.2. Stop Payment Requests. Customer can use the Internet Banking Service to request that Prosperity stop payment of a check payable on Customer's Account. The provisions of the Account Terms applicable to stop payment requests also apply to stop payment requests submitted through the Internet Banking Service; see the Account Terms for applicable terms and details.

28.3. Messages. Customer can send and receive messages to and from Prosperity through the Internet Banking Service. Customer is responsible for checking the Internet Banking Service periodically for messages from Prosperity and agrees not to send sensitive data (such as driver's license numbers, Social Security numbers, or other sensitive data) via the messages feature. Prosperity is not responsible for any delay or failure to receive messages being sent by Customer through the Internet Banking Service. Customer should contact Prosperity by phone at (855) 888-2242 with any urgent or time-sensitive communications.

28.4. Account Transfers. Customer can initiate transfers between Accounts enrolled and set up within the Internet Banking Service ("**Account Transfers**"). Time Accounts are not eligible for Account Transfers. Customer is not permitted to transfer more than the Available Balance from an Account, and Account Transfers received after Prosperity's cut-off time may not be processed until the following Business Day. A confirmation number will be given at the time Customer processes an Account Transfer and it is Customer's responsibility to record this number, along with the scheduled date and transaction amount, in Customer's records. Account Transfers between money market deposit Accounts and savings Accounts made through the Internet Banking Service are subject to the limits described in the Account Terms. Account Transfers to a Loan will be considered a scheduled payment on the Loan and will affect the payment schedule of the Loan unless Customer designates the appropriate type of payment with the transfer. Customer can make unscheduled principal or interest payments on a Loan by designating the appropriate type of payment with the Account Transfer, as allowed by Customer's Loan documents.

29. THE MOBILE BANKING SERVICE.

29.1. Service Description; Enrollment. The Mobile Banking Service enables access to certain Services and functions through the use of a Mobile Device. To obtain the Mobile Banking Service, Customer must provide all information required by Prosperity and enroll the particular Mobile Device(s) that it wishes to use with the Mobile Banking Service. In order to access the Mobile Banking Service, a Mobile Device must be internet enabled and connected to the internet through its mobile communications service provider, be capable of sending and receiving SMS text messages, support 128-bit encryption and satisfy any other applicable conditions of Prosperity. Customer is responsible for the removal of any enrolled Mobile Device(s) that should no longer be permitted to access the Mobile Banking Service.

29.2. Consent to Messages. Customer provides its consent for Prosperity and its Service Providers to contact Customer and any of its Users for Account alerts, servicing, marketing and fraud prevention purposes, and any other purposes permitted under the Agreement. Customer agrees that Prosperity may communicate with Customer or its Users by means of SMS text messages, the internet browser on Customer's Mobile Device, or Prosperity's app downloaded to the Mobile Device for information and alerts regarding the Services or the Accounts. Customer understands and agrees that Account

alerts will be sent to all registered Users of the Mobile Banking Service, and understands that such messages could result in charges to the Users or Customer for such messages from the carriers of such messages. In order to retain notices and disclosures sent to Customer through the Mobile Banking Service, Customer must have the ability to save them to its Mobile Device or computer, or to print them.

29.3. Risks of Mobile Banking. Customer acknowledges that use of the Mobile Banking Service presents unique risks in addition to those associated with the use of the internet generally. Those risks include the potential loss or compromise of a Mobile Device with the Mobile Banking Service, the increased exposure to potential unauthorized access to communications, and to malware and similar invasive software. Customer assumes all risks of using the Mobile Banking Service by all of its Users, and is solely responsible for managing the use and security of the Mobile Devices to combat these and other risks associated with the Mobile Banking Service. Prosperity reserves the right to delay or refuse to perform any Transaction that Customer may request through the Mobile Banking Service whether due to security concerns, additional authentication, fraud avoidance purposes or any other reason in Prosperity's sole discretion.

29.4. Location-Based Features. If Customer uses any location-based feature of the Mobile Banking Service, Customer agrees that its geographic location and other related personal information may be accessed and disclosed via the Services. If Customer wishes to revoke the Mobile Banking Service's access to such geographic location information, Customer must cease using the location-based features of the Service.

[SIGNATURE PAGE FOLLOWS]

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TREASURY MANAGEMENT SERVICES

MASTER AGREEMENT SIGNATURE PAGE

This Treasury Management Services Master Agreement has been executed and delivered by Customer as of the latest date set forth below. Each person signing below represents and warrants that he/she has read this Agreement and understands it and has the full authority to execute this Agreement on behalf of the Customer and that this instrument is a legally valid and binding obligation of the Customer.

Customer Name (Name of Business): [Company]

Authorized Signature: _____

Print Name: Name

Title: Title

Date: _____

[NOTE: If required by resolution, second officer of Customer must sign below]

Authorized Signature: _____

Print Name: _____

Title: _____

Date: _____

☐ **Affiliate Account**

Company Name: [Company] Company ID: Company ID

EXHIBIT A

Initial Selection of Treasury Management Services

Please indicate Services requested with a "✓" in the box next to the chosen Service:

Service	Accounts	Add
Online Payment Services		
ACH Origination Services	Account List	☐
ACH Prefunding	Account List	☐
Basic Online Access	Account List	☐
Wire Transfer Services	Account List	☐
FX Wire Services	Account List	☐
Bill Pay	Account List	☐
Receivable Solutions		
Mobile Deposit	Account List	☐
Lockbox Services	Account List	☐
Remote Deposit Capture	Account List	☐
Risk Management		
Positive Pay		☐
Payee Match	Account List	☐
Reverse Positive Pay	Account List	☐
ACH Block	Account List	☐
Account Reconciliation	Account List	☐
Direct Transmission	Account List	☐
Liquidity Management		
Investment Sweeps	Account List	☐
Loan Sweeps	Account List	☐
Zero Balance Accounts (ZBA)	Account List	☐
Repurchase Agreements	Account List	☐
Controlled Disbursement Acct (CDA)	Account List	☐

EXHIBIT B

Appointment of Lead Administrators

Customer Name (Name of Business):

[Company Name]

This Exhibit B, Appointment of Lead Administrators, is governed by and incorporated by reference into the Treasury Management Services Master Agreement between Customer and Prosperity (the "**Master Agreement**"). Any capitalized term not defined herein shall have the meaning ascribed to it in the Master Agreement.

Appointment of Lead Administrator(s) —To be completed and signed by the Customer's Authorized Representative.

By signing below, Customer authorizes each person listed below to be a Lead Administrator with the authority to:

A. Appoint and remove Administrators and Users to perform authorized Transactions under the Agreement for all Treasury Management Services requested or accessed by Customer; and

B. To perform any Transactions pursuant to the Agreement for all Treasury Management Services requested or accessed by Customer; and

C Account Access Authorization. **Customer will mark an "X" in the box reflecting Customer's choice (if no box is "X'd," Customer will be deemed to have chosen option (ii) below)**:

☐ (i) In addition to the authorities described in Section 27.2 of the Master Agreement, Customer designates and authorizes each Lead Administrator named below to be able to add any Account, whether or not that Lead Administrator is a signatory on such Account(s), to Customer's Internet Banking Services with Prosperity and conduct Transactions involving such Account under this Agreement. Any Account added to the Internet Banking Services will have access to all Services in which Customer is enrolled. Each Lead Administrator named below will continue to be so authorized until Customer revokes the authority in writing, Prosperity has received such writing, and has had a reasonable opportunity to act upon it. Customer agrees that to revoke this authorization, Customer must notify Prosperity in writing in accordance with the Agreement and allow Prosperity reasonable time to make any necessary changes. Customer understands and agrees that all applicable provisions of the Agreement and any Service Terms will apply to this appointment and to the performance of each Lead Administrator named herein.

☐ (ii) Customer does NOT authorize any Lead Administrator to be able to add any Account to Customer's Internet Banking Services with Prosperity unless that Lead Administrator is a signatory on the Account.

Unless also an Authorized Representative of Customer, the Lead Administrator(s) listed below do not have the authority to execute the Master Agreement.

EXHIBIT B – Appointment of Lead Administrators (page 2)

1. Name: Name

Title: Title

Business Address: Business Address

Telephone \ Fax Number: Telephone / Fax Number

E-mail Address: Email Address

2. Name: Name

Title: Title

Business Address: Business Address

Telephone \ Fax Number: Telephone/Fax Number

E-mail Address: Email Address

This Appointment of Lead Administrators shall be binding and the authority shall remain in force until Prosperity receives written notice of any changes from Customer. Customer may change its current Lead Administrator(s) by executing a new Appointment of Lead Administrators. Any new Appointment of Lead Administrators will supersede and replace Customer's prior Appointment of Lead Administrators as of the date it is actually received and processed by Prosperity.

By his/her signature below, Customer's Authorized Representative represents and warrants that he/she has the authority on behalf of Customer to appoint the Lead Administrator(s) listed above. At the request of Prosperity, Customer's Authorized Representative agrees to provide documentation evidencing such authority, to Prosperity's satisfaction.

Date

Signature of Customer's Authorized Representative

Printed Name

Name (Print)

Title

Title

Company Name: [Company]



PROSPERITY BANK®

LINKED ACCOUNT ADDENDUM TO TREASURY MANAGEMENT SERVICES MASTER AGREEMENT

This Linked Account Addendum to Treasury Management Services Master Agreement (this "**Addendum**") is entered into by and among the undersigned Treasury Management Services customer ("**Customer**"), the undersigned personal deposit account owner(s) (jointly and severally, "**Consumer**"), and Prosperity Bank, a Texas banking association ("**Prosperity**"), and supplements that certain Treasury Management Services Master Agreement between Customer and Prosperity (together with the applicable Service Terms and Documentation, the "**Agreement**"). Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement.

WHEREAS, Customer and Consumer have requested to link the personal deposit accounts of Consumer set forth on Exhibit A ("**Linked Accounts**") to Customer's Treasury Center profile so that the Linked Accounts can be accessed through the Internet Banking Services and use such other Services as Customer may request and Prosperity may in its sole discretion approve from time to time;

WHEREAS, Prosperity is willing to link the Linked Accounts as requested by Customer and Consumer subject to the terms, conditions and limitations set forth herein.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Acceptance of Treasury Management Agreement. Customer and Consumer each hereby authorize Prosperity to link the Linked Accounts to Customer's Treasury Center profile to access the Services as described in this Addendum. Customer agrees to provide a copy of the Agreement to Consumer for its review. By executing this Addendum, Consumer agrees that: (a) Consumer is bound by the terms of the Agreement and has the same obligations as "Customer" thereunder with respect to its use of the Services; (b) Consumer is responsible for the payment of Fees, Transactions and any other obligations and liabilities it incurs related thereto, including maintenance of any required balances for the Services that it receives from Prosperity as applicable; and (c) Consumer has reviewed the Agreement (including any applicable Service Terms) and determined that linking the Linked Accounts to Customer's Treasury Center profile to access the Services is appropriate for Consumer given its relationship to Customer and intended use of the Services.

2. Consumer Agreements; Conflicts. This Addendum does not nullify or supersede any other agreements between Consumer and Prosperity with respect to the Linked Accounts (the "**Consumer Agreements**"), which shall remain in full force and effect. In the event of a conflict between the terms of the Agreement and the Consumer Agreements, the terms of the Agreement shall control with respect to Consumer's use of the Services (including the Internet Banking Services); provided, that in any

instance where applying the terms of the Agreement would violate Applicable Law, the terms of the Consumer Agreements shall prevail.

3. Authority of Customer as Consumer's Agent. Customer will administer any Services used in connection with the Linked Accounts, including access to the Internet Banking Services. Consumer hereby authorizes Customer to act as Consumer's agent in connection with any and all matters relating to the Agreement and the Services, including, without limitation, originating Transactions, executing Documentation, terminating the Agreement, agreeing to amendments to the Agreement, and receiving notices under the Agreement, which will be effective for Consumer even if such notices and communications are sent only to Customer; any and all such actions by Customer shall be binding on Consumer. Prosperity may conclusively rely on Customer's authority to bind Consumer with respect to the foregoing. Customer agrees to notify Consumer of any such notices received, agreements made, and actions taken by Customer on behalf of Consumer.

4. Security Procedures. Customer and Consumer acknowledge and agree that the Security Procedures used by Customer for the Services will also be used with respect to the Linked Accounts, and that such Security Procedures are commercially reasonable for the Transactions to be initiated with respect to the Linked Accounts. Customer and Consumer agree that: (a) all Transactions and other instructions submitted through the Internet Banking Services with respect to the Linked Accounts using the Security Procedures assigned to Customer are authorized by Consumer and Consumer will not dispute any such Transactions as unauthorized; (b) Prosperity may rely and act upon any and all such Transactions and instructions and Prosperity's reliance shall not constitute negligence or willful misconduct or bad faith; (c) Customer and Consumer shall be bound by such use of the Services and liable for any Transactions from the Linked Accounts; and (d) Prosperity shall have no liability or responsibility for notifying Consumer with respect to Customer's use of the Services or Transactions on the Linked Accounts.

5. Access to Internet Banking Services. Consumer acknowledges that any person accessing the Internet Banking Services on Customer's behalf, including the Lead Administrator(s), any other Administrators, all Users, and any other authorized representative of Customer (collectively, "**IBS Users**"), will be able to access the Linked Accounts, whether or not such IBS User is an owner or authorized signer on the Linked Accounts. Consumer understands and agrees that any IBS User will have the ability to access and transact upon the Linked Accounts through the Internet Banking Services, including, as applicable, the ability to view account balances and activity, transfer money, and initiate Transactions and withdrawals from the Linked Accounts. Consumer represents to Prosperity that all Transactions to or from the Linked Accounts initiated by an IBS User are authorized by Consumer, and Consumer agrees to work with Customer to resolve any questions or disputes regarding such Transactions. Consumer acknowledges that Customer may add, remove or change any or all of its IBS Users from time to time and Consumer will not receive notice thereof, unless such notice is voluntarily provided by Customer. Consumer and Customer understand that use of the Services and any Transactions affecting the Linked Accounts may be reflected on Prosperity's records as initiated by Customer.

6. Consent to Disclosure. By requesting to link the Linked Accounts to Customer's Treasury Center profile to access the Services, Customer and Consumer each acknowledge and agree that personal, sensitive and/or confidential information relating to Customer, Consumer, the Linked Accounts and Customer's Accounts may be available to the other party. Customer and Consumer each consent to the disclosure of such information to the other party and agree that Prosperity will not have any liability or responsibility with respect to such disclosure.

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7. Business Purpose; Acceptance of Risk. The parties acknowledge that the Services are intended for business use by commercial customers. Prosperity has agreed to link the Linked Accounts to Customer's Treasury Center profile to access the Services solely as an accommodation for Customer and Consumer; Prosperity does not offer or recommend use of the Services in connection with personal accounts or consumer-purpose transactions. In order to induce Prosperity to grant this accommodation, Consumer represents to Prosperity that Consumer understands the risks involved in linking the Linked Accounts to Customer's Treasury Center profile to access the Services and by executing this Addendum, agrees to assume those additional risks, both known and unknown. Customer and Consumer acknowledge that it is their responsibility, not Prosperity's, to implement controls to mitigate the risk of malicious activity compromising the security of the Linked Accounts accessed through the Internet Banking Services.

8. Limits on Services. Not all Services will be available for use in connection with the Linked Accounts; for example, Prosperity generally does not permit Linked Accounts to use Services involving wire transfers or ACH transactions. Prosperity reserves the right to block, restrict or limit the use of any Service in which Customer is enrolled with respect to a Linked Account, in Prosperity's sole discretion. Consumer acknowledges that any transaction limits and overdraft services for the Linked Accounts under the Consumer Agreements may not be applied to Transactions initiated or executed using the Services, and Consumer accepts this risk and agrees to pay any fees, overdrafts or other costs that result therefrom.

9. Termination. Prosperity reserves the right to suspend or terminate the Linked Accounts' access to any or all Services or to terminate this Addendum at any time in its sole discretion, with or without notice. In the event Customer's access to the Internet Banking Services is terminated for any reason, this Addendum shall automatically terminate.

10. Indemnity, Limitation of Liability. In addition to the indemnification obligations under the Agreement, Consumer and Customer agree to indemnify, defend and hold harmless Prosperity and its officers, directors, affiliates, Service Providers, employees and agents from and against any and all Losses arising from or in connection with access to the Linked Accounts and use of the Services as contemplated in this Addendum. Consumer agrees that Prosperity will not have any liability with respect to any Transactions or use of the Services by an IBS User or using Customer's Security Procedures except as otherwise provided in the Agreement, and Consumer agrees to look to Customer for reimbursement or recourse with respect thereto. The terms of this Section will survive termination of this Addendum.

11. Guarantee. Customer unconditionally and irrevocably guarantees to Prosperity the full and prompt payment and performance by Consumer of all obligations incurred under the Agreement, now or in the future, including, but not limited to, obligations for Fees, overdrafts, Transactions and indemnification obligations. Customer agrees to pay any and all such amounts upon demand by Prosperity and agrees that Prosperity may enforce the Agreement against Customer without first being required to seek enforcement against Consumer. CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS GUARANTEE IS PROVIDED FOR GOOD AND VALUABLE CONSIDERATION, AS PROSPERITY WOULD NOT HAVE OTHERWISE PERMITTED CONSUMER TO LINK ITS ACCOUNTS AND USE THE SERVICES AS REQUESTED UNDER THIS ADDENDUM WITHOUT THE FOREGOING GUARANTEE.

12. Electronic Execution and Consent. The parties agree that this Addendum is entered into on an interstate basis and subject to the Electronic Signatures in Global and National Commerce Act

and may be executed and delivered by facsimile, email in PDF or similar format, or other electronic method, and that the copies or counterpart signature pages so sent shall be treated and have the same force and effect as delivery of an original with a manual signature. Prosperity reserves the right, at its discretion, to require either or both parties to deliver an original of this Addendum with a manual original signature. Each of Customer and Consumer agrees and consents to Prosperity providing notices, disclosures, account statements and any other information under the Agreement or related to the Services to Customer electronically, including information that Prosperity is required by Applicable Law to provide in writing. Prosperity may provide such notices or other information electronically by posting it on Treasury Center, sending Customer an in-product message within the Service, via email to any email address that Customer has provided, by telephone or facsimile to any number Customer has given Prosperity, or by sending it as a text message to any mobile phone number that Customer has provided, each of which the parties agree will be considered "in writing."

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Customer, Prosperity and Consumer have executed and entered into this **LINKED ACCOUNT ADDENDUM TO TREASURY MANAGEMENT SERVICES MASTER AGREEMENT** as of the date accepted by Prosperity below.

[Company]:

Tax ID: Tax ID

By: _____

Print name: Printed Name

Print title: Title

Date: Date

PROSPERITY BANK:

By: _____

Print name: Printed Name

Print title: Title

Date: Date

[NOTE: If required by resolution, second officer of Customer must sign below]

By: _____

Print name: Printed Name

Print title: Title

Date: Date

[NOTE: Each owner of the Linked Accounts must sign below]

CONSUMER:

By: _____

Print Name: Printed Name

Date: Date

CONSUMER:

By: _____

Print Name: Printed Name

Date: Date

If any Linked Account listed on Exhibit A below is owned or held by a trust, the signature of the Trustee below indicates the Trustee's agreement that the Trustee has the authority under the trust instrument to enter into this Addendum and to link such account(s).

Name of Trust: Name of Trust

Signature of Trustee: _____
Printed Name: Printed Name
Date: Date

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EXHIBIT A

LINKED ACCOUNTS

Account Title:	Account Number:
Account Title	Account Number
Account Title	Account Number
Account Title	Account Number
Account Title	Account Number
Account Title	Account Number

Treasury Center Company ID for Customer: Treasury Center Company ID.

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Company Name: [Company] Company ID: [Company ID]

EXHIBIT A

Subsequent Selection of Treasury Management Services

Please indicate Services requested with a "✓" in the box next to the chosen Service:

Service	Accounts	Add	Change	Remove
Online Payment Services				
ACH Origination Services	Account List	☐	☐	☐
ACH Prefunding	Account List	☐	☐	☐
Basic Online Access	Account List	☐	☐	☐
Wire Transfer Services	Account List	☐	☐	☐
FX Wire Services	Account List	☐	☐	☐
Bill Pay	Account List	☐	☐	☐
Receivable Solutions				
Mobile Deposit	Account List	☐	☐	☐
Lockbox Services	Account List	☐	☐	☐
Remote Deposit Capture	Account List	☐	☐	☐
Risk Management				
Positive Pay		☐	☐	☐
Payee Match	Account List	☐	☐	☐
Reverse Positive Pay	Account List	☐	☐	☐
ACH Block	Account List	☐	☐	☐
Account Reconciliation	Account List	☐	☐	☐
Direct Transmission	Account List	☐	☐	☐
Liquidity Management				
Investment Sweeps	Account List	☐	☐	☐
Loan Sweeps	Account List	☐	☐	☐
Zero Balance Accounts (ZBA)	Account List	☐	☐	☐
Repurchase Agreements	Account List	☐	☐	☐
Controlled Disbursement Acct (CDA)	Account List	☐	☐	☐

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TREASURY MANAGEMENT SERVICES

SUBSEQUENT AGREEMENT SIGNATURE PAGE

This Treasury Management Services Subsequent Agreement has been executed and delivered by Customer as of the latest date set forth below. Each person signing below represents and warrants that he/she has read this Agreement and understands it and has the full authority to execute this Agreement on behalf of the Customer and that this instrument is a legally valid and binding obligation of the Customer.

Customer Name (Name of Business): [Company]

Authorized Signature: _____

Print Name: Name

Title: Title

Date: Date

[NOTE: If required by resolution, second officer of Customer must sign below]

Authorized Signature: _____

Print Name: Name

Title: Title

Date: Date

☐ **Affiliate Account**

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EXHIBIT B

Appointment of Lead Administrators

Customer Name (Name of Business):

[Company Name]

This Exhibit B, Appointment of Lead Administrators, is governed by and incorporated by reference into the Treasury Management Services Master Agreement between Customer and Prosperity (the "**Master Agreement**"). Any capitalized term not defined herein shall have the meaning ascribed to it in the Master Agreement.

Appointment of Lead Administrator(s) —To be completed and signed by the Customer's Authorized Representative.

By signing below, Customer authorizes each person listed below to be a Lead Administrator with the authority to:

A. Appoint and remove Administrators and Users to perform authorized Transactions under the Agreement for all Treasury Management Services requested or accessed by Customer; and

B. To perform any Transactions pursuant to the Agreement for all Treasury Management Services requested or accessed by Customer; and

C Account Access Authorization. **Customer will mark an "X" in the box reflecting Customer's choice (if no box is "X'd," Customer will be deemed to have chosen option (ii) below):**

☐ (i) In addition to the authorities described in Section 27.2 of the Master Agreement, Customer designates and authorizes each Lead Administrator named below to be able to add any Account, whether or not that Lead Administrator is a signatory on such Account(s), to Customer's Internet Banking Services with Prosperity and conduct Transactions involving such Account under this Agreement. Any Account added to the Internet Banking Services will have access to all Services in which Customer is enrolled. Each Lead Administrator named below will continue to be so authorized until Customer revokes the authority in writing, Prosperity has received such writing, and has had a reasonable opportunity to act upon it. Customer agrees that to revoke this authorization, Customer must notify Prosperity in writing in accordance with the Agreement and allow Prosperity reasonable time to make any necessary changes. Customer understands and agrees that all applicable provisions of the Agreement and any Service Terms will apply to this appointment and to the performance of each Lead Administrator named herein.

☐ (ii) Customer does NOT authorize any Lead Administrator to be able to add any Account to Customer's Internet Banking Services with Prosperity unless that Lead Administrator is a signatory on the Account.

Unless also an Authorized Representative of Customer, the Lead Administrator(s) listed below do not have the authority to execute the Master Agreement.

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EXHIBIT B – Appointment of Lead Administrators (page 2)

1. Name: Name

Title: Title

Business Address: Business Address

Telephone \ Fax Number: Telephone / Fax Number

E-mail Address: Email Address

2. Name: Name

Title: Title

Business Address: Business Address

Telephone \ Fax Number: Telephone/Fax Number

E-mail Address: Email Address

This Appointment of Lead Administrators shall be binding and the authority shall remain in force until Prosperity receives written notice of any changes from Customer. Customer may change its current Lead Administrator(s) by executing a new Appointment of Lead Administrators. Any new Appointment of Lead Administrators will supersede and replace Customer's prior Appointment of Lead Administrators as of the date it is actually received and processed by Prosperity.

By his/her signature below, Customer's Authorized Representative represents and warrants that he/she has the authority on behalf of Customer to appoint the Lead Administrator(s) listed above. At the request of Prosperity, Customer's Authorized Representative agrees to provide documentation evidencing such authority, to Prosperity's satisfaction.

Date

Signature of Customer's Authorized Representative

Printed Name

Name (Print)

Title

Title

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Company Name: Company.

PROSPERITY BANK®

Treasury Management Resolution

Customer Name

_____

Address
Address
_____

City, State Zip
City, State Zip
_____

Phone # Phone _____ Fax # _____

Any capitalized term not defined herein shall have the meaning ascribed to it in the Treasury Management Services Master Agreement or applicable Service Terms between Customer and Prosperity Bank (the "**Agreement**").

I. Authorization to Act for Customer—To be Completed by officer, owner, principal, member, manager, general partner or other authorized individual of the Customer (for purposes of this Agreement, the "Customer Representative")

Each of the undersigned is an officer, owner, principal, member, manager, general partner or other authorized individual of the Customer and warrants that the Customer has taken all action required by its governing documents to authorize each of the undersigned to:

Execute the Agreement, including without limitation, any modifications, addenda, or supplements;

Accept on behalf of the Customer the terms and conditions governing the use of such Treasury Management Services requested or accessed by Customer, including acceptance of Security Procedures;

Perform any Transactions pursuant to the Agreement; and

Appoint and remove Administrators and Users to perform certain tasks and have certain responsibilities under the Agreement.

This authorization shall be binding and the authority shall remain in force until written notice of the revocation or modification authorization is delivered to the Bank. This authorization replaces any and all previous resolutions or authorizations.

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Customer Representative(s):

Name:
Name

Title:
Title

Business Address:
Business Address

Telephone \ Fax Number:

E-mail Address:

Signature:

Name:

Title:

Business Address:

Telephone \ Fax Number:

E-mail Address:

Signature:

II. Certification—To be completed by, as applicable, the corporate secretary, general partner, member, trustee, government official, or sole proprietor.

The undersigned represents and warrants to the Bank on behalf of the Customer that the signatures appearing above are the true and authentic signatures of the Customer Representative(s) and further

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certifies that the Customer has taken all action required by their governing documents to appoint the Customer Representative(s) to act on behalf of the Customer and that the undersigned has full authority to execute the Agreement.

Note: For a corporation, this form must be signed by the secretary or assistant secretary. For a partnership, limited partnership, limited liability partnership, limited liability company or association, one of the general partners or members must sign. For trusts, the trustee, agent or account signer must sign. For a government institution, an authorized signer must sign. Sole proprietors are not required to complete this certification.

Date _____ Signature _____

Name:
Name

Title:
Title

Telephone:

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PROSPERITY BANK®

Treasury Management Affiliate Resolution

Affiliate Name (Name of Business):
Affiliate Name

Address
Address

City, State Zip
City, State Zip

Phone # Phone Fax # Fax

Primary Customer Name (Name of Business):
Primary Customer Name

Address:
Address

City, State Zip
City, State Zip

Phone # Phone Fax # Fax

Any capitalized term not defined herein shall have the meaning ascribed to it in the Treasury Management Services Master Agreement, including the Affiliate Addendum thereto if applicable, or applicable Service Agreement(s) between Customer and Prosperity Bank.

I. Authorization to Act for Affiliate—To be Completed by officer, owner, principal, member, manager, general partner or other authorized individual of the Affiliate (for purposes of this Agreement, the "Affiliate Representative")

Each of the undersigned is an officer, owner, principal, member, manager, general partner or other authorized individual of the Affiliate named above, as that term is defined in the Agreement, and warrants that the Affiliate has taken all action required by its governing documents to (a) authorize each of the undersigned to execute this Affiliate Resolution and (b) authorize the Primary Customer named above:

act as agent for such Affiliate in connection with any and all matters relating to the

Agreement, including, without limitation, administering the Services and originating Transactions, issuing Payment Orders and other instructions, executing Documentation, terminating the Agreement, agreeing to amendments to the Agreement, and receiving notices under the Agreement, which will be effective for the Affiliates, even if such notices and communications are sent only to Primary Customer; any and all such actions by the Primary Customer shall be binding on the Affiliates.

These authorizations shall be binding and the authority shall remain in force until written notice of the revocation or modification authorization is delivered to Prosperity. This authorization replaces any and all previous resolutions or authorizations.

Affiliate Representative(s):

Name:
Name

Title:
Title

Business Address:
Business Address

Telephone \ Fax Number:
Telephone \ Fax Number

E-mail Address:
E-mail Address

Signature: _____

Name:
Name

Title:
Title

Business Address:
Business Address

Telephone \ Fax Number:
Telephone \ Fax Number

E-mail Address:
E-mail Address

Signature: _____

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II. <u>Certification</u>—To be completed by, as applicable, the corporate secretary, general partner, member, trustee, or government official.

The undersigned represents and warrants to Prosperity on behalf of the Affiliate that the signature(s) appearing above are the true and authentic signatures of the Affiliate Representative(s) and further certifies that the Affiliate has taken all action required by their governing documents to appoint the Affiliate Representative(s) to act on behalf of the Affiliate and execute this Affiliate Resolution and that the undersigned has full authority to execute this Affiliate Resolution.

> **<u>Note</u>: For a corporation, this form must be signed by the secretary or assistant secretary. For a partnership, limited partnership, limited liability partnership, limited liability company or association, one of the general partners or members must sign. For trusts, the trustee, agent or account signer must sign. For a government institution, an authorized signer must sign. Sole proprietors are not required to complete this certification.**

Date _____ _____

Date Signature

Name:
Name _____

Title:
Title _____

Telephone:
Telephone _____

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Company Name: Company

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

ACH ORIGINATION SERVICE TERMS

These ACH Origination Service Terms (the "**ACH Terms**" or "**Terms**") set forth the terms under which Customer may originate ACH Entries as an Originator through Prosperity by means of the Automated Clearing House ("**ACH**") Network to initiate electronic fund transfers to or from an Account (the "**Services**" or "**ACH Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these ACH Terms are referred to herein as the "**Agreement**") and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement or the NACHA Rules, as applicable.

Prosperity is willing to act as an Originating Depository Financial Institution ("**ODFI**") with respect to ACH Entries originated by Customer under these Terms. The term "**Entry**" as used in these Terms shall have the meaning provided in the NACHA Rules and shall also mean the data provided by Customer using the Services from which Prosperity initiates each Entry. Each Entry shall be deemed Customer's Payment Order and authorizes Prosperity to initiate an electronic funds transfer on Customer's behalf. By using the Services, Customer accepts and agrees to all terms, conditions, and provisions of the Agreement including these ACH Terms. Customer will designate Account(s) for this Service in the Documentation as directed by Prosperity. The Accounts designated by Customer for use in connection with the ACH Services, as Customer may change them from time to time, are the "**Authorized Account(s)**."

1. **COMPLIANCE WITH RULES AND LAWS.** Customer acknowledges it has a copy or has access to a copy of the NACHA Rules. Customer agrees, represents and warrants to Prosperity that all actions by Customer contemplated by this Agreement, including the preparation, transmittal, and settlement of Entries and Payment Orders, shall comply with the NACHA Rules as amended from time to time, and all other Applicable Laws.

2. **TRANSMISSION OF ENTRIES BY CUSTOMER**. As part of the implementation process for the Services, Customer must designate its Administrator(s) and Users who shall be authorized to initiate Entries within the parameters set forth in the applicable Documentation and subject to any other limits or restrictions established by Prosperity. Prosperity shall be entitled to deem any person having knowledge of Customer's Security Procedures for initiating Entries to be a User, including any Administrator. Customer may also allow a Third Party Service Provider to originate Entries as a User. Any Third Party Service Provider will be deemed Customer's agent and Vendor, and Prosperity shall have no liability or responsibility for monitoring Customer's Third Party

Service Providers. Customer shall be liable and responsible for any Payment Order submitted by a Third Party Service Provider as if such Payment Order was submitted by Customer.

Entries transmitted by or on behalf of Customer through the Services must be in accordance with the terms of the Documentation and in compliance with the formatting and other requirements set forth in the file specifications provided by Prosperity. Entries shall be transmitted to Prosperity no later than the applicable cut-off time specified in Prosperity's Processing Schedule, as it may be amended from time to time. Entries received after the cut-off time shall be deemed to have been received on the next Business Day. Notwithstanding the definition of "Business Day" in the Master Agreement, for the purposes of these ACH Terms, "**Business Day**" means Monday through Friday, excluding federal holidays, and the "**Settlement Date**" with respect to any Entry shall be the Business Day when such Entry is debited or credited in accordance with the NACHA Rules.

The types and amounts of Entries that Customer is permitted to originate using the ACH Services may be limited by Prosperity in its sole discretion. The total dollar amount of Entries transmitted by or on behalf of Customer to Prosperity on any Business Day shall not exceed the amount of Available Funds in the Authorized Account as of the Effective Entry Date of such Entries or any other processing limit established by Prosperity ("**Processing Limit**"). Customer acknowledges that Prosperity has no obligation to process any Entry which exceeds the Processing Limit ("**Overlimit Entry**"). If Customer wishes to initiate an Overlimit Entry, Customer must submit a request to Prosperity at least 2 Business Days prior to the date on which Customer wishes to initiate such Overlimit Entry, which request may be granted or denied by Prosperity in its sole discretion.

3. AUTHORIZATION AGREEMENT. Customer shall obtain an authorization ("**Authorization Agreement**") as required by the NACHA Rules from the person or entity whose account will be debited or credited as the result of a debit or credit Entry initiated by Customer, and Customer shall retain the Authorization Agreement in original form while it is in effect and the original or a copy of each Authorization Agreement for two (2) years after its termination or revocation, or as otherwise required by the NACHA Rules. Upon request, Customer shall immediately furnish the original or a copy of the Authorization Agreement to Prosperity. Customer shall ensure that each Authorization Agreement satisfies the requirements of the NACHA Rules for the applicable SEC Code.

4. PROCESSING, TRANSMITTAL, AND SETTLEMENT BY PROSPERITY. Except as otherwise provided for in this Agreement and if Prosperity elects to accept Entries, Prosperity shall use commercially reasonable efforts to comply with the instructions of Customer to: (a) process Entries received from Customer to conform with the file specifications set forth in the NACHA Rules, (b) transmit such Entries as an ODFI to the ACH processor selected by Prosperity, (c) settle for such Entries as provided in the NACHA Rules, and (d) in the case of a credit Entry received for credit to an account with Prosperity ("**On-Us Entry**"), Prosperity shall credit the Receiver's account in the amount of such credit Entry on the Effective Entry Date contained in such credit Entry, provided such credit Entry is received by Prosperity at the time and in the form prescribed by Prosperity. Prosperity will transmit such Entries to the ACH processor by its deposit deadline, provided (x) such Entries are completely received by Prosperity's cut-off time, (y) the Effective Entry Date satisfies the criteria provided by Prosperity to Customer; and (z) the ACH processor is open for business on such Business Day. Customer agrees that the ACH processor selected by Prosperity shall be considered to have been selected by and designated by Customer and shall be Customer's agent and Vendor for purposes of the Master Agreement.

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Prosperity will give Customer notice of any Entries credited to or debited from Customer's Account by listing such transactions on Customer's Account statement and through the information reporting services offered by Prosperity from time to time, but Customer agrees that Prosperity will not be liable for any failure or delay in providing such notice.

5. PAYMENT FOR CREDIT ENTRIES AND RETURNED DEBIT ENTRIES. Customer agrees to pay for all credit Entries issued by Customer or otherwise made effective against Customer. Customer shall make payment to Prosperity on the date as determined by Prosperity in its sole discretion ("**Payment Date**"). Customer shall also pay Prosperity for the amount of each debit Entry returned by a Receiving Depository Financial Institution ("**RDFI**") or debit Entry dishonored by Prosperity. Payment shall be made by Customer to Prosperity in any manner specified by Prosperity. Customer hereby agrees that Prosperity is authorized to charge the Authorized Accounts for any payments due Prosperity under this Agreement; provided, that if insufficient Available Funds are in the Authorized Account, Prosperity may charge any other Customer Account. In the event the Authorized Account or any other Customer Account does not have Available Funds sufficient on the Payment Date to cover the total amount of all Entries to be paid on such Payment Date, Prosperity may take any of the following actions:

(a) Refuse to process all Entries, in which event Prosperity shall return the data relating to such credit Entries to Customer, whereupon Prosperity shall have no liability to Customer or to any third party as a result thereof; or

(b) Process that portion of the credit Entries as Customer has sufficient Available Funds in the Authorized Account to cover, in whatever order Prosperity in its sole discretion shall elect to process, in which event Prosperity shall return the data relating to such credit Entries as are not processed to Customer, whereupon Prosperity shall have no liability to Customer or any third party as a result thereof; or

(c) In the event Prosperity elects to process credit Entries initiated by Customer and Customer has not maintained sufficient Available Funds in the Authorized Account with Prosperity to cover them, the total amount of the insufficiency advanced by Prosperity on behalf of Customer, if any, which Prosperity will determine in its sole discretion, unless prohibited by Applicable Law, shall be immediately due and payable by Customer to Prosperity without any further demand from Prosperity. If Prosperity elects to pay Customer's Account in the overdraft on any one or more occasions, it shall not be considered a waiver of Prosperity's rights to refuse to do so at any other time nor shall it be an agreement by Prosperity to pay other items in the overdraft.

6. PRE-FUNDING. Prosperity reserves the right to require Customer to pre-fund an Account maintained at Prosperity prior to the Settlement Date of an ACH Entry or File or before crediting the Receiver's account in the case of an On-Us Transfer. Prosperity shall determine whether pre-funding is required based on criteria established from time to time by Prosperity with respect to Customer's use of the Service. If Prosperity requires pre-funding, Customer will maintain sufficient Available Funds in the Authorized Account(s) to settle for the Credit Entries not later than one (1) Business Day before each Settlement Date, and Prosperity will not be required to process Entries unless sufficient Available Funds are in the Authorized Account. Same Day Transactions are not available where pre-funding is required.

7. RESERVES. From time to time, Prosperity may evaluate Customer's Transaction activity for the purpose of establishing averages for Transaction frequency, amount, returns and adjustments.

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These evaluations may occur at least annually and may occur more frequently at Prosperity's discretion. In connection with these evaluations, Prosperity reserves the right to require Customer to satisfy underwriting criteria, which may without limitation require Customer to pledge Collateral or provide a personal guarantee of a principal or owner, or to require reserves with Prosperity calculated by Prosperity to cover Customer's obligations to Prosperity arising from ACH activities under these ACH Terms. Reserves may be expressed as a fixed dollar amount or as a "rolling reserve" calculated based on "rolling" averages determined by Prosperity's periodic evaluations. The amount of reserves required by Prosperity, if any, will be communicated directly to Customer from time to time. Customer agrees to establish reserves as required by Prosperity within a specified number of Business Days after receipt of a communication from Prosperity setting forth such number of days, the amount of required reserves, and the basis of calculation used to determine the amount of reserves. Prosperity may suspend the Service if Customer fails to establish the required amount of reserves within the time period specified by Prosperity in its communication to Customer. Customer agrees that Prosperity is permitted to hold the reserve amount for a reasonable period of time following termination of the Service.

8. REJECTION OF ENTRIES. Customer agrees that Prosperity has no obligation to accept Entries and therefore may reject or refuse to accept any Entry issued by Customer for any reason. Without limiting the foregoing, Prosperity may, in its sole discretion, refuse to process and reject any Entry if, in Prosperity's sole judgment: (a) there is reasonable cause to believe that any Entry will be returned or will not settle in the ordinary course of business for any reason, (b) to do otherwise would violate any limit set by the applicable clearing house association or any governmental authority or agency to control payment system risk, (c) a credit Entry or the return of a debit Entry would create an overdraft of Customer's Accounts; or (d) the Entry is not of a type established for origination by Customer. Prosperity has no obligation to notify Customer of the rejection of an Entry, but Prosperity may do so at its option. Prosperity shall have no liability to Customer for rejection of an Entry and shall not be liable to pay interest to Customer even if the amount of Customer's Payment Order is fully covered by a withdrawable credit balance in an Authorized Account or Prosperity has otherwise received full payment from Customer. Customer may not reinitiate Entries except as prescribed by the NACHA Rules.

9. CANCELLATION OR AMENDMENT BY CUSTOMER. Customer shall have no right to cancel or amend any Entry after its receipt by Prosperity. However, Prosperity may, at its option, accept a cancellation or amendment request from Customer if such request is received by Prosperity before the affected Entry has been transmitted to the ACH processor, but Prosperity shall have no liability if the cancellation or amendment is not effected. If Prosperity accepts a cancellation or amendment of an Entry, for clarity, Customer's indemnification obligations under the Master Agreement will apply with respect to any Losses incurred as a result of Prosperity's acceptance of such cancellation or amendment.

10. REVERSALS OF ENTRIES.

(a) General Procedure. Upon proper and timely request by Customer, Prosperity will use reasonable efforts to effect a reversal of an Entry or File to the extent reversal is expressly permitted by the NACHA Rules. To be "proper and timely," the request must (i) be made within five (5) Business Days of the Effective Entry Date for the Entry or File to be reversed; (ii) be made immediately upon discovery of the error; and (iii) as applicable, be accompanied by a Reversal/Cancellation Request form or the information required to be input electronically as directed by Prosperity, and (iv) the basis

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for such reversal must be expressly permitted by the NACHA Rules and otherwise in compliance with the NACHA Rules. In addition, if Customer requests reversal of a debit Entry or debit File, the Authorized Account must contain Available Funds in a sufficient amount to cover the reversal requested, and if not, it shall concurrently deposit into the Authorized Account an amount equal to that Entry or File. Customer shall notify the Receiver of any reversing Entry initiated to correct any Entry it has initiated in error. The notification to the Receiver must include the reason for the reversal and be made no later than the Settlement Date of the reversing Entry.

(b) No Liability; Reimbursement to Prosperity. Under no circumstances shall Prosperity be liable for interest or related losses if the requested reversal of an Entry is not effected. Customer shall reimburse Prosperity for any Losses it incurs in effecting or attempting to effect Customer's request for reversal of an Entry.

11. ERROR DETECTION. Prosperity has no obligation to discover and shall not be liable to Customer for errors made by Customer, including but not limited to errors made in identifying the Receiver, or an Intermediary or RDFI or for errors in the amount of an Entry or for errors in Settlement Dates. Prosperity shall likewise have no duty to discover and shall not be liable for duplicate Entries issued by Customer. Notwithstanding the foregoing, if Customer discovers that any Entry it has initiated was in error, it shall notify Prosperity of such error. If such notice is received no later than four (4) hours prior to the ACH receiving deadline, Prosperity will utilize reasonable efforts to initiate an adjusting Entry or stop payment of any On-Us credit Entry within the time limits provided by the NACHA Rules. For clarity, Customer's indemnification obligations described in the Master Agreement will apply with respect to any Losses incurred by Bank in the event Customer makes an error or issues a duplicate Entry.

12. PROHIBITED TRANSACTIONS. Customer agrees not to use or attempt to use the Services: (a) to engage in any illegal purpose or activity or to violate any Applicable Law, (b) to breach any contract or agreement by which Customer is bound, (c) to engage in any internet or online gambling Transaction, whether or not gambling is legal in any applicable jurisdiction, or (d) to engage in any Transaction or activity that is not specifically authorized and permitted by these Terms and the applicable Documentation, including but not limited to International ACH Entries (IATs) or Entries that are restricted by type of Receiver. Customer acknowledges and agrees that Prosperity has no obligation to monitor Customer's use of the Services for Entries and activity that is impermissible or prohibited under the provisions of these Terms; provided, however, that Prosperity reserves the right to decline to execute any Entry or activity that Prosperity believes violates the terms of this Agreement.

13. PRE-NOTIFICATION. Customer, at its option, may send a pre-notification that it intends to initiate an Entry or Entries to a particular account within the time limits prescribed for such notice in the NACHA Rules. Such notice shall be provided to Prosperity in the format and on the medium provided in the NACHA Rules. If Customer receives notice that such pre-notification has been rejected by an RDFI within the prescribed period, or that an RDFI will not receive Entries without having first received a copy of the Authorization Agreement signed by its customer, Customer will not initiate any corresponding Entries to such accounts until the cause for rejection has been corrected or until providing the RDFI with such Authorization Agreement within the time limits provided by the NACHA Rules.

14. NOTICE OF RETURNED ENTRIES AND NOTIFICATIONS OF CHANGE. Prosperity shall notify Customer by posting or transmission through the Internet Banking Services or

by e-mail or other means upon the receipt of a returned Entry from the ACH operator; provided, that Prosperity shall have no liability for any delay in providing such notice or for any allegation from Customer that such notice should have been provided at an earlier time. Except for an Entry retransmitted by Customer in accordance with the requirements of Section 2 (Transmission of Entries by Customer) above, Prosperity shall have no obligation to retransmit a returned Entry to the ACH Operator if Prosperity complied with the provisions of these Terms with respect to the original Entry. Customer shall notify the Receiver by phone or electronic transmission of receipt of each return Entry no later than one (1) Business Day after the Business Day of receiving such notification from Prosperity. Prosperity shall provide Customer all information, as required by the NACHA Rules, with respect to each Notification of Change ("**NOC**") Entry or Corrected Notification of Change ("**Corrected NOC**") Entry received by Prosperity relating to Entries transmitted by Customer. Customer shall ensure that changes requested by the NOC or Corrected NOC are made within six (6) Business Days or as otherwise required by the NACHA Rules of Customer's receipt of the NOC information from Prosperity or prior to initiating another Entry to the Receiver's account, whichever is later. If the NOC is incorrect, Customer will generate a refused Notification of Change and deliver it to Prosperity.

15. PROVISIONAL SETTLEMENT. Customer is hereby notified that payment of an Entry by the RDFI to the Receiver is provisional until receipt by the RDFI of final settlement, and Customer acknowledges and agrees that if such settlement is not received, the RDFI shall be entitled to a refund from the Receiver of the amount credited, and Customer shall be considered not to have paid the Receiver the amount of the electronic funds transfer. Prosperity's payment of any debit Entry, returned Credit Entry, or credit Reversal is provisional until Prosperity receives final settlement for the Entry or Reversal. If final settlement is not received, Prosperity is entitled to a refund and may charge Customer's Account for the amount previously credited. Prosperity may delay the availability of any amount credited for a debit Entry or a credit Reversal if Prosperity believes there may be insufficient funds in Customer's Account to cover any chargeback or return of the Entry or Reversal. Prosperity may require the personal guarantee of a principal or an owner of Customer.

16. CUSTOMER REPRESENTATIONS AND WARRANTIES; INDEMNITY. With respect to each and every Entry transmitted by Customer, Customer represents and warrants to Prosperity and agrees that:

(a) Each person or entity shown as the Receiver on an Entry received by Prosperity from Customer has authorized the initiation of such Entry and the crediting or debiting of its account in the amount and on the Effective Entry Date shown on such Entry,

(b) Such Authorization Agreement is operative at the time of transmittal or crediting or debiting by Prosperity as provided herein,

(c) Entries transmitted to Prosperity by Customer are limited to those types of credit and debit Entries permitted by Prosperity,

(d) Customer shall perform its obligations under these Terms in accordance with all Applicable Laws, including, without limitation, maintenance of records required by Applicable Law,

(e) Customer shall originate Payment Orders only for Customer's Accounts and not as agent or on behalf of any other third party (unless Customer has properly notified Prosperity that it is

a Third-Party Sender and provided all required information and Documentation and complied with the terms of the ACH Third-Party Sender Addendum),

(f) Customer will notify Prosperity of Customer's use of any Third Party Service Provider or any other Vendor for the Service, and Customer shall be responsible for the acts of such Third Party Service Provider or Vendor as the actions or omissions of Customer as set forth in the Master Agreement, and

(g) any Entry or Payment Order submitted to Prosperity by Customer or on behalf of Customer by a Third Party Service Provider in accordance with these ACH Terms authorizes Prosperity to initiate an electronic funds transfer in accordance with the terms thereof.

For clarity, Customer's indemnification obligations described in the Master Agreement will apply with respect to any Losses incurred in connection with any breach by Customer of its representations or warranties described in these Terms.

17. ADDITIONAL CUSTOMER WARRANTIES FOR SELECTED STANDARD ENTRY CLASSES. NACHA, in its role of ensuring the safety, security, and viability of the ACH network, has determined that certain single-use or limited-use consumer authorizations have the potential to increase risk in the ACH system and compromise system effectiveness by increasing the incidence of returned Entries. Therefore, to qualify as an Originator of such Entries, Customer hereby warrants to Prosperity that for each such ACH Entry submitted for processing, Customer has obtained all authorizations from the Receiver as required by the NACHA Rules and other Applicable Law and these Terms. Customer also makes the additional warranties to Prosperity that Prosperity makes to each RDFI and ACH Operator under the NACHA Rules for the respective SEC codes for Entries originated by Customer.

18. INCONSISTENCY OF NAME AND ACCOUNT NUMBER. Customer acknowledges and agrees that, if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Prosperity to the RDFI may be made by the RDFI (or by Prosperity in the case of an On-Us Entry) on the basis of the account number supplied by Customer, even if it identifies a person different from the named Receiver, and that Customer's obligation to pay the amount of the Entry to Prosperity is not excused in such circumstances. Customer is liable for and must settle with Prosperity for any Entry initiated by Customer that identifies the Receiver by account or identifying number or by name and account or identifying number.

19. DATA RETENTION. Customer shall retain data on file adequate to permit the remaking of Entries for five (5) Business Days following the date of their transmittal by Prosperity as provided herein, and Customer shall provide such data to Prosperity upon its request. Customer acknowledges and agrees to comply with any and all Data Security Requirements contained in the NACHA Rules, including without limitation any requirements of ACH Originators, Third Party Service Providers and Third Party Senders to protect account numbers used in the initiation of ACH Entries and Files by rendering them unreadable when stored electronically. To the extent Customer comes into possession, custody or control of any Personally Identifiable Information or other non-public information, including information (a) provided by a consumer to Customer, (b) resulting from any transaction with the consumer or any service performed for the consumer, or (c) otherwise obtained by Customer with regard to a consumer, including account information (collectively, "PII"), Customer represents and warrants to Prosperity and its Service Providers that Customer will protect such PII by

rendering it unreadable and inaccessible by persons who do not have legal authority to access such PII.

20. COOPERATION IN LOSS RECOVERY EFFORTS. In the event of any Losses for which Prosperity or Customer may be liable to each other or to a third party pursuant to the Services provided under these Terms, Prosperity and Customer will undertake reasonable efforts to cooperate with each other, as permitted by Applicable Law, in performing loss recovery efforts and in connection with any actions that the relevant party may be obligated to defend or elects to pursue against a third party.

21. AUDIT RIGHTS. In addition to Prosperity's other audit rights under the Master Agreement, Customer hereby authorizes Prosperity (and its regulators and auditors), subject to Customer's physical and logical security procedures, to enter Customer's business premises for the purpose of verifying that Customer is in compliance with this Agreement and auditing Customer's operational controls, information security controls to maintain the confidentiality of Information (including PII), risk management practices, staffing and the need for training and ongoing support, and information technology infrastructure. Customer hereby acknowledges and agrees that Prosperity shall have the right to require specific internal controls at Customer's location(s) and Customer shall comply with any such requirement. As provided in the Master Agreement, these audit rights shall also apply with respect to Customer's Vendors, including any Third Party Service Provider.

22. SAME DAY ENTRIES. A credit or debit Entry with an Effective Entry Date as of the same date such Entry is Received by Prosperity by the applicable cut-off time (or any date prior to such date) is considered a Same Day Entry. If Same Day ACH origination is offered by Prosperity, Customer must opt-in to this service in the manner required by Prosperity and it must be accepted and implemented by Prosperity. Additional Fees may apply to the Same Day ACH service. Entries in excess of the amount permitted in the NACHA Rules are not eligible for Same Day ACH processing, and Customer agrees not to structure Entries so as to avoid such limit. Same Day ACH Origination is also not available where pre-funding is required.

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Company Name: [Company]

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

ACH Block Service Terms

These ACH Block Service Terms (the "**ACH Block Terms**" or "**Terms**") set forth the terms under which Customer may instruct Prosperity to block some or all ACH Entries from posting to Customer's specified Accounts (the "**ACH Block Services**" or "**Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements between Customer and Prosperity incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. **Implementation of ACH Block Services**. Customer may choose one of three options for the ACH Block Services (the "**Block Option(s)**"):

(a) Block all ACH debit Entries;

(b) Block all ACH credit Entries;

(c) Block all ACH Entries.

Customer will identify the Account(s) to be enrolled in the ACH Block Services and the Block Option selected, and provide any other information required by Prosperity during the implementation process.

The ACH Block Services will not be available until Prosperity has received all required information in a form acceptable to Prosperity and approved and enabled the Services for Customer, which may take several Business Days. Customer understands that Prosperity is not bound by any specific start date requested by Customer for the Services and Prosperity will not be responsible for any delay in implementing and approving the Services. Customer is solely responsible for the timeliness and accuracy of the information provided to Prosperity in connection with the Services, and Prosperity is entitled to rely on such information unless and until Prosperity has received and had a reasonable opportunity to act upon a Change Request from Customer. Customer must submit any Change Request related to the ACH Block Services so that Prosperity receives it at least three (3) Business Days before any ACH Entries or instructions relating to Customer's Accounts which may be affected by such Change Request.

2. **ACH Origination Services**. All ACH Entries will be blocked in accordance with Customer's selected Block Option, including ACH Entries originated or authorized by Customer. If Customer is using Prosperity's ACH Origination Services, the ACH Block Services may cause some or all ACH Entries originated by Customer to be blocked, depending on the Block Option selected. Customer should consider whether using the ACH Block Services on an Account that is enrolled in ACH Origination Services is suitable for Customer's intended purposes. Prosperity also offers ACH Positive Pay Services that may be more appropriate for Accounts that are using ACH Origination Services.

3. **Proper Dishonor of ACH Entries**. Each ACH Entry that Prosperity returns in accordance with these Terms will be deemed not to be properly payable, and Customer waives any right that Customer may have to claim that the return was improper. Customer agrees that Prosperity has exercised ordinary care and properly dishonored all ACH Entries consistent with these Terms and agrees to indemnify Prosperity for any Losses resulting from the return of such ACH Entries.

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Customer: [Company]

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TREASURY MANAGEMENT SERVICES

ACH THIRD-PARTY SENDER ADDENDUM

This ACH Third-Party Sender Addendum (the "**Addendum**") amends and supplements the ACH Origination Service Terms and sets forth the terms under which Customer may act as a Third-Party Sender to transmit Credit and/or Debit Entries through Prosperity by means of the Automated Clearing House Network ("**ACH**") (the "**Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement and the ACH Origination Service Terms together with this Addendum are referred to herein as the "**Agreement**") and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement or the NACHA Rules, as applicable.

1. REGISTRATION OF THIRD-PARTY SENDER. Customer understands that Prosperity must register Customer as a Third-Party Sender with NACHA and agrees to fully cooperate in that process. Customer hereby remakes, as a Third-Party Sender, the representations, warranties and covenants made in the ACH Origination Service Terms. Customer hereby represents, warrants and covenants that Prosperity is authorized to originate Entries on behalf of each Originator for which Customer acts as a Third-Party Sender to the Receivers' accounts, and hereby makes to Prosperity all additional representations and warranties made by a Third-Party Sender to an Originating Depository Financial Institution ("**ODFI**") under the NACHA Rules.

2. REQUIREMENTS AS TO ORIGINATORS.

(a) Customer agrees to enter into a binding agreement with each Originator ("**ACH Agreement**") that: (i) authorizes Prosperity to originate Entries on behalf of the Originator to Receivers' accounts; (ii) restricts Entries by impermissible SEC Codes or otherwise restricts Entries as set forth in the ACH Origination Service Terms, including prohibiting any Entries that violate Applicable Laws; (iii) binds the Originator to comply with the NACHA Rules and contains at least the same provisions as between Prosperity and Customer, including, without limitation, authorization requirements, the audit rights of Prosperity set forth in the ACH Origination Service Terms and provisions with respect to return rate monitoring; (iv) includes terms that permit Customer to terminate or suspend the ACH Agreement for any breach of the NACHA Rules or as required for Customer, as Third-Party Sender, to comply with the NACHA Rules; and (v) permits Customer and Prosperity to audit the Originator's compliance with the ACH Agreement and the NACHA Rules. Customer will be responsible for verifying the proper authorization and execution of all ACH Agreements, which must be executed by authorized signers of Originators. The ACH Agreement must be approved in form by Prosperity and satisfy all of the requirements of the NACHA Rules prior

to use by Customer; provided, that Prosperity's review and approval shall not be relied upon by Customer as confirmation that the ACH Agreement complies with Applicable Laws and the NACHA Rules.

(b) Prior to executing an ACH Agreement with an Originator, Customer shall have conducted an investigation appropriate to the degree of risk associated with the Originator and in accordance with Prosperity's due diligence requirements, including, as deemed necessary, physical inspection of the Originator's premises, its data security and customer identification processes, and Customer shall have verified through such investigation that the Originator conducts a legal bona fide business operation and has the proper facilities, equipment and inventory, and, where necessary, licenses and permits to do business. At the request of Prosperity, Customer will provide photographs taken of the Originator's premises, inventory, or product, and/or a credit bureau report on principals of the business.

(c) Before Customer originates any Entries for a new Originator, Customer shall provide Prosperity with the following information pertaining to such Originator: name; principal business activity; street address; telephone number; employer identification number; name and telephone number of the principal; date of the ACH Agreement; and summary of Customer's due diligence. Prosperity shall have the right, in its sole discretion, to refuse to accept Entries from any such Originator and/or to perform its own due diligence during the onboarding of a new Originator before initiating any Entry on such Originator's behalf. Customer shall, following periodic requests from Prosperity, provide to Prosperity any information considered to be reasonably necessary to identify each Originator on whose behalf Customer initiates Entries hereunder within two (2) Business Days of Prosperity's request.

(d) At all times, Customer shall be responsible for supervising and overseeing each Originator's performance under the applicable ACH Agreement and shall be responsible for their respective compliance with Applicable Laws, including the NACHA Rules.

(e) Customer shall establish, implement and periodically review exposure limits for Originators and establish policies and procedures to: (i) monitor the Originators' origination and return activity across multiple Settlement Dates and require corrective action if Return Rates exceed the requirements of the NACHA Rules; and (ii) enforce restrictions on the types of Entries that may be originated and enforce exposure limits, each as established by Prosperity from time to time.

(f) Customer, as a Third-Party Sender, agrees not to use the Services to transmit Entries on behalf of any other Third-Party Sender (a "**Nested Third-Party Sender**"). As part of its due diligence review of each Originator, Customer is responsible for confirming that such Originator is not a Nested Third-Party Sender. Customer agrees to indemnify and hold Prosperity harmless from and against any and all Losses that arise directly or indirectly in connection with Customer's use of the Services to transmit Entries on behalf of a Nested Third-Party Sender, whether or not Customer had knowledge that such person was a Nested Third-Party Sender, and Customer agrees to promptly reimburse Prosperity for any fines or penalties and associated costs (including attorney's fees and other legal expenses) imposed on or assessed against Prosperity by NACHA, any ACH Operator, or any state or federal regulatory agency in connection therewith.

4. TRANSMITTAL OF ENTRIES BY CUSTOMER. Customer will initiate Entries as provided in the ACH Origination Service Terms. Customer, on behalf of its Originators, authorizes

Prosperity to originate the types of Entries submitted by Customer as a Third-Party Sender on behalf of an Originator to Receivers' accounts; provided, where required, such Entries are in compliance with the formatting and other requirements set forth in the NACHA Rules, the ACH Origination Service Terms, the Documentation and any other materials provided by Prosperity to Customer; and Prosperity agrees to originate and transmit such Entries in accordance with this Addendum. For each Entry for which Customer is not the Originator, Customer represents and warrants that it will not transmit to Prosperity any Entries that violate the NACHA Rules or Applicable Laws or that are otherwise restricted by Prosperity, and represents and warrants that the Originator of the Entry has agreed to assume the responsibilities of an Originator under the NACHA Rules and has acknowledged that the Originator may not initiate Entries that violate the NACHA Rules or Applicable Laws.

5. OBLIGATIONS OF CUSTOMER AS A THIRD-PARTY SENDER UNDER THE NACHA RULES. In addition to Customer's other duties, responsibilities, warranties, representations and liabilities under the Agreement, for each and every Entry transmitted by Customer as a Third-Party Sender to Prosperity, Customer represents and warrants to Prosperity and agrees that Customer, as a Third-Party Sender, shall: (a) perform all of the duties, including, but not limited to, the duty to identify Originators; (b) assume all of the responsibilities, including, but not limited to, the responsibilities of ODFIs and Originators; (c) make all of the warranties, including, but not limited to, the warranties of ODFIs, the warranty that each Originator has agreed to assume the responsibilities of an Originator under the NACHA Rules and is legally able to do so; (d) assume all of the liabilities, including, but not limited to, liability for indemnification for failure of an Originator to perform its obligations as an Originator of Third-Party Sender in accordance with the NACHA Rules; and (e) limit the dollar value and types of the Entries that are transmitted to Prosperity by Customer as Third-Party Sender, as set forth in the Documentation.

6. LIMITS ON ACH ENTRIES OR FILES. In addition to the limitations set forth in the Documentation, Prosperity may place additional limits on the amount or the type of Credit Entries or Debit Entries that Customer may originate in a file, batch or any single Entry. Any such limits will be communicated by Prosperity to Customer from time to time and Customer hereby agrees to communicate any such limits to each Originator and ensure that all Entries originated by Customer comply with such limits. Prosperity reserves the right to modify limits in its sole discretion.

7. ANNUAL SELF-ASSESSMENT; AUDIT RIGHTS. Customer must conduct an annual audit of its compliance with the NACHA Rules and an annual self-assessment as to data security and maintain the results for review by Prosperity for not less than six (6) years. Customer agrees to provide documentation supporting any such audit and self-assessment within five (5) Business Days following a request from Prosperity. In addition to Prosperity's audit rights under the Master Agreement, Prosperity reserves the right to conduct periodic audits and other due diligence of each Originator for whom Customer is originating Entries under this Addendum.

8. INDEMNIFICATION. In addition to Customer's other indemnification obligations under the Master Agreement, Customer agrees to indemnify, defend and hold Prosperity harmless from and against any and all Losses that arise directly or indirectly from use of the Services by any of its Originators, including the failure of any Originator to perform its obligations under Applicable Laws, including the NACHA Rules.

9. PAYMENT. Customer, as a Third-Party Sender, shall maintain sufficient Available Funds in the Authorized Accounts to cover its payment obligations under this Addendum and agrees to pay

Prosperity for each ACH Transaction originated by Customer as Third-Party Sender on behalf of any Originator for which Prosperity is not paid.

10. TERMINATION. In addition to Prosperity's termination rights under the Master Agreement, Prosperity has the right to terminate or suspend this Addendum, or any Originator of Customer, for any breach of the NACHA Rules or as required for Prosperity to comply with the NACHA Rules.

Customer (name of business if entity): [Company]_____

By: _____

Printed Name: Name_____

Title: Title_____

Date: Date_____

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Company: [Company Name]

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

BILL PAYMENT SERVICE TERMS

These Bill Payment Service Terms (the "**Service Terms**") set forth the terms under which Customer can authorize Prosperity to remit funds from Customer's Account to make bill payments as described below (the "**Bill Pay Service**" or "**Service**") through the Internet Banking Services. The Service is subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, is incorporated herein by reference (the Master Agreement together with these Service Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. DEFINITIONS.

"**Biller**" is the person or entity to which Customer wishes a Bill Payment to be directed or is the person or entity from which Customer receives electronic bills, as the case may be.

"**Due Date**" is the date reflected on Customer's Biller statement for which the payment is due, not the late payment date or the date beginning or a date during any grace period.

"**Scheduled Payment**" is a payment that has been scheduled through the Bill Pay Service but has not begun processing.

"**Scheduled Payment Date**" is the day you want your Biller to receive your payment, unless the Scheduled Payment Date falls on a non-Business Day in which case it will be considered to be the previous Business Day.

2. BILL PAYMENTS, PROCESSING.

(a) Scheduling Payments. Customer can use the Service to schedule a one-time payment or automatic recurring payments to its Billers. Each Biller must be an eligible business, merchant or professional with a valid United States address; Prosperity reserves the right to refuse any Biller in its sole discretion. Customer must provide the correct information for the Biller, including their name, address, payment amount, and such other information as is required to schedule a payment through the Service ("**Payment Instructions**"). When Customer submits Payment Instructions, Customer authorizes Prosperity to debit its designated Account and remit funds on Customer's behalf to the Biller in accordance with the Payment Instructions. Prosperity is not liable for any Losses resulting from any errors in Customer's Payment Instructions. It is Customer's responsibility to schedule payments in such a manner that the Biller receives the payment no later than the Due Date.

Payments can only be processed on Business Days. If the Due Date falls on a non-Business Day, the Scheduled Payment Date should be at least one (1) Business Day before the Due Date.

(b) Processing Payments. Prosperity will use commercially reasonable efforts to make payments in accordance with Customer's Payment Instructions. Prosperity reserves the right to select the payment method used to remit funds on Customer's behalf to the Biller. This may include, but is not limited to, payment by check, ACH debit, or draft drawn against Customer's Account. In order to process payments more efficiently and effectively, Prosperity may edit or alter payment data or data formats in accordance with Biller directives. Customer's Account must contain sufficient funds to make the payment on the date it is processed. Depending on the method of payment, the Account may be debited prior to the Scheduled Payment Date. For example, if the selected method of payment is a draft, and the draft arrives earlier than the Scheduled Payment Date and the Biller immediately deposits the draft, Customer's Account may be debited earlier than the Scheduled Payment Date.

(c) Canceling Payments. Customer may cancel or change any Scheduled Payment without charge before it has begun processing. Once a payment has begun processing, Customer cannot cancel or change it unless Customer makes a timely stop payment request and Prosperity is able to act on that request before the payment has been processed. Although Prosperity will attempt to accommodate Customer's stop payment request, Prosperity will have no liability for failing to do so. If Customer desires to stop any payment that has already begun processing, Customer must contact Prosperity by: (i) calling Treasury Support at (855) 888-2242, or (ii) sending a message to Prosperity through the messages feature within the Internet Banking Service. Prosperity may also require Customer to put the stop payment request in writing and provide it to Prosperity within fourteen (14) calendar days following the initial contact. Prosperity will charge Customer a fee for stop payment orders as provided in the applicable fee schedule for the Account.

(d) Exception Payments. Customer agrees not to send any of the following types of payments through the Service ("**Exception Payments**"): (i) payments that violate Applicable Law; (ii) payments to any person or entity located outside the United States; (iii) payments related to any type of gambling or gaming; (iv) payments associated with the sale of traveler's checks or money orders, currency dealers or exchanges, or check cashing; (v) payments for credit repair or debt settlement services; (vi) tax payments or court ordered payments; (vii) payments associated with purchases of real property, annuities or lottery contracts, lay-away systems, off-shore banking or transactions to finance or refinance debts funded by a credit card; or (viii) payments related to tobacco products; prescription drugs and devices; narcotics, steroids, controlled substances or other products that present a risk to consumer safety; drug paraphernalia; ammunition, firearms, or firearm parts or related accessories; weapons or knives regulated under Applicable Law. Any Exception Payments that Customer sends or attempts to send using the Service are at Customer's own risk. Prosperity will not be liable for any Losses resulting from Customer scheduling Exception Payments through the Service or Prosperity blocking, delaying, refusing or reversing any Exception Payments. Customer agrees that Prosperity has no obligation to research or resolve any claims resulting from Exception Payments being misapplied, misdirected or mis-posted.

(e) Liability Limits. Prosperity will not be liable to Customer for any Losses resulting from Prosperity's delay or failure to complete any payment in accordance with Customer's Payment Instructions due to: (i) incomplete or erroneous information provided by Customer; (ii) insufficient funds available in the designated Account to make the payment; (iii) the Service or the Internet Banking Services are not working properly and Customer knows or has been advised about the malfunction; (iv) the Biller cannot or will not accept a payment delivered by Prosperity; (v) the Biller delays crediting the payment to Customer's billing account; (vi) Prosperity suspects the payment is fraudulent or is an Exception Payment; (vii) Customer has previously reported, or Prosperity has a reasonable basis for believing, that unauthorized use of or access to Customer's Credentials or the Account has occurred or may be occurring; (viii) Prosperity suspects the Biller is a restricted or blocked entity under Applicable Law, including OFAC sanctions; or

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(ix) circumstances beyond Prosperity's control prevent or delay the proper execution of the payment, such as emergency conditions, power failure, outages or delays of any payment processing network or clearinghouse, malfunction or failure of any equipment or communication lines or other force majeure event, including but not limited to payments delayed or lost in the mail by the United States Postal Service or other carrier. Provided none of the foregoing exceptions are applicable, if Prosperity makes a payment in an amount or to a Biller that does not comply with Customer's Payment Instructions, Prosperity will endeavor to return to Customer any funds improperly paid and resubmit the payment to the intended Biller if applicable.

(f) Service Guarantee. In the event a payment is delayed for reasons other than those described in the "Liability Limits" paragraph above, Prosperity will reimburse Customer for up to $50 of any fees or charges imposed by the Biller as a result of the late payment (the "**Service Guarantee**"). The Service Guarantee does not apply with respect to Exception Payments, and it is conditioned on Customer scheduling the payment such that it should have been delivered to the Biller timely (i.e., taking into account the Due Date for the bill and the fact that payments are only processed on Business Days) and otherwise complying with these Service Terms.

3. ELECTRONIC BILL DELIVERY AND PRESENTMENT.

(a) Description. Customer may also be able to receive electronic bills ("**E-Bills**") from select Billers through the Service. Each Biller can choose whether or not to send E-Bills, which means that E-Bills may not be available from all of Customer's Billers. E-Bills are provided solely as a convenience; Customer remains responsible for making timely payments to its Billers and contacting its Billers if it does not receive a statement.

(b) Customer may request to receive E-Bills from its participating Billers, and some Billers may send E-Bills to Customer on a trial basis without Customer making such a request. Following Customer's request for E-Bills from a participating Biller, it may take up to sixty (60) days for Customer to receive the first E-Bill depending on the applicable Biller's billing cycle. When Customer elects to receive E-Bills from a particular Biller, Customer may be presented with terms from that Biller for Customer's acceptance. Prosperity is not a party to any such Biller terms and they do not form part of these Service Terms or the Agreement. Once Customer starts receiving E-Bills from a Biller, the Biller may stop sending Customer paper or other statements. If Customer wants to continue receiving paper statements, this request should be made to the Biller directly.

(c) Authorization to Share Information. Customer authorizes Prosperity to obtain bill data from its Billers on Customer's behalf. For some Billers, Customer will be asked to provide Prosperity with the username and password for Customer's account with that Biller. By providing Prosperity with such information, Customer authorizes Prosperity to use it to obtain Customer's bill data. Prosperity is unable to update or change Customer's contact information with its Billers, such as name, address, phone number and email address. Customer must contact the Biller directly to make any such changes. Customer authorizes Prosperity to provide to a Biller upon request, Customer's email address, service address, or other data specifically requested by the Biller.

(d) Delivery of E-Bills. Prosperity will attempt to notify Customer when new E-Bills are available for review within the Service; provided, that it is Customer's responsibility to periodically login to the Service and check on the delivery of new E-Bills. Prosperity is not responsible for the accuracy of E-Bills; any discrepancies or disputes regarding the accuracy of an E-Bill must be addressed with the Biller directly. Customer agrees to hold Prosperity harmless if a Biller fails to deliver an E-Bill or if Customer fails to receive an E-Bill or any other statement from a Biller. Customer must request copies of previously delivered bills from the Biller directly. Customer's use of E-Bills does not change its liability or the obligations that exist between Customer and its Billers. At all times, it is Customer's sole responsibility to keep its accounts with its Billers current.

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(e) Cancellation of E-Bills. Each Biller has the ability to cancel E-Bills at any time. Customer may also cancel E-Bills at any time for any or all of its Billers. The time frame for cancellation may vary from Biller to Biller. It may take up to sixty (60) days, depending on the billing cycle of each Biller. Prosperity will notify Customer's Biller(s) if Customer elects to cancel E-Bills and it is Customer's sole responsibility to make arrangements for an alternative form of bill delivery. Prosperity is not responsible for presenting any E-Bills that are already in process at the time of cancellation.

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Company: [Company Name]



PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

CONTROLLED DISBURSEMENT SERVICE TERMS

These Controlled Disbursement Service Terms (the "**Service Terms**") set forth the terms under which Prosperity provides Customer with reporting of all Debits (as defined below) against specified Accounts through the Internet Banking Services (the "**Services**" or "**Controlled Disbursement Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Service Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. IMPLEMENTATION PROCESS. Customer will designate one or more demand deposit Accounts (each, a "**Disbursement Account**") for funding, posting, and payment of Debits, and an Account (the "**Funding Account**"), which could be the same Account as the Disbursement Account, in which Customer agrees to maintain balances sufficient to fund the Debit activity in the Disbursement Account(s). Customer can use the Disbursement Account to issue checks or payable-through drafts and electronic debits (collectively, "**Debits**") only after Prosperity notifies Customer that the Disbursement Account is operational. If Customer attempts to issue Debits before Prosperity notifies Customer that the Disbursement Account is operational, Prosperity may reject or otherwise refuse to process such Debits. Customer agrees to regularly monitor the Disbursement Account and Funding Account using the Internet Banking Services throughout each Business Day for relevant information and notices.

2. DETERMINATION OF DEBIT TOTAL. Each Business Day, in accordance with the applicable cut-off time for the Service ("**Cut-Off Time**"), Prosperity will report to Customer through the Internet Banking Services information relating to the Debits, if any, presented for payment against the Disbursement Account. In providing this reporting through the Service, Prosperity relies on clearing information that Prosperity receives from the applicable Federal Reserve Bank, ACH operator, or other clearing entity, the accuracy and timeliness of which Prosperity does not control and for which Prosperity assumes no liability or responsibility. Checks drawn on the Disbursement Account that are presented over the counter may not appear in the reporting for that Business Day and will instead appear the next Business Day. The "**Debit Total**" is the amount necessary for the Customer to deposit or transfer into the Disbursement Account to cover the Debit activity on any given Business Day, and consists of the total dollar amount of: (a) all Debits that have posted to the Disbursement Account on that Business Day; (b) any adjustments (positive or negative) to the Disbursement Account as reported through the Internet Banking Services, including without limitation any Debits posted after Prosperity's processing cut-off time on the prior Business Day.

3. AVAILABLE FUNDS IN FUNDING ACCOUNT. Each Business Day, prior to the Cutoff Time, Customer must ensure that the Funding Account has an Available Balance in an amount at least equal to the Debit Total of the Disbursement Account for that Business Day. Prosperity reserves the right to require Customer to maintain a specified minimum balance in the Funding Account as part of the Service.

4. TRANSFER OR DEPOSIT OF FUNDS TO THE DISBURSEMENT ACCOUNT. Each Business Day, Customer will transfer from the Funding Account to the Disbursement Account or deposit directly into the Disbursement Account, as indicated in the Documentation, an amount at least equal to the Debit Total. Customer may also make arrangements with Prosperity for the automatic transfer of such amounts from the Funding Account to the Disbursement Account through the Service. If Customer fails to deposit or transfer sufficient funds into the Disbursement Account to cover the Debit Total on any Business Day, Prosperity may, at its sole option: (a) advance funds to the Disbursement Account in an amount equal to the Debit Total (and this amount will be added to the Debit Total for the next Business Day as an adjustment); or (b) return any or all Debits, in any order, unpaid (even though Bank may have previously established a pattern of paying such Debits).

5. PAYMENT OF DEBITS. Notwithstanding Section 4 above or anything else to the contrary in these Service Terms or the Agreement, Prosperity has no obligation whatsoever to pay any Debit, including without limitation, where the Available Balance in the Disbursement Account is not sufficient to cover such Debit at the time Prosperity makes its payment decision. For the avoidance of doubt, Customer acknowledges and agrees that: (a) Prosperity may return any Debits drawn on the Disbursement Account for any reason, including insufficient funds in the Disbursement Account or Funding Account, alleged forgeries, items in controversy or otherwise, in each case without notice or liability to Customer; and (b) Prosperity is not obligated to fund any shortage in the Disbursement Account or to provide overnight or daylight funding unless Prosperity has expressly agreed to do so in a separate written agreement. In the event Prosperity chooses to advance funds to the Disbursement Account to cover Debits as described in Section 4(a) above, Customer agrees to repay such advance plus Prosperity's fees and costs incurred in connection with such advance immediately without notice or demand.

6. PROTECTION AGAINST FRAUDULENT CHECKS. Customer and Prosperity acknowledge that there is a growing risk of Losses resulting from counterfeit, unauthorized, altered or fraudulent Debits, including checks and ACH transactions drawn on Customer's Accounts and/or not properly payable by Prosperity (collectively, "**Fraud Risks**"), and that customers using the Controlled Disbursement Service are especially susceptible to Fraud Risks. Customer is aware that Prosperity offers various options to reduce or mitigate Fraud Risks, including Customer's maintenance of internal controls, closing any Accounts that have experienced Losses from Fraud Risks and opening new Accounts, and utilization of certain Services including ACH Positive Pay and Check Positive Pay. Prosperity strongly recommends that Customer enroll in the Positive Pay Service in order to mitigate Fraud Risks. In the event Customer chooses not to enroll in and actively use the Positive Pay Service, Prosperity may be unable to prevent Losses from Fraud Risks, and Customer will have assumed the risk of these Losses. Customer acknowledges receipt of such recommendations and advice from Prosperity.

7. LIABILITY AND INDEMNIFICATION. In addition to the liability and indemnification provisions elsewhere in the Agreement, Prosperity will not be liable for any Losses paid, suffered or incurred by Customer, and Customer agrees to indemnify and hold Prosperity harmless from and against any Losses paid, suffered or incurred by it, arising directly or indirectly as a result of or in connection with: (a)Prosperity's nonpayment of a Debit for any reason, unless such nonpayment results directly and proximately from Prosperity's gross negligence or willful misconduct; (b) Prosperity's late return of any Debit resulting from or related to any presentment-related problem due to the failure of such Debit to comply with Prosperity's specifications and

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instructions for the applicable transaction type (i.e., checks, payable-through drafts, or electronic debits, as applicable); (c) Prosperity's payment of any check or payable-through draft that is unauthorized or contains a forged, unauthorized, incorrect, or illegible endorsement, a forged or unauthorized signature, an alteration of amount or payee, or any other error, discrepancy, or deficiency, except to the extent that Prosperity is liable under the applicable Service Terms if Customer has enrolled in and is using Prosperity's Account Reconciliation Service, Positive Pay Service or Payable-Through Draft Service.

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Company Name: Prosperity Bank

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

DIRECT TRANSMISSION (SFTP) SERVICE TERMS

Customer or Primary Customer ("**Customer**") has executed the Treasury Management Services Master Agreement (the "**Master Agreement**") with Prosperity Bank, and in connection therewith, Customer chose certain Treasury Management Services, as described in the applicable Service Terms (the Master Agreement together with all such Service Terms and any ancillary forms previously executed by Customer, the "**Agreement**"). Customer understands and agrees that by using a Service, Customer acknowledges and agrees it has received a copy of the Service Terms for that Service, the Service Terms apply to Customer's use of the Service, and Customer agrees to the Service Terms. These Direct Transmission (Secure File Transfer Protocol or "SFTP") Service Terms (the "**Direct Transmission Terms**" or "**Terms**") supplement and modify and are made a part of the Master Agreement between the Parties, which, along with all other agreements between Customer and Prosperity incorporated into the Master Agreement, are incorporated herein by reference. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. **Direct Transmission Process.**

   a. Customer or Prosperity will create an electronic file containing data regarding Transaction and/or balance information for Customer's Account, or payments to and from Customer's Account (the "**Data File**"). Prosperity may transmit such file to Customer or Customer may transmit such file to Prosperity or transmit to itself (a "**Direct Transmission**") by posting the Data File to a peer-to-peer website, including Treasury Center, using secure file transfer protocol, as directed by Prosperity (the "**Website**").

   b. Prosperity and Customer may exchange Data Files pursuant to instructions in the Documentation.

   c. Customer will send and receive all Data Files in conformance with any and all other procedural requirements provided to Customer by Prosperity (all such procedural requirements, the "**Operating Requirements**"). Prosperity may amend the Operating Requirements at any time upon reasonable prior notice to Customer.

2. **Authorization to Act.**

   a. Customer hereby authorizes Prosperity to take any and all actions necessary or appropriate to provide the Services described herein, including making transfers to and from Accounts as described in these Terms.

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b. Customer acknowledges it is authorizing Prosperity, and any of Prosperity's service providers, to serve as agent in processing Transactions received from Customer through the Website and to post such Transactions to Customer's Accounts and act on such instructions in accordance with the Agreement.

3. **Usage**. The Service is only for use with Customer's commercial Accounts at Prosperity and not for use with any consumer account.

4. **Hardware and Software**. Customer is responsible for having and maintaining the hardware, software, internet access, information technology systems and communication devices ("**Customer Systems**"), compatible for use with the Services based upon any requirements provided by Prosperity in the same manner as described in Section 26.3 (Customer Systems) of the Master Agreement.

5. **Passwords and Access Codes; Unauthorized Access**. For Customer to be able to transmit the Electronic Transfer file and post it to the Website, Prosperity will provide Customer with certain Codes. Customer may request Codes for additional Users from Prosperity. Customer is responsible for informing Prosperity of any access changes to be made, including assigning and revoking access privileges for Users and providing new and subsequent Codes to Users. Customer is required to use the Codes every time it posts a Data File to the Website. It is Customer's responsibility to maintain the confidentiality of the Codes. Customer agrees to accept full responsibility over the control of the Codes, and Prosperity is not liable for any losses caused by improper or negligent security of Codes. Customer agrees that Prosperity is not responsible for any actions of a third party as a result of unauthorized use of the Codes.

6. **Insufficient Funds**. Prosperity may, without notice, reject any Transaction if it involves a transfer of funds from an Account in which there are insufficient Available Funds. Should Prosperity, at its sole option, elect to honor a Transaction against insufficient Available Funds, Customer agrees to pay Prosperity immediately upon demand any overdraft amounts, together with any and all overdraft fees and charges that may be assessed against such Account in accordance with Prosperity's then current Fee Schedule.

7. **Ownership of Data**. Customer is the owner of the Data File transmitted to Prosperity under these Terms. Customer acknowledges that some or all of the Operating Requirements and any other written materials relating to the Direct Transmissions provided to Customer by Prosperity (the "**Materials**") may be copyrighted property and constitute trade secrets and proprietary data. Customer further acknowledges that Customer has no title to or ownership of such Materials and that Customer waives any and all rights and claims which Customer now or hereafter may have against Prosperity with respect to the Materials.

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Company Name: [Company]

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

LOCKBOX SERVICE TERMS

These Lockbox Service Terms (the "**Lockbox Terms**" or "**Terms**") set forth the terms and conditions under which Prosperity will process payments directed to a Lockbox for deposit to Customer's Account (the "**Lockbox Services**" or the "**Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Lockbox Terms are referred to herein as the "**Agreement**") and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. IMPLEMENTATION PROCESS. Customer will designate the Account(s) for the Lockbox Services in the Documentation as directed by Prosperity. The Account(s) designated by Customer for use in connection with the Lockbox Services, as Customer may change them from time to time, are the "**Authorized Account(s)**." As part of the implementation process, Prosperity will provide information necessary for Customer to utilize one or more of Prosperity's post office boxes (each, a "**Lockbox**") as the parties determine is necessary in order to process Customer's expected volume of payments.

2. AUTHORIZATION FOR LOCKBOX SERVICES. Customer authorizes Prosperity and its Service Provider to act as Customer's agent with exclusive and unrestricted access to the Lockbox for the purpose of collecting and processing all payments and other materials contained in the Lockbox (collectively, "**Mail**"), to make deposits to the Authorized Account(s), and to act on behalf of Customer to provide the Services in accordance with these Lockbox Terms and the applicable Documentation. In these Lockbox Terms, the term "Prosperity" may be used to refer to both Prosperity and its Service Provider when used in relation to the receipt and processing of Mail in the Lockbox and otherwise providing the Services as described herein.

3. CUSTOMER'S DUTIES. Customer agrees to instruct any person or entity sending payments to the Lockbox (each, a "**Payor**") that they should only remit payment by check, money order, or cashier's check ("**Eligible Items**"), and not to send cash or any other materials or correspondence to the Lockbox. Customer is responsible for ensuring that its Payors send payments to the correct Lockbox address.

4. LOCKBOX SERVICES; PROCESSING.

(a) Mail Retrieval, Receipt. Prosperity will use commercially reasonable efforts to remove all Mail from the Lockbox on each Business Day in accordance with its then-current mail collection schedule, as it may be updated from time to time. Mail will not be deemed to have been received by Prosperity until the Business Day it has been picked up from the designated mail facility and made available to Prosperity for processing, or, as applicable, delivered to Prosperity at the address Prosperity specifies. If the Mail is made available to Prosperity for processing after the applicable cut-off time on a Business Day or on a non-Business Day, then such Mail will be deemed to have been received and made available for processing on the next Business Day.

(b) Acceptable Payees. Payments sent to the Lockbox must be payable to Customer or to a payee whose name Customer has provided to Bank or as Customer has otherwise instructed in the Documentation (including reasonable variations in any such payee name, an "**Acceptable Payee**"). Customer represents and warrants to Prosperity that Customer is duly authorized to receive all payments payable to each Acceptable Payee and to deposit or process the payments into the Authorized Account. Items received in the Lockbox which are not payable to an Acceptable Payee may not be processed.

(c) Eligible Items. Customer authorizes Prosperity to deposit all Eligible Items received in the Lockbox into the Authorized Account. Prosperity may refuse to accept any Mail that is not an Eligible Item or that Prosperity otherwise determines cannot be processed through the Services, such as remittance materials, correspondence and packages ("**Ineligible Items**"), which may be returned to Customer without further processing or as otherwise indicated in the Documentation. Prosperity shall have no liability for any Ineligible Items received in the Lockbox or for any Losses incurred due to returning such items to Customer or handling them in accordance with the Documentation. Customer shall pay (or promptly reimburse Prosperity for) all charges, fees, and costs associated with the processing of any Ineligible Items.

(d) Check Processing. Customer understands that, unless otherwise agreed by Prosperity in the Documentation, Prosperity processes checks using automated processing equipment and will not manually inspect checks received in the Lockbox. This means that post-dated, stale-dated, undated and unsigned checks can be processed through the Lockbox Services and deposited in the Authorized Account. Customer agrees that Prosperity will not be liable for processing checks received in the Lockbox that are not properly payable to Customer or are missing signatures or endorsements or contain restrictive endorsements. Checks that cannot be processed using Prosperity's standard procedures will be returned to Customer without further processing unless otherwise indicated in the Documentation. Customer irrevocably makes, constitutes and appoints Prosperity as Customer's true and lawful attorney-in-fact to endorse Customer's name on any checks received with the Lockbox endorsement used by Prosperity.

(e) Foreign Checks. Checks received in the Lockbox that are drawn on a foreign bank and/or payable in a foreign currency (non-U.S. Dollars) will be returned to Customer without processing, except that checks drawn on a Canadian bank and/or payable in Canadian dollars (CAD) ("**Canadian Items**") may be accepted for deposit on a collection basis in accordance with the terms of the Account Rules. Exchange rate adjustments, if any, will be

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made after the Canadian Item is collected and the actual credit for such deposit will be at the exchange rate in effect upon final collection in U.S. dollars. Customer shall pay (or promptly reimburse Prosperity for) all charges, fees, and costs associated with the processing of any Canadian Items. Prosperity shall not be liable for any delays that may arise in connection with such processing.

(f) Cash Handling. Prosperity assumes no liability for cash sent through the mail and may process cash received in the Lockbox in accordance with its internal procedures for handling cash payments. Customer agrees that Prosperity's count of cash received in the Lockbox is conclusive and final and Prosperity will not be liable for any shortage or discrepancy for any reason, whether discovered upon initial processing or thereafter.

(g) Funds Availability. Prosperity will make funds available from payments received in the Lockbox in accordance with its standard funds availability policy disclosure unless Prosperity has provided Customer a separate funds availability schedule for the Lockbox Services in the Documentation or otherwise.

(h) Reporting. If available and elected by Customer, Customer may receive electronic reporting related to the Services including check images ("**Reports**"). Reports will be made available at such frequency as agreed by the parties and may be accessed by Customer through the Internet Banking Services or other online channel as indicated in the Documentation. Any request by Customer for Reports that require customization is subject to approval by Prosperity and may take additional time and may be subject to additional fees or expenses.

(i) Health Insurance Portability and Accountability Act ("**HIPAA**"). Customer is solely responsible for notifying Prosperity if Customer's use of the Lockbox Services may subject Prosperity or its Service Provider to the privacy and security requirements of HIPAA, and in such event Customer shall not use the Lockbox Services until the parties have entered into a business associate agreement in a form reasonably acceptable to Prosperity. Customer agrees to provide any information or documentation requested by Prosperity in connection with Customer's intended use of the Lockbox Services or to assess whether HIPAA requirements may apply. Customer acknowledges that its breach of this provision will also be a breach of the representations and warranties under the Master Agreement.

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PROSPERITY BANK®

ADDENDUM TO LOCKBOX AGREEMENT

Business Associate Agreement

This Addendum to Lockbox Agreement (the "**Addendum**") constitutes the Business Associate Agreement and modifies, supplements, and is made a part of the Lockbox Agreement (together with any Exhibits, Attachments, Schedules, Statements of Work or similar documents attached to or referencing such agreement, collectively, the "**Lockbox Agreement**") between Prosperity Bank ("**Prosperity**") and Customer ("**Customer**") (this Addendum and the Lockbox Agreement together, the "**Agreement**"). This Addendum modifies and supplements the Lockbox Agreement and is made effective as of the date of Customer's signature below (the "**Effective Date**"). Customer and Prosperity are each referenced herein as a "**Party**" and together, the "**Parties,**" and Prosperity may also be referenced herein as the "**Business Associate**." Unless otherwise noted, capitalized terms herein shall have the same meaning as in the Lockbox Agreement. In the event of a conflict between the terms of this Addendum and the Lockbox Agreement, the terms of this Addendum shall control.

Notwithstanding anything to the contrary in the Lockbox Agreement, the Parties agree on the following terms:

1. Services. In addition to the promises and Services described in the Lockbox Agreement, Prosperity makes the additional promises and will provide the additional services described in this Addendum, which will constitute "Services" under this Agreement.

2. Definitions.

a. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

b. Specific Definitions:

i. Business Associate. "**Business Associate**" shall generally have the same meaning as the term "business associate" at 45 C.F.R. 160.103, and in reference to the Party to this Addendum, shall mean Prosperity Bank.

ii. Covered Entity. "**Covered Entity**" shall generally have the same meaning as the term "covered entity" at 45 C.F.R. 160.103, and in reference to the Party to this Addendum, shall mean Customer.

iii. HIPAA Rules. "**HIPAA Rules**" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

3. Obligations of Business Associate. Business Associate agrees to:

a. Not use or disclose protected health information other than as permitted or required by this Agreement or as required by law;

b. Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by this Addendum;

c. Report to Customer any use or disclosure of protected health information not provided for by this Addendum of which it becomes aware, including breaches of unsecured protected health information as required at 45 C.F.R. 164.410, and any security incident of which it becomes aware. Customer will be responsible for any breach notifications to individuals, the HHS Office for Civil Rights (OCR), and potentially the media, as necessary or appropriate;

d. In accordance with 45 C.F.R. 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

e. Make available protected health information in a designated record set to the Customer or the Customer's patient as necessary to satisfy Customer's obligations under 45 C.F.R. 164.524. In the event Prosperity receives a request for such access directly from the Customer's patient, Prosperity will promptly forward such request to Customer to fulfill. Prosperity will assist Customer in a commercially reasonable manner in responding to such patient.

f. Make any amendments to protected health information in a designated record set as directed or agreed to by Customer pursuant to 45 C.F.R. 164.526, or take other measures as necessary to satisfy Customer's obligations under 45 C.F.R. 164.526. In the event Prosperity receives a request for such amendment directly from the Customer's patient, Prosperity will promptly forward such request to Customer to fulfill. Prosperity will assist Customer in a commercially reasonable manner in making any amendments determined by Customer to be necessary or appropriate;

g. Maintain and make available the information, if any, required to provide an accounting of disclosures to the Customer as necessary to satisfy Customer's obligations under 45 C.F.R. 164.528. In the event Prosperity receives a request for such accounting directly from the Customer's patient, Prosperity will promptly forward such request to Customer to fulfill. Prosperity will assist Customer in a commercially reasonable manner in making any accountings determined by Customer to be necessary or appropriate;

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h. To the extent Prosperity is to carry out one or more of Customer's obligations under Subpart E of 45 C.F.R. Part 164, comply with the requirements of Subpart E that apply to the Customer in the performance of such obligations; and

i. Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

4. Permitted Uses and Disclosures by Business Associate.

a. Prosperity may only use or disclose protected health information as necessary to perform the Services set forth in the Lockbox Agreement. Prosperity will not have the authority to de-identify the information.

b. Prosperity may use or disclose protected health information as required by law.

c. Prosperity agrees to make uses and disclosures and requests for protected health information consistent with Customer's reasonable minimum necessary policies and procedures of which Customer notifies Prosperity in advance in writing, or as the Parties may otherwise agree. The Parties agree to cooperate in good faith to limit protected health information to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.

d. Prosperity may not use or disclose protected health information in a manner that would violate Subpart E or 45 CFR Part 164 if done by Customer.

e. Prosperity may use protected health information for the proper management and administration of Prosperity or to carry out the legal responsibilities of Prosperity.

5. Provisions for Customer to Inform Prosperity of Privacy Practices and Restrictions.

a. Customer shall notify Prosperity of any limitations in the notice of privacy practices of Customer under 45 C.F.R. 164.520, to the extent that such limitation may affect Prosperity's use or disclosure or protected health information.

b. Customer shall notify Prosperity of any changes in, or revocation of, the permission by an individual to use or disclose his or her protected health information, to the extent that such changes may affect Prosperity's use or disclosure of protected health information.

c. Customer shall notify Prosperity of any restriction on the use or disclosure of protected health information to which Customer has agreed or by which Customer is required to abide under 45 CFR 164.522, to the extent that such restriction may affect Prosperity's use or disclosure of protected health information.

6. Permissible Requests by Customer. Customer shall not request Prosperity to use or disclose protected health information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Customer, provided that Prosperity may make

disclosures necessary or appropriate for the management and administration and legal responsibilities of Prosperity.

7. Term and Termination.

a. This Addendum for the Business Associate Agreement is a part of the Lockbox Agreement and therefore will have the same Term and Termination provisions as described in Section 15 of the Lockbox Agreement. In addition, Prosperity authorizes termination of this Agreement by Customer if Customer reasonably determines Prosperity has violated a material term of this Agreement and Prosperity has not cured such breach within 30 days following Customer's written notice of such breach to Prosperity.

b. Termination of the Lockbox Agreement automatically terminates this Addendum for the Business Associate Agreement. Termination of this Addendum for the Business Associate Agreement will automatically terminate the Lockbox Agreement.

c. Obligations of Prosperity Upon Termination. Upon termination of this Agreement for any reason, Prosperity, with respect to protected health information received from Customer, or created, maintained, or received by Prosperity on behalf of Customer, shall:

i. Retain only that protected health information that is necessary for Prosperity to continue its proper management and administration or to carry out its legal responsibilities;

ii. Return to Customer (or, if agreed to by Customer, destroy) the remaining protected health information that Prosperity still maintains in any form;

iii. Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Agreement, for as long as Prosperity retains the protected health information;

iv. Not use or disclose the protected health information retained by Prosperity other than for the purposes for which such protected health information was retained and subject to the same conditions set out at Section 4, "Permitted Uses and Disclosures by Business Associate" above, which applied prior to termination; and

v. Return to Customer (or, if agreed to by Customer, destroy) the protected health information retained by Prosperity when it is no longer needed by Prosperity for its proper management and administration or to carry out its legal responsibilities. If Customer requests, Prosperity may transmit the protected health information to another Business Associate of Customer at termination.

d. The obligations of Prosperity under this Section 7 shall survive the termination of this Agreement.

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8. Miscellaneous.

a. Regulatory References. A reference in this Addendum to a section in the HIPAA Rules means the section as in effect or as amended.

b. Amendment. The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

c. Interpretation. Any ambiguity in this Addendum shall be interpreted to permit compliance with the HIPAA Rules.

Except as expressly modified and supplemented herein, the Lockbox Agreement shall remain in full force and effect. In the event of a conflict between the terms of this Addendum and the Lockbox Agreement, this Addendum shall control for purposes of this Addendum and the subject matter thereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum effective as of the Effective Date.

PROSPERITY BANK	**CUSTOMER**
By:	By:
Printed Name: Printed Name	Printed Name: Printed Name
Title: Title	Title: Title
Date: Date	Date: Date
Address: Address Line 1	Address: Address Line 1
Address Line 2	Address Line 2

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Company: [Company]

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

MOBILE REMOTE DEPOSIT CAPTURE SERVICE TERMS

These Mobile Remote Deposit Capture Service Terms (the "**Service Terms**") are an addendum to the Remote Deposit Capture Service Terms and set forth the terms under which Prosperity will provide Customer with the delivery, access and usage of the Mobile Deposit Capture Service (the "**Remote RDC Service,**" or "**Service**"), as described below, through the Internet Banking Services. Customer must request the Service and be approved by Prosperity to be able to access it. The Service is subject to the Remote Deposit Capture Service Terms and the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with the Remote Deposit Capture Service Terms and these Service Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

I. Generally.

A. Information Authorization. The following provisions in this Section apply to the Service:

1. Mobile Subscriber Information. Customer authorizes its wireless carrier to disclose information about its wireless account, such as name, billing address, email, phone number, location information, subscriber status, payment method and device details, if available, to Prosperity and its third party Service Providers to support identity verification, fraud avoidance and other uses in support of Transactions for the duration of Customer's business relationship with Prosperity. This information may also be shared with other companies to support Customer's Transactions with Prosperity and for identity verification and fraud avoidance purposes.

2. **Device Data.** Prosperity may share certain personal information and device-identifying technical data about Customer and its devices with third party Service Providers, who will compare and add device data and fraud data from and about Customer and its devices to a database of similar device and fraud information in order to provide fraud management and prevention services, which include but are not limited to identifying and blocking access to the applicable service or web site by devices associated with fraudulent or abusive activity. Such information may be used by Prosperity and its third party Service Providers to provide similar fraud management and prevention services for services or web sites not provided by Prosperity.

B. Payment Methods and Amounts.. Prosperity or its Service Provider reserve the right to select the method in which to remit funds on Customer's behalf though the Service, and in the event that Customer's eligible Account is closed or otherwise unavailable to Prosperity, the method to return funds to Customer. These payment methods may include, but may not be limited to, an electronic debit, a paper check drawn on the account of Prosperity's Service Provider, or draft drawn against Customer's Account.

II. FEATURES OF THE MOBILE RDC SERVICE. If Customer requests and is approved for the Mobile Remote Deposit Capture Service, the following provisions will also apply to Customer's use of that Service.

A. Description. The Mobile Remote Deposit Capture Service (**"Mobile RDC"** or, for purposes of these Mobile RDC Service Terms., together with the Mobile Banking Service of which it is a part, the **"Service"**) provides Customer the ability to access and make deposits to Customer's designated eligible Accounts using software to which Customer is given access for downloading onto Customer's systems (the "**Mobile Deposit Software**" or "**Software**"). The Mobile Remote Deposit Capture Service is designed to take advantage of The Check Clearing for the 21st Century Act and its regulations (collectively **"Check 21"**). The Mobile Remote Deposit Capture service enables Customer to use a compatible handheld device to scan an image of an original paper "check," as that term is defined in Regulation CC ("Regulation CC") promulgated by the Federal Reserve Board at 12 C.F.R. Part 229 (**"Original Checks"**), that is drawn on or payable through United States financial institutions (each a **"Check Image"**) and to submit the Check Image and associated deposit information electronically to Prosperity from Customer's business or other remote locations using the Software for deposit into a designated eligible Account for collection thereafter by Prosperity. A Check Image submitted to Prosperity electronically for deposit is not deemed received until Prosperity accepts and confirms receipt of Customer's Cheek Image deposit.

B. Requirements. Customer's use of the Mobile RDC Service is subject to, without limitation, these requirements:

1. To access the Mobile RDC Service Customer must have or acquire and maintain a compatible handheld device and a wireless plan from a compatible wireless carrier.

2. Customer must request access to and qualify, and Prosperity must approve Customer's request, to use the Mobile RDC Service.

3. Customer may scan and submit Check Images for deposit to Prosperity within the dollar limits (**"Deposit Limits"**) established for Customer by Prosperity. Prosperity reserves the right to limit the frequency and dollar amount of deposits submitted through the Mobile RDC Service. If Customer exceeds the Deposit Limits established for it, Prosperity may in its sole discretion accept or refuse the Check Image deposit. If at any time Prosperity accepts a Check Image deposit that exceeds Customer's Deposit Limits, Prosperity will have no obligation to do so in the future. Prosperity may at any time in its sole discretion raise or lower Customer's Deposit Limits.

4. Customer shall use the Mobile Remote Deposit Capture Service only for its own business use in accordance with the terms of this Agreement. Customer shall not make the Mobile RDC Service available or transfer its rights to use the Mobile RDC Service for the benefit of any third party.

By requesting access to or using the Mobile RDC Service, Customer authorizes Prosperity to provide Customer with access to all of the eligible Accounts Customer designates to participate in the Mobile RDC Service. The following account types are currently eligible for the Mobile RDC Service: checking, savings, and money market accounts.

C. Day of Deposit. Scanning and submitting Check Image deposits does not constitute receipt of the deposit by Prosperity. Customer agrees that items transmitted using the Mobile RDC Service are not subject to the funds availability requirements of Regulation CC. Check Image deposits received by Prosperity will be processed in accordance with the cutoff times and days in the Documentation Acknowledgment that Customer's Check Image

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deposit has been received by Prosperity does not mean that the Check Image deposit was received error free. The date of deposit is not necessarily the date of funds availability. Prosperity may make such funds available sooner than described in the Documentation, in its sole discretion.

D. Notice of Rejection. Prosperity will send a notice to Customer if Customer's Check Image deposit is rejected in whole or in part. Customer may verify receipt and the amount of its Check Image deposit credited to its account by reviewing Customer's Account information online or by calling Treasury Support at (855) 888-2242.

E. Endorsement and Scanning. Customer agrees that when using the Mobile RDC Service, it will:

1. Properly endorse Original Checks as described below:

"For Prosperity Bank Mobile Deposit Only"
Then followed by Customer's signature,
Then the last four (4) digits of your account number into which you are depositing the item;

2. Then scan both front and back; and

3. Customer will scan and deposit only Original Checks payable to Customer and which have been drawn on financial institutions in the United States with a valid ABA/Routing Number and denominated in U.S. Dollars and intended for deposit by Customer to its designated Account with Prosperity.

All other items may be deposited by alternate methods such as in person or by mail including a completed account deposit slip.

F. Prosperity will acknowledge receipt of Customer's Check Image deposit submitted through the Mobile RDC Service and notify Customer through the Service. Prosperity's ability to provide the Mobile RDC Service is conditioned upon the availability of the wireless or computer services and systems used in transmitting Customer's requests and Prosperity's response. Prosperity shall not be liable or responsible for any loss or damage incurred due to the failure or interruption of the Mobile RDC Service, wireless or computer services, or systems, resulting from the act or omission of any third party or other causes not reasonably within Prosperity's control.

G. Fees. All Fees and charges related to any Account Customer accesses with the Mobile RDC Service as stated in the applicable Fee schedule for the Account will remain in effect when using the Mobile RDC Service. The monthly Fees and charges, if any, for the use of the Mobile Remote Deposit Capture Service are found in the applicable Documentation.

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TREASURY MANAGEMENT SERVICES

ACH POSITIVE PAY SERVICE TERMS

These ACH Positive Pay Service Terms (the "**Service Terms**") set forth the terms under which Customer may review and decision ACH debits from Customer's Account as a method for monitoring potential unauthorized transactions (the "**Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Service Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. EXISTING AGREEMENTS; INCONSISTENCIES. These Service Terms supplement the ACH Origination Service Terms and any other applicable agreements for ACH services between Prosperity and Customer (the "**Other ACH Agreements**"). With respect to the ACH Positive Pay Services, in the event of a conflict between these Service Terms and the Other ACH Agreements, these Service Terms shall prevail.

2. IMPLEMENTATION PROCESS. Customer must specify its preferences for the Services during the implementation process in the Documentation as directed by Prosperity, including the Account(s) to be enrolled in the Services ("**Authorized Account(s)**"), the Users authorized by Customer with respect to the Services, and Customer's criteria for authorized ACH Transactions. The Services will be available once Prosperity has notified Customer that the implementation process is complete. Customer is solely responsible for the accuracy and timeliness of the Documentation it provides to Prosperity.

3. EXCEPTION REPORT, INSTRUCTIONS.

(a) An "**Exception**" is any ACH Transaction from the Authorized Account(s) that Prosperity determines in its discretion does not meet all of Customer's criteria for authorized ACH Transactions as set forth in the Documentation. Exceptions will be identified and reported to Customer in an "**Exception Report**" made available through the Internet Banking Services or other method now or hereafter offered by Prosperity for the Services. Customer must review the Exception Report and enter instructions to pay or return each Exception presented therein ("**Instructions**") prior to 12:00 p.m. (noon) Central Time on the next Business Day following issuance of the Exception Report ("**Cutoff Time**"). Customer is responsible for, and Prosperity may rely upon, the contents of each Instruction and Prosperity is not responsible for detecting any Customer error contained in any Instructions. Prosperity will act upon the most recent Instructions received by the Cutoff Time with

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respect to each Exception. Customer's failure to timely access and review an Exception Report for any reason, including if Prosperity does not provide notice that the Exception Report is available, does not relieve Customer of its obligation to provide Instructions for each Exception identified therein prior to the Cutoff Time.

(b) Prosperity is not obligated to comply with Instruction received after the Cutoff Time, or in a format or medium, or at a place not specified in the Documentation, but instead may treat such Instructions as though they have not been received. In the event that an Instruction is not properly provided for any Exception, Prosperity will either pay or reject such Exception in accordance with Customer's default elections set forth in the Documentation. Instructions deemed to have been provided (or not provided) under this Section and Customer's default elections for Exceptions as set forth in the Documentation will control, notwithstanding any other communication Prosperity may have received from Customer regarding the Exception. Except as provided specifically in these Service Terms, Prosperity is not obligated to provide Customer with notice of any Transactions.

4. LIMITS ON LIABILITY, LOSS RECOVERY.

(a) Customer agrees that Prosperity exercises ordinary care and will not be liable to Customer with respect to any Transaction that Prosperity pays or returns in accordance with these Service Terms. Any Exception that Prosperity returns in accordance with Customer's Instructions or default elections for Exceptions as set forth in the Documentation shall be a proper dishonor and Customer hereby waives any right to assert that the return was improper. Any Exception that Prosperity pays in accordance with Customer's Instructions or default elections for Exceptions as set forth in the Documentation shall be deemed to be properly payable and Customer hereby waives any right to assert that the Exception was not properly payable.

(b) Notwithstanding anything herein to the contrary, Prosperity will not be liable to Customer for wrongful dishonor when Prosperity, acting in good faith, returns a Transaction if: (i) Prosperity reasonably believed the Transaction was not properly payable, (ii) there are insufficient Available Funds on deposit in the Authorized Account(s), (iii) Prosperity is required to do so by Applicable Law, or (iv) Prosperity acted in accordance with these Service Terms, including acting upon any Instructions to return an Exception or Customer's default elections for Exceptions as set forth in the Documentation, in which case such dishonor shall be proper, and Customer hereby waives any right to assert that the return was improper.

(c) Customer agrees to cooperate with Prosperity in any loss recovery efforts Prosperity undertakes to reduce any Losses that arise in connection with the Services. Customer acknowledges that the Fees to be paid for the Services have been established in part in contemplation of the provisions of this Section and Customer's agreement to assist Prosperity in any loss recovery efforts.

5. TERMINATION. These Service Terms and the ACH Positive Pay Services will automatically terminate with respect to any Authorized Account that is closed, but will continue with respect to any other Authorized Account(s) that continue to be maintained by Customer unless Customer or Prosperity terminates the Services as described in the Master Agreement.

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TREASURY MANAGEMENT SERVICES

CHECK POSITIVE PAY SERVICE TERMS

These Check Positive Pay Service Terms (the "**Service Terms**") set forth the terms under which Customer may review and decision Checks drawn on Customer's Account as a method for monitoring potential Check fraud or other unauthorized transactions (the "**Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Prosperity and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Service Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. DEFINITIONS.

(a) "**Check**" means, for purposes of these Service Terms, a draft (other than a documentary draft) payable on demand and drawn on a bank, including without limitation a cashier's check, teller's check, or such instrument that may be described on its face by another term such as "money order," drawn on an Authorized Account.

(b) "**Check Data**" means the Account number on which the Check is drawn, the Check number, the Check Issue Date and the dollar amount of the Check. If Customer has enrolled in Payee Match Services, "Check Data" also includes the payee name.

(c) "**Check Issue File**" means a communication from Customer received by Prosperity containing at a minimum the Check Data for each Check and such other information as may be required by Prosperity for performance of the Services.

(d) "**Check Issue Date**" means the date of a Check as indicated in the applicable Check Issue File, and if not specified in such Check Issue File, shall be the date of the first Check Issue File listing such Check

(e) "**Exception Check**" means a Check presented for payment which: (i) does not have a Check number on its MICR line; (ii) has a Check number on its MICR line that does not appear in the Check Issue File; (iii) has a Check number on its MICR line that appears in the Check Issue File but a discrepancy exists between the dollar amount appearing on the MICR line of the Check and the dollar amount associated with the Check number appearing in the Check Issue File; (iv) has a Check number on its MICR line that is in the Check Issue File but appears to be a duplicate; or (v) does not electronically match the Check Issue File for any reason not stated above and Prosperity determines

in its discretion to include it as an Exception Check. Stale Checks that are presented to Prosperity for payment more than 6 months after the Check date are also Exception Checks.

(f) "**Instruction**" means a communication from the Customer instructing Prosperity to either pay or return an Exception Check.

2. IMPLEMENTATION PROCESS. Customer must specify its preferences for the Services during the implementation process in the Documentation as directed by Prosperity, including the Account(s) to be enrolled in the Services ("**Authorized Account(s)**") and the Users authorized by Customer with respect to the Services. The Services will be available once Prosperity has notified Customer that the implementation process is complete. Customer is solely responsible for the accuracy and timeliness of the Documentation it provides to Prosperity.

3. CONFORMITY AND SAMPLING. All Checks drawn on an Account shall at all times conform to Prosperity's specifications. Prior to implementation of the Services, Customer agrees to provide Prosperity with test data for Prosperity's inspection and testing to ensure, in Prosperity's sole determination, that Prosperity's quality control and processing specifications with respect to MICR quality, paper stock and other criteria for the Services are satisfied. In the event that Prosperity determines that Customer's test data does not meet Prosperity's requirements, Customer will not be eligible to use the Services.

4. DELIVERY OF CHECK ISSUE FILE. Each Business Day prior to placing Checks in circulation that will be drawn on the Authorized Account(s), Customer will deliver a Check Issue File to Prosperity via the Internet Banking Service or other method approved by Prosperity by 7:00 a.m. Central Time (the "**Cutoff Time**"). Customer authorizes Prosperity to pay and charge to the Authorized Account(s) each Check that Prosperity determines in its discretion is listed on a Check Issue File and is not an Exception Check. Customer assumes full responsibility for the timely and accurate submission of Check Issue Files and any related information to Prosperity. Prosperity is entitled to rely on the contents of each Check Issue File and is not responsible for detecting any Customer error contained therein. Customer will be solely liable for any Losses arising out of inaccurate or untimely information contained in any Check Issue File. Customer must provide each Check Issue File in the format and medium required by Prosperity, as may be modified by Prosperity from time to time. If any Check Issue File does not meet Prosperity's specification and/or is not received by the Cutoff Time, Prosperity may treat such Check Issue File as if it was not received.

5. EXCEPTION CHECKS.

(a) Exception Checks will be identified and reported to Customer in an "**Exception Report**" made available through the Internet Banking Services or other method now or hereafter offered by Prosperity for the Services. Customer must review the Exception Report and deliver Instructions to Prosperity for each Exception Check presented therein no later than the applicable Cutoff Time, which is 12:00 p.m. (noon) Central Time on the next Business Day following issuance of the Exception Report. Customer is responsible for, and Prosperity may rely upon, the contents of each Instruction and Prosperity is not responsible for detecting any Customer error contained in any Instructions. Prosperity will act upon the most recent Instructions received by the Cutoff Time with respect to each Exception Check. Customer's failure to timely access and review an Exception Report for any reason, including if Prosperity does not provide notice that the Exception Report is available, does not relieve

Customer of its obligation to provide Instructions for each Exception Check identified therein prior to the Cutoff Time.

(b) Prosperity is not obligated to comply with Instructions received after the Cutoff Time, or in a format or medium, or at a place not specified in the Documentation, but instead may treat such Instructions as though they have not been received. In the event that an Instruction is not properly provided for any Exception Check, Prosperity will either pay or reject such Exception Check in accordance with Customer's default elections as set forth in the Documentation. Instructions deemed to have been provided (or not provided) under this Section and Customer's default elections for Exception Checks as set forth in the Documentation will control, notwithstanding any other communication Prosperity may have received from Customer regarding the Exception Check.

6. ENCODING ERRORS. After a Check is presented for payment from an Authorized Account, Prosperity will compare the Check Data from the MICR line of each Check as encoded by the bank of first deposit against the Check Issue File. If the bank of first deposit has not properly encoded the information on the Check: (a) there could be a delay between when the Check is presented to Prosperity and when it is posted to the Authorized Account and processed through the Services; (b) the Check could be incorrectly identified as an Exception Check or as a match for a Check in the Check Issue File; or (c) there could be a delay in processing the return of the Check and resulting credit to the Authorized Account, if the Check is returned through the Services. Customer acknowledges that Prosperity is not responsible for encoding errors made by the bank of first deposit and will not be liable for any Losses resulting from delays in processing or returning any such Check or in crediting Customer's Account for the returned item (as applicable), or from improper processing of any such Check through the Services.

7. OVER-THE-COUNTER PRESENTMENT.

(a) Prosperity will follow its usual and customary over-the-counter encashment procedures (as may be in effect from time to time) for any Check issued on an Authorized Account, and such procedures shall at least include comparison of the Check Data of any Check presented to a teller against the Check Issue File. For purposes of this Section, Check Data does not include the payee name regardless of Customer's enrollment of an Authorized Account in Payee Match Services. Customer acknowledges that Prosperity will not verify the payee name against the Check Issue File for Checks cashed over-the-counter and agrees that Prosperity may disregard any election for Payee Match under these circumstances without liability to Customer.

(b) Customer hereby acknowledges that Prosperity has the unrestricted right to refuse to cash any Check drawn or purported to be drawn by Customer. In addition to its other indemnification obligations in this Agreement, Customer agrees unconditionally to release, indemnify, defend and hold Prosperity harmless from and against any and all Losses which Prosperity may suffer or incur in connection with providing the over-the-counter encashment services; including without limitation, any refusal to cash any Check. Notwithstanding anything to the contrary herein, in no event shall Prosperity be liable for Losses arising out of or related to: (i) any Check paid over-the-counter, if at the time the teller reviewed the Check Issue File, the Check did not appear to be an Exception Check; (ii) any Check presented over-the-counter that was not paid because when the teller reviewed the Check Issue File, the Check appeared to be an Exception Check; (iii) any Check presented over-the-counter that was not paid because the Customer did not deliver to Prosperity a Check Issue File listing such Check; or (iv) any Check presented over-the-counter on any day for which Customer has requested

Prosperity to suspend the Services, or any Check for which Prosperity and Customer have mutually agreed Prosperity to pay. Further, Prosperity makes no warranty that the individual cashing the Check is the intended named payee of the Customer.

8. STOP PAYMENT ORDERS. To stop payment on a Check, Customer must place a stop payment order in compliance with the Account Terms. If a Check listed in a Check Issue File is missing, lost, stolen or destroyed and cannot be accounted for, Prosperity will not be liable for such Check being paid from the Authorized Account unless and until Customer places a timely stop payment order on it.

9. CHECK COPIES. Customer acknowledges that it is responsible for making decisions regarding payment of Exception Checks and issuing Instructions based on the available electronic information through the Services. If Customer requests a copy or other image of a Check from Prosperity other than in the form of available electronic information through the Services, Prosperity will not be liable if it fails to produce a copy or other image of such Check prior to the Cutoff Time for Customer to deliver its Instructions.

10. LIMITATION OF LIABILITY AND INDEMNIFICATION.

(a) Customer agrees that Prosperity exercises ordinary care and will not be liable to Customer with respect to any Check that Prosperity pays or returns in accordance with these Service Terms. Any Exception Check that Prosperity returns in accordance with Customer's Instructions or default elections for Exception Checks as set forth in the Documentation shall be a proper dishonor and Customer hereby waives any right to assert that the return was improper. Any Exception Check that Prosperity pays in accordance with Customer's Instructions or default elections for Exception Checks as set forth in the Documentation shall be deemed to be properly payable and Customer hereby waives any right to assert that the Exception was not properly payable.

(b) Each Check that Customer has authorized or is deemed to have authorized Prosperity to pay pursuant to Section 4 (Delivery of Check Issue File) or Section 6 (Encoding Errors) above or otherwise will be paid without Prosperity performing its customary (or any other) Check verification procedures. Prosperity will have no liability whatsoever for paying a Check if: (i) its Check number or amount is altered, (ii) it is counterfeit, (iii) it bears a forged or unauthorized signature and/or endorsement and/or no or incomplete endorsement, (iv) the payee has been altered, or (v) it was otherwise not validly issued or is not properly payable.

(c) Notwithstanding anything herein to the contrary, Prosperity will not be liable to Customer for wrongful dishonor when Prosperity, acting in good faith, returns a Check if: (i) Prosperity reasonably believed the Check was not properly payable, (ii) there are insufficient Available Funds on deposit in the Authorized Account(s), (iii) Prosperity is required to do so by Applicable Law, or (iv) Prosperity acted in accordance with these Service Terms, including acting upon any Instructions to return an Exception Check or Customer's default elections for Exception Checks as set forth in the Documentation, in which case such dishonor shall be proper, and Customer hereby waives any right to assert that the return was improper.

(d) Customer agrees to cooperate with Prosperity in any loss recovery efforts Prosperity undertakes to reduce any Losses that arise in connection with the Services. Customer acknowledges that the Fees to be paid for the Services have been established in part in contemplation of the above

indemnifications and limitations on Prosperity's liability and Customer's agreement to assist the Prosperity in any loss recovery efforts. If Customer incurs Losses in connection with the Services, Prosperity assigns to Customer any claims that Prosperity may have against the depository or collecting bank to recover the loss, including any claim for breach of warranty under the applicable provisions of Article 4 of the UCC.

11. TERMINATION. The Positive Pay Services with respect to an Authorized Account will automatically terminate if that Account is closed for any reason, but the Positive Pay Services will remain in effect for any other Authorized Account(s). Either party may terminate the Positive Pay Services and/or the Payee Match Service for any Authorized Account(s) by written notice to the other party clearly describing the intent to terminate and the related Account(s) at least twenty (20) calendar days prior to the termination date specified in such notice. Termination of the Positive Pay Services will not terminate Customer's or Prosperity's rights or obligations with respect to events or actions that occurred before such termination. Termination of the Positive Pay Services will automatically terminate the Payee Match Service, if applicable.

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PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

REMOTE DEPOSIT CAPTURE SERVICE TERMS

These Remote Deposit Capture Service Terms (the "**RDC Terms**" or "**Terms**") set forth the terms under which Customer may electronically transmit images of original checks and other eligible items ("**Images**") for deposit to an Account through the use of Scanning Equipment and/or the Mobile App (collectively, the "**Services**" or "**RDC Services**"). The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Bank and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these RDC Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. CUSTOMER'S OBLIGATIONS. Customer agrees to comply with these Terms and any directions or instructions for the Services provided by Prosperity from time to time, including the Documentation. All Images transmitted by Customer through the Services must be legible and satisfy Prosperity's processing requirements, including the RDC Procedures (defined below). Customer is responsible for the accuracy of each Image created and for any communication costs associated with the transmission or retrieval of data in connection with Customer's use of the Services. In the event that any Image captured by Customer does not accurately replicate any of the information on the original check, Customer is responsible for providing accurate information to Prosperity along with the Image.

2. PROCESSING.

(a) Processing Procedures. Prosperity will process the Images received through the RDC Services in accordance with the Documentation and Prosperity's current processing procedures (collectively, the "**RDC Procedures**"). As part of the RDC Procedures, Prosperity is entitled to limit the number of Images and/or the dollar value of checks or other items depicted in those Images that Customer may transmit through the Services. If any Image received by Prosperity does not comply with the RDC Procedures, Prosperity may, in its sole discretion: (i) process the Image as received; (ii) correct the Image (or the related information submitted to Prosperity with the Image file) and process the corrected Image; (iii) process the check for payment in another format as permitted by Applicable Law; or (iv) return the Image to Customer and reverse any credit (provisional or otherwise) made to the Account for the deposit. Customer acknowledges that Prosperity has no obligation to review or verify any information or data contained in the Images received through the Services, nor will Prosperity review or have any obligation to comply with any restrictive endorsements or legends (e.g.,

"paid in full") on any Image. If Prosperity causes an error or loses any Image transmitted by Customer through the Services, Prosperity's sole obligation is to recreate or correct the Image.

(b) Confirmation; Rejection of Images. Prosperity will notify Customer to confirm the receipt of an Image file by Prosperity; provided, however, that Prosperity will not be deemed to have received an Image for deposit until Prosperity has processed it according to the RDC Procedures and these Terms. Prosperity may reject any Image that Customer transmits to Prosperity for any reason in its sole discretion and will have no liability to Customer for such rejection, even if Prosperity has already provided Customer with a confirmation notice. Customer can check the status of Image files it has transmitted using the information reporting services and solutions made available by Prosperity from time to time; Prosperity may also send a notice to Customer if an Image is rejected, but has no obligation to do so.

(c) Cutoff Times, Funds Availability. Images received by Prosperity before the applicable cutoff time will be deemed received by Prosperity on that Business Day, while Images received after the applicable cutoff time will be deemed received on the next Business Day. The cutoff time may change from time to time and will either be published by Prosperity on its Treasury Management Services Deadlines Schedule or otherwise made available or communicated to Customer. Prosperity will make funds available from Eligible Items deposited through the Services in accordance with its standard funds availability disclosure unless Prosperity discloses a separate availability schedule in the Documentation or through the Services.

(d) Processing, Clearing Agents. Prosperity, in its sole discretion, shall determine the manner in which Images shall be processed for payment and select the clearing agent(s) used for processing. Customer agrees that any such clearing agent(s) will be deemed to be Customer's agent, and Prosperity will not be liable for the errors, delays or failures of any clearing agent in processing the Images nor will any clearing agent be deemed to be Prosperity's Service Provider.

(e) Unavailability of the RDC Services. During any period in which the RDC Services are unavailable or inaccessible due to an outage or unavailability of the Internet Banking Services, Customer must use another method to make deposits into the applicable Account.

3. CHECKS ELIGIBLE FOR THE SERVICE.

(a) Eligible Items. Customer agrees to use the Services only for the deposit of Eligible Items. "**Eligible Items**" are paper items that are defined as "checks" by Regulation CC which are: (i) drawn on United States financial institutions and payable in United States currency; (ii) encoded in magnetic ink, contain a machine-readable MICR line, and otherwise contain the proper MICR line information for processing; (iii) payable to Customer as the named payee; (iv) legible, dated, and conform to Prosperity's imaging standards and the RDC Procedures; (v) restrictedly endorsed with an authorized signature followed by "For Remote Deposit at Prosperity Bank Only" or as Prosperity may otherwise direct; and (vi) eligible for deposit into the applicable Account in accordance with Prosperity's procedures and the Account Terms.

(b) Ineligible Items. The following are not Eligible Items and Customer agrees not to attempt to transmit or deposit any of the following through the Services:

(i) items drawn on accounts owned by Customer at other banks, unless otherwise agreed by Prosperity;

(ii) items that are "substitute checks" or "remotely created checks" as defined by Regulation CC;

(iii) checks that are postdated or more than 6 months old;

(iv) items that have already been deposited by or returned to Customer;

(v) checks that are written to a third-party payee but endorsed by that payee over to Customer, unless Prosperity and Customer otherwise agree in writing, including without limitation by executing a Third Party Check Agreement;

(vi) items that contain alterations or that Customer suspects, or should suspect, are fraudulent, unauthorized, suspicious, or not likely to be honored;

(vii) checks that are irregular in any way, such as when the numerical and written amounts are different; and

(viii) items that violate Applicable Law, including the Operating Rules.

(c) Indemnification. Customer agrees to indemnify and reimburse Prosperity for any Losses incurred as a result of Customer transmitting any checks or items that are not Eligible Items through the Services. By using the RDC Services, Customer agrees that it is deemed to make to Prosperity the same representations and warranties and give the same indemnities with respect to the checks, Images and substitute checks created by Prosperity as Prosperity is deemed to make with respect thereto under Applicable Law or otherwise in connection with any systems, associations or clearinghouses involved in the processing thereof. If Prosperity (including its Service Providers and agents) suffers any Losses arising directly or indirectly from or related to such depository bank indemnity obligation, Customer agrees to indemnify Prosperity (including its Service Providers and agents) for such Losses.

4. REPRESENTATIONS AND WARRANTIES OF CUSTOMER. Customer represents and warrants to Prosperity as follows:

(a) Customer will only transmit Eligible Items to Prosperity through the RDC Services;

(b) Customer will employ commercially reasonable procedures to prevent encoding errors or other erroneous or fraudulent transmissions through the Services and report to Prosperity immediately any such errors that Customer discovers in any of its transmissions to Prosperity;

(c) None of the items, including Eligible Items, transmitted by Customer to Prosperity through the Services have been previously submitted or deposited with Prosperity or any other bank, and no person will subsequently negotiate, transfer, deposit or present any such items or duplicates thereof in any form, including as an ACH transfer or as an image, reproduction, substitute check or remotely-created check;

(d) Customer has legal authority to accept for deposit and otherwise negotiate the original check reflected in each Image transmitted to Prosperity (including any check with a named payee different from Customer's legal name);

(e) The control total accompanying each Image file transmitted by Customer using the Services is accurate and equals the sum of the individual Images in the applicable file;

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(f) With respect to each check deposited through the Service: (i) the Image transmitted to Prosperity accurately represents all the information on the front and back of the original check that meets the ANSI standards required by Regulation CC (or other standards established by Prosperity or any applicable regulatory agency, clearing house or association) and (ii) the drawer of the original check authorized the amount and payee stated on the original check; and

(g) Customer will only use the RDC Services from a location in the United States to initiate transactions that comply with Applicable Laws.

5. RETENTION, DESTRUCTION OF ORIGINAL CHECKS. Customer agrees to retain each original check deposited through the Services for a commercially reasonable retention period of at least sixty (60) days after Prosperity has confirmed successful receipt of an Image (the "**Retention Period**"). During the Retention Period, Customer agrees to take appropriate security measures to ensure that only authorized personnel have access to the original check, that the check information is not disclosed in any way, and that the original check will not be duplicated, re-presented, re-deposited or negotiated following transmission to Bank through the Services. During the Retention Period, Customer agrees to retrieve and produce for Prosperity the original check, or a sufficient copy of the front and back thereof, **within seventy-two (72) hours** of a written (including by email) request by Prosperity. After the Retention Period expires, Customer must permanently destroy the original check promptly by shredding it or in any other commercially reasonable manner. Customer shall indemnify Prosperity in accordance with the terms of the Master Agreement for any Losses incurred in connection with any failure to securely retain or timely destroy original checks or otherwise comply with the requirements of this Section or any theft or fraudulent use by any person of any original checks.

6. SCANNING EQUIPMENT, MOBILE APP. The Customer Systems required for use of the Services will be as described in the Documentation or otherwise communicated by Prosperity from time to time, and will include compatible scanning equipment, for which Customer may be assessed a fee if provided by Prosperity ("**Scanning Equipment**") and/or software for use on a Mobile Device ("**Mobile App**"). Customer agrees to maintain the security of the Scanning Equipment and any Mobile Device on which the Mobile App is installed to ensure that the Services are only accessed by Customer's authorized Administrators and Users, and to require any such Mobile Device to be password-protected and to enforce a protocol to change those passwords regularly. Customer understands and agrees that use of the Services is dependent on internet connectivity and that Customer is responsible for tracing and correcting any internet connectivity issues. Customer must keep Scanning Equipment in a location approved by Prosperity. PROSPERITY MAKES NO WARRANTIES, EITHER EXPRESSED OR IMPLIED, REGARDING THE SCANNING EQUIPMENT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

7. ERRORS, SECURITY CONTROLS.

(a) Error Reporting. Each day that Customer submits Images through the Services, Customer agrees to review all inputs and outputs, controls, reports and documentation to ensure the integrity of Images processed by Prosperity and notify Prosperity immediately if Customer identifies any error or incorrect information submitted through the Services. Customer acknowledges that Prosperity's ability to make adjustments for errors is limited by Applicable Law and Prosperity may be unable to address errors that are not reported by Customer immediately.

(b) Security Procedures, Controls. The transmission of Images or other data to Prosperity using the Security Procedures agreed upon for the Service will be deemed for all purposes to be authorized by Customer. In addition to the Security Procedures, Prosperity recommends that Customer establish authorities and a system to require separation of duties among Customer's Users for the RDC Services to mitigate the risk of unauthorized checks or Images submitted to Prosperity for deposit. As described in the Master Agreement, Customer is responsible for the actions of all of its Users, whether they are Customer's employees, Vendors or agents.

8. AUTHORIZATION/NOTIFICATION REQUIREMENTS. Since Customer is a business that desires to submit Images of checks it receives from consumer customers in the course of business through the Services, Customer agrees to provide its customers with a written notice that reflects the following, or substantially similar, language:

> "When you provide a check as payment, you authorize us either to use the information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. For inquiries, please call [insert Customer's phone number]. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make your payment, and you will not receive your check back from your financial institution."

Such notice shall be clearly displayed on Customer's invoice or statement to Customer's customer, or, as the case may be, posted at the point of sale with a copy provided to Customer's customer.

9. AUDIT. Prosperity retains the right to (i) review Customer's Original Check and business or other activities from time to time to confirm Customer is conducting the business or other activities as stated by Customer at the time of the execution of this Agreement, and (ii) re-price or terminate Prosperity's services based on changes to the facts previously stated by Customer. In the event Prosperity inspects any of the location(s) where Customer (including any of its Vendors) uses the RDC Services in connection with an audit of Customer's (or its Vendor's) compliance with the Agreement, Customer agrees that Prosperity shall not be liable or responsible to Customer, its Vendor(s) or any other third party for any loss, bodily harm, property damage, claims of the introduction of a virus or other malicious code into Customer Systems, whether related to the transmission of Images or other data to Prosperity or caused by the Scanning Equipment or other aspects of the Customer Systems, including but not limited to any hardware, software, Internet service providers, Internet browsers, or other parties providing communication services to or from the Customer Systems.

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Customer: [Company Name]

PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

THIRD PARTY CHECK DEPOSIT AGREEMENT

Customer or Primary Customer ("**Customer**") has executed the Treasury Management Services Master Agreement (the "**Master Agreement**") with Prosperity Bank ("**Prosperity**"), and in connection therewith, Customer chose certain Treasury Management Services, as described in the applicable Service Terms (the Master Agreement together with all such Service Terms and any ancillary forms previously executed by Customer, the "**Agreement**"). Customer understands and agrees that by using a Service, Customer acknowledges and agrees it has received a copy of the Service Terms for that Service, the Service Terms apply to Customer's use of the Service, and Customer agrees to the Service Terms. Of the Treasury Management Services Customer has chosen is Remote Deposit Capture and/or Lockbox Services. This Third Party Check Deposit Agreement supplements and modifies and is made a part of the Remote Deposit Capture and/or Lockbox Service Terms for Customer, as applicable, as well as the Master Agreement between the Parties, which, along with all other agreements between Customer and Prosperity incorporated into the Master Agreement, are incorporated herein by reference. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

In the normal course of its business, Customer may receive checks made payable to one or more of the payees listed below (the "**Payees**") but which may be given in payment or partial payment for goods or services provided by Customer, and for which Payees desire to authorize Customer to provide certain processing services. Customer understands that the Remote Deposit Capture Service and the Lockbox Service both prohibit the deposit of checks written to one payee but endorsed by that payee over to a third party ("**Third Party Check(s)**"). However, notwithstanding such prohibition, Customer has asked that Prosperity allow Customer to deposit such checks to its Account(s). Prosperity will accept for deposit to and collection for Customer's Account(s) such checks or, in the case of the Remote Deposit Capture Service, electronic images of such checks, that are submitted by Customer in compliance with and subject to the terms of this Third Party Check Deposit Agreement and other applicable terms of the Agreement and for which the applicable Payee has provided authorization as described below.

Customer must endorse such Third Party Checks as described in the Remote Deposit Capture or Lockbox Service Terms, as applicable.

Customer represents and warrants that it will provide a periodic accounting of any such Third Party Checks to each Payee as listed in the documentation, as applicable, in a timely manner and that

Customer has entered into a written agreement with each Payee separate from this Third Party Check Deposit Agreement that authorizes Customer's endorsement and deposit of the Third Party Checks as described and regarding any reimbursement to such Payee of any Third Party Checks or portion thereof, if any. Prosperity is not a party to any such arrangement or agreement, and Customer agrees that Prosperity has no responsibility to oversee any such accounting or reimbursement and no liability for any claims or losses arising from or related to such separate Payee agreements.

Customer understands and agrees that this Third Party Check Deposit Agreement is intended to be a modification to the Remote Deposit Capture Service Terms and/or the Lockbox Service Terms, as applicable, and the Agreement. But except as expressly described above, the Remote Deposit Capture Service Terms and/or the Lockbox Service Terms, as applicable, along with the remaining portions of the Agreement, remain in full force and effect.

In the event that any Payee revokes its authorization for Customer to endorse and deposit the Third Party Checks, Customer will promptly notify Prosperity in a manner acceptable to Prosperity and cease depositing any Third Party Checks for that Payee immediately. Prosperity will have a reasonable amount of time to act upon any such Payee revocation upon receiving Customer's notification.

CUSTOMER: Company Name

By: _____

Printed Name: Printed Name _____

Title: Title _____

Date: Date _____

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PROSPERITY BANK®

TREASURY MANAGEMENT SERVICES

WIRE TRANSFER SERVICE TERMS

These Wire Transfer Service Terms (the "**Wire Transfer Terms**" or "**Terms**") set forth the terms under which Customer may authorize and request Prosperity to make electronic transfers of funds from Customer's Account at Prosperity for credit or payment to another account through Fedwire, SWIFT, TELEX or other electronic funds transfer system, excluding any ACH system ("**Wire Transfers**"), through the Internet Banking Services (the "**Services**" or "**Wire Transfer Services**"). Each instruction by Customer to initiate a Wire Transfer shall be deemed Customer's Payment Order. The Services are subject to the Treasury Management Services Master Agreement (the "**Master Agreement**") between Bank and Customer, which, along with all other agreements incorporated into the Master Agreement, are incorporated herein by reference (the Master Agreement together with these Wire Transfer Terms are referred to herein as the "**Agreement**"), and all Applicable Laws. Unless otherwise noted, capitalized terms herein will have the same meaning as in the Master Agreement.

1. IMPLEMENTATION PROCESS. Customer will designate the Account(s) for the Wire Transfer Services in the Documentation as directed by Prosperity (the "**Authorized Accounts**"). Customer will appoint its Administrator(s) and such Administrator(s) will designate Users for the Wire Transfer Services as described in the Master Agreement and the Documentation. Prosperity is entitled to deem any person having knowledge of Customer's Security Procedures for initiating Payment Orders through the Services to be a User (including any Administrator), and any Payment Order initiated by any such person as having been authorized by Customer.

2. SUBMITTING PAYMENT ORDERS. The methods and formats of submitting Payment Orders will be agreed upon by Prosperity and Customer in the Documentation. Customer agrees to provide all information that Prosperity requires in connection with a Payment Order. Customer will be solely responsible for the accuracy and completeness of each Payment Order and related instructions submitted to Prosperity through the Services, and liable for any errors or omissions therein. Customer is responsible for obtaining any authorization necessary, including under Applicable Laws, for the beneficiary designated in the Payment Order to receive payment by Wire Transfer. Payment Orders received by Prosperity after the applicable cutoff time will be deemed received on the next Business Day. The cutoff time may change from time to time and will either be published by Prosperity on its Treasury Management Services Deadlines Schedule or otherwise made available or communicated to Customer, including in the Documentation.

3. PROCESSING PAYMENT ORDERS. All Payment Orders are subject to Prosperity's procedures and requirements, including the applicable cutoff times and the requirement that each Payment Order must contain all required information and be received in the format and through the method agreed by the parties. If required by Prosperity, Customer agrees to pay Prosperity for the amount of the Payment Order prior to execution, including any applicable fees. Prosperity will make reasonable efforts to notify Customer by email or otherwise after any Payment Order has been executed, if Customer has previously made a standing request for such notifications in writing as Prosperity directs within a reasonable time prior to Customer submitting the Payment Order. Customer may make such standing request or terminate an existing standing request at any time.
In the event of an inconsistency between the name and account number or identifying number in a Payment Order, Prosperity may execute such Payment Order based solely on the account number or other identifying number, and Customer will be responsible for any Losses incurred as a result of such inconsistency. If Prosperity receives or processes more than one Payment Order payable from the Authorized Account or such Account is subject to additional payments or activity on any Business Day, Prosperity is entitled to debit the Authorized Account for such Payment Order(s) and other activity in the order determined by Prosperity in its sole discretion.

In executing any Payment Order, Customer authorizes Prosperity to use any electronic funds transfer systems, communication systems, correspondent banks, intermediary banks or agents selected by Prosperity in its sole discretion (each, a "**Processor**"). Customer agrees that any Processor will be deemed to be Customer's agent, and Prosperity will not be liable for the errors, delays or failures of any Processor in executing Customer's Payment Orders nor will any Processor be deemed to be Prosperity's Service Provider.

4. RIGHT TO REJECT PAYMENT ORDERS. In its sole discretion, Prosperity may reject or delay any Payment Order for any reason, including when: (a) the Authorized Account does not contain sufficient Collected Funds to cover the Payment Order, (b) the Payment Order does not comply with these Service Terms or any other terms of the Agreement, (c) executing the Payment Order may violate Applicable Laws or create an unacceptable risk of loss for Prosperity, (d) Prosperity believes in good faith that the Payment Order is fraudulent, inauthentic or incorrect, or would be returned for any reason under Applicable Law, including due to the payment system rules of the receiving country for Foreign Wire Transfers. Prosperity will not be liable for any Losses incurred by Customer as a result of Prosperity's refusal to accept a Payment Order. If a Payment Order is rejected by Bank or by any electronic funds transfer system, Prosperity will not resubmit the Payment Order and it will be Customer's obligation to resubmit the Payment Order to Prosperity if desired. Customer can view the status of any Payment Order through the Services; Prosperity has no obligation to separately notify Customer if Prosperity rejects a Payment Order or if a Payment Order is returned to Prosperity after its execution.

5. PAYMENT OF WIRE TRANSFERS. Customer authorizes Prosperity to debit the Authorized Account to execute Wire Transfers based on Payment Orders received by Prosperity. Customer agrees to pay for all Wire Transfers initiated through the Services no later than the date the Wire Transfer is processed by Prosperity. Customer expressly acknowledges and agrees that for purposes of this Section, future-dated Payment Orders and Foreign Wire Transfers are processed on the date the Payment Order is received and accepted by Prosperity, even though the date on which the Wire Transfer is effected may be a later date. Customer is responsible for having sufficient Collected Funds in the Authorized Account to cover the amount of each Payment Order, and Prosperity may decline to execute a Payment Order if there are insufficient funds in the

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Authorized Account and will have no liability to Customer for such termination or rejection. In the event Prosperity chooses to execute a Payment Order absent sufficient Collected Funds in the Authorized Account, Customer agrees to immediately pay Prosperity the amount of such Payment Order and any related fees without notice or demand, and Customer further agrees that Prosperity may debit any of Customer's other Accounts for all such amounts. The payment obligations described in this Section will survive termination of the Agreement.

6. CANCELLATION OR AMENDMENT OF PAYMENT ORDER. Customer has no right to cancel or amend a Payment Order after Prosperity receives it, and Prosperity has no obligation to act upon Customer's request to cancel or amend any Payment Order after Prosperity has received it. In the event Prosperity chooses to act on a request from Customer to amend or cancel a Payment Order, Customer agrees to reimburse Prosperity for its costs, fees and any Losses in connection with Prosperity effecting or attempting to effect Customer's request to amend or cancel a Payment Order. A cancelled Payment Order is treated as if such Payment Order was never issued by Customer; an amended Payment Order is treated as if such Payment Order was originally issued in the amended form. Prosperity has no obligation to refund Customer for a cancelled Payment Order until Prosperity receives confirmation that such Payment Order has been cancelled and receives a refund of any funds transferred by Prosperity in connection with such transaction.

7. ERRORS, UNAUTHORIZED PAYMENT ORDERS. As described in the Master Agreement, Customer must provide Prosperity with Timely Notice of any Error involving a Payment Order, including any payment to a beneficiary not intended by Customer, any payment in a greater or lesser amount than intended by Customer, or any duplicate or unauthorized Payment Order. Customer will be liable to Prosperity for any Losses that Prosperity incurs as a result of Customer's failure to provide Timely Notice of any such Error.

8. FOREIGN WIRE TRANSFERS. A Wire Transfer involving the transfer of funds to a beneficiary located in a foreign country and/or in a foreign currency is a "**Foreign Wire Transfer**." Customer acknowledges that the beneficiary may not receive funds from a Foreign Wire Transfer on the same day Customer submits the Payment Order, and that the actual amount received by the beneficiary may be less than the amount indicated in Customer's Payment Order due to fees and charges imposed by the intermediary and beneficiary banks. Prosperity may also deduct its own fees for executing a Foreign Wire Transfer from the amount of the Payment Order. By initiating a Foreign Wire Transfer, Customer accepts these risks and all other associated risks as further described in this Section.

For Foreign Wire Transfers involving the transfer of U.S. Dollars, Customer understands that Prosperity cannot guarantee whether the beneficiary will be able to receive U.S. Dollars since this depends on the applicable laws in the country where the beneficiary bank is located and the procedures of any intermediary bank, and Customer agrees that Prosperity will not be liable for any Losses Customer incurs as a result of a delay in processing, or the rejection or return of any such transaction.

Foreign Wire Transfers involving the transfer of a foreign currency will be executed by converting U.S. Dollars to the specified foreign currency at the time of transfer. Customer acknowledges that any foreign exchange rate quote provided by Prosperity is not binding unless Prosperity notifies Customer in writing that a guaranteed rate applies, and the actual exchange rate will be determined at the time Prosperity executes the Payment Order. Foreign exchange rates can fluctuate rapidly and may change between the time Customer submits a Payment Order and when Prosperity executes the

Foreign Wire Transfer. If for any reason a Foreign Wire Transfer is rejected or returned, Customer agrees to accept the refund in U.S. Dollars based on Prosperity's then-current buying rate of exchange, converting the currency to U.S. Dollars on the date of refund, less any charges and expenses incurred by Prosperity.

In no event shall Prosperity be liable to Customer for any Losses arising as a result of the foreign exchange rate being applied to the conversion of U.S. Dollars to foreign currency. Customer understands that the exchange rate may change without notice and Customer bears all exchange rate risk arising from Customer's Payment Orders. Customer further understands that FDIC deposit insurance does not insure against any Losses due to foreign currency fluctuations. Prosperity reserves the right to decline to process any Payment Order for a Foreign Wire Transfer for any reason in its sole discretion.

9. REPRESENTATIONS AND WARRANTIES. Each time Customer sends a Payment Order (or an Instruction to cancel or amend a Payment Order) to Prosperity, Customer represents and warrants to Prosperity that: (a) the Payment Order is for Customer's direct benefit and not the benefit of any other person or entity, (b) the Payment Order is for business purposes and not for personal, family, or household purposes; (c) the Payment Order complies with the requirements of Applicable Law and the Agreement, including these Service Terms; and (d) the information that Customer has provided in connection with the Payment Order is accurate and complete. Customer shall also be deemed to make the same representations and warranties to Prosperity with respect to Payment Orders and resulting Wire Transfers that Prosperity is deemed to make under Applicable Laws with respect thereto. For any Foreign Wire Transfer, Customer represents and warrants that any such Payment Order is made in connection with a commercial transaction and not for investment, speculation, currency arbitrage, or hedging purposes. Customer agrees to reimburse Prosperity for any and all fees, fines, costs, or Losses imposed upon Prosperity or that Prosperity incurs as a result of any breach of these representations or warranties by Customer.

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PROSPERITY BANK®

Treasury Center

PROCESSING DEADLINES

All cut-off times are Central Standard Time.

ACH	Monday - Friday
Standard	6:30 p.m.
Same Day	3:00 p.m.
Account Transfers	**Monday - Friday**
	8:00 p.m.
Online Wires	**Monday - Friday**
Domestic	5:00 p.m.
International (USD)	5:00 p.m.
FX (Foreign Currency)	4:30 p.m.
Positive Pay	**Monday - Friday**
Exception Decisions	12:00 p.m.
Mobile Deposit	**Monday - Friday**
	6:00 p.m.
Remote Deposit Capture	**Monday - Friday**
	6:00 p.m.

Questions? We're here to help!

Prosperity's Treasury Support Team | 855-888-2242

treasurymanagement.support@ProsperityBankUSA.com

PROSPERITY BANK®
INTERNET BANKING

ACCOUNT ACCESS AUTHORIZATION FORM

Authorized User Information (complete with the user needing Account Access information)

Username: Authorized User Name

Online Banking Access ID: Online Banking Access ID

Email address or phone #: Email address or phone #

Account Owner Authorization

Account Number	Account Type	Access Level
Account Number	Account Type	Choose an item.
Account Number	Account Type	Choose an item.
Account Number	Account Type	Choose an item.
Account Number	Account Type	Choose an item.
Account Number	Account Type	Choose an item.
Account Number	Account Type	Choose an item.

View Only: user only has access to view balance, transactions, check/deposit images, and account statements
Transfer To Only: user only has access to initiate transfers into account identified, but cannot view the balance or transactions of the account
Full: user has same access as View Only, plus the ability to initiate transfers from the account to any other account they have Full or Transfer To Only access
Full + Bill Pay: user has same access as Full, plus the ability to initiate online bill payments from the account

I affirm that I am an owner of each account listed above. I agree to allow Prosperity Bank to grant access to the person identified above (Authorized User) to the accounts listed with the level of access noted for each account. I understand the access level(s) selected above and indemnify Prosperity Bank from any claims related to information obtained by or transactions made by the Authorized User. I agree that to revoke this authorization I must notify Prosperity Bank in writing and allow Prosperity Bank reasonable time to make any necessary changes. I understand that the terms and conditions of all other agreements and disclosures with the bank continue to apply notwithstanding anything to the contrary in this agreement. I agree that all use by the Authorized User will comply with the Internet Banking Agreement as is currently in effect and as may be amended from time to time. I agree that as the Account Owner I am responsible for any and all fees incurred by the Authorized User during their use of the Prosperity Bank Internet Banking system.

Account Owner Name: Account Owner Name

Signature:_____ **Date:**_____

Bank Use Only

Signature (TM or BCM or above) :_____ Date:_____

Printed Name: _____ BC #:_____

IB Associate: _____ Date: _____

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This is a sample multiple account Analysis Statement. Refer to your bid for pricing that will apply to your accounts.

PROSPERITY BANK®

[redacted]

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Statement Date 2/28/2017
Group [redacted]

ANALYSIS SUMMARY

Average Daily Ledger Balance	192,344.32
Less Average Daily Float	17,344.32
Average Daily Collected Balance	175,000.00
Less DDA Balance Reserve Requirement (10%)	17,500.00
Balance to Support Services	157,500.00
Earnings Credit (0.2000 %)	24.16
Current Period Analyzed Charges	2,758.58
Analyzed Charges Due after Credit	2,734.42
*NET ANALYSIS CHARGE DEBITED TO YOUR ACCOUNT	2,734.42

Net Charges Due will be debited on or after the 15th calendar day of each month.

GROUP ANALYSIS STATEMENT F237663

FOR THE PERIOD 02/01/17 THROUGH 02/28/17

9002

102481 : 00035201

GROUP ACCOUNTS SUMMARY

Account Number	Average Ledger Balance	Average Available Balance	Earned Credit	Activity Charge	Analysis Position
[redacted]	167,258.43	150,000.00	20.71	2,544.25	2,523.54
	0.00	0.00	0.00	37.30	37.30
	0.00	0.00	0.00	56.30	56.30
	25,085.89	25,000.00	3.45	105.73	102.28
	75,000.00	75,000.00	0.00	15.00	15.00
# of Accts 5	**192,344.32**	**175,000.00**	**24.16**	**2,758.58**	**2,734.42**

SERVICE DETAIL

Service Description	Volume	Unit Price	Charge	
Monthly Account Maintenance	4	20.0000	80.00	
Balance Fee	1,924	.0120	23.09	
Zero Balance Account (ZBA)	2	15.0000	30.00	*
Credits	376	.2000	75.20	
Debits	380	.1800	68.40	
Deposited Items On Us	48	.1200	5.76	
Deposited Items Transit	1,739	.1200	208.68	
ACH Returns	23	2.5000	57.50	*
Deposited Item Return	1	5.0000	5.00	*
CD Rom Imaging	1	37.5000	37.50	
-Subtotal General Acct Services			**591.13**	

SERVICE DETAIL

Service Description	Volume	Unit Price	Charge	
-Lockbox Services				
Lockbox Per Item	1,343	.4300	577.49	
Per Document Image	2,809	.1000	280.90	
Secure Email/DirectView			40.00	
Postage			3.14	
-Subtotal Lock Box Services			**901.53**	
-ACH Services				
ACH Per Item Process	8,078	.1000	807.80	
ACH Batch Files	10	7.5000	75.00	
ACH Notification of Change	1	3.0000	3.00	
-Subtotal ACH Services			**885.80**	
-Wire Services				
Wire Transfer Incoming	7	5.0000	35.00	
-Subtotal Wire Services			**35.00**	
-Online Banking Services				
Remote Deposit Maintenance	2	40.0000	80.00	*
Remote Deposit-Deposited Item	486	.0000	0.00	*
Online Acct Reporting	5	25.0000	125.00	
Online Stop Payment	1	20.0000	20.00	
ACH Module	1	5.0000	5.00	
Detail Transactions Reporting	756	.0200	15.12	
-Subtotal Online Banking Service			**245.12**	
-Fraud Prevention Services				
Positive Pay	286		50.00	
Positive Pay Return Items	1	5.0000	5.00	
Positive Pay Exceptions Items	3	.0000	0.00	
Positive Pay Issued Checks	281	.0000	0.00	
Reverse Positive Pay	1	5.0000	5.00	
ACH Block	4	10.0000	40.00	
Positive Pay ACH Paid Exceptions	3	.0000	0.00	
-Subtotal Fraud Prevention			**100.00**	

SERVICE SUMMARY

Total	Charge
Total Activity Charges	2,758.58
Total Charges Listed Before Credit	2,758.58
Analyzed Charge Subtotal	2,758.58
Total Service Fee Savings due to Special	156.37

$7,242.06 in collected balance will offset $1.00 of charges.

TREND ANALYSIS

Date MM/YY	Average Ledger Balance	Balance Supporting Services	Service Balance Required	Excess/ Deficit Balance	Earnings Credit	Analyzed Charges	Due This Period
03/16	192,359	175,000	16,909,672	(16,734,672)	30	2,864	2,835
04/16	191,722	175,000	17,473,511	(17,298,511)	29	2,865	2,836
05/16	191,561	175,000	15,635,992	(15,460,992)	30	2,649	2,619

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PROSPERITY BANK®

[redacted]

Statement Date 2/28/2017

Group [redacted]

TREND ANALYSIS

Date MM/YY	Average Ledger Balance	Balance Supporting Services	Service Balance Required	Excess/ Deficit Balance	Earnings Credit	Analyzed Charges	Due This Period
06/16	191,427	175,000	15,890,378	(15,715,378)	29	2,605	2,576
07/16	192,979	175,000	16,374,191	(16,199,191)	30	2,774	2,744
08/16	191,150	175,000	22,016,592	(21,841,592)	22	2,797	2,775
09/16	190,299	175,000	22,000,097	(21,825,097)	22	2,705	2,683
10/16	194,322	175,000	23,183,148	(23,008,148)	22	2,945	2,923
11/16	188,940	175,000	21,563,744	(21,388,744)	22	2,651	2,630
12/16	190,936	175,000	21,801,636	(21,626,636)	22	2,770	2,748
01/17	189,186	157,500	16,608,089	(16,433,089)	27	2,539	2,512
02/17	192,344	157,500	19,977,812	(19,802,812)	24	2,759	2,734
YTD	**190,765**	**157,500**	**18,292,950**	**(18,117,950)**	**51**	**5,298**	**5,247**
Lst 12	**191,435**	**172,083**	**19,119,572**	**(18,944,572)**	**307**	**32,923**	**32,616**

CONFLICT OF INTEREST QUESTIONNAIRE

FORM CIQ

For vendor doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 **Name of vendor who has a business relationship with local governmental entity.**

Prosperity Bank

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information is being disclosed.**

_____

Name of Officer

4 **Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.**

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

5 **Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.**

6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7

_____ _____

Signature of vendor doing business with the governmental entity Date

Form **W-9**
(Rev. October 2018)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

▶ Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give Form to the requester. Do not send to the IRS.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
PROSPERITY BANK

2 Business name/disregarded entity name, if different from above
PROSPERITY BANK

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ▶

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) _____

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
1301 NORTH MECHANIC ST (P O BOX G)

Requester's name and address (optional)

6 City, state, and ZIP code
EL CAMPO, TX 77437

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number
			–			–				

or

Employer identification number
7	4	–	2	1	3	9	5	1	6

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here | **Signature of U.S. person ▶** Leah Dupuis | **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, *later.*

DEPOSITORY AGREEMENT BETWEEN THE CITY OF TOOL AND _____

Section I. Designation as Depository

The City of Tool, hereinafter referred to as "CITY", has selected _____, duly organized and authorized by law to provide banking services in the State of Texas and now carrying on such business in said State, hereinafter referred to as "BANK", and designated BANK as a depository for certain of time and demand deposits of the CITY. CITY designates BANK as a depository beginning _____and continuing until this Agreement has been canceled in accordance with provisions hereof.

BANK has agreed to act as depository for those funds in accordance with applicable law and to pledge securities to collateralize all CITY time and demand deposits to the extent not insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, by pledging book-entry securities ("Collateral") of the type specified by Texas Statutes and further CITY restrictions.

The controlling documents for the relationship between the BANK and the CITY and all services to be provided in that relationship including applicable fees for all services are, in priority order:

- Depository Agreement
- City's Request for Proposals dated _____ (the "RFP") including the City of Tool's General Contract Conditions
- The BANK's response to the RFP dated _____ (the "PROPOSAL")
- Applicable BANK services agreements, service descriptions, and account and service documentation (collectively, "SERVICE AGREEMENTS")

These documents are attached to and made a part of this Depository Agreement. Should any conflict arise among the terms of two or more Controlling Documents, such Controlling Documents will govern in the order set forth above.

BANK and CITY may from time to time enter into new SERVICE AGREEMENTS with respect to specific treasury management and banking services as are deemed necessary to further define the rights and duties of the BANK and CITY with regard to certain defined services which may include service termination dates, authorization designations and codes, or such other covenants as required for the proper implementation of the proposed services. Such SERVICE AGREEMENTS shall be added to and become a part of this Agreement.

Section II. Designation of Custodian

The CITY and BANK, by execution of this Agreement hereby designate _____ (the "CUSTODIAN") to hold in trust, according to the terms and conditions of the CITY's RFP (RFP 2026-01, Tool Depository Services) all securities pledged as depository collateral in accordance with the CITY's Investment Policy and the Public Funds Collateral Act, Texas Government Code Section 2257. If the Federal Reserve is designated as Custodian a FRB Pledgee Agreement executed under the terms of Appendix C of the Federal Reserve's Circular 7, as it may be amended from time to time, shall be executed and all the provisions of such Circular 7 are incorporated herein by reference.

Any and all fees from the Custodian associated with the safekeeping of securities pledged to the benefit of the CITY shall be borne by the BANK.

CUSTODIAN shall promptly provide CITY with safekeeping or trust receipts for Collateral as received from BANK clearly marked as a pledge to the CITY. CUSTODIAN, or BANK, shall provide CITY a monthly report of Collateral to include a description of the securities including cusip, par value, and market values. CUSTODIAN shall permit the CITY or its independent auditor to examine Collateral in the presence of the appropriate officials of said BANK at any time during normal business hours.

Section III. Funds on Deposit

The CITY shall have the power to determine and designate the character and amount of the funds which will be deposited in the BANK at all times. CITY deposits shall never be the subject of any garnishment or attachment, and BANK shall not recognize any attempt to garnish or attach same or be a party to any action.

Section IV. Designation of Authorized Representatives

For the term of this Agreement, the CITY and BANK have through appropriate action of their Boards, have designated the individuals authorized to represent and act for the CITY and BANK respectively in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Documents designating these individuals will be provided the CITY and Bank. Any change in these representatives will be made in writing.

The CITY officer or officers, who singly or jointly will be authorized to represent and act on behalf of the CITY in any and all matters of every kind arising under this Agreement are authorized to (a) execute and deliver to BANK an electronic funds transfer agreement (and any addenda thereto), (b) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfers on behalf of CITY, and (c) make withdrawals or transfers by written instrument.

Section V. Representations and Warranties

BANK represents, warrants and agrees:

a. BANK has full power and authority to enter into this Agreement.
b. BANK is owner of the Collateral.
c. BANK shall be entitled to income on Collateral held by Custodian and the Custodian may dispose of such income as directed by the BANK without approval of CITY, provided an Event of Default does not exist.

CITY represents, warants and agrees:

a. CITY has full power and authority to enter into this Agreement.
b. CITY will comply with the terms of any other agreements it may have with the BANK for services provided.

Section VI. Indemnification

Any SERVICE AGREEMENTS or other subsidiary agreements, schedule and disclosure is hereby modified to remove therefrom any agreement by CITY to indemnify the BANK and its affiliates, directors, officers,

employees and agents and remove remedies available under law in the event BANK negligence or breach of contract.

BANK shall hold CITY harmless from and shall indemnify CITY against any and all claims, demands, and causes of action of whatever kind or nature asserted by a third party and occurring or in any way incident to, arising out of, or in connection with any negligent or wrongful act or omission of the BANK , its agents, employees, or subcontractors done in conduct of this Agreement (hereinafter collectively referred to as "Claims"). And all losses, costs, penalties, damages and expenses, including but not limited to attorneys' fees and other costs of defending against, investigating and settling the Claims; provided however if the injuries or damages result from the negligence or willful misconduct of both BANK, its agents, employees or subcontractors, and the CITY, its officers, employees, or agents (other than BANK and agents and subcontractors hereunder), this indemnity shall apply to the percentage of such injuries or damages that are caused by the concurrent negligence of each party.

Notwithstanding any provision of this Agreement stating that CITY waives or limits CITY right to make a claim against BANK or exculpates BANK from liability or limits BANK's liability, such a waiver, limitation, or exculpation shall be effective only to the extent authorized by the laws of the State of Texas.
Notwithstanding any provision in any Exhibit to this Agreement stating that CITY will indemnify or hold harmless BANK CITY shall be obligated to indemnify and hold harmless only to the extent authorized by the laws of the State of Texas. Notwithstanding any provision in any Exhibit to this Agreement stating that CITY will pay attorneys' fees incurred by BANK, CITY shall be obligated to pay reasonable attorneys' fees only to the extent authorized by the laws of the State of Texas.

Section VII. Grant of Security Interest

In accordance with the terms of this Agreement, BANK hereby pledges to CITY and grants to CITY a security interest in securities and assigns and pledges securities owned by the BANK and held by the CUSTODIAN for benefit of the CITY hereinafter referred to as "Collateral" upon which the CITY shall have first and prior lien. The CITY shall have the power to determine and designate the character and amount of the funds which will be deposited in the BANK. CITY deposits shall never be the subject of any garnishment or attachment, and BANK shall not recognize any attempt to garnish or attach same or be a party to any action.

Section VIII. Authorized Collateral

CITY time and demand deposits, inclusive of accrued interest, in excess of the Federal Deposit Insurance Corporation insurance, shall be secured at all times by collateral, acceptable to the CITY and in accordance with the Public Funds Collateral Act (Texas Government Code 2257) and the CITY Investment Policy, pledged by the BANK and held in trust by the CUSTODIAN in a market value amount equal to at least 102% of the total of those funds. CUSTODIAN will provide a monthly report of the collateral directly to the CITY with a full description of the securities.

Acceptable collateral includes:

1. United States Treasury Bills, Notes and Bonds
2. Notes and Bonds of United States Agencies and Instrumentalities
3. Collateralized Mortgage Obligations of US Government Agencies and instrumentalities which pass the bank test
4. Other evidences of indebtedness of the US Government which are guaranteed as to principal

and interest by the US Government
5. Municipal bonds rated continuously A or better
6. FHLB Letters of Credit

Such pledged securities shall be subject only to the joint written instructions of both (a) authorized representatives of the CITY and (b) specifically authorized representatives of the BANK. The BANK shall have the right, with the prior written consent of the CITY, to substitute or replace, any or all of the pledged securities with collateral acceptable to the CITY. Newly pledged collateral will be received by the CUSTODIAN before release of existing collateral by the CUSTODIAN. CUSTODIAN shall promptly forward to CITY original safekeeping or trust receipts covering all collateral pledged. Receipts or reports shall be clearly marked that as pledged to the CITY.

Section IX. Substitutions and Withdrawals

If the aggregate market value of Collateral held by Custodian at any time exceeds the Required Collateral Value, BANK may withdraw any excess Collateral by providing CUSTODIAN with a withdrawal notice signed by an authorized representative of both the BANK and CITY. CITY agrees that approval of the withdrawal notice will not be unreasonably withheld if the Collateral exceeds the Required Collateral Value. If the aggregate market value of Collateral held by Custodian at any time does not equal the Required Collateral Value, BANK shall provide additional Collateral within that business day to bring the total aggregate market value equal to the Required Collateral Value.

BANK may substitute authorized Collateral for any of the Collateral held by Custodian at any time by providing CUSTODIAN with a withdrawal notice provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. All substitutions require CITY'S prior written consent shall not be unreasonably withheld.

Section X. Default and Remedies

Should BANK at any time fail to pay and satisfy, when due, any check, transfer, draft or voucher lawfully drawn against CITY'S deposits, or in any manner breach its agreement with CITY, CITY shall give written notice of such failure or breach and BANK shall have three (3) business days to cure such failure or breach. In the event BANK shall fail to cure such failure or breach within the three (3) days or should the BANK be declared insolvent by a Federal bank regulatory agency, or if a receivor is appointed for the BANK (each an 'Event of Default') it shall be the duty of the CUSTODIAN, upon demand by the CITY (supported byproper evidence of an Event of Default) to surrender the collateral to CITY. CITY may sell all or any part of such collateral and out of the proceeds thereof, pay CITY all damages and looses sustained together with any expenses incurred by it of any kind on account of such failure. Collateral may be sold by CITY at public or private sale provided however that BANK shall have one business day notice of the time and place of the sale and BANK and CUSTODIAN shall have the right to bid at such sale.

Section XI. Non-Assignability

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

Section XII Termination

This Agreement may be terminated by either the CITY or the BANK by giving sixty (60) days prior written notice to the parties.

Section XIII Law Governing

All applicable provisions and requirements of the laws of the State of Texas governing depositories for the CITY shall be a part of this Agreement. The venue for all actions concerning this Agreement will be Henderson County.

Section XIV Execution of Agreement

BANK represents that the BANK Board of Directors or BANK Loan Committee has passed a resolution authorizing and approving this Agreement providing for the deposit of funds and pledging Collateral in accordance with this Agreement; that such resolution is reflected in the official records of the BANK.

EXECUTED, this _____day of _____, 2026 by the undersigned duly authorized officers.

FOR THE BANK:

_____ _____

Signature Title

_____

Name (Printed)

FOR THE CITY:

_____ _____

Signature Title

_____

Name (Printed)

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Tommy Salvato, Councilmember

Department: _____

Agenda Item No. **17**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ● Ordinance ○ Report ○ Resolution

Attachments: Ordinance 2024-10, Parks and Recreatioan

Summary of Agenda Item to be considered:

Staff has received a request from Councilmember Salvato in regards to Ordinance 2024-10, Parks and Recreation, for the repeal of Section 21. Special Events.

Section 21. Special Events (Coded 94.20 in the Code of Ordinances)

" No person shall solicit for, hold, or sponsor a special event in a park or park facility without the prior written permission of the Director of Maintenance and Operations, through a Special Events Permit, who shall require the provision of liability insurance in the amount of $1,000,000 for injury or death to one person, $2,000,000 for injury or death to more than one person, and $1,000,000 for injury or damages to property in any one accident or occurrence, with the City named as insured."

This section appears to be in conflict with Section 7. (k) of Special Events Permits.

Section 7. Special Events Permits (Coded in 94.06 B.11 in the Code of Ordinances)

(k) Proof of insurance, (Special Events Insurance, in some cases) as deemed appropriate by the City. When deemed appropriate, a Certificate of Insurance shall be submitted to the City listing the City of Tool as an additional insured.

Agenda Item, as listed on the agenda:

Consider, Discuss and Take Action to repeal Section 21 of Ordinance 2024-10, Parks and Recreation

Recommended Motion to Consider:

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

ORDINANCE NO. 2024-10, PARKS AND RECREATION

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TOOL, TEXAS, CREATING A CHAPTER OF "PARKS AND RECREATION" OF THE CODE OF ORDINANCES OF THE CITY OF TOOL; PROVIDING FOR A SAVING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PENALTIES OF A FINE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Tool, Texas has adopted the Code of Ordinances (the "Code") for the City of Tool, Texas, hereinafter referred to as the "Code", including, "Parks and Recreation"; and

WHEREAS, the Tool City Council has voted to create policies and guidelines related to use of City parks and recreational facilities, establishing charges and fees charged for use of City parks and recreational facilities, adopts a detailed policy regarding refunds of fees paid for parks and recreational facilities, services, and programs; and

WHEREAS, the proposed ordinance aims to provide for clarity of language, elimination of redundant and possibly conflicting sections, and easier administration and enforcement; and

WHEREAS, the City Council has reviewed and finds it in the public interest to adopt the recommended ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOOL, TEXAS, THAT:

Section 1. Inside of The City of Tool Code of Ordinances, "Parks and Recreation" shall be created in its entirety as follows:

Section 2. DEFINITIONS

As used in these Rules and Regulations, in accordance with Ordinance 2024-10:

(1) ***Abandon*** means a person giving up custody of a domesticated pet or farm animal without making arrangements for another person to assume custody.

(2) ***Alcoholic Beverage*** means any beverage containing more than one-half of one percent (0.5%) of alcohol by volume, which is suitable for use as a beverage, either alone or diluted.

(3) ***Animal*** means a non-domesticated living creature (e.g., cat, dog, chicken, or rabbit) or a wild living creature previously captured.

(4) ***City Council*** means the City of Tool City Council.

(5) ***Closed field*** means a playing field or a game field that has been closed for any use due to inclement weather or maintenance requirements by order of the Director of Maintenance and Operations.

(6) ***Community Program*** means a City or Department activity offered as a free service to the public with no admission or registration fee and which is considered to be a minimum essential level of park and recreation opportunities in a municipal environment. Expenses will be recovered by subsidies/sponsorships by businesses and corporations. Community programs include Department sponsored city-wide special events and educational and community service programs.

(7) ***County*** means Henderson County, Texas.

(8) ***Department*** means the Parks Division of the City of Tool of the Maintenance Department.

(9) ***Director*** means the director of the Department or his or her authorized designee.

(10) ***Director of Maintenance*** means the Department Head assigned to lead the Parks Division.

(11) ***Explosive*** means any chemical compound or mixture that is commonly used or intended for the purpose of producing an explosion.

(12) ***Fees*** mean charges assessed or levied by the City through the Department to one or more people and/or entities for participation in programs, receipt of services, and/or use of a public park or recreational facility. Fees generally fall into one of the following categories:

(a) *Administration Fee* is a portion of a fee retained to cover administrative costs incurred in processing certain program registration and facility reservation refund requests;

(b) *Admission Fees*, which are charges made to enter a public building, structure, event, or other controlled area;

(c) *Online Convenience Fee* means a fee charged to an individual or entity for utilizing the City's online registration/payment service.

(d) *Permit Fees* are charges for a permit issued by or under the authority of the Director of Maintenance and Operations.

(e) *Rental Fees,* are charges for the privilege of exclusive use of any public park or recreation facility or equipment;

(f) *Sales Revenues,* are revenues obtained from the operation of stores, concessions, etc. and from the sale of merchandise or other property;

(g) *Special Service Fees,* which are charges, made for supplying commodities, activities or services as an accommodation to the public; and

(h) *User Fees,* which are charges for the non-exclusive use of a public park equipment or recreation facility, participation in a park program or access to an activity, or a city-controlled area for which an admission fee is not otherwise charged.

(13) ***Game field*** means any portion of a public park that is either owned or leased by the city that has been designated as an area in which athletic league games are played, including fields for football, soccer, softball, baseball or any other team sport activity, whether or not sponsored or cosponsored by the Department.

(14) ***Individual*** means a single human being.

(15) ***Park*** means a property owned, operated, or maintained by the City of Tool for recreation and enjoyment by the general public.

(16) ***Peace Officer*** means a peace officer as defined in article 2.12 of the Texas Code of Criminal Procedure, as amended.

(17) ***Person*** means any individual, group of individuals, organization, corporation, or other legal entity, but does not include the City.

(18) ***Pet*** means a domesticated animal kept for pleasure rather than utility.

(19) ***Road*** means any road, or street, maintained or controlled by the City for public passage for vehicles within a park.

(20) ***Special Event*** means a non-routine organized activity intended for more than twenty-five (25) individuals to share a common purpose as a group.

(21) ***Truck*** means a motor vehicle designed, used, or maintained primarily to transport property, with a carrying capacity exceeding two thousand (2,000) pounds.

(22) ***Vehicle*** means every device in, upon, or by which any individual or property may be transported or drawn upon a road, except a device moved by human power.

(23) ***Weapon*** means those objects defined as weapons or prohibited weapons in Chapter 46 of the Texas Penal Code.

(24) ***Wildlife*** means living creatures that are neither human nor domesticated.

Section 3. Areas Covered

Except as specifically noted, these Rules and Regulations also apply to all City parks located within the City of Tool, Texas.

Section 4. Park Use

No person or organization shall use a park, or any area or facility therein, for any purpose other than for the purpose for which it was designed or designated. Any activity that will disrupt the normal purpose of the park is prohibited. Anyone seeking to use the park facilities for the purposes of video recordings and/or photography for profit is strictly prohibited without proper permission from the person designated by the Director of Maintenance and Operations.

Section 5. Park Hours of Operation

No person shall enter into or remain within a park at any time other than during such time as the park is open to the public, as designated on the signage posted at or near the entrance of the park, or on the city's website, unless given prior written approval by a designated City of Tool official.

Section 6. Fees Established

Rentals, Concessions, Food Court and other adjacent fees for use of public parks and recreation facilities shall be assessed in a manner consistent with this ordinance. The City Administrator or their designee may reduce or waive any fees, within reason. Said fees are established by the Tool City Council.

Fees and charges are reviewed from time to time using the following methodology presented to the City Council for approval:

(a) Determine the service classification or cost recovery level;

(b) Determine the direct costs of providing the service;

(c) Compare the current market rate or fee being charged for a similar service and adjust accordingly:

Section 7. Special Events Permits

(1) ***A person engaging in or sponsoring a special event shall apply for a special event permit, after approval from the City and pay all fees as applicable.***

(a) No fees shall be required under this article for the following: The Armed Forces of the United States of America, the military forces of the State of Texas, political municipalities in the State of Texas, and the police and fire departments acting within the scope of their duties;

(a) Funeral procession proceeding by vehicle under the most reasonable route from a funeral home, place of worship, or residence to the place of service or place of internment;

(b) A peaceful demonstration at a fixed location which is not a park street, road or trail; or

(c) A park sidewalk procession which observes and complies with the traffic regulations and traffic control devices, using that portion of a sidewalk nearest the street, but at no time using more than one-half of the sidewalk.

(2) *A person or organization desiring to hold a special event shall apply for a special event permit by filing it with the Parks Division, a written application upon a form provided for that purpose. Each application shall be accompanied by a non-refundable application fee in an amount determined from time to time by the City Council. An application for a permit for special events shall be made not less than 30 days prior to the date and time of the commencement of the special event. The City may waive the 30 day filing requirements for school functions or charitable fundraisers; however, in no case may an application for a permit be filed less than 15 days before the special event, unless approved by the City Administrator. The special event application must include:*

(a) The name, home address and telephone number, office address and telephone number, date of birth, recognized state-issued identification, number of the promoter, the promoter, and of any other persons

responsible for the conduct of the special event;

(b) A description of the special event;

- Requested date, location, and hours of operation;

(c) Route to be used for a parade, if applicable, including starting and termination locations;

(d) Proposed number, size, type, and location of structures to be used during the special event, including, but not limited to tents, fences, barricades, signs, banners and portable restroom facilities;

(e) The estimated number of persons participating in or expected to attend the special event;

(f) Request if there would need to be security provided by the City of Tool Police Department. (If no request for security, applicants should supply information if they have security).

(g) The time and location of street closings, if any are requested;

(h) Details of the offering, merchandising, or serving of concessions or alcoholic beverages at the special event, designating any street vendors or peddlers involved, and whether or not a vendor permit has been obtained;

(i) Proof that the promoter possesses or is able to obtain all licenses and permits required by this Code or other City ordinance or by state law for the conduct of the special event;

(j) If applicable, proof of notification signed by a majority of all of the households or businesses of the area affected by a block party;

(k) Proof of insurance, (Special Events Insurance, in some cases) as

deemed appropriate by the City. When deemed appropriate, a Certificate of Insurance shall be submitted to the City listing the City of Tool as an additional insured.

The Issuance of a permit shall be subject to the applicant receiving city approval of the plans submitted to the city pursuant to this Section 7, not less than 30 days before the start of the special event. The city assumes no liability or responsibility for the conduct of the special event merely by approving the plans submitted with an application for a special event as require by this Section 7. The applicant must submit adequate information relative to facilities, fire and police protection, concession service, parking, medical service or sanitation needs, as requested by the City's designee for permitting. City staff shall determine whether the application and plans meet City safety and other requirements. An applicant may be requested to modify an application to meet the requirements of this Section 7. Should any of the submitted plans fail to give, and after notice, the applicant is unable to provide for, adequate assurances that the plans will be implemented and carried out, the permit application may be denied.

Upon receipt of an application for a special event, the Director of Maintenance and Operations shall forward a copy of the application to the City departments that may be affected by the special event or asked to provide support for the special event and shall issue its approval or denial of the application within 21 days of receipt.

A requirement to obtain licenses and permits required by other City ordinances or applicable law, restrictions, regulations, requirement to pay the cost for City services, safeguards, and other conditions determined necessary by the Director of Maintenance and Operations for safe and orderly conduct of a special event may incorporated a condition for issuance of a permit for a special event.

(3) The City may deny a special event permit if:

- A special event permit has been granted for another special event at the same place and time or within two hours of commencement or conclusion of a previously permitted special event;
- The proposed special event will unreasonably disrupt the orderly flow of traffic and no reasonable means of rerouting traffic or otherwise meeting traffic needs is available;
- The promoter fails to comply with, or the proposed special event will violate, a City ordinance or other applicable law, unless the prohibited conduct or activity would be allowed under this article;

- The promoter makes a false statement of material fact on an application for a special event permit;
- The promoter has had a special event permit revoked within the preceding 12 months or the applicant has committed two or more violations of a condition or provision of a special event permit or of this article within the preceding 12 months;
- The promoter fails to provide proof that the promoter possesses or is able to obtain a license or permit required by City ordinance or other applicable law for the conduct of all activities included as part of the special event;
- The promoter fails to pay any outstanding costs owed to the City for a past special event permit;
- The promoter fails to submit the required deposit (if charged) and agree in writing to reimburse the City for the estimated costs to be incurred by the City for the special event;
- The proposed special event would unduly burden City services; or
- The special event begins or ends outside the City limits, unless the promoter supplies proof of approval of any other affected governmental entity.

(4) If the City denies the issuance of a permit or revokes a permit, it may choose to send to the applicant in writing or via email of the denial or revocation and of the right to appeal. The applicant must appeal the decision in writing or via email to the City Administrator, not later than three days after receipt of the notice of denial or revocation. The City Administrator will present the appeal to the City Council at its next regularly scheduled meeting. The City Council shall consider all the evidence in support of or against the action appealed and render a decision either sustaining or reversing the denial or revocation. The decision of the City Council shall be final.

Section 8. Vehicles

(1) No person shall operate a motorized vehicle within a park except on the designated roads or parking lots therein. An excerpt to this subsection shall be if the person with a mobility disability is operating a motorized wheelchair or other type of mobility devices and can show "credible assurance" by producing a State-issued, disability parking placard or card, or other State-issued proof of disability.

(2) No person shall operate a truck within a park, other then assigned, on-duty City of Tool vehicles.

(3) It shall be unlawful to ride a bicycle within or on:

(a) any playground, special display area, pickleball court, athletic fields, pavilion or other monument type structure, or in any area where other activities are in progress; or

(b) any area within a park designated by the Director of Maintenance and Operations or pursuant to other ordinance and posted with a sign stating "No Bicycles" or similar sign.

(4) No person shall operate a vehicle in a park at a speed in excess of the posted speed limit.

(5) This Section (8) does not apply to the operation of a city-owned or leased vehicle operated by a city employee while in the act of performing the employee's official duties.

(6) It shall be unlawful to operate or ride any non-motorized scooter, bicycle, in-line skates, skateboard, or other recreational vehicle with wheels within 100 feet of any recreational field, regardless of whether on any paved or unpaved surface, during the hours of operation of the recreational field. The Director shall designate the area within 100 feet of a recreational field by signs stating "pedestrians only, non-motorized scooters, bicycles, in-line skates, skateboards or other recreational vehicles prohibited during game or practice times" or other similar signs.

(7) No person shall cause a vehicle to be parked within a park, except in a designated parking area.

(8) The operation or placement of any vehicle through, around or beyond a restrictive sign, barricade, fence, or traffic control device is prohibited.

(9) No person shall cause a vehicle to remain within a park after-hours or in excess of twenty-four (24) hours at any given time unless a designated Parks representative is notified and approval is granted. Vehicles remaining within a park for which approval has not been granted will be towed at the owner's expense.

Section 9. Wildlife

(1) No person shall willfully harm, harass, disturb, trap, confine, catch, possess, feed, hunt, release, or remove any wildlife within a park, without specific authority from the Director of Maintenance and Operations.

(2) Fishing in accordance with State of Texas laws and regulations shall be permitted within all parks, except as specifically prohibited. All fishing in the park shall be at the fishing pond and shall be catch & release.

Section 10. Plant Life

No person shall intentionally or knowingly pick, damage, cut, break, injure, deface, or disturb any tree, shrub, plant, rock, building, cage, pen, monument, fence, bench or other structure, apparatus, or property; or to pluck, pull, cut, take or remove any shrub, plant or flower; or to mark or write upon, paint, or deface any building, monument, fence, bench or other structure;

Section 11. Fires/Smoking

Except in designated areas, no person may light, build, or maintain a fire within a park other than within a camp stove or barbecue pit. Smoking of tobacco products shall be confined to those areas designated for such in the park. If a burn ban is in effect, no fires or smoking will be allowed, except during special events and in facilities with a preapproved fire prevention plan reviewed by the Henderson County Fire Marshal.

Section 12. Weapons

The constitution and laws of the State of Texas, including the Texas Penal Code and City of Tool, Texas Code of Ordinances, and those of the United States of America, govern the possession of Weapons within a city-owned park.

Section 13. Animals

No person may bring into or possess in a park any animal other than a registered dog or domestic cat. Any person bringing a dog or domestic cat into a park shall keep the dog or domestic cat confined or secured by a leash not exceeding six (6) feet in length (including retractable leashes), keeping the dog or domestic cat under control at all times and a safe distance from people and other dogs or domestic cats in the park, in accordance with Ordinance 2016-03; A3.

Section 14. Glass Beverage Containers

No person shall use or possess any glass containers in a park, except in designated areas.

Section 15. Reservations

Any person may reserve an amphitheater, pickleball court or other designated park facility (e.g., meeting room).

Reservations may be made by submitting a written or digital request to the Parks Division in which the park is located during the posted hours of operation.

Use of an amphitheater or other park facility will be approved by the applicable Park Division on a first-come, first-served basis (via the City of Tool Park's Rental Policy). Requests should be made prior to the proposed use, but no person, except a concessionaire who has contracted with the City, shall be entitled to continuous, exclusive use of a park or park facility.

(1) A person who desires to use the facility must make a reservation, pay the appropriate user fee, and furnish the refundable deposit for cleanup costs and damages, if any.

(2) If the area is not cleaned up after an event, or if the facility or its furnishings are damaged, the Director of Maintenance and Operations shall determine the amount necessary to compensate the City of Tool for the expense of damage or cleanup. This amount shall be deducted from the deposit, and the balance, if any, shall be refunded to the person who paid the deposit. In addition, the person making the reservation must employ and pay the required number of uniformed Texas certified peace officers who will provide security during the reserved period, if requested by the Director of Maintenance and Operations.

(3) A person who desires to use a facility must make a reservation and furnish a deposit, as determined by the Rental Policy, for cleanup costs and damages, if any. If the area is not cleaned up after an event, or if the facility or its furnishings are damaged, the Director of Maintenance and Operations shall determine the amount necessary to compensate the City of Tool for the expense of damage or cleanup. This amount shall be deducted from the deposit, and the balance, if any, shall be refunded to the person who paid the deposit. In addition, the person making the reservation must employ and pay the required number of uniformed Texas certified peace officers who will provide security during the reserved period, if requested by the Director of Maintenance and Operations.

(4) The person using the area or facility must employ and pay the required number of uniformed Texas certified peace officers who will provide security during the reserved period, if a security concern is established by the Director of Maintenance and Operations, within viable reason. The minimum number of such peace officers required for security shall be determined by the Tool Police Department.

(5) Alcoholic beverages may be consumed only if authorized in the concessionaire's agreement or rental policy, or if approved by City Administrator.

Section 16. Other Unlawful Acts

(1) It shall be unlawful for any person to do any of the following acts within any public park or recreation facility except as may be otherwise provided:

(a) To swim, wade, or boat in any stream or pond.

(b) To cut, excavate or remove any wood, turf, grass, soil, rock, sand, gravel or fertilizer from a public park or recreation facility;

(c) To commit or perform any obscene, lewd or indecent act or create any nuisance that would disrupt, interfere with or obstruct in any manner any authorized, permissible and/or organized activity, program or use;

(d) To play golf or hit golf balls.

(e) To use any public tennis or pickleball court for any purpose other than playing tennis or pickleball;

(f) To wear any footwear on the playing surface of a tennis or pickleball court other than tennis shoes;

(g) To use metal detectors without the written permission of the Director of Maintenance and Operations;

(h) To enter any portion of a public park or recreation facility posted as "Closed," unless approved in writing by the Director of Maintenance and

Operations (possibly for construction);

(i) To cause or participate in the construction, placement, or existence of any permanent or temporary structure (including, but not limited to, roads, trails, signs, non-portable hunting stands or blinds, buoys, docks, or landscape features) of any kind under, upon, in or over public parks and recreation facilities, or waters except in accordance with the terms and conditions of a City approved permit, lease, license or other appropriate written documentation. Unauthorized structures are subject to summary removal or impoundment by the Director of Maintenance and Operations.

(j) To erect and/or use an inflatable recreational attraction commonly (sometimes referred to as a "bounce house" prior to:

(1) A permit from the city.

(2) naming the City as additional insured on the person's or entity's general liability insurance; and

(3) providing City an original certificate of insurance showing the insurance required by subparagraph (2), above, has been endorsed as required.

Section 17. Use of Loudspeakers

The use of loudspeakers within a park shall be governed by sections 42.01 of the Texas Penal Code, *Disorderly Conduct*.

Amplified music may be played only between the hours of 7:00 a.m. and 10:00 p.m., unless otherwise approved by the Director of Maintenance and Operations.

Section 18. Dumping and Littering

The disposal of rubbish in any manner other than by depositing it in trash cans provided for this purpose; the willful destruction of or damage to or theft of City property; the creation of any hazard to persons or things; walking through and the climbing upon plant bedding areas or any part of a public building or structure are prohibited. No person shall bring into a park any trash, refuse, or waste material.

Section 19. Solicitations and Sale of Goods and Services

No person or business shall charge fees or solicit donations or contributions for any activity; to sell or offer for sale any food, drinks, confections, merchandise or commercial services; to conduct any commercial business activities of any kind; and/or post, place or erect on any public park or recreation facility any advertising, notice, billboard, paper or other advertising device without an approved permit; provided, however, this subsection shall not apply to city officials, employees or agents performing authorized activities or providing notice of official city meetings or functions.

Section 20. Camping

No person shall engage in overnight camping in a park, without a permit.

Section 21. Special Events

No person shall solicit for, hold, or sponsor a special event in a park or park facility without the prior written permission of the Director of Maintenance and Operations, through a Special Events Permit, who shall require the provision of liability insurance in the amount of $1,000,000 for injury or death to one person, $2,000,000 for injury or death to more than one person, and $1,000,000 for injury or damages to property in any one accident or occurrence, with the City named as insured.

Section 22. Special Rules For Specific Park Facilities

Each park facility (including, but not limited to, dog and skate parks, landscaping areas, recreation areas, and nature centers) may develop rules and regulations that address problems specific to that facility, which shall be in writing and approved by the Director of Maintenance and Operations through written policy. All persons shall comply with the rules and regulations posted for individual facilities or special events.

Section 23. Procedures and guidelines.

(1) Procedures for naming public park and recreation facilities.

(k) The Tool City Council will be responsible for recommending a name for public park and recreation facilities, whom shall be responsible for research, study and recommendation of a proposed name to the City Council. Rationale for the recommended name shall be given in writing and accompany the recommendation. Names of public parks and recreation

facilities should be familiar to the majority of citizens, easy to recall, unique and lasting.

(l) Public park and recreational facilities may be named immediately prior to or during development.

(m) Public parks and recreational facilities shall be named in their entirety. Sections of a named park may be eligible for a different name than the name given to the entire park.

Section 24. Park Signs

All persons shall comply with signs and markers installed, or caused to be installed, in a park by the Director of Maintenance and Operations.

Section 25. Non-discrimination clause.

All public park and recreation facilities shall be available to the public without regard to sex, race, color, creed, age, nationality or place of origin. No lessee, licensee, or concessionaire shall discriminate against any person because of sex, race, color, creed, age, nationality or place of origin.

Section 26. Effect on Existing Law

These Rules and Regulations are in addition to, and not in lieu of, all federal, state, and municipal laws, rules, and regulations applicable within a park.

Section 27. Enforcement

The Director of Maintenance and Operations or their designee (which may be the Tool Police Department) shall request any individual to leave the Park, who may violate any of these Rules and Regulations from the park. In addition to removal from the park, charges may be filed against a violator under Section 31.

Section 28. Severability

The provisions of these Rules and Regulations are severable. If any word, phrase, clause, sentence, section, provision, or part of these Rules and Regulations should be held invalid or unconstitutional, it shall not affect the validity of the remaining

provisions, and it is hereby declared to be the intent of the City of Tool that these Rules and Regulations would have been adopted as to the remaining portions, regardless of the invalidity of any part.

Section 29. Amendments

These Rules and Regulations, per this Ordinance, may be amended at any time at the discretion of the Tool City Council.

Section 30. Posting

These Rules and Regulations shall be conspicuously posted at or near the entrance of all City parks.

Section 31. Offenses

A violation of the terms and conditions of this ordinance shall be punishable as a class C misdemeanor, unless damages or violations exceed the jurisdiction's limits of a Class C misdemeanor.

Section 32. Effective Date and Passage

This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the laws of the State of Texas.

Passed and approved by the Tool City Council on the 17th, day of October, 2024 and effective upon passage.

Mike Dumont, Mayor

Seal

Kimberley Price, City Secretary

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Vera Bennett, Mayor

Department: _____

Agenda Item No. **18**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ● Ordinance ○ Report ○ Resolution

Attachments: Ordinance 2026-02, Capital Improvement Fund

Summary of Agenda Item to be considered:

Mayor Vera Bennett is requesting reconsideration on Ordinance 2026-02, Capital Improvement Fund, first introduced to the City Council on February 19th, 2026. The edits to the ordinance include:

Section 1. B. Sources and Scope of Authorized Funds

- "Unrestricted capital funds subject to this Ordinance may be expended for any lawful public purpose, as set forth before, that the City Council determines, by resolution, vote, or budgetary approval, to advance the public interest."
  - Added in "as set forth below"

Section II. Capital Improvement Fund Objectives

"An initial project cost shall include all factors of the project (i.e. land, buildings, machinery, equipment, furniture). This definition is intended to specifically include the following:"

- Adding ".... to specifically include the following."

Section III. Budgetary Obligations

"An expenditure made by the City Administrator, not to exceed $7,500, without Tool City Council Approval."

- Delete excerpt entirely.

Agenda Item, as listed on the agenda:

Discuss, Consider and Take Action on a reconsideration to amend Ordinance 2026-02, Capital Improvement Fund, as presented by Mayor Vera Bennett

Recommended Motion to Consider:

"I make a motion to amend Ordinance 2026-02, Capital Improvement Fund."

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

Capital Improvement Fund

CAPITAL IMPROVEMENT FUND ORDINANCE NO. 2026-02

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TOOL, TEXAS, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TOOL, TEXAS, ESTABLISHING A TRANSFORMATIONAL CAPITAL IMPROVEMENT FUND AND INVESTMENT POLICY; AUTHORIZING THE BROAD USE OF UNRESTRICTED GENERAL FUND SURPLUS MONIES TRANSFERRED TO THE CITY'S CAPITAL RESERVE FUND FOR ANY LAWFUL PUBLIC PURPOSE; DECLARING ECONOMIC GROWTH, BEAUTIFICATION, BLIGHT REMOVAL, AND REVENUE EXPANSION AS CORE MUNICIPAL OBJECTIVES; PROVIDING FOR INFRASTRUCTURE, PUBLIC-PRIVATE DEVELOPMENT, AND BUSINESS ATTRACTION ACTIVITIES; ADOPTING FINDINGS OF PUBLIC PURPOSE AND PUBLIC BENEFIT; PROVIDING ADMINISTRATIVE AUTHORITY AND SAFEGUARDS; AND PROVIDING FOR REPEALER, SEVERABILITY, EFFECTIVE DATE.

WHEREAS, the City of Tool, Texas (the "City") is a Type A General Law municipality with full authority to manage its fiscal affairs and invest in the long-term prosperity, safety, and quality of life of its residents; and

WHEREAS, the City Council and City Administrator of the City of Tool, Texas strive to maintain secure economic fund balances for the City; and

WHEREAS, the City Council recognizes that intentional, proactive, and transformational capital investment is essential for small and growing cities to compete for residents, businesses, development, and regional economic relevance; and

WHEREAS, the City Council and City Administrator find that it is in the best interest of the City to establish a requirement that a Minimum General Fund, Fund Balance be maintained by the City; and

WHEREAS, the City periodically generates unrestricted surplus revenues in its General Fund, not otherwise encumbered by law, bond covenants, grants, or voter restrictions and the City Council finds that the transfer of such unrestricted General Fund surplus into a Capital Fund for strategic public investment is fiscally prudent, legally authorized, and in the best interest of the City; and

WHEREAS, the City Council further finds that public investment in infrastructure, beautification, redevelopment, blight removal, and business-supportive projects directly contributes to increased sales tax revenue, increased property values, expanded tax base, improved public safety, and enhanced community pride; and

WHEREAS, the City Council and City Administrator now find that it is in the best interest of the City to establish a fund dedicated to providing the funding of said capital improvements;

WHEREAS, all of the above premises are hereby found to be true and correct legislative and factual

findings of the City Council and are hereby approved and incorporated into the body of this Ordinance as if copied in their entirety.

SECTION I.

Sources and Scope of Authorized Funds

A. Authorized Funds

This Ordinance applies exclusively to:

- Surplus monies originating from the City of Tool's General Fund, transferred into the City's Capital Reserve Fund by Council action, at the end of each fiscal year
- Such monies are to be unrestricted by law, but in compliance with the Texas Constitution, Texas Statutes, Local Government Code, the Public Purpose Doctrine (Article III, Section 52 of the Texas State Constitution)

No restricted funds are authorized by this Ordinance.

B. Broad Authorization

Unrestricted capital funds subject to this Ordinance may be expended for any lawful public purpose, as set forth below, that the City Council determines, by resolution, vote, or budgetary approval, to advance the public interest.

SECTION II.

Capital Improvement Fund Objectives

Capital Improvement: An expenditure in excess of $10,000 for the planning, design and construction of a physical improvement and/or associated fixed equipment and having a useful life of generally five to ten years. Any project approved under this ordinance must serve:

- Serves a legitimate municipal public purpose
- Advances economic development, public welfare, or fiscal sustainability
- Provides a measurable or demonstrable public benefit
- Is proportional to the amount expended

An initial project cost shall include all factors of the project (i.e. land, buildings, machinery, equipment, furniture). This definition is intended to specifically include the following:

1. Any construction or pre-approved purchase by the City of Tool (a public building, water or sewer projects, playfield, equipment, vehicles, etc.), or an addition to, or extension of, such a facility and all

Capital Improvement Fund

related expenditures for structures, within budgetary constraints (i.e., architectural, renovation, addition to, engineering). Capital Improvements are comprised of municipal facilities, infrastructure, equipment, and networks that enable or improve the delivery of public sector services, such as, but not limited to, streets, drainage or drainage infrastructure, water, stormwater or waster infrastructure, flood control, sidewalks, traffic and/or parking improvements, parks, civic spaces, trails, public safety facility equipment or technology.

2. A nonrecurring rehabilitation (something which is infrequent and would not be considered annual or other recurrent maintenance and repair) or major repair of all or a part of a city-owned building, its grounds, a facility, including streets, sewer, water, and storm drainage, or an project under the direction and recommendation of the Director of Maintenance and Operations, and/or the improvement will have a useful life of 10 years or more;
3. A beautification initiative including blight and city cleanup. These initiatives include, but not limited to, landscaping, entryway or façade features, lighting, public art, murals, environmental cleanup and enhancements of public right-of-ways and city-owned property.
4. The removal of blighted structures and/or properties, in accordance with local and state law. These properties are to be identified by the City of Tool's Code Enforcement Officer, as unsafe or dilapidated structures, through the abatement process, including junked, abandoned or hazardous properties.
5. Any planning, feasibility, engineering, or design study related to an individual City of Tool Capital Improvement project, or to a program that is implemented through individual capital improvement projects and economic studies;
6. An incentive project or agreement, curtailed for Economic Development for the betterment of the City of Tool, including all improvements associated with Chapter 380 agreements, for public purposes including, but not limited to, public marketplaces, event venues, shared-use facilities, site preparation, demolition, environmental remediation.

A Capital Improvement Program (CIP) for the City of Tool coordinates community planning, financial capability and physical development. The program is composed of two parts — a capital budget and a capital program by ordinance. The capital program is a plan for capital expenditures that may extends five (5) to ten (10) years beyond the capital budget. Development of a CIP that ensures sound fiscal and capital planning also requires effective leadership and the involvement and cooperation of all municipal departments, city officials and citizens.

Due to the limited amount of available funds, the CIP serves to establish a priority for the many necessary projects. Therefore, the CIP will be updated annually in order to incorporate the changing priorities, needs, and funding sources.

A CIP has the following benefits:

1. City funds will be spent for improvements compatible with the city's strategic long-term goals and needs, with funds spent on approved projects.
2. Facilitates coordination between capital needs and the operating budget.

3. Enhances the community's credit rating, managing of its tax rate, avoiding sudden changes in its debt service requirements.
4. Identifies the most economical means of financing capital projects to ensure improvements will not cause a financial burden on the city.
5. Increases opportunities for obtaining federal and state funding, including grant opportunities.
6. Focuses attention on community strategic objectives and fiscal capability.
7. Keeps the public informed about future needs and projects.
8. Encourages careful project planning and design to avoid costly mistakes and help a community reach desired goals.
9. Accelerate economic development
10. Attract new businesses and developments
11. Revitalize underutilized and blighted areas
12. Improve the visual, functional, and economic character of the City
13. Increase municipal revenues without increasing tax rates

Section III.

Budgetary Obligations

The operating budget for each fiscal year, passed after this ordinance's adoption, adopted by the Tool City Council shall include a Capital Improvement Fund. The monies contained in the Capital Improvement Fund shall be reserved for projects dedicated to improving capital infrastructure and necessary projects for the city, as outlined by this ordinance.

The operating budget for each fiscal year that is prepared by Tool City Staff shall include estimated revenues and expenditures for capital improvements. Expenditures that are to be made, outside of the operating budget set forth at the beginning of the fiscal year are to be made on only two occasions:

- An expenditure voted on and approved by a majority vote of the Tool City Council, within budgetary constraints.
- ~~An expenditure made by the City Administrator, not to exceed $7,500, without Tool City Council Approval.~~

If the situation occurs, the City Administrator may, at a scheduled regular meeting of the Tool City Council, present to the Tool City Council a budget amendment to consider authorizing the transfer from, or to, the Capital Improvement Fund.

Capital funds may be utilized in connection with public-private projects and economic development initiatives provided that:

- The City Council makes written findings of public purpose and benefit, in accordance with state law
- Adequate contractual controls are in place
- The City retains ownership, access rights, reversionary interests, or enforceable performance standards, as appropriate
- The expenditure is reasonably related to the public benefit received

Nothing herein authorizes unrestricted cash grants to private entities.

Capital Improvement Fund

Inclusion of a project as a Capitol Improvement Project (CIP) request, made by city staff, does not ensure that the project will be funded at any time in the future, but it does assure that the project will be evaluated on its merits relative to other proposed CIP's. Major maintenance projects such as street resurfacing or a new roof for a building should normally be included in the city's operating budget and are not included in the CIP. But, those expenditures can be made under the City Administrator's discretion, if necessarily available by time constraints.

Section IV.

Closing Provisions

- All provisions of the ordinances of the City of Tool in conflict with the provisions of this ordinance and the same are hereby repealed to the extent of such conflict, and all other provisions of the ordinances of the City of Tool not in conflict with the provisions of this ordinance shall remain in full force and effect.
- Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision thereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.
- This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law in such cases provide.
- Citizens are also encouraged to submit inquiries, questions and concerns about current and future Capital Improvement Projects to the attention of the City Administrator.

PASSED AND APPROVED this 19th day of March, 2026.

Attest:

_____ _____

Vera Bennett, Mayor Kimberley Price, City Secretary

City of Tool
City Council

City Council Agenda Request

Meeting Date Requested: March 19th, 2026

Requested By: Julius Kizzee, City Administrator

Department: Administration

Agenda Item No. **19**

Is this a Budgeted Item? ☐ Yes ☐ No

○ Contract/Agreement ○ General Discussion ○ Ordinance ○ Report ● Resolution

Attachments: Resolution 2026-02, Texas SmartBuy Program

Summary of Agenda Item to be considered:

Staff is bringing forward a resolution for the Texas SmartBuy Membership Program, for the purposes of purchasing services for our city. Specifically, the police department is considering purchasing for blood kits.

Agenda Item, as listed on the agenda:

Consider, Discuss and Take Action to Adopt Resolution 2026-02, Texas SmartBuy Program

Recommended Motion to Consider:

"I make a motion to adopt Resolution 2026-02, Texas SmartBuy Program"

The deadline for agenda requests is by the end of the day on the first day of the month, prior to the scheduled Council Meeting. If you have any additional information you would like for City Council to view, please attach it to this form. Please send this form to Kimberley Price, City Secretary, when finished.

Texas SmartBuy Membership Program

Resolution

State of Texas, County of _____
(County Entity Located In)

Whereas, the Texas Comptroller of Public Accounts is authorized to provide purchasing services for local governments **pursuant to §§271.082 and 271.083 of the Local Government Code**.

Whereas, the _____
(Enter Board of Directors, City Council, Commissioner's Court, School Board, etc..)

of _____, is a:
(Enter Name of Qualified Applicant/Entity)

(Check One of the Following)

- ◯ Appraisal District
- ◯ Community Supervision/Corrections Department
- ◯ County
- ◯ Fire Prevention District
- ◯ Judicial District
- ◯ Library District
- ◯ Municipality
- ◯ State-funded Assistance Organization
- ◯ Special District
  - ◯ Emergency Service
  - ◯ Housing
  - ◯ Political Subdivision
  - ◯ Port or Transportation Authority
- ◯ Workforce Development Board
- ◯ Charter/Academy School
- ◯ Council of Governments/Planning Commissions
- ◯ Education Service Center
- ◯ Hospital District
- ◯ Junior/Community College
- ◯ Mental Health/Mental Disability Organization
- ◯ School District
- ◯ Texas Rising Star Care Provider
- ◯ Utility District
  - ◯ Drainage
  - ◯ Municipal
  - ◯ Special

defined as an entity qualified to participate in the Texas SmartBuy Membership Program of the Texas Comptroller of Public Accounts pursuant to §271.081 of the Local Government Code.

_____ and
Primary Contact and Title

_____
Secondary Contact and Title

is/are authorized to execute all documentation for _____ pertaining to its participation in the
(Entity Name)
Texas Comptroller of Public Accounts Cooperative Purchasing Program; and

Whereas, _____ acknowledges its obligation to pay annual participation fees established by the
(Entity Name)
Texas Comptroller of Public Accounts.

Now, Therefore Be it Resolved, that request be made to the Texas Comptroller of Public Accounts to approve

_____ for participation in the Texas Comptroller of Public Accounts Cooperative Purchasing Program.
(Entity Name)

Adopted this _____ day of _____, _____ by _____
(Entity Name)

By: _____
Signature of Chair

_____
Printed Name and Title of Chair

_____
Signature of Primary Contact

_____
Printed Name and Title of Primary Contact

_____
Signature of Secondary Contact

_____
Printed Name and Title of Secondary Contact