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

FORM 10-Q

(MARK ONE)

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

For the quarterly period ended March 31, 2025

OR

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

For the transition period from ____ to

Commission file number 001-38481

UMB FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Missouri (State or other jurisdiction of incorporation or organization)	**43-0903811** (I.R.S. Employer Identification Number)
1010 Grand Boulevard, Kansas City, Missouri **(Address of principal executive offices)**	**64106** **(Zip Code)**

(Registrant's telephone number, including area code): (816) 860-7000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1.00 Par Value	UMBF	The NASDAQ Global Select Market
Depositary Shares, each representing a 1/400th interest in a share of 7.00% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A	UMBFP	The NASDAQ Global Select Market

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of April 29, 2025, UMB Financial Corporation had 75,918,539 shares of common stock outstanding.

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
UMB FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share and per share data)

	March 31, 2025	December 31, 2024
ASSETS		
Loans	$ 35,936,281	$ 25,642,301
Allowance for credit losses on loans	(368,922)	(259,089)
Net loans	35,567,359	25,383,212
Loans held for sale	5,099	2,756
Securities:		
Available for sale (amortized cost of $11,453,157 and $8,407,676, respectively)	10,895,659	7,774,334
Held to maturity, net of allowance for credit losses of $4,566 and $2,645, respectively (fair value of $5,107,059 and $4,748,938, respectively)	5,712,764	5,376,267
Trading securities	35,461	28,533
Other securities	647,152	471,018
Total securities	17,291,036	13,650,152
Federal funds sold and securities purchased under agreements to resell	636,069	545,000
Interest-bearing due from banks	9,811,867	7,986,270
Cash and due from banks	917,450	573,175
Premises and equipment, net	391,147	221,773
Accrued income	308,103	246,095
Goodwill	1,798,451	207,385
Other intangibles, net	557,186	63,647
Other assets	2,063,546	1,530,199
Total assets	$ 69,347,313	$ 50,409,664
LIABILITIES		
Deposits:		
Noninterest-bearing demand	$ 18,431,854	$ 13,617,167
Interest-bearing demand and savings	36,898,898	27,397,195
Time deposits under $250,000	1,871,388	969,132
Time deposits of $250,000 or more	1,319,038	1,158,535
Total deposits	58,521,178	43,142,029
Federal funds purchased and repurchase agreements	2,559,983	2,609,715
Long-term debt	654,380	385,292
Accrued expenses and taxes	352,143	368,457
Other liabilities	511,195	437,630
Total liabilities	62,598,879	46,943,123
SHAREHOLDERS' EQUITY		
Series A Fixed-Rate Reset Non-Cumulative Perpetual Preferred stock, $0.01 par value; 11,500 authorized, issued and outstanding	110,705	—
Common stock, $1.00 par value; 160,000,000 shares authorized; 78,665,809 shares issued, 75,917,456 and 48,814,177 shares outstanding, respectively	78,666	55,057
Capital surplus	3,993,662	1,145,638
Retained earnings	3,224,866	3,174,948
Accumulated other comprehensive loss, net	(492,698)	(573,050)
Treasury stock, 2,748,383 and 6,242,553 shares, at cost, respectively	(166,767)	(336,052)
Total shareholders' equity	6,748,434	3,466,541
Total liabilities and shareholders' equity	$ 69,347,313	$ 50,409,664

See Notes to Consolidated Financial Statements.

UMB FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(unaudited, dollars in thousands, except share and per share data)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
INTEREST INCOME		
Loans	$ 527,404	$ 385,566
Securities:		
Taxable interest	98,296	61,111
Tax-exempt interest	29,963	25,333
Total securities income	128,259	86,444
Federal funds and resell agreements	6,952	3,062
Interest-bearing due from banks	74,985	44,688
Trading securities	370	305
Total interest income	737,970	520,065
INTEREST EXPENSE		
Deposits	303,406	223,875
Federal funds and repurchase agreements	25,790	27,662
Other	11,135	29,094
Total interest expense	340,331	280,631
Net interest income	397,639	239,434
Provision for credit losses	86,000	10,000
Net interest income after provision for credit losses	311,639	229,434
NONINTEREST INCOME		
Trust and securities processing	79,781	69,478
Trading and investment banking	5,911	5,462
Service charges on deposit accounts	27,457	20,757
Insurance fees and commissions	178	283
Brokerage fees	18,102	13,160
Bankcard fees	26,293	21,968
Investment securities (losses) gains, net	(4,782)	9,371
Other	13,258	18,765
Total noninterest income	166,198	159,244
NONINTEREST EXPENSE		
Salaries and employee benefits	221,398	143,006
Occupancy, net	16,069	12,270
Equipment	16,948	16,503
Supplies and services	4,785	3,301
Marketing and business development	7,998	6,025
Processing fees	40,850	27,936
Legal and consulting	28,606	7,894
Bankcard	12,795	10,567
Amortization of other intangible assets	17,482	1,960
Regulatory fees	8,237	19,395
Other	9,619	5,947
Total noninterest expense	384,787	254,804
Income before income taxes	93,050	133,874
Income tax expense	11,717	23,616
NET INCOME	$ 81,333	$ 110,258
Less: Preferred dividends	2,013	—
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	$ 79,320	$ 110,258
PER SHARE DATA		
Net income per common share – basic	$ 1.22	$ 2.27
Net income per common share – diluted	1.21	2.25
Dividends	0.40	0.39
Weighted average common shares outstanding – basic	65,063,262	48,663,515
Weighted average common shares outstanding – diluted	65,496,058	48,920,863

See Notes to Consolidated Financial Statements.

UMB FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited, dollars in thousands)

	Three Months Ended March 31,	
	2025	2024
Net income	$ 81,333	$ 110,258
Other comprehensive income (loss), before tax:		
Unrealized gains and losses on debt securities:		
Change in unrealized holding gains and losses, net	76,235	(41,553)
Less: Reclassification adjustment for net gains included in net income	(390)	(139)
Amortization of net unrealized loss on securities transferred from available-for-sale to held-to-maturity	8,290	8,789
Change in unrealized gains and losses on debt securities	84,135	(32,903)
Unrealized gains and losses on derivative hedges:		
Change in unrealized gains and losses on derivative hedges, net	22,646	(13,658)
Less: Reclassification adjustment for net gains included in net income	(24)	(3,660)
Change in unrealized gains and losses on derivative hedges	22,622	(17,318)
Other comprehensive income (loss), before tax	106,757	(50,221)
Income tax (expense) benefit	(26,405)	12,618
Other comprehensive income (loss)	80,352	(37,603)
Comprehensive income	$ 161,685	$ 72,655

See Notes to Consolidated Financial Statements.

UMB FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(unaudited, dollars in thousands, except per share data)

	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total
Balance – January 1, 2024	$ —	$ 55,057	$ 1,134,363	$ 2,810,824	$ (556,935)	$ (342,890)	$ 3,100,419
Total comprehensive income (loss)	—	—	—	110,258	(37,603)	—	72,655
Dividends ($0.39 per share)	—	—	—	(17,976)	—	—	(17,976)
Purchase of treasury stock	—	—	—	—	—	(7,537)	(7,537)
Issuances of equity awards, net of forfeitures	—	—	(10,964)	—	—	11,667	703
Recognition of equity-based compensation	—	—	4,271	—	—	—	4,271
Sale of treasury stock	—	—	70	—	—	60	130
Exercise of stock options	—	—	66	—	—	85	151
Balance – March 31, 2024	$ —	$ 55,057	$ 1,127,806	$ 2,903,106	$ (594,538)	$ (338,615)	$ 3,152,816
Balance – January 1, 2025	$ —	$ 55,057	$ 1,145,638	$ 3,174,948	$ (573,050)	$ (336,052)	$ 3,466,541
Total comprehensive income	—	—	—	81,333	80,352	—	161,685
Cash dividends declared:							
Preferred dividends ($175.00 per share)	—	—	—	(2,013)	—	—	(2,013)
Common dividends ($0.40 per share)	—	—	—	(29,402)	—	—	(29,402)
Purchase of treasury stock	—	—	—	—	—	(15,434)	(15,434)
Issuances of equity awards, net of forfeitures	—	—	(15,595)	—	—	16,395	800
Recognition of equity-based compensation	—	—	32,419	—	—	—	32,419
Sale of treasury stock	—	—	116	—	—	60	176
Exercise of stock options	—	—	126	—	—	179	305
Common stock issuance	—	—	67,056	—	—	168,085	235,141
Stock issuance for acquisition, net of issuance costs	110,705	23,609	2,763,902	—	—	—	2,898,216
Balance – March 31, 2025	$ 110,705	$ 78,666	$ 3,993,662	$ 3,224,866	$ (492,698)	$ (166,767)	$ 6,748,434

See Notes to Consolidated Financial Statements.

UMB FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, dollars in thousands)

	For the Three Months Ended March 31, 2025	For the Three Months Ended March 31, 2024
OPERATING ACTIVITIES		
Net income	$ 81,333	$ 110,258
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	86,000	10,000
Net (accretion) amortization of premiums and discounts from acquisition	(26,435)	276
Depreciation and amortization	29,366	13,817
Amortization of debt issuance costs	219	219
Deferred income tax expense (benefit)	16,710	(3,037)
Net increase in trading securities and other earning assets	(6,928)	(22,094)
Losses (gains) on investment securities, net	4,782	(9,371)
Losses (gains) on sales of assets	18	(1,846)
Amortization of securities premiums, net of discount accretion	5,126	6,425
Originations of loans held for sale	(18,279)	(17,979)
Gains on sales of loans held for sale, net	(453)	(415)
Proceeds from sales of loans held for sale	16,389	18,399
Equity-based compensation	12,830	4,974
Changes in:		
Accrued income	12,271	289
Accrued expenses and taxes	(59,461)	(14,972)
Other assets and liabilities, net	209,533	(38,799)
Net cash provided by operating activities	363,021	56,144
INVESTING ACTIVITIES		
Securities held to maturity:		
Maturities, calls and principal repayments	115,631	95,031
Purchases	(9,049)	(23,686)
Securities available for sale:		
Sales	611,423	19,153
Maturities, calls and principal repayments	386,343	3,104,013
Purchases	(914,361)	(2,630,486)
Equity securities with readily determinable fair values:		
Purchases	(291)	(87)
Equity securities without readily determinable fair values:		
Sales	40	28,623
Maturities, calls and principal repayments	8,210	1
Purchases	(62,810)	(5,012)
Payment of tax equity investment commitments	(21,871)	(15,765)
Net increase in loans	(481,826)	(359,617)
Net (increase) decrease in fed funds sold and resell agreements	(91,069)	65,069
Net cash activity from acquisitions and divestitures	174,985	(110,789)
Net decrease (increase) in interest-bearing balances due from other financial institutions	956,440	(8,214)
Purchases of premises and equipment	(8,823)	(2,376)
Proceeds from sales of premises and equipment	232	2,535
Net cash provided by investing activities	663,204	158,393

FINANCING ACTIVITIES		
Net increase in demand and savings deposits	1,533,318	1,550,733
Net decrease in time deposits	(504,295)	(429,982)
Net (decrease) increase in fed funds purchased and repurchase agreements	(72,365)	105,830
Repayment of long-term debt	(11,055)	—
Cash dividends paid	(30,117)	(19,012)
Payment of common stock issuance costs	(524)	—
Proceeds from exercise of stock options and sales of treasury shares	481	281
Purchases of treasury stock	(15,434)	(7,537)
Common stock issuance	235,141	—
Net cash provided by financing activities	1,135,150	1,200,313
Increase in cash and cash equivalents	2,161,375	1,414,850
Cash and cash equivalents at beginning of period	8,448,691	5,528,258
Cash and cash equivalents at end of period	$ 10,610,066	$ 6,943,108

Supplemental disclosures:		
Income tax payments	$ 1,732	$ 1,328
Total interest payments	326,798	268,768
Noncash disclosures:		
Acquisition of tax equity investments	$ 14,036	$ —
Commitment to fund tax equity investments	14,036	—
Transfer of loans to other real estate owned	486	794
Transfer of loans to other repossessed assets	10	—
Issuance of common stock as consideration for HTLF acquisition	2,783,510	—
Issuance of preferred stock as consideration for HTLF acquisition	115,230	—
Stock based compensation as consideration for HTLF acquisition	20,389	—

See Notes to Consolidated Financial Statements.

UMB FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 (UNAUDITED)

1. Financial Statement Presentation

The Consolidated Financial Statements include the accounts of UMB Financial Corporation and its subsidiaries (collectively, the Company) after the elimination of all intercompany transactions. In the opinion of management of the Company, all adjustments relating to items that are of a normal recurring nature and necessary for a fair presentation of the financial position and results of operations have been made. The results of operations and cash flows for the interim periods presented may not be indicative of the results of the full year ending December 31, 2025. The financial statements should be read in conjunction with “Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations” within this Quarterly Report on Form 10-Q (the Form 10-Q) and in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission (SEC) on February 27, 2025 (the Form 10-K).

The Company is a financial holding company, which offers a wide range of banking and other financial services to its customers through its branches and offices. The Company’s national bank, UMB Bank, National Association (the Bank), has its principal office in Missouri as well as branches and offices primarily in the Midwestern, Southwestern, and Western regions of the United States.

2. Summary of Significant Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions also impact reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A summary of the significant accounting policies to assist the reader in understanding the financial presentation is provided in the Notes to Consolidated Financial Statements in the Form 10-K.

Business Combinations

The Company accounts for business combinations using the purchase method of accounting in accordance with FASB ASC Topic 805, *Business Combinations*, which requires assets acquired and liabilities assumed to be recognized at fair value as of the acquisition date.

On January 31, 2025 (Acquisition Date), the Company acquired Heartland Financial USA, Inc. (HTLF) pursuant to an Agreement and Plan of Merger, dated as of April 28, 2024. See Note 13, “Acquisition” for additional information.

Cash and cash equivalents

Cash and cash equivalents includes Cash and due from banks and amounts due from the Federal Reserve Bank (FRB). Cash on hand, cash items in the process of collection, and amounts due from correspondent banks are included in Cash and due from banks. Amounts due from the FRB are interest-bearing for all periods presented and are included in the Interest-bearing due from banks line on the Company’s Consolidated Balance Sheets.

This table provides a summary of cash and cash equivalents as presented on the Consolidated Statements of Cash Flows as of March 31, 2025 and March 31, 2024 *(in thousands)*:

	March 31,	
	2025	2024
Due from the FRB	$ 9,692,616	$ 6,586,145
Cash and due from banks	917,450	356,963
Cash and cash equivalents at end of period	$ 10,610,066	$ 6,943,108

Also included in the Interest-bearing due from banks, but not considered cash and cash equivalents, are interest-bearing accounts held at other financial institutions, which totaled $119.3 million and $87.0 million at March 31, 2025 and March 31, 2024, respectively.

Acquired Loans

Acquired loans are initially recorded at fair value. The Company's accounting methods for acquired loans depends on whether or not the loan reflects more than insignificant credit deterioration since origination at the date of acquisition.

Non-Purchased Credit Deteriorated Loans

Non-purchased credit deteriorated (Non-PCD) loans do not reflect more than insignificant credit deterioration since origination at the date of acquisition. These loans are recorded at fair value and an increase to the allowance for credit losses (ACL) is recorded with a corresponding increase to the provision for credit losses at the date of acquisition. The difference between fair value and the unpaid principal balance at the acquisition date is amortized or accreted to interest income over the contractual life of the loan using the effective interest method.

Purchased Credit Deteriorated Loans

Purchased loans that reflect a more than insignificant credit deterioration since origination at the date of acquisition are classified as purchased credit deteriorated (PCD) loans. PCD loans are recorded at fair value plus the ACL expected at the time of acquisition. Under this method, there is no provision for credit losses on acquisition of PCD loans. The non-credit-related difference between fair value and the unpaid principal balance at the acquisition date is amortized or accreted to interest income over the contractual life of the loan using the effective interest method.

Per Share Data

Basic net income per common share is computed using net income available to common shareholders and the weighted average number of shares of common stock outstanding during each period. Diluted net income per common share is determined using net income available to common shareholders and the weighted average common shares and assumed incremental common shares issued. The following table provides the amounts used in the determination of basic and diluted net income per common share for the three months ended March 31, 2025 and 2024 *(in thousands, except per share data)*:

	Three Months Ended March 31,	
	2025	2024
Net income	$ 81,333	$ 110,258
Less: Preferred dividends	2,013	—
Net income available to common shareholders	$ 79,320	$ 110,258
Weighted average common shares outstanding for basic earnings per share	65,063	48,664
Assumed incremental common shares issued upon vesting of outstanding restricted stock units	433	257
Weighted average common shares for diluted earnings per share	65,496	48,921
Net income per common share – basic	$ 1.22	$ 2.27
Net income per common share – diluted	1.21	2.25
Number of antidilutive restricted stock units excluded from diluted earnings per share computation	—	—
Number of antidilutive stock options excluded from diluted earnings per share computation	4,962	—

Derivatives

The Company records all derivatives on the Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Currently, 15 of the Company’s derivatives are designated in qualifying hedging relationships. However, the remainder of the Company’s derivatives are not designated in qualifying hedging relationships, as the derivatives are not used to manage risks within the Company’s assets or liabilities. All changes in fair value of the Company’s non-designated derivatives and fair value hedges are recognized directly in earnings. Changes in fair value of the Company’s cash flow hedges are recognized in accumulated other comprehensive income (AOCI) and are reclassified to earnings when the hedged transaction affects earnings.

3. New Accounting Pronouncements

Equity-Method Investments In March 2023, the FASB issued ASU No. 2023-02, "Investments-Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method." The ASU allows entities to elect to account for qualifying tax equity investments using the proportional amortization method, regardless of the program giving rise to the related income tax credits. Previously, this method was only available for qualifying tax equity investments in low-income housing tax credit structures. The Company adopted the amended guidance on January 1, 2024, upon which the Company elected to continue the use of the practical expedient under ASC 323-740-35-4 to account for low-income housing tax credit and historic tax credit investments. Under the practical expedient, the cost of a tax equity investment is amortized in proportion to income tax credits only and is recorded on a net basis within income tax expense. The adoption of this amendment did not have any impact on the Consolidated Financial Statements aside from annual disclosures which were included in the Company's Annual Report on Form 10-K.

Segment Reporting In November 2023, the FASB issued ASU No. 2023-07, “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.” The ASU requires expanded segment disclosures, including disclosure of significant segment expenses and other segment items on an annual and interim basis. The Company adopted the amended guidance for the annual financial statements in 2024 and the interim disclosure requirements will be effective for interim periods beginning January 1, 2025. The adoption of this amendment did not have any impact on the Consolidated Financial Statements aside from additional disclosures. See Note 8, “Business Segment Reporting” for related disclosures.

Income Taxes In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures.” The ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this update require additional disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this update are effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The adoption of this accounting pronouncement will have no impact on the Consolidated Financial Statements aside from additional disclosures.

4. Loans and Allowance for Credit Losses

Loan Origination/Risk Management

The Company has certain lending policies and procedures in place that are designed to minimize the level of risk within the loan portfolio. Diversification of the loan portfolio manages the risk associated with fluctuations in economic conditions. Authority levels are established for the extension of credit to ensure consistency throughout the Company. It is necessary that policies, processes, and practices implemented to control the risks of individual credit transactions and portfolio segments are sound and adhered to. The Company maintains an independent loan review department that reviews and validates the risk assessment on a continual basis. Management regularly evaluates the results of the loan reviews. The loan review process complements and reinforces the risk identification and assessment decisions made by lenders and credit personnel, as well as the Company’s policies and procedures.

Commercial and industrial loans are underwritten after evaluating and understanding the borrower's ability to operate profitably and prudently expand its business. Commercial loans are made based on the identified cash flows of the borrower and on the underlying collateral provided by the borrower. The cash flows of the borrower, however, may not be as expected and the collateral securing these loans may fluctuate in value. Most commercial loans are secured by the assets being financed or other business assets such as accounts receivable or inventory and may incorporate a personal guarantee. In the case of loans secured by accounts receivable, the availability of funds for the repayment of these loans may be substantially dependent on the ability of the borrower to collect amounts from its customers.

Specialty lending loans include Asset-based loans, which are offered primarily in the form of revolving lines of credit to commercial borrowers that do not generally qualify for traditional bank financing. Asset-based loans are underwritten based primarily upon the value of the collateral pledged to secure the loan, rather than on the borrower's general financial condition. The Company utilizes pre-loan due diligence techniques, monitoring disciplines, and loan management practices common within the asset-based lending industry to underwrite loans to these borrowers.

Commercial real estate loans are subject to underwriting standards and processes similar to commercial loans, in addition to those of real estate loans. These loans are viewed primarily as cash flow loans and secondarily as loans secured by real estate. Commercial real estate lending typically involves higher loan principal amounts, and the repayment of these loans is largely dependent on the successful operation of the property securing the loan or the business conducted on the property securing the loan. The Company requires that an appraisal of the collateral be made at origination and on an as-needed basis, in conformity with current market conditions and regulatory requirements. The underwriting standards address both owner and non-owner-occupied real estate. Also included in Commercial real estate are Construction loans that are underwritten using feasibility studies, independent appraisal reviews, sensitivity analysis or absorption and lease rates, and financial analysis of the developers and property owners. Construction loans are based upon estimates of costs and value associated with the complete project. Construction loans often involve the disbursement of substantial funds with repayment substantially dependent on the success of the ultimate project. Sources of repayment for these types of loans may be pre-committed permanent loans, sales of developed property or an interim loan commitment from the Company until permanent financing is obtained. These loans are closely monitored by on-site inspections and are considered to have higher risks than other real estate loans due to their repayment being sensitive to interest rate changes, governmental regulation of real property, economic conditions, completion of the construction project, and the availability of long-term financing.

Consumer real estate loans, including residential real estate and home equity loans, are underwritten based on the borrower's loan-to-value percentage, collection remedies, and overall credit history.

Consumer loans are underwritten based on the borrower's repayment ability. The Company monitors delinquencies on all of its consumer loans and leases. The underwriting and review practices combined with the relatively small loan amounts that are spread across many individual borrowers, minimizes risk. Consumer loans and leases that are 90 days past due or more are considered non-performing.

Credit cards include both commercial and consumer credit cards. Commercial credit cards are generally unsecured and are underwritten with criteria similar to commercial loans, including an analysis of the borrower's cash flow, available business capital, and overall creditworthiness of the borrower. Consumer credit cards are underwritten based on the borrower's repayment ability. The Company monitors delinquencies on all of its consumer credit cards and periodically reviews the distribution of credit scores relative to historical periods to monitor credit risk on its consumer credit card loans. During the first quarter of 2024, the Company purchased a co-branded credit card portfolio. The purchase included $109.4 million in credit card receivables.

Credit risk is a potential loss resulting from nonpayment of either the primary or secondary exposure. Credit risk is mitigated with formal risk management practices and a thorough initial credit-granting process including consistent underwriting standards and approval process. Control factors or techniques to minimize credit risk include knowing the client, understanding total exposure, analyzing the client and debtor's financial capacity, and monitoring the client's activities. Credit risk and portions of the portfolio risk are managed through concentration considerations, average risk ratings, and other aggregate characteristics.

The loan portfolio is comprised of loans originated by the Company and purchased loans in connection with the Company's acquisition of HTLF on January 31, 2025. The purchased loans were recorded at estimated fair value at the Acquisition Date with no carryover of the related allowance. As of the Acquisition Date, loans from the HTLF acquisition had a fair value of $9.8 billion, net of allowance for credit losses on PCD loans. See Note 13, "Acquisition" for additional information.

Loan Aging Analysis

The following tables provide a summary of loan classes and an aging of past due loans at March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025					
	30-89 Days Past Due and Accruing	**Greater than 90 Days Past Due and Accruing**	**Nonaccrual Loans**	**Total Past Due**	**Current**	**Total Loans**
Loans						
Commercial and industrial	$ 1,908	$ 502	$ 12,585	$ 14,995	$ 14,020,467	$ 14,035,462
Specialty lending	—	—	—	—	542,089	542,089
Commercial real estate	49,886	—	60,980	110,866	15,887,884	15,998,750
Consumer real estate	3,602	—	23,291	26,893	4,162,793	4,189,686
Consumer	417	26	149	592	327,890	328,482
Credit cards	11,048	5,818	3,880	20,746	656,287	677,033
Leases and other	—	—	—	—	164,779	164,779
Total loans	$ 66,861	$ 6,346	$ 100,885	$ 174,092	$ 35,762,189	$ 35,936,281

	December 31, 2024					
	30-89 Days Past Due and Accruing	**Greater than 90 Days Past Due and Accruing**	**Nonaccrual Loans**	**Total Past Due**	**Current**	**Total Loans**
Loans						
Commercial and industrial	$ 446	$ 1	$ 4,423	$ 4,870	$ 10,896,632	$ 10,901,502
Specialty lending	—	—	—	—	469,194	469,194
Commercial real estate	1,013	—	805	1,818	10,129,467	10,131,285
Consumer real estate	553	—	13,614	14,167	3,172,963	3,187,130
Consumer	175	12	40	227	193,633	193,860
Credit cards	9,316	7,589	400	17,305	561,461	578,766
Leases and other	—	—	—	—	180,564	180,564
Total loans	$ 11,503	$ 7,602	$ 19,282	$ 38,387	$ 25,603,914	$ 25,642,301

The Company sold consumer real estate loans with proceeds of $16.4 million and $18.4 million in the secondary market without recourse during the three months ended March 31, 2025 and 2024, respectively.

The Company has ceased the recognition of interest on loans with a carrying value of $100.9 million and $19.3 million at March 31, 2025 and December 31, 2024, respectively. Restructured loans totaled $189 thousand and $196 thousand at March 31, 2025 and December 31, 2024, respectively. Loans 90 days past due and still accruing interest amounted to $6.3 million and $7.6 million at March 31, 2025 and December 31, 2024, respectively. All interest accrued but not received for loans placed on nonaccrual is reversed against interest income. There was an insignificant amount of interest reversed related to loans on nonaccrual during 2025 and 2024. Nonaccrual loans with no related allowance for credit losses totaled $100.9 million and $19.3 million at March 31, 2025 and December 31, 2024, respectively.

The following tables provide the amortized cost of nonaccrual loans with no related allowance for credit losses by loan class at March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025	
	Nonaccrual Loans	**Amortized Cost of Nonaccrual Loans with no related Allowance**
Loans		
Commercial and industrial	$ 12,585	$ 12,585
Specialty lending	—	—
Commercial real estate	60,980	60,980
Consumer real estate	23,291	23,291
Consumer	149	149
Credit cards	3,880	3,880
Leases and other	—	—
Total loans	$ 100,885	$ 100,885

	December 31, 2024	
	Nonaccrual Loans	**Amortized Cost of Nonaccrual Loans with no related Allowance**
Loans		
Commercial and industrial	$ 4,423	$ 4,423
Specialty lending	—	—
Commercial real estate	805	805
Consumer real estate	13,614	13,614
Consumer	40	40
Credit cards	400	400
Leases and other	—	—
Total loans	$ 19,282	$ 19,282

Amortized Cost

The following tables provide a summary of the amortized cost balance of each of the Company's loan classes disaggregated by collateral type and origination year as of March 31, 2025 and December 31, 2024, as well as the gross charge-offs by loan class and origination year for the three months ended March 31, 2025 *(in thousands):*

Loan Segment and Type	March 31, 2025 Amortized Cost Basis by Origination Year - Term Loans 2025	2024	2023	2022	2021	Prior	Amortized Cost - Revolving Loans	Amortized Cost - Revolving Loans Converted to Term Loans	Total
Commercial and industrial:									
Equipment/Accounts Receivable/Inventory	$ 536,240	$ 2,761,811	$ 1,687,413	$ 1,348,636	$ 790,127	$ 524,157	$ 5,924,179	$ 50,320	$ 13,622,883
Agriculture	9,842	47,384	31,584	10,848	7,564	5,454	295,525	33	408,234
Overdrafts	—	—	—	—	—	—	4,345	—	4,345
Total Commercial and industrial	546,082	2,809,195	1,718,997	1,359,484	797,691	529,611	6,224,049	50,353	14,035,462
Current period charge-offs	—	7,150	505	3,620	1,478	111	13,132	—	25,996
Specialty lending:									
Asset-based lending	10,000	5,730	—	7,257	29,656	28,332	461,114	—	542,089
Total Specialty lending	10,000	5,730	—	7,257	29,656	28,332	461,114	—	542,089
Current period charge-offs	—	—	—	—	—	—	—	—	—
Commercial real estate:									
Owner-occupied	143,117	496,496	709,940	1,074,173	914,842	982,250	37,616	—	4,358,434
Non-owner-occupied	458,615	889,732	985,873	1,312,179	997,383	1,067,130	48,010	—	5,758,922
Farmland	15,152	107,113	105,092	166,817	93,950	274,978	131,493	—	894,595
5+ Multi-family	12,328	187,219	107,105	401,991	363,702	118,755	6,275	—	1,197,375
1-4 Family construction	14,308	72,214	7,608	7,432	—	236	—	—	101,798
General construction	173,594	690,960	948,185	1,518,374	245,660	17,520	93,333	—	3,687,626
Total Commercial real estate	817,114	2,443,734	2,863,803	4,480,966	2,615,537	2,460,869	316,727	—	15,998,750
Current period charge-offs	—	—	795	680	849	—	—	—	2,324
Consumer real estate:									
HELOC	—	139	1,079	2,301	893	8,313	667,665	1,606	681,996
First lien: 1-4 family	93,534	427,177	402,758	685,222	801,697	947,951	15,303	—	3,373,642
Junior lien: 1-4 family	3,793	37,517	22,672	34,496	20,550	8,442	6,578	—	134,048
Total Consumer real estate	97,327	464,833	426,509	722,019	823,140	964,706	689,546	1,606	4,189,686
Current period charge-offs	—	—	84	91	711	186	157	—	1,229
Consumer:									
Revolving line	—	33	10	35	7	601	151,618	722	153,026
Auto	2,435	10,436	15,717	8,828	2,906	1,148	—	—	41,470
Other	2,461	16,412	6,500	14,836	26,535	2,402	64,840	—	133,986
Total Consumer	4,896	26,881	22,227	23,699	29,448	4,151	216,458	722	328,482
Current period charge-offs	—	27	54	105	8	58	490	—	742
Credit cards:									
Consumer	—	—	—	—	—	—	310,874	—	310,874
Commercial	—	—	—	—	—	—	366,159	—	366,159
Total Credit cards	—	—	—	—	—	—	677,033	—	677,033
Current period charge-offs	—	—	—	—	—	—	6,676	—	6,676
Leases and other:									
Leases	—	—	—	—	—	1,469	—	—	1,469
Other	445	23,448	45,558	47,577	11,839	22,961	11,482	—	163,310
Total Leases and other	445	23,448	45,558	47,577	11,839	24,430	11,482	—	164,779
Current period charge-offs	—	—	—	—	—	—	—	—	—
Total loans	$ 1,475,864	$ 5,773,821	$ 5,077,094	$ 6,641,002	$ 4,307,311	$ 4,012,099	$ 8,596,409	$ 52,681	$ 35,936,281

Loan Segment and Type	December 31, 2024								
	Amortized Cost Basis by Origination Year - Term Loans								
	2024	2023	2022	2021	2020	Prior	Amortized Cost - Revolving Loans	Amortized Cost - Revolving Loans Converted to Term Loans	Total
Commercial and industrial:									
Equipment/Accounts Receivable/Inventory	$ 2,319,857	$ 1,363,616	$ 975,325	$ 688,580	$ 293,194	$ 135,072	$ 4,915,907	$ 20,356	$ 10,711,907
Agriculture	9,857	5,750	3,554	2,208	356	97	156,546	—	178,368
Overdrafts	—	—	—	—	—	—	11,227	—	11,227
Total Commercial and industrial	2,329,714	1,369,366	978,879	690,788	293,550	135,169	5,083,680	20,356	10,901,502
Specialty lending:									
Asset-based lending	5,803	—	8,026	30,702	29,392	—	395,271	—	469,194
Total Specialty lending	5,803	—	8,026	30,702	29,392	—	395,271	—	469,194
Commercial real estate:									
Owner-occupied	352,517	277,049	593,480	442,805	293,799	275,207	4,948	25,266	2,265,071
Non-owner-occupied	784,434	527,773	1,006,769	727,365	404,362	324,839	32,312	—	3,807,854
Farmland	54,656	47,357	58,154	36,127	183,762	23,016	107,468	3	510,543
5+ Multi-family	161,767	47,136	302,225	256,032	28,819	18,732	9,202	—	823,913
1-4 Family construction	46,096	1,385	—	—	—	—	5	—	47,486
General construction	493,723	644,885	1,222,539	235,758	4,049	514	74,950	—	2,676,418
Total Commercial real estate	1,893,193	1,545,585	3,183,167	1,698,087	914,791	642,308	228,885	25,269	10,131,285
Consumer real estate:									
HELOC	90	16	450	455	334	5,049	390,843	2,484	399,721
First lien: 1-4 family	413,395	361,242	565,017	635,217	496,758	273,628	—	—	2,745,257
Junior lien: 1-4 family	12,516	9,969	10,004	3,978	2,934	2,676	75	—	42,152
Total Consumer real estate	426,001	371,227	575,471	639,650	500,026	281,353	390,918	2,484	3,187,130
Consumer:									
Revolving line	35	—	—	—	—	—	101,407	—	101,442
Auto	8,567	7,429	3,534	1,928	673	283	—	—	22,414
Other	13,050	2,876	10,065	25,659	342	796	17,216	—	70,004
Total Consumer	21,652	10,305	13,599	27,587	1,015	1,079	118,623	—	193,860
Credit cards:									
Consumer	—	—	—	—	—	—	328,474	—	328,474
Commercial	—	—	—	—	—	—	250,292	—	250,292
Total Credit cards	—	—	—	—	—	—	578,766	—	578,766
Leases and other:									
Leases	—	—	—	—	—	1,492	—	—	1,492
Other	31,084	50,273	48,801	13,067	12,780	11,116	11,951	—	179,072
Total Leases and other	31,084	50,273	48,801	13,067	12,780	12,608	11,951	—	180,564
Total loans	$ 4,707,447	$ 3,346,756	$ 4,807,943	$ 3,099,881	$ 1,751,554	$ 1,072,517	$ 6,808,094	$ 48,109	$ 25,642,301

Accrued interest on loans totaled $175.2 million and $125.7 million as of March 31, 2025 and December 31, 2024, respectively, and is included in the Accrued income line on the Company's Consolidated Balance Sheets. The total amount of accrued interest is excluded from the amortized cost basis of loans presented above. Further, the Company has elected not to measure an allowance for credit losses for accrued interest receivable.

Credit Quality Indicators

As part of the on-going monitoring of the credit quality of the Company's loan portfolio, management tracks certain credit quality indicators including trends related to the risk grading of specified classes of loans, net charge-offs, non-performing loans, and general economic conditions.

The Company utilizes a risk grading matrix to assign a rating to each of its commercial, commercial real estate, and construction real estate loans. Changes in credit risk are monitored on a continuous basis and changes in risk ratings are made when identified. The loan ratings are summarized into the following categories: Pass, Special Mention, Substandard, and Doubtful. Any loan not classified in one of the categories described below is considered to be a Pass loan. A description of the general characteristics of the loan rating categories is as follows:

- **Special Mention** – This rating reflects a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or the borrower's credit position at some future date. The rating is not adversely classified and does not expose an institution to sufficient risk to warrant adverse classification.
- **Substandard** – This rating represents an asset inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. Loans in this category are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard assets, does not have to exist in individual assets classified as substandard.
- **Doubtful** – This rating represents an asset that has all the weaknesses inherent in an asset classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, based on currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage of strengthening the asset, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors include proposed merger, acquisition, liquidation procedures, capital injection, or perfecting liens.

Commercial and industrial

A discussion of the credit quality indicators that impact each type of collateral securing Commercial and industrial loans is included below:

Equipment, accounts receivable, and inventory General commercial and industrial loans are secured by working capital assets and non-real estate assets. The general purpose of these loans is for financing capital expenditures and current operations for commercial and industrial entities. These assets are short-term in nature. In the case of accounts receivable and inventories, the repayment of debt is reliant upon converting assets into cash or through goods and services being sold and collected. Collateral-based risk is due to aged short-term assets, which can be indicative of underlying issues with the borrower and lead to the value of the collateral being overstated.

Agriculture Agricultural loans are secured by non-real estate agricultural assets. These include shorter-term assets such as equipment, crops, and livestock. The risks associated with loans to finance crops or livestock include the borrower's ability to successfully raise and market the commodity. Adverse weather conditions and other natural perils can dramatically affect farmers' or ranchers' production and ability to service debt. Volatile commodity prices present another significant risk for agriculture borrowers. Market price volatility and production cost volatility can affect both revenues and expenses.

Overdrafts Commercial overdrafts are typically short-term and unsecured. Some commercial borrowers tie their overdraft obligation to their line of credit, so any draw on the line of credit will satisfy the overdraft.

Based on the factors noted above for each type of collateral, the Company assigns risk ratings to borrowers based on their most recently assessed financial position.

The following tables provide a summary of the amortized cost balance by collateral type and risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
Equipment/Accounts Receivable/Inventory									
Pass	$ 489,140	$ 2,731,572	$ 1,625,737	$ 1,263,974	$ 759,279	$ 499,212	$ 5,663,681	$ 50,320	$ 13,082,915
Special Mention	14,990	21,183	53,135	23,353	14,170	11,478	129,124	—	267,433
Substandard	32,029	9,056	8,541	61,309	16,678	13,467	131,374	—	272,454
Doubtful	81	—	—	—	—	—	—	—	81
Total Equipment/Accounts Receivable/Inventory	$ 536,240	$ 2,761,811	$ 1,687,413	$ 1,348,636	$ 790,127	$ 524,157	$ 5,924,179	$ 50,320	$ 13,622,883
Agriculture									
Pass	$ 9,842	$ 46,277	$ 30,602	$ 10,718	$ 7,523	$ 4,256	$ 285,801	$ 33	$ 395,052
Special Mention	—	254	982	130	41	—	7,876	—	9,283
Substandard	—	853	—	—	—	1,198	1,848	—	3,899
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture	$ 9,842	$ 47,384	$ 31,584	$ 10,848	$ 7,564	$ 5,454	$ 295,525	$ 33	$ 408,234

	December 31, 2024								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
Equipment/Accounts Receivable/Inventory									
Pass	$ 2,294,574	$ 1,339,370	$ 910,591	$ 668,187	$ 291,733	$ 130,832	$ 4,725,721	$ 20,356	$ 10,381,364
Special Mention	2,044	4,145	6,075	5,949	639	—	48,897	—	67,749
Substandard	23,044	20,101	58,659	14,444	822	4,240	141,289	—	262,599
Doubtful	195	—	—	—	—	—	—	—	195
Total Equipment/Accounts Receivable/Inventory	$ 2,319,857	$ 1,363,616	$ 975,325	$ 688,580	$ 293,194	$ 135,072	$ 4,915,907	$ 20,356	$ 10,711,907
Agriculture									
Pass	$ 5,214	$ 5,613	$ 3,465	$ 2,208	$ 356	$ 97	$ 153,585	$ —	$ 170,538
Special Mention	—	137	89	—	—	—	1,068	—	1,294
Substandard	4,643	—	—	—	—	—	1,893	—	6,536
Doubtful	—	—	—	—	—	—	—	—	—
Total Agriculture	$ 9,857	$ 5,750	$ 3,554	$ 2,208	$ 356	$ 97	$ 156,546	$ —	$ 178,368

Specialty lending

A discussion of the credit quality indicators that impact each type of collateral securing Specialty loans is included below:

Asset-based lending General asset-based loans are secured by accounts receivable, inventory, equipment, and real estate. The purpose of these loans is for financing current operations for commercial customers. The repayment of debt is reliant upon collection of the accounts receivable within 30 to 90 days or converting assets into cash or through goods and services being sold and collected. The Company tracks each individual borrower credit risk based on their loan to collateral position. Any borrower position where the underlying value of collateral is below the fair value of the loan is considered out-of-margin and inherently higher risk.

The following table provides a summary of the amortized cost balance by risk rating for asset-based loans as of March 31, 2025 and December 31, 2024 *(in thousands):*

	Asset-based lending	
Risk	**March 31, 2025**	**December 31, 2024**
In-margin	$ 542,089	$ 469,194
Out-of-margin	—	—
Total	$ 542,089	$ 469,194

Commercial real estate

A discussion of the credit quality indicators that impact each type of collateral securing Commercial real estate loans is included below:

Owner-occupied Owner-occupied loans are secured by commercial real estate. These loans are often longer tenured and susceptible to multiple economic cycles. The loans rely on the owner-occupied operations to service debt which cover a broad spectrum of industries. Real estate debt can carry a significant amount of leverage for a borrower to maintain.

Non-owner-occupied Non-owner-occupied loans are secured by commercial real estate. These loans are often longer tenured and susceptible to multiple economic cycles. The key element of risk in this type of lending is the cyclical nature of real estate markets. Although national conditions affect the overall real estate industry, the effect of national conditions on local markets is equally important. Factors such as unemployment rates, consumer demand, household formation, and the level of economic activity can vary widely from state to state and among metropolitan areas. In addition to geographic considerations, markets can be defined by property type. While all sectors are influenced by economic conditions, some sectors are more sensitive to certain economic factors than others.

Farmland Farmland loans are secured by real estate used for agricultural purposes such as crop and livestock production. Assets used as collateral are long-term assets that carry the ability to have longer amortizations and maturities. Longer terms carry the risk of added susceptibility to market conditions. The limited purpose of some Agriculture-related collateral affects credit risk because such collateral may have limited or no other uses to support values when loan repayment problems emerge.

5+ Multi-family 5+ multi-family loans are secured by a multi-family residential property. The primary risks associated with this type of collateral are largely driven by economic conditions. The national and local market conditions can change with unemployment rates or competing supply of multi-family housing. Tenants may not be able to afford their housing or have better options and this can result in increased vacancy. Rents may need to be lowered to fill apartment units. Increased vacancy and lower rental rates not only drive the borrower's ability to repay debt but also contribute to how the collateral is valued.

1-4 Family construction 1-4 family construction loans are secured by 1-4 family residential real estate and are in the process of construction or improvements being made. The predominant risk inherent to this portfolio is the risk associated with a borrower's ability to successfully complete a project on time and within budget. Market conditions also play an important role in understanding the risk profile. Risk from adverse changes in market conditions from the start of development to completion can result in deflated collateral values.

General construction General construction loans are secured by commercial real estate in process of construction or improvements being made and their repayment is dependent on the collateral's completion. Construction lending presents unique risks not encountered in term financing of existing real estate. The predominant risk inherent to this portfolio is the risk associated with a borrower's ability to successfully complete a project on time and within budget. Commercial properties under construction are susceptible to market and economic conditions. Demand from prospective customers may erode after construction begins because of a general economic slowdown or an increase in the supply of competing properties.

Based on the factors noted above for each type of collateral, the Company assigns risk ratings to borrowers based on their most recently assessed financial position.

The following tables provide a summary of the amortized cost balance by collateral type and risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	2025	2024	2023	2022	2021	Prior	Amortized Cost - Revolving Loans	Amortized Cost - Revolving Loans Converted to Term Loans	Total
Owner-occupied									
Pass	$ 129,153	$ 466,446	$ 669,444	$ 998,970	$ 900,465	$ 909,828	$ 37,616	$ —	$ 4,111,922
Special Mention	12,979	26,740	5,070	43,759	5,607	47,806	—	—	141,961
Substandard	985	3,310	35,139	31,444	8,770	24,616	—	—	104,264
Doubtful	—	—	287	—	—	—	—	—	287
Total Owner-occupied	$ 143,117	$ 496,496	$ 709,940	$ 1,074,173	$ 914,842	$ 982,250	$ 37,616	$ —	$ 4,358,434
Non-owner-occupied									
Pass	$ 453,986	$ 857,021	$ 958,785	$ 1,253,217	$ 973,761	$ 1,035,473	$ 48,010	$ —	$ 5,580,253
Special Mention	—	32,711	13,028	37,819	4,461	18,505	—	—	106,524
Substandard	4,629	—	14,060	21,143	19,161	13,152	—	—	72,145
Doubtful	—	—	—	—	—	—	—	—	—
Total Non-owner-occupied	$ 458,615	$ 889,732	$ 985,873	$ 1,312,179	$ 997,383	$ 1,067,130	$ 48,010	$ —	$ 5,758,922
Farmland									
Pass	$ 15,152	$ 89,364	$ 102,666	$ 153,176	$ 93,643	$ 262,989	$ 130,463	$ —	$ 847,453
Special Mention	—	964	129	13,641	201	2,858	1,030	—	18,823
Substandard	—	16,785	2,297	—	106	9,131	—	—	28,319
Doubtful	—	—	—	—	—	—	—	—	—
Total Farmland	$ 15,152	$ 107,113	$ 105,092	$ 166,817	$ 93,950	$ 274,978	$ 131,493	$ —	$ 894,595
5+ Multi-family									
Pass	$ 12,328	$ 187,219	$ 72,572	$ 384,357	$ 363,702	$ 117,885	$ 6,275	$ —	$ 1,144,338
Special Mention	—	—	34,533	—	—	870	—	—	35,403
Substandard	—	—	—	17,634	—	—	—	—	17,634
Doubtful	—	—	—	—	—	—	—	—	—
Total 5+ Multi-family	$ 12,328	$ 187,219	$ 107,105	$ 401,991	$ 363,702	$ 118,755	$ 6,275	$ —	$ 1,197,375
1-4 Family construction									
Pass	$ 14,308	$ 72,214	$ 7,236	$ 7,432	$ —	$ 236	$ —	$ —	$ 101,426
Special Mention	—	—	372	—	—	—	—	—	372
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total 1-4 Family construction	$ 14,308	$ 72,214	$ 7,608	$ 7,432	$ —	$ 236	$ —	$ —	$ 101,798
General construction									
Pass	$ 173,594	$ 676,413	$ 929,126	$ 1,460,519	$ 222,696	$ 17,385	$ 86,237	$ —	$ 3,565,970
Special Mention	—	14,441	19,059	50,683	22,955	45	—	—	107,183
Substandard	—	—	—	7,172	9	90	7,096	—	14,367
Doubtful	—	106	—	—	—	—	—	—	106
Total General construction	$ 173,594	$ 690,960	$ 948,185	$ 1,518,374	$ 245,660	$ 17,520	$ 93,333	$ —	$ 3,687,626

	December 31, 2024								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
Owner-occupied									
Pass	$ 316,858	$ 276,546	$ 590,337	$ 442,768	$ 289,219	$ 267,944	$ 4,948	$ 25,266	$ 2,213,886
Special Mention	31,213	—	1,512	—	467	—	—	—	33,192
Substandard	4,446	503	1,631	37	4,113	7,263	—	—	17,993
Doubtful	—	—	—	—	—	—	—	—	—
Total Owner-occupied	$ 352,517	$ 277,049	$ 593,480	$ 442,805	$ 293,799	$ 275,207	$ 4,948	$ 25,266	$ 2,265,071
Non-owner-occupied									
Pass	$ 784,434	$ 514,745	$ 981,769	$ 727,365	$ 404,362	$ 324,310	$ 32,312	$ —	$ 3,769,297
Special Mention	—	13,028	25,000	—	—	—	—	—	38,028
Substandard	—	—	—	—	—	529	—	—	529
Doubtful	—	—	—	—	—	—	—	—	—
Total Non-owner-occupied	$ 784,434	$ 527,773	$ 1,006,769	$ 727,365	$ 404,362	$ 324,839	$ 32,312	$ —	$ 3,807,854
Farmland									
Pass	$ 36,771	$ 45,055	$ 45,131	$ 36,127	$ 182,769	$ 14,209	$ 106,468	$ 3	$ 466,533
Special Mention	982	—	13,023	—	—	2,324	1,000	—	17,329
Substandard	16,903	2,302	—	—	993	6,483	—	—	26,681
Doubtful	—	—	—	—	—	—	—	—	—
Total Farmland	$ 54,656	$ 47,357	$ 58,154	$ 36,127	$ 183,762	$ 23,016	$ 107,468	$ 3	$ 510,543
5+ Multi-family									
Pass	$ 161,767	$ 47,136	$ 302,225	$ 256,032	$ 28,819	$ 18,732	$ 9,202	$ —	$ 823,913
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total 5+ Multi-family	$ 161,767	$ 47,136	$ 302,225	$ 256,032	$ 28,819	$ 18,732	$ 9,202	$ —	$ 823,913
1-4 Family construction									
Pass	$ 46,096	$ 1,385	$ —	$ —	$ —	$ —	$ 5	$ —	$ 47,486
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total 1-4 Family construction	$ 46,096	$ 1,385	$ —	$ —	$ —	$ —	$ 5	$ —	$ 47,486
General construction									
Pass	$ 493,614	$ 643,050	$ 1,221,251	$ 235,758	$ 4,049	$ 504	$ 74,950	$ —	$ 2,673,176
Special Mention	—	—	—	—	—	—	—	—	—
Substandard	—	1,835	1,288	—	—	10	—	—	3,133
Doubtful	109	—	—	—	—	—	—	—	109
Total General construction	$ 493,723	$ 644,885	$ 1,222,539	$ 235,758	$ 4,049	$ 514	$ 74,950	$ —	$ 2,676,418

Consumer real estate

A discussion of the credit quality indicators that impact each type of collateral securing Consumer real estate loans is included below:

HELOC HELOC loans are revolving lines of credit secured by 1-4 family residential property. The primary risk is the borrower's inability to repay debt. Revolving notes are often associated with HELOCs that can be secured by real estate without a 1st lien priority. Collateral is susceptible to market volatility impacting home values or economic downturns.

First lien: 1-4 family First lien 1-4 family loans are secured by a first lien on 1-4 family residential property. These term loans carry longer maturities and amortizations. The longer tenure exposes the borrower to multiple economic cycles, coupled with longer amortizations that result in smaller principal reduction early in the life of the loan. Collateral is susceptible to market volatility impacting home values.

Junior lien: 1-4 family Junior lien 1-4 family loans are secured by a junior lien on 1-4 family residential property. The Company's primary risk is the borrower's inability to repay debt and not being in a first lien position. Collateral is susceptible to market volatility impacting home values or economic downturns.

A borrower is considered non-performing if the Company has ceased the recognition of interest and the loan is placed on non-accrual. Charge-offs and borrower performance are tracked on a loan origination vintage basis. Certain vintages, based on their maturation cycle, could be at higher risk due to collateral-based risk factors.

The following tables provide a summary of the amortized cost balance by collateral type and risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
HELOC									
Performing	$ —	$ 86	$ 668	$ 1,345	$ 376	$ 6,269	$ 667,209	$ 1,118	$ 677,071
Non-performing	—	53	411	956	517	2,044	456	488	4,925
Total HELOC	$ —	$ 139	$ 1,079	$ 2,301	$ 893	$ 8,313	$ 667,665	$ 1,606	$ 681,996
First lien: 1-4 family									
Performing	$ 93,165	$ 426,988	$ 399,099	$ 678,903	$ 798,444	$ 944,545	$ 15,303	$ —	$ 3,356,447
Non-performing	369	189	3,659	6,319	3,253	3,406	—	—	17,195
Total First lien: 1-4 family	$ 93,534	$ 427,177	$ 402,758	$ 685,222	$ 801,697	$ 947,951	$ 15,303	$ —	$ 3,373,642
Junior lien: 1-4 family									
Performing	$ 3,745	$ 37,517	$ 22,641	$ 34,218	$ 20,459	$ 8,355	$ 6,578	$ —	$ 133,513
Non-performing	48	—	31	278	91	87	—	—	535
Total Junior lien: 1-4 family	$ 3,793	$ 37,517	$ 22,672	$ 34,496	$ 20,550	$ 8,442	$ 6,578	$ —	$ 134,048

Risk by Collateral	December 31, 2024 Amortized Cost Basis by Origination Year - Term Loans 2024	2023	2022	2021	2020	Prior	Amortized Cost - Revolving Loans	Amortized Cost - Revolving Loans Converted to Term Loans	Total
HELOC									
Performing	$ 90	$ 16	$ 450	$ 203	$ 249	$ 3,780	$ 390,843	$ 1,879	$ 397,510
Non-performing	—	—	—	252	85	1,269	—	605	2,211
Total HELOC	$ 90	$ 16	$ 450	$ 455	$ 334	$ 5,049	$ 390,843	$ 2,484	$ 399,721
First lien: 1-4 family									
Performing	$ 413,060	$ 358,303	$ 559,689	$ 633,749	$ 496,615	$ 272,601	$ —	$ —	$ 2,734,017
Non-performing	335	2,939	5,328	1,468	143	1,027	—	—	11,240
Total First lien: 1-4 family	$ 413,395	$ 361,242	$ 565,017	$ 635,217	$ 496,758	$ 273,628	$ —	$ —	$ 2,745,257
Junior lien: 1-4 family									
Performing	$ 12,516	$ 9,952	$ 9,903	$ 3,978	$ 2,934	$ 2,631	$ 75	$ —	$ 41,989
Non-performing	—	17	101	—	—	45	—	—	163
Total Junior lien: 1-4 family	$ 12,516	$ 9,969	$ 10,004	$ 3,978	$ 2,934	$ 2,676	$ 75	$ —	$ 42,152

Consumer

A discussion of the credit quality indicators that impact each type of collateral securing Consumer loans is included below:

Revolving line Consumer Revolving lines of credit are secured by consumer assets other than real estate. The primary risk associated with this collateral is related to market volatility and the value of the underlying financial assets.

Auto Direct consumer auto loans are secured by new and used consumer vehicles. The primary risk with this collateral class is the rate at which the collateral depreciates.

Other This category includes Other consumer loans made to an individual. The primary risk for this category is for those loans where the loan is unsecured. This collateral type also includes other unsecured lending such as consumer overdrafts.

A borrower is considered non-performing if the Company has ceased the recognition of interest and the loan is placed on non-accrual. Charge-offs and borrower performance are tracked on a loan origination vintage basis. Certain vintages, based on their maturation cycle, could be at higher risk due to collateral-based risk factors.

The following tables provide a summary of the amortized cost balance by collateral type and risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
Revolving line									
Performing	$ —	$ 33	$ 10	$ 35	$ 7	$ 552	$ 151,609	$ 722	$ 152,968
Non-performing	—	—	—	—	—	49	9	—	58
Total Revolving line	$ —	$ 33	$ 10	$ 35	$ 7	$ 601	$ 151,618	$ 722	$ 153,026
Auto									
Performing	$ 2,435	$ 10,436	$ 15,707	$ 8,815	$ 2,884	$ 1,142	$ —	$ —	$ 41,419
Non-performing	—	—	10	13	22	6	—	—	51
Total Auto	$ 2,435	$ 10,436	$ 15,717	$ 8,828	$ 2,906	$ 1,148	$ —	$ —	$ 41,470
Other									
Performing	$ 2,452	$ 16,398	$ 6,493	$ 14,826	$ 26,535	$ 2,402	$ 64,840	$ —	$ 133,946
Non-performing	9	14	7	10	—	—	—	—	40
Total Other	$ 2,461	$ 16,412	$ 6,500	$ 14,836	$ 26,535	$ 2,402	$ 64,840	$ —	$ 133,986

	December 31, 2024								
	Amortized Cost Basis by Origination Year - Term Loans								
Risk by Collateral	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Amortized Cost - Revolving Loans**	**Amortized Cost - Revolving Loans Converted to Term Loans**	**Total**
Revolving line									
Performing	$ 35	$ —	$ —	$ —	$ —	$ —	$ 101,407	$ —	$ 101,442
Non-performing	—	—	—	—	—	—	—	—	—
Total Revolving line	$ 35	$ —	$ —	$ —	$ —	$ —	$ 101,407	$ —	$ 101,442
Auto									
Performing	$ 8,567	$ 7,418	$ 3,534	$ 1,920	$ 673	$ 283	$ —	$ —	$ 22,395
Non-performing	—	11	—	8	—	—	—	—	19
Total Auto	$ 8,567	$ 7,429	$ 3,534	$ 1,928	$ 673	$ 283	$ —	$ —	$ 22,414
Other									
Performing	$ 13,037	$ 2,876	$ 10,057	$ 25,659	$ 342	$ 796	$ 17,216	$ —	$ 69,983
Non-performing	13	—	8	—	—	—	—	—	21
Total Other	$ 13,050	$ 2,876	$ 10,065	$ 25,659	$ 342	$ 796	$ 17,216	$ —	$ 70,004

Credit cards

A discussion of the credit quality indicators that impact Credit card loans is included below:

Consumer Consumer credit card loans are revolving loans made to individuals. The primary risk associated with this collateral class is credit card debt which is generally unsecured; therefore, repayment depends primarily on a borrower's willingness and capacity to repay. The highly competitive environment for credit card lending provides consumers with ample opportunity to hold several credit cards from different issuers and to pay only minimum monthly payments on outstanding balances. In such an environment, borrowers may become over-extended and unable to repay, particularly in times of an economic downturn or a personal catastrophic event.

The consumer credit card portfolio is segmented by borrower payment activity. Transactors are defined as accounts that pay off their balance by the end of each statement cycle. Revolvers are defined as an account that carries a balance from one statement cycle to the next. These accounts incur monthly finance charges, and, sometimes, late fees. Revolvers are inherently higher risk and are tracked by credit score.

Beginning in the first quarter of 2025, the consumer credit card portfolio is also segmented between current and significantly delinquent loans, with accounts being considered significantly delinquent after 60 days. Current loans are segmented by borrower payment activity as described above. Significantly delinquent loans are tracked by the number of cycles past due.

Commercial Commercial credit card loans are revolving loans made to small and commercial businesses. The primary risk associated with this collateral class is credit card debt which is generally unsecured; therefore, repayment depends primarily on a borrower's willingness and capacity to repay. Borrowers may become over-extended and unable to repay, particularly in times of an economic downturn or a catastrophic event.

The commercial credit card portfolio is segmented by current and past due payment status. A borrower is past due after 30 days. In general, commercial credit card customers do not have incentive to hold a balance resulting in paying interest on credit card debt as commercial customers will typically have other debt obligations with lower interest rates in which they can utilize for capital.

The following tables provide a summary of the amortized cost balance of consumer credit cards by risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

	Consumer	
Risk	**March 31, 2025**	**December 31, 2024**
Transactor accounts	$ 93,529	$ 101,688
Revolver accounts (by credit score):		
Less than 600	10,128	16,297
600-619	6,771	7,893
620-639	12,613	13,174
640-659	19,394	20,798
660-679	20,516	20,897
680-699	22,730	24,121
700-719	24,546	26,180
720-739	21,480	22,418
740-759	18,402	18,965
760-779	18,253	19,609
780-799	17,544	18,058
800-819	10,814	11,443
820-839	5,429	5,745
840+	1,120	1,188
Total	$ 303,269	$ 328,474

Risk		Consumer
		March 31, 2025
61-90 Days		2,360
91-120 Days		1,941
121-150 Days		1,622
151-180 Days		1,682
Total	$	7,605

The following table provides a summary of the amortized cost balance of commercial credit cards by risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

Risk	Commercial			
	March 31, 2025		December 31, 2024	
Current	$	341,002	$	231,713
Past Due		25,157		18,579
Total	$	366,159	$	250,292

Leases and other

A discussion of the credit quality indicators that impact each type of collateral securing Leases and other loans is included below:

Leases Leases are either loans to individuals for household, family and other personal expenditures or are loans related to all other direct financing and leveraged leases on property for leasing to lessees other than for household, family, and other personal expenditure purposes. All leases are secured by the lease between the lessor and the lessee. These assignments grant the creditor a security interest in the rent stream from any lease, an important source of cash to pay the note in case of the borrower's default.

Other Other loans are loans that are obligations of states and political subdivisions in the U.S., loans to non-depository financial institutions, loans for purchasing or carrying securities, or all other non-consumer loans. Risk associated with other loans is tied to the underlying collateral by each type of loan. Collateral is generally equipment, accounts receivable, inventory, 1-4 family residential construction and susceptible to the same risks mentioned with those collateral types previously. Other risks consist of collateral that is secured by the stock of a non-depository financial institution, which can be unlisted stock with a limited market for the stock, or volatility of asset values driven by market performance.

Based on the factors noted above for each type of collateral, the Company assigns risk ratings to borrowers based on their most recently assessed financial position.

The following table provides a summary of the amortized cost balance by collateral type and risk rating as of March 31, 2025 and December 31, 2024 *(in thousands):*

Risk	Leases				Other			
	March 31, 2025		December 31, 2024		March 31, 2025		December 31, 2024	
Pass	$	1,469	$	1,492	$	163,310	$	179,047
Special Mention		—		—		—		—
Substandard		—		—		—		25
Doubtful		—		—		—		—
Total	$	1,469	$	1,492	$	163,310	$	179,072

Allowance for Credit Losses

The ACL is a valuation account that is deducted from loans' and held-to-maturity (HTM) securities' amortized cost bases to present the net amount expected to be collected on the instrument. Loans and HTM securities are charged off against the ACL when management believes the balance has become uncollectible.

Expected recoveries are included in the allowance and do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

Management estimates the allowance balance using relevant available information, from internal and external sources, related to past events, current conditions, and reasonable and supportable economic forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses and is tracked over an economic cycle to capture a ‘through the cycle’ loss history. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as differences in portfolio industry-based segmentation, risk rating and credit score changes, average prepayment rates, changes in environmental conditions, or other relevant factors. For economic forecasts, the Company uses the Moody’s baseline scenario. The Company has developed a dynamic reasonable and supportable forecast period that ranges from one to three years and changes based on economic conditions. The Company’s reasonable and supportable forecast period is one year. After the reasonable and supportable forecast period, the Company reverts to historical losses. The reversion method applied to each portfolio can either be cliff in which the Company reverts immediately to historical losses or straight-line over four quarters.

The ACL is measured on a collective (pool) basis when similar risk characteristics exist. The ACL also incorporates qualitative factors which represent adjustments to historical credit loss experience for items such as concentrations of credit and results of internal loan review. The Company has identified the following portfolio segments and measures the allowance for credit losses using the following methods. The Company’s portfolio segmentation consists of Commercial and industrial, Specialty lending, Commercial real estate, Consumer real estate, Consumer, Credit cards, Leases and other, and Held-to-maturity securities. Multiple modeling techniques are used to measure credit losses based on the portfolio.

The ACL for Commercial and industrial and Leases and other segments are measured using a probability of default and loss given default method. Primary risk drivers within the segment are risk ratings of the individual loans along with changes of macro-economic variables. The economic variables utilized are typically comprised of leading and lagging indicators. The ACL for Commercial and industrial loans is calculated by modeling probability of default (PD) over future periods multiplied by historical loss given default rates (LGD) multiplied by contractual exposure at default minus any estimated prepayments and charge offs.

Collateral positions for Specialty lending loans are continuously monitored by the Company and the borrower is required to continually adjust the amount of collateral securing the loan. Credit losses are measured for any position where the amortized cost basis is greater than the fair value of the collateral. The ACL for specialty lending loans is calculated by using a bottom-up approach comparing collateral values to outstanding balances.

The ACL for the Commercial real estate segment is measured using a PD and LGD method. Primary risk characteristics within the segment are risk ratings of the individual loans, along with changes of macro-economic variables, such as interest rates, CRE price index, median household income, construction activity, farm income, and vacancy rates. The ACL for Commercial real estate loans is calculated by modeling PD over future periods based on peer bank data. The PD loss rate is then multiplied by historical LGD multiplied by contractual exposure at default minus any estimated prepayments and charge offs.

The ACL for the Consumer real estate and Consumer segments are measured using an origination vintage loss rate method applied to the loans’ amortized cost balance. The primary risk driver within the segments is year of origination along with changes of macro-economic variables such as unemployment and the home price index.

The Credit card segment contains both consumer and commercial credit cards. The ACL for Consumer credit cards is measured using a PD and LGD method for Revolvers and average historical loss rates across a defined lookback period for Transactors. The PD and LGD method used for Revolvers is similar in nature to the method used in the Commercial and industrial and Commercial real estate segments. Primary risk drivers within the segment are credit ratings of the individual card holders along with changes of macro-economic variables such as unemployment and retail sales. The ACL for Commercial credit cards is measured using roll-rate loss rate method based on days past due.

The ACL for the State and political HTM securities segment is measured using a loss rate method based on historical bond rating transitions. Primary risk drivers within the segment are bond ratings in the portfolio along with changes of macro-economic conditions. There is no ACL for the U.S. Agency and GSE mortgage-backed HTM securities portfolios as they are considered to be agency-backed securities with no risk of loss as they are either explicitly or implicitly guaranteed by the U.S. government. For further discussion on these securities, including the aging and amortized cost balance of HTM securities, see Note 5, "Securities."

See the credit quality indicators presented previously for a summary of current risk in the Company's portfolio. Changes in economic forecasts will affect all portfolio segments, updated financial records from borrowers will affect portfolio segments by risk rating, updated credit scores will affect consumer credit cards, payment performance will affect consumer and commercial credit card portfolio segments, and updated bond credit ratings will affect held-to-maturity securities. The Company actively monitors all credit quality indicators for risk changes that will influence the current estimate.

Expected credit losses are estimated over the contractual term of the loans, adjusted for prepayments when appropriate. The contractual term excludes expected extensions, renewals, and modifications unless either of the following applies: management has a reasonable expectation at the reporting date that a concessionary loan term has been granted to a borrower experiencing financial difficulty or the extension or renewal options are included in the original or modified contract at the reporting date and are not unconditionally cancelable by the Company.

Credit card receivables do not have stated maturities. In determining the estimated life of a credit card receivable, management first estimates the future cash flows expected to be received and then applies those expected future cash flows to the credit card balance. Expected credit losses for credit cards are determined by estimating the amount and timing of principal payments expected to be received as payment for the balance outstanding as of the reporting period until the expected payments have been fully allocated. The ACL is recorded for the excess of the balance outstanding as of the reporting period over the expected principal payments.

Loans that do not share risk characteristics are evaluated on an individual basis. Loans evaluated individually include loans on nonaccrual, loans that include modifications deemed concessionary made to borrowers experiencing financial difficulty, or any loans specifically identified, and are excluded from the collective evaluation. When it is determined that payment of interest or recovery of all principal is questionable, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for undiscounted selling costs as appropriate. All loans are classified as collateral dependent if placed on non-accrual or include modifications made to borrowers experiencing financial difficulty.

ALLOWANCE FOR CREDIT LOSSES AND RECORDED INVESTMENT IN LOANS

This table provides a rollforward of the allowance for credit losses by portfolio segment for the three months ended March 31, 2025 and March 31, 2024 *(in thousands):*

	Three Months Ended March 31, 2025									
	Commercial and industrial	Specialty lending	Commercial real estate	Consumer real estate	Consumer	Credit cards	Leases and other	Total - Loans	HTM	Total
Allowance for credit losses:										
Beginning balance	$ 160,912	$ —	$ 77,340	$ 4,327	$ 966	$ 14,272	$ 1,272	$ 259,089	$ 2,645	$ 261,734
PCD allowance for credit loss at acquisition	35,143	—	26,764	206	13	—	—	62,126	—	62,126
Charge-offs	(25,996)	—	(2,324)	(1,229)	(742)	(6,676)	—	(36,967)	—	(36,967)
Recoveries	69	—	—	16	119	891	—	1,095	—	1,095
Provision	22,018	—	47,565	1,478	1,132	11,508	(122)	83,579	1,921	85,500
Ending balance - ACL	$ 192,146	$ —	$ 149,345	$ 4,798	$ 1,488	$ 19,995	$ 1,150	$ 368,922	$ 4,566	$ 373,488
Allowance for credit losses on off-balance sheet credit exposures:										
Beginning balance	$ 2,083	$ —	$ 1,741	$ 70	$ 16	$ —	$ 214	$ 4,124	$ 14	$ 4,138
Initial allowance for credit loss at acquisition	2,166	—	1,192	63	41	—	114	3,576	7	3,583
Provision	1,226	—	(521)	5	34	—	(233)	511	(11)	500
Ending balance - ACL on off-balance sheet	$ 5,475	$ —	$ 2,412	$ 138	$ 91	$ —	$ 95	$ 8,211	$ 10	$ 8,221

	Three Months Ended March 31, 2024									
	Commercial and industrial	Specialty lending	Commercial real estate	Consumer real estate	Consumer	Credit cards	Leases and other	Total - Loans	HTM	Total
Allowance for credit losses:										
Beginning balance	$ 155,658	$ —	$ 45,507	$ 6,941	$ 1,089	$ 7,935	$ 2,608	$ 219,738	$ 3,258	$ 222,996
Charge-offs	(944)	—	(250)	(174)	(408)	(3,701)	—	(5,477)	—	(5,477)
Recoveries	1,252	1	—	606	76	525	—	2,460	—	2,460
Provision	(16,142)	(1)	21,034	(3,974)	(226)	9,798	(1,051)	9,438	562	10,000
Ending balance - ACL	$ 139,824	$ —	$ 66,291	$ 3,399	$ 531	$ 14,557	$ 1,557	$ 226,159	$ 3,820	$ 229,979
Allowance for credit losses on off-balance sheet credit exposures:										
Beginning balance	$ 4,092	$ 186	$ 460	$ 117	$ 9	$ —	$ 160	$ 5,024	$ 64	$ 5,088
Provision	—	—	—	—	—	—	—	—	—	—
Ending balance - ACL on off-balance sheet	$ 4,092	$ 186	$ 460	$ 117	$ 9	$ —	$ 160	$ 5,024	$ 64	$ 5,088

The allowance for credit losses on off-balance sheet credit exposures is recorded in the Accrued expenses and taxes line of the Company’s Consolidated Balance Sheets. See Note 10 “Commitments, Contingencies and Guarantees.”

Collateral Dependent Financial Assets

The following tables provide the amortized cost balance of financial assets considered collateral dependent as of March 31, 2025 and December 31, 2024 *(in thousands)*:

	March 31, 2025		
Loan Segment and Type	**Amortized Cost of Collateral Dependent Assets**	**Related Allowance for Credit Losses**	**Amortized Cost of Collateral Dependent Assets with no related Allowance**
Commercial and industrial:			
Equipment/Accounts Receivable/Inventory	$ 11,298	$ —	$ 11,298
Agriculture	1,287	—	1,287
Total Commercial and industrial	12,585	—	12,585
Specialty lending:			
Asset-based lending	—	—	—
Total Specialty lending	—	—	—
Commercial real estate:			
Owner-occupied	17,558	—	17,558
Non-owner-occupied	34,637	—	34,637
Farmland	2,273	—	2,273
5+ Multi-family	—	—	—
1-4 Family construction	—	—	—
General construction	6,664	—	6,664
Total Commercial real estate	61,132	—	61,132
Consumer real estate:			
HELOC	5,045	—	5,045
First lien: 1-4 family	17,653	—	17,653
Junior lien: 1-4 family	593	—	593
Total Consumer real estate	23,291	—	23,291
Consumer:			
Revolving line	58	—	58
Auto	51	—	51
Other	40	—	40
Total Consumer	149	—	149
Leases and other:			
Leases	—	—	—
Other	—	—	—
Total Leases and other	—	—	—
Total loans	$ 97,157	$ —	$ 97,157

Loan Segment and Type	December 31, 2024 Amortized Cost of Collateral Dependent Assets	Related Allowance for Credit Losses	Amortized Cost of Collateral Dependent Assets with no related Allowance
Commercial and industrial:			
Equipment/Accounts Receivable/Inventory	$ 4,423	$ —	$ 4,423
Agriculture	—	—	—
Total Commercial and industrial	4,423	—	4,423
Specialty lending:			
Asset-based lending	—	—	—
Total Specialty lending	—	—	—
Commercial real estate:			
Owner-occupied	707	—	707
Non-owner-occupied	—	—	—
Farmland	135	—	135
5+ Multi-family	—	—	—
1-4 Family construction	—	—	—
General construction	118	—	118
Total Commercial real estate	960	—	960
Consumer real estate:			
HELOC	2,211	—	2,211
First lien: 1-4 family	11,240	—	11,240
Junior lien: 1-4 family	163	—	163
Total Consumer real estate	13,614	—	13,614
Consumer:			
Revolving line	—	—	—
Auto	19	—	19
Other	21	—	21
Total Consumer	40	—	40
Leases and other:			
Leases	—	—	—
Other	—	—	—
Total Leases and other	—	—	—
Total loans	$ 19,037	$ —	$ 19,037

Modifications made to Borrowers Experiencing Financial Difficulty

In the normal course of business, the Company may execute loan modifications with borrowers. These modifications are analyzed to determine whether the modification is considered concessionary, long term and made to a borrower experiencing financial difficulty. The Company's modifications generally include interest rate adjustments, principal reductions, and amortization and maturity date extensions. These modifications allow the borrower short-term cash relief to allow them to improve their financial condition. If a loan modification is determined to be made to a borrower experiencing financial difficulty, the loan is considered collateral dependent and evaluated as part of the ACL as described above in the Allowance for Credit Losses section of this note.

For the three months ended March 31, 2025, the Company had one modification on residential real estate made to a borrower experiencing financial difficulty with a pre- and post-modification loan balance of $225 thousand. For the three months ended March 31, 2024, the Company did not modify any loans made to borrowers experiencing financial difficulty.

The Company had no commitments to lend to borrowers experiencing financial difficulty for which the Company has modified an existing loan as of March 31, 2025 and 2024. The Company monitors loan payments on an on-going basis to determine if a loan is considered to have a payment default. Determination of payment default involves analyzing the economic conditions that exist for each customer and their ability to generate positive cash flows during the loan term. For the three-month period ended March 31, 2025 and March 31, 2024, the Company had no loan modifications made to borrowers experiencing financial difficulty for which there was a payment default within the 12 months following the modification date.

5. Securities

Securities Available for Sale

This table provides detailed information about securities available for sale at March 31, 2025 and December 31, 2024 *(in thousands):*

March 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 1,579,100	$ 8,949	$ (2,870)	$ 1,585,179
U.S. Agencies	107,559	340	(235)	107,664
Mortgage-backed	6,413,094	17,073	(469,240)	5,960,927
State and political subdivisions	2,530,711	14,329	(114,740)	2,430,300
Corporates	308,896	177	(10,612)	298,461
Collateralized loan obligations	513,797	297	(966)	513,128
Total	$ 11,453,157	$ 41,165	$ (598,663)	$ 10,895,659

December 31, 2024	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury	$ 1,331,394	$ 2,751	$ (8,072)	$ 1,326,073
U.S. Agencies	129,246	126	(325)	129,047
Mortgage-backed	4,945,548	339	(524,957)	4,420,930
State and political subdivisions	1,309,126	487	(91,044)	1,218,569
Corporates	330,739	60	(13,629)	317,170
Collateralized loan obligations	361,623	1,060	(138)	362,545
Total	$ 8,407,676	$ 4,823	$ (638,165)	$ 7,774,334

The following table presents contractual maturity information for securities available for sale at March 31, 2025 *(in thousands):*

	Amortized Cost	Fair Value
Due in 1 year or less	$ 585,355	$ 583,444
Due after 1 year through 5 years	1,923,362	1,913,941
Due after 5 years through 10 years	710,233	688,994
Due after 10 years	1,821,113	1,748,353
Total	5,040,063	4,934,732
Mortgage-backed securities	6,413,094	5,960,927
Total securities available for sale	$ 11,453,157	$ 10,895,659

Securities may be disposed of before contractual maturities due to sales by the Company or because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

During 2025, related to the acquisition of HTLF, the Company acquired securities available for sale with an Acquisition Date fair value of $3.1 billion.

For the three months ended March 31, 2025 and March 31, 2024, there were $611.4 million and $19.2 million, respectively, in proceeds from the sales of securities available for sale. Securities transactions resulted in gross realized gains of $390 thousand and $139 thousand for the three months ended March 31, 2025 and 2024, respectively.

There were $11.2 billion and $10.5 billion of securities pledged to secure U.S. Government deposits, other public deposits, certain trust deposits, derivative transactions, and repurchase agreements at March 31, 2025 and December 31, 2024, respectively.

Accrued interest on securities available for sale totaled $58.0 million and $43.1 million as of March 31, 2025 and December 31, 2024, respectively, and is included in the Accrued income line on the Company's Consolidated Balance Sheets. The total amount of accrued interest is excluded from the amortized cost of available-for-sale securities presented above. Further, the Company has elected not to measure an ACL for accrued interest receivable.

The following table shows the Company's available-for-sale 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 March 31, 2025 and December 31, 2024 *(in thousands):*

	Less than 12 months			**12 months or more**			**Total**		
March 31, 2025	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**
Description of Securities									
U.S. Treasury	21	$ 232,454	$ (1,842)	9	$ 143,757	$ (1,028)	30	$ 376,211	$ (2,870)
U.S. Agencies	1	10,000	(220)	1	14,985	(15)	2	24,985	(235)
Mortgage-backed	147	1,202,454	(17,234)	829	3,000,169	(452,006)	976	4,202,623	(469,240)
State and political subdivisions	393	796,861	(23,228)	1,497	897,152	(91,512)	1,890	1,694,013	(114,740)
Corporates	5	6,908	(89)	213	273,382	(10,523)	218	280,290	(10,612)
Collateralized loan obligations	32	265,735	(931)	2	7,983	(35)	34	273,718	(966)
Total	599	$ 2,514,412	$ (43,544)	2,551	$ 4,337,428	$ (555,119)	3,150	$ 6,851,840	$ (598,663)

	Less than 12 months			**12 months or more**			**Total**		
December 31, 2024	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**
Description of Securities									
U.S. Treasury	93	$ 635,739	$ (6,319)	9	$ 142,518	$ (1,753)	102	$ 778,257	$ (8,072)
U.S. Agencies	4	20,858	(46)	5	56,712	(279)	9	77,570	(325)
Mortgage-backed	159	1,293,953	(22,468)	834	3,055,882	(502,489)	993	4,349,835	(524,957)
State and political subdivisions	264	173,006	(2,392)	1,629	953,458	(88,652)	1,893	1,126,464	(91,044)
Corporates	—	—	—	239	315,109	(13,629)	239	315,109	(13,629)
Collateralized loan obligations	7	47,222	(88)	5	30,521	(50)	12	77,743	(138)
Total	527	$ 2,170,778	$ (31,313)	2,721	$ 4,554,200	$ (606,852)	3,248	$ 6,724,978	$ (638,165)

The unrealized losses in the Company's investments were caused by changes in interest rates, and not from a decline in credit of the underlying issuers. The U.S. Treasury, U.S. Agency, and GSE mortgage-backed securities are all considered to be agency-backed securities with no risk of loss as they are either explicitly or implicitly guaranteed by the U.S. government. The changes in fair value in the agency-backed portfolios are solely driven by change in interest rates caused by changing economic conditions. The Company has no knowledge of any underlying credit issues and the cash flows underlying the debt securities have not changed and are not expected to be impacted by changes in interest rates.

For the State and political subdivision portfolio, the majority of the Company's holdings are in general obligation bonds, which have a very low historical default rate due to issuers generally having unlimited taxing authority to service the debt. For the State and political, Corporates, and Collateralized loan obligations portfolios, the Company has a robust process for monitoring credit risk, including both pre-purchase and ongoing post-purchase credit reviews and analysis. The Company monitors credit ratings of all bond issuers in these segments and reviews available financial data, including market and sector trends.

As of March 31, 2025 and December 31, 2024, there was no ACL related to the Company's available-for-sale securities as the decline in fair value did not result from credit issues.

Securities Held to Maturity

The following table provides detailed information about securities held to maturity at March 31, 2025 and December 31, 2024, respectively *(in thousands):*

March 31, 2025	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Allowance for Credit Losses**	**Net Carrying Amount**
U.S. Agencies	$ 102,499	$ —	$ (167)	$ 102,332	$ —	$ 102,499
Mortgage-backed	2,473,598	—	(373,152)	2,100,446	—	2,473,598
State and political subdivisions	3,141,233	9,112	(246,064)	2,904,281	(4,566)	3,136,667
Total	$ 5,717,330	$ 9,112	$ (619,383)	$ 5,107,059	$ (4,566)	$ 5,712,764

December 31, 2024	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	**Allowance for Credit Losses**	**Net Carrying Amount**
U.S. Agencies	$ 116,331	$ —	$ (581)	$ 115,750	$ —	$ 116,331
Mortgage-backed	2,523,134	—	(418,482)	2,104,652	—	2,523,134
State and political subdivisions	2,739,447	12,035	(222,946)	2,528,536	(2,645)	2,736,802
Total	$ 5,378,912	$ 12,035	$ (642,009)	$ 4,748,938	$ (2,645)	$ 5,376,267

The following table presents contractual maturity information for securities held to maturity at March 31, 2025 (*in thousands*):

	Amortized Cost	**Fair Value**
Due in 1 year or less	$ 224,519	$ 224,741
Due after 1 year through 5 years	283,645	277,586
Due after 5 years through 10 years	999,143	953,656
Due after 10 years	1,736,425	1,550,630
Total	3,243,732	3,006,613
Mortgage-backed securities	2,473,598	2,100,446
Total securities held to maturity	$ 5,717,330	$ 5,107,059

Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

During 2025, related to the acquisition of HTLF, the Company acquired securities held to maturity with an Acquisition Date fair value of $438.9 million.

There were no sales of securities held to maturity during the three months ended March 31, 2025 or 2024.

During the year ended December 31, 2022, securities with an amortized cost of $4.1 billion and a fair value of $3.8 billion were transferred from the available-for-sale classification to the held-to-maturity classification as the Company has the positive intent and ability to hold these securities to maturity. The transfers of securities were made at fair value at the time of transfer. The unrealized holding gain or loss at the time of transfer is retained in AOCI and will be amortized over the remaining life of the securities, offsetting the related amortization of discount or premium on the transferred securities. No gains or losses were recognized at the time of the transfers. The amortized cost balance of securities held to maturity in the tables above includes a net unamortized unrealized loss of $163.0 million and $171.3 million at March 31, 2025 and December 31, 2024, respectively.

Accrued interest on securities held to maturity totaled $22.1 million and $25.6 million as March 31, 2025 and December 31, 2024, respectively, and is included in the Accrued income line on the Company's Consolidated Balance Sheets. The total amount of accrued interest is excluded from the amortized cost of held-to-maturity securities presented above. Further, the Company has elected not to measure an ACL for accrued interest receivable.

The following table shows the Company's held-to-maturity 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 March 31, 2025 and December 31, 2024, respectively *(in thousands):*

	Less than 12 months			12 months or more			Total		
March 31, 2025	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**
U.S. Agencies	—	$ —	$ —	8	$ 102,332	$ (167)	8	$ 102,332	$ (167)
Mortgage-backed	6	3,433	(41)	263	2,097,013	(373,111)	269	2,100,446	(373,152)
State and political subdivisions	100	296,557	(5,325)	1,409	1,914,405	(240,739)	1,509	2,210,962	(246,064)
Total	106	$ 299,990	$ (5,366)	1,680	$ 4,113,750	$ (614,017)	1,786	$ 4,413,740	$ (619,383)

	Less than 12 months			12 months or more			Total		
December 31, 2024	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**	**Count**	**Fair Value**	**Unrealized Losses**
U.S. Agency	—	$ —	$ —	10	$ 115,750	$ (581)	10	$ 115,750	$ (581)
Mortgage-backed	6	3,527	(103)	263	2,101,125	(418,379)	269	2,104,652	(418,482)
State and political subdivisions	47	52,468	(2,030)	1,414	1,972,927	(220,916)	1,461	2,025,395	(222,946)
Total	53	$ 55,995	$ (2,133)	1,687	$ 4,189,802	$ (639,876)	1,740	$ 4,245,797	$ (642,009)

The unrealized losses in the Company's held-to-maturity portfolio were caused by changes in the interest rate environment. The U.S. Agency and GSE mortgage-backed securities are considered to be agency-backed securities with no risk of loss as they are either explicitly or implicitly guaranteed by the U.S. government. Therefore, the Company's expected lifetime loss for these portfolios is zero and there is no ACL recorded for these portfolios. The Company has no knowledge of any underlying credit issues and the cash flows underlying the debt securities have not changed and are not expected to be impacted by changes in interest rates.

For the State and political subdivision portfolio, the Company's holdings are in general obligation bonds as well as private placement bonds, which have very low historical default rates due to issuers generally having unlimited taxing authority to service the debt. The Company has a robust process for monitoring credit risk, including both pre-purchase and ongoing post-purchase credit reviews and analysis. The Company monitors credit ratings of all bond issuers in these segments and reviews available financial data, including market and sector trends. The underlying bonds are evaluated for credit losses in conjunction with management's estimate of the ACL based on credit rating.

The following tables show the amortized cost basis by credit rating of the Company's held-to-maturity State and political subdivisions bond investments at March 31, 2025 and December 31, 2024 *(in thousands):*

	Amortized Cost Basis by Credit Rating - HTM Debt Securities							
March 31, 2025	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC-C**	**Total**
State and political subdivisions:								
Competitive	$ 69,506	$ 52,182	$ 483,447	$ 811,507	$ 54,891	$ 16,047	$ 2,284	$ 1,489,864
Utilities	746,948	755,414	111,746	36,605	656	—	—	1,651,369
Total state and political subdivisions	$ 816,454	$ 807,596	$ 595,193	$ 848,112	$ 55,547	$ 16,047	$ 2,284	$ 3,141,233

	Amortized Cost Basis by Credit Rating - HTM Debt Securities						
December 31, 2024	**AAA**	**AA**	**A**	**BBB**	**BB**	**CCC-C**	**Total**
State and political subdivisions:							
Competitive	$ —	$ —	$ 424,690	$ 610,351	$ 36,628	$ 21,990	$ 1,093,659
Utilities	759,798	761,706	99,127	24,509	648	—	1,645,788
Total state and political subdivisions	$ 759,798	$ 761,706	$ 523,817	$ 634,860	$ 37,276	$ 21,990	$ 2,739,447

Competitive held-to-maturity securities include not-for-profit enterprises that provide public functions such as housing, higher education or healthcare, but do so in a competitive environment. It also includes project financings that can have relatively high enterprise risk, such as deals backed by revenues from sports or convention facilities, or start-up transportation revenues.

Utilities are public enterprises providing essential services with a monopoly or near-monopoly over the service area. This includes environmental utilities (water, sewer, solid waste), power utilities (electric distribution and generation, gas), and transportation utilities (airports, parking, toll roads, mass transit, ports).

The following table presents the aging of past due held-to-maturity securities at March 31, 2025 *(in thousands)*:

March 31, 2025	**30-89 Days Past Due and Accruing**	**Greater than 90 Days Past Due and Accruing**	**Non-Accrual**	**Total Past Due**	**Current**	**Total**
State and political subdivisions:						
Competitive	$ 122	$ —	$ —	$ 122	$ 1,489,742	$ 1,489,864
Utilities	—	—	—	—	1,651,369	1,651,369
Total state and political subdivisions	$ 122	$ —	$ —	$ 122	$ 3,141,111	$ 3,141,233

All held-to-maturity securities were current and not past due at December 31, 2024.

Trading Securities

The net unrealized losses on trading securities were $15 thousand and $40 thousand as of March 31, 2025 and March 31, 2024, respectively. Net unrealized gains and losses are included in trading and investment banking income on the Company's Consolidated Statements of Income. Securities sold not yet purchased totaled $11.9 million and $7.1 million at March 31, 2025 and December 31, 2024, respectively, and are classified within the Other liabilities line of the Company's Consolidated Balance Sheets.

Other Securities

The table below provides detailed information for Other securities at March 31, 2025 and December 31, 2024 *(in thousands):*

	March 31, 2025	December 31, 2024
FRB and FHLB stock	$ 95,190	$ 42,672
Equity securities with readily determinable fair values	12,032	11,596
Equity securities without readily determinable fair values	539,930	416,750
Total	$ 647,152	$ 471,018

Investment in FRB stock is based on the capital structure of the investing bank, and investment in FHLB stock is mainly tied to the level of borrowings from the FHLB. These holdings are carried at cost. Equity securities with readily determinable fair values are generally traded on an exchange and market prices are readily available. Equity securities without readily determinable fair values include equity investments which are held by a subsidiary qualified as a Small Business Investment Company, as well as investments in low-income housing partnerships within the areas the Company serves. Unrealized gains or losses on equity securities with and without readily determinable fair values are recognized in the Investment securities (losses) gains, net line of the Company's Consolidated Statements of Income.

During 2025, related to the acquisition of HTLF, the Company acquired other securities with an acquired fair value of $123.8 million as of the Acquisition Date, including $2.0 million of FRB and FHLB stock and $121.8 million of equity securities without readily determinable fair values.

The table below presents the changes in equity securities without readily determinable fair values for the three months ended March 31, 2025 and 2024 *(in thousands)*:

	Three Months Ended March 31,	
	2025	2024
Balance – beginning of year	$ 416,750	$ 394,035
Acquisition of HTLF	121,769	—
Purchases of securities	24,003	5,012
Observable upward price adjustments	1,022	12,080
Observable downward price adjustments	(6,273)	(2,825)
Sales of securities and other activity	(17,341)	(33,832)
Balance – end of year	$ 539,930	$ 374,470

Investment Securities Gains, Net

The following table presents the components of Investment securities (losses) gains, net for the three months ended March 31, 2025 and March 31, 2024 *(in thousands):*

	Three Months Ended March 31,	
	2025	2024
Investment securities (losses) gains, net		
Available-for-sale debt securities:		
Gains realized on sales	$ 390	$ 139
Equity securities with readily determinable fair values:		
Fair value adjustments, net	144	(23)
Equity securities without readily determinable fair values:		
Fair value adjustments, net	(5,243)	(450)
Sales	(73)	9,705
Total investment securities (losses) gains, net	$ (4,782)	$ 9,371

6. Goodwill and Other Intangibles

Changes in the carrying amount of goodwill for the periods ended March 31, 2025 and December 31, 2024 by reportable segment are as follows *(in thousands):*

	Commercial Banking	Institutional Banking	Personal Banking	Total
Balances as of January 1, 2025	$ 63,113	$ 76,492	$ 67,780	$ 207,385
Acquisition of HTLF	954,640	—	636,426	1,591,066
Balances as of March 31, 2025	$ 1,017,753	$ 76,492	$ 704,206	$ 1,798,451
Balances as of January 1, 2024	$ 63,113	$ 76,492	$ 67,780	$ 207,385
Balances as of December 31, 2024	$ 63,113	$ 76,492	$ 67,780	$ 207,385

The following are the finite-lived intangible assets that continue to be subject to amortization as of March 31, 2025 and December 31, 2024 *(in thousands)*:

	As of March 31, 2025		
	Core Deposit Intangible Assets	Customer Relationships	Total
Gross carrying amount	$ 476,445	$ 123,721	$ 600,166
Accumulated amortization	16,055	26,925	42,980
Net carrying amount	$ 460,390	$ 96,796	$ 557,186

	As of December 31, 2024		
	Core Deposit Intangible Assets	Customer Relationships	Total
Gross carrying amount	$ 2,345	$ 86,800	$ 89,145
Accumulated amortization	1,600	23,898	25,498
Net carrying amount	$ 745	$ 62,902	$ 63,647

Related to the acquisition of HTLF, the Company recognized $1.6 billion of goodwill, a $474.1 million core deposit intangible asset, wealth customer list of $26.0 million, and purchased credit card relationships of $10.9 million. See Note 13, "Acquisition" for additional information.

The following table has the aggregate amortization expense recognized in each period *(in thousands)*:

	Three Months Ended March 31, 2025	2024
Aggregate amortization expense	$ 17,482	$ 1,960

The following table discloses the estimated amortization expense of intangible assets in future periods *(in thousands):*

For the nine months ending December 31, 2025	$ 75,786
For the year ending December 31, 2026	92,303
For the year ending December 31, 2027	81,711
For the year ending December 31, 2028	69,642
For the year ending December 31, 2029	60,700

7. Borrowed Funds

The components of the Company's borrowed funds are as follows *(in thousands):*

	March 31, 2025	December 31, 2024
Long-term debt:		
Trust preferred securities	$ 216,826	$ 76,782
Subordinated notes 3.70%, net of issuance costs	188,739	199,681
Subordinated notes 6.25%, net of issuance costs	108,935	108,829
Subordinated notes 2.75%	139,880	—
Total long-term debt	654,380	385,292
Total borrowed funds	$ 654,380	$ 385,292

The following table presents details of outstanding trust preferred securities as of March 31, 2025 *(in thousands):*

	Amount Outstanding	Issuance Date	Interest Rate	Interest Rate as of March 31, 2025	Maturity Date
Marquette Capital Trust I	$ 19,017	12/28/2005	1.33% over 3-month term SOFR	5.89%	1/7/2036
Marquette Capital Trust II	19,513	12/28/2005	1.33% over 3-month term SOFR	5.89	1/7/2036
Marquette Capital Trust III	7,663	5/30/2006	1.50% over 3-month term SOFR	6.06	6/23/2036
Marquette Capital Trust IV	30,922	6/30/2006	1.60% over 3-month term SOFR	6.16	9/15/2036
Heartland Financial Statutory Trust IV	9,538	3/17/2004	2.75% over 3-month term SOFR	7.31	3/17/2034
Heartland Financial Statutory Trust V	17,141	1/27/2006	1.33% over 3-month term SOFR	5.89	4/7/2036
Heartland Financial Statutory Trust VI	16,660	6/21/2007	1.48% over 3-month term SOFR	6.04	9/15/2037
Heartland Financial Statutory Trust VII	14,577	6/26/2007	1.48% over 3-month term SOFR	6.06	9/1/2037
Morrill Statutory Trust I	9,854	12/19/2002	3.25% over 3-month term SOFR	7.81	12/26/2032
Morrill Statutory Trust II	9,604	12/17/2003	2.85% over 3-month term SOFR	7.41	12/17/2033
Sheboygan Statutory Trust I	7,253	9/17/2003	2.95% over 3-month term SOFR	7.51	9/17/2033
CBNM Capital Trust I	4,803	9/10/2004	3.25% over 3-month term SOFR	7.81	12/15/2034
Citywide Capital Trust III	6,711	12/19/2003	2.80% over 3-month term SOFR	7.35	12/19/2033
Citywide Capital Trust IV	4,618	9/30/2004	2.20% over 3-month term SOFR	6.79	9/30/2034
Citywide Capital Trust V	12,892	5/31/2006	1.54% over 3-month term SOFR	6.10	7/25/2036
OCGI Statutory Trust III	2,993	6/27/2002	3.65% over 3-month term SOFR	8.21	9/30/2032
OCGI Statutory Trust IV	5,586	9/23/2004	2.50% over 3-month term SOFR	7.06	12/15/2034
BVBC Capital Trust II	7,366	4/10/2003	3.25% over 3-month term SOFR	7.80	4/24/2033
BVBC Capital Trust III	10,115	7/29/2005	1.60% over 3-month term SOFR	6.16	9/30/2035
Total trust preferred securities	$ 216,826				

In September 2020, the Company issued $200.0 million of 3.70% fixed-to-fixed rate subordinated notes that mature on September 17, 2030. The notes bear interest at the rate of 3.70% per annum, payable semi-annually on each March 17 and September 17. The Company may redeem the notes, in whole or in part, on September 17, 2025, or on any interest payment date thereafter. Unamortized debt issuance costs related to these notes totaled $0.2 million and $0.3 million as of March 31, 2025 and December 31, 2024, respectively. Proceeds from the issuance of the notes were used for general corporate purposes, including contributing Tier 1 capital into the Bank. During the three months ended March 31, 2025, the Company purchased and subsequently retired $11.1 million of its 2020 subordinated notes.

In September 2022, the Company issued $110.0 million of 6.25% fixed-to-fixed rate subordinated notes that mature on September 28, 2032. The notes bear interest at the rate of 6.25% per annum, payable semi-annually on each March 28 and September 28. The Company may redeem the notes, in whole or in part, on September 28, 2027, or on any interest payment date thereafter. Unamortized debt issuance costs related to these notes totaled $1.1 million and $1.2 million as of March 31, 2025 and December 31, 2024, respectively. Proceeds from the issuance of the notes were used for general corporate purposes, including contributing Tier 1 capital into the Bank.

As part of the acquisition of HTLF, the Company acquired $150.0 million of 2.75% fixed-to-fixed rate subordinated notes that mature on September 15, 2031. The notes bear interest at the rate of 2.75% per annum, payable semi-annually on each March 15 and September 15. The Company may redeem the notes, in whole or in part, on September 15, 2026, or on any interest payment date thereafter. The subordinated notes had an acquired fair value of $138.8 million as of the Acquisition Date.

The remainder of the Company's long-term debt was assumed from the acquisitions of Marquette Financial Companies in 2015 and HTLF in 2025 and consists of debt obligations payable to 19 unconsolidated trusts that previously issued trust preferred securities, as summarized in the table above. These long-term debt obligations had an aggregate contractual balance of $262.9 million and a carrying value of $216.8 million as of March 31, 2025. As of December 31, 2024, the debt obligations related to the four unconsolidated trusts acquired from Marquette had an aggregate contractual balance of $103.1 million and had a carrying value of $76.8 million.

The Company is a member bank of the FHLB and through this relationship, the Company owns FHLB stock and has access to additional liquidity and funding sources through FHLB advances. The Company's borrowing capacity is dependent upon the amount of collateral the Company places at the FHLB. As of March 31, 2025 and December 31, 2024 the Company owned $10.5 million and $10.2 million of FHLB stock, respectively. As of March 31, 2025, the Company had 30 letters of credit outstanding with the FHLB of Des Moines to secure deposits. These letters of credit have an aggregate amount of $409.2 million and have various maturity dates through July 31, 2025. The Company's borrowing capacity with the FHLB was $1.6 billion as of March 31, 2025.

The Company utilizes repurchase agreements to facilitate the needs of customers and to facilitate secured short-term funding needs. Repurchase agreements are stated at the amount of cash received in connection with the transaction. The Company monitors collateral levels on a continuous basis and may be required to provide additional collateral based on the fair value of the underlying securities. Securities pledged as collateral under repurchase agreements are maintained with the Company's safekeeping agents.

The table below presents the remaining contractual maturities of repurchase agreements outstanding at March 31, 2025 and December 31, 2024, in addition to the various types of marketable securities that have been pledged as collateral for these borrowings *(in thousands):*

	As of March 31, 2025 Remaining Contractual Maturities of the Agreements				
	Overnight	**2-29 Days**	**30-90 Days**	**Over 90 Days**	**Total**
Repurchase agreements, secured by:					
U.S. Treasury	$ 299,192	$ —	$ —	$ —	$ 299,192
U.S. Agencies	1,626,456	40,241	485,979	3,000	2,155,676
Total repurchase agreements	$ 1,925,648	$ 40,241	$ 485,979	$ 3,000	$ 2,454,868

	As of December 31, 2024 Remaining Contractual Maturities of the Agreements			
	2-29 Days	**30-90 Days**	**Over 90 Days**	**Total**
Repurchase agreements, secured by:				
U.S. Treasury	$ 608,836	$ —	$ —	$ 608,836
U.S. Agencies	1,496,676	431,048	2,750	1,930,474
Total repurchase agreements	$ 2,105,512	$ 431,048	$ 2,750	$ 2,539,310

8. Business Segment Reporting

The Company has strategically aligned its operations into the following three reportable segments: Commercial Banking, Institutional Banking, and Personal Banking (collectively, the Business Segments, and each, a Business Segment). These segments reflect the type of customer served, how products and services are provided, how executive management responsibilities are assigned, and reflect the manner in which financial information is evaluated by the chief operating decision maker (CODM). The Company's CODM is comprised of a group of senior executive officers led by the Company's chief executive officer, chief administrative officer, chief financial officer, and the Bank's chief executive officer.

Business Segment financial information is produced using an internal reporting system which is based on a series of management estimates for funds transfer pricing (FTP), and allocations of noninterest expense and income taxes. The process for determining FTP is based on a number of factors and assumptions, including prevailing market interest rates, the expected lives of various assets and liabilities, and the Company's broader funding profile. These estimates and allocations are periodically reviewed and refined. The CODM uses the Business Segment net income in deciding how to allocate resources and assess performance for individual Business Segments, including evaluating the cost or opportunity value of funds within each Business Segment and identifying areas of focus for organic growth or acquisition. For comparability purposes, amounts in all periods are based on methodologies in effect at March 31, 2025. Previously reported results have been reclassified in this filing to conform to the current organizational structure.

The following summaries provide information about the activities of each Business Segment:

Commercial Banking serves the commercial banking and treasury management needs of the Company's small to middle-market businesses through a variety of products and services. Such services include commercial loans, commercial real estate financing, commercial credit cards, letters of credit, loan syndication services, and consultative services. In addition, the Company's specialty lending group offers a variety of business solutions including asset-based lending, mezzanine debt and minority equity investments. Treasury management services include depository services, account reconciliation and cash management tools such as, accounts payable and receivable solutions, electronic fund transfer and automated payments, controlled disbursements, lockbox services and remote deposit capture services.

Institutional Banking is a combination of banking services, fund services, asset management services and healthcare services provided to institutional clients. This segment also provides fixed income sales, trading and underwriting, corporate trust and escrow services, as well as institutional custody. Institutional Banking includes UMB Fund Services, which provides fund administration and accounting, investor services and transfer agency, and other services to mutual funds and alternative investment groups. Healthcare services provides healthcare payment solutions including custodial services for health savings accounts (HSAs) and private label, multipurpose debit cards to insurance carriers, third-party administrators, software companies, employers, and financial institutions.

Personal Banking combines consumer banking and wealth management services offered to clients and delivered through personal relationships and the Company's bank branches, ATM network and internet banking. Products offered include deposit accounts, retail credit cards, private banking, installment loans, home equity lines of credit, and residential mortgages. The range of client services extends from a basic checking account to estate planning and trust services and includes private banking, brokerage services, and insurance services in addition to a full spectrum of investment advisory, trust, and custody services.

Business Segment Information

Business Segment financial results for the three months ended March 31, 2025 and March 31, 2024 were as follows *(in thousands):*

	Three Months Ended March 31, 2025			
	Commercial Banking	Institutional Banking	Personal Banking	Total
Net interest income	$ 273,916	$ 61,159	$ 62,564	$ 397,639
Provision for credit losses	66,751	435	18,814	86,000
Noninterest income	37,218	103,797	25,183	166,198
Salaries and employee benefits	53,586	47,186	35,999	136,771
Processing fees	3,664	10,649	4,443	18,756
Bankcard	3,173	6,037	3,585	12,795
Amortization of other intangible assets	—	1,786	103	1,889
Allocated technology, service, overhead	101,125	32,245	52,464	185,834
Other segment items*	11,463	9,365	7,914	28,742
Noninterest expense	173,011	107,268	104,508	384,787
Income (loss) before taxes	71,372	57,253	(35,575)	93,050
Income tax expense (benefit)	8,987	7,210	(4,480)	11,717
Net income (loss)	$ 62,385	$ 50,043	$ (31,095)	$ 81,333
Average assets	$ 30,029,000	$ 18,324,000	$ 11,624,000	$ 59,977,000

	Three Months Ended March 31, 2024			
	Commercial Banking	Institutional Banking	Personal Banking	Total
Net interest income	$ 157,982	$ 49,125	$ 32,327	$ 239,434
Provision for credit losses	7,765	234	2,001	10,000
Noninterest income	43,978	91,704	23,562	159,244
Salaries and employee benefits	27,217	39,810	22,176	89,203
Processing fees	2,163	6,836	3,175	12,174
Bankcard	2,681	4,575	3,112	10,368
Amortization of other intangible assets	—	1,829	131	1,960
Allocated technology, service, overhead	54,428	35,354	25,974	115,756
Other segment items*	8,766	9,137	7,440	25,343
Noninterest expense	95,255	97,541	62,008	254,804
Income (loss) before taxes	98,940	43,054	(8,120)	133,874
Income tax expense (benefit)	16,762	7,733	(879)	23,616
Net income (loss)	$ 82,178	$ 35,321	$ (7,241)	$ 110,258
Average assets	$ 21,488,000	$ 13,589,000	$ 6,940,000	$ 42,017,000

*Other segment items include occupancy, equipment, supplies and services, marketing and business development costs, legal and consulting, and regulatory fees.

9. Revenue Recognition

The following is a description of the principal activities from which the Company generates revenue that are within the scope of ASC 606, *Revenue from Contracts with Customers*:

Trust and securities processing – Trust and securities processing income consists of fees earned on personal and corporate trust accounts, custody of securities services, trust investments and wealth management services, and mutual fund and alternative asset servicing. The performance obligations related to this revenue include items such as performing full bond trustee service administration, investment advisory services, custody and record-keeping services, and fund administrative and accounting services. These fees are part of long-term contractual agreements and the performance obligations are satisfied upon completion of service and fees are generally a fixed flat monthly rate or based on a percentage of the account's market value per the contract with the customer. These fees are primarily recorded within the Company's Institutional and Personal Banking segments.

Trading and investment banking – Trading and investment banking income consists of income earned related to the Company's trading securities portfolio, including futures hedging, dividends, bond underwriting, and other securities incomes. The vast majority of this revenue is recognized in accordance with ASC 320, *Investments–Debt Securities*, and ASC 321, *Investments–Equity Securities*, and is out of the scope of ASC 606. A portion of trading and investment banking represents fees earned for management fees, commissions, and underwriting of corporate bond issuances. The performance obligations related to these fees include reviewing the credit worthiness of the customer, ensuring appropriate regulatory approval and participating in due diligence. The fees are fixed per the bond prospectus and the performance obligations are satisfied upon registration approval of the bonds by the applicable regulatory agencies. Revenue is recognized at the point in time upon completion of service and when approval is granted by the regulators.

Service charges on deposits – Service charges on deposit accounts represent monthly analysis fees recognized for the services related to customer deposit accounts, including account maintenance and depository transactions processing fees. Commercial Banking and Institutional Banking depository accounts charge fees in accordance with the customer's pricing schedule while Personal Banking account holders are generally charged a flat service fee per month. Deposit service charges for the healthcare accounts included in the Institutional Banking segment are priced according to either standard pricing schedules with individual account holders or according to service agreements between the Company and employer groups or third-party administrators. The Company satisfies the performance obligation related to providing depository accounts monthly as transactions are processed and deposit service charge revenue is recorded monthly. These fees are recognized within all Business Segments.

Insurance fees and commissions – Insurance fees and commissions includes all insurance-related fees earned, including commissions for individual life, variable life, group life, health, group health, fixed annuity, and variable annuity insurance contracts. The performance obligations related to these revenues primarily represent the placement of insurance policies with the insurance company partners. The fees are based on the contracts with insurance company partners and the performance obligations are satisfied when the terms of the policy have been agreed to and the insurance policy becomes effective.

Brokerage fees – Brokerage fees represent income earned related to providing brokerage transaction services, including commissions on equity and commodity trades, and fees for investment management, advisory and administration. The performance obligations related to transaction services are executing the specified trade and are priced according to the customer's fee schedule. Such income is recognized at a point in time as the trade occurs and the performance obligation is fulfilled. The performance obligations related to investment management, advisory and administration include allocating customer assets across a wide range of mutual funds and other investments, on-going account monitoring and re-balancing of the portfolio. These performance obligations are satisfied over time and the related revenue is calculated monthly based on the assets under management of each customer. All material performance obligations are satisfied as of the end of each accounting period.

Bankcard fees – Bankcard fees primarily represent income earned from interchange revenue from MasterCard and Visa for the Company's processing of debit, credit, HSA, and flexible spending account transactions. Additionally, the Company earns income and incentives related to various referrals of customers to card programs. The performance obligation for interchange revenue is the processing of each transaction through the Company's access to the banking system. This performance obligation is completed for each individual transaction and income is recognized per transaction in accordance with interchange rates established by MasterCard and Visa. The performance obligations for various referral and incentive programs include either referring customers to certain card products or issuing exclusively branded cards for certain customer segments. The pricing of these incentive and referral programs are in accordance with the agreement with the individual card partner. These performance obligations are completed as the referrals are made or over a period of time when the Company is exclusively issuing branded cards. For the three months ended March 31, 2025 and March 31, 2024, the Company had $11.8 million and $7.9 million of expense, respectively, recorded within the Bankcard fees line on the Company's

Consolidated Statements of Income related to rebates and rewards programs that are outside of the scope of ASC 606. All material performance obligations are satisfied as of the end of each accounting period.

Investment securities (losses) gains, net – In the regular course of business, the Company recognizes gains and losses on the sale of available-for-sale securities. Additionally, the Company recognizes gains and losses on equity securities with readily determinable fair values and equity securities without readily determinable fair values. These gains and losses are recognized in accordance with ASC 320, *Investments–Debt Securities*, and ASC 321, *Investments–Equity Securities*, and are outside of the scope of ASC 606.

Other income – The Company recognizes other miscellaneous income through a variety of other revenue streams, the most material of which include letter of credit fees, certain loan origination fees, gains on the sale of assets, derivative income, and bank-owned and company-owned life insurance income. These revenue streams are outside of the scope of ASC 606 and are recognized in accordance with the applicable U.S. GAAP. The remainder of Other income is primarily earned through transactions with personal banking customers, including wire transfer service charges, stop payment charges, and fees for items like money orders and cashier's checks. The performance obligations of these types of fees are satisfied as transactions are completed and revenue is recognized upon transaction execution according to established fee schedules with the customers.

The Company had no material contract assets, contract liabilities, or remaining performance obligations as of March 31, 2025. Total receivables from revenue recognized under the scope of ASC 606 were $102.1 million and $100.2 million as of March 31, 2025 and December 31, 2024, respectively. These receivables are included as part of the Other assets line on the Company's Consolidated Balance Sheets.

The following tables depict the disaggregation of revenue according to revenue stream and Business Segment for the three months ended March 31, 2025 and March 31, 2024. As stated in Note 8, "Business Segment Reporting," for comparability purposes, amounts in all periods are based on methodologies in effect at March 31, 2025 and previously reported results have been reclassified in this Form 10-Q to conform to the Company's current organizational structure.

Disaggregated revenue is as follows *(in thousands)*:

	Three Months Ended March 31, 2025				
NONINTEREST INCOME	**Commercial Banking**	**Institutional Banking**	**Personal Banking**	**Revenue (Expense) out of Scope of ASC 606**	**Total**
Trust and securities processing	$ 479	$ 61,248	$ 18,054	$ —	$ 79,781
Trading and investment banking	—	329	—	5,582	5,911
Service charges on deposit accounts	14,581	10,859	1,978	39	27,457
Insurance fees and commissions	—	—	178	—	178
Brokerage fees	67	15,372	2,663	—	18,102
Bankcard fees	24,164	7,242	6,683	(11,796)	26,293
Investment securities losses, net	—	—	—	(4,782)	(4,782)
Other	1,279	682	782	10,515	13,258
Total Noninterest income	$ 40,570	$ 95,732	$ 30,338	$ (442)	$ 166,198

NONINTEREST INCOME	Three Months Ended March 31, 2024 Commercial Banking	Institutional Banking	Personal Banking	Revenue (Expense) out of Scope of ASC 606	Total
Trust and securities processing	$ —	$ 55,241	$ 14,237	$ —	$ 69,478
Trading and investment banking	—	45	—	5,417	5,462
Service charges on deposit accounts	10,351	9,095	1,284	27	20,757
Insurance fees and commissions	—	—	283	—	283
Brokerage fees	68	11,323	1,769	—	13,160
Bankcard fees	18,000	6,705	5,146	(7,883)	21,968
Investment securities gains, net	—	—	—	9,371	9,371
Other	138	799	675	17,153	18,765
Total Noninterest income	$ 28,557	$ 83,208	$ 23,394	$ 24,085	$ 159,244

10. Commitments, Contingencies and Guarantees

In the normal course of business, the Company is a party to financial instruments with off-balance-sheet risk in order to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit, commercial letters of credit, standby letters of credit, and futures contracts. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the Consolidated Balance Sheets. The contractual or notional amount of those instruments reflects the extent of involvement the Company has in particular classes of financial instruments. Many of the commitments expire without being drawn upon; therefore, the total amount of these commitments does not necessarily represent the future cash requirements of the Company.

The Company's exposure to credit loss in the event of nonperformance by the counterparty to the financial instruments for commitments to extend credit, commercial letters of credit, and standby letters of credit is represented by the contractual or notional amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments.

The following table summarizes the Company's off-balance sheet financial instruments as described above *(in thousands):*

	Contractual or Notional Amount March 31, 2025	December 31, 2024
Commitments to extend credit for loans (excluding credit card loans)	$ 16,346,650	$ 12,904,749
Commitments to extend credit under credit card loans	5,671,954	5,474,758
Commercial letters of credit	8,000	311
Standby letters of credit	387,057	404,697
Forward contracts	59,406	55,174
Spot foreign exchange contracts	16,833	50,006
Commitments to extend credit for securities purchased under agreements to resell	171,000	96,000

Allowance for Credit Losses on Off-Balance Sheet Credit Exposure

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancelable by the Company. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The estimate is based on expected utilization rates by portfolio segment. Utilization rates are influenced by historical trends and current conditions. The expected utilization rates are applied to the total commitment to determine the expected amount to be funded.

The allowance for off-balance sheet credit exposure is calculated by applying portfolio segment expected credit loss rates to the expected amount to be funded.

The following categories of off-balance sheet credit exposures have been identified:

Revolving Lines of Credit: includes commercial, construction, agricultural, personal, and home-equity. Risks inherent to revolving lines of credit often are related to the susceptibility of an individual or business experiencing unpredictable cash flow or financial troubles, thus leading to payment default. During these financial troubles, the borrower could have less than desirable assets collateralizing the revolving line of credit. The financial strain the borrower is experiencing could lead to drawing against the line without the ability to pay the line down.

Non-Revolving Lines of Credit: includes commercial and personal. Lines that do not carry a revolving feature are generally associated with a specific expenditure or project, such as to purchase equipment or the construction of real estate. The predominate risk associated with non-revolving lines is the diversion of funds for other expenditures. If the funds get diverted, the contributory value to collateral suffers.

Letters of Credit: includes standby letters of credit. Generally, a standby letter of credit is established to provide assurance to the beneficiary that the applicant will perform certain obligations arising out of a separate transaction between the beneficiary and the applicant. These obligations might be the performance of a service or delivery of a product. If the obligations are not met, it gives the beneficiary the right to draw on the letter of credit.

The ACL for off-balance sheet credit exposures was $8.2 million and $4.1 million as of March 31, 2025 and December 31, 2024, respectively, and was recorded in the Accrued expenses and taxes line of the Company's Consolidated Balance Sheets. As part of the acquisition of HTLF, the Company recorded an ACL of $3.6 million related to acquired off-balance sheet credit exposures. Additionally, provision for off-balance sheet credit exposures of $500 thousand was recorded for the three months ended March 31, 2025. There was no provision for off-balance sheet credit exposures recorded for three months ended March 31, 2024. Provision for off-balance sheet credit exposures is recorded in the Provision for credit losses line of the Company's Consolidated Statements of Income.

11. Derivatives and Hedging Activities

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its assets and liabilities. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's loans and borrowings. The Company also has interest rate derivatives that result from a service provided to certain qualifying customers and, therefore, are not used to manage interest rate risk of the Company's assets or liabilities. The Company has entered into an offsetting position for each of these derivative instruments with a matching instrument from another financial institution in order to minimize its net risk exposure resulting from such transactions.

Fair Values of Derivative Instruments on the Consolidated Balance Sheets

The table below presents the fair value of the Company's derivative financial instruments as of March 31, 2025 and December 31, 2024. The Company's derivative assets and derivative liabilities are located within Other assets and Other liabilities, respectively, on the Company's Consolidated Balance Sheets.

Derivative fair values are determined using valuation techniques including discounted cash flow analysis on the expected cash flows from each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, foreign exchange rates, and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

This table provides a summary of the fair value of the Company's derivative assets and liabilities as of March 31, 2025 and December 31, 2024 (*in thousands*):

	Derivative Assets		Derivative Liabilities	
Fair Value	**March 31, 2025**	**December 31, 2024**	**March 31, 2025**	**December 31, 2024**
Interest Rate Products:				
Derivatives not designated as hedging instruments	$ 141,124	$ 102,118	$ 145,823	$ 107,386
Derivatives designated as hedging instruments	152,879	132,325	139	56
Total	$ 294,003	$ 234,443	$ 145,962	$ 107,442

Fair Value Hedges of Interest Rate Risk

The Company is exposed to changes in the fair value of certain of its fixed-rate assets and liabilities due to changes in interest rates. Interest rate swaps designated as fair value hedges involve making fixed rate payments to a counterparty in exchange for the Company receiving variable rate payments over the life of the agreements without the exchange of the underlying notional amount. As of both March 31, 2025 and December 31, 2024, the Company did not have any interest rate swaps that were designated as fair value hedges of interest rate risk.

During 2022 and 2023, the Company terminated 10 fair value hedges of interest rate risk associated with the Company's municipal bond securities. For the three months ended March 31, 2025 and 2024 the Company reclassified $1.2 million and $2.6 million, respectively, from AOCI to Interest income in connection with these terminated hedges. The unrealized gain on the terminated fair value hedges remaining in AOCI was $49.4 million net of tax, and $50.4 million net of tax, as of March 31, 2025 and December 31, 2024, respectively. The hedging adjustments will be amortized through the contractual maturity date of each respective hedged item.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in Interest income in the Consolidated Statements of Income.

Cash Flow Hedges of Interest Rate Risk

The Company's objective in using interest rate derivatives is to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps, floors, and floor spreads as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. As of March 31, 2025 and December 31, 2024, the Company had two interest rate swaps that were designated as cash flow hedges of interest rate risk associated with the Company's variable-rate subordinated debentures issued by Marquette Capital Trusts III and IV. These swaps had an aggregate notional amount of $51.5 million at both March 31, 2025 and December 31, 2024.

Interest rate floors designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty if interest rates fall below the strike rate on the contract in exchange for an upfront premium. Interest rate floor spreads designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty if interest rates fall below the purchased floor rate on the contract in exchange for an upfront premium, and involve payment of variable-rate amounts to the counterparty if interest rates fall below the sold floor rate on the contract. As of both March 31, 2025 and December 31, 2024, the Company had 13 interest rate floors and floor spreads with an aggregate notional amount of $3.0 billion that were designated as cash flow hedges of interest rate risk.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in AOCI and is subsequently reclassified into interest expense and interest income in the period during which the hedged forecasted transaction affects earnings. Amounts reported in AOCI related to interest rate swap derivatives will be reclassified to Interest expense as interest payments are received or paid on the Company's hedged items. Amounts reported in AOCI related to interest rate floor and floor spread derivatives will be reclassified to Interest income as interest payments are received or paid on the Company's hedged items. The Company expects to reclassify $0.7 million from AOCI as a reduction to Interest expense and $8.1 million from AOCI as a reduction to Interest income during the next 12 months. As of March 31, 2025, the Company is hedging its exposure to the variability in future cash flows for forecasted transactions over a maximum period of 11.5 years.

Non-designated Hedges

The remainder of the Company's derivatives are not designated in qualifying hedging relationships. Derivatives not designated as hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously offset by interest rate swaps that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate swaps associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer swaps and the offsetting swaps are recognized directly in earnings. The changes in the fair value of both the customer swaps and the offsetting swaps are recognized in Other noninterest expense in the Consolidated Statements of Income. As of March 31, 2025, the Company had 782 interest rate swaps with an aggregate notional amount of $9.7 billion related to this program. The acquisition of HTLF included 478 interest rate swaps with an aggregate notional amount of $4.2 billion as of the Acquisition Date. As of December 31, 2024, the Company had 298 interest rate swaps with an aggregate notional amount of $5.5 billion.

Effect of Derivative Instruments on the Consolidated Statements of Income and Accumulated Other Comprehensive Income

This table provides a summary of the amount of gain or loss recognized in Interest income and Other noninterest expense in the Consolidated Statements of Income related to the Company's derivative assets and liabilities for the three months ended March 31, 2025 and March 31, 2024 *(in thousands)*:

	Amount of Gain (Loss) Recognized For the Three Months Ended	
	March 31, 2025	**March 31, 2024**
Interest Rate Products		
Derivatives not designated as hedging instruments	$ (90)	$ 81
Total	$ (90)	$ 81

These tables provide a summary of the effect of hedges on AOCI in the Consolidated Statements of Comprehensive Income related to the Company's derivative assets and liabilities for the three months ended March 31, 2025 and March 31, 2024 *(in thousands)*:

	For the Three Months Ended March 31, 2025					
Derivatives in Cash Flow Hedging Relationships	**Gain (Loss) Recognized in OCI on Derivative**	**Gain (Loss) Recognized in OCI Included Component**	**Loss Recognized in OCI Excluded Component**	**(Loss) Gain Reclassified from AOCI into Earnings**	**(Loss) Gain Reclassified from AOCI into Earnings Included Component**	**Loss Reclassified from AOCI into Earnings Excluded Component**
Interest rate floors and floor spreads	$ 23,735	$ 45,152	$ (21,417)	$ (1,395)	$ (817)	$ (578)
Interest rate swaps	(1,089)	(1,089)	—	243	243	—
Total	$ 22,646	$ 44,063	$ (21,417)	$ (1,152)	$ (574)	$ (578)

	For the Three Months Ended March 31, 2024					
Derivatives in Cash Flow Hedging Relationships	**(Loss) Gain Recognized in OCI on Derivative**	**(Loss) Gain Recognized in OCI Included Component**	**Gain Recognized in OCI Excluded Component**	**Gain Reclassified from AOCI into Earnings**	**Gain Reclassified from AOCI into Earnings Included Component**	**Loss Reclassified from AOCI into Earnings Excluded Component**
Interest rate floors and floor spreads	$ (15,536)	$ (25,056)	$ 9,520	$ 703	$ 1,588	$ (885)
Interest rate swaps	1,878	1,878	—	375	375	—
Total	$ (13,658)	$ (23,178)	$ 9,520	$ 1,078	$ 1,963	$ (885)

Credit-risk-related Contingent Features

The Company has agreements with certain of its derivative counterparties that contain a provision that if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

As of March 31, 2025, the termination value of derivatives in a net liability position, which includes accrued interest, related to these agreements was $1.4 million. The Company has minimum collateral posting thresholds with certain of its derivative counterparties. At March 31, 2025, the Company had posted $1.5 million of collateral. If the Company had breached any of these provisions at March 31, 2025, it could have been required to settle its obligations under the agreements at the termination value.

12. Fair Value Measurements

The following table presents information about the Company's assets and liabilities measured at fair value on a recurring basis as of March 31, 2025, and December 31, 2024, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value.

Fair values determined by Level 1 inputs utilize quoted prices in active markets for identical assets and liabilities that the Company has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the hierarchy. In such cases, the fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Assets and liabilities measured at fair value on a recurring basis as of March 31, 2025 and December 31, 2024 *(in thousands):*

	Fair Value Measurement at March 31, 2025			
Description	**March 31, 2025**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
U.S. Treasury	$ 629	$ 629	$ —	$ —
U.S. Agencies	6,980	—	6,980	—
State and political subdivisions	13,228	—	13,228	—
Corporates	12,494	12,494	—	—
Trading – other	2,130	2,130	—	—
Trading securities	35,461	15,253	20,208	—
U.S. Treasury	1,585,179	1,585,179	—	—
U.S. Agencies	107,664	—	107,664	—
Mortgage-backed	5,960,927	—	5,960,927	—
State and political subdivisions	2,430,300	—	2,430,300	—
Corporates	298,461	298,461	—	—
Collateralized loan obligations	513,128	—	513,128	—
Available-for-sale securities	10,895,659	1,883,640	9,012,019	—
Equity securities with readily determinable fair values	12,032	12,032	—	—
Derivatives	294,003	—	294,003	—
Total	$ 11,237,155	$ 1,910,925	$ 9,326,230	$ —
Liabilities				
Derivatives	$ 145,962	$ —	$ 145,962	$ —
Securities sold not yet purchased	11,925	—	11,925	—
Total	$ 157,887	$ —	$ 157,887	$ —

	Fair Value Measurement at December 31, 2024			
Description	**December 31, 2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
U.S. Treasury	$ 1,620	$ 1,620	$ —	$ —
U.S. Agencies	8,369	—	8,369	—
State and political subdivisions	11,469	—	11,469	—
Corporates	6,935	6,935	—	—
Trading – other	140	140	—	—
Trading securities	28,533	8,695	19,838	—
U.S. Treasury	1,326,073	1,326,073	—	—
U.S. Agencies	129,047	—	129,047	—
Mortgage-backed	4,420,930	—	4,420,930	—
State and political subdivisions	1,218,569	—	1,218,569	—
Corporates	317,170	317,170	—	—
Collateralized loan obligations	362,545	—	362,545	—
Available for sale securities	7,774,334	1,643,243	6,131,091	—
Equity securities with readily determinable fair values	11,596	11,596	—	—
Derivatives	234,443	—	234,443	—
Total	$ 8,048,906	$ 1,663,534	$ 6,385,372	$ —
Liabilities				
Derivatives	$ 107,442	$ —	$ 107,442	$ —
Securities sold not yet purchased	7,100	—	7,100	—
Total	$ 114,542	$ —	$ 114,542	$ —

Valuation methods for instruments measured at fair value on a recurring basis

The following methods and assumptions were used to estimate the fair value of each class of financial instruments measured on a recurring basis:

Trading Securities Fair values for trading securities (including financial futures), are based on quoted market prices where available. If quoted market prices are not available, fair values are based on quoted market prices for similar securities.

Securities Available for Sale Fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Prices are provided by third-party pricing services and are based on observable market inputs. On an annual basis, the Company compares a sample of these prices to other independent sources for the same securities. Additionally, throughout the year, if securities are sold, comparisons are made between the pricing services prices and the market prices at which the securities were sold. Variances are analyzed, and, if appropriate, additional research is conducted with the third-party pricing services. Based on this research, the pricing services may affirm or revise their quoted price. No significant adjustments have been made to the prices provided by the pricing services. The pricing services also provide documentation on an ongoing basis that includes reference data, inputs and methodology by asset class, which is reviewed to ensure that security placement within the fair value hierarchy is appropriate.

Equity securities with readily determinable fair values Fair values are based on quoted market prices.

Derivatives Fair values are determined using valuation techniques including discounted cash flow analysis on the expected cash flows from each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, foreign exchange rates, and implied volatilities. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Securities sold not yet purchased Fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Prices are provided by third-party pricing services and are based on observable market inputs.

Assets measured at fair value on a non-recurring basis as of March 31, 2025 and December 31, 2024 *(in thousands):*

	Fair Value Measurement at March 31, 2025 Using				
Description	**March 31, 2025**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Losses Recognized During the Three Months Ended March 31**
Collateral dependent assets	$ 4,068	$ —	$ —	$ 4,068	$ (3,073)
Other real estate owned	2,613	—	—	2,613	—
Other repossessed assets	10	—	—	10	—
Total	$ 6,691	$ —	$ —	$ 6,691	$ (3,073)

	Fair Value Measurement at December 31, 2024 Using				
Description	**December 31, 2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Losses Recognized During the Twelve Months Ended December 31**
Collateral dependent assets	$ 2,405	$ —	$ —	$ 2,405	$ (256)
Other real estate owned	—	—	—	—	—
Other repossessed assets	26,779	—	—	26,779	—
Total	$ 29,184	$ —	$ —	$ 29,184	$ (256)

Valuation methods for instruments measured at fair value on a non-recurring basis

The following methods and assumptions were used to estimate the fair value of each class of financial instruments measured on a non-recurring basis:

Collateral Dependent Assets Collateral dependent assets are assets evaluated as part of the ACL on an individual basis. Those assets for which there is an associated allowance are considered financial assets measured at fair value on a non-recurring basis. Adjustments are recorded on certain assets to reflect write-downs that are based on the external appraised value of the underlying collateral. The external appraisals are generally based on recent sales of comparable properties which are then adjusted for the unique characteristics of the property being valued. In the case of non-real estate collateral, reliance is placed on a variety of sources, including external estimates of value and judgments based on the experience and expertise of internal specialists within the Company's property management group and the Company's credit department. The valuation of collateral dependent assets and impaired loans are reviewed on a quarterly basis. Because many of these inputs are not observable, the measurements are classified as Level 3.

Other real estate owned and Other repossessed assets Other real estate owned and other repossessed assets consist of loan collateral which has been repossessed through foreclosure. This collateral is comprised of commercial and residential real estate and other non-real estate property, including auto, recreational and marine vehicles. Other real estate owned and other repossessed assets are recorded as held for sale initially at the fair value of the collateral less estimated selling costs. The initial valuation of the foreclosed property is obtained through an appraisal process similar to the process described in the collateral dependent assets paragraph above. Subsequent to foreclosure, valuations are reviewed quarterly and updated periodically, and the assets may be marked down further, reflecting a new cost basis. Fair value measurements may be based upon appraisals, third-party price opinions, or internally developed pricing methods and those measurements are classified as Level 3.

Fair value disclosures require disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis.

The estimated fair value of the Company’s financial instruments at March 31, 2025 and December 31, 2024 are as follows *(in thousands):*

	Fair Value Measurement at March 31, 2025 Using				
	Carrying Amount	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Estimated Fair Value**
FINANCIAL ASSETS					
Cash and short-term investments	$ 11,365,386	$ 10,729,327	$ 636,059	$ —	$ 11,365,386
Securities available for sale	10,895,659	1,883,640	9,012,019	—	10,895,659
Securities held to maturity (exclusive of allowance for credit losses)	5,717,330	—	4,666,893	440,166	5,107,059
Trading securities	35,461	15,253	20,208	—	35,461
Other securities	647,152	12,032	635,120	—	647,152
Loans (exclusive of allowance for credit losses)	35,941,380	—	35,873,391	—	35,873,391
Derivatives	294,003	—	294,003	—	294,003
FINANCIAL LIABILITIES					
Demand and savings deposits	55,330,752	55,330,752	—	—	55,330,752
Time deposits	3,190,426	—	3,191,202	—	3,191,202
Other borrowings	2,559,983	105,115	2,454,868	—	2,559,983
Long-term debt	654,380	—	712,396	—	712,396
Derivatives	145,962	—	145,962	—	145,962
OFF-BALANCE SHEET ARRANGEMENTS					
Commitments to extend credit for loans					3,292
Commitments to extend resell agreements					—
Commercial letters of credit					39
Standby letters of credit					1,050

	Carrying Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Estimated Fair Value
	Fair Value Measurement at December 31, 2024 Using				
FINANCIAL ASSETS					
Cash and short-term investments	$ 9,104,445	$ 8,559,445	$ 545,000	$ —	$ 9,104,445
Securities available for sale	7,774,334	1,643,243	6,131,091	—	7,774,334
Securities held to maturity (exclusive of allowance for credit losses)	5,378,912	—	4,748,938	—	4,748,938
Trading securities	28,533	8,695	19,838	—	28,533
Other securities	471,018	11,596	459,422	—	471,018
Loans (exclusive of allowance for credit losses)	25,645,057	—	25,665,211	—	25,665,211
Derivatives	234,443	—	234,443	—	234,443
FINANCIAL LIABILITIES					
Demand and savings deposits	41,014,362	41,014,362	—	—	41,014,362
Time deposits	2,127,667	—	2,127,667	—	2,127,667
Other borrowings	2,609,715	70,405	2,539,310	—	2,609,715
Long-term debt	385,292	—	417,217	—	417,217
Derivatives	107,442	—	107,442	—	107,442
OFF-BALANCE SHEET ARRANGEMENTS					
Commitments to extend credit for loans					12,515
Commitments to extend resell agreements					292
Commercial letters of credit					135
Standby letters of credit					4,375

Cash and short-term investments The carrying amounts of cash and due from banks, federal funds sold and resell agreements are reasonable estimates of their fair values.

Securities held to maturity For U.S. Agency and mortgage-backed securities, as well as general obligation bonds in the State and political subdivision portfolio, fair values are based on quoted market prices or dealer quotes, if available. If a quoted market price is not available, fair value is estimated using quoted market prices for similar securities. Prices are provided by third-party pricing services and are based on observable market inputs. On an annual basis, the Company compares a sample of these prices to other independent sources for the same securities. Variances are analyzed, and, if appropriate, additional research is conducted with the third-party pricing services. Based on this research, the pricing services may affirm or revise their quoted price. No significant adjustments have been made to the prices provided by the pricing services. The pricing services also provide documentation on an ongoing basis that includes reference data, inputs and methodology by asset class, which is reviewed to ensure that security placement within the fair value hierarchy is appropriate. For private placement bonds in the State and political subdivision portfolio, fair values are estimated by discounting the future cash flows using current market rates. For bonds acquired as part of the acquisition of HTLF, securities were priced by a third-party using a discounted cash flow method, for which the discount rate is a significant unobservable input.

Other securities Amount consists of FRB and FHLB stock held by the Company, equity securities with readily determinable fair values, and equity securities without readily determinable fair values, including equity-method investments and other miscellaneous investments. The carrying amount of the FRB and FHLB stock equals its fair value because the shares can only be redeemed by the FRB and FHLB at their carrying amount. Equity securities with readily determinable fair values are measured at fair value using quoted market prices. Equity securities without readily determinable fair values are carried at cost, which approximates fair value.

Loans Fair values are estimated for portfolios with similar financial characteristics. Loans are segregated by type, such as commercial, real estate, consumer, and credit card. Each loan category is further segmented into fixed and variable interest rate categories. The fair value of loans is estimated by discounting the future cash flows. The discount rates used are estimated using comparable market rates for similar types of instruments adjusted to be commensurate with the credit risk, overhead costs, and optionality of such instruments.

Demand and savings deposits The fair value of demand deposits and savings accounts was the amount payable on demand at period-end.

Time deposits The fair value of fixed-maturity certificates of deposit is estimated by discounting the future cash flows using the rates that are currently offered for deposits of similar remaining maturities.

Other borrowings The carrying amounts of federal funds purchased, repurchase agreements and other short-term debt are reasonable estimates of their fair value because of the short-term nature of their maturities. Federal funds purchased are classified as Level 1 based on availability of quoted market prices and repurchase agreements and other short-term debt are classified as Level 2.

Long-term debt Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Other off-balance sheet instruments The fair value of loan commitments and letters of credit are determined based on the fees currently charged to enter into similar agreements, taking into account the remaining terms of the agreement and the present creditworthiness of the counterparties. Neither the fees earned during the year on these instruments nor their fair value at period-end are significant to the Company's consolidated financial position.

13. Acquisition

On January 31, 2025 (Acquisition Date), the Company acquired all of the outstanding stock of Heartland Financial USA, Inc., a Delaware corporation (HTLF), in an all-stock transaction, issuing a total of 23.6 million shares of the Company's common stock and 4.6 million depositary shares, each representing a 1/400th interest in a share of the Company's 7.00% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A (the Company's preferred stock). Pursuant to the Agreement and Plan of Merger, dated as of April 28, 2024, (i) HTLF merged with and into the Company, with the Company continuing as the surviving corporation and (ii) one day after the closing date of the acquisition of HTLF by the Company, HTLF's wholly owned bank subsidiary, a Colorado-chartered non-member bank (HTLF Bank), merged with and into UMB Bank, National Association, the Company's national bank subsidiary (the Bank), with the Bank continuing as the surviving bank.

Total consideration for the acquisition was $2.9 billion, consisting of the Company's common stock valued at $2.8 billion (based on the Company's common stock price of $117.90) and the Company's preferred stock valued at $115.2 million (based on the Company's preferred stock price of $25.05). Each HTLF common stock share was converted into 0.55 shares of the Company's common stock. Each HTLF preferred stock share was converted into a share of the Company's preferred stock.

The acquisition of HTLF was accounted for as a business combination using the purchase method of accounting in accordance with FASB ASC Topic 805, *Business Combinations.* Accordingly, the purchase price was allocated based on the estimated fair market values of the assets and liabilities acquired.

The following table summarizes the net assets acquired (at fair value) and consideration transferred for HTLF as of January 31, 2025 *(in thousands, except for per share data):*

		Fair Value January 31, 2025
Assets		
Loans, net of allowance for credit losses on loans	$	9,757,790
Investment securities		3,678,164
Interest-bearing due from banks		965,003
Cash and due from banks		174,985
Premises and equipment, net		172,730
Identifiable intangible assets		511,021
Other assets		894,319
Total assets acquired	$	16,154,012
Liabilities		
Noninterest-bearing deposits	$	3,761,997
Interest-bearing deposits		10,586,989
Long-term debt		278,018
Other liabilities		198,945
Total liabilities assumed	$	14,825,949
Net identifiable assets acquired	$	1,328,063
Preliminary goodwill		1,591,066
Net assets acquired	$	2,919,129
Consideration		
Common stock consideration:		
Company's common shares issued		23,609
Purchase price per share of the Company's common stock	$	117.90
Fair value of common stock consideration	$	2,783,510
Preferred stock consideration		115,230
Stock-based compensation consideration		20,389
Fair value of total consideration transferred	$	2,919,129

The amount of goodwill arising from the acquisition reflects the Company's increased market share and related synergies that are expected to result from combining the operations of UMB and HTLF. In accordance with ASC 350, *Intangibles-Goodwill and Other*, goodwill will not be amortized, but will be subject to at least an annual impairment test. The Company has approximately $44.0 million of tax-deductible goodwill that arose in previous transactions completed by HTLF which carries over. The remaining goodwill related to the acquisition is not expected to be deductible for tax purposes. Of the $1.6 billion in goodwill arising from the acquisition, $954.6 million was assigned to the Commercial Banking segment and $636.4 million was assigned to the Personal Banking segment. The fair value of the acquired identifiable intangible assets of $511.0 million is comprised of a core deposit intangible of $474.1 million, customer lists of $26.0 million and purchased credit card relationships of $10.9 million.

The following is a description of the methods used to determine the fair values of significant assets and liabilities presented above.

Loans A valuation of the loans was performed by a third party as of the Acquisition Date to assess the fair value. The fair value of loans was based on a discounted cash flow methodology that considered the loans' underlying characteristics including account type, remaining terms of loan, annual interest rates or coupon, interest types, past delinquencies, timing of principal and interest payments, current market rates, loan to value ratios, loss exposure and remaining balance. Loans were aggregated according to similar characteristics when applying the valuation method.

Investment securities The portion of the investment securities portfolio that was classified as available-for-sale was valued utilizing third-party pricing services for those securities retained and valued using the actual sales prices for those securities that were sold during the first quarter of 2025. The portion of the investment securities portfolio that was classified as held-to-maturity as of the Acquisition Date were priced by a third party using a discounted cash flow methodology similar to the methodology described above for the valuation of loans.

Interest-bearing due from banks and Cash and due from banks The carrying amount of these assets is a reasonable estimate of fair value based on the short-term nature of these assets.

Core deposit intangible Core deposit intangibles represent the value of relationships with deposit clients and the cost savings derived from available core deposits relative to an alternative funding source. The fair value of the core deposit intangible was estimated using a net cost savings method, a variation of the income approach. This approach considers expected client attrition rates, average life and balance inflation, alternative cost of funds, the interest cost and net maintenance cost associated with the client deposit base, and a discount rate used to discount the future economic benefits of the core deposit intangible asset to present value.

Deposits The fair value for demand and savings deposits is the amount payable on demand at the Acquisition Date. The fair value for time deposits was valued by a third party using a discounted cash flow calculation that applied interest rates currently being offered to the contractual interest rates on such time deposits.

Long-term debt The fair value of long-term debt instruments was valued by a third party based on quoted market prices for the instrument if available, or for similar instruments if not available, or by using discounted cash flow analyses, based on current incremental borrowing rates for similar types of instruments.

At the Acquisition Date, of the $9.8 billion of loans acquired from HTLF, $3.0 billion were accounted for as PCD loans. The following table provides a summary of PCD loans purchased as part of the HTLF acquisition as of the Acquisition Date *(in thousands)*:

		January 31, 2025
Principal of PCD loans acquired	$	3,237,332
PCD ACL at acquisition		(62,126)
Non-credit discount on PCD loans		(128,684)
Fair value of PCD Loans	$	3,046,522

The Company assumed long-term debt obligations with an aggregate balance of $159.8 million and an aggregate fair value of $139.3 million as of the Acquisition Date payable to fifteen unconsolidated trusts that have issued trust preferred securities. The interest rate on the trust preferred securities acquired range from 5.89% to 8.21% and reset quarterly. The acquired trust preferred securities have maturity dates ranging from September 2032 to September 2037.

The Company assumed $150.0 million in aggregate subordinated notes due September 2031. The subordinated notes have a fixed interest rate of 2.75% until September 2031, at which time the interest rate will reset quarterly. The subordinated notes had an acquired fair value of $138.8 million as of January 31, 2025.

The fair value of the acquired assets and liabilities noted in the table above is preliminary pending receipt of the final valuation for those assets and liabilities. During the preliminary period, which may last up to twelve months subsequent to the Acquisition Date, the Company will continue to review information relating to events and circumstances existing as of the Acquisition Date that could impact the preliminary fair value estimates of the acquired assets and liabilities. The Company expects that some adjustments to the fair value of the acquired assets and liabilities will be recorded after March 31, 2025.

The results of HTLF are included in the results of the Company subsequent to the Acquisition Date. Transaction costs incurred after the Acquisition Date totaled $51.3 million, primarily in Salaries and employee benefits and Legal and consulting in the Consolidated Statements of Income, as well as $62.0 million in Provision expense to establish an ACL on the HTLF loans designated as non-PCD as of the Acquisition Date (Day 1 Provision expense). Additional transaction and integration costs will be expensed in future periods as incurred.

The following unaudited pro forma information combines the historical results of HTLF and the Company. The pro forma financial information does not include the potential impacts of possible business model changes, current market conditions, revenue enhancements, expense efficiencies, or other factors. If the HTLF acquisition had been completed on January 1, 2024, total revenue would have been approximately $573.1 million and $615.8 million for the three-month periods ended March 31, 2025 and March 31, 2024, respectively. Net income available to common shareholders would have been approximately $167.9 million and $82.3 million, respectively, for the same periods. Basic earnings per share would have been $2.29 and $1.14 for the same periods, respectively.

The pro forma information above reflects adjustments made to exclude the impact of acquisition-related expenses of $53.2 million for the first quarter of 2025 and include such expenses in the first quarter of 2024. Day 1 provision expense of $62.0 million was included in 2024 to reflect the assumption of the acquisition timing noted above. Adjustments also included adjusting net interest income by the estimated net accretion of fair value marks on acquired loans, HTM securities, time deposits and long-term debt of $9.3 million and $35.3 million for the three-month periods ended March 31, 2025 and March 31, 2024, respectively, and adjusting noninterest expense for the estimated net amortization of intangibles and fair value marks on premises and equipment of $7.9 million and $23.8 million for the three-month periods ended March 31, 2025 and March 31, 2024, respectively.

The pro forma information is theoretical in nature and not necessarily indicative of future consolidated results of operations of the Company or the consolidated results of operations which would have resulted had the Company acquired HTLF during the periods presented.

The Company has determined that it is impractical to report the amounts of revenue and earnings of legacy HTLF since the Acquisition Date due to the integration of operations shortly after the Acquisition Date. Accordingly, reliable and separate complete revenue and earnings information is no longer available. In addition, such amounts would require significant estimates related to the proper allocation of merger cost savings that cannot be objectively made.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations highlights the material changes in the results of operations and changes in financial condition of the Company for the three-month period ended March 31, 2025. It should be read in conjunction with the accompanying Consolidated Financial Statements, Notes to Consolidated Financial Statements and other financial information appearing elsewhere in this Form 10-Q and the Form 10-K. Results of operations for the periods included in this review are not necessarily indicative of results to be attained during any future period.

CAUTIONARY NOTICE ABOUT FORWARD-LOOKING STATEMENTS

From time to time the Company has made, and in the future will make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast," "target," "trend," "plan," "goal," or other words of comparable meaning or future-tense or conditional verbs such as "may," "will," "should," "would," or "could." Forward-looking statements convey the Company's expectations, intentions, or forecasts about future events, circumstances, results, or aspirations, in each case as of the date such forward-looking statements are made.

This Form 10-Q, including any information incorporated by reference in this Form 10-Q, contains forward-looking statements. The Company also may make forward-looking statements in other documents that are filed or furnished with the Securities and Exchange Commission. In addition, the Company may make forward-looking statements orally or in writing to investors, analysts, members of the media, or others.

All forward-looking statements, by their nature, are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond the Company's control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Actual future objectives, strategies, plans, prospects, performance, conditions, or results may differ materially from those set forth in any forward-looking statement. While no list of assumptions, risks, or uncertainties could be complete, some of the factors that may cause actual results or other future events, circumstances, or aspirations to differ from those in forward-looking statements include:

- local, regional, national, or international business, economic, or political conditions or events;
- changes in laws or the regulatory environment, including as a result of financial-services legislation or regulation;
- changes in monetary, fiscal, or trade laws or policies, including as a result of actions by central banks or supranational authorities;
- the pace and magnitude of interest rate movements;
- changes in accounting standards or policies;
- shifts in investor sentiment or behavior in the securities, capital, or other financial markets, including changes in market liquidity or volatility or changes in interest or currency rates;
- changes in spending, borrowing, or saving by businesses or households;
- the Company's ability to effectively manage capital or liquidity or to effectively attract or deploy deposits;
- changes in any credit rating assigned to the Company or its affiliates;
- adverse publicity or other reputational harm to the Company;
- changes in the Company's corporate strategies, the composition of its assets, or the way in which it funds those assets;

- the Company’s ability to develop, maintain, or market products or services or to absorb unanticipated costs or liabilities associated with those products or services;
- the Company’s ability to innovate to anticipate the needs of current or future customers, to successfully compete in its chosen business lines, to increase or hold market share in changing competitive environments, or to deal with pricing or other competitive pressures;
- changes in the credit, liquidity, or other condition of the Company’s customers, counterparties, or competitors;
- the Company’s ability to effectively deal with economic, business, or market slowdowns or disruptions;
- judicial, regulatory, or administrative investigations, proceedings, disputes, or rulings that create uncertainty for, or are adverse to, the Company or the financial-services industry;
- the Company’s ability to address changing or stricter regulatory or other governmental supervision or requirements;
- the Company’s ability to maintain secure and functional financial, accounting, technology, data processing, or other operating systems or facilities, including its capacity to withstand cyber-attacks;
- the adequacy of the Company’s corporate governance, risk-management framework, compliance programs, or internal controls, including its ability to control lapses or deficiencies in financial reporting or to effectively mitigate or manage operational risk;
- the efficacy of the Company’s methods or models in assessing business strategies or opportunities or in valuing, measuring, monitoring, or managing positions or risk;
- the Company’s ability to keep pace with changes in technology that affect the Company or its customers, counterparties, or competitors;
- mergers, acquisitions, or dispositions, including the Company’s ability to integrate acquisitions and divest assets;
- the Company’s ability to manage the expenses associated with the merger with HTLF and the impact these expenses may have on the Company’s financial results;
- the benefits from the merger may not be fully realized or may take longer to realize than expected;
- the Company’s ability to promptly and effectively integrate the merger with HTLF;
- the adequacy of the Company’s succession planning for key executives or other personnel;
- the Company’s ability to grow revenue, control expenses, or attract and retain qualified employees;
- natural disasters, war, terrorist activities, including instability in the Middle East and Russia's military action in Ukraine, pandemics, and their effects on economic and business environments in which the Company operates;
- macroeconomic and adverse developments and uncertainties related to the collateral effects of the collapse of, and challenges for, domestic and international banks, including the impacts to the U.S. and global economies and reputational harm to the U.S. banking system; or
- other assumptions, risks, or uncertainties described in the Notes to Consolidated Financial Statements (Item 1) and Management’s Discussion and Analysis of Financial Condition and Results of Operations (Item 2) in this Form 10-Q, in the Risk Factors (Item 1A) in the Form 10-K, or in any of the Company’s quarterly or current reports.

Any forward-looking statement made by the Company or on its behalf speaks only as of the date that it was made. The Company does not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except as required by applicable securities laws. You, however, should consult further disclosures (including disclosures of a forward-looking nature) that the Company may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, or Current Report on Form 8-K.

Overview

On January 31, 2025, UMBF completed its previously announced acquisition of Heartland Financial, USA, Inc. (HTLF). The acquisition added assets with a fair value of approximately $17.9 billion, $9.8 billion of loans, net of the allowance for credit losses, and $14.3 billion of deposits. The combined company retains its #1 deposit market share in Missouri and now ranks in the top 10 in Colorado, New Mexico, Kansas, and Arizona. The impacts of the acquisition are significant drivers in the first quarter results.

The Company focuses on the following four core financial objectives. Management believes these objectives will guide its efforts to achieve its vision, to deliver *the* Unparalleled Customer Experience, all while seeking to improve net income and strengthen the balance sheet while undertaking prudent risk management.

The first financial objective is to continuously improve operating efficiencies. The Company has focused on identifying efficiencies that simplify our organizational and reporting structures, streamline back-office functions, and take advantage of synergies and newer technologies among various platforms and distribution networks. The acquisition of HTLF will be integral in improving operational efficiency. The Company has identified and expects to continue identifying ongoing efficiencies through the normal course of business that, when combined with increased revenue, will contribute to improved operating leverage. During the first quarter of 2025, total revenue increased $165.2 million, or 41.4%, as compared to the first quarter of 2024, while noninterest expense increased $130.0 million, or 51.0%, for the same period. Included in the first quarter noninterest expense is $53.2 million in acquisition-related expense. Revenue is also impacted by accretion and amortization of the fair value adjustments discussed in Note 13, "Acquisition" above. As part of the initiative to improve operating efficiencies, the Company continues to invest in technological advances that it believes will help management drive operating leverage in the future through improved data analysis and automation. The Company also continues to evaluate core systems and will invest in enhancements that it believes will yield operating efficiencies.

The second financial objective is to increase net interest income through profitable loan and deposit growth and the optimization of the balance sheet. During the first quarter of 2025, the Company had an increase in net interest income of $158.2 million, or 66.1%, from the same period in 2024. The change in net interest income was primarily driven by rate and mix changes related to the HTLF acquisition. The increase in interest income was driven by a $9.0 billion, or 38.3%, increase in average loans, a $3.5 billion, or 106.1%, increase in average interest-bearing due from banks, and a $2.9 billion, or 21.9%, increase in total securities. The funding for these assets was driven primarily by a 43.1% increase in average interest-bearing liabilities, including an increase in average interest-bearing deposits of $13.4 billion compared to the same period in 2024. Net interest margin, on a tax-equivalent basis, increased 48 basis points compared to the same period in 2024, primarily due to cost and mix changes of loan balances and interest-bearing liabilities. Net interest spread increased 72 basis points during the same period. The Company expects to see continued volatility in the economic markets resulting from governmental responses to inflation and recessionary signs in the economy, as well as uncertainty about the impacts of recent tariffs. These changing conditions could have impacts on the balance sheet and income statement of the Company for the remainder of the year.

The third financial objective is to grow the Company's revenue from noninterest sources. The Company seeks to grow noninterest revenues throughout all economic and interest rate cycles, while positioning itself to benefit in periods of economic growth. Noninterest income increased $7.0 million, or 4.4%, to $166.2 million for the three months ended March 31, 2025, compared to the same period in 2024. This change is primarily due to HTLF-related fee income from trust income, deposit service charges, and bankcard fees. These are partially offset by investment securities losses and lower company-owned life insurance income. See greater detail below under Noninterest Income. The Company continues to emphasize its asset management, brokerage, bankcard services, healthcare services, and treasury management businesses. For the three-month period ended March 31, 2025, noninterest income represented 29.5% of total revenues, compared to 39.9% for the same period in 2024. The recent economic changes have impacted fee income, especially those with assets tied to market values and interest rates.

The fourth financial objective is effective capital management. The Company places a significant emphasis on maintaining a strong capital position, which management believes promotes investor confidence, provides access to funding sources under favorable terms, and enhances the Company's ability to capitalize on business growth and acquisition opportunities. The Company continues to maximize shareholder value through a mix of reinvesting in organic growth, evaluating acquisition opportunities that complement the Company's strategies, increasing dividends over time, and appropriately utilizing a share repurchase program. At March 31, 2025, the Company had $6.7 billion in total shareholders' equity. This is an increase of $3.6 billion, or 114.0%, compared to total shareholders' equity at March 31, 2024. At March 31, 2025, the Company had a total risk-based capital ratio of 12.54%. The first quarter of 2025 includes the issuance of 23.6 million shares of UMBF common stock, or $2.8 billion and the issuance of 4.6 million depositary shares, each representing a $1/400^{th}$ interest in a share of the Company's 7.00% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series A (the Series A Preferred Stock), or $115.2 million, in exchange for all of the outstanding common and preferred stock of HTLF as consideration for the acquisition. The Company also settled the previously announced forward contract which added 3.2 million common shares, or $235.1 million in equity. The Company did not repurchase shares of common stock during the first quarter of 2025, except for shares acquired pursuant to the Company's share-based incentive programs.

Earnings Summary

The following is a summary regarding the Company's earnings for the first quarter of 2025. The changes identified in the summary are explained in greater detail below. The Company recorded net income available to common shareholders of $79.3 million for the three-month period ended March 31, 2025, compared to $110.3 million for the same period a year earlier. Basic earnings per common share for the first quarter of 2025 was $1.22 per common share ($1.21 per common share fully-diluted) compared to basic earnings per common share of $2.27 per common share ($2.25 per common share fully-diluted) for the first quarter of 2024. Return on average assets and return on average common shareholders' equity for the three-month period ended March 31, 2025 were 0.54% and 5.86%, respectively, compared to 1.06% and 14.11%, respectively, for the three-month period ended March 31, 2024.

Net interest income for the three-month period ended March 31, 2025 increased $158.2 million, or 66.1%, compared to the same period in 2024. For the three-month period ended March 31, 2025, average earning assets increased $15.7 billion, or 39.3%, compared to the same period in 2024. Net interest margin, on a tax-equivalent basis, increased to 2.96% for the three-month period ended March 31, 2025, compared to 2.48% for the same period in 2024.

The provision for credit losses increased by $76.0 million for the three-month period ended March 31, 2025, as compared to the same period in 2024. Provision expense included $62.0 million to establish an allowance for credit losses on the acquired loans designated as non-PCD loans at the close of the transaction. See Note 13, "Acquisition" above. Provision expense for both periods is primarily impacted by macro-economic data and portfolio credit metrics. The Company's nonperforming loans increased $83.1 million to $100.9 million at March 31, 2025, compared to March 31, 2024. This includes $80.8 million in nonperforming loans related to HTLF. The ACL on loans as a percentage of total loans increased to 1.03% as of March 31, 2025, compared to 0.96% at March 31, 2024. For a description of the Company's methodology for computing the ACL, please see the summary discussion in the "Provision and Allowance for Credit Losses" section included below.

Noninterest income increased by $7.0 million, or 4.4%, for the three-month period ended March 31, 2025, compared to the same period in 2024. These changes are discussed in greater detail below under Noninterest Income.

Noninterest expense increased by $130.0 million, or 51.0%, for the three-month period ended March 31, 2025, compared to the same period in 2024. These changes are discussed in greater detail below under Noninterest Expense.

Net Interest Income

Net interest income is a significant source of the Company's earnings and represents the amount by which interest income on earning assets exceeds the interest expense paid on liabilities. The volume of interest-earning assets and the related funding sources, the overall mix of these assets and liabilities, and the rates paid on each affect net interest income. Net interest income for the three-month period ended March 31, 2025 increased $158.2 million, or 66.1%, compared to the same period in 2024. This increase is primarily driven by rate and mix changes related to the HTLF acquisition. Margin included $28.6 million of net accretion related to the fair value adjustments discussed in Note 13, "Acquisition" above.

Table 1 shows the impact of earning asset rate changes compared to changes in the cost of interest-bearing liabilities. As illustrated in this table, net interest spread for the three months ended March 31, 2025 increased 72 basis points as compared to the same period in 2024. Net interest margin for the three months ended March 31, 2025 increased 48 basis points compared to the same period in 2024. The changes are driven by rate and balance sheet mix changes from the acquired HTLF balance sheet. The cost of interest-bearing liabilities decreased 59 basis points from the first quarter of 2024 while the yield on earning assets increased 13 basis points compared to the same period. Earning asset balance increases have been primarily driven by higher average loan, interest-bearing due from bank, and securities balances. These variances have led to an increase in the Company's net interest income during 2025, as compared to results for the same period in 2024. The Company expects to see continued volatility in the economic markets and governmental responses to changes in the economy. These changing conditions could have impacts on the balance sheet and income statement of the Company the remainder of the year. For the impact of the contribution from free funds, see the Analysis of Net Interest Margin within Table 2 below. Table 2 also illustrates how the changes in volume and interest rates have resulted in an increase in net interest income.

Table 1

AVERAGE BALANCE SHEETS/YIELDS AND RATES *(tax-equivalent basis) (unaudited, dollars in thousands)*

The following table presents, for the periods indicated, the average earning assets and resulting yields, as well as the average interest-bearing liabilities and resulting yields, expressed in both dollars and rates. All average balances are daily average balances. The average yield on earning assets without the tax-equivalent basis adjustment would have been 5.39% for the three-month period ended March 31, 2025, and 5.25% for the same period in 2024.

	Three Months Ended March 31,			
	2025		2024	
	Average Balance	Average Yield/Rate	Average Balance	Average Yield/Rate
ASSETS				
Loans, net of unearned interest	$ 32,309,697	6.62%	$ 23,354,043	6.64%
Securities:				
Taxable	11,728,148	3.40	9,264,789	2.65
Tax-exempt	4,121,569	3.68	3,732,122	3.42
Total securities	15,849,717	3.47	12,996,911	2.87
Federal funds and resell agreements	555,805	5.07	206,443	5.97
Interest-bearing due from banks	6,808,680	4.47	3,304,142	5.44
Other earning assets	20,863	7.56	17,893	7.33
Total earning assets	55,544,762	5.44	39,879,432	5.31
Allowance for credit losses	(320,371)		(222,116)	
Other assets	4,752,484		2,360,092	
Total assets	$ 59,976,875		$ 42,017,408	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Interest-bearing deposits	$ 36,856,314	3.34%	$ 23,459,723	3.84%
Federal funds and repurchase agreements	2,692,907	3.88	2,384,754	4.67
Borrowed funds	570,427	7.92	2,183,494	5.36
Total interest-bearing liabilities	40,119,648	3.44	28,027,971	4.03
Noninterest-bearing demand deposits	13,428,205		10,066,409	
Other liabilities	861,375		779,510	
Shareholders' equity	5,567,647		3,143,518	
Total liabilities and shareholders' equity	$ 59,976,875		$ 42,017,408	
Net interest spread		2.00%		1.28%
Net interest margin		2.96		2.48

Table 2 presents the dollar amount of change in net interest income and margin due to volume and rate. Table 2 also reflects the effect that interest-free funds have on net interest margin. The average balance of interest-free funds (total earning assets less interest-bearing liabilities) increased $3.6 billion for the three-month period ended March 31, 2025, compared to the same period in 2024. The benefit from interest-free funds decreased 24 basis points in the three-month period ended March 31, 2025 compared to the same period in 2024.

Table 2
ANALYSIS OF CHANGES IN NET INTEREST INCOME AND MARGIN *(unaudited, dollars in thousands)*

ANALYSIS OF CHANGES IN NET INTEREST INCOME

	Three Months Ended March 31, 2025 and 2024		
	Volume	**Rate**	**Total**
Change in interest earned on:			
Loans	$ 143,050	$ (1,212)	$ 141,838
Securities:			
Taxable	18,070	19,115	37,185
Tax-exempt	2,694	1,936	4,630
Federal funds sold and resell agreements	4,409	(519)	3,890
Interest-bearing due from banks	39,493	(9,196)	30,297
Trading	55	10	65
Interest income	207,771	10,134	217,905
Change in interest incurred on:			
Interest-bearing deposits	111,836	(32,305)	79,531
Federal funds purchased and repurchase agreements	3,187	(5,059)	(1,872)
Other borrowed funds	(27,642)	9,683	(17,959)
Interest expense	87,381	(27,681)	59,700
Net interest income	$ 120,390	$ 37,815	$ 158,205

ANALYSIS OF NET INTEREST MARGIN

	Three Months Ended March 31,		
	2025	**2024**	**Change**
Average earning assets	$ 55,544,762	$ 39,879,432	$ 15,665,330
Interest-bearing liabilities	40,119,648	28,027,971	12,091,677
Interest-free funds	$ 15,425,114	$ 11,851,461	$ 3,573,653
Free funds ratio (interest-free funds to average earning assets)	27.77%	29.72%	(1.95)%
Tax-equivalent yield on earning assets	5.44	5.31	0.13
Cost of interest-bearing liabilities	3.44	4.03	(0.59)
Net interest spread	2.00	1.28	0.72
Benefit of interest-free funds	0.96	1.20	(0.24)
Net interest margin	2.96%	2.48%	0.48%

Provision and Allowance for Credit Losses

The ACL represents management's judgment of the total expected losses included in the Company's loan portfolio as of the balance sheet date. The Company's process for recording the ACL is based on the evaluation of the Company's lifetime historical loss experience, management's understanding of the credit quality inherent in the loan portfolio, and the impact of the current economic environment, coupled with reasonable and supportable economic forecasts.

A mathematical calculation of an estimate is made to assist in determining the adequacy and reasonableness of management's recorded ACL. To develop the estimate, the Company follows the guidelines in ASC 326, *Financial Instruments – Credit Losses*. The estimate reserves for assets held at amortized cost and any related credit deterioration in the Company's available-for-sale debt security portfolio. Assets held at amortized cost include the Company's loan book and held-to-maturity security portfolio.

The process involves the consideration of quantitative and qualitative factors relevant to the specific segmentation of loans. These factors have been established over decades of financial institution experience and include economic observation and loan loss characteristics. This process is designed to produce a lifetime estimate of the losses, at a reporting date, that includes evaluation of historical loss experience, current economic conditions, reasonable and supportable forecasts, and the qualitative framework outlined by the Office of the Comptroller of the Currency in the published 2020 Interagency Policy Statement. This process allows management to take a holistic view of the recorded ACL reserve and ensure that all significant and pertinent information is considered.

The Company considers a variety of factors to ensure the safety and soundness of its estimate including a strong internal control framework, extensive methodology documentation, credit underwriting standards which encompass the Company's desired risk profile, model validation, and ratio analysis. If the Company's total ACL estimate, as determined in accordance with the approved ACL methodology, is either outside a reasonable range based on review of economic indicators or by comparison of historical ratio analysis, the ACL estimate is an outlier and management will investigate the underlying reason(s). Based on that investigation, issues or factors that previously had not been considered may be identified in the estimation process, which may warrant adjustments to estimated credit losses.

The ending result of this process is a recorded consolidated ACL that represents management's best estimate of the total expected losses included in the loan portfolio, held-to-maturity securities, and credit deterioration in available-for-sale securities.

Based on the factors above, management of the Company recorded $86.0 million as provision for credit losses for the three-month period ended March 31, 2025, compared to $10.0 million for the same period in 2024. As noted above, $62.0 million was recorded to establish an allowance for credit losses on the acquired loans designated as non-PCD loans at the close of the HTLF acquisition. See Note 13, "Acquisition" above. The remaining $24.0 million was recorded from applying the methodology for computing the allowance for credit losses, coupled with the impacts of the current and forecasted economic environment. As illustrated in Table 3 below, the ACL on loans increased to 1.03% of total loans as of March 31, 2025, compared to 0.96% of total loans as of March 31, 2024.

Table 3 presents a summary of the Company's ACL for the three-month periods ended March 31, 2025 and 2024, and for the year ended December 31, 2024. Net charge-offs were $35.9 million, or 0.45% of average loans for the three-month period ended March 31, 2025, compared to $3.0 million, or 0.05% for the same period in 2024. Approximately $29.7 million of the net charge-offs were related to acquired loans. See "Credit Risk Management" under "Item 3. Quantitative and Qualitative Disclosures About Market Risk" in this report for information relating to nonaccrual loans, past due loans, restructured loans and other credit risk matters.

Table 3
ANALYSIS OF ALLOWANCE FOR CREDIT LOSSES *(unaudited, dollars in thousands)*

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Year Ended December 31, 2024
Allowance – January 1	$ 261,734	$ 222,996	$ 222,996
PCD allowance for credit loss at acquisition	62,126	—	—
Provision for credit losses	85,500	10,000	62,000
Charge-offs:			
Commercial and industrial	(25,996)	(944)	(5,441)
Specialty lending	—	—	—
Commercial real estate	(2,324)	(250)	(250)
Consumer real estate	(1,229)	(174)	(432)
Consumer	(742)	(408)	(1,524)
Credit cards	(6,676)	(3,701)	(20,752)
Leases and other	—	—	(4)
Total charge-offs	(36,967)	(5,477)	(28,403)
Recoveries:			
Commercial and industrial	69	1,252	1,890
Specialty lending	—	1	4
Commercial real estate	—	—	—
Consumer real estate	16	606	648
Consumer	119	76	241
Credit cards	891	525	2,355
Leases and other	—	—	3
Total recoveries	1,095	2,460	5,141
Net charge-offs	(35,872)	(3,017)	(23,262)
Allowance for credit losses – end of period	$ 373,488	$ 229,979	$ 261,734
Allowance for credit losses on loans	$ 368,922	$ 226,159	$ 259,089
Allowance for credit losses on held-to-maturity securities	4,566	3,820	2,645
Loans at end of period, net of unearned interest	35,936,281	23,637,649	25,642,301
Held-to-maturity securities at end of period	5,669,139	5,626,437	5,378,912
Total assets at amortized cost	41,605,420	29,264,086	31,021,213
Average loans, net of unearned interest	32,307,533	23,352,083	24,209,547
Allowance for credit losses on loans to loans at end of period	1.03%	0.96%	1.01%
Allowance for credit losses – end of period to total assets at amortized cost	0.90%	0.79%	0.84%
Allowance as a multiple of net charge-offs	2.57x	18.95x	11.25x
Net charge-offs to average loans	0.45%	0.05%	0.10%

Noninterest Income

A key objective of the Company is the growth of noninterest income to provide a diverse source of revenue not directly tied to interest rates. Fee-based services are typically non-credit related and are not generally affected by fluctuations in interest rates.

The Company offers multiple fee-based products and services, which management believes will more closely align with customer demands. The Company is currently emphasizing fee-based products and services including trust and securities processing, bankcard, securities trading and brokerage, and cash and treasury management. Management believes that it can offer these products and services both efficiently and profitably, as most have common platforms and support structures.

Table 4
SUMMARY OF NONINTEREST INCOME *(unaudited, dollars in thousands)*

	Three Months Ended March 31,		Dollar Change	Percent Change
	2025	2024	25-24	25-24
Trust and securities processing	$ 79,781	$ 69,478	$ 10,303	14.8%
Trading and investment banking	5,911	5,462	449	8.2
Service charges on deposits	27,457	20,757	6,700	32.3
Insurance fees and commissions	178	283	(105)	(37.1)
Brokerage fees	18,102	13,160	4,942	37.6
Bankcard fees	26,293	21,968	4,325	19.7
Investment securities (losses) gains, net	(4,782)	9,371	(14,153)	(151.0)
Other	13,258	18,765	(5,507)	(29.3)
Total noninterest income	$ 166,198	$ 159,244	$ 6,954	4.4%

Noninterest income increased by $7.0 million, or 4.4%, during the three-month period ended March 31, 2025, compared to the same period in 2024. Table 4 above summarizes the components of noninterest income and the respective year-over-year comparison for each category.

Trust and securities processing income consists of fees earned on personal and corporate trust accounts, custody of securities services, trust investments and wealth management services, mutual fund assets, and alternative asset servicing. The increase in these fees for the three-month period ended March 31, 2025, compared to the same period in 2024, was primarily due to an increase in trust services income primarily related to HTLF, and increases in fund services revenue and corporate trust revenue. For the three-month period ended March 31, 2025, trust services income increased $4.4 million, or 29.4%, fund services revenue increased $3.6 million, or 9.0%, and corporate trust revenue increased $2.4 million, or 15.7%, in each case compared to the same period in 2024. The recent volatile markets have impacted the income in this category. Since trust and securities processing fees are primarily asset-based, which are highly correlated to the change in market value of the assets, the related income for the remainder of the year will be affected by changes in the securities markets. Management continues to emphasize sales of services to both new and existing clients as well as increasing and improving the distribution channels.

Service charges on deposits for the three-month period ended March 31, 2025 increased $6.7 million, or 32.3%, compared to the same period in 2024. This increase was largely driven by the HTLF acquisition and increased corporate service charges income.

Brokerage fees for the three-month period ended March 31, 2025 increased $4.9 million, or 37.6%, compared to the same period in 2024. This increase was driven by increased 12b-1 fees and money market share revenue.

Bankcard fees for the three-month period ended March 31, 2025 increased $4.3 million, or 19.7%, compared to the same period in 2024. This increase was driven by higher interchange income, partially offset by higher rebate and reward costs primarily related to purchase volume from the HTLF acquisition.

Investment securities gains, net for the three-month period ended March 31, 2025 decreased by $14.2 million, or 151.0%, compared to the same period in 2024. This decrease was primarily driven by a net $8.6 million gain on disposition of two of the Company's non-marketable securities in the first quarter of 2024, coupled with $5.3 million in decreased valuation in the Company's non-marketable securities during the first quarter of 2025. The income in this category is highly correlated to the change in market value of the assets, and the related income for the remainder of the year will be affected by changes in the securities markets. The Company's investment portfolio is continually evaluated for opportunities to improve its performance and risk profile relative to market conditions and the Company's interest rate expectations. This can result in differences from quarter to quarter in the amount of realized gains or losses on this portfolio.

Other noninterest income for the three-month period ended March 31, 2025 decreased $5.5 million, or 29.3%, compared to the same period in 2024, driven by a decrease of $5.3 million in company-owned life insurance income.

Table 5
SUMMARY OF NONINTEREST EXPENSE *(unaudited, dollars in thousands)*

	Three Months Ended March 31,		Dollar Change	Percent Change
	2025	2024	25-24	25-24
Salaries and employee benefits	$ 221,398	$ 143,006	$ 78,392	54.8%
Occupancy, net	16,069	12,270	3,799	31.0
Equipment	16,948	16,503	445	2.7
Supplies and services	4,785	3,301	1,484	45.0
Marketing and business development	7,998	6,025	1,973	32.7
Processing fees	40,850	27,936	12,914	46.2
Legal and consulting	28,606	7,894	20,712	262.4
Bankcard	12,795	10,567	2,228	21.1
Amortization of other intangible assets	17,482	1,960	15,522	791.9
Regulatory fees	8,237	19,395	(11,158)	(57.5)
Other	9,619	5,947	3,672	61.7
Total noninterest expense	$ 384,787	$ 254,804	$ 129,983	51.0%

Noninterest expense increased by $130.0 million, or 51.0%, for the three-month period ended March 31, 2025, compared to the same period in 2024. Table 5 above summarizes the components of noninterest expense and the respective year-over-year comparison for each category. First quarter 2025 noninterest expense included $53.2 million in total acquisition-related and other nonrecurring costs, compared to $0.4 million in the same period in 2024. It also includes $15.6 million in other intangible amortization expense related to the HTLF acquisition.

Salaries and employee benefits increased by $78.4 million, or 54.8%, for the three-month period ended March 31, 2025, compared to the same period in 2024. Salaries and wages expense increased $25.0 million, or 29.2%, and bonus and commission expense increased $46.7 million, or 179.5%, for the three-month period ended March 31, 2025, as compared to the same period in 2024. Employee benefits expense increased $6.7 million, or 21.4%, for the three-month period ended March 31, 2025 compared to the same period in 2024. The variances in salaries and employee benefits are primarily driven by increased severance, retention bonuses, and change in control payments made to HTLF associates, as well as higher bonus expense due to higher company performance for legacy-UMB associates.

Occupancy expense increased $3.8 million, or 31.0%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to higher volume of activity from the HTLF acquisition.

Processing fees increased $12.9 million, or 46.2%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to increased software subscription costs, of which $6.2 million was driven by legacy-HTLF software subscriptions.

Legal and Consulting expense increased $20.7 million, or 262.4%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to $19.0 million of non-recurring transaction costs associated with the acquisition in the first quarter of 2025.

Bankcard expense increased $2.2 million, or 21.2%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily driven by higher volume of activity from the HTLF acquisition.

Amortization of other intangible assets increased $15.5 million, or 791.9%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to amortization of the core deposit intangible, customer list and purchased credit card relationship intangibles recognized in the first quarter from the HTLF acquisition.

Regulatory fees decreased $11.2 million, or 57.5%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to the $13.0 million FDIC special assessment recorded in the first quarter of 2024.

Other expense increased $3.7 million, or 61.7%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily due to higher operational losses coupled with increased expenses related to the HTLF acquisition for property taxes and insurance.

Income Tax Expense

The Company's effective tax rate was 12.6% for the three months ended March 31, 2025, compared to 17.6% for the same period in 2024. The effective tax rate decreased primarily due to more favorable discrete tax items in 2025 as compared to 2024, including a favorable discrete tax benefit for the remeasurement of deferred tax assets due to an increase in the forecasted state marginal tax rate driven by the acquisition of HTLF. Additionally, there was an increase in excess tax benefits associated with stock compensation recorded in the first quarter of 2025 compared to the same period a year earlier.

Strategic Lines of Business

The Company has strategically aligned its operations into the following three reportable Business Segments: Commercial Banking, Institutional Banking, and Personal Banking. The Company's senior executive officers regularly evaluate Business Segment financial results produced by the Company's internal reporting system in deciding how to allocate resources and assess performance for individual Business Segments. For comparability purposes, amounts in all periods are based on methodologies in effect at March 31, 2025. Previously reported results have been reclassified in this Form 10-Q to conform to the Company's current organizational structure.

Table 6
Commercial Banking Operating Results *(unaudited, dollars in thousands)*

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Dollar Change 25-24	Percent Change 25-24
Net interest income	$ 273,916	$ 157,982	$ 115,934	73.4%
Provision for credit losses	66,751	7,765	58,986	759.6
Noninterest income	37,218	43,978	(6,760)	(15.4)
Noninterest expense	173,011	95,255	77,756	81.6
Income before taxes	71,372	98,940	(27,568)	(27.9)
Income tax expense	8,987	16,762	(7,775)	(46.4)
Net income	$ 62,385	$ 82,178	$ (19,793)	(24.1)%

For the three-month period ended March 31, 2025, Commercial Banking net income decreased $19.8 million to $62.4 million, as compared to the same period in 2024. Net interest income increased $115.9 million, or 73.4%, for the three-month period ended March 31, 2025, compared to the same period in 2024, primarily driven by the acquisition of HTLF, as well as organic legacy-UMB loan growth, and earning asset mix changes. Provision for credit losses increased $59.0 million for the period, driven by the acquisition of HTLF as well as portfolio metric changes and changes in macro-economic metrics in 2025 as compared to 2024. Noninterest income decreased $6.8 million, or 15.4%, compared to the same period in 2024, primarily due to a decrease of $10.7 million in investment securities gains, partially offset by an increase of $4.2 million in deposit service charges. Noninterest expense increased $77.8 million, or 81.6%, to $173.0 million for the three-month period ended March 31, 2025, compared to the same period in 2024. This increase was driven by an increase of $46.7 million in technology, service, and overhead expenses and an increase of $26.4 million in salaries and employee benefits expense, both driven by the HTLF acquisition. There were additional increases of $1.6 million in marketing and business development expense and $1.5 million in processing fees.

Table 7
Institutional Banking Operating Results *(unaudited, dollars in thousands)*

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Dollar Change 25-24	Percent Change 25-24
Net interest income	$ 61,159	$ 49,125	$ 12,034	24.5%
Provision for credit losses	435	234	201	85.9
Noninterest income	103,797	91,704	12,093	13.2
Noninterest expense	107,268	97,541	9,727	10.0
Income before taxes	57,253	43,054	14,199	33.0
Income tax expense	7,210	7,733	(523)	(6.8)
Net income	$ 50,043	$ 35,321	$ 14,722	41.7%

For the three-month period ended March 31, 2025, Institutional Banking net income increased $14.7 million, or 41.7%, compared to the same period last year. Net interest income increased $12.0 million, or 24.5%, compared to the same period last year, due to an increase in funds transfer pricing due to higher deposit balances. Noninterest income increased $12.1 million, or 13.2%, primarily due to increases of $6.0 million in trust and securities processing income driven by higher fund services and corporate trust revenue, $4.0 million in brokerage fees and $1.8 million in deposit service charges. Noninterest expense increased $9.7 million, or 10.0%, primarily driven by increases of $7.4 million in salaries and employee benefits expense, $3.8 million in processing fees, and $1.5 million in bankcard expense. These increases were partially offset by a decrease of $3.1 million in technology, service, and overhead expenses.

Table 8
Personal Banking Operating Results *(unaudited, dollars in thousands)*

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024	Dollar Change 25-24	Percent Change 25-24
Net interest income	$ 62,564	$ 32,327	$ 30,237	93.5%
Provision for credit losses	18,814	2,001	16,813	840.2
Noninterest income	25,183	23,562	1,621	6.9
Noninterest expense	104,508	62,008	42,500	68.5
Loss before taxes	(35,575)	(8,120)	(27,455)	(338.1)
Income tax benefit	(4,480)	(879)	(3,601)	(409.7)
Net loss	$ (31,095)	$ (7,241)	$ (23,854)	(329.4)%

For the three-month period ended March 31, 2025, Personal Banking net income decreased $23.9 million to a net loss of $31.1 million, as compared to the same period in 2024. Net interest income increased $30.2 million, or 93.5%, compared to the same period last year driven by the acquisition of HTLF, as well as organic legacy-UMB loan growth, and earning asset mix change. Provision for credit losses increased $16.8 million for the period driven by the acquisition of HTLF as well as by portfolio metric changes and changes in macro-economic metrics in 2025 as compared to 2024. Noninterest income increased $1.6 million, or 6.9%, for the same period driven by an increase of $3.8 million in trust and securities processing income, an increase of $1.3 million in bankcard fees, and an increase of $0.9 million in brokerage income. These increases were partially offset by a decrease of $4.1 million in investment securities gains. Noninterest expense increased $42.5 million, or 68.5%, primarily due to an increase of

$26.5 million in technology, service, and overhead expenses, and an increase of $13.8 million in salaries and employee benefits expense, both driven by the HTLF acquisition, and an increase of $1.3 million in processing fees.

Balance Sheet Analysis

Total assets of the Company increased $18.9 billion, or 37.6%, as of March 31, 2025, compared to December 31, 2024, primarily due to an increase of $10.3 billion, or 40.1% in loan balances, an increase of $3.1 billion, or 40.1%, in securities available for sale, and an increase of $1.8 billion, or 22.9%, in interest-bearing due from banks.

Total assets of the Company increased $24.0 billion, or 52.9%, as of March 31, 2025, compared to March 31, 2024, primarily due to an increase of $12.3 billion, or 52.0%, in loan balances, an increase of $4.4 billion, or 66.6%, in securities available for sale, and an increase of $3.2 billion, or 47.0%, in interest-bearing due from banks.

The overall increase in total assets from March 31, 2024 and December 31, 2024 to March 31, 2025 is directly related to the acquisition of HTLF. The HTLF acquisition added total assets with an acquired fair value of $16.3 billion, including $9.8 billion in loan balances and $3.7 billion in securities balances at January 31, 2025.

Table 9
SELECTED FINANCIAL INFORMATION *(unaudited, dollars in thousands)*

	March 31,		December 31,
	2025	2024	2024
Total assets	$ 69,347,313	$ 45,343,375	$ 50,409,664
Loans, net of unearned interest	35,941,380	23,642,064	25,645,057
Total securities	17,295,602	12,681,449	13,652,797
Interest-bearing due from banks	9,811,867	6,673,104	7,986,270
Total earning assets	63,684,918	43,176,892	47,829,124
Total deposits	58,521,178	36,913,610	43,142,029
Total borrowed funds	3,214,363	4,409,216	2,995,007

Loans represent the Company's largest source of interest income. In addition to growing the commercial loan portfolio, management believes its middle market commercial business and its consumer business, including home equity and credit card loan products, are the market niches that represent its best opportunity to cross-sell fee-related services and generate additional noninterest income for the Company.

Actual loan balances totaled $35.9 billion as of March 31, 2025, and increased $10.3 billion, or 40.1%, compared to December 31, 2024, and increased $12.3 billion, or 52.0%, compared to March 31, 2024. Compared to December 31, 2024, commercial real estate loans increased $5.9 billion, or 57.9%, commercial and industrial loans increased $3.1 billion, or 28.7%, and consumer real estate loans increased $1.0 billion, or 31.5%. Compared to March 31, 2024, commercial real estate loans increased $6.7 billion, or 72.3%, commercial and industrial loans increased $4.1 billion, or 41.2%, and consumer real estate loans increased $1.2 billion, or 40.9%. A significant driver in the increases in loans was the acquisition of HTLF and its loan portfolio with an acquired fair value of $9.8 billion at January 31, 2025. The remaining increase in loans compared to March 31, 2024 is related to loans originated through the legacy UMB channels. See further information in Note 4, "Loans and Allowance for Credit Losses" in the Notes to Consolidated Financial Statements.

As of March 31, 2025 and December 31, 2024, commercial real estate loans comprised approximately 44.5% and 39.5%, respectively, of the Company's loan portfolio. Commercial real estate loans generally involve a greater degree of credit risk than consumer real estate loans because they typically have larger balances and are more affected by adverse conditions in the economy. Because payments on loans secured by commercial real estate often depend upon the successful operation and management of the properties and the businesses which operate from within them, repayment of such loans may be affected by factors outside the borrower's control, such as adverse conditions in the real estate market or the economy or changes in government regulations. In recent years, commercial real estate markets have been particularly impacted by the economic disruption resulting from the

COVID-19 pandemic. The COVID-19 pandemic has also been a catalyst for the evolution of various remote work options, which could impact the long-term performance of some types of office properties within our commercial real estate portfolio. Due to these risks, the Company is actively monitoring its exposure to commercial real estate.

Generally, these loans are made for investment and real estate development or working capital and business expansion purposes and are primarily secured by real estate with a maximum loan-to-value of 80%. Most of these properties are non-owner occupied and have guarantees as additional security. The Company's investment CRE portfolio (which includes non-owner occupied and construction loans) totaled 29.6% and 28.5% of total Company loans as of March 31, 2025 and December 31, 2024, respectively. The average investment CRE loan was approximately $3.9 million and $7.2 million, as of March 31, 2025 and December 31, 2024, respectively.

The properties securing the commercial real estate portfolio are diverse in terms of type and geographic location. This diversity helps reduce exposure to adverse economic events that affect any single market or industry. Notwithstanding, commercial real estate loans, in general, may be more adversely impacted by conditions in the real estate market or the economy.

The following table presents the Company's investment CRE (which includes non-owner occupied and construction loans) by industry. The table separately discloses the top five industries as a percentage of the Company's loan portfolio as of either period presented, while the remainder are included in "Other."

Table 10

	Investment CRE loans by industry as a percentage of total Company Loans	
	March 31, 2025	**December 31, 2024**
Industrial	8.5%	8.8%
Multifamily	6.9	7.4
Office building	4.0	3.9
Hotel	2.2	1.9
Retail	2.7	1.9
Other	5.3	4.6
Total Investment CRE	29.6%	28.5%

The following table presents the Company's investment CRE (which includes non-owner occupied and construction loans) by state. The table separately discloses all states that represent at least 5.0% of the Company's investment CRE portfolio as of either period presented, while the remainder are included in "All Others."

Table 11

	Investment CRE loans by State	
	March 31, 2025	**December 31, 2024**
Arizona	11.9%	11.6%
Texas	11.8	11.4
Colorado	11.4	9.1
Missouri	10.5	14.6
Utah	5.7	8.1
California	5.1	3.0
Florida	4.0	5.8
All others	39.6	36.4
Total Investment CRE	100.0%	100.0%

Nonaccrual, past due and restructured loans are discussed under "Credit Risk Management" within "Item 3. Quantitative and Qualitative Disclosures About Market Risk" in this report.

Investment Securities

The Company’s investment portfolio contains trading, AFS, and HTM securities, as well as FRB stock, FHLB stock, and other miscellaneous investments. Investment securities totaled $17.3 billion as of March 31, 2025, and $13.7 billion as of December 31, 2024, and comprised 27.2% and 28.5% of the Company’s earning assets, respectively, as of those dates. A significant driver in the increases in the Company's investment portfolio was the acquisition of HTLF and its bond portfolio, which added total securities with an acquired fair value of $3.7 billion at January 31, 2025.

The Company’s AFS securities portfolio comprised 63.0% of the Company’s investment securities portfolio at March 31, 2025 and 56.9% at December 31, 2024. The Company’s AFS securities portfolio provides liquidity as a result of the composition and average life of the underlying securities. This liquidity can be used to fund loan growth or to offset the outflow of traditional funding sources. The average life of the AFS securities portfolio was 77.5 months at March 31, 2025, compared to 56.0 months at December 31, 2024, and 57.8 months at March 31, 2024. In addition to providing a potential source of liquidity, the AFS securities portfolio can be used as a tool to manage interest rate sensitivity. The Company’s goal in the management of its AFS securities portfolio is to maximize return within the Company’s parameters of liquidity goals, interest rate risk, and credit risk.

Management expects collateral pledging requirements for public funds, loan demand, and deposit funding to be the primary factors impacting changes in the level of AFS securities. There were $11.2 billion and $10.5 billion of securities pledged to secure U.S. Government deposits, other public deposits, certain trust deposits, derivative transactions, and repurchase agreements at March 31, 2025 and December 31, 2024, respectively.

The Company’s HTM securities portfolio consists of U.S. agency-backed securities, mortgage-backed securities, general obligation bonds, and private placement bonds. The HTM portfolio, net of the ACL, totaled $5.7 billion at March 31, 2025 and $5.4 billion as of December 31, 2024. The average life of the HTM portfolio was 8.7 years at March 31, 2025, compared to 9.1 years at December 31, 2024, and 9.0 years at March 31, 2024.

The securities portfolio generates the Company’s second largest component of interest income. The securities portfolio achieved an average yield on a tax-equivalent basis of 3.48% for the three-month period ended March 31, 2025, compared to 2.88% for the same period in 2024.

At March 31, 2025, the unrealized pre-tax net loss on the AFS securities portfolio was $557.5 million, or 4.9% of the $11.5 billion amortized cost value, an improvement of $75.8 million as compared to December 31, 2024. At March 31, 2025, the unrealized pre-tax net loss on the securities designated as HTM was $610.3 million, or 10.7% of amortized cost value, compared to $630.0 million at December 31, 2024. During 2022, the Company transferred securities with an amortized cost balance of $4.1 billion and a fair value of $3.8 billion from the AFS category to the HTM category. The transfer of securities was made at fair value at the time of transfer. The remaining balance of unrealized pre-tax losses related to transferred securities was $163.0 million as of March 31, 2025, and $171.3 million as of December 31, 2024, and was included in the amortized cost balance of HTM securities. See further information in Note 5, “Securities” in the Notes to Consolidated Financial Statements.

Deposits and Borrowed Funds

Deposits increased $15.4 billion, or 35.6%, from December 31, 2024 to March 31, 2025 and increased $21.6 billion, or 58.5%, from March 31, 2024 to March 31, 2025. A significant driver in the increases in the Company's deposits was the acquisition of HTLF, which added total deposits with an acquired value of $14.3 billion at January 31, 2025. Total noninterest-bearing deposits increased $4.8 billion and total interest-bearing deposits increased $10.6 billion from December 31, 2024 to March 31, 2025. Total noninterest-bearing deposits increased $5.2 billion, and interest-bearing deposits increased $16.4 billion from March 31, 2024 to March 31, 2025. Noninterest-bearing deposits were 31.5%, 31.6%, and 35.9% of total deposits at March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

Deposits represent the Company’s primary funding source for its asset base. In addition to the core deposits garnered by the Company’s retail branch structure, the Company continues to focus on its cash management services, as well as its trust and mutual fund servicing businesses, in order to attract and retain additional deposits. Management believes a strong core deposit composition is one of the Company’s key strengths given its competitive product mix.

As of March 31, 2025, there were an estimated $37.6 billion of uninsured deposits, an increase of $6.5 billion as compared to December 31, 2024, and an increase of $12.3 billion as compared to March 31, 2024. Estimated uninsured deposits comprised approximately 64.2%, 72.0%, and 68.4% of total deposits as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively. A portion of these uninsured deposits represent affiliate deposits and collateralized deposits. Affiliate deposits represent deposit accounts owned by the wholly owned subsidiaries of UMB Financial Corporation that are on deposit at UMB Bank, n.a. Collateralized deposits are public fund deposits or corporate trust deposits that are collateralized by high quality securities within the investment portfolio. Excluding affiliate deposits of $1.7 billion and collateralized deposits of $6.5 billion, the adjusted estimated uninsured deposits were $29.4 billion as of March 31, 2025. The adjusted ratio of estimated uninsured deposits, excluding affiliate and collateralized deposits, as a percentage of total deposits was approximately 50.2% as of March 31, 2025. The adjusted ratio of estimated uninsured deposits, excluding affiliate and collateralized deposits, as a percentage of total deposits was approximately 52.6% as of December 31, 2024, and 48.6% as of March 31, 2024.

The Company participates in the IntraFi Cash Service program, which allows its customers to place deposits into the program to receive reciprocal FDIC insurance coverage. The Company had $3.4 billion, $1.3 billion, and $1.2 billion of deposits in the program as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively. The increase in deposits in IntraFi Cash Service program during 2025 was driven by the acquisition of HTLF, which had $2.0 billion in the program as of January 31, 2025.

Long-term debt totaled $654.4 million at March 31, 2025, compared to $385.3 million as of December 31, 2024, and $383.7 million as of March 31, 2024. The increase in long-term debt in 2025 was driven by the acquisition of HTLF, which added total long-term debt with an acquired value of $278.0 million at January 31, 2025.

In September 2022, the Company issued $110.0 million in aggregate subordinated notes due in September 2032. The Company received $107.9 million, after deducting underwriting discounts and commissions and offering expenses, and used the proceeds from the offering for general corporate purposes, including, among other uses, contributing Tier 1 capital into the Bank. The subordinated notes were issued with a fixed-to-fixed rate of 6.25% and an effective rate of 6.64%, due to issuance costs, with an interest rate reset date of September 2027.

In September 2020, the Company issued $200.0 million in aggregate subordinated notes due in September 2030. The Company received $197.7 million, after deducting underwriting discounts and commissions and offering expenses, and used the proceeds from the offering for general corporate purposes, including, among other uses, contributing Tier 1 capital into the Bank. The subordinated notes were issued with a fixed-to-fixed rate of 3.70% and an effective rate of 3.93%, due to issuance costs, with an interest rate reset date of September 2025. During the first quarter of 2025, the Company purchased and subsequently retired $11.1 million of its 2020 subordinated notes.

As part of the acquisition of HTLF, the Company acquired $150.0 million in aggregate subordinated notes due September 2031. The subordinated notes have a fixed interest rate of 2.75% until September 2026, at which time the interest rate will reset quarterly. The subordinated notes had an acquired fair value of $138.8 million as of January 31, 2025.

The remainder of the Company's long-term debt was assumed from the acquisitions of Marquette Financial Companies in 2015 and HTLF in 2025 and consists of debt obligations payable to 19 unconsolidated trusts that previously issued trust preferred securities. These long-term debt obligations have an aggregate contractual balance of $262.9 million and a carrying value of $216.8 million as of March 31, 2025. As of December 31, 2024, the debt obligations related to the four unconsolidated trusts acquired from Marquette had an aggregate contractual balance of $103.1 million and had a carrying value of $76.8 million. Interest rates on trust preferred securities are tied to the three-month term SOFR rate with spreads ranging from 133 basis points to 365 basis points and reset quarterly. The trust preferred securities have maturity dates ranging from September 2032 to September 2037.

Short-term debt totaled $1.8 billion as of March 31, 2024 and consisted of a $1.0 billion short-term borrowing with the FHLB of Des Moines and an $800.0 million borrowing with the BTFP. Both borrowings were repaid during October 2024.

Federal funds purchased and securities sold under agreements to repurchase totaled $2.6 billion as of March 31, 2025, $2.6 billion as of December 31, 2024, and $2.2 billion at March 31, 2024. Repurchase agreements are transactions involving the exchange of investment funds by the customer for securities by the Company under an agreement to repurchase the same or similar issues at an agreed-upon price and date.

Capital and Liquidity

The Company places a significant emphasis on the maintenance of a strong capital position, which promotes investor confidence, provides access to funding sources under favorable terms, and enhances the Company's ability to capitalize on business growth and acquisition opportunities. Higher levels of liquidity, however, bear corresponding costs, measured in terms of lower yields on short-term, more liquid earning assets and higher expenses for extended liability maturities. The Company manages capital for each subsidiary based upon the subsidiary's respective risks and growth opportunities as well as regulatory requirements.

Total shareholders' equity was $6.7 billion at March 31, 2025, a $3.3 billion increase compared to December 31, 2024, and a $3.6 billion increase compared to March 31, 2024, driven by the acquisition of HTLF. Total common shareholders' equity was $6.6 billion as of March 31, 2025. Total accumulated other comprehensive loss was $492.7 million at March 31, 2025. This is an improvement of $80.4 million as compared to December 31, 2024, and an improvement of $101.8 million as compared to March 31, 2024.

The Company's Board of Directors authorized, at its April 29, 2025 and April 30, 2024 meetings, the repurchase of up to one million shares of the Company's common stock during the twelve months following each meeting (each a Repurchase Authorization). On July 25, 2023, the Company's Board of Directors approved the repurchase of up to one million shares of the Company's common stock, which terminated on April 30, 2024. During the three-month periods ended March 31, 2025 and 2024, the Company did not repurchase shares of common stock pursuant to any of its announced Repurchase Authorizations, but did acquire shares pursuant to the Company's share-based incentive programs.

At the Company's quarterly board meeting, the Board of Directors declared a $0.40 per share quarterly cash dividend payable on July 1, 2025, to shareholders of record at the close of business on June 10, 2025. Additionally, the Board of Directors declared a dividend of $175 per share of the Series A Preferred Stock, which results in a dividend of $0.4375 per depositary share. The Series A Preferred Stock dividend is payable on July 15, 2025 to stockholders of record of the Series A Preferred Stock as of the close of business on June 30, 2025.

Through the Company's relationship with the FHLB of Des Moines, the Company owns $10.5 million of FHLB stock and has access to additional liquidity and funding sources through FHLB advances. The Company's borrowing capacity is dependent upon the amount of collateral the Company places at the FHLB. As of March 31, 2025 the Company has 30 letters of credit outstanding with the FHLB of Des Moines to secure deposits. These letters of credit have an aggregate amount of $409.2 million and have various maturity dates through July 31, 2025. The Company's remaining borrowing capacity with the FHLB was $1.6 billion as of March 31, 2025. The Company had no outstanding FHLB advances at the FHLB of Des Moines as of March 31, 2025.

Risk-based capital guidelines established by regulatory agencies set minimum capital standards based on the level of risk associated with a financial institution's assets. The Company has implemented the Basel III regulatory capital rules adopted by the FRB. Basel III capital rules include a minimum ratio of common equity tier 1 capital to risk-weighted assets of 4.5% and a minimum tier 1 risk-based capital ratio of 6%. A financial institution's total capital is also required to equal at least 8% of risk-weighted assets.

The risk-based capital guidelines indicate the specific risk weightings by type of asset. Certain off-balance sheet items (such as standby letters of credit and binding loan commitments) are multiplied by credit conversion factors to translate them into balance sheet equivalents before assigning them specific risk weightings. The Company is also required to maintain a leverage ratio equal to or greater than 4%. The leverage ratio is calculated as the ratio of tier 1 core capital to total average assets, less goodwill and intangibles.

U.S. banking agencies in December 2018 approved a final rule to address the impact of CECL on regulatory capital by allowing banking organizations the option to phase in the day-one impact of CECL until the first quarter of 2023. In March 2020, the U.S. banking agencies issued an interim final rule that provides banking organizations with an alternative option to delay for two years an estimate of CECL's effect on regulatory capital, relative to the incurred loss methodology's effect on regulatory capital, followed by a three-year transition period. The Company elected this alternative option instead of the one described in the December 2018 rule. As of March 31, 2025, the impact of CECL was fully phased into the Company's regulatory capital.

The Company's capital position as of March 31, 2025 is summarized in the table below and exceeded regulatory requirements.

Table 12

	Three Months Ended March 31,	
RATIOS	**2025**	**2024**
Common equity tier 1 capital ratio	10.11%	11.09%
Tier 1 risk-based capital ratio	10.35	11.09
Total risk-based capital ratio	12.54	13.03
Leverage ratio	8.47	8.39
Return on average assets	0.54	1.06
Return on average common equity	5.86	14.11
Average common equity to assets	9.16	7.48

The Company's per share data is summarized in the table below.

	Three Months Ended March 31,	
Per Share Data	**2025**	**2024**
Earnings per common share – basic	$ 1.22	$ 2.27
Earnings per common share – diluted	1.21	2.25
Cash dividends per common share	0.40	0.39
Dividend payout ratio	32.8%	17.2%
Book value per common share	$ 87.43	$ 64.68

Off-balance Sheet Arrangements

The Company's main off-balance sheet arrangements are loan commitments, commercial and standby letters of credit, futures contracts and forward exchange contracts, which have maturity dates rather than payment due dates. See Note 10, "Commitments, Contingencies and Guarantees" in the Notes to Consolidated Financial Statements for detailed information on these arrangements. The level of the outstanding commitments could be impacted by volatility in the economic markets and governmental responses to inflation, geopolitical tensions, and supply chain constraints. These changing conditions could have impacts on the consolidated balance sheets of the Company for the remainder of the year.

Critical Accounting Policies and Estimates

The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to customers and suppliers, allowance for credit losses, bad debts, investments, financing operations, long-lived assets, taxes, other contingencies, and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which have formed the basis for making such judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Under different assumptions or conditions, actual results may differ from the recorded estimates.

A summary of critical accounting policies is listed in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of the Form 10-K. Additionally, the Company has identified the fair value of loans acquired in, and the core deposit intangibles associated with, the acquisition of HTLF as critical accounting estimates. The determination of estimated fair values required management to make certain estimates about discount rates, future expected cash flows, market conditions at the time of the acquisition and other future events that are highly subjective in nature and may require adjustments. See Note 2, “Summary of Significant Accounting Policies” and Note 13, “Acquisition” for additional information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Risk Management

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange prices, commodity prices, or equity prices. Financial instruments that are subject to market risk can be classified either as held for trading or held for purposes other than trading.

The Company is subject to market risk primarily through the effect of changes in interest rates of its assets held for purposes other than trading. The following discussion of interest rate risk, however, combines instruments held for trading and instruments held for purposes other than trading because the instruments held for trading represent such a small portion of the Company’s portfolio that the interest rate risk associated with them is immaterial.

Interest Rate Risk

In the banking industry, a major risk exposure is changing interest rates. To minimize the effect of interest rate changes to net interest income and exposure levels to economic losses, the Company manages its exposure to changes in interest rates through asset and liability management within guidelines established by its Asset Liability Committee (ALCO) and approved by the Board. The ALCO is responsible for approving and ensuring compliance with asset/liability management policies, including interest rate exposure. The Company’s primary method for measuring and analyzing consolidated interest rate risk is the Net Interest Income Simulation Analysis. The Company also uses a Net Portfolio Value model to measure market value risk under various rate change scenarios and a gap analysis to measure maturity and repricing relationships between interest-earning assets and interest-bearing liabilities at specific points in time. On a limited basis, the Company uses hedges such as swaps, rate floors, floor spreads, and futures contracts to manage interest rate risk on certain loans, trading securities, and trust preferred securities. See further information in Note 11 “Derivatives and Hedging Activities” in the Notes to the Consolidated Financial Statements.

Overall, the Company manages interest rate risk by positioning the balance sheet to maximize net interest income while maintaining an acceptable level of interest rate and credit risk, remaining mindful of the relationship among profitability, liquidity, interest rate risk, and credit risk.

Net Interest Income Modeling

The Company’s primary interest rate risk tool, the Net Interest Income Simulation Analysis, measures interest rate risk and the effect of interest rate changes on net interest income and net interest margin. This analysis incorporates all of the Company’s assets and liabilities together with assumptions that reflect the current interest rate environment. Through these simulations, management estimates the impact on net interest income of a 200-basis-point upward or a 300-basis-point downward gradual change (e.g. ramp) and immediate change (e.g. shock) of market interest rates over a two year period. In ramp scenarios, rates change gradually for a one-year period and remain constant in year two. In shock scenarios, rates change immediately and the change is sustained for the remainder of the two-year scenario horizon. Assumptions are made to project rates for new loans and deposits based on historical analysis, management outlook and repricing strategies. Asset prepayments and other market risks are developed from industry estimates of prepayment speeds and other market changes. The results of these simulations can be significantly influenced by assumptions utilized and management evaluates the sensitivity of the simulation results on a regular basis.

Table 13 shows the net interest income increase or decrease over the next two years as of March 31, 2025 and 2024 based on hypothetical changes in interest rates and a constant sized balance sheet with runoff being replaced.

Table 13
MARKET RISK *(unaudited)*

	Hypothetical change in interest rate – Rate Ramp			
	Year One		Year Two	
Change in basis points	March 31, 2025 Percentage change	March 31, 2024 Percentage change	March 31, 2025 Percentage change	March 31, 2024 Percentage change
200	0.1%	(1.5)%	7.1%	3.9%
100	(0.2)	(0.8)	3.0	2.0
Static	—	—	—	—
(100)	0.6	1.4	(2.6)	(0.5)
(200)	1.4	3.1	(5.1)	(0.6)
(300)	2.2	4.8	(7.7)	(1.0)

	Hypothetical change in interest rate – Rate Shock			
	Year One		Year Two	
Change in basis points	March 31, 2025 Percentage change	March 31, 2024 Percentage change	March 31, 2025 Percentage change	March 31, 2024 Percentage change
200	3.9%	2.2%	8.5%	6.9%
100	1.2	1.1	3.7	3.5
Static	—	—	—	—
(100)	(0.7)	(0.4)	(3.6)	(2.1)
(200)	(1.1)	(0.3)	(7.3)	(4.0)
(300)	(1.8)	(0.2)	(11.2)	(6.2)

The Company is positioned relatively neutral to changes in interest rates in the next year. Net interest income is predicted to increase in all upward rate scenarios except for 100bps ramp scenario. In down rate scenarios, net interest income is predicted to increase in rate ramp scenarios and decrease in rate shock scenarios in year one. In year two, net interest income is predicted to rise in all increasing rate scenarios and decrease in falling rate scenarios. The Company's ability to price deposits consistent with its historical approach is a key assumption in these scenarios.

Trading Account

The Company carries securities in a trading account that is maintained according to Board-approved policy and procedures. The policy limits the amount and type of securities that can be carried in the trading account, requires compliance with any limits under applicable law and regulations, and mandates the use of a value-at-risk methodology to manage price volatility risks within financial parameters. The risk associated with the carrying of trading securities is offset by utilizing financial instruments including exchange-traded financial futures as well as short sales of U.S. Treasury and Corporate securities. The trading securities and related hedging instruments are marked-to-market daily. The trading account had a balance of $35.5 million as of March 31, 2025, $28.5 million as of December 31, 2024, and $40.2 million as of March 31, 2024. Securities sold not yet purchased (i.e., short positions) totaled $11.9 million at March 31, 2025, $7.1 million as of December 31, 2024, and $11.7 million at March 31, 2024 and are classified within the Other liabilities line of the Company's Consolidated Balance Sheets.

The Company is subject to market risk primarily through the effect of changes in interest rates of its assets held for purposes other than trading. The discussion in Table 13 above of interest rate risk, however, combines instruments held for trading and instruments held for purposes other than trading, because the instruments held for trading represent such a small portion of the Company's portfolio that the interest rate risk associated with them is immaterial.

Other Market Risk

The Company has minimal foreign currency risk as a result of foreign exchange contracts. See Note 10 "Commitments, Contingencies and Guarantees" in the notes to the Consolidated Financial Statements.

Credit Risk Management

Credit risk represents the risk that a customer or counterparty may not perform in accordance with contractual terms. The Company utilizes a centralized credit administration function, which provides information on the Bank's risk levels, delinquencies, an internal ranking system and overall credit exposure. Loan requests are centrally reviewed to ensure the consistent application of the loan policy and standards. In addition, the Company has an internal loan review staff that operates independently of the Bank. This review team performs periodic examinations of the Bank's loans for credit quality, documentation and loan administration. The respective regulatory authorities governing the Bank also review loan portfolios.

A primary indicator of credit quality and risk management is the level of nonperforming loans. Nonperforming loans include both nonaccrual loans and restructured loans on nonaccrual. The Company's nonperforming loans increased $83.1 million to $100.9 million at March 31, 2025, compared to March 31, 2024, and increased $81.6 million, compared to December 31, 2024. The increase in both periods is attributable to additional non-performing loans related to the acquisition of HTLF. Acquired non-performing loans totaled $80.8 million as of March 31, 2025.

The Company had other real estate owned of $4.2 million as of March 31, 2025, $1.7 million as of December 31, 2024, and $2.5 million as of March 31, 2024. Loans past due more than 90 days and still accruing interest totaled $6.3 million as of March 31, 2025, compared to $3.0 million at March 31, 2024 and $7.6 million as of December 31, 2024.

A loan is generally placed on nonaccrual status when payments are past due 90 days or more and/or when management has considerable doubt about the borrower's ability to repay on the terms originally contracted. The accrual of interest is discontinued and recorded thereafter only when received in cash.

Certain loans are restructured to provide a reduction or deferral of interest or principal due to deterioration in the financial condition of the respective borrowers. The Company had $189 thousand of restructured loans at March 31, 2025, $517 thousand at March 31, 2024, and $196 thousand at December 31, 2024.

Table 14
LOAN QUALITY *(unaudited, dollars in thousands)*

	March 31, 2025	March 31, 2024	December 31, 2024
Nonaccrual loans	$ 100,848	$ 17,401	$ 19,241
Restructured loans on nonaccrual	37	355	41
Total nonperforming loans	100,885	17,756	19,282
Other real estate owned	4,225	2,532	1,612
Other repossessed assets	26,789	—	26,779
Total nonperforming assets	$ 131,899	$ 20,288	$ 47,673
Loans past due 90 days or more	$ 6,346	$ 3,076	$ 7,602
Restructured loans accruing	152	162	155
Allowance for credit losses on loans	368,922	226,159	259,089
Ratios:			
Non-performing loans as a percent of loans	0.28%	0.08%	0.08%
Non-performing assets as a percent of loans plus other real estate owned and other repossessed assets	0.37	0.09	0.19
Non-performing assets as a percent of total assets	0.19	0.04	0.09
Loans past due 90 days or more as a percent of loans	0.02	0.01	0.03
Allowance for credit losses on loans as a percent of loans	1.03	0.96	1.01
Allowance for credit losses on loans as a multiple of nonperforming loans	3.66x	12.74x	13.44x

Liquidity Risk

Liquidity represents the Company's ability to meet financial commitments through the maturity and sale of existing assets or availability of additional funds. The Company believes that the most important factor in the preservation of liquidity is maintaining public confidence that facilitates the retention and growth of a large, stable supply of core deposits and wholesale funds. Ultimately, the Company believes public confidence is generated through profitable operations, sound credit quality and a strong capital position. The primary source of liquidity for the Company is regularly scheduled payments on and maturity of assets, which include $10.9 billion of high-quality securities available for sale as of March 31, 2025. The liquidity of the Company and the Bank is also enhanced by its activity in the federal funds market and by its core deposits. Additionally, management believes it can raise debt or equity capital in the future, should the need arise.

Another factor affecting liquidity is the amount of deposits and customer repurchase agreements that have pledging requirements. All customer repurchase agreements require collateral in the form of a security. The U.S. Government, other public entities, and certain trust depositors require the Company to pledge securities if their deposit balances are greater than the FDIC-insured deposit limitations. These pledging requirements affect liquidity risk in that the related security cannot otherwise be disposed of due to the pledging restriction. There were $11.2 billion and $10.5 billion of securities pledged to secure U.S. Government deposits, other public deposits, certain trust deposits, derivative transactions, and repurchase agreements at March 31, 2025 and December 31, 2024, respectively.

The Company also has other commercial commitments that may impact liquidity. These commitments include unused commitments to extend credit, standby letters of credit and financial guarantees, and commercial letters of credit. The total amount of these commercial commitments at March 31, 2025 was $22.6 billion. Since many of these commitments expire without being drawn upon, the total amount of these commercial commitments does not necessarily represent the future cash requirements of the Company.

The Company's cash requirements consist primarily of dividends to shareholders, debt service, operating expenses, and treasury stock purchases. Management fees and dividends received from bank and non-bank subsidiaries traditionally have been sufficient to satisfy these requirements and are expected to be sufficient in the future. The Bank is subject to various rules regarding payment of dividends to the Company. For the most part, the Bank can pay dividends at least equal to its current year's earnings without seeking prior regulatory approval. The Company also uses cash to inject capital into its bank and non-bank subsidiaries to maintain adequate capital as well as fund strategic initiatives.

In September 2022, the Company issued $110.0 million in aggregate subordinated notes due in September 2032. The Company received $107.9 million, after deducting underwriting discounts and commissions and offering expenses, and used the proceeds from the offering for general corporate purposes, including, among other uses, contributing Tier 1 capital into the Bank. The subordinated notes were issued with a fixed-to-fixed rate of 6.25% and an effective rate of 6.64%, due to issuance costs, with an interest rate reset date of September 2027.

In September 2020, the Company issued $200.0 million in aggregate subordinated notes due in September 2030. The Company received $197.7 million, after deducting underwriting discounts and commissions and offering expenses, and used the proceeds from the offering for general corporate purposes, including, among other uses, contributing Tier 1 capital into the Bank. The subordinated notes were issued with a fixed-to-fixed rate of 3.70% and an effective rate of 3.93%, due to issuance costs, with an interest rate reset date of September 2025. During the first quarter of 2025, the Company purchased and subsequently retired $11.1 million of its 2020 subordinated notes.

As part of the acquisition of HTLF, the Company acquired $150.0 million in aggregate subordinated notes due September 2031. The subordinated notes have a fixed interest rate of 2.75% until September 2026, at which time the interest rate will reset quarterly. The subordinated notes had an acquired fair value of $138.8 million as of January 31, 2025.

The Company is a member bank of the FHLB. The Company owns $10.5 million of FHLB stock and has access to additional liquidity and funding sources through FHLB advances. The Company's borrowing capacity is dependent upon the amount of collateral the Company places at the FHLB. As of March 31, 2025 the Company has 30 letters of credit outstanding with the FHLB of Des Moines to secure deposits. These letters of credit have an aggregate amount of $409.2 million and have various maturity dates through July 31, 2025. The Company's remaining borrowing capacity with the FHLB was $1.6 billion as of March 31, 2025. The Company had no outstanding FHLB advances at the FHLB of Des Moines as of March 31, 2025.

In addition to borrowing capacity with the FHLB as described above, the Company had additional liquidity of $30.9 billion available via cash, unpledged bond collateral, the federal funds market, the Federal Reserve Discount Window, and the IntraFi Cash Service program as of March 31, 2025.

Operational Risk

Operational risk generally refers to the risk of loss resulting from the Company's operations, including those operations performed for the Company by third parties. This would include but is not limited to the risk of fraud by employees or persons outside the Company, the execution of unauthorized transactions by employees or others, errors relating to transaction processing, breaches of the internal control system and compliance requirements, and unplanned interruptions in service. This risk of loss also includes the potential legal or regulatory actions that could arise as a result of an operational deficiency, or as a result of noncompliance with applicable regulatory standards. The Company must comply with a number of legal and regulatory requirements.

The Company operates in many markets and relies on the ability of its employees and systems to properly process a high number of transactions. In the event of a breakdown in internal control systems, improper operation of systems or improper employee actions, the Company could suffer financial loss, face regulatory action and suffer damage to its reputation. In order to address this risk, management maintains a system of internal controls with the objective of providing proper transaction authorization and execution, safeguarding of assets from misuse or theft, and ensuring the reliability of financial and other data.

The Company maintains systems of internal controls that provide management with timely and accurate information about the Company's operations. These systems have been designed to manage operational risk at appropriate levels given the Company's financial strength, the environment in which it operates, and considering factors such as competition and regulation. The Company has also established procedures that are designed to ensure that policies relating to conduct, ethics, and business practices are followed on a uniform basis. In certain cases, the Company has experienced losses from operational risk. Such losses have included the effects of operational errors that the Company has discovered and included as expense in the statement of income. While there can be no assurance that the Company will not suffer such losses in the future, management continually monitors and works to improve its internal controls, systems, and corporate-wide processes and procedures.

ITEM 4. CONTROLS AND PROCEDURES

The Sarbanes-Oxley Act of 2002, as amended, requires the Chief Executive Officer and the Chief Financial Officer to make certain certifications under this Form 10-Q with respect to the Company's disclosure controls and procedures and internal control over financial reporting. The Company has a Code of Ethics that expresses the values that drive employee behavior and maintains the Company's commitment to the highest standards of ethics.

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this Form 10-Q. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Form 10-Q, the Company's disclosure controls and procedures were effective for ensuring that the Company's SEC filings are recorded, processed, summarized, and reported within the time period required and that information required to be disclosed by the Company is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

Internal Control Over Financial Reporting

As a result of the acquisition of HTLF, we have begun to integrate certain business processes and systems of HTLF. Accordingly, certain changes have been made and will continue to be made to our internal control over financial reporting until such time as this integration is complete. There has been no other changes in the Company's internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the three-month period ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the normal course of business, the Company and its subsidiaries are named defendants in various legal proceedings. In the opinion of management, after consultation with legal counsel, none of these lawsuits are expected to have a materially adverse effect on the financial position, results of operations, or cash flows of the Company.

ITEM 1A. RISK FACTORS

There were no material changes to the risk factors as previously disclosed in response to Item 1A to Part I of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below sets forth the information with respect to purchases made by or on behalf of the Company or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of our common stock during the three-month period ended March 31, 2025.

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased (1)	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1 - January 31, 2025	22,879	$ 121.11	—	1,000,000
February 1 - February 28, 2025	95,374	112.25	—	1,000,000
March 1 - March 31, 2025	19,035	102.87	—	1,000,000
Total	137,288	$ 112.42	—	

(1) Includes shares acquired pursuant to the Company's share-based incentive programs. Under the terms of the Company's share-based incentive programs, the Company accepts previously owned shares of common stock surrendered to satisfy tax withholding obligations associated with equity compensation. These purchases do not count against the maximum value of shares remaining available for purchase under Repurchase Authorizations.
(2) Includes shares acquired under the Board of Directors approved Repurchase Authorization(s).

On April 30, 2024, the Company announced a plan to repurchase up to one million shares of common stock, which terminated on April 29, 2025. On April 29, 2025, the Company announced a plan to repurchase up to one million shares of common stock, which will terminate on April 28, 2026. The Company has not made any repurchases other than through the Repurchase Authorizations, but did acquire shares pursuant to the Company's share-based incentive programs. The Company is not currently engaging in repurchases. In the future, it may determine to resume repurchases. All share purchases pursuant to the Repurchase Authorizations are intended to be within the scope of Rule 10b-18 promulgated under the Exchange Act. Rule 10b-18 provides a safe harbor for purchases in a given day if the Company satisfies the manner, timing and volume conditions of the rule when purchasing its own shares of common stock.

ITEM 6. EXHIBITS

3.1	Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006 and filed with the Commission on May 9, 2006).
3.2	Bylaws, amended as of April 13, 2023 (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K dated April 13, 2023 and filed with the Commission on April 13, 2023).
31.1	CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act filed herewith.
31.2	CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act filed herewith.
32.1	CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act filed herewith.
32.2	CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act filed herewith.
101.INS	Inline XBRL Instance Document – The instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	The cover page of our Form 10-Q for the quarter ended March 31, 2025, formatted in iXBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UMB FINANCIAL CORPORATION

/s/ David C. Odgers
David C. Odgers
Chief Accounting Officer

Date: May 2, 2025

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, J. Mariner Kemper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q as of, and for the period ended March 31, 2025 of UMB Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2025

/s/ J. Mariner Kemper
J. Mariner Kemper
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT

I, Ram Shankar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q as of, and for the period ended March 31, 2025 of UMB Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2025

/s/ Ram Shankar

Ram Shankar
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q as of, and for the period ended March 31, 2025, of UMB Financial Corporation (the Company) filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, J. Mariner Kemper, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2025

/s/ J. Mariner Kemper
J. Mariner Kemper
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to UMB Financial Corporation and will be retained by UMB Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q as of, and for the period ended March 31, 2025, of UMB Financial Corporation (the Company) filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ram Shankar, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2025

/s/ Ram Shankar
Ram Shankar
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to UMB Financial Corporation and will be retained by UMB Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.