City of Sanger

FirstUnited
SPEND LIFE WISELY®

FirstUnitedBank.com

City of Sanger
Attn: Clayton Gray

March 19, 2024

RE: Response to Request for Proposal

Dear Mr Gray,

At First United, we are dedicated to building a culture of care in the communities we serve and helping others find their path to success. We are excited to respond to your Request for Proposal.

We are honored to continue providing you with both depository and Treasury Management Service offerings. To help enhance our relationship with City of Sanger, we would like to provide the following benefits:

- Customized team to offer exceptional customer service for all your specific needs.
- Interest Paid on all deposit accounts at 3.25% APY (variable rate based on FFL-2%).
- First United Bank will continue to waive Treasury Management service fees due to the valuable partnership.
- A continued Preferred Partner Program for the City of Sanger employees to receive personal baking services.

Our purpose at First United is to inspire and empower others to Spend Life Wisely. We invite you to visit www.spendlifewisely.com to learn more about our values and how they align with those of your organization. This proposal is valid for 180 days from the submission date of 03/19/2024.

If you have additional questions, please feel free to contact me at any of the options provided below.

Sincerely,

Jessica Cain
VP, Treasury Management Officer
Direct: 903-813-5812
Email: jcain@firstunitedbank.com

Greg Hillis
Sanger Community Bank President
940-6302-6042
ghillis@firstunitedbank.com

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REQUEST FOR APPLICATIONS
BANK DEPOSITORY SERVICES
RFA-2024-02

Proposal Due Date
March 19, 2024
12:00 pm

The City of Sanger, Texas
502 Elm Street
P O Box 1729
Sanger TX 76266

940.458.7930
February 21, 2024

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NOTICE TO VENDORS

Sealed proposals will be received by the City of Sanger, Texas at the office of the City of Sanger City Secretary, PO Box 1729, 502 Elm Street, Sanger, TX 76266, until 12:00 PM, CST, March 19, 2024, for the purchase of services as follows per proposal instructions and specifications:

REQUEST FOR APPLICATIONS FOR BANK DEPOSITORY SERVICES
RFA-2024-02

Qualified prospective Proposers may obtain copies of the RFA on the City website: www.sangertexas.org. Proposals received later than the date and time above will not be considered in the proposal process. Facsimile or electronic transmittals will not be accepted.

The Sanger City Council reserves the right to accept or reject any proposals or any part thereof or any combination of proposals and to waive any or all formalities in any proposal, and to make an award in any manner, consistent with law, deemed in the best interests of the City.

ANTICIPATED SCHEDULE OF EVENTS

Tuesday, February 20, 2024	Request Council approval to issue RFA
Wednesday, February 21, 2024	Issue RFA
Friday, March 8, 2024, at 12:00 PM	Deadline for questions from proposers
Tuesday, March 19, 2024 at 12:00 PM	Deadline for proposal submissions
Tuesday, March 19, 2024 at 2:00 PM	Proposal opening
Monday, April 1, 2024	Council selection of bank
Thursday, May 1, 2019	Contract term begins

I. INTRODUCTION

The City of Sanger, Texas is requesting proposals for a banking services contract with service to begin May 1, 2024 and extending through April 30, 2027, with the option to extend this contract for two (2) additional one-year terms. Through this contract, the City intends to minimize banking costs, improve operational efficiency, and maximize investment capabilities. This Request for Applications (RFA) represents the cash management goals, specifies all banks' required qualifications, the banking services required, the estimated activity volumes on all accounts, the method and terms of compensation, submission instructions and the contract award provisions.

II. PROPOSAL INSTRUCTIONS AND QUALIFICATIONS

A. Minimum Qualifications

To ensure a close working relationship, facilitate available services, and support local business, the entity may give priority to those banks with full-service capabilities within the City limits. Any required statement regarding equal opportunity and affirmative action should be included if required/desired. The proposal submitted will become part of the final contract.

B. Proposal Submission Instructions

1. Proposal Format

To fully and equitably evaluate each bank's ability to meet the banking services needs of the City, a standard reply format is required. Each proposal must include a response to each item in the RFA in the order given. Only proposals submitted in the prescribed format and using the exhibit forms provided will be evaluated for contract award.

2. Submission Requirements

Proposals for the services specified will be received by the City of Sanger until March 19, 2024 at 12:00 PM. Please submit one (1) original proposal in hard copy only, and one (1) copy of the proposal in pdf format on a flash drive. The address for delivery of submissions is:

City Secretary
City of Sanger
502 Elm Street
Sanger TX 76266

Late submissions will not be considered. Proposals received after the deadline will be returned unopened.

3. RFA Questions

Questions regarding this RFA or the service requested should be in writing, directed to Clayton Gray at cgray@sangertexas.org The deadline for submission of questions is 12:00 PM on Friday, March 8, 2024. No questions or communications should be directed to any other City employees or any elected officials.

4. RFA Amendments

Modifications or additions may be made as a result of questions submitted. Written notification of any such change will be made in writing to all known bidders.

5. Selection Criteria

Evaluation of submissions will be made on the basis of the following objectives:

- Ability of applicant to perform and provide the required and requested services;
- References provided and quality of services.
- 3. Cost of services;
- Transition cost, retention and transition offers, and incentives;
- Interest rates on interest bearing accounts and deposits;

- Earnings credit rate on compensating balances;
- Previous service relationship with the City;
- Convenience of location(s);
- Completeness of application; and
- Financial strength and stability of the institution.

6. Council selection of bank

The selection is scheduled to be at the Monday, April 1, 2024, meeting of the Sanger City Council.

III. REQUIRED FINANCIAL INSTITUTION INFORMATION

All banks must provide, as part of the proposal:

- audited financial statements for the most recent fiscal year,
- a copy of the current call report, and
- a statement regarding any recent or foreseen merger or acquisition.

IV. REQUIRED BANKING SERVICES

This section lists all the services to be provided by the bank under this agreement. Attachment A lists each of these services. The bank should use Attachment A to provide the specific price for each service.

A. Consolidated Account Structure

The City's banking structure currently consists of seventeen (17) accounts. The Pooled Cash account is the main account for deposits, payroll, and accounts payable. The City currently uses remote capture for the majority of items deposited to the Pooled Cash account. The City uses ACH for both payment and receipt of items in the Pooled Cash account. The City uses wire transfers for payment of some obligations out of the Pooled Cash account. The City desires all accounts to be interest bearing.

Account	Account Type
Pooled Cash	Interest Bearing Checking - Public Funds
Sewer Capital Improvement	Money Market - Public Funds
Storm Recovery	Money Market - Public Funds
Employee Benefits	Money Market - Public Funds
Enterprise Fund	Money Market - Public Funds
ARP Funding	Money Market - Public Funds
GF Debt I&S	Money Market - Public Funds
EF Debt I&S	Money Market - Public Funds
Water Cap Imp	Money Market - Public Funds
EF Equipment Replacement	Money Market - Public Funds
GF Equipment Replacement	Money Market - Public Funds
GF Contingency	Money Market - Public Funds
Series 23 CO	Money Market - Public Funds
Series 23 CO Tax	Money Market - Public Funds
4B Board	Money Market - Public Funds
EF Contingency	Money Market - Public Funds
WW Capital Imp	Money Market - Public Funds

B. Wire Transfer Services

A standard wire transfer agreement will be executed with the bank. This proposal should include a copy of your standard transfer procedures and wire transfer agreement. The City requires adequate security provisions and procedures. Information should be submitted detailing the use of online wire transfer requests. The City requires:

- The ability to initiate and monitor wire transfers online
- The ability to create and store recurring/repetitive wire instructions/templates
- The ability to create and store future dated wire instructions
- Security measures for wire initiation and approval

A copy of a wire transfer agreement can be found in Attachment A. First United Bank does offer the ability to initiate wire transfers online and recommends dual controls be used by the City for security purposes. Wire templates may be used to store repetitive wire instructions.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

C. Automated Daily Balance Reporting

The City requires an automated PC-based reporting system for access to the closing ledger and available balances. Stipulate the time at which the access is available and describe the system to be used. Reporting should include balance and detail reporting. Samples of the reports are to be included in the proposal.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

Online Banking and reports are available 24 hours a day, 7 days a week. Reporting samples can be found in Attachment A.

D. Sweep Account Provisions

If the City chooses, the bank will be responsible for automatically sweeping the balances in all accounts daily to an investment option (money market fund, repo, etc.). Describe the sweep options and, if a money market fund is used, provide a prospectus. The accounts will be swept to the compensating balance.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

A sweep option is available between the City's Operating account and a Money Market, or an ICS account, depending on the City's preference. A current account structure chart, as well as the current rate options can be found in Attachment B.

E. Investment of Idle Funds and Safekeeping of City Securities

All certificates of deposit bought by the City will be bought on a competitive basis. The City has no obligation to invest its funds with or through the bank. If the bank is proposing overnight repurchase agreements, an executed Master Repurchase Agreement is required. In order to fulfill GASB III requirements for reporting, if a repurchase agreement is executed with the bank itself, the collateral must be held in the trust department of the bank in a separate account.

All securities will be handled on a delivery versus payment (DVP) basis as they are cleared into and out of the account. All clearing and safekeeping will be in the bank or its correspondent. All correspondent and safekeeping arrangement will be stipulated in the proposal.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

F. Standard Disbursing Services

Standard disbursing services for all accounts are required to include the payment of all checks upon presentation. Checks drawn on City accounts at your institution presented by City of Sanger employees will be cashed at no charge.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

G. Standard Deposit Services

The bank must guarantee immediate credit on all incoming wire transfers and U.S. Treasury checks upon receipt and all other checks based on the bank's published availability schedule. The Bank should specify in their proposal their deposit requirements and commercial and retail deposit locations, including night deposit services and procedures.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

First United Bank's Sanger branch is located at 1403 W Chapman Dr, Sanger, TX 76226. This location does offer night deposit services. The night deposit box is opened prior to branch opening under Dual Control, and deposited same day. If a discrepancy is ever found, the Bank will contact the City prior to making the deposit.

H. Online Banking Services

The institution shall offer internet access for the inquiry of account balances and activity for all bank accounts. This access should be available by using a password set by the City. In addition, the institution shall offer online transfer of City funds between accounts held within the institution. The transfers should be credited and debited to the related accounts on the same business day of the transfer, if the request is received by 4:00 p.m.

Provide a detailed description of online services and a list of all capabilities, including ability to provide the following basic services:

Reporting:
- Daily balance reporting summary
- Daily balancing reporting detail (with check detail and images)
- Daily ACH and wire with full addenda information

Execution of Transactions:
- Transfers between accounts
- Initiation of wire transfers
- Initiation of stop payment orders
- Initiation of ACH transactions; recurring/repetitive/future ACH debit (collection or credit (Direct deposit) transactions
- Maintenance of wire transfer templates

Initial Controls:
- Online cleared check information/images
- Multi-level security administration requirements
- Training of City's administrator for managing access

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

At First United Bank, our Treasury Management Services are designed to be customized to each individual client's needs. First United Bank has cultivated their online banking platform to include the most information possible with safety and security in mind. Our Corporate First online banking platform is for organizations with high transaction volumes and/or employees that require more robust online banking functionality. Corporate First can also handle multiple entities involved within your business structure for single platform use.

Corporate First includes advance user entitlement features to manage risk and exposure, along with numerous information reporting options for daily management of cash liquidity.

Corporate First requires an internal administrator who will be personally trained on creating other users and their customized rights and privileges. A copy of the user guide is provided.

Key features and functions include:

- *Multi-factor authentication.*
- *View account balances, account details, and specific transaction history.*
- *Transfer funds between multiple linked First United Bank accounts.*
- *Place a stop payment on a check online.*
- *Robust User Entitlement and Management functionality to closely monitor risk and exposure.*
- *Multiple Information Reporting options.*
- *Capability to setup various Online Banking Alerts.*
- *Send and receive Secure Messages via online.*
- *Pay bills online using Business Bill Pay service.*
- *Ability to execute certain banking functions using our mobile app.*

Add Additional services to your online banking:

- *Initiate domestic and international wires.*
- *Multi-Wire origination with the ease of saving as a template.*
- *Capability to upload multiple wires, along with setting reoccurring and future dated wire payments.*
- *Setup Business Mobile Remote Deposit service to make deposits using our mobile app.*
- *Send payments electronically using ACH Payments.*
- *Ability to import recipient from a batch directly into our Online Banking system for processing.*
- *Use Remote Deposit Capture to process business deposits electronically.*
- *Use ACH and Check Positive Pay services to monitor for any fraudulent activity.*

An online banking user guide is provided in Attachment C.

I. Reporting and Account Analysis

Monthly account analysis reports must be provided by the bank on a timely basis for each account and on a total account basis. A detailed analysis should include all charges against each account and a consolidated analysis. A sample account analysis format must be provided as part of the proposal. All checks cleared (both front and back) must be returned to the City in paper or online printable format. The City requires calendar month bank statements. (Beginning the 1st day of the month and ending the last day of the month). Samples of monthly statements should also be provided. The monthly statements are to be received within five business days of the last day of the month.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

A sample of the Account Analysis statement and bank statement can be provided in Attachment A.

J. Account Executive

An account executive must be assigned to the account to coordinate the account services and expedite the solution of any problem. A trained and competent backup for the account executive, familiar with the account, should be assigned in the proposal. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

The City's designated Relationship Team can be found in Attachment E.

K. Direct Deposit

The banking institution must be able to provide direct deposit through a computer interface with the City via the Internet. Include a schedule of funding for direct deposit so that payroll is available for City employees at 12:01 a.m. Friday. Also, include a sample direct deposit agreement with your proposal. Describe the requirements and deadlines for computer tap for ACH transactions. The proposal should indicate when funds will be available in participating banks.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

A sample direct deposit agreement can be found in Attachment A. Our ACH cutoff time is 4pm for deposit the following day. It is recommended that the City initiate their payroll file at least 2 days before payday.

L. Daylight Overdraft Provisions

Every effort will be made to eliminate daylight overdraft situations on the account. However, if this situation arises, the proposal should include any bank policies regarding daylight overdraft charges or handling procedures.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

The maximum number of days allowed when all District accounts, in aggregate, are overdrawn is 15 days. The maximum dollar amount for overdrafts in aggregate is $1,000.00. Otherwise, overdrafts in a single account will be allowed.

M. Stop Payments

The proposal must include a statement on the proposed stop payment process on an automated or manual basis.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

Stop payments for checks are entered online by your personnel are real time and immediate on our system. The stop payment will be in effect for fourteen days unless the form printed from the online banking screen is printed, signed, and mailed, faxed or delivered to the Bank within the fourteen-day timeframe. Then, the stop payment is extended for a total of six months. Stop payments called in also follow the timeframes noted above. Unless the stop payment is entered online a stop payment form will need to be executed in person to extend the stop payment for six months. Stop payments on ACH items require a bank personnel to initiate.

N. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all anticipated time and demand deposits above the FDIC-insured limit of $250,000. Securities used to pledge against time and demand deposits must be held in an independent third-party safekeeping institution outside the bank's holding company. The bank will execute a tri-party safekeeping agreement with the City and the Safekeeping bank for the safekeeping of these securities. Collateral will be maintained at a minimum of 102% and marked to market at least once a month. Control will be shared jointly between the bank and the entity. Substitution will be approved by the City and not unduly withheld. Substitutions of collateral will be requested in writing and new collateral will be received before the existing collateral is released. The proposal will name the safekeeping bank for collateral. The City requires monthly collateral reports. Please provide a sample collateral report with your proposal.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

A Sample Collateral report can be found in Attachment A.

O. Positive Pay

Positive pay is required to safeguard against fraudulent checks. The City would electronically transmit the issued check file to the bank. The bank would only honor those checks issued by the City pre-authorized through the positive pay system.

☒ YES, can provide as requested/required. ☐ NO, cannot provide as requested/required.

P. Additional Services

If new services become available and are provided during the period of this contract, they will be charged at the bank's then published rate.

V. OTHER SERVICES

The City is interested in obtaining service and cost information on additional services for possible use during the contract period. These services are not required but will be evaluated in terms of availability, feasibility, service levels, service providers and cost. The City will make its determination after receipt of proposals as to whether a service will be used. If the service is accepted later in the contract period the services and charges stipulated in the proposal will be applied.

Information on Purchasing Cards can be found in Attachment F.

VI. BANK COMPENSATION

Any net settlement on compensating balances will be made annually. Describe the compensating balance calculation and address fee when credits do not cover charged fees. If fees are chosen as the payment methodology, fees will be paid monthly after receipt of the account analysis.

Due to the existing favorable relationship between First United Bank and the City of Sanger, no charges will be incurred for existing services. If any new services are added, a comprehensive meeting will occur to asses any fees for these services.

VII. REQUIRED DISCLOSURES

As defined in Section 105.015 (c), each applicant shall comply with the conflict of interest provision of Section 131.903 of the Texas Local Government Code in regard to the selection of the depositories:

Sec. 131.903. CONFLICT OF INTEREST.

(a) A bank is not disqualified from serving as a depository for funds of a political subdivision if:

(1) an officer or employee of the political subdivision who does not have the duty to select the political subdivision's depository is an officer, director, or shareholder of the bank; or

(2) one or more officers or employees of the political subdivision who have the duty to select the political subdivision's depository are officers or directors of the bank or own or have a beneficial interest, individually or collectively, in 10 percent or less of the outstanding capital stock of the bank, if:

(A) a majority of the members of the board, commission, or other body of the political subdivision vote to select the bank as a depository; and

(B) the interested officer or employee does not vote or take part in the proceedings.

(b) This section may not be construed as changing or superseding a conflicting provision in the charter of a home-rule municipality.

In addition, the following disclosures apply:

Pursuant to Chapter 176 of the Texas Local Government Code, a person, or agent of a person, who contracts or seeks to contract for the sale or purchase of property, goods, or services with the City of Sanger, Texas must file a completed **conflict of interest questionnaire** which is available at http://www.ethics.state.tx.us. The conflict of interest questionnaire must be filed with the City of Sanger, Texas no later than the seventh business day after the later of the date that the person or agent begins contract discussions or negotiations with the Town or submits to the Town an application, response to a request for proposal or bid, correspondence, or writing related to a potential agreement. An updated conflict of interest questionnaire must be filed in accordance with Chapter 176 of the Texas Local Government Code. An offense under Chapter 176 is a Class C misdemeanor.

Certificate of interested parties: Section 2252.908 of the Texas Government Code applies to all contracts entered into on or after January 1, 2016. The law states that a governmental entity may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity at the time the business entity submits the signed contract to the governmental entity. The law applies, with a few exceptions, to all contracts/purchases of a governmental entity that require action or vote by the governing body of the entity. The electronic filing application process can be started on the Texas Ethics Commission website at www.ethics.state.tx.us. The City acknowledges that publicly traded business entities are exempt from this requirement.

In compliance with Chapter 2252 Subchapter F, of the Texas Government Code, prohibiting government contracts with a company doing business with Iran, Sudan or a foreign terrorist organization, the City of Sanger, Texas will not enter into a contract with a company reported on the LISTED COMPANIES per Section 2252.153.

VII. REQUIRED CERTIFICATIONS

A. Certification Regarding Boycotting of Israel

Texas Government Code, Title 10, Subtitle F, Chapter 2271.002 - Provision Required in Contract.

1. This section applies only to a contract that:
    a. Is between a governmental entity and a company with 10 or more full-time employees; and
    b. Has a value of $100,000 or more that is to be paid wholly or partly from public funds of the government entity.
2. A governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:
    a. Does not boycott Israel; and
    b. Will not boycott Israel during the term of the contract.

☒ AGREE.	☐ DO NOT AGREE

B. Certification Regarding Boycotting of Certain Energy Companies

Texas Government Code, Title 10, Subtitle F, Chapter 2274.002 - Provision Required in Contract.

1. This section applies only to a contract that:
    a. Is between a governmental entity and a company with 10 or more full-time employees; and
    b. Has a value of $100,000 or more that is to be paid wholly or partly from public funds of the government entity.
2. Except as provided in Subsection 3, a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:
    a. Does not boycott energy companies; and
    b. Will not boycott energy companies during the term of the contract.
3. Subsection 2 does not apply to a governmental entity that determines the requirement of Subsection 2 are inconsistent with the governmental entity's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds.

☒ AGREE.	☐ DO NOT AGREE

C. Certification Regarding Boycotting of Firearms Entity or Firearms Trade Association

Texas Government Code, Title 10, Subtitle F, Chapter 2274.002 - Provision Required in Contract.

1. This section applies only to a contract that:
    a. Is between a governmental entity and a company with at least 10 full-time employees; and
    b. Has a value of at least $100,000 that is paid wholly or partly from public funds of the government entity.
2. Except as provided by Subsection 3 and Section 2274.003, a governmental entity may not enter into a contract with a company for the purchase of goods or services unless the contract contains a written verification from the company that it:
    a. Does not have a practice, policy, guidance, or directive that discriminates against a firearm entity of firearm trade association; and
    b. Will not discriminate during the term of the contract against a firearm entity or firearm trade association.
3. Subsection 2 does not apply to a governmental entity that:
    a. Contracts with a sole-source provider; or

b. Does not receive any bids from a company that is able to provide the written verification required by that subsection.

☒ AGREE.	☐ DO NOT AGREE

ATTACHMENT A - BANKING SERVICES & CHARGES

Any and all anticipated service charges must be shown on this form to be applicable under the agreement.
Add additional charges in the lines provided below.

Service Unit	Unit Charge	Cost of Service
Account Maintenance	Per month	0
Daily Balance Reporting	Per month	0
Credits Posted	Per transaction	0
Items Deposited		
Deposits	Per transaction	0
Debits Posted	Per transaction	0
Encoding charge	Per transaction	0
ACH Processing	Per transaction	0
Origination of file	Per tape	0
ACH deletions	Per transaction	0
ACH entries	Per transaction	0
ACH returns	Per transaction	0
ACH maintenance	Per month	0
Chargeback items	Per transaction	0
Stop payments	Per transaction	0
Wire Transfers		
Incoming	Per transaction	0
Outgoing	Per transaction	0
Investment Safekeeping		
Safekeeping interest/credit	Per transaction	N/A
Safekeeping receipt deposit	Per transaction	N/A
Safekeeping outgoing	Per transaction	N/A
Extra Statements	Per transaction	0
Disposable Bank Bags	Per Item	0
Online Banking		
Online account access	Per transaction	0
Transfers	Per Item	0
Payroll Cards	Per Item/Transaction	0
Positive Pay	Per transaction	0

ATTACHMENT B – CITY ACCOUNT ACTIVITIES

The City's current accounts and activity are as follows:

CITY OF SANGER, TEXAS
BANK TRANSACTIONS
BASED ON DECEMBER 2023 TRANSACTIONS

Account	Beginning Balance	Credits		Debits		Ending Balance
		Number	Amount	Number	Amount	
Pooled Cash	$ 30,705,336	217	$ 6,178,451	245	$ 2,622,653	$ 34,261,134
Sewer Capital Improvement	$ 3,010,911	3	$ 37,440	0	0	$ 3,048,351
Storm Recovery	$ 1,259,512	1	$ 1,818	0	$ -	$ 1,261,330
Employee Benefits	$ 66,900	3	$ 72,596	2	$ 71,546	$ 67,950
Enterprise Fund	$ 8,896,495	1	$ 2,205	1	$ 415,562	$ 8,483,138
ARP Funding	$ 2,175,951	1	$ 555	0	$ -	$ 2,176,506
GF Debt I&S	$ 61,838	1	$ 89	0	$ -	$ 61,927
EF Debt I&S	$ 339,207	1	$ 490	0	$ -	$ 339,697
Water Cap Imp	$ 2,409,008	3	$ 37,572	0	$ -	$ 2,446,580
EF Equipment Replacement	$ 147,707	3	$ 928	0	$ -	$ 148,635
GF Equipment Replacement	$ 191,961	3	$ 1,128	0	$ -	$ 193,089
GF Contingency	$ 644,223	1	$ 930	0	$ -	$ 645,153
Series 23 CO	$ 1,724,382	1	$ 6,107	0	$ -	$ 1,730,489
Series 23 CO Tax	$ 119,784	1	$ 409	0	$ -	$ 120,193
4B Board	$ 205,146	1	$ 296	0	$ -	$ 205,442
EF Contingency	$ 642,631	1	$ 928	0	$ -	$ 643,559
WW Capital Imp	$ 1,658,603	1	$ 2,395	0	$ -	$ 1,660,998

ATTACHMENT C – CITY ACCOUNT AVERAGE MONTHLY BALANCE

Month	Pooled Cash	Sewer Capital Imp	Storm Recovery	Employee Benefits	Enterprise Fund	ARP Funding
January-23	$ 30,285,196	$ 2,695,355	$ 1,240,084	$ 60,524	$ 12,496,062	$ 2,169,987
February-23	$ 34,249,677	$ 2,718,590	$ 1,241,874	$ 56,191	$ 12,499,246	$ 2,170,540
March-23	$ 35,097,770	$ 2,727,921	$ 1,243,494	$ 53,686	$ 12,502,122	$ 2,171,039
April-23	$ 32,982,589	$ 2,766,681	$ 1,245,289	$ 51,698	$ 12,505,308	$ 2,171,593
May-23	$ 30,982,406	$ 2,803,723	$ 1,247,029	$ 109,775	$ 11,883,015	$ 2,172,128
June-23	$ 32,105,015	$ 2,861,239	$ 1,248,830	$ 133,505	$ 10,529,018	$ 2,172,682
July-23	$ 32,376,927	$ 2,905,180	$ 1,250,575	$ 74,847	$ 9,955,513	$ 2,173,217
August-23	$ 41,274,015	$ 2,937,798	$ 1,252,980	$ 46,437	$ 9,747,788	$ 2,173,771
September-23	$ 32,019,154	$ 2,987,814	$ 1,254,189	$ 72,292	$ 9,029,377	$ 2,174,325
October-23	$ 31,604,241	$ 3,002,375	$ 1,255,941	$ 112,688	$ 9,031,603	$ 2,174,861
November-23	$ 30,992,204	$ 3,006,710	$ 1,257,754	$ 33,547	$ 8,964,095	$ 2,175,415
December-23	$ 31,952,560	$ 3,040,471	$ 1,259,512	$ 101,651	$ 8,655,201	$ 2,175,951
Average	$ 32,993,480	$ 2,871,155	$ 1,249,796	$ 75,570	$ 10,649,862	$ 2,172,959

Month	GF Debt I&S	EF Debt I&S	Water Cap Imp	EF Equipment Repl	GF Equipment Repl	GF Contingency
January-23	$ 60,884	$ 333,975	$ 2,134,212	$ 142,045	$ 184,973	$ 634,286
February-23	$ 60,972	$ 334,457	$ 2,151,006	$ 142,688	$ 185,761	$ 635,202
March-23	$ 61,051	$ 334,893	$ 2,158,150	$ 142,989	$ 186,140	$ 636,030
April-23	$ 61,139	$ 335,377	$ 2,187,382	$ 143,514	$ 186,788	$ 636,949
May-23	$ 61,225	$ 335,846	$ 2,213,964	$ 144,087	$ 187,492	$ 637,839
June-23	$ 61,313	$ 336,330	$ 2,257,168	$ 144,820	$ 188,388	$ 638,760
July-23	$ 61,390	$ 336,800	$ 2,304,690	$ 145,407	$ 189,109	$ 639,652
August-23	$ 61,488	$ 337,287	$ 2,349,934	$ 145,985	$ 189,821	$ 640,576
September-23	$ 61,576	$ 337,774	$ 2,391,374	$ 146,645	$ 190,630	$ 641,501
October-23	$ 61,662	$ 338,246	$ 2,402,178	$ 147,169	$ 191,276	$ 642,397
November-23	$ 61,751	$ 338,734	$ 2,405,646	$ 147,500	$ 191,693	$ 643,324
December-23	$ 61,838	$ 339,207	$ 2,439,367	$ 148,340	$ 192,715	$ 644,223
Average	$ 61,357	$ 336,577	$ 2,282,923	$ 145,099	$ 188,732	$ 639,228

Month	Series 23 CO	Series 23 CO Tax	4B Board	EF Contingency	WW Capital Imp
January-23	$ -	$ -	$ 201,981	$ 632,718	$ 1,633,019
February-23	$ -	$ -	$ 202,273	$ 633,632	$ 1,635,377
March-23	$ -	$ -	$ 202,537	$ 634,458	$ 1,637,510
April-23	$ -	$ -	$ 202,829	$ 635,374	$ 1,639,874
May-23	$ -	$ -	$ 203,113	$ 636,262	$ 1,642,165
June-23	$ -	$ -	$ 205,406	$ 637,181	$ 1,664,536
July-23	$ -	$ -	$ 203,690	$ 638,071	$ 1,648,834
August-23	$ -	$ -	$ 203,984	$ 638,992	$ 1,649,212
September-23	$ 1,706,578	$ 118,592	$ 204,279	$ 639,915	$ 1,651,593
October-23	$ 1,712,428	$ 118,984	$ 204,564	$ 640,809	$ 1,653,901
November-23	$ 1,718,492	$ 119,390	$ 204,859	$ 641,734	$ 1,656,289
December-23	$ 1,724,382	$ 119,784	$ 205,146	$ 642,631	$ 1,658,603
Average	$ 1,715,470	$ 119,188	$ 203,722	$ 637,648	$ 1,647,576

INVESTMENT POLICY

**The Sanger City Council approved the City's Investment Policy on August 21, 2023*

POLICY STATEMENT

It is the objective of the City of Sanger, Texas ("City") that the administration of its funds and the investment of those funds shall be handled in the highest public trust. Investments shall be made in a manner which will provide the maximum security of principle invested through limitations and diversification while meeting the daily cash flow needs of the city and conforming to all applicable federal, state, and local statutes, rules and regulations governing the investment of public funds. The receipt of a market rate return will be secondary to the requirements for safety and liquidity. The earning from investments shall be used in a manner that best serves the public trust and interest of the City. This policy serves to satisfy the statutory requirements of defining and adopting a formal investment policy and shall be reviewed annually for modifications. It is the intent of the City to be in compliance with local law and the provisions of Public Funds Investment Act of the Texas Government Code Chapter 2256.

SCOPE

This Investment Policy applies to the investment activities, all financial assets and funds held by the City of Sanger, Texas. Funds covered and managed by this Investment Policy include:

A. General Fund – Used to account for resources traditionally associated with government, which are not required to be accounted for in another fund.

B. Debt Service Fund – Used to account for resources to be used for the payment of principle, interest and related costs on debt.

C. Enterprise Fund – Used to account for operations that are financed and operated in a manner similar to private business enterprises.

D. Capital Improvement Fund – Used to account for resources to enable the acquisition or construction of major capital facilities which are not financed by enterprise funds, internal service funds, or trust funds.

E. Special Revenue Funds – Used to account for proceeds from specific revenue sources which are restricted to expenditures for specific purposes.

1. 4A Fund
2. 4B Fund
3. Employee Benefits Fund

INVESTMENT OBJECTIVES AND STRATEGY

It is the policy of the City that all funds shall be invested in conformance with state and federal regulations, applicable bond ordinance requirements, and adopted Investment Policy. In accordance with the Public Funds Investment Act, the following prioritized primary objectives, in accordance with the Texas Government Code Section 2256.005(d) apply to the City's investment strategy. Listed in order of their priority, these objectives encompass:

A. Suitability – Understanding the suitability of the investment to the financial requirement of the City is important. Any investment eligible in the Investment Policy is suitable for all City funds.

B. Safety – Preservation and safety of principal are the primary objectives of the Investment Policy. Investments of the City shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition.

The suitability of each investment decision will be made on the basis of these objectives. The City prefers to invest in money market accounts, certificates of deposits, and United States government backed agency discount notes.

C. Liquidity – The City's investment portfolio will remain sufficiently liquid to meet operating requirements that might be reasonably anticipated. The City's investment portfolio will remain sufficiently liquid and enable it to meet all operating requirements which might be reasonably anticipated.

D. Diversification – Investment maturities shall be staggered throughout the budget cycle to provide cash flow based on the anticipated needs of the City. Diversifying the appropriate maturity structure will reduce market cycle risk. Diversification of the portfolio will include diversification by maturity and market sector and will include the use of a number of brokers/dealers for diversification and market coverage. Competitive bidding will be used on each sale and purchase.

E. Yield – Attaining a competitive market yield, commensurate with the City's investment risk constraints and cash flow characteristic of the portfolio, is the desired objective. The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's risk constraints and the cash flow of the portfolio. "Market rate of return" may be defined as the average yield of the current three-month U.S. Treasury Bill or such other index that most closely matches the average maturity of the portfolio. The City's objective shall be a reasonably safe yield rate in accordance with payment schedules and other investment goals.

Effective cash management is recognized as essential to good fiscal management. Cash management is defined as the process of managing monies in order to ensure maximum cash availability. The City shall maintain a comprehensive cash management program which includes collection of accounts receivable, prudent investment of its available cash, disbursement of payments in accordance with invoice terms and the management of banking services. The City staff will follow the "Prudent Person" statement relating to the standard of care that must be exercised when investing public funds as expressed in the Texas Government Code Section 2256.006(a-b). The Investment Officers shall avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in diversifying the portfolio, occasional measured unrealized losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented. The prudence of the investment decision shall be measured in accordance with the tests set forth in the Texas Government Code Section 2256.006(b).

It shall be the policy of the City not to invest in speculative instruments such as derivatives.

LEGAL LIMITATIONS, RESPONSIBILITIES AND AUTHORITY

Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act of the Texas Government Code Section 2256. The Interlocal Cooperation Contracts, Section 791, of the Texas Government Code authorizes local governments to participate in public funds investments in conjunction with other local governments and agencies of the state of Texas. Section 791 along with Section 2256 of the Texas Government Code provides authorization for participation in investment pools to invest public funds jointly with objectives of preservation and safety of principal, liquidity, and yield.

DELEGATION OF INVESTMENT AUTHORITY

The City Manager and the Finance Director acting on behalf of the City Council are designated as the Investment Officers of the City and are responsible for investment management decisions and activities. The Council is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. All participants in the investment process shall seek to act responsibly as custodians of the public trust.

The Investment Officers shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with the investment policy. Procedures will include reference to safekeeping, wire transfers, certificates of deposit, and fund accounts. Additional procedures will be documented for the performance of wire transfer agreements; banking services contracts, and other investment related activities.

The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and staff. The Investment Officers shall designate a staff person as a liaison/deputy in the event circumstances require timely action and the Investment Officers are not available.

No officer or designee may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officers and approved by the City Council.

PRUDENCE – STANDARD OF CARE

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The Texas Government Code Section 2256.006(a) states Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

<u>Limitation of Personal Liability</u>

The Investment Officers and those delegated investment authority under this policy, when acting in accordance with the written procedures and this policy and in accordance with the written procedures and this policy and in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

INTERNAL CONTROLS

The Investment Officers shall establish a system of written internal controls which will be reviewed annually with the independent auditor of the City. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees or Investment Officers of the City.

Cash Flow Forecasting

Cash flow forecasting is designated to protect and sustain cash flow requirements of the City. Supplemental to the financial and budgetary systems, the Investment Officers will maintain a cash flow forecasting process designed to monitor and forecast cash positions for investment purposes. Cash flow will include the historical researching and monitoring of specific cash flow items, payables, and receivables as well as overall cash position and patters.

AUTHORIZED INVESTMENTS

Acceptable investments under this policy shall be limited to the instruments listed below. The investments shall be selected in a manner which promotes diversity of the market sector and maturity. The selection of high-grade government investments and high-grade money market instruments is designed to assure the marketability of those investments should the need for liquidity arise.

A. Obligations of the United States Government, its agencies and instrumentalities, and government sponsoring enterprises, not to exceed two years to stated maturity;
B. Fully insured or collateralized certificates of deposit from a bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed three years to the stated maturity;
C. Money market funds authorized by the Public Funds Investment Act of the Texas Government Code Chapter 2256.
D. Texas Local Government Investment Pools authorized by the Public Funds Investment Act of the Texas Government Code Chapter 2256.

Additional types of securities approved for investment of public funds by Texas state statutes are not eligible for investment by the City until this Investment Policy has been amended and the amended version approved by the City Council authorizing investment of these additional types of securities.

Competitive Bidding Requirements

All securities, excluding certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the City is receiving fair market value/price for the investment.

Delivery versus Payment

All security transactions, including collateral for repurchase agreements, entered into by the City, shall be conducted on a delivery versus payment (DVP) basis.

SAFEKEEPING AND COLLATERALIZATION

The laws of the State and prudent treasury management require that all purchased securities be bought on a delivery versus payment basis and be held in safekeeping by either the City, an independent third-party financial institution, or the City's designated depository.

All safekeeping arrangements shall be designed by the Investment Officers and an agreement of the terms executed in writing. The third-party custodian shall be required to issue safekeeping receipts to the City listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is held for the City or pledged to the City.

All securities pledged to the City for certificates of deposit or demand deposits shall be held by an independent third-party bank domiciled in Texas. The safekeeping bank may be written within the same holding company as the bank, from which the securities are pledged.

Collateralization

Collateralization shall be required on all public funds of the City over the FDIC insurance coverage limit, and in order to anticipate market changes and provide a level of additional security for all funds, the collateralized level required will be 102% of the market value of the principal accrued interest.

PERFORMANCE EVALUATION AND REPORTING

The Investment Officers shall submit quarterly and annual reports to the City Council containing a written report of investment transactions and investment positions as of the date of report. The report will be prepared jointly by all involved in the investment activity and be signed by the Investment Officer(s).

DEPOSITORIES

The City will designate one banking institution through a competitive process as its central banking service provider. This institution will be used for normal banking services including disbursements, deposits, and lockbox. As a matter of ensuring liquidity and security should the funds deposited with the designated bank be temporarily unavailable, the City will maintain an emergency reserve in another qualified bank.

INVESTMENT POLICY ADOPTION BY CITY COUNCIL

The City's Investment Policy shall be formally approved and adopted by resolution of the City Council and reviewed annually in accordance with the provisions of the Public Funds Investment Act of the Texas Government Code Chapter 2256.

AMENDMENT

In the event Texas state law changes and the City cannot invest in the investments described by this policy, this policy shall automatically be conforming to existing law.

ATTACHMENT E – CONFLICT OF INTEREST QUESTIONNAIRE (MUST BE COMPLETED)

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

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.**

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 provided by Texas Ethics Commission www.ethics.state.tx.us Revised 11/30/2015

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

***

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

Form provided by Texas Ethics Commission | www.ethics.state.tx.us | Revised 11/30/2015

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WIRE TRANSFER AGREEMENT

The following information supersedes all other Wire Transfer Agreements (“AGREEMENT”) previously executed by the customer listed below (“CUSTOMER”). The undersigned hereby certifies that each of the persons listed on the attached Exhibit A - Authorized Representatives For Wire Transfers (“REPRESENTATIVES”) are authorized to make or confirm telephone, fax, eMail, or other wire transfer requests from the account(s) listed below; subject to the respective conditions, if any, indicated for the REPRESENTATIVE. If no conditions are specified for a REPRESENTATIVE, then the REPRESENTATIVE’s authority is unlimited.

This AGREEMENT establishes the procedures to be used by First United Bank and Trust Company (“BANK”) and CUSTOMER when executing wire transfers. The undersigned also certifies that CUSTOMER agrees to be bound by the additional Terms and Conditions as well as Security Procedures (if applicable) attached to and made part of this AGREEMENT.

Customer/Company Name: ____

Customer/Company Address:_______________ _______________ _______________

CIF/Account Number(s): ____
____

Primary Call Back Phone Number: ______

The AGREEMENT between the BANK and the CUSTOMER governs origination of wire transfer requests on behalf of the CUSTOMER. The CUSTOMER agrees to be bound by the rules and regulations of the BANK and other regulatory agencies now in effect or hereafter established.

By signing this AGREEMENT, the CUSTOMER agrees that the BANK shall be held harmless either primarily or secondarily if delivery of funds is delayed or are not made due to conditions outlined in the terms and conditions, a copy of which the CUSTOMER acknowledges receipt.

Wire transfer requests must be filled out and submitted to the BANK via in-person, telephone, fax, or eMail, in compliance with such procedures. CUSTOMER accepts all responsibility that the information provided in the wire transfer request is accurate and complete as of the date it is submitted to the BANK.

This AGREEMENT must be executed on behalf of the CUSTOMER by an individual who has been authorized to do so in connection with the opening or maintenance of CUSTOMER’s account(s) with the BANK.

WIRE TRANSFER TERMS AND CONDITIONS

- The CUSTOMER agrees that all information contained in this document is complete and correct.
- Wire instructions received from a REPRESENTATIVE are deemed to be from the CUSTOMER.
- The BANK will assume no liability if incorrect information or instructions are received from the CUSTOMER or its REPRESENTATIVES.
- Sufficient available funds must be on deposit in the CUSTOMER's account on the date of the request. No transfer will be made until such funds are available.
- The BANK will act upon all domestic transfer requests received before 3:00 p.m. (CT) and all international transfer requests received before 1 p.m. (CT) Monday through Friday, except for any holiday for the BANK and/or the communications facility selected by the BANK. Any outgoing wire requests received by the BANK after the respective deadline will be processed the following banking day. The BANK reserves the right to utilize such means of transmission as the BANK reasonably selects.
- The CUSTOMER agrees to pay the applicable fees for this service, which shall be set and amended by the BANK from time to time according to its published Fee Schedule.
- Where a payment order provides for payment outside the U.S. in a currency other than U.S. dollars, the amount thereof will be the U.S. dollar equivalent of the wire request at the then prevailing exchange rate. CUSTOMER will assume all foreign transfer and exchange risks, including (but not limited to) fluctuations in value, local currency restrictions, and temporary or permanent inability to perform exchanges, and will comply with all local laws governing the transaction.
- Once the CUSTOMER submits the wire transfer request, the BANK will review/verify the request, and may call the CUSTOMER back at the telephone number listed on the AGREEMENT for verification. If CUSTOMER does not provide the BANK with a current contact telephone number, CUSTOMER's request may not be honored. When the BANK contacts the CUSTOMER, the CUSTOMER may be required to verify some or all of the following information:
    - Amount and Date of last deposit
    - Amount and Date of last withdrawal
    - Business/Individual Tax Identification Number
- The BANK shall be liable to the CUSTOMER only for the BANK's performance or nonperformance for the wire transfer services provided. The BANK shall not be responsible for any loss arising from, or in connection with, any inaccuracy, act or failure to act on the part of any person not within the BANK's reasonable control.
- The CUSTOMER agrees to release the BANK from responsibility or liability for any inaccuracy, interruption, delay or failure in transmission or from other circumstances associated with the following: wire service availability, weather, power failure, communication line failure or errors or the lack of responsiveness of any other organization.
- In the event the communications facility and/or the receiving bank rejects an outgoing wire transfer request, the BANK shall provide notice of such rejection to the Customer by contacting a REPRESENTATIVE by telephone, eMail, or fax. In the event the BANK is unable to so notify the CUSTOMER, the BANK shall attempt to notify the CUSTOMER within a reasonable time via the most practical methods available at such time.
- Provided the BANK has complied with these terms and conditions, the CUSTOMER agrees to indemnify and hold the BANK harmless against any claim of a third party arising from or in connection with these terms and conditions or the services provided. In no event shall the BANK be liable to the CUSTOMER for any consequential, special or indirect losses or damages, whether or not the likelihood of such losses or damages were known by the bank.

- The CUSTOMER (or REPRESENTATIVE) will supply the following information when requesting a wire transfer:
    - Dollar amount of the wire transfer
    - Name, Address and account number of Payee
    - Currency in which the wire transfer is required
    - Name and Address of Payee’s Bank
    - Routing number (ABA) of Payee’s Bank
    - Intermediary Bank Information (if applicable)
    - Any “Special Instructions”
- CUSTOMER acknowledges that the BANK is not permitted to transfer funds in violation of federal law or regulations. The BANK will use its filter to test each Originator, Beneficiary, and beneficiary bank(s) of a requested wire transfer against the list of prohibited names maintained by the Office of Foreign Assets Control “OFAC”. The CUSTOMER further acknowledges that if a request is made which will cause the BANK to be in violation of any rule, regulation, or order of OFAC or subject the BANK to any sanction imposed by OFAC, the BANK will refuse to honor the request. All penalties imposed by OFAC to the BANK for any violation will be passed on to the CUSTOMER. CUSTOMER also agrees that it will indemnify, defend, and hold harmless against any loss or cost arising from such OFAC violation.
- Either the CUSTOMER or the BANK may terminate this AGREEMENT upon written notice at any time.
- This AGREEMENT including all attachments consists of and includes the entire understanding by and between the BANK and the CUSTOMER concerning the provision of the service set forth above. No representations or warranties of any nature have been made by the BANK other than those expressly provided for herein.
- This AGREEMENT applies only to outgoing wire transfers.

The Parties hereto have duly executed this AGREEMENT on the ________ day of ________________ 20______

CUSTOMER Printed Name: ____

CUSTOMER Signature: ____

Alternate Call Back Phone Number(s): ______________________________________

Fax Number: ____

eMail Address: ____

AUTHORIZED REPRESENTATIVES FOR WIRE TRANSFERS

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

NAME:	TITLE:	SIGNATURE:	CALL BACK PHONE NUMBER:	EMAIL ADDRESS:
AMOUNT LIMIT BY PHONE, FAX, EMAIL:				

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Balance and Activity Statement - Previous Day(s)

Report Type: Previous Day Balance Report - Summary and Detail	
Report Date: 2020-02-05 to 2020-02-11	
Customer: Sample	
Created By: End User	
Currency: USD	
Account(s): *******,	

SUMMARY

Account Number	Account Name	Opening Ledger	Credit Count	Credit Amount	Debit Count	Debit Amount	Closing Ledger
*******	United Commercial	$5.00	3	$2.66	3	$2.66	$5.00
Report Totals		**$5.00**	**3**	**$2.66**	**3**	**$2.66**	**$5.00**

DETAIL

Account Number: *******					Account Name: United Commercial	
Date	**BAI Type**	**CR Amount**	**DB Amount**	**Serial Number**	**Ref Num**	**Description**
02/06/2020	Credit (Any Type)	$0.01			239073689	Online Transfer Credit Transfer from **** to **** Funds Transfer via Online Conf #:
02/06/2020	Debit (Any Type)		$0.01		239073690	Transfer to DDA Transfer to DDA
02/10/2020	Credit (Any Type)	$2.50			239611362	Transfer from DDA Transfer from DDA
02/10/2020	Debit (Any Type)		$0.01		239611363	Online Transfer Debit Transfer from **** to **** Funds Transfer via Online Conf #:
02/11/2020	Credit (Any Type)	$0.15			239869428	Online Transfer Credit Transfer from **** to **** Funds Transfer via Online Conf #:
02/11/2020	Debit (Any Type)		$2.64		239869429	Transfer to DDA Transfer to DDA
Account Total		*$2.66*	*$2.66*			

Cash Position - Previous Day(s)

Report Type: Previous Day Cash Position Report

Report Date: 2020-02-11 to 2020-02-11

Customer: Sample

Created By: End User

ABA Routing Number: 103100881

Currency: USD

Account(s): *******,

OPENING BALANCES AND ACTIVITY

Account Number	Account Name	Opening Ledger	Opening Available	Credit Count	Credit Amount	Debit Count	Debit Amount
*******	United Commercial	$7.49	$7.49	1	$0.15	1	$2.64
Report Totals		**$7.49**	**$7.49**	**1**	**$0.15**	**1**	**$2.64**

CLOSING CASH POSITION

Account Number	Account Name	Closing Ledger	1-Day Float	2+ Day Float	Closing Available
*******	United Commercial	$5.00	$0.00	$0.00	$5.00
Report Totals		**$5.00**	**$0.00**	**$0.00**	**$5.00**

Checks Paid Report - Previous Day(s)

Report Type: Transaction Report - Checks Paid	
Report Date: 02/11/2020 - 02/11/2020	
Customer: Sample	
Created By: End User	
Created Date/Time: 2020-02-12 12:36:09	
ABA Routing Number(s): 103100881	
Currency: USD	
Account(s): *******	

Report Detail

Account Number: *******			Account Name: United Commercial			
Date	BAI Type	CR Amount	DB Amount	Serial Num	Ref Num	Description
Account Subtotal		$0.00	$0.00			
REPORT TOTALS		$0.00	$0.00			

TRI-PARTY COLLATERAL SAFEKEEPING AGREEMENT
(Texas Public Entities – Securities Only)

This Tri-Party Collateral Safekeeping Agreement is made and entered into this day _ _______________by and between _______________hereinafter referred to as "DEPOSITOR", Bank of Oklahoma hereinafter referred to as "CUSTODIAN" and First United Bank and Trust Company hereinafter referred to as "BANK" organized under the laws of the State of Oklahoma and authorized by law to do business in the State of Texas.

DEPOSITOR, through action of its governing body, has designated BANK as a depository for certain of its funds in time or demand accounts and BANK has agreed to act as the depository of those funds. All funds on deposit with BANK to credit of the DEPOSITOR are required to be secured by collateral as provided in Texas Government Code Sections 2256.001-2257.083 and subsequent amendments.

I. Grant of Security Interest

In accordance with the terms of this Agreement, BANK hereby pledges to DEPOSITOR and grants to DEPOSITOR a security interest in securities owned by BANK and held by CUSTODIAN for benefit of DEPOSITOR hereinafter referred to as "Collateral" upon which the DEPOSITOR shall have first and prior lien.

II. Designation of Custodian

BANK, DEPOSITOR, and CUSTODIAN, by execution of this Agreement, hereby designate Bank of Oklahoma, a safekeeping agent outside the holding company of the BANK, to hold in trust, according to the terms and conditions of this Agreement, all Collateral and substitute collateral which may be required under this Agreement.

III. Designation of Authorized Representatives

During the term of this Agreement, the DEPOSITOR will through appropriate action of its Governing Board, designate the officer or officers, who singly or jointly will be authorized to represent and act on behalf of the DEPOSITOR in any and all matters of every kind arising under this Agreement.

The DEPOSITOR'S governing body shall have, and does hereby retain the right to utilize other depositories. Deposits of the DEPOSITOR 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 such action.

IV. Designation of Authorized Collateral

Collateral shall consist only of Eligible Securities. Eligible Securities shall include:

- Obligations of the U.S. Government, its agencies and instrumentalities, including mortgage backed securities which pass the bank test, and

- Obligations of any U.S. state, agencies, counties, cities, or other political subdivisions of any state rated at least AA as to investment quality by at least two nationally recognized rating agencies.

The aggregate market value of Collateral held by CUSTODIAN at all times during this Agreement must be in an amount not less than one hundred two percent (102%) of the DEPOSITOR'S time and demand deposits with BANK, including the amount of accrued but un-credited interest on such funds, reduced by that portion of the funds insured by the FDIC. Such amount is hereinafter referred to as the "Required Collateral Value".

V. Substitutions and Withdrawals of Collateral

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 DEPOSITOR. DEPOSITOR 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 Eligible Securities within that business day to bring the total aggregate market value equal to the Required Collateral Value and shall notify DEPOSITOR in writing within that same period of the additional Collateral.

BANK may substitute Eligible Securities for any of the Eligible Securities held by CUSTODIAN at any time by providing CUSTODIAN with a withdrawal notice signed by an authorized representative of both the BANK and DEPOSITOR provided that the market value of the Collateral following such substitution would equal or exceed the Required Collateral Value. All substitutions require DEPOSITOR'S written consent (see Exhibit A, Authorized Representatives) and new Collateral shall be received by the CUSTODIAN before existing Collateral is released. To the extent that consent is required the DEPOSITOR agrees that it shall not unreasonably withhold its consent so long as the substitution would equal or exceed the Required Collateral Value.

VI. BANK'S Obligations

BANK shall monitor and maintain the required market value of Eligible Securities to maintain the Required Collateral Value at all times. The final determination of such value shall be at the discretion of the DEPOSITOR, whose decision shall be final and binding.

BANK shall perform all the duties and obligations required of a depository under applicable law. At the expiration of the term of this Agreement, BANK shall turn over to any successor depository designated by DEPOSITOR all funds held by BANK as depository.

BANK shall promptly provide DEPOSITOR with original safekeeping receipts for each Eligible Security held by the CUSTODIAN.

BANK shall furnish DEPOSITOR a monthly statement of Collateral to include a full description of the Collateral. The statement will specify the description, cusip, par value, market value, and maturity date of each Eligible Security held by CUSTODIAN for DEPOSITOR. BANK is authorized to utilize one or more nationally recognized pricing information services to provide market value or utilize a service that utilizes same.

Upon request, BANK shall annually make available to DEPOSITOR a copy of BANK'S most recent publicly available annual financial report.

BANK represents that the BANK is the sole legal owner of the Eligible Securities and that no other security interest has been or will be granted in the Eligible Securities while it is being held as Collateral for the DEPOSITOR.

VII. CUSTODIAN'S Obligations

CUSTODIAN shall promptly provide BANK with original safekeeping receipts for each Eligible Security held for the DEPOSITOR. Each such receipt shall be clearly marked to indicate that these Eligible Securities are pledged by the BANK to the DEPOSITOR. CUSTODIAN shall monthly provide a list of the Collateral held for the DEPOSITOR, including the description of each security.

CUSTODIAN shall permit DEPOSITOR or its designee to examine Eligible Securities in the presence of the appropriate officials of said BANK at any time during normal business hours.

VIII. Default and Remedies

Should BANK fail at any time to pay and satisfy, when due, any check, transfer, draft or voucher lawfully drawn against DEPOSITOR deposits, or in any manner breach any agreement with DEPOSITOR, DEPOSITOR 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 receiver is appointed for BANK (each an "Event of Default") it shall be the duty of CUSTODIAN, upon demand by DEPOSITOR (supported by proper evidence of the Event of Default) to surrender the Collateral to DEPOSITOR.

DEPOSITOR may sell all or any part of such Collateral and out of the proceeds thereof, pay DEPOSITOR all damages and losses sustained together with any expenses incurred by it of any kind on account of such failure. Collateral may be sold by DEPOSITOR at public or private sale provided however that BANK and CUSTODIAN 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.

IX. Termination of Agreement

This Agreement, and the terms and conditions hereof shall extend to the entire period during which the BANK shall act as depository for DEPOSITOR. Either BANK or DEPOSITOR shall have the right to terminate this Agreement at any time by advance written notice to the other of its election to do so and this Agreement shall be void from and after the expiration of sixty (60) days after receipt of such notice, provided all provisions of this Agreement have been fulfilled. When the relationship of DEPOSITOR and BANK shall have ceased to exist, and when BANK has properly paid out all deposits to DEPOSITOR, CUSTODIAN shall, upon notification by DEPOSITOR, release all collateral to the BANK.

X. Applicable Law; Other Agreements

This Agreement is governed by the laws of the State of Texas. All time and demand accounts of DEPOSITOR will be subject to BANK'S account agreement or other applicable deposit account agreement as in effect from time to time.

XI. Miscellaneous

The headings in this Agreement are for the convenience of reference only and should not be used in interpreting the Agreement. If any provision of this Agreement is found to be illegal or unenforceable under applicable law, that provision shall be deemed reformed so as to be enforceable to the extent permitted by applicable law. Venue for any legal action arising under this Agreement shall be___________________________

THIS AGREEMENT REPRESENTS THE FINAL AGREEMENT OF THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. No amendment or modification of this Agreement or waiver of any right hereunder shall be binding on either party unless it is in writing and signed by all parties hereto.

Notices given under this Agreement must be addressed as set forth below the signature of each party and will be effectual upon actual receipt by addressee or upon refusal of delivery during normal business hours of the addressee.

XII. Execution under FIRREA

The execution of this agreement has been authorized by resolution of the Board of Directors or Loan Committee of the BANK adopted the ________day of _________ _______.

BANK: First United Bank and Trust Company

Signature: ____

Name: ____

Title: ____

Address for Notice: P.O. Box 130
Durant, OK 74702-0130

DEPOSITOR: ______________________________________

Signature: ____

Name: ____

Title: ____

Address for Notice: ___________________________________

____

CUSTODIAN: Bank of Oklahoma

Signature: ____

Name: ____

Title: ____

EXHIBIT B

AUTHORIZED REPRESENTATIVES

The following individuals are authorized representatives of the City empowered to direct the Bank and the Custodian for the Bank, in regard to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the City in any and all matters including execution of agreements and transfer of funds. At least two signatures are required.

DISTRICT REPRESENTATIVE'S SIGNATURE	NAME AND TITLE
______________________________	______________________________
______________________________	______________________________
______________________________	______________________________

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT OF PAYROLL

Company Name: ____

I hereby authorize ____ hereinafter called COMPANY, to initiate credit entries to my account indicated below at the depository financial institution named below, hereafter called DEPOSITORY, and to credit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I further authorize COMPANY to initiate debit entries to my account for the sole purpose of correcting any credit entries that were previously initiated in error or for an incorrect amount.

Depository/Financial
Institution Name ______________________________________ Branch __________________________

City____ State ____________ Zip __________

Select One: ☐ Checking Account ☐ Savings Account

Bank Routing
Number _____________________________________ Account
Number _________________________________

This authorization is to remain in full force and effect until COMPANY has received written notification from me of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Name _____________________________________ Date _________________________________
(Please Print)

Signature ____

Attach a VOIDED check in the box below to ensure correct entry of bank information.

FirstUnited

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FirstUnitedBank.com

FirstUnited®
SPEND LIFE WISELY®

FirstUnitedBank.com

TREASURY MANAGEMENT SERVICES – ACCOUNT STRUCTURE

Existing Account Structure for :
City of Sanger

City of Sanger
Pooled Cash

- Main Billing Account
- Balance Reporting -Corporate First
- Account Transfers
- Stop Payments
- Online Statements
- ACH Origination
- ACH Block
- Check Pos Pay
- Remote Deposit Capture
- 1.7%

City of Sanger
General Fund Debt I&S Acct

- 1.7%

City of Sanger
Enterprise Fund Debt

- 1.7%

City of Sanger
Uf Equip Rep

- 1.7%

City of Sanger
Gf Equip Rep

- 1.7%

City of Sanger
4B Board

- 1.7%

City of Sanger
Water Camp Imp

- 1.7%

City of Sanger
Employee Benefits

- 1.7%

City of Sanger
2021 Enterprise Fund

- 1.7%

City of Sanger
Series 2023B CO

- 1.7%

City of Sanger
Series 2023 Taxable

- 1.7%

City of Sanger
Sewer Capital Improv

- 1.7%

TREASURY MANAGEMENT SERVICES – ACCOUNT STRUCTURE

Proposed Account Structure for : City of Sanger

City of Sanger Pooled Cash

- Main Billing Account
- Balance Reporting -Corporate First
- Account Transfers
- Stop Payments
- Online Statements
- ACH Origination
- ACH Block
- Check Pos Pay
- Remote Deposit Capture
- 3.25%

City of Sanger General Fund Debt I&S Acct

- 3.25%

City of Sanger Enterprise Fund Debt

- 3.25%

City of Sanger Uf Equip Rep

- 3.25%

City of Sanger Gf Equip Rep

- 3.25%

City of Sanger 4B Board

- 3.25%

City of Sanger Water Camp Imp

- 3.25%

City of Sanger Employee Benefits

- 3.25%

City of Sanger 2021 Enterprise Fund

- 3.25%

City of Sanger Series 2023B CO

- 3.25%

City of Sanger Series 2023 Taxable

- 3.25%

City of Sanger Sewer Capital Improv

- 3.25%

Rates are a variable rate based on FFL-2%

FirstUnited

SPEND LIFE WISELY®

FirstUnitedBank.com

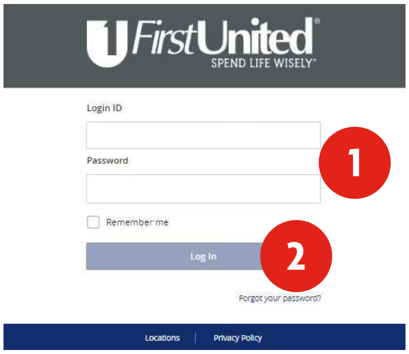
First United® Treasury Management

SPEND LIFE WISELY®

Corporate First Online Banking User's Guide

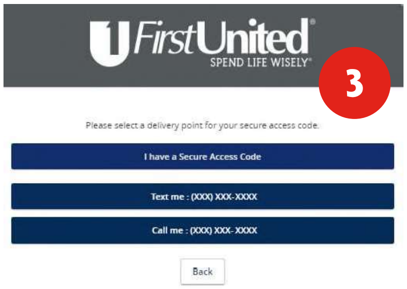
LOGIN PROCESS & DEVICE REGISTRATION

1. Enter your **Login ID** and **Password**.

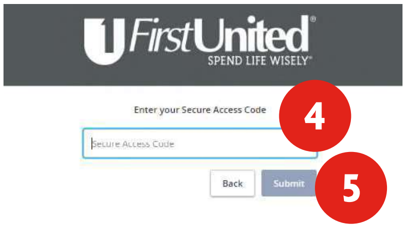


2. Select **Log In**.

3. Select the **delivery point** for your secure access code.

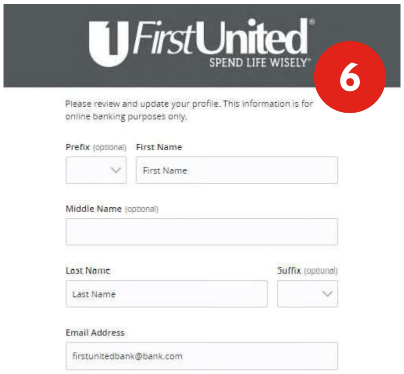


4. Enter the **secure access code** in the box once it has been received.



5. Select **Submit**.

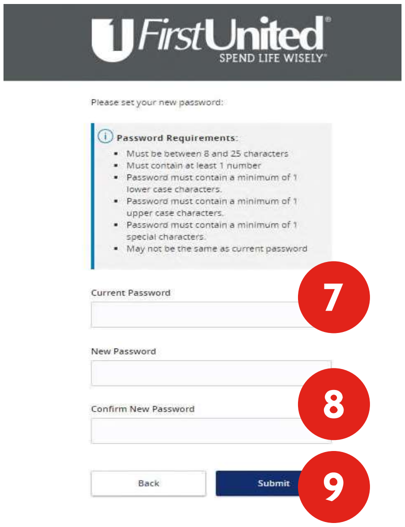
6. Review and update profile, then select **Submit**.



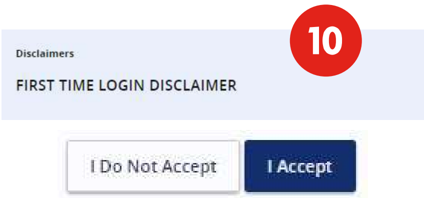
7. Enter the **temporary password** in the “Current Password” field.

8. Enter a **new password** in the “New Password” and “Confirm New Password” fields.

9. Select **Submit**.



10. Review the **“First Time User Disclaimer”** and click **I Accept**.



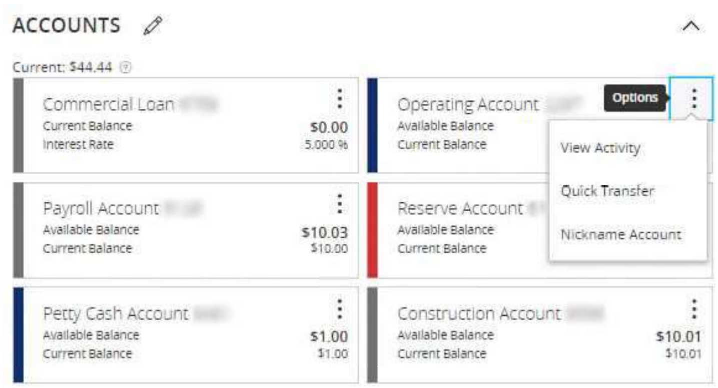
11. Select the **appropriate registration option**.

NOTE: If you are at a private computer that you will use regularly to access online banking, you can register your browser for future access by selecting Register Device, which will place a ‘cookie’ in your internet browser. If you are at a public computer, select Do Not Register Device and this computer will not be registered.

ACCOUNTS DASHBOARD

HOME PAGE

- Select **icon**, ⋮ to view account activity, quick transfer and nickname accounts.
    - Any user can select **Nickname Account** to place a **Personal Nickname** for each of their accounts.
    - Administrators can also select **Nickname Account** to place a **Global Nickname**, which will update the account name for all users.

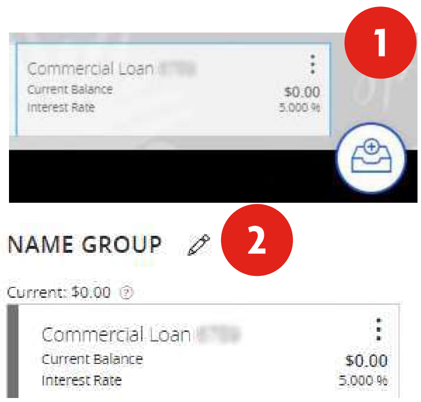


- The **Asset Summary** displays a summary by account.

GROUPING ACCOUNTS

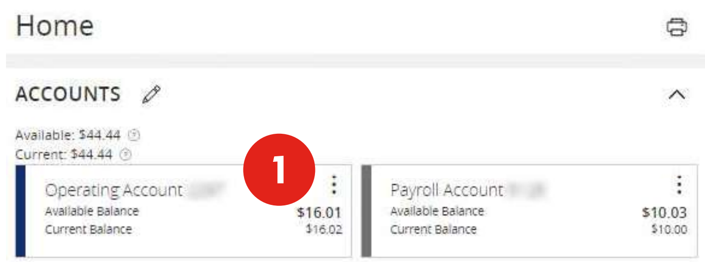
1. To group accounts, grab an account tile from the home page and drag the tile to the drop box at the bottom of the screen. A new group will be created. You may edit the group name by clicking on the pencil icon, entering the new name, and selecting the checkmark to submit the changes.

2. The group nicknames that are displayed can be renamed by selecting the pencil icon.

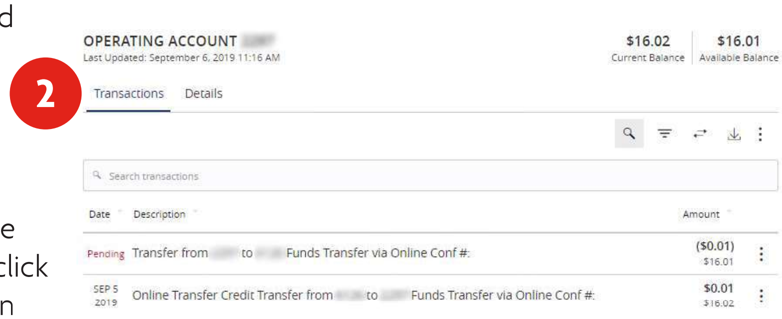


ACCOUNT DETAILS AND HISTORY

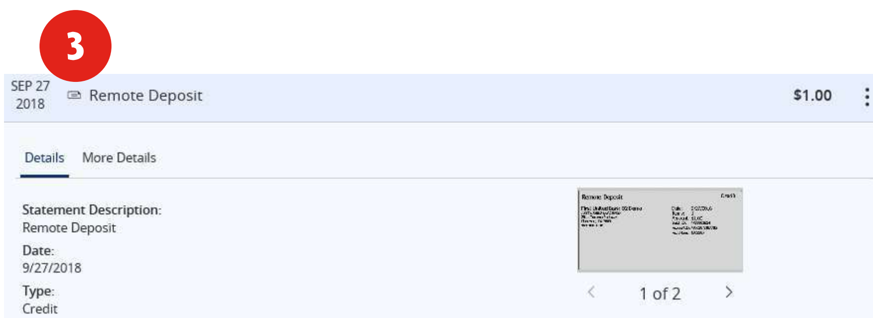
1. From the home page, click on an **account tile** to view the account history and details.



2. Transaction history associated with the account is listed on the **Transactions** tab. Pending transactions will be listed first. All historical transactions will be displayed newest to oldest.

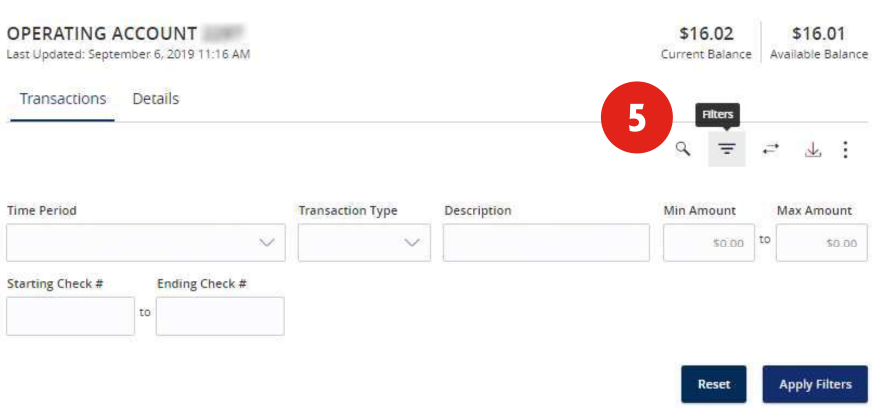


3. Transactions displaying an icon to the left of the description have an associated image. **Expand** the transaction to view the **image**. For full screen view, click on the image. For deposits, select **More Details**, then **expand items** to view images.



4. Select **Search** for a text box to find specific transactions.

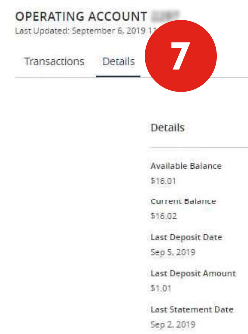
5. Select **Filters** to view the various search criteria for transaction history.



6. Select the **Export** to display a listing of available download formats. The export will include all transactions specified in the filters chosen by the user.

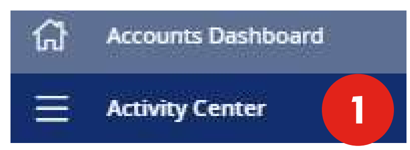
7. Click on **Details** to view additional balance and transaction information.

8. To return to your home page, select **Accounts Dashboard**.



ACTIVITY CENTER

1. Select **Activity Center** to view details for activity initiated within Online Banking.



2. Select the **Single Transactions** tab to view one-time online transactions.

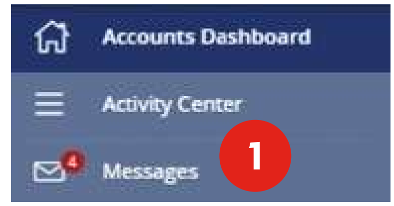
3. Select the **Recurring Transactions** tab to view online transactions which are setup to occur in a series.

4. Select the icon to filter online transactions, if applicable.

SECURE MESSAGES

NOTE: The Messages feature is a secure messaging function which allows secure delivery of sensitive material between the customer and the bank.

1. Select **Messages** to view your messages.
   a. A numeric indicator will display if you have unread messages in your inbox.



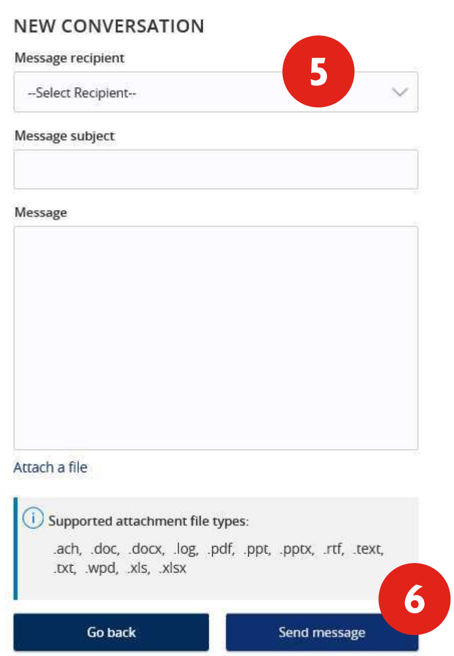
2. Messages will appear newest to oldest.

3. Select the  **icon** to reply to a secure message or the  to **delete** the message.

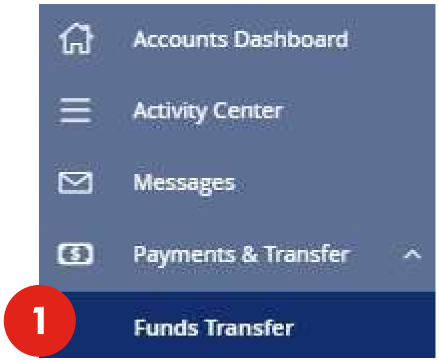
4. Select the **New Conversation** icon on the right side of the screen to send a secure message to First United Bank.

5. Select the **recipient** for your message, fill in subject and message details, and attach a file if needed.

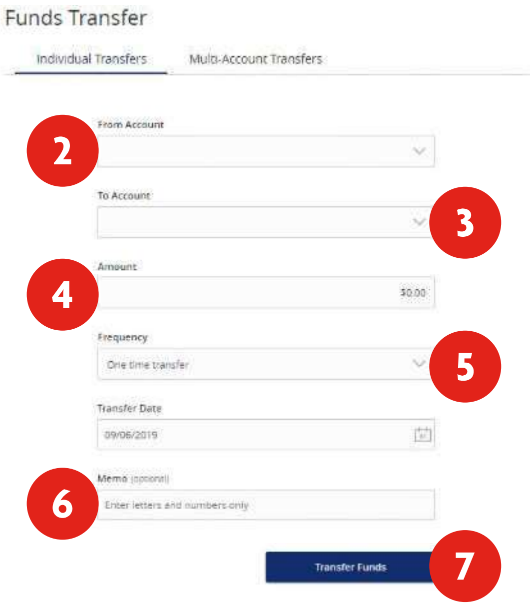
6. Click **Send Message** at the bottom of the screen to submit the message.



FUNDS TRANSFERS



1. Select **Payments and Transfers > Funds Transfers**.
2. Select a **From account**.
3. Select a **To account**.
4. Enter a dollar amount.
5. Select **Frequency**, if applicable.
6. Enter a memo for the transaction, if applicable.
7. Select **Transfer Funds**.

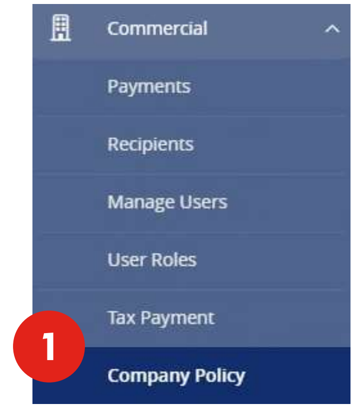


E-STATEMENT ENROLLMENT

1. Select **e-Statement** to link out to electronic statement portal in new internet tab.
   a. If not enrolled, complete enrollment steps.
   b. Statements do not retroactively populate but will begin with the statement cycle following enrollment.
2. Obtain statements by selecting account from drop down menu on **Statements and Notices** tab.
3. To return to online banking, select First United Bank and Trust tab or close e-Statement tab.

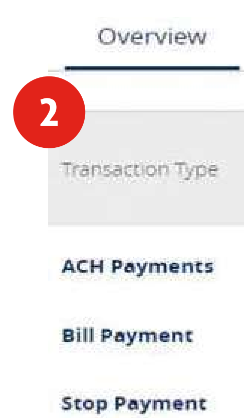
COMPANY/USER MANAGEMENT

MANAGE COMPANY POLICY



1. Select **Commercial > Company Policy**.

2. From the **Overview** tab, select a transaction type to manage the allowed actions.



3. Select a tile to maintenance the Allowed Actions parameters.

   a. **Draft Amount**-limit the dollar amount allowed to be drafted for this transaction type, or select Any, if no restriction.

   b. **Approvals**-set how many approvals will be required before it is fully authorized for First United Bank to process.

      i. Between one and five required approvals can be set. Select – or + to change.

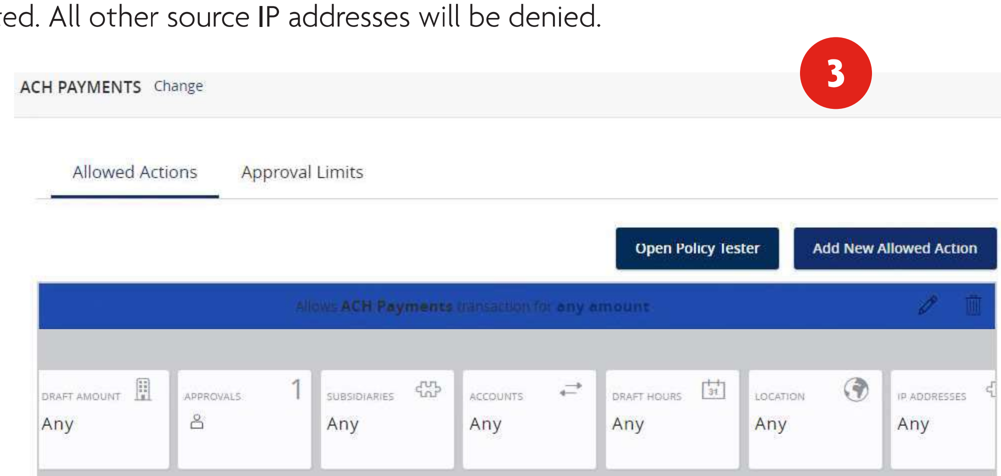
   c. **Subsidiaries**-select the subsidiary or subsidiaries allowed for this transaction type.

   d. **Accounts**-choose the accounts allowed for the selected transaction type.

   e. **Draft Hours**-select the days and hours allowed for this transaction type.

   f. **Locations**-choose the country or countries within North America from where this transaction type may be drafted, if applicable.

   g. **IP Addresses**-enter the IP address and/or IP address range(s) to be allowed from where this transaction type may be drafted. All other source IP addresses will be denied.



4. Click **OK** to save each allowed action.

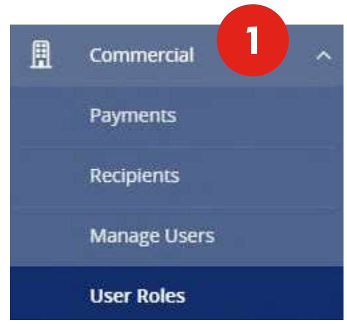
5. Select the **Approval Limits** tab to view the dollar and count limits assigned by First United Bank.

6. Select the **Features** tab to view the features assigned by First United Bank.

7. Select the **Accounts** tab to view the account rights assigned by First United Bank.

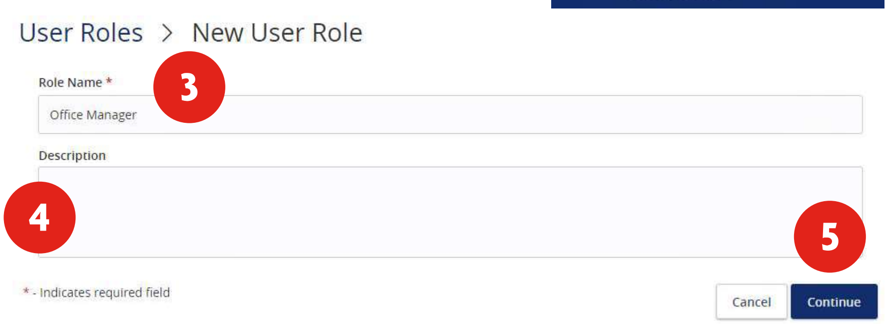
CREATING USER ROLES

1. Select **Commercial > User Roles**.



2. Click **Create Role** on the right side of the screen.

3. Enter a Role Name.

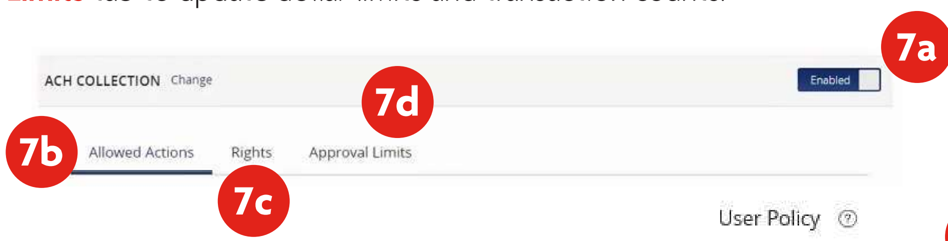


4. Enter a Description (optional).

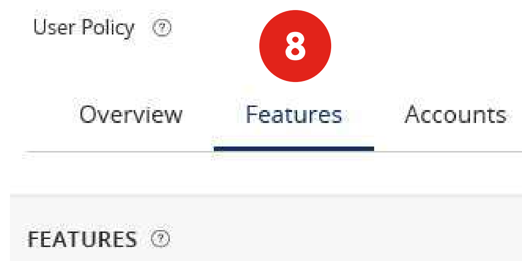
5. Click Continue.

6. From the **Overview tab**, select a transaction type to manage the allowed actions and limits.

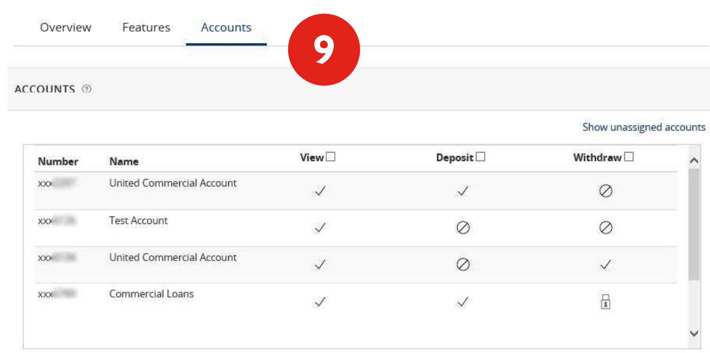
7. Create User Role Parameters.
   a. **Enable/Disable** is found at the top right.
   b. Select **Allowed Actions** tab to add rules to User Role Policy.
   c. Select **Rights** tab to assign view access of online activity.
   d. Select **Approval Limits** tab to update dollar limits and transaction counts.



8. From the **Features** tab, assign appropriate management and transactional features.



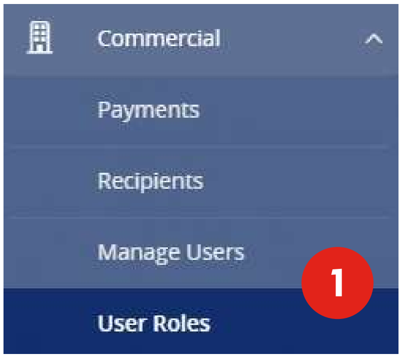
9. From the **Accounts** tab, designate the account rights.
   a. Withdraw rights are required for a user to place stop payments.
   b. Deposit/Withdraw rights are required to execute funds transfers, ACH, or wire transfers, relative to transaction type.



10. Click **Save**.

MAINTENANCE OF EXISTING USER ROLES

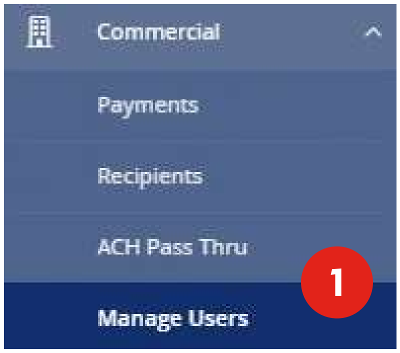
1. Select **Commercial > Manage Roles**.



2. Click the pencil icon to edit the existing user role.
3. Reference steps in the **Creating User Roles** section above.
4. Select **Save** at top right.

CREATING NEW USERS

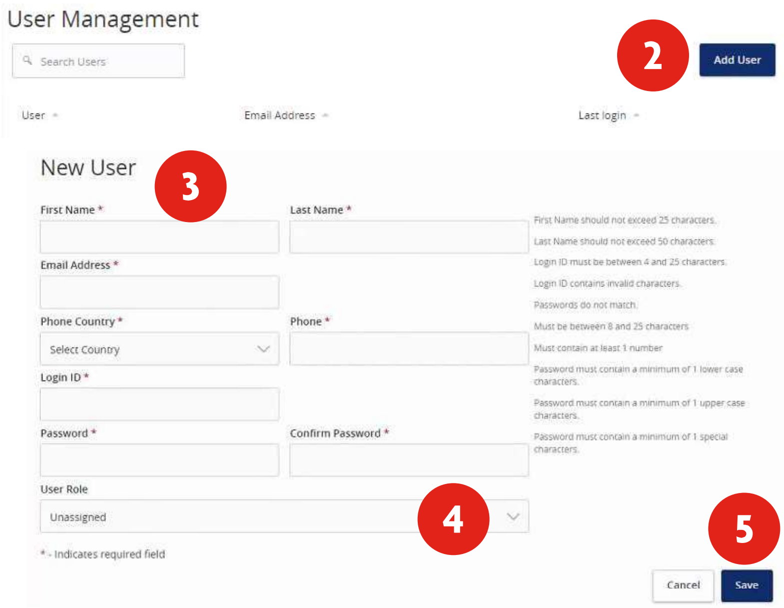
1. Select **Commercial > Manage Users**.



2. Click the **Add User** on the right side of the screen.
3. Enter the required fields for the new user.

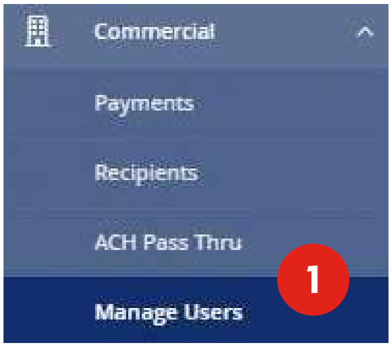
   Note: Password assignment is temporary and only valid for 72 hours. The user will need to complete their initial login within this time frame.

4. Select a User Role from drop down.
5. Select **Save** at bottom right.



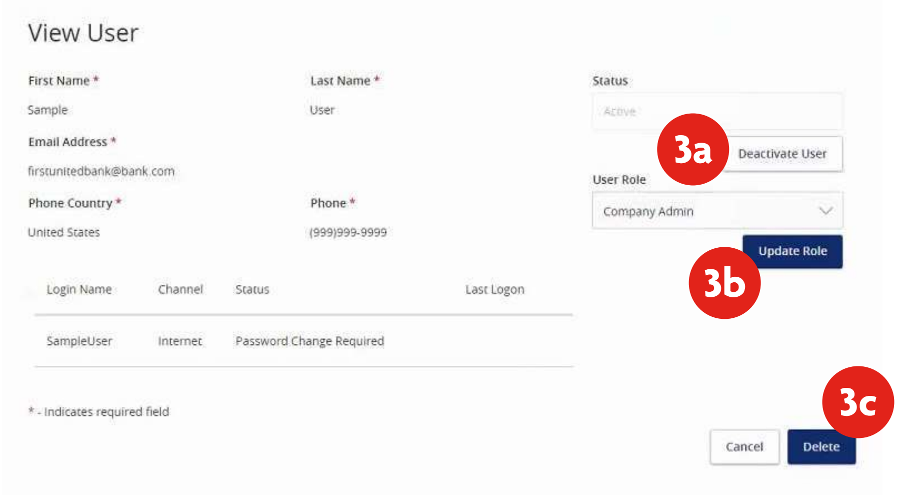
MAINTENANCE OF EXISTING USERS

1. Select **Commercial > Manage Users**.



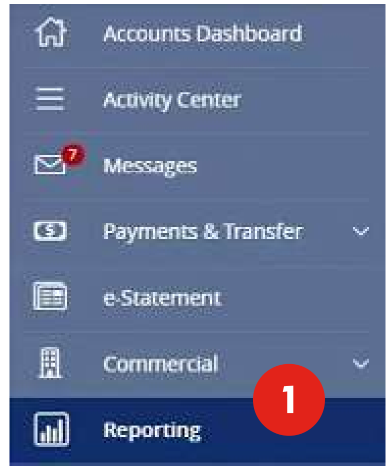
2. Click the pencil icon to edit the existing user.

3. Edit existing user.
    a. Deactivate User.
    b. Update Role.
    c. Delete User.



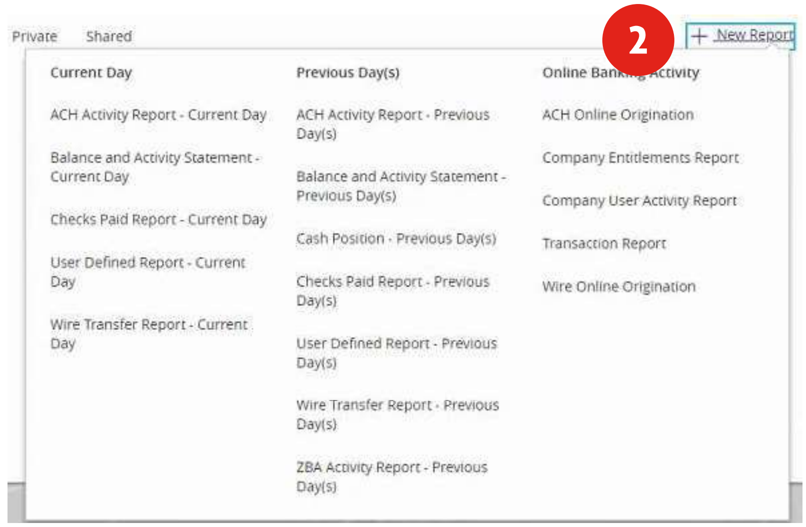
REPORTING

1. Select **Reporting**.



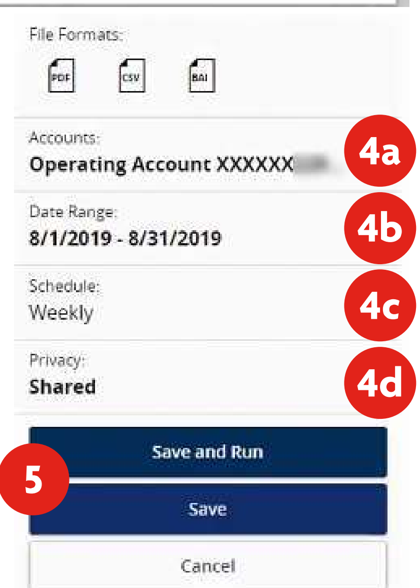
2. Select **+ New Report**.

3. Choose the desired report.

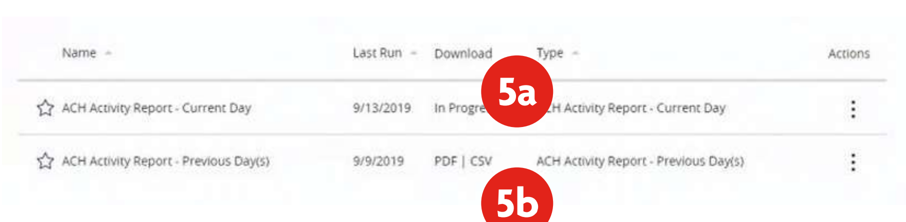


4. Choose Report criteria.
   a. Accounts-accounts to be included in the report.
   b. Date Range-choose a range of dates for the report.
   c. Schedule-desired schedule for how often the report should automatically run.
   d. Privacy-private or shared with other users within the same role.

Note: Other criteria may be required based on the desired report.

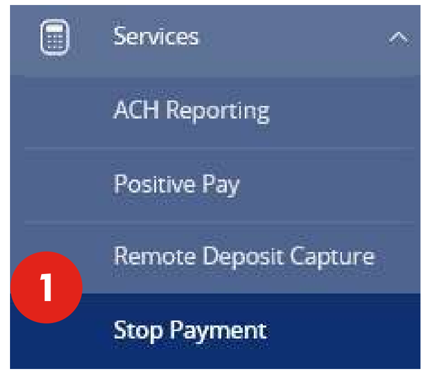


5. Select **Save and Run** to run the report immediately or select **Save** to schedule the report without immediately running the report.
   a. The report will display as In Progress while it is being generated.
   b. The format icon(s) will appear next to the scheduled report once it has been completed. Select the format icon to open the report.



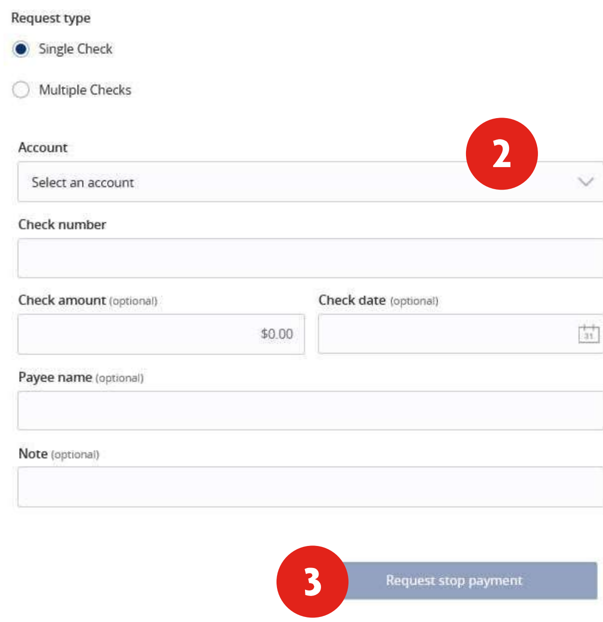
STOP PAYMENT

1. Select **Services > Stop Payment**.



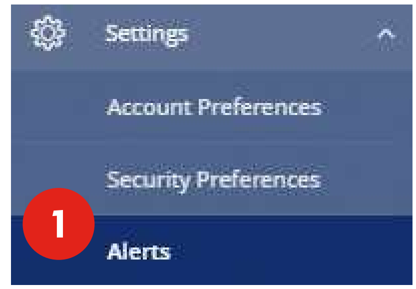
2. Fill in details for stop payment to be placed.
   a. Required- Account and check number.
   b. Optional- Check amount, date, and payee name.
   c. Multiple Checks option can be used to place stop payments on a check series.

3. Select **Request stop payment**.

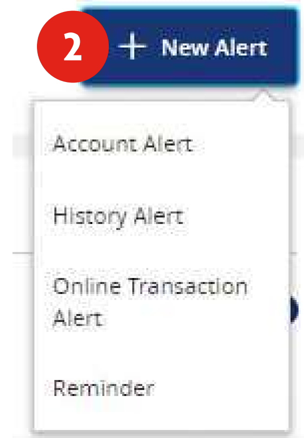


ONLINE BANKING ALERTS

1. Select **Settings > Alerts**.



2. Select **+ New Alert** and select the desired type of alert from the drop-down menu.



3. Complete required fields for alert.

4. Select **Alert Delivery Method**.

5. Select **Create Alert**.

NOTE: Security alerts are listed at the bottom of the screen. Click the down arrow to expand the listing of available alerts. Some alerts are clickable and may be turned on or off. The most critical alerts are mandatory and cannot be turned off. These alerts are greyed out. Click Edit Delivery Preferences to modify how and where to receive security alerts.

First United SPEND LIFE WISELY
PO Box 130
Durant, OK 74702

RETURN SERVICE REQUESTED

*0005006 S2
FIRST UNITED BANK AND TRUST
FIRST UNITED BANK U ONLINE
DEMO ACCOUNT
PO BOX 1234
SHERMAN TX 75091-1234

Date: JANUARY 2021

INDIVIDUAL SUMMARY ANALYSIS
XXXXXXXX2297

First United Bank And Trust
First United Bank U Online
Demo Account
Po Box 1234
Sherman TX 75091-1234

OFFICER:	Lisa Harris	DATE PREPARED	2/01/21
PHONE NO:	(580) 924-2211	DAYS IN STATEMENT CYCLE	31
BRANCH:	96	LOCKBOX ACCOUNT ANALYSIS	

AVERAGE DAILY LEDGER BALANCE		.67
LESS AVERAGE DAILY FLOAT		.00
AVERAGE DAILY COLLECTED BALANCE		.67
LESS REQUIRED RESERVES	10.000%	.06
AVERAGE NET COLLECTED BALANCE		.61

EARNINGS ON $.61 AT .500000% .00

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCES
Monthly Maintenance Fee	1	10.0000	10.00	23,548.39
BAI File Download Monthly Fee	1	35.0000	35.00	82,419.35
ACH Credits	1	.1500	.15	353.23
ACH Debits	1	.1500	.15	353.23
SFTP Services per Account	1	25.0000	25.00	58,870.97
TOTAL SERVICES AND REQUIRED BALANCES			70.30	165,545.17
CURRENT MONTH NET LOSS			70.30-	165,545.16
CHARGES WAIVED			70.30-	

THIS ACCOUNT IS LINKED WITH OTHER RELATED ACCOUNTS
FOR SERVICE CHARGE CALCULATION.

SERVICE CHARGE IF APPLICABLE WILL BE CHARGED TO
PRIMARY ACCOUNT NUMBER XXXXXXXX2297

PO Box 130
Durant, OK 74702

INDIVIDUAL SUMMARY ANALYSIS
XXXXXXXX6126

First United Bank And Trust
TM Demo Account 1
1400 W Main St
Durant OK 74701-4906

OFFICER: William Fahrendorf
PHONE NO: (580) 924-2112
BRANCH: 1

DATE PREPARED 2/01/21
DAYS IN STATEMENT CYCLE 31
ACCOUNT ANALYSIS

AVERAGE DAILY LEDGER BALANCE		54.22-
LESS AVERAGE DAILY FLOAT		.00
AVERAGE DAILY COLLECTED BALANCE		54.22-
LESS REQUIRED RESERVES	10.000%	.00
AVERAGE NET COLLECTED BALANCE		54.22-

NEGATIVE BALANCE SERVICE CHARGE ON		$54.22-	
	5.750000%		.26

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCES
Monthly Maintenance Fee	1	10.0000	10.00	23,548.39
Charge Back Fee	1	2.5000	2.50	5,887.10
ACH Credits	1	.1500	.15	353.23
ACH Debits	4	.1500	.60	1,412.90
Phone/In-Person Transfer	1	.0000	.00	
TOTAL SERVICES AND REQUIRED BALANCES			13.25	31,201.62
CURRENT MONTH NET LOSS			13.51-	31,813.87
YOUR ACCOUNT WILL BE CHARGED			13.51-	

THIS ACCOUNT IS LINKED WITH OTHER RELATED ACCOUNTS
FOR SERVICE CHARGE CALCULATION.

SERVICE CHARGE IF APPLICABLE WILL BE CHARGED TO
PRIMARY ACCOUNT NUMBER XXXXXXXX2297

PO Box 130
Durant, OK 74702

GROUP SUMMARY ANALYSIS
XXXXXXXX2297

First United Bank And Trust
First United Bank U Online
Demo Account
Po Box 1234
Sherman TX 75091-1234

OFFICER: Lisa Harris
PHONE NO: (580) 924-2211
BRANCH: 96

DATE PREPARED 2/01/21
DAYS IN STATEMENT CYCLE 31
ACCOUNT ANALYSIS

AVERAGE DAILY LEDGER BALANCE	53.55-
LESS AVERAGE DAILY FLOAT	.00
AVERAGE DAILY COLLECTED BALANCE	53.55-
LESS REQUIRED RESERVES	.06
AVERAGE NET COLLECTED BALANCE	53.61-

NEGATIVE BALANCE SERVICE CHARGE ON $53.61- .26

SERVICE	ACTIVITY	UNIT PRICE	ACTIVITY CHARGE	REQUIRED BALANCES
Monthly Maintenance Fee	2	10.0000	20.00	47,096.77
Charge Back Fee	1	2.5000	2.50	5,887.10
BAI File Download Monthly Fee	1	35.0000	35.00	82,419.35
ACH Credits	2	.1500	.30	706.45
ACH Debits	5	.1500	.75	1,766.13
Phone/In-Person Transfer	1	.0000	.00	
SFTP Services per Account	1	25.0000	25.00	58,870.97
TOTAL SERVICES AND REQUIRED BALANCES			83.55	196,746.77
CURRENT MONTH NET LOSS			83.81-	197,359.03
CHARGES WAIVED			83.81-	

ACCOUNTS INCLUDED:
XXXXXXXX2297 XXXXXXXX6126

First United
SPEND LIFE WISELY
PO Box 130
Durant OK 74702
RETURN SERVICE REQUESTED

www.firstunitedbank.com
First United - 99
1400 W. Main
Durant, OK 74701

Customer Service (800) 924-4427

Account XXXXXX2297

0007288 6302FUBT 4085B00X.001

*0007288 S2
FIRST UNITED BANK AND TRUST
FIRST UNITED BANK U ONLINE
DEMO ACCOUNT
PO BOX 1234
SHERMAN TX 75091-1234

CHECKING ACCOUNTS

United Commercial Account

Account Number	XXXXXX2297	Number of Enclosures	0
Previous Balance	$0.87	Statement Dates	1/01/21 thru 1/31/21
11 Deposits/Credits	$0.25	Days in Statement Period	31
8 Checks/Debits	$0.40	Average Ledger	$0.67
Service Charge	$0.00	Average Collected	$0.67
Interest Paid	$0.00		
Current Balance	$0.72		

Credit Transactions

Date	Description	Amount
1/06	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.02
1/07	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.01
1/13	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.02
1/14	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.01
1/20	ABC Inc PPD 4.4.5 NU Collect 2 Delta Dent	$0.11
1/20	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.02
1/21	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.01
1/27	Transfer from 6134 to 2297 Co nf #:3365182	$0.01
1/27	Transfer from 6134 to 2297 Co nf #:3365183	$0.01
1/27	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.02
1/28	Transfer from 6126 to 2297 Fun ds Transfer via Online Conf #:	$0.01

Debit Transactions

Date	Description	Amount
1/04	Transfer from 2297 to 6126 Fun ds Transfer via Online Conf #:	$0.01-
1/04	Transfer from 2297 to 6134 Fun ds Transfer via Online Conf #:	$0.23-
1/08	Transfer from 2297 to 6126 Fun ds Transfer via Online Conf #:	$0.01-

Please examine this statement and cancelled checks promptly. You have (30) days to report unauthorized or missing signatures or alterations on the items contained with your statement; if you fail to notify us we will not be responsible for items paid in good faith. If no errors or discrepancies concerning Electronic Funds Transactions are reported within sixty (60) days, all such transactions will be considered correct. All other errors or discrepancies concerning your account must be reported within thirty (30) days or the statement will be considered correct.

MONTH_________________________________ YR____________

CHECKS OUTSTANDING			
CHECK NO.	PAYEE	AMOUNT	
		$	
	TOTAL	$	

BANK BALANCE THIS STATEMENT $______________

ADD DEPOSITS NOT CREDITED $______________

SUB-TOTAL $______________

LESS CHECKS OUTSTANDING $______________

BALANCE $______________

THIS BALANCE SHOULD AGREE WITH YOUR CHECK BOOK BALANCE AFTER DEDUCTING THE SERVICE CHARGES (IF ANY) SHOWN ON THIS STATEMENT. IF AN ERROR IS FOUND IN YOUR STATEMENT IT SHOULD BE REPORTED TO US WITHIN 10 DAYS.

TERMS GOVERNING CHECKING ACCOUNTS

Deposit in or presentment to the Bank of any item for a customer's account shall constitute the customer's consent to the terms hereof with respect to the Checking Account and all items deposited herein or presented to the Bank for payment.
All deposits and collections shall be governed by the pertinent provisions of the Uniform Commercial Code – Bank Deposits & Collection, as from time to time amended, or as varied by agreements permitted by the statute, including those hereinafter set out.
Receipt from others of items for credit to a customer's account shall render the customer liable to the Bank to the same extent as though they had been endorsed by and received directly from the customer. No money or item shall be deemed to have been received by the Bank unless and until it shall have issued a receipt therefore. The account shall at all times be subject to Checking and Maintenance Charges according to the practice of the Bank prevailing at the time.
When the Bank deems such action proper, the Bank may require that the account be closed.
The provisions hereof shall control, in event of conflict with any deposit slip or passbook.
The Bank reserves the right to change the provisions hereof by printing on its statement Terms Governing Checking Accounts, incorporating the Change.
The new Terms Governing Checking Accounts will be effective, prospectively, when the statement containing the change is made available to the customer, by mailing or otherwise.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

In Case of Errors or Questions About Your Electronic Transfers, telephone us or write us at the address 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.
(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 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, we will credit your account within 10 business days 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. For errors involving new accounts, point-or-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 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.

0007288 6302FUBT 4087B00X.001 26FDP

Debit Transactions

Date	Description	Amount
1/14	Transfer from 2297 to 6134 Fun ds Transfer via Online Conf #:	$0.01-
1/15	ABC Inc PPD 4.4.5 NU Collect 2 ACH S Rec	$0.11-
1/15	Transfer from 2297 to 6126 Fun ds Transfer via Online Conf #:	$0.01-
1/22	Transfer from 2297 to 6126 Fun ds Transfer via Online Conf #:	$0.01-
1/29	Transfer from 2297 to 6126 Fun ds Transfer via Online Conf #:	$0.01-

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
1/01	$0.87	1/13	$0.67	1/22	$0.68
1/04	$0.63	1/14	$0.67	1/27	$0.72
1/06	$0.65	1/15	$0.55	1/28	$0.73
1/07	$0.66	1/20	$0.68	1/29	$0.72
1/08	$0.65	1/21	$0.69		

First United Bank

Relationship Team Contact

Relationship Manager

Greg Hillis, Community Bank President– Sanger 940-302-6042
ghillis@firstunitedbank.com

Financial Center Manager

Kristen Lawler– Sanger 940-302-6040
klawler@firstunitedbank.com

Treasury Management Officer

Jessica Cain, VP Treasury Management Officer – North Texas
jcain@firstunitedbank.com 903-813-5812

Treasury Management DFW Sales Manager

Joan Calhoun, SVP DFW Treasury Sales Manager – Plano 972-897-2980
Joan.calhoun@firstunitedbank.com

Treasury Management Support

(Adding users, wire questions, remote deposit assistance, online troubleshooting)

treasurymanagment@firstunitedbank.com 580-634-6116

First United®
SPEND LIFE WISELY®

FirstUnitedBank.com

Dear, City of Sanger. On behalf of Elan Corporate Payment Systems and First United Bank, thank you for your interest in our industry-leading corporate payment solutions. We are committed to empowering businesses to manage spending more effectively and operate more efficiently.

We offer a comprehensive suite of payment cards to meet your unique needs for business travel, purchasing, ePayables and beyond. With a forward focus, we are committed to lead with the latest technological advancements.

As our customer, you can expect the best service, exceptional cardholder benefits and powerful account management tools. I invite you to learn more in the enclosed pages and at elanpaymentsolutions.com

We look forward to the opportunity to partner with you to simplify your payment processes and increase your operational efficiencies.

Sincerely,

Cash Christian

VP Regional Sales Manger

214-970-4274

Cash.Christian@elansales.com

Commercial cards that work for you

One Card

Combines travel, purchasing and fleet into a single, integrated payment solution that streamlines the purchasing process and reduces the cost of processing requisitions, purchase orders and check requests.

Gain greater spending control, visibility and cost-efficiency over your largest variable expenses, including travel and entertainment

- Enhances policy compliance and vendor negotiations
- Simplifies transaction monitoring
- Integrates with enterprise reporting systems
- Simplifies administrative process
- Ensures travel policy compliance
- Offers comprehensive travel benefits
- Simplifies administrative process
- Ensures travel policy compliance
- Offers comprehensive travel benefits

Additional card benefits include:

- Flexible administrative controls
- Transaction management
- Advanced reporting
- branded cards
- Corporate liability & fraud protection
- ERP integration
- Revenue share for spend > 1 MM
- Travel card insurances

Elan FINANCIAL SERVICES

Access® Online

Powerful expense management technology

- Access® Online offers real-time, secure access to payment data
- Customizable platform can be easily configured and quickly deployed
- Set up and maintain accounts, manage transactions, integrate data with enterprise software
- Advanced reporting includes program/financial/supplier management, tax and compliance, administration and ad-hoc reporting options

Spending controls drive efficiencies and compliance

- Customizable controls ensure usage is aligned with your policies and objectives
- Use default controls, or customize by individual account
- Manage by merchant category code, single purchase or monthly spending limits, ATM blocking, usage dates

Detailed analytics improve visibility

- Easy-to-use, web-enabled payment analytics tool
- Automatically reviews all transactions against policy rules and flags suspected issues
- Audit functionality improves visibility and mitigates control-related risk

Seamless integration with ERP/financial system

- Custom file created
- Limited data elements
- Technical integration support

Customer Service Model

Dedicated support for a successful launch

- Work with a dedicated implementation manager for custom integrations
- Project manager tailors your program to your specific needs
- Ensures effective program utilization and increased adoption

Best-in-class training resources

- Flexible, role-based training for administrators and cardholders
- Detailed best practices and day-to-day applications
- Options include interactive and written content, recorded classes and live, instructor-led training

Ongoing optimization for program effectiveness

- We'll regularly assess your program goals, product enhancements and technology usage
- Perform comprehensive analysis to uncover opportunities for efficiency and savings
- Offer ongoing training and account reviews

Responsive customer support

- 24/7 toll-free cardholder service and dedicated support for administrators and IT
- Dedicated service team includes Relationship Manager, Account Coordinator, Implementation Manager, Customer Service and Technical Support

Thank you

Given our industry expertise, technological innovation and market-leading services, we believe that Elan is best positioned to help you optimize and service your card program.

We look forward to the opportunity to service your business.

Sincerely,

Cash Christian

VP Regional Sales Manger

214-970-4274

Cash.Christian@elansales.com

elan™
Corporate Payment Systems

Elan One Card

One Card does it all!

A single card that combines travel and entertainment (T&E) with purchasing card features.

The Elan One Card combines corporate travel and purchasing card programs into a single streamlined payment solution. The One Card integrates transactions with one process, one staff, one card issuer and one invoice. Plus, it provides your organization with access to business travel and procurement benefits that make doing business safer, easier and more rewarding.

14 reasons you should choose the Elan One Card

1. **No annual card fees**
   Benefit from no hidden charges and rebate potential for qualifying organizations
2. **Liability Waiver Protection program**
   Receive $100,000 protection, per instance, from cardholder misuse
3. **Automatic travel accident insurance and emergency travel services**
   Travel with peace of mind with added protections
4. **Cost savings**
   Decrease costs associated with processing checks, invoices and purchase orders
5. **Flexible authorization system and cardholder spending controls**
   Manage where cards are used and limit company exposure
6. **Easy integration with accounting and payment systems**
   Eliminate many manual processes such as data entry and filing
7. **Around the world acceptance**
   Pay for goods and services easily
8. **Fully automated reporting and complete expense management**
   Access over 60 standard reports or take advantage of ad hoc reporting capabilities – available in multiple extract formats (Excel, HTML, PDF)
9. **No cost, web-based card management tools**
   Manage and control cardholder accounts, setup and maintenance activities, limit adjustments, and expense reporting
10. **Simplified accounts payable process**
    Monitor supplier spending and negotiate preferred pricing
11. **Corporate billing**
    Manage corporate expenses while holding employees accountable for prompt payment
12. **Tax and compliance management support**
    Eliminate most issues associated with 1099 reporting
13. **Policy adherence and control**
    Fully monitor and control purchasing and travel policy adherence
14. **24-hour customer service**
    Receive assistance whenever needed

For More Information

For questions about the One Card, please contact your Elan Corporate Payment Systems Relationship Manager or visit elanfinancialservices.com.

elanpaymentsolutions.com

07-0103-01 (8/22) CAT-17960332

Board of Governors of the Federal Reserve System — OMB Number: 7100-0036
Federal Deposit Insurance Corporation — OMB Number: 3064-0052
Office of the Comptroller of the Currency — OMB Number: 1557-0081
Approval expires August 31, 2026

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, 2023

(20231231)
(RCON 9999)

This report is required by law: 12 U.S.C. § 324 (State member banks); 12 U.S.C. § 1817 (State nonmember 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.

This report form is to be filed by banks with domestic offices only and total consolidated assets of less than $100 billion, except those banks that file the FFIEC 051, and those banks that are advanced approaches institutions for regulatory capital purposes that are required to file the FFIEC 031.

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 nonmember 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.

Signature of Chief Financial Officer (or Equivalent)

Date of Signature

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.

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 data collection (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 into 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 | 0 | 4 | 2 | 3 | 9 |
(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.

First United Bank And Trust Company
Legal Title of Bank (RSSD 9017)

Durant
City (RSSD 9130)

OK
State Abbrev. (RSSD 9200)

74701
ZIP Code (RSSD 9220)

Legal Entity Identifier (LEI)
(Report only if your institution already has an LEI.) (RCON 9224)

Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only

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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.

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

George Clark
Name (TEXT C490)

Executive Vice President & CFO
Title (TEXT C491)

george@firstunitedbank.com
E-mail Address (TEXT C492)

(580) 634-6479
Telephone: Area code/phone number/extension (TEXT C493)

(580) 924-2430
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Other Person to Whom Questions about the Reports Should be Directed

Li Shen
Name (TEXT C495)

Senior Vice President/Bank Controller
Title (TEXT C496)

lshen@firstunitedbank.com
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(972) 202-7478
Telephone: Area code/phone number/extension (TEXT 8902)

(580) 924-2430
FAX: Area code/phone number (TEXT 9116)

Chief Executive Officer Contact Information

This information is being requested so the Agencies can distribute notifications about policy initiatives, deposit insurance assessments, and other matters directly to the Chief Executive Officers of reporting institutions. Notifications about other matters may include emergency notifications that may or may not also be sent to the institution's emergency contacts listed below. Please provide contact information for the Chief Executive Officer of the reporting institution. Enter "none" for the Chief Executive Officer's e-mail address or fax number if not available. Chief Executive Officer contact information is for the confidential use of the Agencies and will not be released to the public.

Chief Executive Officer

Greg Massey
Name (TEXT FT42)

(580) 634-6305
Telephone: Area code/phone number/extension (TEXT FT43)

gmassey@firstunitedbank.com
E-mail Address (TEXT FT44)

(580) 924-2430
Fax: Area code/phone number (TEXT FT45)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

Greg Massey
Name (TEXT C366)

CEO
Title (TEXT C367)

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E-mail Address (TEXT C368)

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(580) 924-2430
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CAO
Title (TEXT C372)

williamf@firstunitedbank.com
E-mail Address (TEXT C373)

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Telephone: Area code/phone number/extension (TEXT C374)

(580) 924-2430
FAX: Area code/phone 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

David Hernandez
Name (TEXT C437)

BSA Officer
Title (TEXT C438)

davidh@firstunitedbank.com
E-mail Address (TEXT C439)

(903) 813-5917
Telephone: Area code/phone number/extension (TEXT C440)

Secondary Contact

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BSA Operations Manager
Title (TEXT C443)

Yashika.Hill@firstunitedbank.com
E-mail Address (TEXT C444)

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Third Contact

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BSA Quality Control Manager
Title (TEXT C871)

Amber.Bartley@firstunitedbank.com
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Telephone: Area code/phone number/extension (TEXT C873)

Fourth Contact

Robyn Redden
Name (TEXT C875)

Senior BSA Analyst
Title (TEXT C876)

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E-mail Address (TEXT C877)

(469) 606-6272
Telephone: Area code/phone number/extension (TEXT C878)

Consolidated Report of Income
For the period January 1, 2023 — December 31, 2023

Schedule RI—Income Statement

Dollar Amounts in Thousands	RIAD	Amount	
1. Interest income:			
a. Interest and fee income on loans:			
(1) Loans secured by real estate:			
(a) Loans secured by 1-4 family residential properties	4435	231,876	1.a.1.a.
(b) All other loans secured by real estate	4436	392,812	1.a.1.b.
(2) Commercial and industrial loans	4012	65,244	1.a.2.
(3) Loans to individuals for household, family, and other personal expenditures:			
(a) Credit cards	B485	0	1.a.3.a.
(b) Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	B486	14,918	1.a.3.b.
(4) Not applicable			
(5) All other loans (1)	4058	7,073	1.a.5.
(6) Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(5))	4010	711,923	1.a.6.
b. Income from lease financing receivables	4065	219	1.b.
c. Interest income on balances due from depository institutions (2)	4115	6,003	1.c.
d. Interest and dividend income on securities:			
(1) U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	B488	5,910	1.d.1.
(2) Mortgage-backed securities	B489	23,023	1.d.2.
(3) All other securities (includes securities issued by states and political subdivisions in the U.S.)	4060	27,491	1.d.3.
e. Not applicable			
f. Interest income on federal funds sold and securities purchased under agreements to resell	4020	28,739	1.f.
g. Other interest income	4518	7,040	1.g.
h. Total interest income (sum of items 1.a.(6) through 1.g)	4107	810,348	1.h.
2. Interest expense:			
a. Interest on deposits:			
(1) Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	4508	93,586	2.a.1.
(2) Nontransaction accounts:			
(a) Savings deposits (includes MMDAs)	0093	109,031	2.a.2.a.
(b) Time deposits of $250,000 or less	HK03	47,729	2.a.2.b.
(c) Time deposits of more than $250,000	HK04	26,673	2.a.2.c.
b. Expense of federal funds purchased and securities sold under agreements to repurchase	4180	1,222	2.b.
c. Interest on trading liabilities and other borrowed money	4185	72,007	2.c.
d. Interest on subordinated notes and debentures	4200	260	2.d.
e. Total interest expense (sum of items 2.a through 2.d)	4073	350,508	2.e.
3. Net interest income (item 1.h minus 2.e)	4074	459,840	3.
4. Provision for loan and lease losses (3)	JJ33	24,860	4.

1 Includes interest and fee income on "Loans to depository institutions and acceptances of other banks," "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 Includes interest income on time certificates of deposit not held for trading.
3 Institutions that have adopted ASU 2016-13 should report in item 4 the provisions for credit losses on all financial assets and off-balance-sheet credit exposures that fall within the scope of the standard.

Schedule RI—Continued

Dollar Amounts in Thousands	RIAD	Amount	RIAD	Year-to-date Amount	
5. Noninterest income:					
a. Income from fiduciary activities (1)			4070	385	5.a.
b. Service charges on deposit accounts			4080	18,905	5.b.
c. Trading revenue			A220	0	5.c.
d. Income from securities-related and insurance activities:					
(1) Fees and commissions from securities brokerage			C886	554	5.d.1.
(2) Investment banking, advisory, and underwriting fees and commissions			C888	477	5.d.2.
(3) Fees and commissions from annuity sales			C887	278	5.d.3.
(4) Underwriting income from insurance and reinsurance activities			C386	0	5.d.4.
(5) Income from other insurance activities			C387	12,390	5.d.5.
e. Venture capital revenue			B491	0	5.e.
f. Net servicing fees			B492	32,363	5.f.
g. Net securitization income			B493	0	5.g.
h. Not applicable					
i. Net gains (losses) on sales of loans and leases			5416	20,871	5.i.
j. Net gains (losses) on sales of other real estate owned			5415	(29)	5.j.
k. Net gains (losses) on sales of other assets (2)			B496	667	5.k.
l. Other noninterest income*			B497	31,690	5.l.
m. Total noninterest income (sum of items 5.a through 5.l)	4079	118,551			5.m.
6. a. Realized gains (losses) on held-to-maturity securities	3521	0			6.a.
b. Realized gains (losses) on available-for-sale debt securities	3196	(3,890)			6.b.
7. Noninterest expense:					
a. Salaries and employee benefits			4135	253,607	7.a.
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)			4217	54,696	7.b.
c. (1) Goodwill impairment losses			C216	0	7.c.1.
(2) Amortization expense and impairment losses for other intangible assets			C232	11,355	7.c.2.
d. Other noninterest expense*			4092	140,469	7.d.
e. Total noninterest expense (sum of items 7.a through 7.d)	4093	460,127			7.e.
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)	HT69	89,514			8.a.
b. Change in net unrealized holding gains (losses) on equity securities not held for trading (3)	HT70	156			8.b.
c. Income (loss) before applicable income taxes and discontinued operations (sum of items 8.a and 8.b)	4301	89,670			8.c.
9. Applicable income taxes (on item 8.c)	4302	9,508			9.
10. Income (loss) before discontinued operations (item 8.c minus item 9)	4300	80,162			10.
11. Discontinued operations, net of applicable income taxes*	FT28	0			11.
12. Net income (loss) attributable to bank and noncontrolling (minority) interests (sum of items 10 and 11)	G104	80,162			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)	G103	0			13.
14. Net income (loss) attributable to bank (item 12 minus item 13)	4340	80,162			14.

* Describe on Schedule RI-E - Explanations

1 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.

2 Exclude net gains (losses) on sales of trading assets and held-to-maturity and available-for-sale debt securities.

3 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.

Schedule RI—Continued

Memoranda

Dollar Amounts in Thousands	RIAD	Year-to-date Amount	
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	4513	2,281	M.1.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets.[1]			
2. Income from the sale and servicing of mutual funds and annuities (included in Schedule RI, item 8)	8431	1,310	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)	4313	2,938	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))	4507	11,650	M.4.
5. Number of full-time equivalent employees at end of current period (round to the nearest whole number)	4150	Number 1,945	M.5.
Memorandum item 6 is to be completed by:[1] • *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.*			
6. Interest and fee income on loans to finance agricultural production and other loans to farmers (included in Schedule RI, item 1.a.(5))	4024	4,347	M.6.
7. If the reporting institution has applied push down accounting this calendar year, report the date of the institution's acquisition (see instructions) (2)	9106	Date 00000000	M.7.
8. Not applicable			
Memorandum items 9.a and 9.b are to be completed by banks with $10 billion or more in total assets.[1]			
9. Net gains (losses) recognized in earnings on credit derivatives that economically hedge credit exposures held outside the trading account:			
a. Net gains (losses) on credit derivatives held for trading	C889	0	M.9.a.
b. Net gains (losses) on credit derivatives held for purposes other than trading	C890	0	M.9.b.
Memorandum item 10 is to be completed by banks with $300 million or more in total assets.[1]			
10. Credit losses on derivatives (see instructions)	A251	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?	A530	YES / NO: NO	M.11.
12. Not applicable			

1 The asset-size tests and the 5 percent of total loans test are based on the total assets and total loans reported on the June 30, 2022, Report of Condition.
2 Report the date in YYYYMMDD format. For example, a bank acquired on March 1, 2023, would report 20230301.

Schedule RI—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RIAD	Year-to-date Amount	
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:			
a. Net gains (losses) on assets	F551	4,107	M.13.a.
(1) Estimated net gains (losses) on loans attributable to changes in instrument-specific credit risk	F552	0	M.13.a1.
b. Net gains (losses) on liabilities	F553	0	M.13.b.
(1) Estimated net gains (losses) on liabilities attributable to changes in instrument-specific credit risk	F554	0	M.13.b1.
14. Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings (included in Schedule RI, items 6.a and 6.b) (1)	J321	NR	M.14.
Memorandum item 15 is to be completed by institutions with $1 billion or more in total assets[2] that answered "Yes" to Schedule RC-E, Memorandum item 5.			
15. Components of service charges on deposit accounts (sum of Memorandum items 15.a through 15.d must equal Schedule RI, item 5.b):			
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	H032	12,071	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	H033	3,601	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	H034	280	M.15.c.
d. All other service charges on deposit accounts	H035	2,953	M.15.d.

1 Memorandum item 14 is to be completed only by institutions that have not adopted ASU 2016-13.
2 The $1 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RI-A—Changes in Bank Equity Capital

Dollar Amounts in Thousands	RIAD	Amount	
1. Total bank equity capital most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	3217	1,314,219	1.
2. Cumulative effect of changes in accounting principles and corrections of material accounting errors*	B507	(63)	2.
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	B508	1,314,156	3.
4. Net income (loss) attributable to bank (must equal Schedule RI, item 14)	4340	80,162	4.
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	B509	0	5.
6. Treasury stock transactions, net	B510	0	6.
7. Changes incident to business combinations, net	4356	0	7.
8. LESS: Cash dividends declared on preferred stock	4470	0	8.
9. LESS: Cash dividends declared on common stock	4460	47,500	9.
10. Other comprehensive income (1)	B511	1,143	10.
11. Other transactions with stockholders (including a parent holding company)* (not included in items 5, 6, 8, or 9 above)	4415	1,000	11.
12. Total bank equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 27.a)	3210	1,348,961	12.

* 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—Charge-offs and Recoveries on Loans and Leases and Changes in Allowances for Credit Losses

Part I. Charge-offs and Recoveries on Loans and Leases

Part I includes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar Amounts in Thousands	RIAD	(Column A) Charge-offs[1] Calendar year-to-date Amount	RIAD	(Column B) Recoveries Calendar year-to-date Amount	
1. Loans secured by real estate:					
a. Construction, land development, and other land loans:					
(1) 1-4 family residential construction loans	C891	0	C892	3	1.a.1.
(2) Other construction loans and all land development and other land loans	C893	23	C894	284	1.a.2.
b. Secured by farmland	3584	47	3585	0	1.b.
c. Secured by 1-4 family residential properties:					
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5411	40	5412	34	1.c.1.
(2) Closed-end loans secured by 1-4 family residential properties:					
(a) Secured by first liens	C234	47	C217	136	1.c.2.a.
(b) Secured by junior liens	C235	42	C218	5	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	3588	0	3589	7	1.d.
e. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties	C895	74	C896	1	1.e.1.
(2) Loans secured by other nonfarm nonresidential properties	C897	56	C898	291	1.e.2.
2. and 3. Not applicable					
4. Commercial and industrial loans	4638	3,591	4608	939	4.
5. Loans to individuals for household, family, and other personal expenditures:					
a. Credit cards	B514	0	B515	0	5.a.
b. Automobile loans	K129	633	K133	285	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	K205	1,258	K206	323	5.c.
6. Not applicable					
7. All other loans (2)	4644	334	4628	573	7.
8. Lease financing receivables	4266	0	4267	0	8.
9. Total (sum of items 1 through 8)	4635	6,145	4605	2,881	9.

1 Include write-downs arising from transfers of loans to a held-for-sale account.
2 Includes charge-offs and recoveries on"Loans to depository institutions and acceptances of other banks," "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 non-depository financial institutions and other loans."

Schedule RI-B—Continued

Memoranda

Dollar Amounts in Thousands	(Column A) Charge-offs[1] Calendar year-to-date RIAD	Amount	(Column B) Recoveries Calendar year-to-date RIAD	Amount	
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	5409	0	5410	0	M.1.
2. Memorandum items 2.a through 2.d are to be completed by banks with $300 million or more in total assets:[2]					
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RI-B, Part I, item 1, above)	4652	0	4662	0	M.2.a.
b. Not applicable					
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RI-B, Part I, item 4, above)	4646	0	4618	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)	F185	0	F187	0	M.2.d.
Memorandum item 3 is to be completed by:[2] • *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)	4655	334	4665	573	M.3.

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.

	Calendar Year-to-date RIAD	Amount	
4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not included in charge-offs against the allowance for loan and lease losses) (3)	C388	NR	M.4.

1 Include write-downs arising from transfers of loans to a held-for-sale account.
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, 2022, Report of Condition.
3 Institutions that have adopted ASU 2016-13 should report in Memorandum item 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).

Schedule RI-B—Continued

Part II. Changes in Allowances for Credit Losses[1]

Dollar Amounts in Thousands	(Column A) Loans and Leases Held for Investment RIAD	Amount	(Column B) Held-to-Maturity Debt Securities[2] RIAD	Amount	(Column C) Available-for-Sale Debt Securities[2] RIAD	Amount	
1. Balance most recently reported for the December 31, 2022, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	B522	112,551	JH88	0	JH94	0	1.
2. Recoveries (column A must equal Part I, item 9, column B, above)	4605	2,881	JH89	0	JH95	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)	C079	6,145	JH92	0	JH98	0	3.
4. LESS: Write-downs arising from transfers of financial assets (3)	5523	0	JJ00	0	JJ01	0	4.
5. Provisions for credit losses (4,5)	4230	24,860	JH90	0	JH96	0	5.
6. Adjustments* (see instructions for this schedule)	C233	80	JH91	0	JH97	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)	3123	134,227	JH93	0	JH99	0	7.

* Describe on Schedule RI-E - Explanations.

1 Institutions that have not yet adopted ASU 2016-13 should report changes in the allowance for loan and lease losses in column A.

2 Columns B and C are to be completed only by institutions that have adopted ASU 2016-13.

3 Institutions that have not yet adopted ASU 2016-13 should report write-downs arising from transfers of loans to a held-for-sale account in item 4, column A.

4 Institutions that have not yet adopted ASU 2016-13 should report the provision for loan and lease losses in item 5, column A, and the amount reported must equal Schedule RI, item 4.

5 For institutions that have adopted ASU 2016-13, 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.

Memoranda

Dollar Amounts in Thousands	RIAD	Amount	
1. Allocated transfer risk reserve included in Schedule RI-B, Part II, item 7, column A, above	C435	0	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	C389	NR	M.2.
3. Amount of allowance for loan and lease losses attributable to retail credit card fees and finance charges (1)	C390	NR	M.3.
4. Amount of allowance for post-acquisition credit losses on purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (included in Schedule RI-B, Part II, item 7, column A, above) (2)	C781	NR	M.4.
5. Provisions for credit losses on other financial assets measured at amortized cost (not included in item 5, above) (3)	JJ02	0	M.5.
	RCON		
6. Allowance for credit losses on other financial assets measured at amortized cost (not included in item 7, above) (3)	JJ03	0	M.6.
	RIAD		
7. Provisions for credit losses on off-balance-sheet credit exposures (3)	MG93	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) (3)	MG94	0	M.8.

1 Institutions that have adopted ASU 2016-13 should report in Memorandum item 3 the amount of allowance for credit losses on loans and leases attributable to retail credit fees and finance charges.

2 Memorandum item 4 is to be completed only by institutions that have not yet adopted ASU 2016-13.

3 Memorandum items 5, 6, 7, and 8 are to be completed only by institutions that have adopted ASU 2016-13.

Schedule RI-C—Disaggregated Data on the Allowance for Loan and Lease Losses

Part I. Disaggregated Data on the Allowance for Loan and Lease Losses[1]

Schedule RI-C, Part I, is to be completed by institutions with $1 billion or more in total assets.[2]

Dollar Amounts in Thousands	(Column A) Recorded Investment: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35) RCON	Amount	(Column B) Allowance Balance: Individually Evaluated for Impairment and Determined to be Impaired (ASC 310-10-35) RCON	Amount	(Column C) Recorded Investment: Collectively Evaluated for Impairment (ASC 450-20) RCON	Amount	(Column D) Allowance Balance: Collectively Evaluated for Impairment (ASC 450-20) RCON	Amount	(Column E) Recorded Investment: Purchased Credit-Impaired Loans (ASC 310-30) RCON	Amount	(Column F) Allowance Balance: Purchased Credit-Impaired Loans (ASC 310-30) RCON	Amount	
1. Real estate loans:													
a. Construction loans	M708	NR	M709	NR	M710	NR	M711	NR	M712	NR	M713	NR	1.a.
b. Commercial real estate loans	M714	NR	M715	NR	M716	NR	M717	NR	M719	NR	M720	NR	1.b.
c. Residential real estate loans	M721	NR	M722	NR	M723	NR	M724	NR	M725	NR	M726	NR	1.c.
2. Commercial loans (3)	M727	NR	M728	NR	M729	NR	M730	NR	M731	NR	M732	NR	2.
3. Credit cards	M733	NR	M734	NR	M735	NR	M736	NR	M737	NR	M738	NR	3.
4. Other consumer loans	M739	NR	M740	NR	M741	NR	M742	NR	M743	NR	M744	NR	4.
5. Unallocated, if any							M745	NR					5.
6. Total (for each column sum of 1.a through 5) (4)	M746	NR	M747	NR	M748	NR	M749	NR	M750	NR	M751	NR	6.

1 Only institutions that have not yet adopted ASU 2016-13 are to complete Schedule RI-C, Part I.
2 The $1 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.
3 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.
4 The sum of item 6, columns B, D, and F, must equal Schedule RC, item 4.c. Item 6, column E, must equal Schedule RC-C, Part I, Memorandum item 7.b. Item 6, column F, must equal Schedule RI-B, Part II, Memorandum item 4.

Schedule RI-C—Continued

Part II. Disaggregated Data on the Allowances for Credit Losses[1]

Schedule RI-C, Part II, is to be completed by institutions with $1 billion or more in total assets.[2]

Dollar Amounts in Thousands	(Column A) Amortized Cost RCON	Amount	(Column B) Allowance Balance RCON	Amount	
Loans and Leases Held for Investment:					
1. Real estate loans:					
a. Construction loans	JJ04	1,991,996	JJ12	21,871	1.a.
b. Commercial real estate loans	JJ05	3,736,936	JJ13	51,636	1.b.
c. Residential real estate loans	JJ06	5,420,446	JJ14	39,304	1.c.
2. Commercial loans (3)	JJ07	1,132,569	JJ15	19,462	2.
3. Credit cards	JJ08	0	JJ16	0	3.
4. Other consumer loans	JJ09	164,000	JJ17	1,954	4.
5. Unallocated, if any			JJ18	0	5.
6. Total (sum of items 1.a through 5) (4)	JJ11	12,445,947	JJ19	134,227	6.

Dollar Amounts in Thousands	Allowance Balance RCON	Amount	
Held-to-Maturity Securities:			
7. Securities issued by states and political subdivisions in the U.S	JJ20	0	7.
8. Mortgage-backed securities (MBS) (including CMOs, REMICs, and stripped MBS)	JJ21	0	8.
9. Asset-backed securities and structured financial products	JJ23	0	9.
10. Other debt securities	JJ24	0	10.
11. Total (sum of items 7 through 10) (5)	JJ25	0	11.

1 Only institutions that have adopted ASU 2016-13 are to complete Schedule RI-C, Part II.
2 The $1 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.
3 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.
4 Item 6, column B, must equal Schedule RC, item 4.c.
5 Item 11 must equal Schedule RI-B, Part II, item 7, column B.

Schedule RI-E—Explanations

Schedule RI-E is to be completed each quarter on a calender year-to-date basis.

Detail all adjustments in Schedule RI-A and RI-B, all discontinued operations 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			RIAD	Year-to-date Amount	
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts greater than $100,000 that exceed 7% of Schedule RI, item 5.l:					
a. Income and fees from the printing and sale of checks			C013	0	1.a.
b. Earnings on/increase in value of cash surrender value of life insurance			C014	6,505	1.b.
c. Income and fees from automated teller machines (ATMs)			C016	0	1.c.
d. Rent and other income from other real estate owned			4042	0	1.d.
e. Safe deposit box rent			C015	0	1.e.
f. Bank card and credit card interchange fees			F555	11,712	1.f.
g. Income and fees from wire transfers not reportable as service charges on deposit accounts			T047	0	1.g.
h. TEXT 4461 Mtg-Realized/Unrealized Derivative/Secondary Market Gain/loss			4461	(3,698)	1h.
i. TEXT 4462 Mtg-Administrative Fees and Orgination Fees			4462	8,128	1i.
j. TEXT 4463			4463	0	1j.
2. Other noninterest expense (from Schedule RI, item 7.d) Itemize and describe amounts greater than $100,000 that exceed 7% of Schedule RI, item 7.d:					
a. Data processing expenses			C017	0	2.a.
b. Advertising and marketing expenses			0497	0	2.b.
c. Directors' fees			4136	0	2.c.
d. Printing, stationery, and supplies			C018	0	2.d.
e. Postage			8403	0	2.e.
f. Legal fees and expenses			4141	0	2.f.
g. FDIC deposit insurance assessments			4146	15,856	2.g.
h. Accounting and auditing expenses			F556	0	2.h.
i. Consulting and advisory expenses			F557	0	2.i.
j. Automated teller machine (ATM) and interchange expenses			F558	0	2.j.
k. Telecommunications expenses			F559	0	2.k.
l. Other real estate owned expenses			Y923	0	2.l.
m. Insurance expenses (not included in employee expenses, premises and fixed asset expenses, and other real estate owned expenses)			Y924	0	2.m.
n. TEXT 4464 Technology Expenses			4464	24,835	2.n.
o. TEXT 4467 Contract Service			4467	12,613	2.o.
p. TEXT 4468			4468	0	2.p.
3. Discontinued operations and applicable income tax effect (from Schedule RI, item 11) (itemize and describe each discontinued operation):					
a. (1) TEXT FT29			FT29	0	3.a.1.
(2) Applicable income tax effect	FT30	0			3.a.2.
b. (1) TEXT FT31			FT31	0	3.b.1.
(2) Applicable income tax effect	FT32	0			3.b.2.

Schedule RI-E—Continued

Dollar Amounts in Thousands		RIAD	Year-to-date Amount	
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):				
a. Effect of adoption of current expected credit losses methodology – ASU 2016-13 (1,2)		JJ26	(63)	4.a.
b. **Not applicable**				
c.	TEXT B526	B526	0	4.c.
d.	TEXT B527	B527	0	4.d.
5. Other transactions with stockholders (including a parent holding company) (from Schedule RI-A, item 11) (itemize and describe all such transactions):				
a.	TEXT 4498 Additional investment from holding company	4498	1,000	5.a.
b.	TEXT 4499	4499	0	5.b.
6. Adjustments to allowances for credit losses (3) (from Schedule RI-B, Part II, item 6) (itemize and describe all adjustments):				
a. Initial allowances for credit losses recognized upon the acquisition of purchased credit-deteriorated assets on or after the effective date of ASU 2016-13 (1)		JJ27	0	6.a.
b. Effect of adoption of current expected credit losses methodology on allowances for credit losses (1,2)		JJ28	80	6.b.
c.	TEXT 4521	4521	0	6.c.
d.	TEXT 4522	4522	0	6.d.

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):

	RIAD	YES / NO	
Comments?	4769	NO	7.

Other explanations (please type or print clearly):
(TEXT 4769)

1 Only institutions that have adopted ASU 2016-13 should report amounts in items 4.a, 6.a, and 6.b, if applicable.
2 An institution should complete item 4.a and item 6.b in the quarter that it adopts ASU 2016-13 and in the quarter-end Call Reports for the remainder of that calendar year only.
3 Institutions that have not adopted ASU 2016-13 should report adjustments to the allowance for loan and lease losses in items 6.c and 6.d, if applicable.

Consolidated Report of Condition for Insured Banks and Savings Associations for December 31, 2023

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.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands			RCON	Amount	
Assets					
1. Cash and balances due from depository institutions (from Schedule RC-A):					
a. Noninterest-bearing balances and currency and coin (1)			0081	179,630	1.a.
b. Interest-bearing balances (2)			0071	128,235	1.b.
2. Securities:					
a. Held-to-maturity securities (from Schedule RC-B, column A) (3)			JJ34	0	2.a.
b. Available-for-sale debt securities (from Schedule RC-B, column D)			1773	1,614,348	2.b.
c. Equity securities with readily determinable fair values not held for trading (4)			JA22	31	2.c.
3. Federal funds sold and securities purchased under agreements to resell:					
a. Federal funds sold			B987	0	3.a.
b. Securities purchased under agreements to resell (5,6)			B989	652,668	3.b.
4. Loans and lease financing receivables (from Schedule RC-C):					
a. Loans and leases held for sale			5369	108,747	4.a.
b. Loans and leases held for investment	B528	12,445,947			4.b.
c. LESS: Allowance for loan and lease losses (7)	3123	134,227			4.c.
d. Loans and leases held for investment, net of allowance (item 4.b minus 4.c)			B529	12,311,720	4.d.
5. Trading assets (from Schedule RC-D)			3545	0	5.
6. Premises and fixed assets (including capitalized leases)			2145	428,830	6.
7. Other real estate owned (from Schedule RC-M)			2150	3,535	7.
8. Investments in unconsolidated subsidiaries and associated companies			2130	93	8.
9. Direct and indirect investments in real estate ventures			3656	0	9.
10. Intangible assets (from Schedule RC-M)			2143	225,888	10.
11. Other assets (from Schedule RC-F) (6)			2160	606,813	11.
12. Total assets (sum of items 1 through 11)			2170	16,260,538	12.
Liabilities					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)			2200	12,786,169	13.a.
(1) Noninterest-bearing (8)	6631	2,776,380			13.a.1.
(2) Interest-bearing	6636	10,009,789			13.a.2.
b. Not applicable					
14. Federal funds purchased and securities sold under agreements to repurchase:					
a. Federal funds purchased (9)			B993	0	14.a.
b. Securities sold under agreements to repurchase (10)			B995	66,070	14.b.
15. Trading liabilities (from Schedule RC-D)			3548	0	15.
16. Other borrowed money (includes mortgage indebtedness) (from Schedule RC-M)			3190	1,922,806	16.
17. and 18. Not applicable					
19. Subordinated notes and debentures (11)			3200	3,093	19.

1 Includes cash items in process of collection and unposted debits.
2 Includes time certificates of deposit not held for trading.
3 Institutions that have adopted ASU 2016-13 should report in item 2.a amounts net of any applicable allowance for credit losses, and item 2.a should equal 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 that have adopted ASU 2016-13 should report in items 3.b and 11 amounts net of any applicable allowance for credit losses.
7 Institutions that have adopted ASU 2016-13 should report in item 4.c the allowance for credit losses on loans and leases.
8 Includes noninterest-bearing, demand, time, and savings deposits.
9 Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "Other borrowed money."
10 Includes all securities repurchase agreements, regardless of maturity.
11 Includes limited-life preferred stock and related surplus.

Schedule RC—Continued

Dollar Amounts in Thousands	RCON	Amount	
Liabilities—continued			
20. Other liabilities (from Schedule RC-G)	2930	127,745	20.
21. Total liabilities (sum of items 13 through 20)	2948	14,905,883	21.
22. Not applicable			
Equity Capital			
Bank Equity Capital			
23. Perpetual preferred stock and related surplus	3838	0	23.
24. Common stock	3230	1,868	24.
25. Surplus (excludes all surplus related to preferred stock)	3839	602,999	25.
26. a. Retained earnings	3632	777,181	26.a.
b. Accumulated other comprehensive income (1)	B530	(33,087)	26.b.
c. Other equity capital components (2)	A130	0	26.c.
27. a. Total bank equity capital (sum of items 23 through 26.c)	3210	1,348,961	27.a.
b. Noncontrolling (minority) interests in consolidated subsidiaries	3000	5,694	27.b.
28. Total equity capital (sum of items 27.a and 27.b)	G105	1,354,655	28.
29. Total liabilities and equity capital (sum of items 21 and 28)	3300	16,260,538	29.

Memoranda

To be reported with the March Report of Condition.

	RCON	Number	
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 2022	6724	NR	M.1.

1a = An integrated audit of the reporting institution's financial statements and its internal control over financial reporting conducted in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) or the Public Company Accounting Oversight Board (PCAOB) by an independent public accountant that submits a report on the institution

1b = An audit of the reporting institution's financial statements only conducted in accordance with the auditing standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the institution

2a = An integrated audit of the reporting institution's parent holding company's consolidated financial statements and its internal control over financial reporting conducted in accordance with the standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the consolidated holding company (but not on the institution separately)

2b = An audit of the reporting institution's parent holding company's consolidated financial statements only conducted in accordance with the auditing standards of the AICPA or the PCAOB by an independent public accountant that submits a report on the consolidated holding company (but not on the institution separately)

3 = This number is not to be used

4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state-chartering authority)

5 = Directors' examination of the bank performed by other external auditors (may be required by state-chartering authority)

6 = Review of the bank's financial statements by external auditors

7 = Compilation of the bank's financial statements by external auditors

8 = Other audit procedures (excluding tax preparation work)

9 = No external audit work

To be reported with the March Report of Condition.

	RCON	Date	
2. Bank's fiscal year-end date (report the date in MMDD format)	8678	NR	M.2.

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-A—Cash and Balances Due From Depository Institutions

Schedule RC-A is to be completed only by banks with $300 million or more in total assets.[1]
Exclude assets held for trading.

Dollar Amounts in Thousands	RCON	Amount	
1. Cash items in process of collection, unposted debits, and currency and coin:			
a. Cash items in process of collection and unposted debits	0020	85,575	1.a.
b. Currency and coin	0080	31,887	1.b.
2. Balances due from depository institutions in the U.S.	0082	138,003	2.
3. Balances due from banks in foreign countries and foreign central banks	0070	0	3.
4. Balances due from Federal Reserve Banks	0090	52,400	4.
5. Total (sum of items 1 through 4) (must equal Schedule RC, sum of items 1.a and 1.b)	0010	307,865	5.

1 The $300 million asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-B—Securities

Exclude assets held for trading.

	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
1. U.S. Treasury securities	0211	0	0213	0	1286	12,001	1287	11,904	1.
2. U.S. Government agency and sponsored agency obligations (exclude mortgage-backed securities) (1)	HT50	0	HT51	0	HT52	122,041	HT53	122,003	2.
3. Securities issued by states and political subdivisions in the U.S.	8496	0	8497	0	8498	520,013	8499	476,965	3.

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 Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

Schedule RC-B—Continued

	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	RCON	Amount	RCON	Amount	
4. Mortgage-backed securities (MBS):									
a. Residential mortgage pass-through securities:									
(1) Guaranteed by GNMA	G300	0	G301	0	G302	19,582	G303	19,001	4.a.1.
(2) Issued by FNMA and FHLMC	G304	0	G305	0	G306	213,214	G307	199,563	4.a.2.
(3) Other pass-through securities	G308	0	G309	0	G310	0	G311	0	4.a.3.
b. Other residential mortgage-backed securities (include CMOs, REMICs, and stripped MBS):									
(1) Issued or guaranteed by U.S. Government agencies or sponsored agencies (1)	G312	0	G313	0	G314	145,030	G315	127,346	4.b.1.
(2) Collateralized by MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (1)	G316	0	G317	0	G318	0	G319	0	4.b.2.
(3) All other residential MBS	G320	0	G321	0	G322	306,993	G323	300,156	4.b.3.
c. Commercial MBS:									
(1) Commercial mortgage pass-through securities:									
(a) Issued or guaranteed by FNMA, FHLMC, or GNMA	K142	0	K143	0	K144	78,223	K145	75,875	4.c.1.a.
(b) Other pass-through securities	K146	0	K147	0	K148	0	K149	0	4.c.1.b.

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-B—Continued

Dollar Amounts in Thousands	Held-to-maturity (Column A) Amortized Cost RCON	Amount	(Column B) Fair Value RCON	Amount	Available-for-sale (Column C) Amortized Cost RCON	Amount	(Column D) Fair Value RCON	Amount	
4. c.(2) Other commercial MBS:									
(a) Issued or guaranteed by U.S. Government agencies or sponsored agencies (1)........................	K150	0	K151	0	K152	8,952	K153	8,706	4.c.2.a.
(b) All other commercial MBS.......................	K154	0	K155	0	K156	0	K157	0	4.c.2.b.
5. Asset-backed securities and structured financial products:									
a. Asset-backed securities (ABS)...	C026	0	C988	0	C989	139,290	C027	136,416	5.a.
b. Structured financial products...	HT58	0	HT59	0	HT60	140,816	HT61	130,413	5.b.
6. Other debt securities:									
a. Other domestic debt securities..	1737	0	1738	0	1739	6,000	1741	6,000	6.a.
b. Other foreign debt securities..	1742	0	1743	0	1744	0	1746	0	6.b.
7. Unallocated portfolio layer fair value hedge basis adjustments (2)..					MG95	NR			7.
8. Total (sum of items 1 through 7) (3)...	1754	0	1771	0	1772	1,712,155	1773	1,614,348	8.

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 For institutions that have adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a, plus Schedule RI-B, Part II, item 7, column B. For institutions that have not adopted ASU 2016-13, the total reported in column A must equal Schedule RC, item 2.a. For all institutions, the total reported in column D must equal Schedule RC, item 2.b.

Schedule RC-B—Continued

Memoranda

Dollar Amounts in Thousands	RCON	Amount	
1. Pledged securities (1)	0416	957,397	M.1.
2. Maturity and repricing data for debt securities (excluding those in nonaccrual status):			
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: (2,3)			
(1) Three months or less	A549	318,063	M.2.a.1.
(2) Over three months through 12 months	A550	18,847	M.2.a.2.
(3) Over one year through three years	A551	36,437	M.2.a.3.
(4) Over three years through five years	A552	121,086	M.2.a.4.
(5) Over five years through 15 years	A553	260,100	M.2.a.5.
(6) Over 15 years	A554	205,043	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: (2,4)			
(1) Three months or less	A555	1,411	M.2.b.1.
(2) Over three months through 12 months	A556	12,340	M.2.b.2.
(3) Over one year through three years	A557	1	M.2.b.3.
(4) Over three years through five years	A558	8,154	M.2.b.4.
(5) Over five years through 15 years	A559	52,179	M.2.b.5.
(6) Over 15 years	A560	144,480	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)			
(1) Three years or less	A561	307,039	M.2.c.1.
(2) Over three years	A562	129,169	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)	A248	45,790	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)	1778	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):			
a. Amortized cost	8782	0	M.4.a.
b. Fair value	8783	0	M.4.b.

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.

3 Sum of Memorandum items 2.a.(1) through 2.a.(6) plus any nonaccrual debt securities in the categories of debt securities reported in Memorandum item 2.a that are included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, sum of items 1, 2, 3, 4.c.(1), 5, and 6, columns A and D, plus residential mortgage pass-through securities other than those backed by closed-end first lien 1 –4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

4 Sum of Memorandum items 2.b.(1) through 2.b.(6) plus any nonaccrual mortgage pass-through securities backed by closed-end first lien 1 –4 family residential mortgages included in Schedule RC-N, item 10, column C, must equal Schedule RC-B, item 4.a, sum of columns A and D, less the amount of residential mortgage pass-through securities other than those backed by closed-end first lien 1 –4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

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.

Schedule RC-B—Continued

Memoranda—Continued

Dollar Amounts in Thousands	Held-to-maturity (Column A) Amortized Cost RCON	Amount	Held-to-maturity (Column B) Fair Value RCON	Amount	Available-for-sale (Column C) Amortized Cost RCON	Amount	Available-for-sale (Column D) Fair Value RCON	Amount	
Memorandum items 5.a through 5.f and 6.a through 6.g are to be completed by banks with $10 billion or more in total assets.[1]									
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):									
a. Credit card receivables	B838	0	B839	0	B840	0	B841	0	M.5.a.
b. Home equity lines	B842	0	B843	0	B844	0	B845	0	M.5.b.
c. Automobile loans	B846	0	B847	0	B848	0	B849	0	M.5.c.
d. Other consumer loans	B850	0	B851	0	B852	132,321	B853	130,690	M.5.d.
e. Commercial and industrial loans	B854	0	B855	0	B856	0	B857	0	M.5.e.
f. Other	B858	0	B859	0	B860	6,969	B861	5,726	M.5.f.
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):									
a. Trust preferred securities issued by financial institutions	G348	0	G349	0	G350	0	G351	0	M.6.a.
b. Trust preferred securities issued by real estate investment trusts	G352	0	G353	0	G354	0	G355	0	M.6.b.
c. Corporate and similar loans	G356	0	G357	0	G358	0	G359	0	M.6.c.
d. 1-4 family residential MBS issued or guaranteed by U.S. Government-sponsored enterprises (GSEs)	G360	0	G361	0	G362	0	G363	0	M.6.d.
e. 1-4 family residential MBS not issued or guaranteed by GSEs	G364	0	G365	0	G366	0	G367	0	M.6.e.
f. Diversified (mixed) pools of structured financial products	G368	0	G369	0	G370	0	G371	0	M.6.f.
g. Other collateral or reference assets	G372	0	G373	0	G374	140,816	G375	130,413	M.6.g.

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—Loans and Lease Financing Receivables

Part I. Loans and Leases

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule.[1]
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.

	(Column A) To Be Completed by Banks with $300 Million or More in Total Assets[2]		(Column B) To Be Completed by All Banks		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	
1. Loans secured by real estate:					
a. Construction, land development, and other land loans:					
(1) 1-4 family residential construction loans			F158	701,788	1.a.1.
(2) Other construction loans and all land development and other land loans			F159	1,290,208	1.a.2.
b. Secured by farmland (including farm residential and other improvements)			1420	210,822	1.b.
c. Secured by 1-4 family residential properties:					
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			1797	275,120	1.c.1.
(2) Closed-end loans secured by 1-4 family residential properties:					
(a) Secured by first liens			5367	5,229,090	1.c.2.a.
(b) Secured by junior liens			5368	33,710	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties			1460	726,535	1.d.
e. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties			F160	828,075	1.e.1.
(2) Loans secured by other nonfarm nonresidential properties			F161	1,974,178	1.e.2.
2. Loans to depository institutions and acceptances of other banks			1288	0	2.
a. To commercial banks in the U.S.:	B531	0			2.a.
b. To other depository institutions in the U.S	B534	0			2.b.
c. To banks in foreign countries	B535	0			2.c.
3. Loans to finance agricultural production and other loans to farmers			1590	62,311	3.
4. Commercial and industrial loans			1766	949,588	4.
a. To U.S. addressees (domicile)	1763	949,587			4.a.
b. To non-U.S. addressees (domicile)	1764	0			4.b.
5. Not applicable					
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):					
a. Credit cards			B538	0	6.a.
b. Other revolving credit plans			B539	9,648	6.b.
c. Automobile loans			K137	61,424	6.c.
d. Other consumer loans (includes single payment and installment loans other than automobile loans and all student loans)			K207	92,928	6.d.
7. Not applicable					
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.			2107	83,819	8.

1 Institutions that have adopted ASU 2016-13 should not deduct the allowance for credit losses on loans and leases or the allocated transfer risk reserve from amounts reported on this schedule.
2 The $300 million asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-C—Continued

Part I. Continued

Dollar Amounts in Thousands	(Column A) To Be Completed by Banks with $300 Million or More in Total Assets[1] RCON	Amount	(Column B) To Be Completed by All Banks RCON	Amount	
9. Loans to nondepository financial institutions and other loans:					
a. Loans to nondepository financial institutions			J454	29,062	9.a.
b. Other loans			J464	90	9.b.
(1) Loans for purchasing or carrying securities (secured and unsecured)	1545	76			9.b.1.
(2) All other loans (exclude consumer loans)	J451	14			9.b.2.
10. Lease financing receivables (net of unearned income)			2165	7,700	10.
a. Leases to individuals for household, family, and other personal expenditures (i.e., consumer leases)	F162	0			10.a.
b. All other leases	F163	7,700			10.b.
11. LESS: Any unearned income on loans reflected in items 1-9 above			2123	11,402	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)			2122	12,554,694	12.

Memoranda

Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	
1. Loans restructured in troubled debt restructurings that are in compliance with their modified terms (included in Schedule RC-C, Part I, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1):					
a. Construction, land development, and other land loans:					
(1) 1-4 family residential construction loans			K158	0	M.1.a.1.
(2) Other construction loans and all land development and other land loans			K159	0	M.1.a.2.
b. Loans secured by 1-4 family residential properties			F576	4,029	M.1.b.
c. Secured by multifamily (5 or more) residential properties			K160	0	M.1.c.
d. Secured by nonfarm nonresidential properties:					
(1) Loans secured by owner-occupied nonfarm nonresidential properties			K161	1,624	M.1.d.1.
(2) Loans secured by other nonfarm nonresidential properties			K162	0	M.1.d.2.
e. Commercial and industrial loans			K256	0	M.1.e.
Memorandum items 1.e.(1) and (2) are to be completed by banks with $300 millon or more in total assets[1] (sum of Memorandum items 1.e.(1) and (2) must equal Memorandum item 1.e):					
(1) To U.S. addressees (domicile)	K163	0			M.1.e.1.
(2) To non-U.S. addressees (domicile)	K164	0			M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)			K165	2,041	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10 percent of total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a through 1.e plus 1.f):					
(1) Loans secured by farmland	K166	2,041			M.1.f.1.
(2) and (3) Not applicable					

1 The $300 million asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	
1.f. (4) Loans to individuals for household, family, and other personal expenditures:					
(a) Credit cards	K098	0			M.1.f.4.a.
(b) Automobile loans	K203	0			M.1.f.4.b.
(c) Other (includes revolving credit plans other than credit cards and other consumer loans)	K204	0			M.1.f.4.c.
Memorandum item 1.f.(5) is to be completed by:[1] *• Banks with $300 millon or more in total assets • Banks with less than $300 millon 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	K168	0			M.1.f.5.
g. Total loans restructured in troubled debt restructurings that are in compliance with their modified terms (sum of Memorandum items 1.a.(1) through 1.e plus 1.f)			HK25	7,694	M.1.g.
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):					
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: (2,3)					
(1) Three months or less			A564	137,410	M.2.a.1.
(2) Over three months through 12 months			A565	50,786	M.2.a.2.
(3) Over one year through three years			A566	199,025	M.2.a.3.
(4) Over three years through five years			A567	172,177	M.2.a.4.
(5) Over five years through 15 years			A568	170,361	M.2.a.5.
(6) Over 15 years			A569	4,471,124	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: (2,4)					
(1) Three months or less			A570	2,856,401	M.2.b.1.
(2) Over three months through 12 months			A571	925,158	M.2.b.2.
(3) Over one year through three years			A572	1,623,642	M.2.b.3.
(4) Over three years through five years			A573	1,010,842	M.2.b.4.
(5) Over five years through 15 years			A574	757,450	M.2.b.5.
(6) Over 15 years			A575	102,164	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)			A247	1,865,203	M.2.c.

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, 2022, Report of Condition.

2 Report fixed rate loans and leases by remaining maturity and floating rate loans by next repricing date.

3 Sum of Memorandum items 2.a.(1) through 2.a.(6) plus total nonaccrual closed-end loans secured by first liens on 1 –4 family residential properties included in Schedule RC-N, 1.c.(2)(a), column C, must equal total closed-end loans secured by first liens on 1 –4 family residential properties from Schedule RC-C, part I, item 1.c.(2)(a), column B.

4 Sum of Memorandum items 2.b.(1) through 2.b.(6), plus total nonaccrual loans and leases from Schedule RC-N, item 9, column C, minus nonaccrual closed-end loans secured by first liens on 1 –4 family residential properties included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total loans and leases from Schedule RC-C, Part I, sum of items 1 through 10, column B, minus total closed-end loans secured by first liens on 1 –4 family residential properties from Schedule RC-C, Part I, item 1.c.(2)(a), column B.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
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 (1)	2746	16,065	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)	5370	407,236	M.4.
5. To be completed by banks with $300 million or more in total assets:[2] 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)	B837	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	C391	NR	M.6.
Memorandum items 7.a, 7.b, and 8.a are to be completed by all banks semiannually in the June and December reports only.[3]			
7. Purchased credit-impaired loans held for investment accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3) (exclude loans held for sale):			
a. Outstanding balance	C779	NR	M.7.a.
b. Amount included in Schedule RC-C, Part I, items 1 through 9	C780	NR	M.7.b.
8. Closed-end loans with negative amortization features secured by 1-4 family residential properties:			
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 (b))	F230	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 the preceding December 31 report date, 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	F231	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	F232	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))	F577	2,080	M.9.
10. and 11. Not applicable			

1 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 $300 million asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.
3 Memorandum item 7 is to be completed only by institutions that have not yet adopted ASU 2016-13.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	(Column A) Fair Value of Acquired Loans and Leases at Acquisition Date Amount	RCON	(Column B) Gross Contractual Amounts Receivable at Acquisition Date Amount	RCON	(Column C) Best Estimate at Acquisition Date of Contractual Cash Flows Not Expected to be Collected Amount	
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 subject to the requirements of FASB ASC 310-30 (former AICPA Statement of Position 03-3)) and leases held for investment that were acquired in business combinations with acquisition dates in the current calendar year:[1]							
a. Loans secured by real estate	G091	0	G092	0	G093	0	M.12.a.
b. Commercial and industrial loans	G094	0	G095	0	G096	0	M.12.b.
c. Loans to individuals for household, family, and other personal expenditures	G097	0	G098	0	G099	0	M.12.c.
d. All other loans and all leases	G100	0	G101	0	G102	0	M.12.d.

Dollar Amounts in Thousands	RCON	Amount	
Memorandum 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 loan and lease losses or the allowance for credit losses on loans and leases, as applicable (as reported in Schedule RC, item 4.c) as of the preceding December 31 report date.			
13. Construction, land development, and other land loans 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)	G376	598,827	M.13.a.
	RIAD		
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)(b))	G377	10,677	M.13.b.
Memorandum item 14 is to be completed by all banks.	RCON		
14. Pledged loans and leases	G378	12,566,096	M.14.
Memorandum item 15 is to be completed for the December report only.			
15. Reverse mortgages:			
a. Reverse mortgages outstanding that are held for investment (included in Schedule RC-C, item 1.c, above)	PR04	0	M.15.a.
		Number	
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	PR05	0	M.15.b.
		Amount	
c. Principal amount of reverse mortgage originations that have been sold during the year	PR06	0	M.15.c.

1 Institutions that have adopted ASU 2016-13 should report only loans held for investment not considered purchased credit-deteriorated in Memorandum item 12.

Schedule RC-C—Continued

Part I—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
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)	LE75	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:		Number	
a. Number of Section 4013 loans outstanding	LG24	0	M.17.a.
		Amount	
b. Outstanding balance of Section 4013 loans	LG25	0	M.17.b.

Schedule RC-C—Continued

Part II. Loans to Small Businesses and Small Farms

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 currently outstanding 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.

Loans to Small Businesses

	RCON	YES / NO	
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,[1] have original amounts of $100,000 or less (If your bank has no loans outstanding in both of these two loan categories, place an "X" in the box marked "NO.")	6999	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.

	Number of Loans		
	RCON	Number	
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) (Note: Sum of items 1.e.(1) and 1.e.(2) divided by the number of loans should NOT exceed $100,000.)	5562	NR	2.a.
b. "Commercial and industrial loans" reported in Schedule RC-C, Part I, item 4.[1] (Note: Item 4,[1] divided by the number of loans should NOT exceed $100,000.)	5563	NR	2.b.

Dollar Amounts in Thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
	RCON	Number	RCON	Amount	
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) (sum of items 3.a through 3.c must be less than or equal to Schedule RC-C, Part I, sum of items 1.e.(1) and 1.e.(2)):					
a. With original amounts of $100,000 or less	5564	226	5565	10,338	3.a.
b. With original amounts of more than $100,000 through $250,000	5566	429	5567	55,469	3.b.
c. With original amounts of more than $250,000 through $1,000,000	5568	786	5569	324,091	3.c.
4. Number and amount currently outstanding of "Commercial and industrial loans" reported in Schedule RC-C, Part I, item 4[1] (sum of items 4.a through 4.c must be less than or equal to Schedule RC-C, Part I, item 4[1]):					
a. With original amounts of $100,000 or less	5570	2,611	5571	67,724	4.a.
b. With original amounts of more than $100,000 through $250,000	5572	668	5573	68,653	4.b.
c. With original amounts of more than $250,000 through $1,000,000	5574	531	5575	151,059	4.c.

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."

Schedule RC-C—Continued

Part II—Continued

Agricultural Loans to Small Farms

	RCON	YES / NO	
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 (If your bank has no loans outstanding in both of these two loan categories, place an "X" in the box marked "NO.")	6860	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.

	Number of Loans		
	RCON	Number	
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, (Note: Item 1.b divided by the number of loans should NOT exceed $100,000.)	5576	NR	6.a.
b. "Loans to finance agricultural production and other loans to farmers" reported in Schedule RC-C, Part I, item 3 (Note: Item 3 divided by the number of loans should NOT exceed $100,000.)	5577	NR	6.b.

Dollar Amounts in Thousands	(Column A) Number of Loans		(Column B) Amount Currently Outstanding		
	RCON	Number	RCON	Amount	
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 (sum of items 7.a through 7.c must be less than or equal to Schedule RC-C, Part I, item 1.b):					
a. With original amounts of $100,000 or less	5578	266	5579	12,375	7.a.
b. With original amounts of more than $100,000 through $250,000	5580	308	5581	41,396	7.b.
c. With original amounts of more than $250,000 through $500,000	5582	124	5583	37,498	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 (sum of items 8.a through 8.c must be less than or equal to Schedule RC-C, Part I, item 3):					
a. With original amounts of $100,000 or less	5584	1,206	5585	27,404	8.a.
b. With original amounts of more than $100,000 through $250,000	5586	157	5587	14,967	8.b.
c. With original amounts of more than $250,000 through $500,000	5588	36	5589	8,649	8.c.

Schedule RC-D—Trading Assets and Liabilities

Schedule RC-D is to be completed by banks that (1) reported total trading assets of $10 million or more in any of the four preceding calendar quarters, or (2) meet the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.

Dollar Amounts in Thousands	RCON	Amount	
Assets			
1. U.S. Treasury securities	3531	0	1.
2. U.S. Government agency obligations (exclude mortgage-backed securities)	3532	0	2.
3. Securities issued by states and political subdivisions in the U.S.	3533	0	3.
4. Mortgage-backed securities (MBS):			
a. Residential mortgage pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	G379	0	4.a.
b. Other residential MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (1) (include CMOs, REMICs, and stripped MBS)	G380	0	4.b.
c. All other residential MBS	G381	0	4.c.
d. Commercial MBS issued or guaranteed by U.S. Government agencies or sponsored agencies (1)	K197	0	4.d.
e. All other commercial MBS	K198	0	4.e.
5. Other debt securities:			
a. Structured financial products	HT62	0	5.a.
b. All other debt securities	G386	0	5.b.
6. Loans:			
a. Loans secured by real estate:			
(1) Loans secured by 1-4 family residential properties	HT63	0	6.a.1.
(2) All other loans secured by real estate	HT64	0	6.a.2.
b. Commercial and industrial loans	F614	0	6.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):	HT65	0	6.c.
d. Other loans	F618	0	6.d.
7. and 8. Not appplicable			
9. Other trading assets	3541	0	9.
10. Not applicable			
11. Derivatives with a positive fair value	3543	0	11.
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)	3545	0	12.
Liabilities			
13. a. Liability for short positions	3546	0	13.a.
b. Other trading liabilities	F624	0	13.b.
14. Derivatives with a negative fair value	3547	0	14.
15. Total trading liabilities (sum of items 13.a through 14) (must equal Schedule RC, item 15)	3548	0	15.

Memoranda

Dollar Amounts in Thousands	RCON	Amount	
1. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-D, items 6.a.(1) through 6.d):			
a. Loans secured by real estate:			
(1) Loans secured by 1-4 family residential properties	HT66	0	M.1.a.1.
(2) All other loans secured by real estate	HT67	0	M.1.a.2.
b. Commercial and industrial loans	F632	0	M.1.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	HT68	0	M.1.c.
d. Other loans	F636	0	M.1.d.

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

Dollar Amounts in Thousands	Transaction Accounts (Column A) Total Transaction Accounts (Including Total Demand Deposits) RCON	Amount	Transaction Accounts (Column B) Memo: Total Demand Deposits[1] (Included in Column A) RCON	Amount	Nontransaction Accounts (Column C) Total Nontransaction Accounts (Including MMDAs) RCON	Amount	
Deposits of:							
1. Individuals, partnerships, and corporations	B549	2,706,810			B550	7,733,232	1.
2. U.S. Government	2202	0			2520	0	2.
3. States and political subdivisions in the U.S	2203	713,962			2530	1,514,960	3.
4. Commercial banks and other depository institutions in the U.S	B551	113,254			B552	3,701	4.
5. Banks in foreign countries	2213	0			2236	0	5.
6. Foreign governments and official institutions (including foreign central banks)	2216	0			2377	249	6.
7. Total (sum of items 1 through 6) (sum of columns A and C must equal Schedule RC, item 13.a)	2215	3,534,026	2210	2,993,203	2385	9,252,142	7.

Memoranda

Dollar Amounts in Thousands	RCON	Amount	
1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	6835	149,605	M.1.a.
b. Total brokered deposits	2365	1,893,741	M.1.b.
c. Brokered deposits of $250,000 or less (fully insured brokered deposits) (2)	HK05	1,893,741	M.1.c.
d. Maturity data for brokered deposits:			
(1) Brokered deposits of $250,000 or less with a remaining maturity of one year or less (included in Memorandum item 1.c above)	HK06	1,534,892	M.1.d.1.
(2) Not applicable			
(3) Brokered deposits of more than $250,000 with a remaining maturity of one year or less (included in Memorandum item 1.b. above)	K220	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)	5590	792,639	M.1.e.
f. Estimated amount of deposits obtained through the use of deposit listing services that are not brokered deposits	K223	0	M.1.f.
g. Total reciprocal deposits	JH83	990,540	M.1.g.
h. Sweep deposits:			
(1) Fully insured, affiliate sweep deposits	MT87	0	M.1.h.1.
(2) Not fully insured, affiliate sweep deposits	MT89	0	M.1.h.2.
(3) Fully insured, non-affiliate sweep deposits	MT91	2,275,293	M.1.h.3.
(4) Not fully insured, non-affiliate sweep deposits	MT93	0	M.1.h.4.
i. Total sweep deposits that are not brokered deposits	MT95	897,947	M.1.i.

1 Includes interest-bearing and noninterest-bearing demand deposits.
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.

Schedule RC-E—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.d must equal item 7, column C above):			
a. Savings deposits:			
(1) Money market deposit accounts (MMDAs)	6810	6,267,078	M.2.a.1.
(2) Other savings deposits (excludes MMDAs)	0352	591,850	M.2.a.2.
b. Total time deposits of less than $100,000	6648	898,043	M.2.b.
c. Total time deposits of $100,000 through $250,000	J473	703,179	M.2.c.
d. Total time deposits of more than $250,000 (sum of Memoranda items 4.a.(1) through 4.a.(4) below)	J474	791,993	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	F233	74,390	M.2.e.
3. Maturity and repricing data for time deposits of $250,000 or less:			
a. Time deposits of $250,000 or less with a remaining maturity or next repricing date of: (1,2)			
(1) Three months or less	HK07	425,998	M.3.a.1.
(2) Over three months through 12 months	HK08	736,932	M.3.a.2.
(3) Over one year through three years	HK09	319,350	M.3.a.3.
(4) Over three years	HK10	118,943	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)	HK11	1,162,930	M.3.b.
4. Maturity and repricing data for time deposits of more than $250,000:			
a. Time deposits of more than $250,000 with a remaining maturity or next repricing date of: (1,4)			
(1) Three months or less	HK12	314,615	M.4.a.1.
(2) Over three months through 12 months	HK13	410,668	M.4.a.2.
(3) Over one year through three years	HK14	65,937	M.4.a.3.
(4) Over three years	HK15	773	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)	K222	725,283	M.4.b.

	RCON	YES / NO	
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?	P752	YES	M.5.

Memorandum items 6 and 7 are to be completed by institutions with $1 billion or more in total assets (5) that answered "Yes" to Memorandum item 5 above.

Dollar Amounts in Thousands	RCON	Amount	
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):			
a. Total deposits in those noninterest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	P753	625,408	M.6.a.
b. Total deposits in those interest-bearing transaction account deposit products intended primarily for individuals for personal, household, or family use	P754	258,369	M.6.b.

1 Report fixed rate time deposits by remaining maturity and floating rate time deposits by next repricing date.
2 Sum of Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E, sum of Memorandum items 2.b and 2.c.
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.
4 Sum of Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, Memorandum item 2.d.
5 The $1 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-E—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
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):			
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):			
(1) Total deposits in those MMDA deposit products intended primarily for individuals for personal, household, or family use	P756	1,102,858	M.7.a.1.
(2) Deposits in all other MMDAs of individuals, partnerships, and corporations	P757	3,731,771	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):			
(1) Total deposits in those other savings deposit account deposit products intended primarily for individuals for personal, household, or family use	P758	552,740	M.7.b.1.
(2) Deposits in all other savings deposit accounts of individuals, partnerships, and corporations	P759	37,796	M.7.b.2.

Schedule RC-F—Other Assets[1]

Dollar Amounts in Thousands			RCON	Amount	
1. Accrued interest receivable (2)			B556	63,609	1.
2. Net deferred tax assets (3)			2148	0	2.
3. Interest-only strips receivable (not in the form of a security) (4)			HT80	0	3.
4. Equity investments without readily determinable fair values (5)			1752	93,602	4.
5. Life insurance assets:					
a. General account life insurance assets			K201	240,882	5.a.
b. Separate account life insurance assets			K202	0	5.b.
c. Hybrid account life insurance assets			K270	8,307	5.c.
6. All other assets (itemize and describe amounts greater than $100,000 that exceed 25% of this item)			2168	200,413	6.
a. Prepaid expenses	2166	22,843			6.a.
b. Repossessed personal property (including vehicles)	1578	0			6.b.
c. Derivatives with a positive fair value held for purposes other than trading	C010	0			6.c.
d. Not applicable					
e. Computer software	FT33	0			6.e.
f. Accounts receivable	FT34	0			6.f.
g. Receivables from foreclosed government-guaranteed mortgage loans	FT35	0			6.g.
h. TEXT 3549 Hedge Margin Trading Account and Unrealized gain on Hedge	3549	50,447			6.h.
i. TEXT 3550	3550	0			6.i.
j. TEXT 3551	3551	0			6.j.
7. Total (sum of items 1 through 6) (must equal Schedule RC, item 11)			2160	606,813	7.

1 Institutions that have adopted ASU 2016-13 should report asset amounts in Schedule RC-F net of any applicable allowance for credit losses.
2 Includes accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets. Exclude accrued interest receivable on interest-bearing assets that is 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 Includes Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock.

Schedule RC-G—Other Liabilities

Dollar Amounts in Thousands			RCON	Amount	
1. a. Interest accrued and unpaid on deposits (1)			3645	4,568	1.a.
b. Other expenses accrued and unpaid (includes accrued income taxes payable)			3646	19,703	1.b.
2. Net deferred tax liabilities (2)			3049	27,546	2.
3. Allowance for credit losses on off-balance sheet credit exposures (3)			B557	2,319	3.
4. All other liabilities (itemize and describe amounts greater than $100,000 that exceed 25% of this item)			2938	73,609	4.
a. Accounts payable	3066	0			4.a.
b. Deferred compensation liabilities	C011	26,063			4.b.
c. Dividends declared but not yet payable	2932	0			4.c.
d. Derivatives with a negative fair value held for purposes other than trading	C012	0			4.d.
e. Operating lease liabilities	LB56	13,997			4.e.
f. TEXT 3552	3552	0			4.f.
g. TEXT 3553	3553	0			4.g.
h. TEXT 3554	3554	0			4.h.
5. Total (sum of items 1 through 4) (must equal Schedule RC, item 20)			2930	127,745	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."
3 Institutions that have adopted ASU 2016-13 should report in item 3 the allowance for credit losses on those off-balance sheet credit exposures that fall within the scope of the standard.

Schedule RC-K—Quarterly Averages[1]

Dollar Amounts in Thousands	RCON	Amount	
Assets			
1. Interest-bearing balances due from depository institutions	3381	197,694	1.
2. U.S. Treasury securities and U.S. Government agency obligations (2) *(excluding mortgage-backed securities)*	B558	162,853	2.
3. Mortgage-backed securities (2)	B559	734,424	3.
4. All other debt securities (2) and equity securities with readily determinable fair values not held for trading purposes (3)	B560	843,080	4.
5. Federal funds sold and securities purchased under agreements to resell	3365	645,136	5.
6. Loans:			
a. Total loans	3360	12,376,889	6.a.
b. Loans secured by real estate:			
(1) Loans secured by 1-4 family residential properties	3465	5,409,667	6.b.1.
(2) All other loans secured by real estate	3466	5,722,943	6.b.2.
c. Commercial and industrial loans	3387	963,790	6.c.
d. Loans to individuals for household, family, and other personal expenditures:			
(1) Credit cards	B561	0	6.d.1.
(2) Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans)	B562	160,476	6.d.2.
Item 7 is to be completed by (1) banks that reported total trading assets of $10 million or more in any of the four preceding calendar quarters and (2) all banks meeting the FDIC's definition of a large or highly complex institution for deposit insurance assessment purposes.			
7. Trading Assets	3401	0	7.
8. Lease financing receivables (net of unearned income)	3484	6,275	8.
9. Total assets (4)	3368	16,101,972	9.
Liabilities			
10. Interest-bearing transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	3485	2,403,756	10.
11. Nontransaction accounts:			
a. Savings deposits (includes MMDAs)	B563	7,646,237	11.a.
b. Time deposits of $250,000 or less	HK16	1,616,046	11.b.
c. Time deposits of more than $250,000	HK17	738,276	11.c.
12. Federal funds purchased and securities sold under agreements to repurchase	3353	72,063	12.
13. To be completed by banks with $100 million or more in total assets: (5) Other borrowed money (includes mortgage indebtedness)	3355	1,735,844	13.

1 For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).
2 Quarterly averages for all debt securities should be based on amortized cost.
3 Quarterly averages for equity securities with readily determinable fair values should be based on fair value.
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.
c) Equity investments without readily determinable fair values at 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, 2022, Report of Condition.

Schedule RC-K—Quarterly Averages[1]—Continued

Memorandum

Dollar Amounts in Thousands	RCON	Amount	
Memorandum item 1 is to be completed by:[2] • *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 production and other loans to farmers (Schedule RC-C, Part I, item 3) exceeding 5 percent of total loans.*			
1. Loans to finance agricultural production and other loans to farmers	3386	61,144	M.1.

1 For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).

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, 2022, Report of Condition.

Schedule RC-L—Derivatives and Off-Balance Sheet Items

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	RCON	Amount	
1. Unused commitments:			
a. Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines	3814	206,624	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 (included in item 1.a. above)	HT72	0	1.a.1.
b. Credit card lines	3815	0	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[1] (sum of items 1.b.(1) and 1.b.(2) must equal item 1.b).			
(1) Unused consumer credit card lines	J455	0	1.b.1.
(2) Other unused credit card lines	J456	0	1.b.2.
c. Commitments to fund commercial real estate, construction, and land development loans:			
(1) Secured by real estate:			
(a) 1-4 family residential construction loan commitments	F164	531,820	1.c.1.a.
(b) Commercial real estate, other construction loan, and land development loan commitments	F165	1,525,883	1.c.1.b.
(2) NOT secured by real estate	6550	0	1.c.2.
d. Securities underwriting	3817	0	1.d.
e. Other unused commitments:			
(1) Commercial and industrial loans	J457	417,955	1.e.1.
(2) Loans to financial institutions	J458	0	1.e.2.
(3) All other unused commitments	J459	81,668	1.e.3.
2. Financial standby letters of credit	3819	12,490	2.
Item 2.a is to be completed by banks with $1 billion or more in total assets.[1]			
a. Amount of financial standby letters of credit conveyed to others — 3820: 0			2.a.
3. Performance standby letters of credit	3821	14,850	3.
Item 3.a is to be completed by banks with $1 billion or more in total assets.[1]			
a. Amount of performance standby letters of credit conveyed to others — 3822: 0			3.a.
4. Commercial and similar letters of credit	3411	0	4.
5. Not applicable			
6. Securities lent and borrowed:			
a. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)	3433	0	6.a.
b. Securities borrowed	3432	0	6.b.

7. Credit derivatives:	(Column A) Sold Protection RCON	Amount	(Column B) Purchased Protection RCON	Amount	
a. Notional amounts:					
(1) Credit default swaps	C968	0	C969	0	7.a.1.
(2) Total return swaps	C970	0	C971	0	7.a.2.
(3) Credit options	C972	0	C973	0	7.a.3.
(4) Other credit derivatives	C974	53,304	C975	0	7.a.4.

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, 2022, Report of Condition.

Schedule RC-L—Continued

Dollar Amounts in Thousands	(Column A) Sold Protection RCON	Amount	(Column B) Purchased Protection RCON	Amount	
7. b. Gross fair values:					
(1) Gross positive fair value	C219	0	C221	0	7.b.1.
(2) Gross negative fair value	C220	24	C222	0	7.b.2

Dollar Amounts in Thousands	RCON	Amount	
7. c. Notional amounts by regulatory capital treatment: [1]			
(1) Positions covered under the Market Risk Rule:			
(a) Sold protection	G401	0	7.c.1.a.
(b) Purchased protection	G402	0	7.c.1.b.
(2) All other positions:			
(a) Sold protection	G403	53,304	7.c.2.a.
(b) Purchased protection that is recognized as a guarantee for regulatory capital purposes	G404	0	7.c.2.b.
(c) Purchased protection that is not recognized as a guarantee for regulatory capital purposes	G405	0	7.c.2.c.

Dollar Amounts in Thousands	Remaining Maturity of: (Column A) One Year or Less RCON	Amount	(Column B) Over One Year Through Five Years RCON	Amount	(Column C) Over Five Years RCON	Amount	
7. d. Notional amounts by remaining maturity:							
(1) Sold credit protection: [2]							
(a) Investment grade	G406	0	G407	0	G408	0	7.d.1.a.
(b) Subinvestment grade	G409	0	G410	53,304	G411	0	7.d.1.b.
(2) Purchased credit protection: [3]							
(a) Investment grade	G412	0	G413	0	G414	0	7.d.2.a.
(b) Subinvestment grade	G415	0	G416	0	G417	0	7.d.2.b.

	RCON	Amount	RCON	Amount	
8. Not applicable					
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")			3430	1,813,550	9.
a. Not applicable					
b. Commitments to purchase when-issued securities	3434	0			9.b.
c. Standby letters of credit issued by another party (e.g., a Federal Home Loan Bank) on the bank's behalf	C978	1,813,550			9.c.
d. TEXT 3555	3555	0			9.d.
e. TEXT 3556	3556	0			9.e.
f. TEXT 3557	3557	0			9.f.
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")			5591	0	10.
a. Commitments to sell when-issued securities	3435	0			10.a.
b. TEXT 5592	5592	0			10.b.
c. TEXT 5593	5593	0			10.c.
d. TEXT 5594	5594	0			10.d.
e. TEXT 5595	5595	0			10.e.

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.

Schedule RC-L—Continued

Dollar Amounts in Thousands	RCON	Amount	
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:			
a. Sales for which the reporting bank is the acquiring bank	C223	0	11.a.
b. Sales for which the reporting bank is the agent bank with risk	C224	0	11.b.

Dollar Amounts in Thousands	(Column A) Interest Rate Contracts Amount	(Column B) Foreign Exchange Contracts Amount	(Column C) Equity Derivative Contracts Amount	(Column D) Commodity and Other Contracts Amount	
Derivatives Position Indicators					
12. Gross amounts (e.g., notional amounts) (for each column, sum of items 12.a through 12.e must equal sum of items 13 and 14):	RCON 8693	RCON 8694	RCON 8695	RCON 8696	
a. Futures contracts	350,000	0	0	0	12.a.
	RCON 8697	RCON 8698	RCON 8699	RCON 8700	
b. Forward contracts	74,958	0	0	0	12.b.
c. Exchange-traded option contracts:	RCON 8701	RCON 8702	RCON 8703	RCON 8704	
(1) Written options	60,000	0	0	0	12.c.1.
	RCON 8705	RCON 8706	RCON 8707	RCON 8708	
(2) Purchased options	15,000	0	0	0	12.c.2.
d. Over-the-counter option contracts:	RCON 8709	RCON 8710	RCON 8711	RCON 8712	
(1) Written options	67,976	0	0	0	12.d.1.
	RCON 8713	RCON 8714	RCON 8715	RCON 8716	
(2) Purchased options	0	0	0	0	12.d.2.
	RCON 3450	RCON 3826	RCON 8719	RCON 8720	
e. Swaps	2,501,000	0	0	0	12.e.
13. Total gross notional amount of derivative contracts held for	RCON A126	RCON A127	RCON 8723	RCON 8724	
trading	0	0	0	0	13.
14. Total gross notional amount of derivative contracts held for	RCON 8725	RCON 8726	RCON 8727	RCON 8728	
purposes other than trading	3,068,934	0	0	0	14.
a. Interest rate swaps where the bank has agreed to pay	RCON A589				
a fixed rate	2,501,000				14.a.
15. Gross fair values of derivative contracts:					
a. Contracts held for trading:	RCON 8733	RCON 8734	RCON 8735	RCON 8736	
(1) Gross positive fair value	0	0	0	0	15.a.1.
	RCON 8737	RCON 8738	RCON 8739	RCON 8740	
(2) Gross negative fair value	0	0	0	0	15.a.2
b. Contracts held for purposes other than trading:	RCON 8741	RCON 8742	RCON 8743	RCON 8744	
(1) Gross positive fair value	10,850	0	0	0	15.b.1.
	RCON 8745	RCON 8746	RCON 8747	RCON 8748	
(2) Gross negative fair value	553	0	0	0	15.b.2.

Schedule RC-L—Continued

Dollar Amounts in Thousands	(Column A) Banks and Securities Firms RCON	(Column A) Amount	(Columns B - D) Not applicable			(Column E) Corporations and All Other Counterparties RCON	(Column E) Amount	
Item 16 is to be completed only by banks with total assets of $10 billion or more.[1]								
16. Over-the counter derivatives:								
a. Net current credit exposure	G418	893				G422	0	16.a.
b. Fair value of collateral:								
(1) Cash—U.S. dollar	G423	0				G427	0	16.b.1.
(2) Cash—Other currencies	G428	0				G432	0	16.b.2.
(3) U.S. Treasury securities	G433	0				G437	0	16.b.3.
(4) through (6) Not applicable								
(7) All other collateral	G453	0				G457	0	16.b.7.
(8) Total fair value of collateral (sum of items 16.b.(1) through (7))	G458	0				G462	0	16.b.8.

1 The $10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-M—Memoranda

Dollar Amounts in Thousands			RCON	Amount	
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:					
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests			6164	38,320	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	6165	Number: 5			1.b.
2. Intangible assets:					
a. Mortgage servicing assets			3164	176,059	2.a.
(1) Estimated fair value of mortgage servicing assets	A590	176,059			2.a.1.
b. Goodwill			3163	17,989	2.b.
c. All other intangible assets			JF76	31,840	2.c.
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10)			2143	225,888	2.d.
3. Other real estate owned:					
a. Construction, land development, and other land			5508	3,518	3.a.
b. Farmland			5509	0	3.b.
c. 1-4 family residential properties			5510	17	3.c.
d. Multifamily (5 or more) residential properties			5511	0	3.d.
e. Nonfarm nonresidential properties			5512	0	3.e.
f. Total (sum of items 3.a through 3.e) (must equal Schedule RC, item 7)			2150	3,535	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)			JA29	8	4.
5. Other borrowed money:					
a. Federal Home Loan Bank advances:					
(1) Advances with a remaining maturity or next repricing date of: (2)					
(a) One year or less			F055	479,106	5.a.1.a.
(b) Over one year through three years			F056	919,394	5.a.1.b.
(c) Over three years through five years			F057	474,179	5.a.1.c.
(d) Over five years			F058	8,837	5.a.1.d.
(2) Advances with a REMAINING MATURITY of one year or less (included in item 5.a.(1)(a) above) (3)			2651	479,105	5.a.2.
(3) Structured advances (included in items 5.a.(1)(a) - (d) above)			F059	0	5.a.3.
b. Other borrowings:					
(1) Other borrowings with a remaining maturity or next repricing date of: (4)					
(a) One year or less			F060	0	5.b.1.a.
(b) Over one year through three years			F061	0	5.b.1.b.
(c) Over three years through five years			F062	0	5.b.1.c.
(d) Over five years			F063	41,290	5.b.1.d.
(2) Other borrowings with a REMAINING MATURITY of one year or less (included in item 5.b.(1)(a) above) (5)			B571	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)			3190	1,922,806	5.c.

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.

2 Report fixed rate advances by remaining maturity and floating-rate advances by next repricing date.

3 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.

4 Report fixed rate other borrowings by remaining maturity and floating-rate other borrowings by next repricing date.

5 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.

Schedule RC-M—Continued

Dollar Amounts in Thousands	RCON	YES / NO	
6. Does the reporting bank sell private label or third-party mutual funds and annuities?	B569	YES	6.

	RCON	Amount	
7. Assets under the reporting bank's management in proprietary mutual funds and annuities	B570	0	7.

8. Internet Website addresses and physical office trade names:
   a. Uniform Resource Locator (URL) of the reporting institution's primary Internet Web site (home page), if any (Example: www.examplebank.com):

	TEXT 4087	http:// www.firstunitedbank.com	8.a.

   b. URLs of all other public-facing Internet websites that the reporting institution uses to accept or solicit deposits from the public, if any (Example: www.examplebank.biz):[1]

(1)	TE01 N528	http://	8.b.1.
(2)	TE02 N528	http://	8.b.2.
(3)	TE03 N528	http://	8.b.3.
(4)	TE04 N528	http://	8.b.4.
(5)	TE05 N528	http://	8.b.5.
(6)	TE06 N528	http://	8.b.6.
(7)	TE07 N528	http://	8.b.7.
(8)	TE08 N528	http://	8.b.8.
(9)	TE09 N528	http://	8.b.9.
(10)	TE10 N528	http://	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:

(1)	TE01 N529		8.c.1.
(2)	TE02 N529		8.c.2.
(3)	TE03 N529		8.c.3.
(4)	TE04 N529		8.c.4.
(5)	TE05 N529		8.c.5.
(6)	TE06 N529		8.c.6.

Item 9 is to be completed annually in the December report only.

	RCON	YES / NO	
9. Do any of the bank's Internet websites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the website?	4088	YES	9.

10. Secured liabilities:

	RCON	Amount	
a. Amount of "Federal funds purchased" that are secured (included in Schedule RC, item 14.a)	F064	0	10.a.
b. Amount of "Other borrowings" that are secured (included in Schedule RC-M, items 5.b.(1)(a) - (d))	F065	41,290	10.b.

	RCON	YES / NO	
11. Does the bank act as trustee or custodian for Individual Retirement Accounts, Health Savings Accounts, and other similar accounts?	G463	NO	11.
12. Does the bank provide custody, safekeeping, or other services involving the acceptance of orders for the sale or purchase of securities?	G464	NO	12.

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).

Schedule RC-M—Continued

Dollar Amounts in Thousands	RCON	Amount	
13. Portion of covered other real estate owned that is protected by FDIC loss-sharing agreements (included in Schedule RC, item 7)	K192	0	13.
Items 14.a and 14.b are to be completed annually in the December report only.			
14. Captive insurance and reinsurance subsidiaries:			
a. Total assets of captive insurance subsidiaries (1)	K193	0	14.a.
b. Total assets of captive reinsurance subsidiaries (1)	K194	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:			
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)		Number	
	L133	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?		YES / NO	
	L135	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:[2]			
a. Estimated number of international remittance transfers provided by your institution during the calendar year ending on the report date		Number	
	N523	1,111	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 most recent prior 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:		Amount	
(1) Estimated dollar value of international remittance transfers	N524	16,951	16.b.1.
(2) Estimated number of international remittance transfers for which your institution applied the permanent exchange rate exception		Number	
	MM07	159	16.b.2.
(3) Estimated number of international remittance transfers for which your institution applied the permanent covered third-party fee exception	MQ52	1,111	16.b.3.
17. U.S. Small Business Administration Paycheck Protection Program (PPP) loans[3] and the Federal Reserve PPP Liquidity Facility (PPPLF):			
a. Number of PPP loans outstanding	LG26	32	17.a.
		Amount	
b. Outstanding balance of PPP loans	LG27	1,705	17.b.
c. Outstanding balance of PPP loans pledged to the PPPLF	LG28	0	17.c.
d. Outstanding balance of borrowings from Federal Reserve Banks under the PPPLF with a remaining maturity of:			
(1) One year or less	LL59	0	17.d.1.
(2) More than one year	LL60	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	LL57	0	17.e.

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.

2 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 transfers are referred to as international remittance transfers.

Exclude transfers sent by your institution as a correspondent bank for other providers. Report information only about transfers for which the reporting institution is the provider.

3 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

Dollar Amounts in Thousands	RCON	(Column A) Past due 30 through 89 days and still accruing Amount	RCON	(Column B) Past due 90 days or more and still accruing Amount	RCON	(Column C) Nonaccrual Amount	
1. Loans secured by real estate:							
a. Construction, land development, and other land loans:							
(1) 1-4 family residential construction loans	F172	3,122	F174	0	F176	2,244	1.a.1.
(2) Other construction loans and all land development and other land loans	F173	1,625	F175	0	F177	4,134	1.a.2.
b. Secured by farmland	3493	3,237	3494	0	3495	1,363	1.b.
c. Secured by 1-4 family residential properties:							
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5398	3,576	5399	0	5400	1,170	1.c.1.
(2) Closed-end loans secured by 1-4 family residential properties:							
(a)Secured by first liens	C236	22,410	C237	41,290	C229	28,206	1.c.2.a.
(b) Secured by junior liens	C238	106	C239	0	C230	1,430	1.c.2.b.
d. Secured by multifamily (5 or more) residential properties	3499	52,201	3500	0	3501	3,719	1.d.
e. Secured by nonfarm nonresidential properties:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties	F178	2,104	F180	0	F182	2,409	1.e.1.
(2) Loans secured by other nonfarm nonresidential properties	F179	0	F181	0	F183	27,841	1.e.2.
2. Loans to depository institutions and acceptances of other banks	B834	0	B835	0	B836	0	2.
3. Not applicable							
4. Commercial and industrial loans	1606	2,713	1607	0	1608	15,457	4.
5. Loans to individuals for household, family, and other personal expenditures:							
a. Credit cards	B575	0	B576	0	B577	0	5.a.
b. Automobile loans	K213	866	K214	0	K215	349	5.b.
c. Other (includes revolving credit plans other than credit cards and other consumer loans)	K216	984	K217	0	K218	575	5.c.
6. Not applicable							
7. All other loans (1)	5459	832	5460	43	5461	656	7.
8. Lease financing receivables	1226	0	1227	0	1228	0	8.
9. Total loans and leases (sum of items 1 through 8)	1406	93,776	1407	41,333	1403	89,553	9.
10. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	3505	0	3506	0	3507	0	10.

1 Includes past due and nonaccrual "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."

Schedule RC-N—Continued

Amounts reported by loan and lease category in Schedule RC-N, items 1 through 8, include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in items 11 and 12 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

	(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		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	RCON	Amount	
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	K036	5,791	K037	41,290	K038	13,896	11.
a. Guaranteed portion of loans and leases included in item 11 above, excluding rebooked "GNMA loans"	K039	2,433	K040	0	K041	6,941	11.a.
b. Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item 11 above	K042	3,259	K043	41,290	K044	6,262	11.b.
12. Portion of covered loans and leases reported in item 9 above that is protected by FDIC loss-sharing agreements	K102	0	K103	0	K104	0	12.

Schedule RC-N—Continued

Memoranda

Dollar Amounts in Thousands	RCON	(Column A) Past due 30 through 89 days and still accruing Amount	RCON	(Column B) Past due 90 days or more and still accruing Amount	RCON	(Column C) Nonaccrual Amount	
1. Loans restructured in troubled debt restructurings included in Schedule RC-N, items 1 through 7, above (and not reported in Schedule RC-C, Part I, Memorandum item 1):							
a. Construction, land development, and other land loans:							
(1) 1-4 family residential construction loans	K105	0	K106	0	K107	900	M.1.a.1.
(2) Other construction loans and all land development and other land loans	K108	0	K109	0	K110	2,979	M.1.a.2.
b. Loans secured by 1-4 family residential properties	F661	0	F662	0	F663	2,014	M.1.b.
c. Secured by multifamily (5 or more) residential properties	K111	0	K112	0	K113	2,324	M.1.c.
d. Secured by nonfarm nonresidential properties:							
(1) Loans secured by owner-occupied nonfarm nonresidential properties	K114	0	K115	0	K116	443	M.1.d.1.
(2) Loans secured by other nonfarm nonresidential properties	K117	0	K118	0	K119	0	M.1.d.2.
e. Commercial and industrial loans	K257	0	K258	0	K259	10,357	M.1.e.
Memorandum items 1.e.(1) and (2) are to be completed by banks with $300 millon or more in total assets (sum of Memorandum items 1.e.(1) and (2) must equal Memorandum item 1.e):[1]							
(1) To U.S. addressees (domicile)	K120	0	K121	0	K122	10,357	M.1.e.1.
(2) To non-U.S. addressees (domicile)	K123	0	K124	0	K125	0	M.1.e.2.
f. All other loans (include loans to individuals for household, family, and other personal expenditures)	K126	0	K127	0	K128	347	M.1.f.
Itemize loan categories included in Memorandum item 1.f, above that exceed 10% of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccural status (sum of Memorandum items 1.a through 1.e plus 1.f, columns A through C):							
(1) Loans secured by farmland	K130	0	K131	0	K132	347	M.1.f.1.
(2) and (3) Not applicable							

1 The $300 million asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-N—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	(Column A) Past due 30 through 89 days and still accruing Amount	RCON	(Column B) Past due 90 days or more and still accruing Amount	RCON	(Column C) Nonaccrual Amount	
1. f. (4) Loans to individuals for household, family, and other personal expenditures:							
(a) Credit cards	K274	0	K275	0	K276	0	M.1.f.4.a.
(b) Automobile loans	K277	0	K278	0	K279	0	M.1.f.4.b.
(c) Other (includes revolving credit plans other than credit cards and other consumer loans)	K280	0	K281	0	K282	0	M.1.f.4.c.
Memorandum item 1.f.5. is to be completed by: [1] *• Banks with $300 million or more in total assets • Banks with less than $300 milion 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-N, Memorandum item 1.f, above	K138	0	K139	0	K140	0	M.1.f.5.
1.g. Total loans restructured in troubled debt restructurings included in Schedule RC-N items 1 through 7, above (sum of Memorandum items 1.a.(1) through 1.e plus 1.f) (2)	HK26	0	HK27	0	HK28	19,364	M.1.g.
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	6558	0	6559	0	6560	0	M.2.
3. *Memorandum items 3.a through 3.d are to be completed by banks with $300 million or more in total assets:* [1]							
a. Loans secured by real estate to non-U.S. addressees (domicile) (included in Schedule RC-N, item 1, above)	1248	0	1249	0	1250	0	M.3.a.
b. Loans to and acceptances of foreign banks (included in Schedule RC-N, item 2, above)	5380	0	5381	0	5382	0	M.3.b.
c. Commercial and industrial loans to non-U.S. addressees (domicile) (included in Schedule RC-N, item 4, above)	1254	0	1255	0	1256	0	M.3.c.

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, 2022, 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.

Schedule RC-N—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	(Column A) Past due 30 through 89 days and still accruing Amount	RCON	(Column B) Past due 90 days or more and still accruing Amount	RCON	(Column C) Nonaccrual Amount	
3 d. Leases to individuals for household, family, and other personal expenditures (included in Schedule RC-N, item 8, above)	F166	0	F167	0	F168	0	M.3.d.
Memorandum item 4 is to be completed by:[1] • *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:*							
4. Loans to finance agricultural production and other loans to farmers (included in Schedule RC-N, item 7, above)	1594	832	1597	43	1583	656	M.4.
5. Loans and leases held for sale (included in RC-N, items 1 through 8, above)	C240	0	C241	41,290	C226	0	M.5.
6. Not applicable							

Memorandum items 7, 8, 9.a, and 9.b are to be completed semiannually in the June and December reports only.

	RCON	Amount	
7. Additions to nonaccrual assets during the previous six months	C410	54,276	M.7.
8. Nonaccrual assets sold during the previous six months	C411	0	M.8.

Dollar Amounts in Thousands	RCON	(Column A) Past due 30 through 89 days and still accruing Amount	RCON	(Column B) Past due 90 days or more and still accruing Amount	RCON	(Column C) Nonaccrual Amount	
9. Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):[2]							
a. Outstanding balance	L183	NR	L184	NR	L185	NR	M.9.a
b. Amount included in Schedule RC-N, items 1 through 7, above	L186	NR	L187	NR	L188	NR	M.9.b

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, 2022, Report of Condition.

2 Memorandum items 9.a and 9.b should be completed only by institutions that have not yet adopted ASU 2016-13.

Schedule RC-O—Other Data for Deposit Insurance Assessments

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 5 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 5 through 18 on a fully consolidated basis.

Dollar Amounts in Thousands	RCON	Amount	
1. Total deposit liabilities before exclusions (gross) as defined in Section 3(l) of the Federal Deposit Insurance Act and FDIC regulations	F236	12,810,221	1.
2. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	F237	0	2.
3. Not applicable			
4. Average consolidated total assets for the calendar quarter	K652	16,101,972	4.
a. Averaging method used (for daily averaging, enter 1, for weekly averaging, enter 2)	K653	Number: 1	4.a
5. Average tangible equity for the calendar quarter (1)	K654	1,337,521	5.
6. Holdings of long-term unsecured debt issued by other FDIC-insured depository institutions	K655	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):			
a. One year or less	G465	0	7.a.
b. Over one year through three years	G466	0	7.b.
c. Over three years through five years	G467	0	7.c.
d. Over five years	G468	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):			
a. One year or less	G469	0	8.a.
b. Over one year through three years	G470	0	8.b.
c. Over three years through five years	G471	0	8.c.
d. Over five years	G472	3,093	8.d.
9. Brokered reciprocal deposits (included in Schedule RC-E, Memorandum item 1.b)	G803	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	L190	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?	K656	YES / NO: NO	10.
If the answer to item 10 is "YES", complete items 10.a and 10.b.		Amount	
a. Banker's bank deduction	K657	NR	10.a
b. Banker's bank deduction limit	K658	NR	10.b
11. Custodial bank certification: Does the reporting institution meet the definition of a custodial bank set forth in FDIC regulations?	K659	YES / NO: NO	11.
If the answer to item 11 is "YES", complete items 11.a and 11.b.[2]		Amount	
a. Custodial bank deduction	K660	NR	11.a
b. Custodial bank deduction limit	K661	NR	11.b

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.

2 If the amount reported in item 11.b is zero, item 11.a may be left blank.

Schedule RC-O—Continued

Memoranda

Dollar Amounts in Thousands	RCON	Number	RCON	Amount	
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):					
a. Deposit accounts (excluding retirement accounts) of $250,000 or less:[1]					
(1) Amount of deposit accounts (excluding retirement accounts) of $250,000 or less			F049	6,903,550	M.1.a.1.
(2) Number of deposit accounts (excluding retirement accounts) of $250,000 or less	F050	320,958			M.1.a.2.
b. Deposit accounts (excluding retirement accounts) of more than $250,000:[1]					
(1) Amount of deposit accounts (excluding retirement accounts) of more than $250,000			F051	5,756,848	M.1.b.1.
(2) Number of deposit accounts (excluding retirement accounts) of more than $250,000	F052	5,599			M.1.b.2.
c. Retirement deposit accounts of $250,000 or less:[1]					
(1) Amount of retirement deposit accounts of $250,000 or less			F045	124,068	M.1.c.1.
(2) Number of retirement deposit accounts of $250,000 or less	F046	3,951			M.1.c.2.
d. Retirement deposit accounts of more than $250,000:[1]					
(1) Amount of retirement deposit accounts of more than $250,000			F047	25,754	M.1.d.1.
(2) Number of retirement deposit accounts of more than $250,000	F048	60			M.1.d.2.
Memorandum item 2 is to be completed by banks with $1 billion or more in total assets.[2]					
2. Estimated amount of uninsured assessable deposits, including related interest accrued and unpaid (see instructions) (3)			5597	4,117,300	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:

TEXT		RCON	FDIC Cert. No.	
A545		A545	00000	M.3.

4. Not applicable

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.
2 The $1 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.
3 Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Schedule RC-O—Continued

Amounts reported in Memorandum items 6 through 9, 14, and 15 will not be made available to the public on an individual institution basis.

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
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	MW53	0	M.5.
6. Criticized and classified items:			
a. Special mention	K663	212,840	M.6.a.
b. Substandard	K664	256,875	M.6.b.
c. Doubtful	K665	113	M.6.c.
d. Loss	K666	0	M.6.d.
7. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations:			
a. Nontraditional 1-4 family residential mortgage loans	N025	0	M.7.a.
b. Securitizations of nontraditional 1-4 family residential mortgage loans	N026	0	M.7.b.
8. "Higher-risk consumer loans" as defined for assessment purposes only in FDIC regulations:			
a. Higher-risk consumer loans	N027	0	M.8.a.
b. Securitizations of higher-risk consumer loans	N028	0	M.8.b.
9. "Higher-risk commercial and industrial loans and securities" as defined for assessment purposes only in FDIC regulations:			
a. Higher-risk commercial and industrial loans and securities	N029	0	M.9.a.
b. Securitizations of higher-risk commercial and industrial loans and securities	N030	0	M.9.b.
10. Commitments to fund construction, land development, and other land loans secured by real estate:			
a. Total unfunded commitments	K676	1,742,698	M.10.a.
b. Portion of unfunded commitments guaranteed or insured by the U.S. government (including the FDIC)	K677	23,303	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)	K669	0	M.11.
12. Nonbrokered time deposits of more than $250,000 (included in Schedule RC-E, Memorandum item 2.d)	K678	791,993	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):			
a. Construction, land development, and other land loans secured by real estate	N177	36,295	M.13.a.
b. Loans secured by multifamily residential and nonfarm nonresidential properties	N178	104,672	M.13.b.
c. Closed-end loans secured by first liens on 1-4 family residential properties	N179	108,433	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	N180	2,884	M.13.d.
e. Commercial and industrial loans	N181	42,634	M.13.e.
f. Credit card loans to individuals for household, family, and other personal expenditures	N182	0	M.13.f.
g. All other loans to individuals for household, family, and other personal expenditures	N183	1	M.13.g.
h. Non-agency residential mortgage-backed securities	M963	300,156	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	K673	NR	M.14.
15. Total amount of the institution's 20 largest counterparty exposures	K674	NR	M.15.

Schedule RC-O—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
Memorandum item 16 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.			
16. Portion of loans restructured in troubled debt restructurings 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)	L189	2,862	M.16.
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.			
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	L194	NR	M.17.a
b. Total allowable exclusions, including interest accrued and unpaid on allowable exclusions	L195	NR	M.17.b
c. Unsecured "Other borrowings" with a remaining maturity of one year or less	L196	NR	M.17.c
d. Estimated amount of uninsured deposits, including related interest accrued and unpaid	L197	NR	M.17.d

Schedule RC-O—Continued

Memorandum item 18 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.
Amounts reported in Memorandum item 18 will not be made available to the public on an individual institution basis.

	Two-Year Probability of Default (PD)							
	(Column A) <= 1%	(Column B) 1.01–4%	(Column C) 4.01–7%	(Column D) 7.01–10%	(Column E) 10.01–14%	(Column F) 14.01–16%	(Column G) 16.01–18%	
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:								
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	RCON M964 0	RCON M965 0	RCON M966 0	RCON M967 0	RCON M968 0	RCON M969 0	RCON M970 0	M.18.a
b. Closed-end loans secured by first liens on 1-4 family residential properties	RCON M979 2,296,948	RCON M980 1,882,472	RCON M981 575,200	RCON M982 209,164	RCON M983 104,582	RCON M984 0	RCON M985 0	M.18.b
c. Closed-end loans secured by junior liens on 1-4 family residential properties	RCON M994 8,428	RCON M995 11,461	RCON M996 8,428	RCON M997 2,360	RCON M998 1,348	RCON M999 337	RCON N001 674	M.18.c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON N010 115,550	RCON N011 110,047	RCON N012 22,010	RCON N013 8,254	RCON N014 8,254	RCON N015 0	RCON N016 8,254	M.18.d
e. Credit cards	RCON N040 0	RCON N041 0	RCON N042 0	RCON N043 0	RCON N044 0	RCON N045 0	RCON N046 0	M.18.e
f. Automobile loans	RCON N055 19,041	RCON N056 20,884	RCON N057 9,828	RCON N058 1,843	RCON N059 3,071	RCON N060 1,228	RCON N061 4,300	M.18.f
g. Student loans	RCON N070 0	RCON N071 0	RCON N072 0	RCON N073 0	RCON N074 0	RCON N075 0	RCON N076 0	M.18.g
h. Other consumer loans and revolving credit plans other than credit cards	RCON N085 2,315	RCON N086 2,316	RCON N087 1,544	RCON N088 1,061	RCON N089 772	RCON N090 193	RCON N091 1,158	M.18.h
i. Consumer leases	RCON N100 0	RCON N101 0	RCON N102 0	RCON N103 0	RCON N104 0	RCON N105 0	RCON N106 0	M.18.i
j. Total	RCON N115 2,442,282	RCON N116 2,027,180	RCON N117 617,010	RCON N118 222,682	RCON N119 118,027	RCON N120 1,758	RCON N121 14,386	M.18.j

Schedule RC-O—Continued

Memorandum item 18 is to be completed by "large institutions" and "highly complex institutions" as defined in FDIC regulations.
Amounts reported in Memorandum item 18 will not be made available to the public on an individual institution basis.

Dollar Amounts in Thousands	Two-Year Probability of Default (PD) (Column H) 18.01–20% Amount	(Column I) 20.01–22% Amount	(Column J) 22.01–26% Amount	(Column K) 26.01–30% Amount	(Column L) > 30% Amount	(Column M) Unscoreable Amount	(Column N) Total Amount	(Column O) PDs Were Derived Using[1] Number	
18. Outstanding balance of 1-4 family residential mortgage loans, consumer loans, and consumer leases by two-year probability of default:									
a. "Nontraditional 1-4 family residential mortgage loans" as defined for assessment purposes only in FDIC regulations	RCON M971 0	RCON M972 0	RCON M973 0	RCON M974 0	RCON M975 0	RCON M976 0	RCON M977 0	RCON M978 0	M.18.a
b. Closed-end loans secured by first liens on 1-4 family residential properties	RCON M986 0	RCON M987 0	RCON M988 0	RCON M989 0	RCON M990 0	RCON M991 52,291	RCON M992 5,120,657	RCON M993 1	M.18.b
c. Closed-end loans secured by junior liens on 1-4 family residential properties	RCON N002 0	RCON N003 0	RCON N004 0	RCON N005 0	RCON N006 0	RCON N007 674	RCON N008 33,710	RCON N009 1	M.18.c
d. Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	RCON N017 0	RCON N018 0	RCON N019 0	RCON N020 0	RCON N021 0	RCON N022 2,751	RCON N023 275,120	RCON N024 1	M.18.d
e. Credit cards	RCON N047 0	RCON N048 0	RCON N049 0	RCON N050 0	RCON N051 0	RCON N052 0	RCON N053 0	RCON N054 0	M.18.e
f. Automobile loans	RCON N062 0	RCON N063 0	RCON N064 0	RCON N065 0	RCON N066 0	RCON N067 1,228	RCON N068 61,423	RCON N069 1	M.18.f
g. Student loans	RCON N077 0	RCON N078 0	RCON N079 0	RCON N080 0	RCON N081 0	RCON N082 0	RCON N083 0	RCON N084 0	M.18.g
h. Other consumer loans and revolving credit plans other than credit cards	RCON N092 0	RCON N093 0	RCON N094 0	RCON N095 0	RCON N096 0	RCON N097 289	RCON N098 9,648	RCON N099 1	M.18.h
i. Consumer leases	RCON N107 0	RCON N108 0	RCON N109 0	RCON N110 0	RCON N111 0	RCON N112 0	RCON N113 0	RCON N114 0	M.18.i
j. Total	RCON N122 0	RCON N123 0	RCON N124 0	RCON N125 0	RCON N126 0	RCON N127 57,233	RCON N128 5,500,558		M.18.j

1 For PDs derived using scores and default rate mappings provided by a third-party vendor, enter 1; for PDs derived using an internal approach, enter 2; for PDs derived using third-party vendor mappings for some loans within a product type and an internal approach for other loans within the same product type, enter 3. If the total reported in Column N for a product type is zero, enter 0.

Schedule RC-P—1-4 Family Residential Mortgage Banking Activities

Schedule RC-P is to be completed by banks with at which either 1-4 family residential mortgage loan originations and purchases for resale[1] 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	RCON	Amount	
1. Retail originations during the quarter of 1-4 family residential mortgage loans for sale (1)	HT81	334,121	1.
2. Wholesale originations and purchases during the quarter of 1-4 family residential mortgage loans for sale (1)	HT82	0	2.
3. 1-4 family residential mortgages sold during the quarter	FT04	349,229	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)	FT05	108,747	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)	RIAD HT85	(4,098)	5.
6. Repurchases and indemnifications of 1-4 family residential mortgage loans during the quarter	RCON HT86	2,607	6.
7. Representation and warranty reserves for 1-4 family residential mortgage loans sold:			
a. For representations and warranties made to U.S. government agencies and government-sponsored agencies	L191	3,992	7.a.
b. For representations and warranties made to other parties	L192	123	7.b.
c. Total representation and warranty reserves (sum of items 7.a and 7.b)	M288	4,115	7.c.

1 Exclude originations and purchases of 1–4 family residential mortgage loans that are held for investment.

Schedule RC-Q—Assets and Liabilities Measured at Fair Value on a Recurring Basis

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 RCON	Amount	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value RCON	Amount	(Column C) Level 1 Fair Value Measurements RCON	Amount	(Column D) Level 2 Fair Value Measurements RCON	Amount	(Column E) Level 3 Fair Value Measurements RCON	Amount	
Assets											
1. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading (1)	JA36	1,614,380	G474	0	G475	1,614,380	G476	0	G477	0	1.
2. Not applicable											
3. Loans and leases held for sale	G483	108,747	G484	0	G485	108,747	G486	0	G487	0	3.
4. Loans and leases held for investment	G488	0	G489	0	G490	0	G491	0	G492	0	4.
5. Trading assets:											
a. Derivative assets	3543	0	G493	0	G494	0	G495	0	G496	0	5.a.
b. Other trading assets	G497	0	G498	0	G499	0	G500	0	G501	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)	F240	0	F684	0	F692	0	F241	0	F242	0	5.b.1.
6. All other assets	G391	186,909	G392	0	G395	186,909	G396	0	G804	0	6.
7. Total assets measured at fair value on a recurring basis (sum of items 1 through 5.b plus item 6)	G502	1,910,036	G503	0	G504	1,910,036	G505	0	G506	0	7.
Liabilities											
8. Deposits	F252	0	F686	0	F694	0	F253	0	F254	0	8.
9. Not applicable											
10. Trading liabilities:											
a. Derivative liabilities	3547	0	G512	0	G513	0	G514	0	G515	0	10.a.
b. Other trading liabilities	G516	0	G517	0	G518	0	G519	0	G520	0	10.b.
11. and 12. not applicable											
13. All other liabilities	G805	577	G806	0	G807	553	G808	0	G809	24	13.
14. Total liabilities measured at fair value on a recurring basis (sum of items 8 through 13)	G531	577	G532	0	G533	553	G534	0	G535	24	14.

1 The amount reported in item 1, column A, must equal the sum of Schedule RC, items 2.b and 2.c.

Schedule RC-Q—Continued

Dollar Amounts in Thousands	(Column A) Total Fair Value Reported on Schedule RC RCON	Amount	(Column B) LESS: Amounts Netted in the Determination of Total Fair Value RCON	Amount	(Column C) Level 1 Fair Value Measurements RCON	Amount	(Column D) Level 2 Fair Value Measurements RCON	Amount	(Column E) Level 3 Fair Value Measurements RCON	Amount	
Memoranda											
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):											
a. Mortgage servicing assets	G536	176,059	G537	0	G538	176,059	G539	0	G540	0	M.1.a.
b. Nontrading derivative assets	G541	0	G542	0	G543	0	G544	0	G545	0	M.1.b.
c. TEXT G546	G546	0	G547	0	G548	0	G549	0	G550	0	M.1.c.
d. TEXT G551	G551	0	G552	0	G553	0	G554	0	G555	0	M.1.d.
e. TEXT G556	G556	0	G557	0	G558	0	G559	0	G560	0	M.1.e.
f. TEXT G561	G561	0	G562	0	G563	0	G564	0	G565	0	M.1.f.
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):											
a. Loan commitments (not accounted for as derivatives)	F261	0	F689	0	F697	0	F262	0	F263	0	M.2.a.
b. Nontrading derivative liabilities	G566	553	G567	0	G568	553	G569	0	G570	0	M.2.b.
c. TEXT G571	G571	0	G572	0	G573	0	G574	0	G575	0	M.2.c.
d. TEXT G576	G576	0	G577	0	G578	0	G579	0	G580	0	M.2.d.
e. TEXT G581	G581	0	G582	0	G583	0	G584	0	G585	0	M.2.e.
f. TEXT G586	G586	0	G587	0	G588	0	G589	0	G590	0	M.2.f.

Schedule RC-Q—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	Amount	
3. Loans measured at fair value (included in Schedule RC-C, Part I, items 1 through 9):			
a. Loans secured by real estate:			
(1) Secured by 1-4 family residential properties	HT87	108,747	M.3.a.1.
(2) All other loans secured by real estate	HT88	0	M.3.a.2.
b. Commercial and industrial loans	F585	0	M.3.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	HT89	0	M.3.c.
d. Other loans	F589	0	M.3.d.
4. Unpaid principal balance of loans measured at fair value (reported in Schedule RC-Q, Memorandum item 3):			
a. Loans secured by real estate:			
(1) Secured by 1-4 family residential properties	HT91	107,559	M.4.a.1.
(2) All other loans secured by real estate	HT92	0	M.4.a.2.
b. Commercial and industrial loans	F597	0	M.4.b.
c. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper)	HT93	0	M.4.c.
d. Other loans	F601	0	M.4.d.

Schedule RC-R—Regulatory Capital

Part I. Regulatory Capital Components and Ratios

Part I is to be completed on a consolidated basis.

Dollar Amounts in Thousands	RCOA	Amount	
Common Equity Tier 1 Capital			
1. Common stock plus related surplus, net of treasury stock and unearned employee stock ownership plan (ESOP) shares	P742	604,867	1.
2. Retained earnings (1)	KW00	777,181	2.
a. To be completed only by institutions that have adopted ASU 2016-13: 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.)	RCOA JJ29	Number 0	2.a.
3. Accumulated other comprehensive income (AOCI)	RCOA B530	Amount (33,087)	3.
a. AOCI opt-out election (enter “1” for Yes; enter “0” for No.) (0=No, 1=Yes)	RCOA P838	1	3.a.
4. Common equity tier 1 minority interest includable in common equity tier 1 capital	RCOA P839	Amount 0	4.
5. Common equity tier 1 capital before adjustments and deductions (sum of items 1 through 4)	P840	1,348,961	5.
Common Equity Tier 1 Capital: Adjustments and Deductions			
6. LESS: Goodwill net of associated deferred tax liabilities (DTLs)	P841	17,989	6.
7. LESS: Intangible assets (other than goodwill and mortgage servicing assets (MSAs)), net of associated DTLs	P842	27,344	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	P843	0	8.
9. AOCI-related adjustments (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):			
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)	P844	(77,267)	9.a.
b. Not applicable			
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)	P846	44,180	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)	P847	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)	P848	0	9.e.
f. To be completed only by institutions that entered “0” for No in item 3.a: LESS: Accumulated net gain (loss) on cash flow hedges included in AOCI, net of applicable income taxes, that relates 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)	P849	NR	9.f.

1 Institutions that have adopted ASU 2016-13 and 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.

Schedule RC-R—Continued

Part I - Continued

Dollar Amounts in Thousands	RCOA	Amount	
10. Other deductions from (additions to) common equity tier 1 capital before threshold-based deductions:			
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)	Q258	0	10.a.
b. LESS: All other deductions from (additions to) common equity tier 1 capital before threshold-based deductions	P850	0	10.b.
11. Not applicable			
12. Subtotal (item 5 minus items 6 through 10.b)	P852	1,336,715	12.
13. LESS: Investments in the capital of unconsolidated financial institutions, net of associated DTLs, that exceed 25 percent of item 12	LB58	0	13.
14. LESS: MSAs, net of associated DTLs, that exceed 25 percent of item 12	LB59	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	LB60	0	15.
16. Not applicable			
17. LESS: Deductions applied to common equity tier 1 capital due to insufficient amounts of additional tier 1 capital and tier 2 capital (1) to cover deductions	P857	0	17.
18. Total adjustments and deductions for common equity tier 1 capital (sum of items 13 through 17)	P858	0	18.
19. Common equity tier 1 capital (item 12 minus item 18)	P859	1,336,715	19.
Additional Tier 1 Capital			
20. Additional tier 1 capital instruments plus related surplus	P860	0	20.
21. Non-qualifying capital instruments subject to phase-out from additional tier 1 capital	P861	0	21.
22. Tier 1 minority interest not included in common equity tier 1 capital	P862	5,694	22.
23. Additional tier 1 capital before deductions (sum of items 20, 21, and 22)	P863	5,694	23.
24. LESS: Additional tier 1 capital deductions	P864	0	24.
25. Additional tier 1 capital (greater of item 23 minus item 24, or zero)	P865	5,694	25.
Tier 1 Capital			
26. Tier 1 capital (sum of items 19 and 25)	8274	1,342,409	26.
Total Assets for the Leverage Ratio			
27. Average total consolidated assets (2)	KW03	16,101,972	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)	P875	45,333	28.
29. LESS: Other deductions from (additions to) assets for leverage ratio purposes	B596	0	29.
30. Total assets for the leverage ratio (item 27 minus items 28 and 29)	A224	16,056,639	30.

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.
2 Institutions that have adopted ASU 2016-13 and 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.

Schedule RC-R—Continued

Part I - Continued

Leverage Ratio*

	RCOA	Percentage	
31. Leverage ratio (item 26 divided by item 30)	7204	8.3605%	31.

		RCOA		
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)	0=No 1=Yes	LE74	0	31.a.

If your institution entered “1” for Yes in item 31.a:
- Complete items 32 through 37 and, if applicable, items 38.a through 38.c,
- Do not complete items 39 through 55.b, and
- Do not complete Part II of Schedule RC-R.

If your institution entered “0” for No in item 31.a:
- Skip (do not complete) items 32 through 38.c,
- Complete items 39 through 55.b, as applicable, and
- Complete Part II of Schedule RC-R.

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.

		RCOA		
b. Standardized Approach for Counterparty Credit Risk opt-in election (enter "1" for Yes; leave blank for No)	1=Yes	NC99		31.b.

Qualifying Criteria and Other Information for CBLR Institutions*

	(Column A)		(Column B)		
Dollar Amounts in Thousands	RCOA	Amount	RCOA	Percentage	
32. Total assets (Schedule RC, item 12); (must be less than $10 billion)	2170	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	KX77	NR	KX78	NR	33.
34. Off-balance sheet exposures:					
a. Unused portion of conditionally cancellable commitments	KX79	NR			34.a.
b. Securities lent and borrowed (Schedule RC-L, sum of items 6.a and 6.b)	KX80	NR			34.b.
c. Other off-balance sheet exposures	KX81	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	KX82	NR	KX83	NR	34.d.

Dollar Amounts in Thousands	RCOA	Amount	
35. Unconditionally cancellable commitments	S540	NR	35.
36. Investments in the tier 2 capital of unconsolidated financial institutions	LB61	NR	36.
37. Allocated transfer risk reserve	3128	NR	37.
38. Amount of allowances for credit losses on purchased credit-deteriorated assets:[1]			
a. Loans and leases held for investment	JJ30	NR	38.a.
b. Held-to-maturity debt securities	JJ31	NR	38.b.
c. Other financial assets measured at amortized cost	JJ32	NR	38.c.

* Report each ratio as a percentage, rounded to four decimal places, e.g., 12.3456.
1 Items 38.a through 38.c should be completed only by institutions have adopted ASU 2016-13.

Schedule RC-R—Continued

Part I - Continued

If your institution entered "0" for No in item 31.a, complete items 39 through 55.b, as applicable, and Part II of Schedule RC-R.
If your institution entered "1" for Yes in item 31.a, do not complete items 39 through 55.b or Part II of Schedule RC-R.

Dollar Amounts in Thousands	RCOA	Amount	
Tier 2 Capital[1]			
39. Tier 2 capital instruments plus related surplus	P866	0	39.
40. Non-qualifying capital instruments subject to phase-out from tier 2 capital	P867	0	40.
41. Total capital minority interest that is not included in tier 1 capital	P868	0	41.
42. Allowance for loan and lease losses includable in tier 2 capital (2,3)	5310	136,546	42.
43. Not applicable			
44. Tier 2 capital before deductions (sum of items 39 through 42)	P870	136,546	44.
45. LESS: Tier 2 capital deductions	P872	0	45.
46. Tier 2 capital (greater of item 44 minus item 45, or zero)	5311	136,546	46.
Total Capital			
47. Total capital (sum of items 26 and 46)	3792	1,478,955	47.
Total Risk-Weighted Assets			
48. Total risk-weighted assets (from Schedule RC-R, Part II, item 31)	A223	12,523,565	48.

Risk-Based Capital Ratios*	RCOA	Percentage	
49. Common equity tier 1 capital ratio (item 19 divided by item 48)	P793	10.6736%	49.
50. Tier 1 capital ratio (item 26 divided by item 48)	7206	10.7191%	50.
51. Total capital ratio (item 47 divided by item 48)	7205	11.8094%	51.
Capital Buffer*			
52. Institution-specific capital buffer necessary to avoid limitations on distributions and discretionary bonus payments:			
a. Capital conservation buffer	H311	3.8094%	52.a.
	RCOW		
b. Institutions subject to Category III capital standards only: Total applicable capital buffer	H312	NR	52.b.

	RCOA	Amount	
53. Eligible retained income (4)	H313	NR	53.
54. Distributions and discretionary bonus payments during the quarter (5)	H314	NR	54.
Supplementary Leverage Ratio*			
55. Institutions subject to Category III capital standards only: Supplementary leverage ratio information:			
a. Total leverage exposure (6)	H015	NR	55.a.
		Percentage	
b. Supplementary leverage ratio	H036	NR	55.b.

* Report each ratio and buffer as a percentage, rounded to four decimal places, e.g., 12.3456.
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.
2 Institutions that have adopted ASU 2016-13 should report the amount of adjusted allowances for credit losses (AACL), as defined in the regulatory capital rule, includable in tier 2 capital in item 42.
3 Institutions that have adopted ASU 2016-13 and 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 AACL includable in tier 2 capital. See instructions for further detail on the CECL transition provisions.
4 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.
5 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 RC-R, Part I, item 52.b, in the Call Report for that previous report date.
6 Institutions that have adopted ASU 2016-13 and 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—Continued

Part II. Risk-Weighted Assets

Institutions that entered "1" for Yes in Schedule RC-R, Part I, item 31.a, do not have to complete Schedule RC-R, Part II.
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[1] and not deducted from tier 1 or tier 2 capital.

	(Column A)	(Column B)	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)	
	Totals *From Schedule RC*	Adjustments to Totals Reported in Column A	Allocation by Risk-Weight Category								
			0%	2%	4%	10%	20%	50%	100%	150%	
Dollar Amounts in Thousands	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
Balance Sheet Asset Categories[2]											
1. Cash and balances due from depository institutions	RCON D957 307,865	RCON S396 0	RCON D958 87,038				RCON D959 220,827	RCON S397 0	RCON D960 0	RCON S398 0	1.
2. Securities:											
a. Held-to-maturity securities (3)	RCON D961 0	RCON S399 0	RCON D962 0	RCON HJ74 0	RCON HJ75 0		RCON D963 0	RCON D964 0	RCON D965 0	RCON S400 0	2.a.
b. Available-for-sale debt securities and equity securities with readily determinable fair values not held for trading	RCON JA21 1,614,379	RCON S402 (97,807)	RCON D967 243,995	RCON HJ76 0	RCON HJ77 0		RCON D968 1,247,662	RCON D969 214,529	RCON D970 6,000	RCON S403 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:											
a. Federal funds sold	RCON D971 0		RCON D972 0				RCON D973 0	RCON S410 0	RCON D974 0	RCON S411 0	3.a.
b. Securities purchased under agreements to resell	RCON H171 652,668	RCON H172 652,668									3.b.
4. Loans and leases held for sale:											
a. Residential mortgage exposures	RCON S413 108,747	RCON S414 0	RCON H173 0				RCON S415 67,801	RCON S416 40,946	RCON S417 0		4.a.
b. High volatility commercial real estate exposures	RCON S419 0	RCON S420 0	RCON H174 0				RCON H175 0	RCON H176 0	RCON H177 0	RCON S421 0	4.b.

1 For national banks and federal savings associations, 12 CFR Part 3; for state member banks, 12 CFR Part 217; and for state nonmember banks and state savings associations, 12 CFR Part 324.
2 All securitization exposures held as on-balance sheet assets of the reporting institution are to be excluded from items 1 through 8 and are to be reported instead in item 9.
3 Institutions that have adopted ASU 2016-13 and have reported held-to-maturity securities net of allowances for credit losses in item 2.a, column A, should report as a negative number in item 2.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.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column K) 250% Amount	(Column L) 300% Amount	(Column M) 400% Amount	(Column N) 600% Amount	(Column O) 625% Amount	(Column P) 937.5% Amount	(Column Q) 1250% Amount	(Column R) Application of Other Risk-Weighting Approaches[1] Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches[1] Risk-Weighted Asset Amount	
	Allocation by Risk-Weight Category									
Balance Sheet Asset Categories (continued)										
1. Cash and balances due from depository institutions										1.
2. Securities:										
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		RCON S405 0		RCON S406 0				RCON H271 0	RCON H272 0	2.b.
3. Federal funds sold and securities purchased under agreements to resell:										
a. Federal funds sold										3.a.
b. Securities purchased under agreements to resell										3.b.
4. Loans and leases held for sale:										
a. Residential mortgage exposures								RCON H273 0	RCON H274 0	4.a.
b. High volatility commercial real estate exposures								RCON H275 0	RCON H276 0	4.b.

1 Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.

Schedule RC-R—Continued

Part II—Continued

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) 2%	(Column E) 4%	(Column F) 10%	(Column G) 20%	(Column H) 50%	(Column I) 100%	(Column J) 150%	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
4. Loans and leases held for sale (continued):											
c. Exposures past due 90 days or more or on nonaccrual (1)	RCON S423 0	RCON S424 0	RCON S425 0	RCON HJ78 0	RCON HJ79 0		RCON S426 0	RCON S427 0	RCON S428 0	RCON S429 0	4.c.
d. All other exposures	RCON S431 0	RCON S432 0	RCON S433 0	RCON HJ80 0	RCON HJ81 0		RCON S434 0	RCON S435 0	RCON S436 0	RCON S437 0	4.d.
5. Loans and leases held for investment (2):											
a. Residential mortgage exposures	RCON S439 6,142,222	RCON S440 0	RCON H178 0				RCON S441 40,631	RCON S442 5,346,723	RCON S443 754,868		5.a.
b. High volatility commercial real estate exposures	RCON S445 78,179	RCON S446 0	RCON H179 0				RCON H180 0	RCON H181 0	RCON H182 0	RCON S447 78,179	5.b.
c. Exposures past due 90 days or more or on nonaccrual (3)	RCON S449 58,790	RCON S450 0	RCON S451 0	RCON HJ82 0	RCON HJ83 0		RCON S452 0	RCON S453 0	RCON S454 0	RCON S455 58,790	5.c.
d. All other exposures	RCON S457 6,166,756	RCON S458 0	RCON S459 86,197	RCON HJ84 0	RCON HJ85 0		RCON S460 80,737	RCON S461 91,591	RCON S462 5,908,231	RCON S463 0	5.d.
6. LESS: Allowance for loan and lease losses (4)	RCON 3123 134,227	RCON 3123 134,227									6.

1 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 that have adopted ASU 2016-13 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.
3 For loans and leases held for investment, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.
4 Institutions that have adopted ASU 2016-13 should report the allowance for credit losses on loans and leases in item 6, columns A and B.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column K) 250% Amount	(Column L) 300% Amount	(Column M) 400% Amount	(Column N) 600% Amount	(Column O) 625% Amount	(Column P) 937.5% Amount	(Column Q) 1250% Amount	(Column R) Application of Other Risk-Weighting Approaches[1] Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches[1] Risk-Weighted Asset Amount	
4. Loans and leases held for sale (continued):										
c. Exposures past due 90 days or or more or on nonaccrual (2)								RCON H277 0	RCON H278 0	4.c.
d. All other exposures								RCON H279 0	RCON H280 0	4.d.
5. Loans and leases held for investment:										
a. Residential mortgage exposures								RCON H281 0	RCON H282 0	5.a.
b. High volatility commercial real estate exposures								RCON H283 0	RCON H284 0	5.b.
c. Exposures past due 90 days or more or on nonaccrual (3)								RCON H285 0	RCON H286 0	5.c.
d. All other exposures								RCON H287 0	RCON H288 0	5.d.
6. LESS: Allowance for loan and lease losses										6.

1 Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.
2 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.
3 For loans and leases held for investment, exclude residential mortgage exposures, high volatility commercial real estate exposures, or sovereign exposures that are past due 90 days or more or on nonaccrual.

Schedule RC-R—Continued

Part II—Continued

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) 2%	(Column E) 4%	(Column F) 10%	(Column G) 20%	(Column H) 50%	(Column I) 100%	(Column J) 150%	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
	RCON D976	RCON S466	RCON D977	RCON HJ86	RCON HJ87		RCON D978	RCON D979	RCON D980	RCON S467	
7. Trading assets	0	0	0	0	0		0	0	0	0	7.
	RCON D981	RCON S469	RCON D982	RCON HJ88	RCON HJ89		RCON D983	RCON D984	RCON D985	RCON H185	
8. All other assets (1,2,3)	1,265,159	49,829	1,520	0	0		96,153	1,794	931,497	0	8.
a. Separate account bank-owned life insurance											8.a.
b. Default fund contributions to central counterparties											8.b.

1 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.
2 Institutions that have adopted ASU 2016-13 and have elected to apply the 3-year or the 5-year 2020 CECL transition provision should report as a positive number in item 8, column B, the applicable portion of the DTA transitional amount as determined in accordance with the 3-year or the 5-year 2020 CECL transition rule, respectively.
3 Institutions that have adopted ASU 2016-13 and have reported any assets, net of allowances for credit losses in item 8, column A, should report as a negative number in item 8, 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.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column K) 250% Amount	(Column L) 300% Amount	(Column M) 400% Amount	(Column N) 600% Amount	(Column O) 625% Amount	(Column P) 937.5% Amount	(Column Q) 1250% Amount	(Column R) Application of Other Risk-Weighting Approaches[1] Exposure Amount	(Column S) Application of Other Risk-Weighting Approaches[1] Risk-Weighted Asset Amount	
7. Trading assets		RCON H186 0	RCON H290 0	RCON H187 0				RCON H291 0	RCON H292 0	7.
8. All other assets (2)	RCON H293 176,059	RCON H188 0	RCON S470 0	RCON S471 0				RCON H294 0	RCON H295 0	8.
a. Separate account bank-owned life insurance								RCON H296 8,307	RCON H297 8,307	8.a.
b. Default fund contributions to central counterparties								RCON H298 0	RCON H299 0	8.b.

1 Includes, for example, investments in mutual funds/investment funds, exposures collateralized by securitization exposures or mutual funds, separate account bank-owned life insurance, and default fund contributions to central counterparties.
2 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.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column A) Totals	(Column B) Adjustments to Totals Reported in Column A	(Column Q) Allocation by Risk-Weight Category (Exposure Amount)	(Column T) Total Risk-Weighted Asset Amount by Calculation Methodology	(Column U)	
			1250%	SSFA[1]	Gross-Up	
	Amount	Amount	Amount	Amount	Amount	
Securitization Exposures: On- and Off-Balance Sheet						
9. On-balance sheet securitization exposures:	RCON S475	RCON S476	RCON S477	RCON S478	RCON S479	
a. Held-to-maturity securities (2)	0	0	0	0	0	9.a.
	RCON S480	RCON S481	RCON S482	RCON S483	RCON S484	
b. Available-for-sale securities	0	0	0	0	0	9.b.
	RCON S485	RCON S486	RCON S487	RCON S488	RCON S489	
c. Trading assets	0	0	0	0	0	9.c.
	RCON S490	RCON S491	RCON S492	RCON S493	RCON S494	
d. All other on-balance sheet securitization exposures	0	0	0	0	0	9.d.
	RCON S495	RCON S496	RCON S497	RCON S498	RCON S499	
10. Off-balance sheet securitization exposures	0	0	0	0	0	10.

Dollar Amounts in Thousands	(Column A) Total From *Schedule RC*	(Column B) Adjustments to Totals Reported in Column A	(Column C) Allocation by Risk-Weight Category	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)	
			0%	2%	4%	10%	20%	50%	100%	150%	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
	RCON 2170	RCON S500	RCON D987	RCON HJ90	RCON HJ91		RCON D988	RCON D989	RCON D990	RCON S503	
11. Total balance sheet assets (3)	16,260,538	470,463	418,750	0	0		1,753,811	5,695,583	7,600,596	136,969	11.

Dollar Amounts in Thousands	(Column K) Allocation by Risk-Weight Category	(Column L)	(Column M)	(Column N)	(Column O)	(Column P)	(Column Q)	(Column R) Application of Other Risk-Weighting Approaches	
	250%	300%	400%	600%	625%	937.5%	1250%	Exposure Amount	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
	RCON S504	RCON S505	RCON S506	RCON S507			RCON S510	RCON H300	
11. Total balance sheet assets (3)	176,059	0	0	0			0	8,307	11.

1 Simplified Supervisory Formula Approach.
2 Institutions that have adopted ASU 2016-13 and have reported held-to-maturity securities, net of allowances for credit losses in item 9.a, column A, 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.
3 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.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column A) Face, Notional, or Other Amount	CCF[1]	(Column B) Credit Equivalent Amount[2]	(Column C) 0%	(Column D) 2%	(Column E) 4%	(Col F) 10%	(Column G) 20%	(Column H) 50%	(Column I) 100%	(Column J) 150%	
				Allocation by Risk-Weight Category								
	Amount		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
Derivatives, Off-Balance Sheet Items, and Other Items Subject to Risk Weighting (Excluding Securitization Exposures)[3]												
12. Financial standby letters of credit	RCON D991 12,490	1.0	RCON D992 12,490	RCON D993 0	RCON HJ92 0	RCON HJ93 0		RCON D994 0	RCON D995 0	RCON D996 12,490	RCON S511 0	12.
13. Performance standby letters of credit and transaction-related contingent items	RCON D997 14,850	0.5	RCON D998 7,425	RCON D999 0				RCON G603 0	RCON G604 0	RCON G605 7,425	RCON S512 0	13.
14. Commercial and similar letters of credit with an original maturity of one year or less	RCON G606 0	0.2	RCON G607 0	RCON G608 0	RCON HJ94 0	RCON HJ95 0		RCON G609 0	RCON G610 0	RCON G611 0	RCON S513 0	14.
15. Retained recourse on small business obligations sold with recourse	RCON G612 0	1.0	RCON G613 0	RCON G614 0				RCON G615 0	RCON G616 0	RCON G617 0	RCON S514 0	15.

1 Credit conversion factor.
2 Column A multiplied by credit conversion factor. For each of items 12 through 21, the sum of columns C through J plus column R must equal column B.
3 All derivatives and off-balance sheet items that are securitization exposures are to be excluded from items 12 through 21 and are to be reported instead in item 10.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column A) Face, Notional, or Other Amount	CCF[1]	(Column B) Credit Equivalent Amount[2]	(Column C) 0%	(Column D) 2%	(Column E) 4%	(Col F) 10%	(Column G) 20%	(Column H) 50%	(Column I) 100%	(Column J) 150%	
	Amount		Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
16. Repo-style transactions (3)	RCON S515		RCON S516	RCON S517	RCON S518	RCON S519		RCON S520	RCON S521	RCON S522	RCON S523	
	737,241	1.0	737,241	238,048	0	0		499,193	0	0	0	16.
17. All other off-balance sheet liabilities	RCON G618		RCON G619	RCON G620				RCON G621	RCON G622	RCON G623	RCON S524	
	0	1.0	0	0				0	0	0	0	17.
18. Unused commitments (exclude unused commitments to asset-backed commercial paper conduits):												
a. Original maturity of one year or less	RCON S525		RCON S526	RCON S527	RCON HJ96	RCON HJ97		RCON S528	RCON S529	RCON S530	RCON S531	
	1,099,600	0.2	219,920	0	0	0		0	49,983	169,937	0	18.a.
b. Original maturity exceeding one year	RCON G624		RCON G625	RCON G626	RCON HJ98	RCON HJ99		RCON G627	RCON G628	RCON G629	RCON S539	
	1,502,133	0.5	751,067	0	0	0		0	1,146	749,921	0	18.b.
19. Unconditionally cancelable commitments	RCON S540		RCON S541									
	162,217	0.0	0									19.
20. Over-the-counter derivatives			RCON S542	RCON S543	RCON HK00	RCON HK01	RCON S544	RCON S545	RCON S546	RCON S547	RCON S548	
			5,330	0	0	0	0	0	0	5,330	0	20.
21. Centrally cleared derivatives			RCON S549	RCON S550	RCON S551	RCON S552		RCON S554	RCON S555	RCON S556	RCON S557	
			9,957	9,957	0	0		0	0	0	0	21.
22. Unsettled transactions (failed trades) (4)	RCON H191			RCON H193				RCON H194	RCON H195	RCON H196	RCON H197	
	0			0				0	0	0	0	22.

1 Credit conversion factor.
2 For items 16 through 19, column A multiplied by credit conversion factor.
3 Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
4 For item 22, the sum of columns C through Q must equal column A.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column O) Allocation by Risk-Weight Category: 625% Amount	(Column P) Allocation by Risk-Weight Category: 937.5% Amount	(Column Q) Allocation by Risk-Weight Category: 1250% Amount	(Column R) Application of Other Risk-Weighting Approaches[1]: Credit Equivalent Amount	(Column S) Application of Other Risk-Weighting Approaches[1]: Risk-Weighted Asset Amount	
16. Repo-style transactions (2)				RCON H301 0	RCON H302 0	16.
17. All other off-balance sheet liabilities						17.
18. Unused commitments (excludes unused commitments to asset-backed commercial paper conduits):						
a. Original maturity of one year or less				RCON H303 0	RCON H304 0	18.a.
b. Original maturity exceeding one year				RCON H307 0	RCON H308 0	18.b.
19. Unconditionally cancelable commitments						19.
20. Over-the-counter derivatives				RCON H309 0	RCON H310 0	20.
21. Centrally cleared derivatives						21.
22. Unsettled transactions (failed trades) (3)	RCON H198 0	RCON H199 0	RCON H200 0			22.

1 Includes, for example, exposures collateralized by securitization exposures or mutual funds.
2 Includes securities purchased under agreements to resell (reverse repos), securities sold under agreements to repurchase (repos), securities borrowed, and securities lent.
3 For item 22, the sum of columns C through Q must equal column A.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column C)	(Column D)	(Column E)	(Column F)	(Column G)	(Column H)	(Column I)	(Column J)	
	Allocation by Risk-Weight Category								
	0%	2%	4%	10%	20%	50%	100%	150%	
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	
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)	RCON G630 666,755	RCON S558 0	RCON S559 0	RCON S560 0	RCON G631 2,253,004	RCON G632 5,746,712	RCON G633 8,545,699	RCON S561 136,969	23.
24. Risk weight factor	X 0%	X 2%	X 4%	X 10%	X 20%	X 50%	X 100%	X 150%	24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCON G634 0	RCON S569 0	RCON S570 0	RCON S571 0	RCON G635 450,601	RCON G636 2,873,356	RCON G637 8,545,699	RCON S572 205,454	25.

Schedule RC-R—Continued

Part II—Continued

Dollar Amounts in Thousands	(Column K) 250% Amount	(Column L) 300% Amount	(Column M) 400% Amount	(Column N) 600% Amount	(Column O) 625% Amount	(Column P) 937.5% Amount	(Column Q) 1250% Amount	
	Allocation by Risk-Weight Category							
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)	RCON S562 176,059	RCON S563 0	RCON S564 0	RCON S565 0	RCON S566 0	RCON S567 0	RCON S568 0	23.
24. Risk weight factor	X 250%	X 300%	X 400%	X 600%	X 625%	X 937.5%	X 1250%	24.
25. Risk-weighted assets by risk-weight category (for each column, item 23 multiplied by item 24)	RCON S573 440,148	RCON S574 0	RCON S575 0	RCON S576 0	RCON S577 0	RCON S578 0	RCON S579 0	25.

Dollar Amounts in Thousands	RCON	Totals Amount	
26. Risk-weighted assets base for purposes of calculating the allowance for loan and lease losses 1.25 percent threshold (1)	S580	12,523,565	26.
27. Standardized market-risk weighted assets (applicable only to banks that are covered by the market risk capital rules)	S581	0	27.
28. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (2,3)	B704	12,523,565	28.
29. LESS: Excess allowance for loan and lease losses (4,5)	A222	0	29.
30. LESS: Allocated transfer risk reserve	3128	0	30.
31. Total risk-weighted assets (item 28 minus items 29 and 30)	G641	12,523,565	31.

1 For institutions that have adopted ASU 2016-13, the risk-weighted assets base reported in item 26 is for purposes of calculating the adjusted allowances for credit losses (AACL) 1.25 percent threshold.
2 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).
3 For institutions that have adopted ASU 2016-13, the risk-weighted assets reported in item 28 represents the amount of risk-weighted assets before deductions for excess AACL and allocated transfer risk reserve.
4 Institutions that have adopted ASU 2016-13 should report the excess AACL.
5 Institutions that have adopted ASU 2016-13 and 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.

Schedule RC-R—Continued

Part II—Continued

Memoranda

Dollar Amounts in Thousands	RCON	Amount	
1. Current credit exposure across all derivative contracts covered by the regulatory capital rules	G642	9,957	M.1.

	With a remaining maturity of						
	(Column A) One year or less		(Column B) Over one year through five years		(Column C) Over five years		
Dollar Amounts in Thousands	RCON	Amount	RCON	Amount	RCON	Amount	
2. Notional principal amounts of over-the-counter derivative contracts:							
a. Interest rate	S582	439,958	S583	0	S584	0	M.2.a.
b. Foreign exchange rate and gold	S585	0	S586	0	S587	0	M.2.b.
c. Credit (investment grade reference asset)	S588	0	S589	0	S590	0	M.2.c.
d. Credit (non-investment grade reference asset)	S591	0	S592	53,304	S593	0	M.2.d.
e. Equity	S594	0	S595	0	S596	0	M.2.e.
f. Precious metals (except gold)	S597	0	S598	0	S599	0	M.2.f.
g. Other	S600	0	S601	0	S602	0	M.2.g.
3. Notional principal amounts of centrally cleared derivative contracts:							
a. Interest rate	S603	2,501,000	S604	0	S605	0	M.3.a.
b. Foreign exchange rate and gold	S606	0	S607	0	S608	0	M.3.b.
c. Credit (investment grade reference asset)	S609	0	S610	0	S611	0	M.3.c.
d. Credit (non-investment grade reference asset)	S612	0	S613	0	S614	0	M.3.d.
e. Equity	S615	0	S616	0	S617	0	M.3.e.
f. Precious metals (except gold)	S618	0	S619	0	S620	0	M.3.f.
g. Other	S621	0	S622	0	S623	0	M.3.g.

Dollar Amounts in Thousands	RCON	Amount	
4. Amount of allowances for credit losses on purchased credit-deteriorated assets:[1]			
a. Loans and leases held for investment	JJ30	0	M.4.a.
b. Held-to-maturity debt securities	JJ31	0	M.4.b.
c. Other financial assets measured at amortized cost	JJ32	0	M.4.c.

1 Memorandum items 4.a through 4.c should be completed only by institutions that have adopted ASU 2016-13.

Schedule RC-S—Servicing, Securitization, and Asset Sale Activities

Dollar Amounts in Thousands	RCON	(Column A) 1-4 Family Residential Loans Amount	RCON	(Columns B - F) Not applicable Amount	RCON	(Column G) All Other Loans, All Leases, and All other Assets Amount	
Bank Securitization Activities							
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	B705	2,156,137			B711	0	1.
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structures reported in item 1	HU09	0			HU15	0	2.
3. Not applicable							
4. Past due loan amounts included in item 1:							
a. 30-89 days past due	B733	88,093			B739	0	4.a.
b. 90 days or more past due	B740	41,290			B746	0	4.b.
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):	RIAD				RIAD		
a. Charge-offs	B747	0			B753	0	5.a.
b. Recoveries	B754	0			B760	0	5.b.
Item 6 is to be completed by banks with $10 billion or more total assets.[1]					RCON		
6. Amount of ownership (or seller's) interests carried as:					HU19	0	6.
7. and 8. Not applicable							
For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions							
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	RCON B776	0			B782	0	9.
Item 10 is to be completed by banks with $10 billion or more in total assets.[1]							
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures	B783	0			B789	0	10.
Bank Asset Sales							
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	B790	0			B796	0	11.
12. Maximum amount of credit exposure arising from recourse or other seller- provided credit enhancements provided to assets reported in item 11	B797	0			B803	0	12.

1 The $10 billion asset-size test is based on the total assets reported on the June 30, 2022, Report of Condition.

Schedule RC-S—Continued

Memoranda

Dollar Amounts in Thousands	RCON	Amount	
1. Not applicable			
2. Outstanding principal balance of assets serviced for others (includes participations serviced for others):			
a. Closed-end 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements	B804	0	M.2.a.
b. Closed-end 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements	B805	10,050,939	M.2.b.
c. Other financial assets (includes home equity lines) (1)	A591	0	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)	F699	14,729	M.2.d.
Memorandum item 3 is to be completed by banks with $10 billion or more in total assets.[2]			
3. Asset-backed commercial paper conduits:			
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:			
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company.	B806	0	M.3.a1.
(2) Conduits sponsored by other unrelated institutions	B807	0	M.3.a2.
b. Unused commitments to provide liquidity to conduit structures:			
(1) Conduits sponsored by the bank, a bank affiliate, or the bank's holding company	B808	0	M.3.b1.
(2) Conduits sponsored by other unrelated institutions	B809	0	M.3.b2.
4. Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column G (2,3)	C407		M.4.

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, 2022, Report of Condition.
3 Memorandum item 4 is to be completed by banks with $10 billion or more in total assets 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

	RCON	YES / NO	
1. Does the institution have fiduciary powers? (If "NO", do not complete Schedule RC-T)...	A345	YES	1.
2. Does the institution exercise the fiduciary powers it has been granted?...	A346	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)...	B867	YES	3.

If the answer to item 3 is "YES," complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 10, sum of columns A and B) greater than $250 million (as of the preceding December 31 report date)or with gross fiduciary and related services income greater than 10% of revenue (net interest income plus noninterest income) for the preceding calendar year must complete:
- Items 4 through 22 and Memorandum item 3 quarterly,
- Items 23 through 26 annually with the December report, and
- Memorandum items 1, 2, and 4 annually with the December report.

Institutions with total fiduciary assets (item 10, sum of columns A and B) less than or equal to $250 million (as of the preceding December 31 report date) that do not meet the fiduciary income test for quarterly reporting must complete:
- Items 4 through 13 annually with the December report, and
- Memorandum items 1 through 3 annually with the December report.
- Institutions with total fiduciary assets greater than $100 million but less than or equal to $250 million (as of the preceding December 31 report date) that do not meet the fiduciary income test for quarterly reporting must also complete Memorandum item 4 annually with the December report.

Dollar Amounts in Thousands	(Column A) Managed Assets Amount	(Column B) Non-Managed Assets Amount	(Column C) Number of Managed Accounts Number	(Column D) Number of Non-Managed Accounts Number	
Fiduciary and Related Assets	RCON B868	RCON B869	RCON B870	RCON B871	
4. Personal trust and agency accounts...	19,240	31,112	41	73	4.
5. Employee benefit and retirement-related trust and agency accounts:					
a. Employee benefit - defined contribution...	RCON B872	RCON B873	RCON B874	RCON B875	
	0	0	0	0	5.a.
b. Employee benefit - defined benefit...	RCON B876	RCON B877	RCON B878	RCON B879	
	0	0	0	0	5.b.
c. Other employee benefit and retirement-related accounts...	RCON B880	RCON B881	RCON B882	RCON B883	
	607	2,259	3	14	5.c.
	RCON B884	RCON B885	RCON C001	RCON C002	
6. Corporate trust and agency accounts...	0	12,320	0	41	6.
7. Investment management and investment advisory agency accounts...	RCON B886	RCON J253	RCON B888	RCON J254	
	186	11	1	1	7.
8. Foundation and endowment trust and agency accounts..	RCON J255	RCON J256	RCON J257	RCON J258	
	154	0	1	0	8.
	RCON B890	RCON B891	RCON B892	RCON B893	
9. Other fiduciary accounts...	0	44	0	3	9.
10. Total fiduciary accounts (sum of items 4 through 9)...	RCON B894	RCON B895	RCON B896	RCON B897	
	20,187	45,746	46	132	10.

Schedule RC-T—Continued

Dollar Amounts in Thousands	(Column A) Managed Assets Amount	(Column B) Non-Managed Assets Amount	(Column C) Number of Managed Accounts Number	(Column D) Number of Non-Managed Accounts Number	
11. Custody and safekeeping accounts		RCON B898 4,150		RCON B899 4	11.
12. Not applicable					
13. Individual Retirement Accounts, Health Savings Accounts, and other similar accounts (included in items 5.c and 11)	RCON J259 607	RCON J260 2,259	RCON J261 3	RCON J262 14	13.

Dollar Amounts in Thousands	RIAD	Amount	
Fiduciary and Related Services Income			
14. Personal trust and agency accounts	B904	NR	14.
15. Employee benefit and retirement-related trust and agency accounts:			
a. Employee benefit - defined contribution	B905	NR	15.a.
b. Employee benefit - defined benefit	B906	NR	15.b.
c. Other employee benefit and retirement-related accounts	B907	NR	15.c.
16. Corporate trust and agency accounts	A479	NR	16.
17. Investment management and investment advisory agency accounts	J315	NR	17.
18. Foundation and endowment trust and agency accounts	J316	NR	18.
19. Other fiduciary accounts	A480	NR	19.
20. Custody and safekeeping accounts	B909	NR	20.
21. Other fiduciary and related services income	B910	NR	21.
22. Total gross fiduciary and related services income (sum of items 14 through 21) (must equal Schedule RI, item 5.a)	4070	NR	22.
23. Less: Expenses	C058	NR	23.
24. Less: Net losses from fiduciary and related services	A488	NR	24.
25. Plus: Intracompany income credits for fiduciary and related services	B911	NR	25.
26. Net fiduciary and related services income	A491	NR	26.

Memoranda

Dollar Amounts in Thousands	RCON	(Column A) Personal Trust and Agency and Investment Management Agency Accounts Amount	RCON	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts Amount	RCON	(Column C) All Other Accounts Amount	
1. Managed assets held in fiduciary accounts:							
a. Noninterest-bearing deposits	J263	383	J264	0	J265	0	M.1.a.
b. Interest-bearing deposits	J266	217	J267	0	J268	0	M.1.b.
c. U.S. Treasury and U.S. Government agency obligations	J269	7	J270	0	J271	0	M.1.c.
d. State, county, and municipal obligations	J272	0	J273	0	J274	0	M.1.d.
e. Money market mutual funds	J275	5,139	J276	107	J277	6	M.1.e.
f. Equity mutual funds	J278	5,405	J279	21	J280	80	M.1.f.
g. Other mutual funds	J281	5,718	J282	78	J283	68	M.1.g.
h. Common trust funds and collective investment funds	J284	0	J285	0	J286	0	M.1.h.
i. Other short-term obligations	J287	0	J288	0	J289	0	M.1.i.
j. Other notes and bonds	J290	1,201	J291	400	J292	0	M.1.j.
k. Investments in unregistered funds and private equity investments	J293	0	J294	0	J295	0	M.1.k.

Schedule RC-T—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RCON	(Column A) Personal Trust and Agency and Investment Management Agency Accounts Amount	RCON	(Column B) Employee Benefit and Retirement-Related Trust and Agency Accounts Amount	RCON	(Column C) All Other Accounts Amount	
1. l. Other common and preferred stocks	J296	735	J297	0	J298	0	M.1.l.
m. Real estate mortgages	J299	0	J300	0	J301	0	M.1.m.
n. Real estate	J302	56	J303	0	J304	0	M.1.n.
o. Miscellaneous assets	J305	566	J306	0	J307	0	M.1.o.
p. Total managed assets held in fiduciary accounts (for each column, sum of Memorandum items 1.a through 1.o)	J308	19,427	J309	606	J310	154	M.1.p.

Dollar Amounts in Thousands	RCON	(Column A) Managed Assets Amount	RCON	(Column B) Number of Managed Accounts Number	
1. q. Investments of managed fiduciary accounts in advised or sponsored mutual funds	J311	0	J312	0	M.1.q.

Dollar Amounts in Thousands	RCON	(Column A) Number of Issues Number	(Column B) Principal Amount Outstanding Amount	
2. Corporate trust and agency accounts:				
a. Corporate and municipal trusteeships	B927	0	RCON B928 0	M.2.a.
(1) Issues reported in Memorandum item 2.a that are in default	J313	0	RCON J314 0	M.2.a.1.
b. Transfer agent, registrar, paying agent, and other corporate agency	B929	0		M.2.b.

Memorandum items 3.a through 3.h 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 report date.

Memoradum item 3.h only is to be completed by banks with collective investment funds and common trust funds with a total market value of less that $1 billion as of the preceding December 31 report date.

Dollar Amounts in Thousands	RCON	(Column A) Number of Funds Number	RCON	(Column B) Market Value of Fund Assets Amount	
3. Collective investment funds and common trust funds:					
a. Domestic equity	B931	NR	B932	NR	M.3.a.
b. International/Global equity	B933	NR	B934	NR	M.3.b.
c. Stock/Bond blend	B935	NR	B936	NR	M.3.c.
d. Taxable bond	B937	NR	B938	NR	M3.d.
e. Municipal bond	B939	NR	B940	NR	M.3.e.
f. Short-term investments/Money market	B941	NR	B942	NR	M.3.f.
g. Specialty/Other	B943	NR	B944	NR	M.3.g.
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	B945	0	B946	0	M.3.h.

Schedule RC-T—Continued

Memoranda—Continued

Dollar Amounts in Thousands	RIAD	(Column A) Gross Losses Managed Accounts Amount	RIAD	(Column B) Gross Losses Non-Managed Accounts Amount	RIAD	(Column C) Recoveries Amount	
4. Fiduciary settlements, surcharges, and other losses:							
a. Personal trust and agency accounts	B947	NR	B948	NR	B949	NR	M.4.a.
b. Employee benefit and retirement-related trust and agency accounts	B950	NR	B951	NR	B952	NR	M.4.b.
c. Investment management and investment advisory agency accounts	B953	NR	B954	NR	B955	NR	M.4.c.
d. Other fiduciary accounts and related services	B956	NR	B957	NR	B958	NR	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)	B959	NR	B960	NR	B961	NR	M.4.e.

Person to whom questions about Schedule RC-T - Fiduciary and Related Services should be directed:

John W. Carey. Investment Representative
Name and Title (TEXT B962)

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(580) 634-6226
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(580) 924-2470
FAX: Area code/phone number (TEXT B964)

Schedule RC-V—Variable Interest Entities[1]

Dollar Amounts in Thousands	(Column A) Securitization Vehicles RCON	Amount	(Column B) Other VIEs RCON	Amount	
1. Assets of consolidated variable interest entities (VIEs) that can be used only to settle obligations of the consolidated VIEs:					
a. Cash and balances due from depository institutions	J981	0	JF84	0	1.a.
b. Securities not held for trading	HU20	0	HU21	0	1.b.
c. Loans and leases held for investment, net of allowance, and held for sale	HU22	0	HU23	0	1.c.
d. Other real estate owned	K009	0	JF89	0	1.d.
e. Other assets	JF91	0	JF90	0	1.e.
2. Liabilities of consolidated VIEs for which creditors do not have recourse to the general credit of the reporting bank.					
a. Other borrowed money	JF92	0	JF85	0	2.a.
b. Other liabilities	JF93	0	JF86	0	2.b.
3. All other assets of consolidated VIEs (not included in items 1.a. through 1.e above)	K030	0	JF87	0	3.
4. All other liabilities of consolidated VIEs (not included in items 2.a and 2.b above)	K033	0	JF88	0	4.

Dollar Amounts in Thousands	RCON	Amount	
5. Total assets of asset-backed commercial paper (ABCP) conduit VIEs	JF77	0	5.
6. Total liabilities of ABCP conduit VIEs	JF78	0	6.

[1] Institutions that have adopted ASU 2016-13 should report assets, net of any applicable allowance for credit losses.

Optional Narrative Statement Concerning the Amounts Reported in the Consolidated Reports of Condition and Income

The management of the reporting bank may, if it wishes, submit a brief narrative statement on the amounts reported in the Consolidated Reports of Condition and Income. This optional statement will be made available to the public, along with the publicly available data in the Consolidated Reports of Condition and Income, in response to any request for individual bank report data. However, the information reported in Schedule RI-E, item 2.g; Schedule RC-C, Part I, Memorandum items 17.a and 17.b; Schedule RC-O, Memorandum items 6 through 9, 14, 15 and 18; and Schedule RC-P, items 7.a and 7.b, is regarded as confidential and will not be made available to the public on an individual institution basis. BANKS CHOOSING TO SUBMIT THE NARRATIVE STATEMENT SHOULD ENSURE THAT THE STATEMENT DOES NOT CONTAIN THE NAMES OR OTHER IDENTIFICATIONS OF INDIVIDUAL BANK CUSTOMERS, REFERENCES TO THE AMOUNTS REPORTED IN THE CONFIDENTIAL ITEMS IDENTIFIED ABOVE, OR ANY OTHER INFORMATION THAT THEY ARE NOT WILLING TO HAVE MADE PUBLIC OR THAT WOULD COMPROMISE THE PRIVACY OF THEIR CUSTOMERS. Banks choosing not to make a statement may check the “No comment” box below and should make no entries of any kind in the space provided for the narrative statement; i.e., DO NOT enter in this space such phrases as “No statement,” “Not applicable,” “N/A,” “No comment,” and “None.”

The optional statement must be entered on this sheet. The statement should not exceed 100 words. Further, regardless of the number of words, the statement must not exceed 750 characters, including punctuation, indentation, and standard spacing between words and sentences. If any submission should exceed 750 characters, as defined, it will be truncated at 750 characters with no notice to the submitting bank and the truncated statement will appear as the bank’s statement both on agency computerized records and in computer-file releases to the public.

All information furnished by the bank in the narrative statement must be accurate and not misleading. Appropriate efforts shall be taken by the submitting bank to ensure the statement’s accuracy.

If, subsequent to the original submission, material changes are submitted for the data reported in the Consolidated Reports of Condition and Income, the existing narrative statement will be deleted from the files, and from disclosure; the bank, at its option, may replace it with a statement appropriate to the amended data.

The optional narrative statement will appear in agency records and in release to the public exactly as submitted (or amended as described in the preceding paragraph) by the management of the bank (except for the truncation of statements exceeding the 750-character limit described above). THE STATEMENT WILL NOT BE EDITED OR SCREENED IN ANY WAY BY THE SUPERVISORY AGENCIES FOR ACCURACY OR RELEVANCE. DISCLOSURE OF THE STATEMENT SHALL NOT SIGNIFY THAT ANY FEDERAL SUPERVISORY AGENCY HAS VERIFIED OR CONFIRMED THE ACCURACY OF THE INFORMATION CONTAINED THEREIN. A STATEMENT TO THIS EFFECT WILL APPEAR ON ANY PUBLIC RELEASE OF THE OPTIONAL STATEMENT SUBMITTED BY THE MANAGEMENT OF THE REPORTING BANK.

	RCON	YES / NO
Comments?..	6979	NO

BANK MANAGEMENT STATEMENT (please type or print clearly):

(TEXT 6980)

Spend Life Wisely Company, Inc.

Independent Auditor’s Report and Consolidated Financial Statements

December 31, 2022 and 2021

Spend Life Wisely Company, Inc.
December 31, 2022 and 2021

Contents

FORVIS

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Independent Auditor's Report

Audit Committee and Board of Directors
Spend Life Wisely Company, Inc.
Durant, Oklahoma

Report on the Audit of the Consolidated Financial Statements and Internal Control over Financial Reporting

Opinions on the Consolidated Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated financial statements of Spend Life Wisely Company, Inc., which comprise the consolidated balance sheets as of December 31, 2022 and 2021 and the related consolidated statements of income and comprehensive income, stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Spend Life Wisely Company, Inc., as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We also have audited Spend Life Wisely Company, Inc.'s internal control over financial reporting as of December 31, 2022 based on criteria established in the *Internal Control – Integrated Framework* (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, Spend Life Wisely Company, Inc., maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 based on COSO.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audits of the Consolidated Financial Statements and Internal Control over Financial Reporting" section of our report. We are required to be independent of Spend Life Wisely Company, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Consolidated Financial Statements and Internal Control over Financial Reporting

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management also is responsible for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying management's report on internal control over financial reporting.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spend Life Wisely Company, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements and Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether effective internal control over financial reporting was maintained in all material respects, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit of consolidated financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit of consolidated financial statements and an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the consolidated financial statement audit in order to design audit procedures that are appropriate in the circumstances.

- Obtain an understanding of internal control over financial reporting relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spend Life Wisely Company, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the consolidated financial statement audit.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. Because management's assessment and our audit were conducted to meet the reporting requirements of Section 112 of the *Federal Deposit Insurance Corporation Improvement Act*, our audit of Spend Life Wisely Company, Inc.'s internal control over financial reporting included controls over the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and with the instructions to the Consolidated Financial Statements for Bank Holding Companies (Form FR Y-9C). An entity'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 entity; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and 3) provide reasonable assurance regarding prevention or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment 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, LLP

Oklahoma City, Oklahoma
March 30, 2023

Management's Report on Internal Control over Financial Reporting

In this management's report, the following subsidiary institution of Spend Life Wisely Company, Inc. (the Company), is subject to Part 363 and is included in the statement of management's responsibilities; the report on management's assessment of compliance with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions; and the report on management's assessment of internal control over financial reporting: First United Bank & Trust Company.

Statement of Management's Responsibilities

Management of the Company is responsible for preparing the Company's annual financial statements in accordance with generally accepted accounting principles; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for Form FR Y-9C; and for complying with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions.

Management's Assessment of Compliance with Designated Laws and Regulations

Management of the Company has assessed the Company's compliance with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions during the fiscal year ended December 31, 2022. Based upon its assessment, management has concluded the Company complied with the federal laws and regulations pertaining to insider loans and the federal and, if applicable, state laws and regulations pertaining to dividend restrictions during the fiscal year ended on December 31, 2022.

Management's Assessment of Internal Control over Financial Reporting

The Company's internal control over financial reporting is a process effected by those charged with governance, management and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, *i.e.*, Form FR Y-9C. The 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 the transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes 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 and correction of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect and correct 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 and procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Form FR Y-9C, as of December 31, 2022, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013). Based upon its assessment, management has concluded that as of December 31, 2022, the Company's internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Form FR Y-9C, is effective based on the criteria established in *Internal Control – Integrated Framework* (2013).

Management's assessment of the effectiveness of internal control over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the Form FR Y-9C, as of December 31, 2022, has been audited by **FORVIS, LLP**, an independent public accounting firm, as stated in their report dated March 30, 2023.

Spend Life Wisely Company, Inc.

Greg Massey, President

William Fahrendorf, Secretary-Treasurer

Date: 3-30-23

Date: 3-30-23

First United Bank & Trust Company

Greg Massey, Chief Executive Officer

George Clark, Chief Financial Officer

Date: 3-30-23

Date: 3-30-23

Spend Life Wisely Company, Inc.
Consolidated Balance Sheets
December 31, 2022 and 2021
(Dollars in Thousands, Except Per Share Data)

Assets	2022	2021
Cash and non-interest bearing balances	$ 299,232	$ 562,982
Interest-bearing balances due from banks	15,367	40,020
Cash and cash equivalents	314,599	603,002
Interest-bearing time deposits in banks	735	2,209
Available-for-sale debt securities	1,385,145	1,213,558
Securities purchased under agreements to resell	202,232	81,659
Mortgage loans held for sale, at fair value	187,736	243,981
Loans receivable, net of allowance for loan losses of $112,552 and $98,562 at December 31, 2022 and 2021, respectively	11,358,454	9,451,226
Interest receivable	48,218	41,664
Federal Home Loan Bank stock	56,695	20,704
Other investments	4,273	4,320
Foreclosed assets held for sale	3,367	9,695
Premises and equipment, net	372,301	316,172
Mortgage servicing rights	171,952	120,258
Other identifiable intangible assets, net	43,195	54,549
Goodwill, net	16,989	16,989
Cash surrender value, life insurance	242,801	236,843
Indemnification receivable	-	5,961
Investments in partnerships	37,140	27,979
Other assets	119,447	92,126
Total assets	$ 14,565,279	$ 12,542,895

Liabilities and Stockholders' Equity

	2022	2021
Liabilities		
Deposits		
Noninterest-bearing	$ 3,089,906	$ 2,923,545
Interest-bearing	8,878,249	7,661,057
Total deposits	11,968,155	10,584,602
Repurchase agreements	113,340	114,401
Federal Home Loan Bank of Topeka advances and other borrowings	996,252	506,107
Subordinated debt, net of discounts	241,342	248,813
Deferred taxes, net	42,873	38,454
Interest payable and other liabilities	77,359	77,794
Total liabilities	13,439,321	11,570,171
Stockholders' Equity		
Preferred stock, $.0001 par value; 10,100,000 shares authorized; 80,750 and 0 shares issued in 2022 and 2021, respectively	80,750	-
Non-voting common stock, $.01 par value; 1,000,000 shares authorized;	-	-
Voting common stock, $.01 par value; 20,000,000 shares authorized; 7,032,980 and 7,032,980 shares issued in 2022 and 2021, respectively	70	70
Capital surplus	322,200	288,995
Retained earnings	838,516	709,158
Notes receivable from stockholders	(16,539)	(18,092)
Accumulated other comprehensive (loss) income, net of income tax of $(5,250) and $7,983 for 2022 and 2021, respectively	(19,913)	30,019
Treasury stock, 903,386 and 285,263 shares at cost for 2022 and 2021, respectively	(79,126)	(37,426)
Total stockholders' equity	1,125,958	972,724
Total liabilities and stockholders' equity	$ 14,565,279	$ 12,542,895

Spend Life Wisely Company, Inc.
Consolidated Statements of Income and Comprehensive Income
Years Ended December 31, 2022 and 2021
(Dollars in Thousands)

	2022	2021
Interest Income		
Loans and leases, including fees	$ 514,040	$ 421,956
Securities		
Taxable	21,592	12,354
Tax-exempt	11,044	10,390
Other	11,147	2,587
Total interest income	557,823	447,287
Interest Expense		
Deposits	65,443	34,644
Borrowings	21,889	9,357
Subordinated debt	13,442	13,810
Total interest expense	100,774	57,811
Net Interest Income	457,049	389,476
Provision for Loan Losses	19,385	12,726
Net Interest Income after Provision for Loan Losses	437,664	376,750
Noninterest Income		
Service charges on deposit accounts	21,066	17,719
Other service charges and fees	20,176	26,014
Secondary mortgage market fees	15,324	99,789
Mortgage servicing income	81,374	52,439
Other income	32,916	37,350
Total noninterest income	170,856	233,311
Noninterest Expenses		
Salaries and employee benefits	268,614	246,630
Occupancy and fixed asset expenses	44,276	32,144
Amortization of identifiable intangible assets	11,355	11,322
Realized and unrealized losses on foreclosed assets held for sale	13	107
Other operating expenses	119,746	98,822
Total noninterest expenses	444,004	389,025
Income Before Taxes	164,516	221,036
Income tax expense	28,429	42,929
Net Income	136,087	178,107
Other Comprehensive Income (Loss)		
Unrealized (loss) on available-for-sale securities, net of income tax of ($30,827) and ($4,276) for 2022 and 2021, respectively	(115,956)	(16,087)
Unrealized gain on cash flow hedge, net of income tax of $17,551 and $6,400 for 2022 and 2021, respectively	66,024	24,083
Less: reclassification for unwinding cash flow hedges included in net income, net of income tax of ($0) and ($1,044) for 2022 and 2021, respectively	-	(3,929)
Less: reclassification adjustment for realized gains included in net income, net of income tax of ($0) and ($589) for 2022 and 2021, respectively	-	(2,217)
Total other comprehensive (loss) income	(49,932)	1,850
Comprehensive Income	$ 86,155	$ 179,957

Spend Life Wisely Company, Inc.

Consolidated Statements of Stockholders' Equity

Years Ended December 31, 2022 and 2021

(Dollars in Thousands, Except Per Share Data)

	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Notes Receivable From Stockholders	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
Balance, January 1, 2021	$ -	$ 70	$ 288,564	$ 535,424	$ (16,647)	$ 28,169	$ (24,236)	$ 811,344
Net income	-	-	-	178,107	-	-	-	178,107
Repurchase 146,568 shares of common stock	-	-	-	-	-	-	(20,303)	(20,303)
Sale of 58,596 shares of treasury stock	-	-	389	-	(7,502)	-	7,113	-
Redemption from shareholder notes receivable	-	-	-	-	6,001	-	-	6,001
Interest from shareholder notes receivable	-	-	42	-	56	-	-	98
Cash dividends, $0.65 per share	-	-	-	(4,373)	-	-	-	(4,373)
Other comprehensive income	-	-	-	-	-	1,850	-	1,850
Balance, December 31, 2021	-	70	288,995	709,158	(18,092)	30,019	(37,426)	972,724
Issued preferred stock	80,750	-	-	-	-	-	-	80,750
Net income	-	-	-	136,087	-	-	-	136,087
Repurchase 1,025,282 shares of common stock	-	-	-	-	-	-	(89,548)	(89,548)
Sale of 407,159 shares of treasury stock	-	-	33,104	-	(500)	-	47,848	80,452
Redemption from shareholder notes receivable	-	-	-	-	2,000	-	-	2,000
Interest from shareholder notes receivable	-	-	101	-	53	-	-	154
Cash dividends, $0.83 per share	-	-	-	(5,089)	-	-	-	(5,089)
Preferred stock dividends, $20.31 per share	-	-	-	(1,640)	-	-	-	(1,640)
Other comprehensive (loss)	-	-	-	-	-	(49,932)	-	(49,932)
Balance, December 31, 2022	$ 80,750	$ 70	$ 322,200	$ 838,516	$ (16,539)	$ (19,913)	$ (79,126)	$ 1,125,958

Spend Life Wisely Company, Inc.
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021
(Dollars in Thousands)

	2022	2021
Operating Activities		
Net income	$ 136,087	$ 178,107
Items not requiring (providing) cash		
Provision for losses on loans	19,385	12,726
Depreciation and amortization	35,005	28,648
Accretion of subordinated debts, discounts	1,579	1,688
Provision for deferred income taxes	17,695	69
Net amortization of securities, premiums and discounts	3,491	6,427
Stock received in lieu of interest	(3,437)	(665)
Net (gains) on sale of foreclosed assets held for sale	(18)	(863)
Unrealized losses on foreclosed assets held for sale	31	970
Increase in cash surrender value of bank-owned life insurance	(8,192)	(5,122)
Increase in value of mortgage servicing rights	(51,694)	(25,089)
Equity (income) losses on investments in partnerships	2,093	4,079
Net (gains) on sale of partnerships	-	(742)
Unrealized losses/(gains) on mortgage loans held for sale	2,115	2,178
Unrealized losses/(gains) on equity investments	47	(92)
Unrealized losses on derivative financial instruments	14,276	5,790
Net losses/(gains) on sale of loans	322	(7,591)
Net (gains) on sale of premises and equipment	(1,250)	(138)
Net (gains) on sale of other assets	(5,564)	(4,322)
(Gains) on sale of available-for-sale securities	-	(2,806)
Changes in assets and liabilities		
Origination of loans held for sale	(1,987,678)	(3,064,903)
Sale of loans held for sale	2,001,560	3,074,308
Interest receivable	(6,619)	(4,193)
Other assets	45,267	(19,765)
Interest payable and other liabilities	(14,175)	(8,154)
Net cash provided by operating activities	200,326	170,545
Investing Activities		
Net change in interest-bearing time deposits in banks	1,474	4,943
Purchase of available-for-sale securities	(8,602,650)	(7,023,652)
Proceeds from sale of available-for-sale securities	-	118,719
Maturities of available-for-sale securities	8,137,548	6,617,192
Net change in securities purchased under agreements to resell	(120,573)	(30,132)
Contributions and purchase of interest in partnerships	(11,254)	(42,416)
Proceeds from sale of partnerships	-	2,000
Principal reductions on mortgage-backed securities	143,240	149,894
Net change in loans	(1,955,547)	(2,400,849)
Proceeds from sale of loans	28,399	655,369
Purchase of Federal Home Loan Bank of Topeka stock	(71,184)	(15,859)
Redemption of Federal Home Loan Bank of Topeka Stock	38,630	6,781
Purchase of premises and equipment	(64,683)	(53,589)
Proceeds from sale of premises and equipment	6,263	1,127
Purchase of bank-owned life insurance	-	(78,000)
Proceeds from bank-owned life insurance	2,234	408
Capital improvements of foreclosed assets	-	(116)
Proceeds from sale of foreclosed assets held for sale	6,818	7,933
Net cash used in investing activities	(2,461,285)	(2,080,247)
Financing Activities		
Net change in deposits	1,383,553	2,163,920
Net change in borrowings	(239,957)	(280,229)
Proceeds from Federal Home Loan Bank of Topeka advances	775,000	-
Repayments of Federal Home Loan Bank of Topeka advances	(5,709)	(9,335)
Net advance on subordinated debt	90,950	-
Repayment of subordinated debt	(100,000)	-
Dividends paid	(5,089)	(4,373)
Net change in notes receivable from shareholders	2,000	(1,500)
Interest on notes receivable from shareholders	154	98
Proceeds from issuance of preferred stock	80,750	-
Repurchase of common stock	(89,548)	(20,303)
Sale of common stock	80,452	7,502
Net cash provided by financing activities	1,972,556	1,855,780
Net (decrease) in cash and cash equivalents	(288,403)	(53,922)
Cash and cash equivalents, beginning of year	603,002	656,924
Cash and cash equivalents, end of year	$ 314,599	$ 603,002

Note 1: Organization and Nature of Operations

Spend Life Wisely Company, Inc. (the Company) is a one-bank holding company, which owns 100% of First United Bank & Trust Company (the Bank), a state-chartered bank engaged primarily in the business of accepting deposits, providing loans and investing in debt securities. The Bank's primary source of revenue is interest income from providing loans to customers, investing in securities and providing mortgage and trust services. The Bank is headquartered in Durant, Oklahoma, and operates in 48 rural or suburban communities with 74 banking locations in Oklahoma and Texas.

During 2022 and 2021, the Bank operated the following wholly owned subsidiaries: Unity Insurance Partners, First United Leasing Company, First United Property Holding Company, LLC, First United Asset Holding Company, LLC, First United Investments, Inc. and Seven Oaks-JV, LLC. First United Bank Mortgage Company is operated as a department of the Bank. The Bank holds investments in various partnerships. See *Note 3: Investments in Partnerships* for more information.

In addition to the Bank, the Company owns 100% of DBI Capital Trust I, Durant Statutory Trust I, Durant Statutory Trust II, Krum Statutory Trust I, Consolidated Statutory Trust III, North American Capital Trust II, North American Capital Trust III, and North American Capital Trust IV, which were formed to facilitate the issuance of trust-preferred securities. The Bank owns Consolidated Statutory Trust II, which was also formed to facilitate the issuance of trust-preferred securities. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 810-10-15-04, *Variable Interest Accounting Guidance*, the financial statements of these entities are not included in the accompanying consolidated financial statements. The subordinated debt to these entities from the Company is reported on the accompanying consolidated balance sheets.

First United Risk Mitigation Services, Inc. is a wholly owned subsidiary of the Company and is engaged in the business of providing commercial, property and various liability insurance to its parent company and related entities.

Prior to 2021, the Bank owned 50.05% of Seven Oaks-LP, LP (Seven Oaks LP) with an initial investment of $10,750. At the time the partnership was formed in 2020, the Bank modified an existing loan to Seven Oaks-JV, LLC (Seven Oaks LLC) by increasing the loan amount from $39,648 to $52,500 and transferring the loan to Seven Oaks LP. The Bank occupied office space in the building through a lease agreement with Seven Oaks LP. In 2021, the Bank purchased the remaining partnership interest from Seven Oaks LLC and dissolved the partnership. The Bank transferred the loan in the amount of $39,829 and cash of $20,576 as consideration for the remaining interest in the partnership. The transfer was accounted for as an asset purchase and recorded as premises and equipment.

The Bank is subject to regulation by the Oklahoma State Banking Department, the Texas State Banking Department and the Federal Deposit Insurance Corporation. The Company is subject to regulation by the Federal Reserve Bank.

Unity Insurance Partners is subject to regulation by the Oklahoma State Insurance Department and the Texas Department of Insurance. First United Risk Mitigation Services, Inc. is regulated by the Nevada Division of Insurance.

Note 2: Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company (and its subsidiaries) and the Bank (and its subsidiaries). All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and the related disclosures. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for loan losses, mortgage servicing rights, fair value of financial instruments and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in local economic conditions or deterioration in loan quality. In connection with the determination of the allowance for loan losses and the valuation of foreclosed assets held for sale, management obtains independent appraisals for significant properties. In addition, regulatory agencies, as an integral part of their examination process, periodically review the Bank's allowance for loan losses. Such agencies may require the Bank to recognize additions to the allowance, based on their judgment, about information available to them at the time of their examination. Because of these factors, it is reasonably possible the allowance for loan losses may change in the near term.

Cash and 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 include cash and noninterest-bearing balances and interest-bearing balances due from banks.

At December 31, 2022, the Company's cash accounts exceeded federally insured limits by $157,458, which included $108,821 of deposits on hand with the Federal Reserve Bank.

Interest-Bearing Time Deposits in Banks

Interest-bearing time deposits in banks are carried at cost.

Debt Securities

Debt securities are accounted for in accordance with ASC Topic 320-10, *Accounting for Certain Investments in Debt Securities*. Debt securities are classified in three categories based on management's intent and ability to hold an investment to maturity and are accounted for as follows: (i) held-to-maturity securities reported at amortized cost; (ii) trading securities reported at fair value with unrealized gains and losses included in earnings; and (iii) available-for-sale securities reported at fair value with unrealized gains and losses excluded from earnings and reported in other comprehensive income (loss). At December 31, 2022 and 2021, all investment securities were classified as available-for-sale. Gains and losses on sales of securities are determined on the specific-identification method. Purchased premiums and discounts are recognized in interest income using the interest method over the remaining expected life of the security or the first call date.

For debt securities with fair value below amortized cost when the Company does not intend to sell a debt security and it is more likely than not the Company will not have to sell the security before recovery of its cost basis, it recognizes the credit component of an other-than-temporary impairment of a debt security in earnings and the remaining portion in other comprehensive income (loss). For held-to-maturity debt securities, the amount of an other-than-temporary impairment recorded in other comprehensive income (loss) for the noncredit portion of a previous other-than-temporary impairment is amortized prospectively over the remaining life of the security on the basis of the timing of future estimated cash flows of the security.

Equity Securities

Equity securities with limited marketability are carried at cost, less impairment, if any, plus or minus any observable price changes. These investments in stock do not have readily determinable fair values and qualify for the practicability exception under Accounting Standards Update 2016-01 due to having illiquid markets. Associated realized and unrealized gains and losses are reported as securities transactions in the noninterest income section of the consolidated statements of comprehensive income. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method. Equity securities are reported in other assets on the balance sheet and were $60,968 and $25,024 at December 31, 2022 and 2021, respectively. The carrying value of these securities was evaluated and was determined not to be impaired for the years ended December 31, 2022 and 2021.

Equity Method Investments

The Company uses the equity method of accounting for equity investments if the investment provides the ability to exercise significant influence, but not control, over operating and financial policies of the investee. The Company's proportionate share of the net income or loss of these investees is included in consolidated net earnings. Judgment regarding the level of influence over each equity method investment includes considering key factors such as the Company's ownership interest, legal form of the investee (e.g. limited liability partnership), representation on the board of directors, participation in policy-making decisions and material intra-entity transactions.

The Company evaluates equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment might not be recoverable. Factors considered by the Company when reviewing an equity method investment for impairment include the length of time (duration) and the extent (severity) to which the fair value of the equity method investment has been less than cost, the investee's financial condition and near-term prospects and the intent and ability to hold the investment for a period of time sufficient to allow for anticipated recovery. An impairment that is other-than-temporary is recognized in the period identified.

Securities Purchased Under Agreements to Repurchase/Resell

The Company periodically enters into purchases or sales of securities under agreements to resell or repurchase as of a specified future date. The securities purchased under agreements to resell are accounted for as collateralized financing transactions and are reflected as an asset in the consolidated balance sheets. The securities pledged by the counterparties are held by a third party custodian and valued daily. The Company may require additional collateral to ensure full collateralization for these transactions. The repurchase agreements are considered financing agreements and the obligation to repurchase assets sold is reflected as a liability in the consolidated balance sheets of the Company. The repurchase agreements are collateralized by debt securities that are under the control of the Company.

Loans and Leases

Loans, for which management has the intent and ability to hold for the foreseeable future or until maturity or payoff, are reported at their outstanding unpaid principal balances reduced by any charge-offs or specific valuation accounts, net of any deferred fees on origination of loans or unamortized premiums or discounts on purchased loans. Discounts and premiums on purchased loans are amortized to income over the expected lives of the loans using a method that approximates the interest method. The amount of the loan origination fee that approximated the cost of originating the loan is immediately recognized as income. If the loan origination fee exceeds the cost of making the loan, that excess is capitalized and recognized as an adjustment of the yield of the related loan. The Company grants commercial, real estate and consumer loans to customers throughout its market areas. The economic condition of the market area may have an impact on the debtors' ability to repay their loans. Management has considered this risk in determining the balance of its allowance for loan losses. Loans are considered past due when payments are not made according to contractual terms.

Nonaccrual Loans

A loan is placed on nonaccrual status when, in the opinion of management, the future collectability of interest and/or principal is in doubt. When a loan is placed on nonaccrual status, the accrued interest is reversed from interest income. Nonaccrual loans are returned to an accrual status when such loans are current as to principal and interest payments and future payments are expected to be made on schedule. Interest income generally is not recognized on specific nonaccrual loans unless the likelihood of further loss is remote. Interest payments received on such loans are applied as a reduction of the loan principal balance.

Acquired Loans

Loans acquired through business combinations are required to be carried at fair value as of the date of the combination. Loans that would have a general allowance for loan losses or have specific evidence of deterioration of credit quality since origination are adjusted to fair value and any allowance for loan losses is eliminated. The difference between the fair value of loans which do not have specific evidence of deterioration of credit quality since origination and their principal balance is recognized in interest income on a level-yield method over the life of the loans. For loans for which it is probable, at acquisition, the Company will be unable to collect all contractually required payments (as determined by the present value of expected future cash flows), the difference between the undiscounted cash flows expected at acquisition and the investment in the loan, or the "accretable yield," is recognized in interest income on a method which approximates the level-yield method over the life of the loan. Contractually required payments for interest and principal that exceed the undiscounted cash flows expected at acquisition, or the "nonaccretable difference," are not recognized as yield adjustments or as loss accruals or valuation allowances. Increases in expected cash flows subsequent to the initial investment are recognized prospectively through adjustment of the yield on the loan over its remaining life. Decreases in expected cash flows are recognized as impairments. Any probable loss due to subsequent credit deterioration of the loans since acquisition is provided for in the allowance for loan losses.

Allowance for Loan Losses

The allowance for loan losses is established, as losses are estimated to have occurred, through a provision for loan losses charged to income. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows (or collateral value or observable market price) of the impaired loan is lower than the carrying value of that loan. The general component covers nonclassified loans and is based on historical charge-off experience and expected loss derived from the Company's internal risk rating process. Other adjustments may be made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that are not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable the Company will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price or the fair value of the collateral if the loan is collateral-dependent. Groups of loans with similar risk characteristics, including individually evaluated loans not determined to be impaired, are collectively evaluated for impairment based on the group's historical loss experience adjusted for changes in trends, conditions and other relevant factors that affect repayment of the loans.

Loan Securitizations

The Company securitized certain mortgage loans and created mortgage-backed securities for sale in the secondary market. Because the resulting securities were collateralized by the identical loans previously held, no gain or loss was recognized at the time of the securitization transactions. When securitized loans are sold to an outside party, the specific-identification method is used to determine the cost of the security sold and a gain or loss is recognized in income.

Mortgage Loans Held for Sale

The Company utilizes the fair value option described in ASC Topic 825, *Financial Instruments*, to account for mortgage loans originated for resale. Mortgage loans originated and intended for sale in the secondary market are carried at fair value. Net unrealized gains and losses, if any, are recognized through a valuation allowance by charges to noninterest income. Gains and losses, net of discounts collected or paid and commitment fees paid, are considered at a normal servicing rate and recognized in noninterest income upon sale of the loan.

Federal Home Loan Bank Stock

Federal Home Loan Bank stock is a required investment for institutions that are members of the Federal Home Loan Bank. The required investment in common stock is based on a predetermined formula, carried at cost and evaluated for impairment.

Foreclosed Assets Held for Sale

Assets acquired through, or in lieu of, loan foreclosures are initially recorded at fair value less estimated selling costs at the date of foreclosure. This fair value, less cost to sell, becomes the "cost" of the foreclosed asset. Any write-downs based on the asset's fair value at the date of foreclosure are charged to the allowance for loan losses. After foreclosure, these assets are carried at the lower of their new cost basis or fair value, less cost to sell. Costs of significant property improvements are capitalized, not to exceed fair market value, whereas costs relating to holding property are expensed. Valuations are periodically performed by management, and any subsequent write-downs are recorded as a charge to operations, if necessary, to reduce the carrying value of a property to the lower of its cost or fair value, less cost to sell.

Premises and Equipment

Land is carried at cost. Other premises and equipment are carried at cost net of accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, which range from 3 to 20 years. Maintenance and repairs are expensed as incurred, while major additions and improvements are capitalized. Gains and losses on dispositions are included in current operations.

Other Identifiable Intangible Assets

Core deposit intangibles are amortized on a straight-line basis over the estimated useful lives of the core deposits, which range from 10 to 15 years. Customer relationships are amortized on a straight-line basis over a period of 10 years. These intangible assets are reviewed annually for possible impairment. Impairment losses are measured by comparing the fair values of these intangible assets with their recorded amounts. Any impairment losses are reported in the accompanying consolidated statements of income and comprehensive income.

Mortgage Servicing Rights

Mortgage servicing assets are recognized separately when rights are acquired through purchase or through sale of financial assets. In accordance with ASC Topic 860-50, *Transfers and Servicing*, servicing rights resulting from the sale or securitization of loans originated by the Company are initially measured and recorded at fair value at the date of transfer. These capitalized servicing rights are accounted for by the fair value measurement method, which means the fair value of the servicing rights is measured at each reporting date with changes in the fair value reported in earnings in the period in which the changes occur.

Fair value is based on market prices for comparable mortgage servicing contracts, when available, or, alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. The valuation model incorporates assumptions that market participants would use in estimating future net servicing income, such as the cost to service, the discount rate, the custodial earnings rate, an inflation rate, ancillary income, prepayment speeds and default rates and losses. These variables change from quarter to quarter as market conditions and projected interest rates change and may have an adverse impact on the value of the mortgage servicing rights and may result in a reduction to noninterest income.

Servicing fee income is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned.

Goodwill

Goodwill is tested annually for impairment or more frequently if impairment indicators are present. If the implied fair value of goodwill is lower than its carrying amount, an impairment of goodwill is indicated and goodwill is written down to its implied fair value. Subsequent increases in goodwill value are not recognized in the accompanying consolidated financial statements.

Bank-Owned Life Insurance

The Company maintains life insurance on certain officers or former officers, which is recorded at the cash surrender values determined by the insurance carriers. The increases in cash surrender value and proceeds from life insurance are included in other income on the accompanying consolidated statements of income and comprehensive income. Increases in cash surrender value are recorded as operating activities within the statements of cash flows. Premium payments to purchase life insurance and proceeds from life insurance are recorded as investing activities within the statements of cash flows.

Transfers of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when: 1) the assets have been isolated from the Bank—put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership; 2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets; and 3) the Bank does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity or the ability to unilaterally cause the holder to return specific assets.

Treasury Stock

Treasury stock transactions are accounted for at cost using the specific-identification method.

Income Taxes

The Company is taxed as a C Corporation and files a consolidated income tax return with the Bank and its subsidiaries in the U.S. federal jurisdiction and various states. Federal and state income tax expense or benefit has been allocated to subsidiaries on a separate return basis. Deferred taxes are recognized under the balance sheet method based upon the future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities, using the tax rates expected to apply to taxable income in the periods when the related temporary differences are expected to be realized. Realization of deferred tax assets is dependent upon the generation of a sufficient level of future taxable income and recoverable taxes paid in prior years. Although realization is not assured, management believes it is more likely than not that all the deferred tax assets will be realized.

The Company's provision for income taxes is based on income and expense reported for financial statement purposes after adjustments for permanent differences such as interest income from lending to tax-exempt entities, tax credits, and amortization expense related to renewable energy credits. In computing the provision for income taxes, the Company evaluates the technical merits of its income tax positions based on current legislative, judicial, and regulatory guidance. The deferral method of accounting is used on investments that generate investment tax credits, such that the investment tax credits are recognized as a reduction to the related investment.

The Company recognizes interest and/or penalties related to income tax matters as a component of noninterest expense. There were no penalties or related interest for the years ended December 31, 2022 and 2021.

Statements of Cash Flows

Cash paid for interest during 2022 and 2021 was $101,736 and $57,383, respectively.

In 2022 and 2021, the Company recorded, as noncash activities, the transfer of $276 and $4,939 respectively, of net loans to foreclosed assets held for sale.

In 2022 and 2021, the Company recorded, as noncash activities, the net change in GNMA loans eligible for repurchase and related borrowings of $40,248 and $40,133, respectively, and life insurance proceeds receivable of $0 and $419, respectively.

In 2022 and 2021, the Company recorded, as noncash activities, $7,419 and $1,528, respectively, of fixed assets as the result of converting leveraged leases to operating leases.

In 2022, the Company recorded, as noncash activities, $12,100 of Right-of-Use Assets and related lease liabilities related to the implementation of ASU No. 2016-02, *Leases (Topic 842)*.

In 2021, the Company recorded, as noncash activities, $69,417 of fixed assets, $(39,829) of loans and $(29,587) of investments in partnerships as the result of purchasing the remaining partnership interest in Seven Oaks LP, LP and contingent liabilities of $10,902. See *Note 3: Investments in Partnerships* for more information regarding Seven Oaks LP, LP.

In 2022, the Company recorded, as noncash activities, accrued dividends of $1,640 on preferred stock.

In 2022 and 2021, the Company paid income taxes of $1,000 net of $8,587 refunds and $26,999 tax credits applied and $30,266 net of $1,482 refunds and $19,630 tax credits applied, respectively. In 2021, the Company paid $7,850 in estimated tax payments related to 2020 tax extensions and reported $10,652 in commitments to the solar tax equity investment fund. See *Note 14: Income Taxes* for more information.

Derivative Instruments

The Company's activities expose it to interest rate risk. Management has established risk management policies and strategies to reduce the potentially adverse effects the volatility of the markets may have on its operating results. These policies and strategies include the use of various derivative instruments related to the valuation of mortgage servicing rights, interest rate lock commitments, forward sale commitments related to the origination of mortgage loans and interest rate swaps.

Mortgage Servicing Rights Derivatives

Derivatives related to the valuation of mortgage servicing rights are recognized as other assets and other liabilities on the consolidated balance sheet and measured at fair value. For exchange-traded contracts, fair value is based on quoted market prices. The Company's policies permit the use of various derivative financial instruments to manage the valuation risks related to mortgage servicing rights.

Interest Rate Lock Derivative Loan Commitments

Mortgage loan commitments that relate to the origination of mortgages that are held for sale upon funding are considered derivative instruments in accordance with ASC Topic 815, *Derivatives and Hedging*. Loan commitments that are derivatives are recognized at fair value on the accompanying consolidated balance sheets in other assets and other liabilities with changes in their fair values recorded in noninterest income.

Forward Loan Sale Commitments

The Company carefully evaluates all loan sales agreements to determine whether they meet the definition of a derivative in accordance with ASC Topic 815, *Derivatives and Hedging* as facts and circumstances may differ significantly. If agreements qualify to protect against the price risk inherent in derivative loan commitments, the Company uses both "mandatory delivery" and "best efforts" forward loan sale commitments to mitigate the risk of potential decreases in the values of loans that would result from the exercise of the derivative loan commitments. Accordingly, forward loan sale commitments are recognized at fair value on the accompanying consolidated balance sheets in other assets and liabilities with changes in their fair values recorded in other noninterest income.

The Company estimates the fair value of its forward loan sales commitments using a methodology similar to that used for derivative loan commitments.

Interest Rate Swaps

The Company's objectives in using interest rate swaps are to add stability to interest expense and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the payment of fixed amounts to a counterparty in exchange for the Company receiving variable payments over the life of the agreements without exchange of the underlying notional amount.

For cash flow hedges, changes in the fair values of the derivative instruments are reported in accumulated other comprehensive income (loss) to the extent the hedge is effective. The gains and losses on derivative instruments that are reported in accumulated other comprehensive income (loss) are reflected in the consolidated statements of income in the periods in which the results of operations are impacted by the variability of the cash flows of the hedged item. Generally, net interest income is increased or decreased by amounts receivable or payable with respect to the derivatives, which qualify for hedge accounting. At inception of the hedge, the Company establishes the method it uses for assessing the effectiveness of the hedging derivative and the measurement approach for determining the ineffective aspect of the hedge. The ineffective portion of the hedge, if any, is recognized in the consolidated statements of income. The Company excludes the time value expiration of the hedge when measuring ineffectiveness.

Transactions with Management and Related Parties

In the ordinary course of business, management, directors of the Company, executive officers and principal shareholders of the Company and their associates engage in business transactions with the Bank. These transactions are conducted on substantially the same terms as those prevailing at the time for comparable transactions with other parties. They do not involve more than normal risk or present other unfavorable features.

Loans made to related parties are made on substantially the same terms as those prevailing at the time for comparable transactions with unrelated parties. Related party loans totaled $43,438 and $50,742 at December 31, 2022 and 2021, respectively.

The Company has notes receivable outstanding in connection with the purchase of common stock of the Company by certain officers of the Bank. As of December 31, 2022 and 2021, respectively, the outstanding balance was $16,539 and $18,092. These notes are due in 2025, 2027, 2029, 2030 and 2031, and bear interest of 0.60% and 0.58% at December 31, 2022 and 2021, respectively. Interest is payable annually. Principal and accrued interest are payable upon maturity. The notes are secured by applicable purchased shares of the Company's common stock. The notes receivable are presented as a reduction of stockholders' equity in the accompanying consolidated balance sheets.

The Bank held deposits from related parties of $18,459 and $49,504 at December 31, 2022 and 2021, respectively.

The Bank and its subsidiaries participate in various partnership interests. In 2020, The Bank provided a line of credit of $27,730 to Windhaven Office Partners, LP for construction of a new building. The outstanding balance on the line of credit was $7,463 and $11,709 as of December 31, 2022 and 2021, respectively. In 2021, First United Leasing Company sold its investment in McKinney Fitness Center, LP and recognized a gain on sale of $764. At the time of sale, McKinney Fitness Center, LP paid off its outstanding loan balances with the Bank of $5,535. In 2021, the Bank purchased the remaining partnership interest in Seven Oaks-LP, LP, at which time a loan in the amount of $39,829 and cash of $20,576 were transferred as consideration for the asset purchase. See *Note 3: Investments in Partnerships* for more information.

In 2022, the Company and its existing shareholders purchased all the remaining outstanding shares of common stock held by Lacy Harber, the previous owner of North American Bancshares, Inc., at an aggregate purchase price of $143,545 or 1,678,890 shares at $85.50 per share. The Company purchased 999,447 shares of treasury stock for a total of $85,453 and existing shareholders purchased 679,443 shares for a total of $58,092. The Company simultaneously sold 404,001 shares of treasury stock at $199.14 per share for a total of $80,452 to Castle Creek Capital Partners.

Revenue Recognition

Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, was adopted by the Company on January 1, 2019. ASU 2014-09 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts to provide goods or services to customers. The core principle requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied.

The majority of the Company's revenue is generated from sources outside the scope of ASU 2014-09. Revenue generated from financial instruments, such as loans, letters of credit, derivatives and investment securities, as well as revenue related to mortgage servicing activities are all outside the scope of ASU 2014-09 and are recorded in adherence with GAAP. Service charges and fees on deposit accounts, insurance commission and fee income, income from trust services, credit card interchange fees as well as gains and losses on the sale of foreclosed assets held for sale are within the scope of ASU 2014-09. Descriptions of the Company's revenue generating activities that are within the scope of ASU 2014-09 are described below.

Service charges on deposit accounts

The Company earns fees from its deposit customers for transaction-based, account maintenance and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering and ACH fees, are recognized at the time the transaction is executed, which is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned monthly, representing the period in which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Insurance commissions

The Company earns commission income through production on behalf of insurance carriers and also earns fee income by providing complementary services such as collection of premiums. In most instances, the Company considers the performance obligation to be complete at the time the service was rendered.

Trust and non-deposit investment product income

The Company offers trust services and acts as executor, administrator, trustee, transfer agent and in various other fiduciary capacities. Administrative fees are assessed for managing trust accounts. Shareholder fees are received in connection with holding specific fund share classes. In return for these services, the mutual fund (or its distributor or investment advisor) pays a fee to the Company. There are also other types of fees charged on a one-time basis such as those related to opening and closing trust accounts. The Company records trust fees on a monthly, quarterly or annual basis based on the size of the asset being managed. Fees may be fixed or, where applicable, based on a percentage of transaction size of managed assets. These fees are recorded as revenue at the time the fee is billed, according to the agreement with the customer.

Interchange income

The Company earns interchange fees from debit and credit cardholder transactions conducted through the third-party payment networks. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized concurrent with the transaction processing services provided to the cardholder.

Gains (losses) on foreclosed assets held for sale

The Company records a gain or loss from the sale of foreclosed assets when control of the property transfers to the buyer, which generally occurs at the time of an executed deed. When the Company finances the sale of the foreclosed asset to the buyer, the Company assesses whether the buyer is committed to perform their obligations under the contract and whether collectability of the transaction price is probable. Once these criteria are met, the foreclosed asset is derecognized and the gain or loss on sale is recorded upon the transfer of control of the property to the buyer. In determining the gain or loss on the sale, the Company adjusts the transaction price and related gain (loss) on sale if a significant financing component is present.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) can include unrealized gains (losses) on available-for-sale securities, unrealized gains (losses) on available-for-sale securities for which a portion of an other-than-temporary impairment has been recognized in income and unrealized and realized gains (losses) on derivative financial instruments that qualify for hedge accounting.

Reclassification of Prior Year Amounts

Certain reclassifications have been made to the 2021 consolidated financial statements to conform to the 2022 consolidated financial statement presentation. These reclassifications had no effect on net income.

Subsequent Events

Subsequent events have been evaluated through March 30, 2023 which is the date the consolidated financial statements were available to be issued.

Recent Accounting Pronouncements

Standards adopted

The Company adopted ASU No. 2016-02, *Leases (Topic 842)* as of January 1, 2022, and recorded a $12,352 right-of-use asset offset by a $12,352 lease liability. The Company determines if an arrangement is a lease at inception. Operating lease assets are included in premises and equipment, operating lease liabilities are included in other liabilities in the Company's consolidated balance sheets. The Company has made an accounting policy election not to recognize short-term lease assets and liabilities (less than a 12-month term) or immaterial equipment and server space leases in its balance sheets; instead, the Company recognizes the lease expense for these leases on a straight-line basis over the life of the lease. For leases that commenced before January 1, 2022, the Company applied the modified retrospective transition method, which resulted in comparative information not being restated. The Company has no material finance leases. The new standard provides a number of optional practical expedients in transition. The Company elected the 'package of practical expedients', which permits us to not reassess our prior conclusions about lease identification, lease classification, and initial direct costs.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use lease assets and liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Company uses an estimated incremental collateralized borrowing rate, which is derived from information available at the lease commencement date and gives consideration to borrowing rates for the Company's subordinated debt, when determining the present value of lease payments.

The Company's lease terms include options to extend a lease when it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any residual value guarantees. Right-of-use assets are adjusted for any lease payments made prior to lease commencement, lease incentives, and accrued rent. Right-of-use assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. For operating leases, if deemed impaired, the right-of-use asset is written down and the remaining balance is subsequently amortized on a straight-line basis. The Company has real estate lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. See *Note 8: Leases* for more information.

Standards not yet adopted

FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which introduces a new credit loss model, the current expected credit loss model (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk.

The CECL model utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. For available for-sale securities where fair value is less than cost, credit-related impairment, if any, will be recognized in an allowance for credit losses and adjusted each period for changes in expected credit risk. This model replaces the multiple existing impairment models, which generally require that a loss be incurred before it is recognized.

(Dollars in Thousands)

The Company has made significant changes in the processes and procedures to calculate the allowance for credit losses, including changes in assumptions and estimates to consider expected credit losses over the life of the loan versus the current accounting practice that utilizes the incurred loss model. ASU No. 2016-13 is effective for fiscal years beginning after December 15, 2022. The Company adopted the standard in its fiscal year beginning January 1, 2023.

Upon adoption of ASU No. 2016-13, the Company did not recognize a material adjustment in the first quarter of 2023 to the allowance for credit losses or the off-balance sheet reserve as a result of adopting the new standard. The Company's available-for-sale securities were not materially affected by the adoption of ASU No. 2016-13 due to the nature of the portfolios which consist of approximately 62% of U.S. government agency and mortgage-backed securities. The Company’s adjustment to the allowance for credit losses at the transition date may vary from our estimate due to refinements in the loss estimation models or factors.

Note 3: Investments in Partnerships

The Company and its subsidiaries participate in various equity method partnership interests. Investments in partnerships as of December 31, 2022 and 2021 were as follows:

	2022		2021	
	Ownership	Amount	Ownership	Amount
WDC-FUB Office Investors, LLC	50.00%	3,802	50.00%	5,254
Windhaven Office Partners, LP	26.73%	1,856	26.73%	2,216
Exencial Wealth Advisors	25.00%	28,959	15.00%	17,509
Finotta, Inc.	23.40%	2,523	23.40%	3,000
		$ 37,140		$ 27,979

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The following table presents the activity in the Company's equity method partnership interests for the years ended December 31, 2022 and 2021:

	WDC-FUB Office Investors, LLC	Windhaven Office Partners, LP	Seven Oaks-JV, LLC	Exencial Wealth Advisors	Finotta, Inc.
Balance, January 1, 2021	$ 6,255	$ 2,216	$ 10,750	$ -	$ -
Acquisitions	-	-	-	17,490	3,000
Contributions	250	-	-	-	-
Distributions	-	-	-	(412)	-
Equity income/(loss), net	(1,251)	-	(1,738)	431	-
Liquidation of partnerships	-	-	(9,012)	-	-
Balance, December 31,2021	$ 5,254	$ 2,216	$ -	$ 17,509	$ 3,000
Acquisitions	-	-	-	11,660	-
Contributions	-	-	-	-	-
Distributions	-	-	-	(406)	-
Equity income/(loss), net	(1,452)	(360)	-	196	(477)
Liquidation of partnerships	-	-	-	-	-
Balance, December 31, 2022	$ 3,802	$ 1,856	$ -	$ 28,959	$ 2,523

First United Asset Holding Company, LLC (the Asset Holding Company) owns 50% of WDC-FUB Office Investors, LLC (WDC-FUB) in partnership with WRF Office Investors, LLC with an initial investment of $8,550. WDC-FUB was created for the purpose of acquiring, owning and operating Advancial Tower in downtown Dallas, TX. The Bank occupies office space in the tower through a lease agreement with WDC-FUB. This investment is an equity investment using the equity method of accounting. The Bank provided initial funding to WDC-FUB for acquisition of the property in the amount of $39,900. The outstanding balance on the line of credit was $39,266 and $39,900 as of December 31, 2022 and 2021, respectively.

The Bank owns 26.73% of Windhaven Office Partners, LP (Windhaven), in partnership with Yego Parkwood, LP and Haggard Windhaven, LLC with an initial investment of $2,216. Windhaven was created for the purpose of acquiring, owning and operating office buildings located in Plano, TX. The Bank provided a line of credit of $27,730 to Windhaven for construction of a new building. The Bank occupies office space in the building through a lease agreement with Windhaven. The investment is an equity investment using the equity method of accounting.

In 2021, the Bank purchased the remaining partnership interest in Seven Oaks LP from Seven Oaks LLC and dissolved the partnership. See *Note 1: Organization and Nature of Operations* for more information.

During 2021, the Bank purchased a 15% interest in Exencial Wealth Advisors (Exencial) from Burns Wealth Management, Inc. for an aggregate purchase price of $17,490. Exencial is a full service, registered investment advisory firm offering investment advice, tax advice, tax execution and trust preparation services. The Bank was required by the terms of the agreement to purchase an additional 10% interest in Exencial in 2022 for an aggregate purchase price of $11,660. This investment is an equity investment using the equity method of accounting.

(Dollars in Thousands)

During 2021, the Bank purchased a 23.4% interest in Finotta, Inc. (Finotta) for an aggregate purchase price of $3,000. Finotta is a financial technology company that specializes in mobile application development. The Bank intends to partner with Finotta in the development of mobile financial well-being tools for its customers and employees. This investment is an equity investment using the equity method of accounting.

Note 4: Securities

The amortized cost and approximate fair values, together with gross unrealized gains and losses, of available-for-sale securities as of December 31, 2022 and 2021, were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Fair Value
2022				
U.S. government-sponsored enterprises (GSEs)	$ 28,520	$ -	$ (978)	$ 27,542
Mortgage-backed securities – government-sponsored enterprises (GSEs)	895,311	375	(56,783)	838,903
Obligations of state and political subdivisions	571,635	531	(59,466)	512,700
Other securities	6,000	-	-	6,000
	$ 1,501,466	$ 906	$ (117,227)	$ 1,385,145
2021				
Mortgage-backed securities – GSEs	$ 693,765	$ 10,194	$ (3,927)	$ 700,032
Obligations of state and political subdivisions	489,331	25,495	(1,300)	513,526
	$ 1,183,096	$ 35,689	$ (5,227)	$ 1,213,558

Available-for-sale securities carried at $639,761 and $791,913 at December 31, 2022 and 2021, respectively, were pledged to secure public deposits and for other purposes required or permitted by law.

(Dollars in Thousands)

The amortized cost and estimated fair value of securities as of December 31, 2022 and 2021, by contractual maturity are presented below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations, with or without call or prepayment penalties. The table below reflects expected and contractual maturities.

	2022		2021	
	Amortized Cost	Approximate Fair Value	Amortized Cost	Approximate Fair Value
Within one year	$ 30,489	$ 29,961	$ 23,313	$ 23,444
After one year but within five years	51,854	49,958	40,979	41,278
After five years but within ten years	53,832	49,536	31,141	31,437
After ten years	469,980	416,787	393,898	417,366
Mortgage-backed securities – GSEs	895,311	838,903	693,765	700,032
	$ 1,501,466	$ 1,385,145	$ 1,183,096	$ 1,213,558

Certain investments in debt securities are reported in the accompanying consolidated financial statements at an amount less than their historical cost. Total fair value of these investments at December 31, 2022 and 2021, was $1,009,745 and $300,514, respectively, which is approximately 73% and 25%, respectively, of the Company's available-for-sale securities.

Based on evaluation of available evidence, including changes in market interest rates, credit rating information and information obtained from regulatory filings, management believes the declines in fair value for these securities are temporary.

Should the impairment of any of these securities become other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary impairment is identified.

Gross gains of $0 and $2,806 resulting from sales of available-for-sale securities were realized during the years ended December 31, 2022 and 2021, respectively.

(Dollars in Thousands)

The following table shows the Company's investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2022 and 2021:

	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2022						
U.S. – GSEs	$ 26,320	$ (942)	$ 1,211	$ (36)	$ 27,531	$ (978)
Mortgage-backed securities – GSEs	335,763	(25,072)	171,937	(31,711)	507,700	(56,783)
State and political subdivisions	347,898	(29,097)	126,616	(30,369)	474,514	(59,466)
Total	$ 709,981	$ (55,111)	$ 299,764	$ (62,116)	$ 1,009,745	$ (117,227)
2021						
U.S. – GSEs	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage-backed securities – GSEs	228,214	(3,927)	-	-	228,214	(3,927)
State and political subdivisions	72,300	(1,300)	-	-	72,300	(1,300)
Total	$ 300,514	$ (5,227)	$ -	$ -	$ 300,514	$ (5,227)

Note 5: Loans and Allowance for Loan Losses

Segments and classes of loans, including acquired loans, net of discounts, as of December 31, 2022 and 2021, are as follows:

	2022	2021
Nonincome producing real estate		
Commercial	$ 1,092,449	$ 1,101,415
Custom and spec residential 1–4 family	1,005,310	916,525
Income producing real estate	2,597,413	2,408,947
Commercial and industrial		
Owner-occupied	639,574	604,710
Other – Nonowner-occupied	1,992,146	1,915,307
Consumer		
Residential 1–4 family	3,986,416	2,468,528
Other	161,923	144,564
Total loans	11,475,231	9,559,996
Net deferred loan fees	(4,225)	(10,208)
Allowance for loan losses	(112,552)	(98,562)
Loans, net	$ 11,358,454	$ 9,451,226

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The following table presents the balances in the allowance for loan losses and the recorded investment in loans, including loans acquired in 2022 and 2021, net of discounts, based on portfolio segment and impairment method as of December 31, 2022 and 2021:

	Nonincome Producing Real Estate	Income Producing Real Estate	Commercial and Industrial	Consumer Loans	Total
December 31, 2022					
Allowance for loan losses					
Balance, beginning of year	$ 21,326	$ 29,910	$ 28,534	$ 18,792	$ 98,562
Provision for loan losses	1,547	1,381	6,622	9,835	19,385
Charge-offs	(68)	-	(6,651)	(1,541)	(8,260)
Recoveries	94	185	1,712	873	2,864
Net (charge-offs) recoveries	26	185	(4,939)	(668)	(5,396)
Balance, end of year	$ 22,899	$ 31,476	$ 30,218	$ 27,959	$ 112,552
Allowances – ending balances					
Loans individually evaluated for impairment	$ -	$ 25	$ 322	$ -	$ 347
Loans collectively evaluated for impairment	22,899	31,451	29,896	27,959	112,205
Total	$ 22,899	$ 31,476	$ 30,218	$ 27,959	$ 112,552
Loans – ending balances					
Loans individually evaluated for impairment	$ 8,370	$ 37,775	$ 28,322	$ 6,162	$ 80,629
Loans collectively evaluated for impairment	2,089,389	2,559,638	2,603,398	4,142,177	11,394,602
Total	$ 2,097,759	$ 2,597,413	$ 2,631,720	$ 4,148,339	$ 11,475,231
December 31, 2021					
Allowance for loan losses					
Balance, beginning of year	$ 16,917	$ 26,851	$ 30,370	$ 13,798	$ 87,936
Provision for loan losses	4,246	2,985	(1,150)	6,645	12,726
Charge-offs	(21)		(1,557)	(2,241)	(3,819)
Recoveries	184	74	871	590	1,719
Net (charge-offs) recoveries	163	74	(686)	(1,651)	(2,100)
Balance, end of year	$ 21,326	$ 29,910	$ 28,534	$ 18,792	$ 98,562
Allowances – ending balances					
Loans individually evaluated for impairment	$ 311		$ 1,485	$ -	$ 1,796
Loans collectively evaluated for impairment	21,015	29,910	27,049	18,792	96,766
Total	$ 21,326	$ 29,910	$ 28,534	$ 18,792	$ 98,562
Loans – ending balances					
Loans individually evaluated for impairment	$ 2,144	$ 40,113	$ 11,693	$ 3,747	$ 57,697
Loans collectively evaluated for impairment	2,015,796	2,368,834	2,508,324	2,609,345	9,502,299
Total	$ 2,017,940	$ 2,408,947	$ 2,520,017	$ 2,613,092	$ 9,559,996

Risk characteristics applicable to each segment of the loan portfolio are described as follows:

Real Estate – The real estate portfolio consists of residential, commercial, construction and land development properties. The loans in this category are repaid primarily from the cash flow of the borrowers' principal business operation, the sale of the real estate, the operation of the real estate or income independent of the loan purpose. Credit risk in these loans is driven by the creditworthiness of the borrower, property values and overall economic conditions.

Commercial – The commercial portfolio includes commercial and industrial loans, representing loans to commercial customers for use in financing working capital needs, equipment purchases and expansions. The loans in this category are repaid primarily from the cash flow of the borrower's principal business operation. Credit risk in these loans is driven by the creditworthiness of borrowers and the economic conditions that impact the cash flow stability from business operations.

Consumer – The consumer loan portfolio consists of various term and line of credit loans, such as residential 1-4 family, home equity, automobile and personal property. Repayment for these types of loans will come from the borrower's income sources that are typically independent of the loan purpose. Credit risk is driven by consumer economic factors, such as unemployment and creditworthiness of the borrower.

Internal Risk Categories

Loan grades are numbered 1 through 10. Grades 1 through 7 are considered satisfactory grades. Grade 8, Watch, represents loans of lower quality that are considered criticized. Grade 9, Substandard, and 10, Doubtful, refer to assets that are classified. The use and application of these grades by the Company will be uniform and shall conform to the Company's policy.

1 – Exceptional Credits – The credits are of the highest quality. Borrowers are investment grade or loans are well collateralized by cash equivalent instruments held by the Company. If grade is driven by probability of default, borrowers must possess abundant, diverse repayment sources including global liquidity currently sufficient to cover the balance of the loan at any point in time with extra cushion. No documentation deficiencies or exceptions exist. Cash secured loans rated at this grade level should be expected to perform in accordance with all loan terms over twelve months. Investment grade borrowers tend to be Fortune 1000 companies or nationwide non-profit organizations supported by well-established foundations. Non-cash secured exceptional loans, on average, rank in the range of the top 1% to 2% of all loans held by the Company.

2 – Superior Credits – Superior borrowers are the Company's strongest, most stable borrowers. Superior borrowers and loans possess a notably low level of default risk or ultimate loss exposure. Loans with questionable repayment prospects that are fully cash secured may also fit this general description. Superior loans conform to Company policy and are supported by well-established borrowers. Superior individual borrowers maintain a notably strong net worth position well supported by a high, stable level of liquid assets and/or income, and generally maintain an impeccable credit record. Superior commercial borrowers tend to be well established entities with broad market presence or leadership positions within the markets they serve. Such borrowers possess clearly evident financial strength and stability, including consistently strong cash flow generation ability combined with excellent to abundant levels of liquid assets and low to moderate levels of leverage. Superior commercial borrowers typically possess unquestionably capable business leaders and executive team members and sustainable competitive advantages that together translate into staying power, even in the face of adversity, which is also supported by the ability of the organizations to effectively anticipate and respond to changes in customer preferences and competitors' strategies. Superior consumer borrowers possess a superior track record of across the board personal financial strength that includes a strong net worth position significantly comprised of liquid assets. Non-cash secured superior loans, on average, rank within the top 7% to 10% of all loans held by the Company.

3 – Excellent Credits – Excellent loans possess excellent overall credit quality supported by seasoned, predictable, diverse sources of repayment including persistently healthy cash flow, liquidity and/or net working capital and equity capital positions. Individual or commercial borrowers tend to possess excellent credit records and multiple forms of persistent financial strength that have resulted from sustained levels of success. These loans conform in all material respects with Company policy. Businesses or business purpose investments are backed by excellent, clearly capable owners and/or management teams, especially within senior-most roles. Staying power is also supported by one or more key sustainable competitive or execution advantages and the ability to effectively address changes in customer preferences and competitors' strategies as they arise. Likelihood of default prior to full repayment is low and non-cash secured excellent loans, on average, rank within the top 8% to 30% of all loans held by the Company. While excellent borrowers need not be best in class, they are borrowers of credit quality that is clearly above average portfolio-wide levels.

4 – Preferred (Above Average) Credits – Preferred (above average quality) loans are desirable because of their ability to contribute favorably to overall portfolio credit quality, especially when uncertain or unfavorable economic conditions prevail. Preferred loans are supported by comfortable (full cycle) cash flow coverage, meaningful (currently existing) financial liquidity and net working capital, and moderate financial leverage. Preferred borrowers are financially sound borrowers. Commercial borrowers maintain well established operations generating consistently good to very good performance levels. These loans conform in all material respects with Company policy and are supported by established borrowers with good performance histories and outlooks. Companies typically possess broadly capable management teams and favorable competitive positions supported by at least one key sustainable competitive advantage and the ability to effectively respond to changes in customer preferences and competitors' strategies as they arise to comfortably weather a temporary weakening of business prospects. Likelihood of default prior to full repayment is lower than average and non-cash secured preferred loans, on average, rank within the top 25% to top 50% of all loans held by the Company.

5 – Good Credits – Good credits possess minor weaknesses resulting in lower than average credit quality despite positive attributes (one or more strengths that can be built on) that make them preferable to lower pass rated loans. Good commercial loans possess at least two of the following three attributes: (1) currently comfortable cash flow coverage, (2) meaningful (existing) liquidity or net working capital positions or (3) acceptable financial leverage. Good individual loans are supported by a credit score in the range of 660 and above, and more than one form of financial resources that can be relied upon to sustain payments on the loan during a period of change or transition. Good loans may include a justified exception to Company policy and are supported by borrowers with financial positions that are currently good but may be susceptible to potential weakening due to the impact of an economic slowdown, changes in the competitive landscape or cash earning and collection issues. Companies possess acceptable competitive positions and management teams capable of responding to changes in business conditions without undue delay. Likelihood of default prior to full repayment is somewhat higher than average and non-cash secured good loans, on average, rank within the top 50% to 70% of all loans held by the Company.

6 – Acceptable Credits – Acceptable loans meet or nearly meet all of the minimum requirements for an approvable loan and possess at least one credit quality attribute that exceeds the related required level by more than a thin margin that offsets a minor weakness area. The overall credit quality level of acceptable loans is below average, based on the borrowers' credit scores or track records with the Company and/or many of its key ratios, which may exceed minimum requirements, but not by a material margin. Acceptable borrowers, as a whole are likely to perform reasonably well during periods of stable circumstances, but some may experience varying levels of distress following the occurrence of an adverse event or a sustained economic downturn. This may be due to the existence of more than one minor policy exception, the lack of existence of a compelling strength amongst its cash flow coverage, liquidity or net working capital and leverage profiles, or susceptibility to unacceptable quality weakening in its collective financial resources during periods of prolonged or pronounced economic weakness. Acceptable commercial borrowers maintain currently acceptable competitive positions and management teams that are expected to be capable of responding to changes in business conditions without undue delay. Default likelihood is moderately higher than average but can be offset by proper risk-based pricing. Acceptable loans should be made selectively when the probability level of economic downturn is significantly elevated. Non-cash secured acceptable loans, on average, rank within the top 70% to 90% of all loans held by the Company.

7 – Pass Credits – Pass rated loans are acceptable stretch loans that are expected to perform acceptably despite one or more key underwriting weaknesses at the time of underwriting. Pass rated loans are borderline or max risk loans that often contain an obvious policy exception that appears to be offset by one or more identified mitigating factors. Pass loans may also be loans that barely meet and/or do not exceed the essential underwriting parameters related to the borrower and loan type. Given that they leave limited room for error on the day they are booked and exposed to the ever-present possibility of a downturn in borrower and/or economic circumstances prior to their maturity, the pricing of such loans should be carefully considered and the performance of this group of loans should be continuously, diligently monitored in the aggregate. Potential loan losses over the next 12 months at this rating level may approach or exceed 2.00% during economic cycle-point lows, even though on average, group level losses are expected to fall in the range of 1.35% to 1.70%. The level of representation of pass rated loans should be kept under 8.00% of all pass rated loans at all times. To accomplish this objective, origination of new max risk loans should be specifically limited when the representation of this rating category pushes over a level of 5% of all loans held by the Company.

8 – Watch Credits – Watch rated loans are unacceptable for origination under any circumstances. Watch rated credits result from deterioration of borrower quality from an acceptable to unacceptable level and watch credits should be closely and diligently managed in an "up or out" fashion. They can potentially be structurally enhanced or linked to a borrower prescribed game plan expected to bring their quality level back up to an acceptable or max risk level. Otherwise, "out" strategies and options should be considered. Watch borrowers exhibit signs of weakness in the overall base of financial resources available to repay the loan (i.e. - borderline cash flow coverage combined with relatively low levels of liquidity, limited or slightly negative net working capital and/or elevated financial leverage. However, mitigating factors exist that are expected to contribute to the avoidance of pronounced (> 60 days) delinquency levels. Identified weaknesses are expected to be reduced or eliminated within 6-12 months, as opposed to progressing to a more pronounced level. Watch loans should be closely monitored, and if possible, re-priced to reflect their elevated level of risk. They do not expose the Company to sufficient longer term risk to justify a classified asset rating. However, they should be categorized as criticized assets for analytical purposes.

9 – Substandard Credits – Substandard loans may be accruing or have been placed on non-accrual status. Substandard loans are considered to be inadequately protected by the current sound net worth and paying capacity of the obligor or the collateral pledged, if any. Loans classified as substandard possess well-defined weaknesses that are generally expected to jeopardize liquidation of the loan. Loans with superior or excellent collateral protection may ultimately experience no loan losses, despite the fact they have become collateral dependent, a key characteristic of many substandard loans. Loan payment performance may have progressed to a point where payments on the loan have become persistently past due, potentially justifying a non-accrual status. These loans are characterized by the distinct possibility that the Company may sustain some level of loss if such weaknesses are not corrected. Examples of well-defined weaknesses include the existence of persistent competitive disadvantages, very high balance sheet leverage, marginally positive or negative earnings, low and declining liquidity, inadequate loan structures, inadequate repayment sources, and/or a history of several or severely delinquent payments. The Company has defined the general range of expected loss for substandard loans to be between 6.00% and 33.00%. This is important when distinguishing between the assignment of a substandard versus doubtful rating to a loan.

10 – Doubtful Credits – Loans classified as doubtful possess all of the weaknesses inherent in loans classified as Substandard with the added characteristic that the weaknesses make collection or liquidation in full highly questionable or improbable based on currently existing facts, conditions and values. Loans rated as doubtful are not rated as loss because certain events may occur that could salvage the debt. These events include injections of capital, additions of pledged collateral or possible mezzanine debt refinancing options. However, without the occurrence of such events, losses would likely be substantial. No definite repayment schedule exists for these loans. The doubtful grade is a temporary grade, and once the loss amount is determined, the remaining balance of the loan should be written off.

Loss Credits – These loans have no rating. They are defaulted loans with limited recovery prospects. No loan that has not yet defaulted should be classified at this grade level. This classification does not mean the asset has absolutely no recovery or salvage value, but rather, it is not practical or desirable to defer writing off this basically worthless asset, even though partial recovery may be achieved in the future.

The Company evaluates the loan risk grading system definitions and allowance for loan loss methodology on an ongoing basis.

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The following table presents the credit risk profile of the Company's loan portfolio, including acquired loans, net of discounts, based on internal rating category and payment activity as of December 31, 2022 and 2021:

	Pass (1–6)	Pass (7)	Watch (8)	Substandard (9)	Doubtful (10)	Total
December 31, 2022						
Nonincome-producing real estate						
Commercial	$ 1,069,500	$ 11,628	$ 3,486	$ 7,835	$ -	$ 1,092,449
Custom and spec residential 1–4 family	994,053	6,785	1,488	2,947	37	1,005,310
Income-producing real estate	2,215,645	287,410	56,307	38,051	-	2,597,413
Commercial and industrial						
Owner-occupied	621,276	9,707	2,223	6,368	-	639,574
Other – nonowner-occupied	1,888,685	51,745	18,836	32,880	-	1,992,146
Consumer						
Residential 1–4 family	3,954,389	12,913	5,575	13,539	-	3,986,416
Other	142,327	15,705	762	3,108	21	161,923
Total	$ 10,885,875	$ 395,893	$ 88,677	$ 104,728	$ 58	$ 11,475,231
December 31, 2021						
Nonincome-producing real estate						
Commercial	$ 1,090,096	$ 6,982	$ 2,517	$ 1,820	$ -	$ 1,101,415
Custom and spec residential 1–4 family	910,853	1,946	2,553	1,173	-	916,525
Income-producing real estate	2,165,215	149,525	53,970	40,237	-	2,408,947
Commercial and industrial						
Owner-occupied	580,990	11,444	5,510	6,766	-	604,710
Other – nonowner-occupied	1,824,942	37,572	37,210	15,583	-	1,915,307
Consumer						
Residential 1–4 family	2,444,785	11,604	3,350	8,789	-	2,468,528
Other	125,511	16,455	675	1,914	9	144,564
Total	$ 9,142,392	$ 235,528	$ 105,785	$ 76,282	$ 9	$ 9,559,996

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The following table presents the Company's loan portfolio aging analysis of the recorded investment in loans, including acquired loans, net of discounts, as of December 31, 2022 and 2021:

	30–59 Days Past Due	60–89 Days Past Due	90 Days or More Past Due	Total Past Due	Current	Total Loans Receivable	Total Loans Greater than 90 Days and Accruing
December 31, 2022							
Nonincome-producing real estate							
Commercial	$ 50	$ 14	$ 68	$ 132	$ 1,092,317	$ 1,092,449	$ 68
Custom and spec residential 1–4 family	117	-	1,763	1,880	1,003,430	1,005,310	-
Income-producing real estate	261	-	-	261	2,597,152	2,597,413	-
Commercial and industrial							
Owner-occupied	2,802	1,161	680	4,643	634,931	639,574	13
Other – nonowner-occupied	3,554	1,289	1,899	6,742	1,985,404	1,992,146	-
Consumer							
Residential 1–4 family	5,494	2,413	13,138	21,045	3,965,371	3,986,416	772
Other	1,205	352	756	2,313	159,610	161,923	
Total	$ 13,483	$ 5,229	$ 18,304	$ 37,016	$ 11,438,215	$ 11,475,231	$ 853
December 31, 2021							
Nonincome-producing real estate							
Commercial	$ 4,022	$ -	$ 495	$ 4,517	$ 1,096,898	$ 1,101,415	$ -
Custom and spec residential 1–4 family	90	-	897	987	915,538	916,525	-
Income-producing real estate	275	2,603	356	3,234	2,405,713	2,408,947	-
Commercial and industrial							
Owner-occupied	2,549	272	723	3,544	601,166	604,710	31
Other – nonowner-occupied	2,331	1,441	2,461	6,233	1,909,074	1,915,307	-
Consumer							
Residential 1–4 family	1,983	1,464	7,249	10,696	2,457,832	2,468,528	-
Other	1,186	227	93	1,506	143,058	144,564	9
Total	$ 12,436	$ 6,007	$ 12,274	$ 30,717	$ 9,529,279	$ 9,559,996	$ 40

(Dollars in Thousands)

A loan is considered impaired in accordance with the impairment accounting guidance (ASC Topic 310-10-35-16) when, based on current information and events, it is probable the Company will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming commercial loans, but also include loans modified in troubled debt restructurings (TDR).

The following table presents impaired loans for the years ended December 31, 2022 and 2021, including any acquired loans, net of discounts, which are considered as impaired:

	Unpaid Principal Balance	Recorded Investment with No Allowance	Recorded Investment with Allowance	Specific Reserve	Total Recorded Investment (Net of Specific Reserves)	Average Investment in Impaired Loans	Interest Income Recognition
December 31, 2022							
Nonincome-producing real estate							
Commercial	$ 7,186	$ 7,186	$ -	$ -	$ 7,186	$ 6,365	$ 229
Custom and spec residential 1–4 family	1,184	1,184	-	-	1,184	730	14
Income-producing real estate	37,900	37,377	398	25	37,750	38,101	2,212
Commercial and industrial							
Owner-occupied	1,925	868	590	80	1,378	1,514	92
Other – nonowner-occupied	27,621	24,432	2,432	242	26,622	26,713	1,576
Consumer							
Residential 1–4 family	6,166	6,162	-	-	6,162	5,965	153
Other	-	-	-	-	-	-	-
Total	$ 81,982	$ 77,209	$ 3,420	$ 347	$ 80,282	$ 79,388	$ 4,276
December 31, 2021							
Nonincome-producing real estate							
Commercial	$ 1,357	$ 722	$ 547	$ 311	$ 958	$ 1,575	$ 71
Custom and spec residential 1–4 family	875	875	-	-	875	875	46
Income-producing real estate	55,791	40,113	-	-	40,113	40,154	2,091
Commercial and industrial							
Owner-occupied	2,303	780	876	115	1,541	1,751	141
Other – nonowner-occupied	13,642	5,581	4,456	1,370	8,667	10,138	652
Consumer							
Residential 1–4 family	3,766	3,747	-	-	3,747	3,759	172
Other	-	-	-	-	-	-	-
Total	$ 77,734	$ 51,818	$ 5,879	$ 1,796	$ 55,901	$ 58,252	$ 3,173

The following table presents the Company's nonaccrual loans, net of discounts, at December 31, 2022 and 2021. This table excludes performing TDRs.

	2022	2021
Nonincome-producing real estate		
Commercial	$ 83	$ 1,109
Custom and spec residential 1-4 family	2,711	1,254
Income-producing real estate	2,477	2,959
Commercial and industrial		
Owner-occupied	2,570	2,246
Other – nonowner-occupied	18,412	7,047
Consumer		
Residential 1-4 family	16,955	16,599
Other	1,050	112
Total	$ 44,258	$ 31,326

At December 31, 2022 and 2021, the Company had loans that were modified in TDRs and impaired. The modification of terms of such loans included one or a combination of the following: an extension of maturity, a reduction of the stated interest rate or a permanent reduction of the recorded investment in the loan.

The following tables present the activity for TDRs by class during the years ended December 31, 2022 and 2021 (in thousands except for the number of loans):

	Number of Loans	Pre-Modification Recorded Balance	Post-Modification Recorded Balance
December 31, 2022			
Term Extensions			
Nonincome-producing real estate			
Custom and spec residential 1-4 family	1	$ 848	$ 848
Income-producing real estate	-	-	-
Commercial and industrial			
Other – nonowner-occupied	1	576	576
Consumer			
Residential 1-4 family			
Total restructured loans	2	$ 1,424	$ 1,424

(Dollars in Thousands)

	Number of Loans	Pre-Modification Recorded Balance	Post-Modification Recorded Balance
December 31, 2021			
Term Extensions			
Nonincome-producing real estate			
Commercial	-	-	-
Income-producing real estate			
Commercial and industrial	2	857	857
Other – nonowner-occupied	-	-	-
Total restructured loans	2	$ 857	$ 857

The TDRs described above did not increase the allowance for loan losses and did not result in any charge-offs during the years ended December 31, 2022 and 2021.

As of December 31, 2022, there were no borrowers with loans designated as TDRs that met the criteria for placement back on accrual status. This criteria is a minimum of six months of payment performance under existing or modified terms.

In connection with its acquisition of North American Bancshares, Inc. in 2016, the Company acquired loans with contractual balances of $1,633,103. At December 31, 2022, these loans totaled $143,683. The Company evaluated these loans for impairment in accordance with ASC Topic 310-30. Acquired loans are considered impaired if there is evidence of credit deterioration since origination and if it is probable all contractually required payments will not be collected. At the date of acquisition, the Company did not identify any loans as specifically impaired. Through the grouping of the acquired loans into pools based on common risk characteristics, the Company estimated loan losses on the acquired loans resulting in a general impairment of $20,754. As of December 31, 2022 and 2021, the unaccreted amount of the general impairment was $1,260 and $1,675, respectively. The Company recorded an allowance for loan losses of approximately $1,749 and $2,554 against these loans as of December 31, 2022 and 2021, respectively.

In 2022 and 2021, the Company sold $28,655 and $655,369, respectively, of residential 1-4 family loans and credit card loans held for investment, and recognized total losses of $322 and gains of $7,591, respectively.

The Company systematically reviews these pools of loans to determine the level of risk of losses.

Note 6: Mortgage Banking

Loans serviced for others are not included in the accompanying consolidated balance sheets. The risks inherent in mortgage servicing assets relate primarily to changes in prepayments that result from shifts in mortgage interest rates. The unpaid principal balances of mortgage and other loans serviced for others was $9,586,699 and $7,531,195 at December 31, 2022 and 2021, respectively.

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The following table presents the Company's revenue from mortgage banking operations in 2022 and 2021:

	2022	2021
Mortgage banking revenue:		
Gain on sale of loans held for sale	$ 35,401	$ 89,265
MSR hedge impact	(30,255)	4,160
Mortgage HFS and pipeline fair value adjustment	(5,305)	(14,841)
Forward commitments	275	3,075
Other fee income	15,208	18,130
Total secondary mortgage market fees	$ 15,324	$ 99,789
MSR with fair value adjustment	51,694	25,089
Servicing income	29,680	27,350
Total mortgage servicing income	$ 81,374	$ 52,439

Activity in mortgage servicing rights in 2022 and 2021 was as follows:

	2022	2021
Mortgage Servicing Rights:		
Balance at beginning of period	$ 120,258	$ 95,169
Additional of servicing rights	7,713	14,572
Fair value adjustment	43,981	10,517
Balance at end of period	$ 171,952	$ 120,258

The Company is potentially subject to losses in its loan servicing portfolio due to loan foreclosures. The Company has obligations to either repurchase the outstanding principal balance of a loan or make the purchaser whole for the economic benefits of a loan if it is determined that the loan sold violated representations or warranties made by the Company and/or the borrower at the time of the sale, which the Company refers to as mortgage loan servicing repurchase reserve expenses. Such representations and warranties typically include those made regarding loans that had missing or insufficient file documentation and/or loans obtained through fraud by borrowers or other third parties. Mortgage loan repurchase claims may be made until the loan is paid in full. When a repurchase claim is received, the Company evaluates the claim and takes appropriate actions based on the nature of the claim. The Company is required by Federal National Mortgage Association and Federal Home Loan Mortgage Corporation to provide a response to repurchase claims within 60 days of the date of receipt.

At December 31, 2022 and 2021, the reserve for mortgage loan servicing repurchase expenses was $2,751 and $2,111, respectively. There is inherent uncertainty in reasonably estimating the requirement for reserves against future mortgage loan servicing repurchase expenses. Future mortgage loan servicing repurchase reserve expenses depend on many subjective factors, including the review procedures of the purchasers and the potential refinance activity on loans sold with servicing released and the subsequent consequences under the representations and warranties.

(Dollars in Thousands)

Government National Mortgage Association (GNMA) optional repurchase programs allow financial institutions to buy back individual delinquent mortgage loans that meet certain criteria from the securitized loan pool for which the institution provides servicing. Refer to *Note 11: Borrowings* for more information.

Certain of the Company's secondary market investors require minimum net worth (capital) requirements, as specified in the respective selling and servicing agreements. In addition, these investors may require capital ratios in excess of the stated requirements to approve large servicing transfers. To the extent that these requirements are not met, the Company's secondary market investors may utilize a range of remedies ranging from sanctions, suspension or ultimately termination of the Company's selling and servicing agreements, which would prohibit the Company from further originating or securitizing these specific types of mortgage loans or being an approved servicer.

Among the Company's various capital requirements related to its outstanding selling and servicing agreements, the most restrictive of these requires the Company to maintain a minimum adjusted net worth balance of $1,000. As of December 31, 2022, the Company was in compliance with its selling and servicing capital requirements.

Note 7: Premises and Equipment

The following is a summary of premises and equipment included in the accompanying consolidated balance sheets at December 31, 2022 and 2021:

	2022	2021
Land, buildings and improvements	$ 417,785	$ 374,031
Right-of-use assets	12,100	-
Furniture and equipment	92,227	72,164
Automobiles	916	935
	523,028	447,130
Accumulated depreciation	(150,727)	(130,958)
Net premises and equipment	$ 372,301	$ 316,172

Note 8: Leases

The Company leases certain real estate, as well as certain equipment, under non-cancelable operating leases that expire at various dates through 2029. Right-of-use assets are included in premises and equipment and lease liabilities are included in other liabilities in the accompanying consolidated balance sheets.

(Dollars in Thousands)

The following shows the balance sheet details and components of the Company's lease expenses as of December 31, 2022:

	2022
Operating lease right of use assets (included in premises and equipment)	$ 12,100
Operating lease liabilities (included in other liabilities)	$ 12,194
Weighted average remaining lease term (years) - operating leases	8.41
Weighted average discount rate - operating leases	5.72%
Total operating lease expense	$ 3,114
Right of use assets obtained in exchange for new operating lease liabilities	$ 14,488

Maturities of operating lease liabilities at December 31, 2022, were as follows:

	2022
2023	$ 3,421
2024	2,496
2025	2,408
2026	2,364
2027	1,131
Thereafter	4,161
Total lease payments	$ 15,981
Less: Imputed interest	3,787
Total lease obligations	$ 12,194

Note 9: Intangible Assets

The following is a summary of intangible assets included in the accompanying consolidated balance sheets at December 31, 2022 and 2021:

	2022	2021
Core deposit intangibles	$ 115,819	$ 115,817
Accumulated amortization	(79,732)	(69,690)
Net core deposit intangibles	36,087	46,127
Customer relationships	10,986	10,986
Accumulated amortization	(3,878)	(2,564)
Net customer relationships	7,108	8,422
Net intangible assets	$ 43,195	$ 54,549

(Dollars in Thousands)

Expected yearly amortization expense for each of the following five years is $10,042 and $1,314 for core deposit intangibles and customer relationships, respectively.

There were no changes in the carrying value of goodwill in 2022 and 2021.

	First United Bank & Trust Company	First United Bank Insurance Solutions	Total
Balance, January 1, 2021	$ 11,879	$ 5,110	$ 16,989
Balance, December 31, 2021	11,879	5,110	16,989
Goodwill acquired	-	-	-
Goodwill adjustment	-	-	-
Balance, December 31, 2022	$ 11,879	$ 5,110	$ 16,989

Note 10: Deposits

At December 31, 2022 and 2021, deposits consisted of the following:

	2022	2021
Noninterest-bearing demand	$ 3,089,906	$ 2,923,545
Interest-bearing demand	6,830,295	6,091,022
Savings	690,374	650,649
Certificates of deposit	1,357,580	919,386
	$ 11,968,155	$ 10,584,602

Certificates of deposit in denominations that meet or exceed the FDIC insurance limit were $455,636 and $290,983 at December 31, 2022 and 2021, respectively. Brokered deposits were $1,567,995 and $696,042 at December 31, 2022 and 2021, respectively.

Aggregate maturities of interest-bearing time deposits by year as of December 31, 2022, were as follows:

2023	$ 765,004
2024	486,699
2025	78,413
2026	20,201
2027	7,065
Thereafter	198
	$ 1,357,580

In the normal course of business, the Company receives deposits in excess of $250 from various state and municipal organizations. The Company pledged certain investment securities, as mentioned in *Note 4: Securities*, to secure these deposits. Additionally, the Company entered into an arrangement with Federal Home Loan Bank of Topeka (FHLB) resulting in FHLB issuing letters of credit on behalf of the Company, with the resulting beneficiary being the depositor, in connection with these deposits. Outstanding letters of credit to secure these public funds were $2,484,200 and $1,978,000 at December 31, 2022 and 2021, respectively.

(Dollars in Thousands)

Note 11: Borrowings

Borrowings as of December 31, 2022 and 2021 were as follows:

	2022	2021
Corporate sweep account agreements with simultaneous agreements to repurchase	$ 113,340	$ 114,401
GNMA eligible for repurchase liability	37,846	78,094
Borrowings from the PPPLF	3,808	130,540
Borrowings from the FHLB	954,598	297,473
	996,252	506,107
	$ 1,109,592	$ 620,508
Short-term borrowings and current maturities of long-term borrowings	$ 211,422	$ 241,700
Long-term borrowings	898,170	378,808
	$ 1,109,592	$ 620,508

The Company pledges available-for-sale securities against the repurchase agreements in connection with the corporate sweep accounts. As of December 31, 2022, $17,122 of government agency issued securities and $127,646 of government-sponsored entity issued securities were pledged. All of these agreements were overnight agreements. The maximum amount of outstanding agreements at any month-end during 2022 and 2021 was $116,937 and $134,668, respectively. The average interest rates paid in connection with these agreements were 0.54% and 0.45% for the years ended December 31, 2022 and 2021, respectively.

GNMA optional repurchase programs allow financial institutions to buy back individual delinquent mortgage loans that meet certain criteria from the securitized loan pool for which the institution provides servicing. At the servicer's option and without GNMA's prior authorization, the servicer may repurchase a delinquent loan for an amount equal to 100% of the remaining principal balance of the loan. This buy-back option is considered a conditional option until the delinquency criteria are met, at which time the option becomes unconditional. When a financial institution is deemed to have regained effective control over these loans under the unconditional buy-back option, the loans can no longer be reported as sold and must be included in the balance sheet as mortgage loans held for sale, regardless of whether the institution intends to exercise the buy-back option. These loans totaled $37,846 and $78,094 at December 31, 2022 and 2021, respectively, and were recorded as mortgage loans held for sale, at the lower of cost or fair value with a corresponding liability in FHLB advances and other borrowings on the Company's consolidated balance sheets.

(Dollars in Thousands)

The Company has an agreement allowing for the borrowing of funds from the Federal Reserve Bank through their Borrower-In-Custody program. As of December 31, 2022, the Company has pledged as collateral certain commercial, agricultural, consumer and other loans of $280,000, which will allow the Company to borrow up to $197,203.

In 2020, the Company participated in the Federal Reserve Bank Paycheck Protection Program Liquidity Facility (PPPLF), in which Federal Reserve Banks extended non-recourse loans to institutions that were eligible to make Paycheck Protection Program (PPP) loans under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Refer to *Note 15: Concentration of Credit Risk* for more information about the impact of COVID-19 and the CARES Act. Only PPP loans that were guaranteed by the SBA under the PPP, with respect to both principal and interest that are originated or purchased by an eligible institution, may pledge as collateral to the Federal Reserve Banks. Total borrowings of $3,808 from PPPLF as of December 31, 2022 will mature in 2026 at a rate of 0.35%.

The Company borrows under a line of credit from FHLB. The individual advances under this line of credit range from $250 to $400,000 at rates ranging from 1.85% to 5.38% and require monthly interest payments. These advances currently mature from 2022 to 2035 and are subject to restrictions or penalties in the event of prepayment. As a stockholder of FHLB, the Company's maximum credit availability is based on the lesser of the following:

- FHLB borrowings may not exceed 25% of the Company's total assets.
- FHLB borrowings may not exceed the collateral value of certain loans and investment securities as identified on the Qualifying Collateral Determination Form.

As of December 31, 2022, the Company had no commitments with the FHLB for future advances.

As of December 31, 2022, the Company's outstanding credit availability with FHLB was $1,415,776, which represents the excess collateral pledged.

Aggregate maturities of borrowings by year as of December 31, 2022, were as follows:

2023	$ 211,422
2024	29,105
2025	412,163
2026	361,039
2027	32,135
Thereafter	63,728
	$ 1,109,592

(Dollars in Thousands)

Note 12: Subordinated Debt

The following is a summary of subordinated debt, net of discounts, included in the accompanying consolidated balance sheets at December 31, 2022 and 2021:

	2022	2021
DBI Capital Trust I	$ 2,587	$ 2,587
Durant Statutory Trust I	20,619	20,619
Durant Statutory Trust II	5,155	5,155
Krum Statutory Trust I	3,093	3,093
Consolidated Statutory Trust II	3,093	3,093
Consolidated Statutory Trust III	5,155	5,155
North American Capital Trust II	9,188	9,084
North American Capital Trust III	4,221	4,142
North American Capital Trust IV	37,717	36,654
Fixed-to-Floating Rate Subordinated Notes	150,514	159,231
	$ 241,342	$ 248,813

DBI Capital Trust I

On June 26, 2000, the Company established DBI Capital Trust I (the Trust), an Oklahoma business trust. On June 30, 2000, the Trust issued $6,683 in Trust Preferred Securities, Series 1 (the Capital Securities, Series 1) and $160 in Trust Preferred Securities, Series 2 (the Capital Securities, Series 2) to certain individuals in exchange for cash in the amount of $4,363 and the surrender of promissory notes of the Company having a remaining principal balance of $2,480. The Trust also issued on June 30, 2000, $21 in common securities to the Company in exchange for cash. In a related transaction on June 30, 2000, the Company issued to the Trust two subordinated notes having principal balances of $6,703 and $160.

Distributions on the subordinated notes and the Capital Securities, Series 1 and 2, will be cumulative and are payable quarterly on the fifth day of January, April, July and October for distributions accrued through the end of the month immediately preceding such payment date. Cash distributions are paid at an annual rate equal to the prime rate as of January 2 of each calendar year on the first subordinated note and Capital Securities, Series 1, which was 3.25% at December 31, 2022. Cash distributions are paid at an annual rate equal to the prime rate plus 1% as of January 2 of each calendar year on the smaller subordinated note and Capital Securities, Series 2, which was 5.75% at December 31, 2022. The stated maturity date of the Capital Securities, Series 1 is June 30, 2030; however, they are subject to mandatory redemption, in whole or in part, based upon the repayment or redemption of the notes held by the Trust. The Capital Securities, Series 1 is guaranteed by the Company and qualify as Tier 1 regulatory capital. During any event of default, the Company may not declare or pay any dividends on any of its capital stock.

In 2020, the Company redeemed $4,116 in Capital Securities, Series 1 and $160 in Capital Securities, Series 2 in exchange for common stock.

Durant Statutory Trust I

Durant Statutory Trust I issued $20,000 of Floating Rate Capital securities on September 20, 2004. The trust-preferred securities will mature in 2034. The proceeds from the sale of the trust-preferred securities and the issuance of $619 in common securities were used to purchase a $20,619 Junior Subordinated Debenture from the Company.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on March 20, June 20, September 20 and December 20 of each year. Cash distributions are paid at a rate per annum equal to the three-month London InterBank Offered Rate (LIBOR) plus 2.10%, which was 6.85% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is September 20, 2034. The Junior Subordinated Debenture is presented as long-term debt in the accompanying consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

Durant Statutory Trust II

Durant Statutory Trust II issued $5,000 of Floating Rate Capital securities on December 8, 2005. The trust-preferred securities will mature in 2035. The proceeds from the sale of the trust-preferred securities and the issuance of $155 in common securities were used to purchase a $5,155 Junior Subordinated Debenture from the Company.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 1.33%, which was 6.10% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is December 15, 2035. The Junior Subordinated Debenture is presented as long-term debt in the accompanying consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

Krum Statutory Trust I

Krum Statutory Trust I issued $3,000 of Floating Rate Capital securities on December 17, 2003. The trust-preferred securities will mature in 2033. The proceeds from the sale of the trust-preferred securities and the issuance of $93 in common securities were used to purchase a $3,093 Junior Subordinated Debenture from Krum Bancshares, Inc. In connection with the acquisition of Krum Bancshares, Inc., in 2005, the Company also acquired all common securities of Krum Statutory Trust I and assumed the liability for the Junior Subordinated Debenture

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on March 17, June 17, September 17 and December 17 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 2.85%, which was 7.59% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is December 17, 2033. The Junior Subordinated Debenture is presented as long-term debt in the accompanying consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

Consolidated Statutory Trust II

Consolidated Statutory Trust II issued $3,000 of Floating Rate Capital securities on September 17, 2003. The trust-preferred securities will mature in 2033. The proceeds from the sale of the trust-preferred securities and the issuance of $93 in common securities were used to purchase a $3,093 Junior Subordinated Debenture from Consolidated Equity Corporation. In connection with the acquisition of Consolidated Equity Corporation, in 2015, the Bank also acquired all common securities of Consolidated Statutory Trust II and assumed the liability for the Junior Subordinated Debenture.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on March 17, June 17, September 17 and December 17 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 3.05%, which was 7.79% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is September 17, 2033. The Junior Subordinated Debenture is presented as long-term debt in the accompanying consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

Consolidated Statutory Trust III

Consolidated Statutory Trust II issued $5,000 of Floating Rate Capital securities on September 20, 2007. The trust-preferred securities will mature in 2037. The proceeds from the sale of the trust-preferred securities and the issuance of $155 in common securities were used to purchase a $5,155 Junior Subordinated Debenture from Consolidated Equity Corporation. In connection with the acquisition of Consolidated Equity Corporation, in 2015, the Company also acquired all common securities of Consolidated Statutory Trust II and assumed the liability for the Junior Subordinated Debenture.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 1.55%, which was 6.32% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is December 15, 2037. The Junior Subordinated Debenture is presented as long-term debt in the accompanying consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

North American Capital Trust II

North American Capital Trust II issued $10,000 of Floating Rate Capital securities on September 16, 2003. The trust-preferred securities will mature in 2033. The proceeds from the sale of the trust-preferred securities and the issuance of $310 in common securities were used to purchase a $10,310 Junior Subordinated Debenture from North American Bancshares, Inc. In connection with the acquisition of North American Bancshares, Inc. in 2016, the Company also acquired all common securities of North American Capital Trust II and assumed the liability for the Junior Subordinated Debenture. At the time of acquisition, the Company evaluated the fair value of these debentures, resulting in the recording of a discount of $1,747, lowering the recorded fair value to $8,563. The Company had unaccreted discount on subordinated debt of $1,122 and $1,226 at

December 31, 2022 and 2021, respectively. The related accretion expense was $105 for each of the years ended December 31, 2022 and 2021.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on January 8, April 8, July 8 and October 8 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 3.00%, which was 7.08% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is October 8, 2033. The Junior Subordinated Debenture is presented as long-term debt in the Company's consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

North American Capital Trust III

North American Capital Trust III issued $5,000 of Floating Rate Capital securities on September 23, 2004. The trust-preferred securities will mature in 2034. The proceeds from the sale of the trust-preferred securities and the issuance of $155 in common securities were used to purchase a $5,155 Junior Subordinated Debenture from North American Bancshares, Inc. In connection with the acquisition of North American Bancshares, Inc. in 2016, the Company also acquired all common securities of North American Capital Trust III and assumed the liability for the Junior Subordinated Debenture. At the time of acquisition, the Company evaluated the fair value of these debentures, resulting in the recording of a discount of $1,410, lowering the recorded fair value to $3,745. The Company had unaccreted discount on subordinated debt of $934 and $1,013 at December 31, 2022 and 2021, respectively. The related accretion expense was $79 for each of the years ended December 31, 2022 and 2021.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on January 7, April 7, July 7 and October 7 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 2.15%, which was 6.23% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is October 7, 2034. The Junior Subordinated Debenture is presented as long-term debt in the Company's consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

North American Capital Trust IV

North American Capital Trust IV issued $50,000 of Floating Rate Capital securities on November 4, 2005. The trust-preferred securities will mature in 2036. The proceeds from the sale of the trust-preferred securities and the issuance of $1,547 in common securities were used to purchase a $51,547 Junior Subordinated Debenture from North American Bancshares, Inc. In connection with the acquisition of North American Bancshares, Inc. in 2016, the Company also acquired all common securities of North American Capital Trust IV and assumed the liability for the Junior Subordinated Debenture. At the time of acquisition, the Company evaluated the fair value of these debentures, resulting in the recording of a discount of $20,209, lowering the recorded fair value to $31,338. The Company had unaccreted discount on subordinated debt of $13,830 and $14,893 at December 31, 2022 and 2021, respectively. The related accretion expense was $1,063 for each of the years ended December 31, 2022 and 2021.

Distributions on the Junior Subordinated Debenture and Floating Rate Capital Securities will be cumulative and will be payable quarterly in arrears on January 7, April 7, July 7 and October 7 of each year. Cash distributions are paid at a rate per annum equal to the three-month LIBOR plus 1.33%, which was 5.41% at December 31, 2022. The Floating Rate Capital Securities are redeemable upon the maturity date of the Junior Subordinated Debenture, which is January 7, 2036. The Junior Subordinated Debenture is presented as long-term debt in the Company's consolidated financial statements. The Floating Rate Capital Securities qualify as Tier 1 regulatory capital.

Fixed-to-Floating Rate Subordinated Notes

On March 7, 2017 the Company issued $100,000 of Fixed-to-Floating Rate Subordinated Notes Due 2027 (Subnotes 1). The maturity date of Subnotes 1 is March 15, 2027, although the Company may, subject to regulatory approval, redeem some or all of Subnotes 1 beginning on the interest payment date of March 15, 2022.

From and including March 7, 2017, to but excluding March 15, 2022, Subnotes 1 will bear interest at the rate of 5.875% per year and will be payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2017. From and including March 15, 2022, Subnotes 1 will bear interest at a rate per annum equal to the three-month LIBOR plus 3.742%, payable quarterly in arrears on each March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2022, through the maturity date or the early redemption date of the notes.

On September 15, 2022, the Company redeemed 100% of Subnotes 1. The aggregate redemption cost was $101,424 including principal and interest.

On June 29, 2020 the Company issued $60,000 of Fixed-to-Floating Rate Subordinated Notes Due 2030 (Subnotes 2). The maturity date of Subnotes 2 is July 1, 2030, although the Company may, subject to regulatory approval, redeem some or all of Subnotes 2 beginning on the interest payment date of July 1, 2025.

From and including June 29, 2020, to but excluding July 1, 2025, Subnotes 2 will bear interest at the rate of 5.500% per year and will be payable semi-annually in arrears on January 1 and July 1 of each year, beginning on January 1, 2021. From and including July 1, 2025, Subnotes 2 will bear interest at a rate per annum equal to the three-month term secured overnight financing rate published by the Federal Reserve Bank of New York plus 5.38%, payable quarterly in arrears on each January 1, April 1, July 1, and October 1 of each year, beginning on July 1, 2025, through the maturity date or the early redemption date of the notes.

As of December 31, 2022, unamortized debt issuance cost was $507 and related amortization expense in 2022 was $203.

On September 7, 2022 the Company issued $92,000 of Fixed-to-Floating Rate Subordinated Notes Due 2032 (Subnotes 3). The maturity date of Subnotes 3 is September 15, 2032, although the Company may, subject to regulatory approval, redeem some or all of Subnotes 3 beginning on the interest payment date of September 15, 2027.

From and including September 7, 2022, to but excluding September 15, 2027, Subnotes 3 will bear interest at the rate of 6.000% per year and will be payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2023. From and including September 15, 2027, Subnotes 3 will bear interest at a rate per annum equal to the three-month term secured overnight financing rate published by the Federal Reserve Bank of New York plus 3.05%, payable quarterly in arrears on each March 15, June 15, September 15 and December 15 of each year, beginning on December 15, 2027, through the maturity date or the early redemption date of the notes.

As of December 31, 2022, unamortized debt issuance cost was $980 and related amortization expense in 2022 was $70.

These notes are unsecured and are subordinated and junior in right of payment to the obligations of the Company to its general and secured creditors (to the extent of such security), to deposits and liabilities of the Company (other than the Company's existing trust preferred securities) and of any subsidiary of the Company, including the Bank, and to all senior indebtedness from time to time outstanding of the Company. The notes will not be guaranteed by any subsidiary of the Company, including the Bank. The Company's right to receive any assets of its subsidiaries upon their liquidation or reorganization, and the resulting right of the holders of the notes to participate in those assets, will effectively be subordinated to the claims of the Company's subsidiaries' creditors. The Company contributed $30,000, $50,000 and $55,000 of the proceeds of Subnotes 1, Subnotes 2 and Subnotes 3, respectively, to the Bank. The Company is using its remaining net proceeds for general corporate purposes.

None of the Company's subordinated debt matures within the next five years.

Note 13: Derivative Instruments

Risk Management Objective of Using Derivatives

The Company enters into derivative instruments to manage risks related to differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known for expected cash payments, as well as to manage changes in fair values of some assets which are marked at fair value through the consolidated statement of income on a recurring basis.

Cash Flow Hedges of Interest Rate Risk

The Company is a party to interest rate swap agreements under which the Company receives interest at a variable rate and pays at a fixed rate. The derivative instruments represented by these swap agreements are designated as cash flow hedges of the Company's forecasted variable cash flows under a variable rate term borrowing agreement. During the term of the swap agreements, the derivative gain or loss, including any ineffectiveness, is initially recorded in accumulated other comprehensive income and subsequently reclassified into earnings in the periods that the hedged forecasted variable-rate interest payments affected earnings. There was no ineffective portion of the change in fair value of the derivatives recognized directly in earnings during 2022 and 2021. In 2021, the Company recognized a gain of $4,973 related to executed swap agreements due to the cancellation of forecasted transactions.

Derivatives Not Designated as Hedges

The Company enters into certain derivative agreements as part of its mortgage banking and related risk management activities. These agreements included interest rate lock commitments on prospective residential mortgage loans and forward commitments to sell these loans to investors on a mandatory and best efforts delivery basis. The Company also economically hedges the value of mortgage servicing rights by entering into a series of commitments to purchase mortgage-backed securities in the future. Derivative assets are reported in the consolidated balance sheets in other assets and derivative liabilities are reported in interest payable and other liabilities.

(Dollars in Thousands)

The following table reflects the derivative instruments included in the Consolidated Balance Sheets as of December 31, 2022 and 2021:

	2022		
Derivatives designated as hedging	Notional Amount	Other Assets	Other Liabilities
Interest rate contracts on deposits	$ 1,502,000	$ 72,784	$ -
Interest rate contracts on subordinated debt	101,034	18,331	-
Total	$ 1,603,034	$ 91,115	$ -
Derivatives not designated as hedging			
Forward commitments	$ 103,531	$ 426	$ 187
Interest rate-lock commitments	102,330	508	283
Mortgage servicing	280,000	31	998
Total	$ 485,861	$ 965	$ 1,468

	2021		
Derivatives designated as hedging	Notional Amount	Other Assets	Other Liabilities
Interest rate contracts on deposits	$ 1,002,000	$ 3,655	$ 504
Interest rate contracts on subordinated debt	101,034	4,389	-
Total	$ 1,103,034	$ 8,044	$ 504
Derivatives not designated as hedging			
Forward commitments	$ 247,899	$ 179	$ 215
Interest rate-lock commitments	237,685	2,828	25
Mortgage servicing	400,000	1,205	456
Total	$ 885,584	$ 4,212	$ 696

The amount of gain (loss) recognized in other comprehensive income on derivatives (effective portion) is included in table below as of December 31, 2022 and 2021:

	2022	2021
Derivative in cash flow hedging relationships		
Interest rate contracts net of income tax of $17,551 and 5,356	$ 66,024	$ 24,083

(Dollars in Thousands)

The amount of gain (loss) recognized in the consolidated statements of income is included in table below as of December 31, 2022 and 2021:

	2022	2021
Forward commitments	$ 275	$ 3,075
Interest rate-lock commitments	(2,578)	(12,662)
Mortgage servicing	(1,716)	3,797
Total	$ (4,019)	$ (5,790)

Note 14: Income Taxes

Income tax expense for the year ended December 31, 2022 and 2021 consists of the following:

	2022	2021
Federal income taxes:		
Current	$ 10,323	39,568
Deferred	18,054	(104)
State income taxes:		
Current	415	3,291
Deferred	(363)	174
Income tax expense	$ 28,429	$ 42,929

Income tax expense for the year ended December 31, 2022 and 2021 differs from the statutory federal rate of 21% due to the following:

	2022	2021
Statutory U.S. Federal Income Tax	$ 34,559	$ 46,418
Increase (decrease) resulting from		
Tax-exempt interest	(2,941)	(2,908)
State Tax	1,452	3,269
Other, net	(4,641)	(3,850)
Provision for income taxes	$ 28,429	$ 42,929

(Dollars in Thousands)

Deferred tax assets (liabilities) included in net deferred taxes in the accompanying consolidated balance sheets consist of the following:

	2022	2021
Deferred tax assets:		
Allowance for loan losses	$ 25,304	$ 22,202
Deferred compensation	4,970	4,726
Other	7,783	7,148
Total deferred tax assets	$ 38,057	$ 34,076
Deferred tax liabilities:		
Mortgage servicing rights	$ (38,239)	$ (26,778)
Intangible assets	(6,271)	(8,437)
Property and equipment	(31,420)	(19,904)
Purchase accounting adjustments	(3,733)	(3,914)
Partnership Income	(2,939)	(1,804)
Prepaid expenses	(2,469)	(1,948)
Other	(1,152)	(1,766)
Total deferred tax liabilities	$ (86,223)	$ (64,551)
Tax effect-unrealized gain on available-for-sale securities	24,427	(6,396)
Tax effect-unrealized gain on cash flow hedge	(19,134)	(1,583)
Net deferred tax liabilities	$ (42,873)	$ (38,454)

In 2021, the Company participated in a solar tax equity investment fund as part of a tax credit and renewable energy initiative. The Company contributed $28,768 and $28,156 to the fund at December 31, 2022 and 2021, respectively, resulting in $26,498 and $19,400 tax credits, respectively, and 9 renewable energy projects being placed into service in 2022. The solar tax equity investment is reported in other assets on the accompanying consolidated balance sheets.

Note 15: Concentration of Credit Risk

The Company grants commercial, real estate and consumer loans to its customers primarily in Oklahoma and north and central Texas. Although the Company has a diversified loan portfolio, the majority of its customers reside in the areas in which the Company operates.

In 2021, certain borrowers were unable to meet their contractual payment obligations because of the adverse effects of COVID-19. To help mitigate these effects, loan customers could apply for a deferral of payments, or portions thereof, for up to 90 days. After 90 days, customers could apply for an additional deferral, and a small proportion of our customers have requested such an additional deferral. In the absence of other intervening factors, such short-term modifications made on a good faith basis were not categorized as troubled debt restructurings, nor were loans granted payment deferrals related to COVID-19 reported as past due or placed on non-accrual status (provided the loans were not past due or on non-accrual status prior to the deferral).

(Dollars in Thousands)

In 2021, the Company was a participating lender in the PPP established under the CARES Act and administered by the Small Business Administration ("SBA"). In 2021, the Company originated $273,163 in PPP loans. At December 31, 2022 and 2021, there were 65 and 5,372 remaining PPP loans with aggregate outstanding balances of $5,400 and $492,589 classified as commercial and industrial loans, net of $165 and $9,459 in net deferred loan fees, respectively. PPP loans are fully guaranteed by the U.S. government and can be forgiven by the SBA if the borrower uses the proceeds to pay specified expenses.

Note 16: The Fair Value Option – Loans Held for Sale

As permitted by ASC Topic 825 *Financial Instruments*, the Company has elected to measure loans held for sale at fair value. Management has elected the fair value option for these items because the fair value election for these loans reduces certain timing differences by better matching changes in the value of the loans with changes in the value of derivatives used as economic hedges for the loans. The fair value option was elected for all loans held for sale.

The aggregate fair value of loans held for sale exceeded the aggregate unpaid principal balance by $738 and $2,518 at December 31, 2022 and 2021, respectively. The Company is not carrying any loans held for sale for which the fair value of loans is 90 days or more past due or held in nonaccrual status.

Changes in fair value for items for which the fair value option has been elected and the line item in which these changes are reported in noninterest income at December 31, 2022 and 2021 are as follows:

	2022		2021	
	Other Losses	Total Changes In Fair Value	Other Losses	Total Changes In Fair Value
Loans held for sale	$ (1,779)	$ (1,779)	$ (2,178)	$ (2,178)

For loans held for sale, the total change in fair value is not related to specific credit risk as these loans were originated under regulated underwriting standards and sold in the secondary market without specific credit risk adjustments.

Fair value is estimated using the quoted market prices for loans held for sale, adjusted for differences in loan characteristics. The Company sells its loan products to private investors or governmental agencies, which is the principal market used for establishing their loan prices.

Note 17: Disclosures About Fair Value of Assets and Liabilities

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities the entity can access at the measurement date.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices 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 Unobservable inputs supported by little or no market activity and significant to the fair value of the assets or liabilities.

Financial instruments are categorized by recurring or nonrecurring measurement status. Recurring assets are initially measured at fair value and are required to be remeasured at fair value in the accompanying consolidated financial statements at each reporting date. Assets measured on a nonrecurring basis are assets that, due to an event or circumstance, were required to be remeasured at fair value after initial recognition in the financial statements at some time during the reporting period.

(Dollars in Thousands)

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022 and 2021.

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022				
Available-for-Sale Securities				
U.S. GSEs	$ 27,542	$ -	$ 27,542	$ -
Mortgage-backed securities – GSEs	838,903	-	838,903	-
Obligations of state and political subdivisions	512,700	-	512,700	-
Mortgage loans held for sale	187,736	-	187,736	-
Mortgage servicing rights	171,952	-	-	171,952
Mortgage servicing rights derivatives	(967)	(967)	-	-
Forward sale commitments	239	-	-	239
Commitments to originate loans	225	-	-	225
Interest rate swaps	91,115	-	91,115	-
	$ 1,829,445	$ (967)	$ 1,657,996	$ 172,416
2021				
Available-for-Sale Securities				
U.S. GSEs	$ -	$ -	$ -	$ -
Mortgage-backed securities – GSEs	700,032	-	700,032	-
Obligations of state and political subdivisions	513,526	-	513,526	-
Mortgage loans held for sale	243,981	-	243,981	-
Mortgage servicing rights	120,258	-	-	120,258
Mortgage servicing rights derivatives	1,205	1,205	-	-
Forward sale commitments	(36)	-	-	(36)
Commitments to originate loans	2,803	-	-	2,803
Interest rate swaps	7,540	-	7,540	-
	$ 1,589,309	$ 1,205	$ 1,465,079	$ 123,025

Following is a description of the valuation methodologies used for assets and liabilities 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 and liabilities pursuant to the valuation hierarchy. There have been no significant changes in valuation techniques during the years ended December 31, 2022 and 2021.

(Dollars in Thousands)

Available-for-Sale Securities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include U.S. government and other agencies, obligations of state and political subdivisions and mortgage-backed securities.

Third-party vendors compile prices from various sources and may apply such techniques as matrix pricing to determine the value of identical or similar investment securities (Level 2). Matrix pricing is a mathematical technique widely used in the financial institution industry to value investment securities without relying exclusively on quoted prices for specific investment securities, but rather relying on the investment securities' relationship to other benchmark-quoted investment securities. Matrix pricing is utilized in the valuation of the U.S. government agency debt and mortgage-backed securities, as well as securities issued by state and political subdivisions.

Mortgage Loans Held for Sale

Fair value of loans held for sale are based on quoted market prices, where available, or are determined by discounting estimated cash flows using interest rates approximating the Company's current origination rates for similar loans. Loans held for sale based on quoted market prices are classified within Level 1 of the hierarchy. Otherwise, loans held for sale are classified within Level 2 of the valuation hierarchy; however, certain loans may be classified within Level 3 due to the lack of observable pricing data.

Mortgage Servicing Rights

Mortgage servicing rights do not trade in an active, open market with readily observable prices. Accordingly, fair value is estimated using discounted cash flow models having significant inputs of annual servicing cost, delinquencies and foreclosure costs, loan prepayment speeds, pretax discount rates and other ancillary servicing income and cost. Due to the nature of the valuation inputs, mortgage servicing rights are classified within Level 3 of the hierarchy.

Mortgage Servicing Rights Derivatives

Derivatives are reported at fair value utilizing Level 1 inputs. The Company uses dealer quotations obtained from third-party firms for derivatives used for hedging mortgage servicing rights. Third-party firms make use of exchange settlement prices (Level 1), which are published daily to value these derivatives.

The carrying amounts of the MSRs equal fair value and are valued using a discounted cash flow valuation technique. The significant assumptions used to value MSRs were as follow:

	2022		2021	
	Range	Weighted Average	Range	Weighted Average
Prepayment speeds	6.02% - 23.04%	6.72%	7.93% - 42%	11.48%
Discount rates	8% - 8.95%	8.19%	8% - 8.91%	8.18%

(Dollars in Thousands)

Commitments to Originate Loans and Forward Sale Commitments

The fair value of commitments to originate loans and the fair value of forward-sale commitments are estimated using significant unobservable inputs, such as fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreements and the present creditworthiness of the counterparties and are classified within Level 3 of the hierarchy.

Interest Rate Swaps

Fair values for interest rate swap agreements are based upon the amounts that would be required to settle the contracts and are classified within Level 1 of the fair value hierarchy. Valuations are provided either by third-party dealers in the contracts or active market quotes provided by independent pricing services.

Level 3 Reconciliation

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompanying consolidated balance sheets using significant unobservable (Level 3) inputs:

	Mortgage Servicing Rights	Forward Sale Commitments	Commitments to Originate Loans
Balance, January 1, 2021	$ 95,169	$ (3,111)	$ 15,465
Total realized and unrealized gains (losses) included in net income	(21,519)	3,075	(12,662)
Issuances	36,091	-	-
Settlements	10,517	-	-
Balance, December 31,2021	$ 120,258	$ (36)	$ 2,803
Total realized and unrealized gains (losses) included in net income	(19,505)	275	(2,578)
Issuances	27,218	-	-
Settlements	43,981	-	-
Balance, December 31, 2022	$ 171,952	$ 239	$ 225
Total gains (losses) for the year ended 2022 included in net income attributable to the change in unrealized gains related to assets and liabilities still held at December 31, 2022	$ 51,694	$ 275	$ (2,578)

All realized and unrealized gains and losses for items reflected in the table above are included in net income in the accompanying consolidated statements of income and comprehensive income within noninterest income.

(Dollars in Thousands)

Nonrecurring Measurements

The following table presents the fair value measurements of assets measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fell at December 31, 2022 and 2021:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2022				
Collateral-dependent impaired loans	$ 3,073	$ -	$ -	$ 3,073
Foreclosed assets held for sale	$ 173	$ -	$ -	$ 173
2021				
Collateral-dependent impaired loans	$ 4,740	$ -	$ -	$ 4,740
Foreclosed assets held for sale	$ 5,865	$ -	$ -	$ 5,865

Following is a description of the valuation methodologies used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets pursuant to the valuation hierarchy.

Impaired Loans, Net of Allowance for Loan Losses

A loan is considered to be impaired when it is probable that all of the principal and interest due may not be collected according to its contractual terms. Generally, when a loan is considered impaired, the amount of reserve required is measured based on the fair value of the underlying collateral. The Company makes such measurements on all material loans deemed impaired using the fair value of the collateral for collateral-dependent loans. The fair value of collateral used by the Company is determined by obtaining an observable market price or by obtaining an appraised value from an independent, licensed or certified appraiser, using observable market data. This data includes information, such as the selling price of similar properties and capitalization rates of similar properties sold within the market, expected future cash flows or earnings of the subject property based on current market expectations and other relevant factors. All appraised values are adjusted for market-related trends, based on the Company's experience in sales and other appraisals of similar property types, as well as estimated selling costs. Periodically, management reviews all collateral-dependent impaired loans on a loan-by-loan basis to determine whether updated appraisals are necessary, based on loan performance, collateral type and guarantor support. At times, the Company measures the fair value of collateral-dependent impaired loans using appraisals with dates prior to one year from the date of review. These appraisals are discounted by applying current, observable market data about similar property types, such as sales contracts, approved foreclosure bids, other appraisals, sales or collateral assessments based on current market activity until updated appraisals are obtained. Depending on the length of time since an appraisal was performed and the data provided through the Company's reviews, these appraisals are typically discounted 10–30%. The policy described above is the same for all types of collateral-dependent impaired loans.

The Company records impaired loans as nonrecurring Level 3. If a loan's fair value as estimated by the Company is less than its carrying value, the Company either records a charge-off of the portion of the loan that exceeds the fair value or establishes a reserve within the allowance for loan losses specific to the loan. Loans for which such charge-offs or reserves were recorded during the years ended December 31, 2022 and 2021, are shown in the table on the previous page.

Foreclosed Assets Held for Sale

Foreclosed assets held for sale are initially recorded at fair value, less estimated cost to sell, at the date of foreclosure. Subsequent to foreclosure, valuations are performed by management and the assets are carried at the lower of carrying amount or fair value, less estimated cost to sell. Foreclosed assets held for sale are classified within Level 3 of the fair value hierarchy. The foreclosed assets represented in the table on the previous page were remeasured during the years ended December 31, 2022 and 2021, subsequent to their initial transfer to foreclosed assets.

Note 18: Regulatory Capital

The Company and the Bank are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possible additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's and the Bank's financial statements. Under the regulatory capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the Bank must meet specific capital guidelines involving quantitative measures of the Company's and the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classification under the prompt corrective action guidelines are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Furthermore, the Company's or the Bank's regulators could require adjustments to regulatory capital not reflected in the accompanying consolidated financial statements.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum ratios (set forth in the table below) of Tier 1 capital (as defined in the regulations) to total average assets (as defined) and minimum ratios of total capital (as defined) to risk-weighted assets (as defined). To be considered adequately capitalized (as defined) under the regulatory framework for prompt corrective action, the Company and the Bank must maintain minimum Tier 1 leverage, Tier 1 risk-based and total risk-based ratios as set forth in the table.

To be well capitalized under federal bank regulatory agency definitions, a depository institution must have a Common Equity Tier 1 Capital ratio of at least 6.5%, Tier 1 Capital ratio of at least 8%, a Total Capital ratio of at least 10% and a leverage ratio of at least 5%. As of December 31, 2022, the most recent notifications from applicable regulatory agencies categorized the Bank as well capitalized. There are no conditions since the most recent notification of the Bank's capital category that management believes would change its category.

(Dollars in Thousands)

Basel III Capital guidelines require an additional capital measurement referred to as Common Equity Tier 1 Capital (CET1). CET1 specifies that Tier 1 Capital consist of CET1 and "additional Tier 1 Capital." Basel III Capital guidelines require banks to maintain a capital conservation buffer of 2.5% and define ratios necessary to be considered "well capitalized." The 2.5% capital conservation buffer is included in the applicable minimum required ratios in the table below. Regulators use these guidelines in the review and approval of acquisitions, dividend payments, share buybacks, discretionary payments on Tier 1 instruments, and discretionary bonuses.

In 2021, the Company originated loans to qualified small businesses under the Payroll Protection Program (PPP) administered by the SBA. Federal bank regulatory agencies issued an interim final rule that permits banks to neutralize the regulatory capital effects of participating in the Paycheck Protection Program Lending Facility (PPPLF) and clarifies that PPP loans have a zero percent risk weight under applicable risk-based capital rules. Specifically, a bank may exclude all PPP loans pledged as collateral to PPPLF from its average total consolidated assets for the purposes of calculating its leverage ratio, while PPP loans that are not pledged as collateral to PPPLF will be included. As of December 31, 2022, 99.997% of PPP loans were pledged to the PPPLF and assigned zero percent risk weight.

The minimum required ratios, the ratios to be well capitalized and the Company's and the Bank's respective ratios are as follows:

	Minimum Required Ratios		Ratios to be Well Capitalized	Company December 31,		Bank December 31,	
	2022	2021		2022	2021	2022	2021
Common equity tier 1 capital				$ 1,011,444	$ 879,897	$ 1,294,772	$ 1,032,516
Tier 1 risk-based capital				$ 1,179,887	$ 966,343	$ 1,294,772	$ 1,032,516
Total capital				$ 1,445,100	$ 1,226,093	$ 1,409,471	$ 1,133,035
Leverage ratio	4.00%	4.00%	5.00%	8.27%	8.14%	9.07%	8.74%
Common equity tier 1 capital ratio	7.00%	7.00%	6.50%	8.44%	8.53%	10.82%	10.08%
Tier 1 capital ratio	8.50%	8.50%	8.00%	9.85%	9.36%	10.82%	10.08%
Total capital ratio	10.50%	10.50%	10.00%	12.06%	11.88%	11.78%	11.06%

The Company's ability to pay dividends is dependent, in part, on its ability to receive dividends from the Bank. Under state banking regulations, the Bank may not declare dividends on its common stock (without regulatory approval) in any year that dividends exceed the net income of the Bank for that year, (as defined) combined with its retained net profits (as defined) for the preceding two years. During 2022 and 2021, the Bank paid dividends to the Company of $5,000 and $27,774, respectively. As of December 31, 2022, the Bank had $391,323 of retained earnings available for the payment of dividends to the Company.

Series A Preferred Stock

On October 7, 20222, the Company issued 80,750 shares, or $80,750 in aggregate liquidation preference, of 8.50% Non-Cumulative Perpetual Preferred Stock, Series A, par value $0.0001 and liquidation preference $1,000 per share (Series A Preferred Stock). Each share of Series A Preferred Stock issued and outstanding is represented by 40 depositary shares, each representing a 1/40th ownership interest in a share of the Series A Preferred Stock (equivalent to a liquidation preference of $25 per share). Each holder of depositary shares will be entitled, in proportion to the applicable fraction of a share of Series A Preferred Stock represented by such depositary shares, to all rights and preferences of the Series A Preferred Stock represented thereby (including dividend, voting, redemption, and liquidation rights). Such rights must be exercised through the depositary. Dividends on the Series A Preferred Stock will be non-cumulative and, if declared, accrue and are payable quarterly, in arrears, at a rate of 8.50% per annum. The Series A Preferred Stock qualifies as Tier 1 capital for the purposes of the regulatory capital calculations. The net proceeds from the issuance and sale of the Series A Preferred Stock, after deducting $2,500 of issuance costs including the underwriting discount and professional service fees, among other things, were approximately $78,250.

The Series A Preferred Stock is perpetual and has no maturity date. The Company may redeem the Series A Preferred Stock at its option (i) in whole or in part, from time to time, on any dividend payment date on or after October 30, 2027 or (ii) in whole but not in part, within 90 days following certain changes in laws or regulations impacting the regulatory capital treatment of the Series A Preferred Stock, in either case, at a redemption price equal to $1,000 per share of Series A Preferred Stock (equivalent to $25 per depositary share), plus any declared and unpaid dividends for prior dividend periods and accrued but unpaid dividends (whether or not declared) for the then-current dividend period prior to but excluding the redemption date. If we redeem the Series A Preferred Stock, the depositary is expected redeem a proportionate number of depositary shares. Neither the holders of Series A Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series A Preferred Stock or the depositary shares.

Note 19: Employee Stock Ownership Plan with 401(k) Provisions

The Company, the employer, has established a retirement plan commonly known as Spend Life Wisely Company, Inc. Employee Stock Ownership Plan with 401(k) Provisions (ESOP). The ESOP's year-end is December 31. The ESOP covers all eligible employees (as defined in the ESOP) of the Company and its subsidiaries. Under the provisions of the ESOP, an eligible employee may make contributions to the ESOP through payroll deductions subject to certain annual limitations (as defined by the ESOP and the Internal Revenue Code). In 2022 and 2021, the Company matched up to 75% and 50%, respectively, of the employee's first 6% of pretax and post-tax (Roth) contributions. The Company may also make profit-sharing contributions to the ESOP. All contributions are discretionary and may be changed by the Company. The Company's matching and profit-sharing contributions to the ESOP may be invested in Company stock. All other contributions and earnings are invested at the employee's discretion in investments among various funds, including Company stock. After two years of service (as defined by the ESOP), employees become 20% vested in the employer's profit sharing contributions and are 100% vested after six years of service. After one year of service (as defined by the ESOP), employees become 20% vested in the employer's matching contributions and are 100% vested after five years of service. At December 31, 2022 and 2021, the ESOP owned approximately 15.93% and 13.10% of the Company's outstanding stock, respectively. The Company's contributions totaled $7,132 and $4,374 for the years ended December 31, 2022 and 2021, respectively. The employees' contributions totaled $15,059 and $13,174 for the years ended December 31, 2022 and 2021, respectively.

The shares held by the ESOP are subject to a put option, whereby the ESOP will provide a market for a specified period of time for shares distributed to participants. The put price is the appraised value of the stock, which was $231.02 per share at December 31, 2022.

Note 20: Commitments and Contingencies

Forward Sale Commitments

Forward sale commitments are commitments to sell groups of residential mortgage loans the Company originates or purchases as part of its mortgage banking activities. The Company commits to sell the loans at specified prices in future periods, typically within 30 days. These commitments lock in the forward sales price that will be realized in the secondary market and thereby reduce the interest rate and price risk to the Company. As of December 31, 2022 and 2021, notional amounts of forward sale commitments were $103,531 and $247,899, respectively.

Contingencies

The Company is involved, from time to time, in various litigation matters, including possible claims resulting from bankruptcy matters and lawsuits relating to final disposition of security interests in foreclosed loans. In the opinion of management, based upon the advice of legal counsel, the ultimate liability, if any, resulting from the final resolution of these matters will not be material to the financial position or results of operations.

Tax Credits and Certain Equity Investments

The Company invests in entities that promote renewable energy sources as a limited partner. Tax credits received for these investments are recorded as a reduction to the carrying value of these investments. The Company has determined that these renewable energy tax credit partnerships are variable interest entities (VIEs). The Company has concluded that it is not the primary beneficiary of these VIEs because it does not have the power to direct the activities that most significantly impact the VIEs' financial performance and therefore, it is not required to consolidate these VIEs. The Company's maximum exposure to loss related to these investments is limited to its equity investments in these partnerships and any additional unfunded equity commitments.

Financial Instruments with Off-Balance Sheet Risk

The Company is a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financing needs of its customers. These financial instruments include loan commitments and standby letters of credit and are evidenced by written contractual agreements. These instruments involve, to varying degrees, elements of credit risk in excess of the amount shown on the accompanying consolidated balance sheets.

The Company’s exposure to credit loss in the event of nonperformance by the other party to the instrument is represented by the instrument’s contractual amount. The Company uses the same underwriting standards in making commitments and conditional obligations as it uses for items recorded on the accompanying consolidated balance sheets. Management does not believe these items will result in significant losses. For both years ended December 31, 2022 and 2021, the Company reserved $1,427 for potentially impaired unfunded loan commitments.

(Dollars in Thousands)

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the agreement. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee by the customer. Since many of the commitments are expected to expire without being drawn upon, the total commitments do not necessarily represent future cash requirements. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon the extension of credit, is based on the Company's credit evaluation of the borrower.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. All significant letters of credit as of December 31, 2022, expire in one year or less. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending credit. The Company holds collateral for those commitments for which collateral is deemed necessary.

Off-balance sheet financial instruments whose contractual amounts represented credit risk at December 31, 2022 and 2021 were as follows:

	2022	2021
Loan commitments	$ 3,553,718	$ 3,011,869
Letters of credit	$ 23,695	$ 32,749

Litigation and Judgements

On October 22, 2018, a judgement was filed against the Company resulting from a claim made by a former advisor to North American Bancshares, Inc. for a commission related to the marketing and sale of American Bank of Texas in 2016. In 2021 a settlement agreement was reached in the amount of $5,961 and was paid by the Company on behalf of Lacy Harber, the former owner of North American Bancshares, Inc. The settlement was recorded by the Company as indemnification receivable and is included in the accompanying consolidated balance sheet as of December 31, 2021. The Company and its subsidiaries were fully indemnified by Mr. Harber against any and all liability related to this matter. Under the indemnity, Mr. Harber was obligated to provide defense as well as pay all costs and damages. In 2022, the Company and its existing shareholders purchased all outstanding shares of Mr. Harber's common stock at which time a credit resulting from the Company's indemnification receivable was utilized to reduce the aggregate purchase price.

Note 21: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for loan losses are reflected in *Note 5: Loans and Allowance for Loan*

(Dollars in Thousands)

Losses. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 15: Concentration of Credit Risk*.

At December 31, 2022, the Company held $4,695,172 in commercial real estate loans, which includes $1,259,192 in loans collateralized by construction and development real estate.

Investments

The Company invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such change could materially affect the amounts reported in the accompanying consolidated balance sheets.

Foreclosed Assets

Foreclosed assets held for sale include properties with a carrying value of $3,367 at December 31, 2022. The carrying value reflects management's best estimate of the amount to be realized from the sale of the property. While the estimate is based on valuations by independent appraisers and other estimates by management, the amount that the Company realizes from the sales of the properties could differ materially in the near term from the carrying value reflected in these consolidated financial statements.

Customer Concentration

At December 31, 2022 and 2021, deposits from two customers were $1,750,042 and $1,567,580, respectively, which comprised 14.62% and 14.81%, respectively, of the Company's total deposits.

Note 22: Other Comprehensive Income

Other Comprehensive Income (OCI) includes the after-tax change in unrealized gains and losses on available-for-sale securities and cash flow hedging activities. OCI is included in the accompanying consolidated statements of Income and Comprehensive income. The following table presents the activity in the Company's OCI for the years ended December 31, 2022 and 2021:

	Unrealized Gain (Loss) on AFS Securities	Unrealized (Loss) Gain on Cash Flow Hedges	Accumulated Other Comprehensive Income
Balance, January 1, 2020	$ 16,284	$ 1,985	$ 18,269
Net change	26,082	(16,182)	9,900
Balance, December 31,2020	42,366	(14,197)	28,169
Net change	(18,304)	20,154	1,850
Balance, December 31,2021	24,063	5,957	30,019
Net change	(115,956)	66,024	(49,932)
Balance, December 31, 2022	$ (91,894)	$ 71,981	$ (19,913)

Spend Life Wisely Company, Inc.
Notes to Consolidated Financial Statements
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(Dollars in Thousands)

Note 23: Condensed Parent Company Financial Statements

Presented below is condensed financial information as to financial position, results of operations and cash flow of the Company as of and for the years ended December 31, 2022 and 2021:

Balance Sheets

Assets	2022	2021
Cash and non-interest bearing balances	$ 44,157	$ 25,858
Notes receivable	-	64,170
Interest receivable	-	2,870
Investments in subsidiaries	1,322,366	1,129,885
Other assets	10,875	10,248
Total assets	$ 1,377,398	$ 1,233,031
Liabilities and Stockholders' Equity		
Liabilities		
Subordinated debt, net of discounts	238,249	245,720
Deferred taxes, net	7,685	5,379
Interest payable	3,868	3,838
Other liabilities	1,638	5,375
Total liabilities	251,440	260,312
Stockholders' Equity		
Preferred stock, $.0001 par value; 10,100,000 shares authorized; 80,750 and 0 shares issued in 2022 and 2021, respectively	80,750	-
Non-voting common stock, $.01 par value; 1,000,000 shares authorized;	-	-
Voting common stock, $.01 par value; 20,000,000 shares authorized; 7,032,980 and 7,032,980 shares issued in 2022 and 2021, respectively	70	70
Capital surplus	322,200	288,995
Retained earnings	838,516	709,158
Notes receivable from stockholders	(16,539)	(18,092)
Accumulated other comprehensive (loss) income, net of income tax	-	-
of $(5,250) and $7,983 for 2022 and 2021, respectively	(19,913)	30,019
Treasury stock, 903,386 and 285,263 shares at cost	-	-
for 2022 and 2021, respectively	(79,126)	(37,426)
Total stockholders' equity	1,125,958	972,724
Total liabilities and stockholders' equity	$ 1,377,398	$ 1,233,036

Spend Life Wisely Company, Inc.

Notes to Consolidated Financial Statements

Years Ended December 31, 2022 and 2021

(Dollars in Thousands)

Statements of Income and Comprehensive Income

	Year ended December 31, 2022	2021
Operating Income		
Dividends from subsidiaries	$ 6,991	$ 29,834
Interest on notes receivable	-	3,097
Other income	1,377	22
Total operating income	8,368	32,953
Operating Expenses		
Interest on notes payable	-	-
Interest on subordinated debt	13,289	13,710
Other operating expenses	3,882	511
Total operating expenses	17,171	14,221
(Loss) income before equity in undistributed earnings of subsidiaries	(8,803)	18,732
Equity in undistributed earnings of subsidiaries	140,427	156,568
Income Before Taxes	131,624	175,300
Income tax (benefit) expense	(4,463)	(2,807)
Net Income	136,087	178,107
Other comprehensive income, net of taxes	(49,932)	1,850
Comprehensive Income	$ 86,155	$ 179,957

Spend Life Wisely Company, Inc.
Notes to Consolidated Financial Statements
Years Ended December 31, 2022 and 2021
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Statements of Cash Flows

	Year ended December 31, 2022	2021
Operating Activities		
Net income	$ 136,087	$ 178,107
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion of subordinated debts, discounts	1,579	1,687
Equity in undistributed earnings of subsidiaries	(140,427)	(156,568)
Provision for deferred income taxes	(622)	(297)
Other	8,597	6,602
Net cash provided by operating activities	5,214	29,531
Investing Activities		
Net changes in notes receivable	64,168	(13,257)
Investment in subsidiaries	(113,000)	-
Other	2,248	-
Net cash used in investing activities	(46,584)	(13,257)
Financing Activities		
Advance on subordinated debt	90,950	-
Repayment of subordinated debt	(100,000)	-
Dividends paid	(5,089)	(4,373)
Net change in notes receivable from shareholders	2,000	(1,500)
Interest on notes receivable from shareholders	154	98
Proceeds from issuance of preferred stock	80,750	-
Repurchase of common stock	(89,548)	(20,303)
Sale of common stock	80,452	7,502
Net cash (used in) provided by financing activities	59,669	(18,576)
Net (decrease) increase in cash and cash equivalents	18,299	(2,302)
Cash and cash equivalents, beginning of year	25,858	28,160
Cash and cash equivalents, end of year	$ 44,157	$ 25,858

As of the date of this proposal, there have been no recent mergers or acquisitions, nor are there any foreseen in the near future.