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

FORM 10-Q

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

For the quarterly period ended September 30, 2025

☐ 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 0-22208

**QCR HOLDINGS, INC.**
(Exact name of Registrant as specified in its charter)

| **Delaware** | **42-1397595** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**3551 7th Street, Moline, Illinois 61265**
(Address of principal executive offices, including zip code)

**(309) 736-3580**
(Registrant's telephone number, including area code)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $1.00 Par Value | QCRH | The Nasdaq Global 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 November 1, 2025, the Registrant had outstanding 16,838,653 shares of common stock, $1.00 par value per share.

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
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**Throughout this Quarterly Report on Form 10-Q, we use certain acronyms and abbreviations, as defined in Note 1 to the Consolidated Financial Statements.**

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**
**As of September 30, 2025 and December 31, 2024**

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| **Assets** | | |
| Cash and due from banks | $ 77,581 | $ 91,732 |
| Federal funds sold | 22,200 | 27,150 |
| Interest-bearing deposits at financial institutions | 137,833 | 143,442 |
| | | |
| Securities held to maturity, at amortized cost (including securities pledged on other borrowings of $200,283 and $0, respectively, net of allowance for credit losses) | 954,115 | 835,797 |
| Securities available for sale, at fair value | 271,349 | 281,109 |
| Securities trading, at fair value | 83,225 | 83,529 |
| **Total securities** | **1,308,689** | **1,200,435** |
| | | |
| Loans receivable held for sale | 1,457 | 2,143 |
| Loans/leases receivable held for investment | 7,177,464 | 6,782,261 |
| Gross loans/leases receivable | 7,178,921 | 6,784,404 |
| Less allowance for credit losses | (88,770) | (89,841) |
| **Net loans/leases receivable** | **7,090,151** | **6,694,563** |
| | | |
| Bank-owned life insurance | 112,049 | 109,575 |
| Premises and equipment, net | 193,170 | 159,153 |
| Restricted investment securities | 35,810 | 35,412 |
| Other real estate owned, net | — | 661 |
| Goodwill | 138,595 | 138,595 |
| Intangibles | 9,077 | 11,061 |
| Derivatives | 207,775 | 186,781 |
| Other assets | 235,372 | 227,470 |
| **Total assets** | **$ 9,568,302** | **$ 9,026,030** |
| | | |
| **Liabilities and Stockholders' Equity** | | |
| Liabilities: | | |
| Deposits: | | |
| Noninterest-bearing | $ 931,774 | $ 921,160 |
| Interest-bearing | 6,448,294 | 6,140,027 |
| **Total deposits** | **7,380,068** | **7,061,187** |
| | | |
| Short-term borrowings | 2,850 | 1,800 |
| Federal Home Loan Bank advances | 290,383 | 285,383 |
| Other borrowings | 130,609 | — |
| Subordinated notes | 234,027 | 233,489 |
| Junior subordinated debentures | 48,958 | 48,860 |
| Derivatives | 230,742 | 214,823 |
| Other liabilities | 163,750 | 183,101 |
| **Total liabilities** | **8,481,387** | **8,028,643** |
| | | |
| Stockholders' Equity: | | |
| Preferred stock, $1 par value; shares authorized 250,000 September 2025 and December 2024 - no shares issued or outstanding | — | — |
| Common stock, $1 par value; shares authorized 20,000,000 September 2025 - 16,838,866 shares issued and outstanding December 2024 - 16,882,045 shares issued and outstanding | 16,839 | 16,882 |
| Additional paid-in capital | 375,319 | 374,975 |
| Retained earnings | 747,323 | 665,171 |
| Accumulated other comprehensive loss: | | |
| Securities available for sale | (36,920) | (37,965) |
| Derivatives | (15,646) | (21,676) |
| **Total stockholders' equity** | **1,086,915** | **997,387** |
| **Total liabilities and stockholders' equity** | **$ 9,568,302** | **$ 9,026,030** |

See Notes to Consolidated Financial Statements (Unaudited)

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**
**Three Months Ended September 30, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| | *(dollars in thousands, except share data)* | |
| Interest and dividend income: | | |
| Loans/leases, including fees: | | |
| Taxable | $ 77,347 | $ 82,149 |
| Nontaxable | 29,820 | 27,416 |
| Securities: | | |
| Taxable | 4,879 | 4,440 |
| Nontaxable | 10,904 | 8,488 |
| Interest-bearing deposits at financial institutions | 1,340 | 1,915 |
| Restricted investment securities | 570 | 840 |
| Federal funds sold | 155 | 172 |
| **Total interest and dividend income** | **125,015** | **125,420** |
| | | |
| Interest expense: | | |
| Deposits | 52,817 | 55,386 |
| Short-termborrowings | 22 | 32 |
| Federal Home Loan Bank advances | 2,348 | 5,971 |
| Other borrowings | 479 | — |
| Subordinated notes | 3,861 | 3,616 |
| Junior subordinated debentures | 689 | 693 |
| **Total interest expense** | **60,216** | **65,698** |
| **Net interest income** | **64,799** | **59,722** |
| Provision for credit losses | 4,305 | 3,484 |
| **Net interest income after provision for credit losses** | **60,494** | **56,238** |
| | | |
| Noninterest income: | | |
| Trust fees | 3,544 | 3,270 |
| Investment advisory and management fees | 1,488 | 1,229 |
| Deposit service fees | 2,231 | 2,294 |
| Gains on sales ofresidential real estate loans, net | 529 | 385 |
| Gains on sales ofgovernment guaranteed portions ofloans, net | 6 | — |
| Capital markets revenue | 23,832 | 16,290 |
| Earnings on bank-owned life insurance | 952 | 814 |
| Debit card fees | 1,648 | 1,575 |
| Correspondent banking fees | 664 | 507 |
| Loan related fee income | 846 | 949 |
| Fair value gain (loss) on derivatives and trading securities | 324 | (886) |
| Other | 587 | 730 |
| **Total noninterest income** | **36,651** | **27,157** |
| | | |
| Noninterest expense: | | |
| Salaries and employee benefits | 34,338 | 31,637 |
| Occupancy and equipment expense | 7,363 | 6,168 |
| Professional and data processing fees | 6,741 | 4,457 |
| Restructuring expense | — | 1,954 |
| FDIC insurance, other insurance and regulatory fees | 2,035 | 1,711 |
| Loan/lease expense | 345 | 587 |
| Net cost of(income from) and losses/(gains) on operations ofother real estate | 3 | (42) |
| Advertising and marketing | 1,830 | 2,124 |
| Communication and data connectivity | 40 | 333 |
| Supplies | 259 | 278 |
| Bank service charges | 678 | 603 |
| Correspondent banking expense | 338 | 325 |
| Intangibles amortization | 662 | 690 |
| Goodwill impairment | — | 432 |
| Payment card processing | 569 | 785 |
| Trust expense | 412 | 395 |
| Other | 974 | 1,128 |
| **Total noninterest expense** | **56,587** | **53,565** |
| **Net income before income taxes** | **40,558** | **29,830** |
| Federal and state income tax expense | 3,844 | 2,045 |
| **Net income** | **$ 36,714** | **$ 27,785** |
| | | |
| Basic earnings per common share | $ 2.17 | $ 1.65 |
| Diluted earnings per common share | $ 2.16 | $ 1.64 |
| | | |
| Weighted average common shares outstanding | 16,919,785 | 16,846,200 |
| Weighted average common and common equivalent shares outstanding | 17,015,730 | 16,982,400 |
| | | |
| Cash dividends declared per common share | $ 0.06 | $ 0.06 |

See Notes to Consolidated Financial Statements (Unaudited)

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**
**Nine Months Ended September 30, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| | *(dollars in thousands, except share data)* | |
| Interest and dividend income: | | |
| Loans/leases, including fees: | | |
| Taxable | $ 226,557 | $ 239,023 |
| Nontaxable | 83,915 | 77,595 |
| Securities: | | |
| Taxable | 14,272 | 12,986 |
| Nontaxable | 30,274 | 23,350 |
| Interest-bearing deposits at financial institutions | 4,778 | 4,254 |
| Restricted investment securities | 1,726 | 2,383 |
| Federal funds sold | 413 | 624 |
| **Total interest and dividend income** | **361,935** | **360,215** |
| | | |
| Interest expense: | | |
| Deposits | 154,217 | 159,855 |
| Short-termborrowings | 55 | 76 |
| Federal Home Loan Bank advances | 7,197 | 16,948 |
| Other borrowings | 479 | — |
| Subordinated notes | 11,062 | 10,678 |
| Junior subordinated debentures | 2,058 | 2,074 |
| **Total interest expense** | **175,068** | **189,631** |
| **Net interest income** | **186,867** | **170,584** |
| Provision for credit losses | 12,582 | 11,949 |
| **Net interest income after provision for credit losses** | **174,285** | **158,635** |
| | | |
| Noninterest income: | | |
| Trust fees | 10,625 | 9,572 |
| Investment advisory and management fees | 3,996 | 3,544 |
| Deposit service fees | 6,601 | 6,302 |
| Gains on sales ofresidential real estate loans, net | 1,382 | 1,307 |
| Gains on sales ofgovernment guaranteed portions ofloans, net | 107 | 36 |
| Capital markets revenue | 40,217 | 50,505 |
| Earnings on bank-owned life insurance | 2,474 | 4,646 |
| Debit card fees | 4,784 | 4,612 |
| Correspondent banking fees | 1,977 | 1,529 |
| Loan related fee income | 2,840 | 2,747 |
| Fair value loss on derivatives and trading securities | (453) | (998) |
| Other | 1,108 | 1,102 |
| **Total noninterest income** | **75,658** | **84,904** |
| | | |
| Noninterest expense: | | |
| Salaries and employee benefits | 90,176 | 94,576 |
| Occupancy and equipment expense | 20,655 | 19,059 |
| Professional and data processing fees | 17,974 | 13,893 |
| Restructuring expense | — | 1,954 |
| FDIC insurance, other insurance and regulatory fees | 5,965 | 5,510 |
| Loan/lease expense | 1,133 | 1,116 |
| Net cost of(income from) and losses/(gains) on operations ofother real estate | 44 | (44) |
| Advertising and marketing | 5,189 | 5,172 |
| Communication and data connectivity | 604 | 1,052 |
| Supplies | 718 | 812 |
| Bank service charges | 1,994 | 1,793 |
| Correspondent banking expense | 981 | 993 |
| Intangibles amortization | 1,984 | 2,070 |
| Goodwill impairment | — | 432 |
| Payment card processing | 1,710 | 2,137 |
| Trust expense | 1,182 | 1,199 |
| Other | 2,400 | 2,419 |
| **Total noninterest expense** | **152,709** | **154,143** |
| **Net income before income taxes** | **97,234** | **89,396** |
| Federal and state income tax expense | 5,704 | 5,771 |
| **Net income** | **$ 91,530** | **$ 83,625** |
| | | |
| Basic earnings per common share | $ 5.41 | $ 4.97 |
| Diluted earnings per common share | $ 5.38 | $ 4.94 |
| | | |
| Weighted average common shares outstanding | 16,916,371 | 16,814,787 |
| Weighted average common and common equivalent shares outstanding | 17,011,877 | 16,938,309 |
| | | |
| Cash dividends declared per common share | $ 0.18 | $ 0.18 |

See Notes to Consolidated Financial Statements (Unaudited)

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**
**For the Three and Nine Months Ended September 30, 2025 and 2024**

| | Three Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| | *(dollars in thousands)* | |
| Net income | $ 36,714 | $ 27,785 |
| Other comprehensive income: | | |
| Unrealized gains on securities available for sale: | | |
| Unrealized holding gains arising during the period before tax | 9,262 | 9,425 |
| | 9,262 | 9,425 |
| Unrealized gains on derivatives: | | |
| Unrealized holding gains arising during the period before tax | 1,784 | 6,624 |
| Less: reclassification adjustment for caplet amortization before tax | — | (130) |
| | 1,784 | 6,754 |
| Other comprehensive income, before tax | 11,046 | 16,179 |
| Tax expense | 3,054 | 4,121 |
| Other comprehensive income, net of tax | 8,342 | 12,058 |
| Comprehensive income | $ 45,056 | $ 39,843 |

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2025 | 2024 |
| | *(dollars in thousands)* | |
| Net income | $ 91,530 | $ 83,625 |
| Other comprehensive income: | | |
| Unrealized gains on securities available for sale: | | |
| Unrealized holding gains arising during the period before tax | 1,365 | 5,833 |
| Less reclassification adjustment for impairment losses included in net income before tax | — | 445 |
| | 1,365 | 5,388 |
| Unrealized gains on derivatives: | | |
| Unrealized holding gains arising during the period before tax | 8,061 | 2,750 |
| Less reclassification adjustment for caplet amortization before tax | — | (376) |
| | 8,061 | 3,126 |
| Other comprehensive income, before tax | 9,426 | 8,514 |
| Tax expense | 2,351 | 2,197 |
| Other comprehensive income, net of tax | 7,075 | 6,317 |
| Comprehensive income | $ 98,605 | $ 89,942 |

See Notes to Consolidated Financial Statements (Unaudited)

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)**
**For the Three and Nine Months Ended September 30, 2025 and 2024**

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive (Loss) | Total |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| **Balance December 31, 2024** | **$ 16,882** | **$ 374,975** | **$ 665,171** | **$ (59,641)** | **$ 997,387** |
| Net income | — | — | 25,797 | — | 25,797 |
| Other comprehensive income, net of tax | — | — | — | 404 | 404 |
| Common cash dividends declared, $0.06 per share | — | — | (1,015) | — | (1,015) |
| Stock-based compensation expense | — | 1,299 | — | — | 1,299 |
| Issuance of common stock under employee benefit plans | 38 | (1,163) | — | — | (1,125) |
| **Balance, March 31, 2025** | **$ 16,920** | **$ 375,111** | **$ 689,953** | **$ (59,237)** | **$ 1,022,747** |
| Net income | — | — | 29,019 | — | 29,019 |
| Other comprehensive loss, net of tax | — | — | — | (1,671) | (1,671) |
| Common cash dividends declared, $0.06 per share | — | — | (1,016) | — | (1,016) |
| Stock-based compensation expense | — | 622 | — | — | 622 |
| Issuance of common stock under employee benefit plans | 15 | 838 | — | — | 853 |
| **Balance, June 30, 2025** | **$ 16,935** | **$ 376,571** | **$ 717,956** | **$ (60,908)** | **$ 1,050,554** |
| Net income | — | — | 36,714 | — | 36,714 |
| Other comprehensive income, net of tax | — | — | — | 8,342 | 8,342 |
| Common cash dividends declared, $0.06 per share | — | — | (1,017) | — | (1,017) |
| Repurchase and cancellation of 115,735 shares of common stock as a result of a share repurchase program | (116) | (2,547) | (6,330) | — | (8,993) |
| Stock-based compensation expense | — | 687 | — | — | 687 |
| Issuance of common stock under employee benefit plans | 20 | 608 | — | — | 628 |
| **Balance, September 30, 2025** | **$ 16,839** | **$ 375,319** | **$ 747,323** | **$ (52,566)** | **$ 1,086,915** |

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive (Loss) | Total |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| **Balance December 31, 2023** | **$ 16,749** | **$ 370,814** | **$ 554,992** | **$ (55,959)** | **$ 886,596** |
| Net income | — | — | 26,726 | — | 26,726 |
| Other comprehensive loss, net of tax | — | — | — | (5,373) | (5,373) |
| Common cash dividends declared, $0.06 per share | — | — | (1,008) | — | (1,008) |
| Stock-based compensation expense | — | 941 | — | — | 941 |
| Issuance of common stock under employee benefit plans | 58 | (598) | — | — | (540) |
| **Balance, March 31, 2024** | **$ 16,807** | **$ 371,157** | **$ 580,710** | **$ (61,332)** | **$ 907,342** |
| Net income | — | — | 29,114 | — | 29,114 |
| Other comprehensive loss, net of tax | — | — | — | (368) | (368) |
| Common cash dividends declared, $0.06 per share | — | — | (1,008) | — | (1,008) |
| Stock-based compensation expense | — | 696 | — | — | 696 |
| Issuance of common stock under employee benefit plans | 18 | 525 | — | — | 543 |
| **Balance, June 30, 2024** | **$ 16,825** | **$ 372,378** | **$ 608,816** | **$ (61,700)** | **$ 936,319** |
| Net income | — | — | 27,785 | — | 27,785 |
| Other comprehensive income, net of tax | — | — | — | 12,058 | 12,058 |
| Common cash dividends declared, $0.06 per share | — | — | (1,012) | — | (1,012) |
| Stock-based compensation expense | — | 235 | — | — | 235 |
| Issuance of common stock under employee benefit plans | 36 | 1,199 | — | — | 1,235 |
| **Balance, September 30, 2024** | **$ 16,861** | **$ 373,812** | **$ 635,589** | **$ (49,642)** | **$ 976,620** |

See Notes to Consolidated Financial Statements (Unaudited)

**QCR HOLDINGS, INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**
**For the Nine Months Ended September 30, 2025 and 2024**

| | 2025 | 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Net income | $ 91,530 | $ 83,625 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 6,995 | 6,200 |
| Provision for credit losses | 12,582 | 11,949 |
| Stock-based compensation expense | 2,608 | 1,872 |
| Deferred compensation expense accrued | 4,373 | 4,373 |
| Gains on other real estate owned, net | (35) | (223) |
| Amortization of premiums on securities, net | (285) | 871 |
| Caplet amortization | — | 376 |
| Fair value loss on derivatives and trading securities | 452 | 999 |
| Ineffectiveness on fair value hedges | 16 | 16 |
| Loans originated for sale | (60,484) | (57,256) |
| Proceeds on sales of loans | 62,659 | 60,087 |
| Gains on sales of residential real estate loans | (1,382) | (1,307) |
| Gains on sales of government guaranteed portions of loans | (107) | (36) |
| Proceeds from loan securitizations | — | 193,520 |
| Net gain on loan securitizations | — | 473 |
| Losses on sales and disposals of premises and equipment | 6 | 143 |
| Amortization of intangibles | 1,984 | 2,070 |
| Accretion of acquisition fair value adjustments, net | (451) | (463) |
| Increase in cash value of bank-owned life insurance | (2,474) | (2,414) |
| Gain on bank-owned life insurance death benefits | — | (2,232) |
| Goodwill impairment | — | 432 |
| Increase in other assets | (9,722) | (7,628) |
| Decrease in other liabilities | (22,132) | (28,239) |
| **Net cash provided by provided by operating activities** | **$ 86,133** | **$ 267,208** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Net decrease in federal funds sold | 4,950 | 22,250 |
| Net (increase) decrease in interest-bearing deposits at financial institutions | 5,609 | (41,040) |
| Proceeds from sales of other real estate owned | 806 | 1,687 |
| Activity in securities portfolio: | | |
| Purchases | (170,497) | (148,091) |
| Calls, maturities and redemptions | 41,846 | 35,284 |
| Paydowns | 22,046 | 13,528 |
| Sales | — | 445 |
| Activity in restricted investment securities: | | |
| Purchases | (4,606) | (6,272) |
| Redemptions | 4,208 | 8,534 |
| Proceeds from bank-owned life insurance death benefits | — | 4,085 |
| Net increase in loans/leases originated and held for investment | (407,482) | (525,328) |
| Purchase of premises and equipment | (42,863) | (30,542) |
| Proceeds from sales of premises and equipment | 1,845 | 2 |
| Purchase of swaptions | — | (4,500) |
| **Net cash used in investing activities** | **$ (544,138)** | **$ (669,958)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net increase in deposit accounts | 318,881 | 470,628 |
| Net increase in short-term borrowings | 1,050 | 1,250 |
| Activity in Federal Home Loan Bank advances: | | |
| Term advances | — | 10,383 |
| Net change in short-term and overnight advances | 5,000 | (70,000) |
| Activity in other borrowings: | | |
| Proceeds from other borrowings | 130,604 | — |
| Prepayments of subordinated notes | (70,000) | — |
| Proceeds from subordinated notes | 70,000 | — |
| Payment of cash dividends on common stock | (3,044) | (4,032) |
| Proceeds from issuance of common stock, net | 356 | 1,238 |
| Repurchase and cancellation of common stock | (8,993) | — |
| **Net cash provided by financing activities** | **$ 443,854** | **$ 409,467** |
| **Net increase (decrease) in cash and due from banks** | **(14,151)** | **6,717** |
| Cash and due from banks, beginning | 91,732 | 97,123 |
| Cash and due from banks, ending | $ 77,581 | $ 103,840 |

| | 2025 | 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| **Supplemental disclosure of cash flow information, cash payments for:** | | |
| Interest | $ 177,880 | $ 188,761 |
| Income/franchise taxes | 635 | 4,353 |
| **Supplemental schedule of noncash investing activities:** | | |
| Change in fair value of fair value hedges | (2,004) | — |
| Transfers of loans to other real estate owned | 110 | 486 |
| Transfer of loans to held for sale for securitizations in preparation | — | 165,941 |
| Beneficial interests (trading securities) acquired in securitizations | — | 36,670 |
| Increase in the fair value of back-to-back interest rate swap assets and liabilities | 23,186 | 73,885 |
| Dividends payable | 1,017 | — |

See Notes to Consolidated Financial Statements (Unaudited)

Part I
Item 1

QCR HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
September 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation: The interim unaudited Consolidated Financial Statements contained herein should be read in conjunction with the audited Consolidated Financial Statements and accompanying notes to the Consolidated Financial Statements for the fiscal year ended December 31, 2024, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the SEC on February 28, 2025. Accordingly, footnote disclosures, which would substantially duplicate the disclosures contained in the audited Consolidated Financial Statements, have been omitted.

The financial information of the Company included herein has been prepared in accordance with GAAP for interim financial reporting and has been prepared pursuant to the rules and regulations for reporting on Form 10-Q and Rule 10-01 of Regulation S-X. Such information reflects all adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations for the periods presented. Any differences appearing between the numbers presented in financial statements and management's discussion and analysis are due to rounding. The results of the interim period ended September 30, 2025 are not necessarily indicative of the results expected for the year ending December 31, 2025, or for any other period.

The acronyms and abbreviations identified below are used throughout this Quarterly Report on Form 10-Q. It may be helpful to refer back to this page as you read this report.

| | |
|---|---|
| ACL: Allowance for credit losses | FTEs: Full-time equivalents |
| AFS: Available for sale | GAAP: Generally Accepted Accounting Principles |
| Allowance: Allowance for credit losses | GB: Guaranty Bank |
| AOCI: Accumulated other comprehensive income (loss) | GFED: Guaranty Federal Bancshares, Inc. |
| ASC: Accounting Standards Codification | HTM: Held to maturity |
| ASU: Accounting Standards Update | ICS: Insured Cash Sweep |
| BOLI: Bank-owned life insurance | LIHTC: Low-income housing tax credit |
| Caps: Interest rate cap derivatives | m2: m2 Equipment Finance, LLC |
| CDARS: Certificate of Deposit Account Registry Service | NIM: Net interest margin |
| CECL: Current Expected Credit Losses | NPA: Nonperforming asset |
| Community National: Community National Bancorporation | NPL: Nonperforming loan |
| Company: QCR Holdings, Inc. | OBS: Off-balance sheet |
| CRBT: Cedar Rapids Bank & Trust Company | OREO: Other real estate owned |
| CRE: Commercial real estate | PCAOB: Public Company Accounting Oversight Board |
| CSB: Community State Bank | Provision: Provision for credit losses |
| C&I: Commercial and industrial | QCBT: Quad City Bank & Trust Company |
| EBA: Excess balance account | ROAA: Return on average assets |
| EPS: Earnings per share | ROAE: Return on average equity |
| Exchange Act: Securities Exchange Act of 1934, as amended | SEC: Securities and Exchange Commission |
| | SOFR: Secured Overnight Financing Rate |
| FASB: Financial Accounting Standards Board | SPE: Special purpose entity |
| FDIC: Federal Deposit Insurance Corporation | Swaption: Swap option |
| Federal Reserve: Board of Governors of the Federal Reserve System | TA: Tangible assets |
| | TCE: Tangible common equity |
| FHLB: Federal Home Loan Bank | TEY: Tax equivalent yield |
| FRB: Federal Reserve Bank of Chicago | VIE: Variable interest entities |

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries which include the accounts of four commercial banks: QCBT, CRBT, CSB and GB. All four banks are state-chartered commercial banks and all are members of the Federal Reserve system. The Company has historically engaged in direct financing lease contracts through m2, a wholly owned subsidiary of QCBT. Since the third quarter of 2024, m2 has discontinued offering new loans and leases. Additionally, the Company also engages in wealth management services through its banking subsidiaries. All material intercompany transactions and balances have been eliminated in consolidation.

Recent accounting developments:

In December 2023, the FASB issued ASU 2023-09, *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures."* Under the standard, the accounting guidance enhances the transparency and decision usefulness of income tax disclosures. Investors, lenders, creditors and other allocators of capital information will be able to use the expanded disclosures to better assess how an entity's operations and related tax risks and tax planning and operation opportunities affect its tax rate and prospects for future cash flows. The ASU is effective for public business entities for annual periods beginning after December 15, 2024. The standard is not expected to have a significant impact on the Company's financial statements.

In March 2024, the FASB issued ASU 2024-01, *"Compensation – Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards."* Under the standard, the accounting guidance improves GAAP by adding an illustrative example to demonstrate how an entity should apply the scope guidance of "*Topic 718, Compensation - Stock Compensation"* for profits interest and similar awards. The illustrative examples will benefit investors and other allocators of capital by providing them with more consistent information. The ASU is effective for public business entities for annual periods beginning after December 15, 2024, and interim periods within those annual periods. The standard was adopted on January 1, 2025 and did not have a significant impact on the Company's financial statements.

In November 2024, the FASB issued ASU 2024-03, *"Disaggregation of Income Statement Expenses."* Under the standard, the accounting guidance improves disclosures about a public business entity's expenses, and provides more detailed information about the types of expenses in commonly presented expense captions. The ASU is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The standard is not expected to have a significant impact on the Company's financial statements.

NOTE 2– INVESTMENT SECURITIES

The amortized cost and fair value of investment securities as of September 30, 2025 and December 31, 2024 are summarized as follows:

| | Amortized Cost | Allowance for Credit (Losses) | Gross Unrealized Gains | Gross Unrealized (Losses) | Fair Value |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| **September 30, 2025:** | | | | | |
| Securities HTM: | | | | | |
| Municipal securities | $ 924,179 | $ (254) | $ 17,002 | $ (119,656) | $ 821,271 |
| Corporate securities | 29,149 | (8) | 3,583 | — | 32,724 |
| Other securities | 1,050 | (1) | — | — | 1,049 |
| | $ 954,378 | $ (263) | $ 20,585 | $ (119,656) | $ 855,044 |
| | | | | | |
| Securities AFS: | | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ 16,076 | $ — | $ 2 | $ (1,870) | $ 14,208 |
| Residential mortgage-backed and related securities | 60,800 | — | 245 | (3,937) | 57,108 |
| Municipal securities | 203,826 | — | 31 | (42,367) | 161,490 |
| Asset-backed securities | 4,822 | — | 96 | — | 4,918 |
| Corporate securities | 34,688 | — | 109 | (1,172) | 33,625 |
| | $ 320,212 | $ — | $ 483 | $ (49,346) | $ 271,349 |

| | Amortized Cost | Allowance for Credit (Losses) | Gross Unrealized Gains | Gross Unrealized (Losses) | Fair Value |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| **December 31, 2024:** | | | | | |
| Securities HTM: | | | | | |
| Municipal securities | $ 806,992 | $ (254) | $ 23,292 | $ (63,164) | $ 766,866 |
| Corporate securities | 28,018 | (8) | 4,665 | — | 32,675 |
| Other securities | 1,050 | (1) | — | (7) | 1,042 |
| | $ 836,060 | $ (263) | $ 27,957 | $ (63,171) | $ 800,583 |
| | | | | | |
| Securities AFS: | | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ 23,113 | $ — | $ 7 | $ (2,529) | $ 20,591 |
| Residential mortgage-backed and related securities | 55,641 | — | 3 | (5,602) | 50,042 |
| Municipal securities | 204,664 | — | — | (40,089) | 164,575 |
| Asset-backed securities | 9,053 | — | 171 | — | 9,224 |
| Corporate securities | 38,866 | — | 4 | (2,193) | 36,677 |
| | $ 331,337 | $ — | $ 185 | $ (50,413) | $ 281,109 |

The Company's HTM municipal securities consist largely of private issues of municipal debt. The large majority of the municipalities are located within the Midwest. The municipal debt investments are underwritten using specific guidelines with ongoing monitoring.

The Company's residential mortgage-backed and related securities portfolio consists entirely of government sponsored or government guaranteed securities. The Company has not invested in private mortgage-backed securities or pooled trust preferred securities.

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 as of September 30, 2025, and December 31, 2024, are summarized in the tables below. Securities AFS, for which an allowance for credit losses has been provided, are not included in these disclosures as there are no unrealized losses remaining after consideration of the ACL.

| | Less than 12 Months | | 12 Months or More | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | *(dollars in thousands)* | | | | | |
| **September 30, 2025:** | | | | | | |
| Securities HTM: | | | | | | |
| Municipal securities | $ 176,393 | $ (59,388) | $ 291,912 | $ (60,268) | $ 468,305 | $ (119,656) |
| Securities AFS: | | | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ — | $ — | $ 13,607 | $ (1,870) | $ 13,607 | $ (1,870) |
| Residential mortgage-backed and related securities | 4,560 | (51) | 33,832 | (3,886) | 38,392 | (3,937) |
| Municipal securities | 1,421 | (19) | 157,552 | (42,348) | 158,973 | (42,367) |
| Corporate securities | 480 | (1) | 24,679 | (1,171) | 25,159 | (1,172) |
| | $ 6,461 | $ (71) | $ 229,670 | $ (49,275) | $ 236,131 | $ (49,346) |

| | Less than 12 Months | | 12 Months or More | | Total | |
|---|---|---|---|---|---|---|
| | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses | Fair Value | Gross Unrealized Losses |
| | *(dollars in thousands)* | | | | | |
| **December 31, 2024:** | | | | | | |
| Securities HTM: | | | | | | |
| Municipal securities | $ 162,914 | $ (14,382) | $ 253,818 | $ (48,782) | $ 416,732 | $ (63,164) |
| Other securities | 500 | — | 543 | (7) | 1,043 | (7) |
| | $ 163,414 | $ (14,382) | $ 254,361 | $ (48,789) | $ 417,775 | $ (63,171) |
| Securities AFS: | | | | | | |
| U.S. govt. sponsored agency securities | $ 6,522 | $ (2) | $ 13,369 | $ (2,527) | $ 19,891 | $ (2,529) |
| Residential mortgage-backed and related securities | 1,337 | (24) | 48,520 | (5,578) | 49,857 | (5,602) |
| Municipal securities | 798 | (6) | 163,777 | (40,083) | 164,575 | (40,089) |
| Corporate securities | — | — | 35,712 | (2,193) | 35,712 | (2,193) |
| | $ 8,657 | $ (32) | $ 261,378 | $ (50,381) | $ 270,035 | $ (50,413) |

As of September 30, 2025, the investment portfolio included 680 securities. Of this number, 518 securities were in an unrealized loss position. The aggregate losses of these securities totaled approximately 13.3% of the total amortized cost of the portfolio. Of these 518 securities, there were 451 securities that were in an unrealized loss position for twelve months or more. Management has concluded unrealized losses as of September 30, 2025 were temporary due to the changing interest rate environment.

During 2023, the Company's impairment evaluation determined that one publicly traded debt security experienced a decline in fair value due to credit quality, rather than market factors. As a result, the Company recognized a credit loss expense of $989 thousand in the first quarter of 2023 and established an ACL on the related AFS security. In 2024, the remaining ACL on the related AFS security was removed as the security had been sold.

The following table presents the activity in the allowance for credit losses for held to maturity and available for sale securities by major security type for the three and nine months ended September 30, 2025 and 2024:

| | Three Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | | | | September 30, 2024 | | | |
| | Securities HTM | | | | Securities AFS | Securities HTM | | | Securities AFS |
| | Municipal securities | Corporate securities | Other securities | Total | Corporate securities | Municipal securities | Other securities | Total | Corporate securities |
| | (dollars in thousands) | | | | | | | | |
| Allowance for credit losses: | | | | | | | | | |
| Beginning balance | $ 254 | $ 8 | $ 1 | $ 263 | $ — | $ 202 | $ 1 | $ 203 | $ — |
| Provision | — | — | — | — | — | — | — | — | — |
| Balance, ending | $ 254 | $ 8 | $ 1 | $ 263 | $ — | $ 202 | $ 1 | $ 203 | $ — |

| | Nine Months Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | | | | September 30, 2024 | | | |
| | Securities HTM | | | | Securities AFS | Securities HTM | | | Securities AFS |
| | Municipal securities | Corporate securities | Other securities | Total | Corporate securities | Municipal securities | Other securities | Total | Corporate securities |
| | (dollars in thousands) | | | | | | | | |
| Allowance for credit losses: | | | | | | | | | |
| Beginning balance | $ 254 | 8 | $ 1 | $ 263 | $ — | $ 202 | $ 1 | $ 203 | $ 989 |
| Reduction due to sales | — | — | — | — | — | — | — | — | (544) |
| Provision for credit loss expense | — | — | — | — | — | — | — | — | (445) |
| Balance, ending | $ 254 | 8 | $ 1 | $ 263 | $ — | $ 202 | $ 1 | $ 203 | $ — |

Trading securities had a fair value of $83.2 million as of September 30, 2025 and $83.5 million as of December 31, 2024 and consist of retained beneficial interests acquired in conjunction with Freddie Mac securitizations completed by the Company in 2023 and 2024. The change in fair value on trading securities for the nine months ended September 30, 2025 was a net gain of $530 thousand. The change in market value on trading securities for the nine months ended September 30, 2024 was a net gain of $53 thousand. See also Note 4 to the Consolidated Financial Statements for details of these securitizations.

There were no transfers of securities between classifications during both the nine months ended September 30, 2025 and 2024.

There were no sales of securities during both the three and nine months ended September 30, 2025. There were no sales of securities during the three months ended September 30, 2024. There was one security sold during the nine months ended September 30, 2024 which was identified as AFS. Information on proceeds received, as well as the gains and losses from the sale of securities, are as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | (dollars in thousands) | | | |
| Proceeds from sales of securities | $ — | $ — | $ — | $ 445 |
| Gross gains from sales of securities | — | — | — | — |
| Gross losses from sales of securities | — | — | — | — |

The amortized cost and fair value of securities as of September 30, 2025 by contractual maturity are shown below. Expected maturities of residential mortgage-backed and related securities and asset-backed securities may differ from contractual maturities because the residential mortgages underlying the securities may be prepaid without any penalties. Therefore, these securities are not included in the maturity categories in the following table:

| | Amortized Cost | Fair Value |
|---|---|---|
| | *(dollars in thousands)* | |
| Securities HTM: | | |
| Due in one year or less | $ 484 | $ 483 |
| Due after one year through five years | 27,449 | 25,855 |
| Due after five years | 926,445 | 828,706 |
| | $ 954,378 | $ 855,044 |
| Securities AFS: | | |
| Due in one year or less | $ 380 | $ 378 |
| Due after one year through five years | 19,710 | 19,153 |
| Due after five years | 234,500 | 189,792 |
| | 254,590 | 209,323 |
| Residential mortgage-backed and related securities | 60,800 | 57,108 |
| Asset-backed securities | 4,822 | 4,918 |
| | $ 320,212 | $ 271,349 |

Portions of the U.S. government sponsored agency securities and municipal securities contain call options, which, at the discretion of the issuer, terminate the security at par and at predetermined dates prior to the stated maturity, summarized as follows as of September 30, 2025:

| | Amortized Cost | Fair Value |
|---|---|---|
| | *(dollars in thousands)* | |
| Securities HTM: | | |
| Municipal securities | $ 250,094 | $ 32,724 |
| Corporate securities | 29,149 | 244,198 |
| | $ 279,243 | $ 276,922 |
| | | |
| Securities AFS: | | |
| Municipal securities | $ 203,682 | $ 161,355 |
| Corporate securities | 33,721 | 32,648 |
| | $ 237,403 | $ 194,003 |

As of September 30, 2025, the Company's municipal securities portfolios were comprised of general obligation bonds issued by 80 issuers with fair values totaling $106.0 million and revenue bonds, issued by 162 issuers, primarily consisting of states, counties, towns, villages and school districts with fair values totaling $875.6 million. The Company also held investments in general obligation bonds in 18 states, including 9 states in which the aggregate fair value exceeded $5.0 million, and in revenue bonds in 31 states, including 14 states in which the aggregate fair value exceeded $5.0 million.

As of December 31, 2024, the Company's municipal securities portfolios were comprised of general obligation bonds issued by 79 issuers with fair values totaling $103.5 million and revenue bonds, issued by 165 issuers, primarily consisting of states, counties, towns, villages and school districts with fair values totaling $828.0 million. The Company held investments in general obligation bonds in 18 states, including nine states in which the aggregate fair value exceeded $5.0 million, and in revenue bonds in 31 states, including 13 states in which the aggregate fair value exceeded $5.0 million.

The Company monitors the investments and concentration closely. Both general obligation and revenue bonds are diversified across many issuers. As of September 30, 2025 and December 31, 2024, the Company did not hold general obligation bonds of any single issuer, that in aggregate exceed 10% of the Company’s stockholders’ equity. Of the general obligation and revenue bonds in the Company's portfolio, the majority are unrated bonds that represent private issuances. All unrated bonds were underwritten according to the Company’s loan underwriting standards and have an average loan risk rating of 2, indicating very high quality. Additionally, many of these bonds are funding essential municipal services such as water, sewer, education, and medical facilities.

The Company's municipal securities are owned by the four charters, whose investment policies set forth limits for various subcategories within the municipal securities portfolio. The investments of each charter are monitored individually, and as of September 30, 2025, all were within policy limitations approved by the Company's board of directors. Policy limits are calculated as a percentage of each charter's total risk-based capital.

As of September 30, 2025, the Company's standard monitoring of its municipal securities portfolio had not uncovered any facts or circumstances resulting in significantly different credit ratings than those assigned by a nationally recognized statistical rating organization, or in the case of unrated bonds, the rating assigned using the credit underwriting standards.

The following table summarizes the fair value of investment securities pledged and held under derivatives, public deposits, short-term borrowings and other borrowings as of September 30, 2025 and December 31, 2024:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| Derivatives: | | |
| U.S. govt. sponsored agency securities | $ 11,188 | $ 6,222 |
| Residential mortgage-backed and related securities | 24,078 | 18,132 |
| Municipal securities | 143,057 | 151,107 |
| | 178,323 | 175,461 |
| Public deposits: | | |
| U.S. govt. sponsored agency securities | 1,331 | 1,481 |
| Residential mortgage-backed and related securities | 2,151 | 2,022 |
| | 3,482 | 3,503 |
| Short-term borrowings: | | |
| U.S. govt. sponsored agency securities | — | 693 |
| Residential mortgage-backed and related securities | — | 8,564 |
| | — | 9,257 |
| Other borrowings: | | |
| Municipal securities* | 183,360 | — |
| | 183,360 | — |
| Total investments pledged: | | |
| U.S. govt. sponsored agency securities | 12,519 | 8,396 |
| Residential mortgage-backed and related securities | 26,229 | 28,718 |
| Municipal securities | 326,417 | 151,107 |
| | $ 365,165 | $ 188,221 |

* Municipal securities with an amortized cost of $200.3 million were pledged on secured borrowings as of September 30, 2025.

NOTE 3 – LOANS/LEASES RECEIVABLE

The composition of the loan/lease portfolio as of September 30, 2025 and December 31, 2024 is presented as follows:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| C&I: | | |
| C&I - revolving | $ 386,674 | $ 387,991 |
| C&I - other * | 1,330,668 | 1,514,932 |
| | 1,717,342 | 1,902,923 |
| CRE - owner occupied | 586,578 | 605,993 |
| CRE - non-owner occupied | 1,053,732 | 1,077,852 |
| Construction and land development | 1,544,765 | 1,313,543 |
| Multi-family | 1,503,596 | 1,132,110 |
| Direct financing leases** | 11,090 | 17,076 |
| 1-4 family real estate*** | 599,838 | 588,179 |
| Consumer | 161,980 | 146,728 |
| | 7,178,921 | 6,784,404 |
| Allowance for credit losses | (88,770) | (89,841) |
| | $ 7,090,151 | $ 6,694,563 |
| ** Direct financing leases: | | |
| Net minimum lease payments to be received | $ 11,822 | $ 18,506 |
| Estimated unguaranteed residual values of leased assets | 165 | 165 |
| Unearned lease/residual income | (897) | (1,595) |
| | 11,090 | 17,076 |
| Less allowance for credit losses | (57) | (580) |
| | $ 11,033 | $ 16,496 |

* Includes equipment financing agreements outstanding through m2, totaling $206.9 million and $303.2 million as of September 30, 2025 and December 31, 2024, respectively.

** Management performs an evaluation of the estimated unguaranteed residual values of leased assets on an annual basis, at a minimum. The evaluation consists of discussions with reputable and current vendors, which is combined with management's expertise and understanding of the current states of particular industries to determine informal valuations of the equipment. As necessary and where available, management will utilize valuations by independent appraisers. The majority of leases with residual values contain a lease options rider, which requires the lessee to pay the residual value directly, finance the payment of the residual value, or extend the lease term to pay the residual value. In these cases, the residual value is protected and the risk of loss is minimal.

*** Includes residential real estate loans held for sale totaling $1.5 million and $2.1 million as of September 30, 2025 and December 31, 2024, respectively.

Accrued interest on loans, which is excluded from the amortized cost of loans, totaled $32.2 million and $30.9 million at September 30, 2025 and December 31, 2024, respectively, and was included in Other Assets on the consolidated balance sheets.

Changes in accretable discounts on acquired loans for the three and nine months ended September 30, 2025 and 2024, respectively, are presented as follows:

| | For the Three Months Ended | | For the Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 Performing Loans | September 30, 2024 Performing Loans | September 30, 2025 Performing Loans | September 30, 2024 Performing Loans |
| | *(dollars in thousands)* | | | |
| Balance at the beginning of the period | $ (2,021) | $ (3,271) | $ (2,310) | $ (3,891) |
| Accretion recognized | 139 | 474 | 428 | 1,094 |
| Balance at the end of the period | $ (1,882) | $ (2,797) | $ (1,882) | $ (2,797) |

The aging of the loan/lease portfolio by classes of loans/leases as of September 30, 2025 and December 31, 2024 is presented as follows:

| | As of September 30, 2025 | | | | | |
|---|---|---|---|---|---|---|
| **Classes of Loans/Leases** | **Current** | **30-59 Days Past Due** | **60-89 Days Past Due** | **Accruing Past Due 90 Days or More** | **Nonaccrual Loans/Leases** | **Total** |
| | | | *(dollars in thousands)* | | | |
| C&I: | | | | | | |
| C&I - revolving | $ 383,700 | $ 2,974 | $ — | $ — | $ —$ | 386,674 |
| C&I - other | 1,293,863 | 8,293 | 2,292 | 7 | 26,213 | 1,330,668 |
| CRE - owner occupied | 582,433 | 1,545 | — | — | 2,600 | 586,578 |
| CRE - non-owner occupied | 1,050,478 | — | — | — | 3,254 | 1,053,732 |
| Construction and land development | 1,540,599 | 48 | — | — | 4,118 | 1,544,765 |
| Multi-family | 1,501,263 | — | — | — | 2,333 | 1,503,596 |
| Direct financing leases | 10,649 | 29 | — | — | 412 | 11,090 |
| 1-4 family real estate | 596,084 | 306 | 499 | 36 | 2,913 | 599,838 |
| Consumer | 161,492 | 161 | 3 | — | 324 | 161,980 |
| | $ 7,120,561 | $ 13,356 | $ 2,794 | $ 43 | $ 42,167 | $ 7,178,921 |
| As a percentage of total loan/lease portfolio | 99.19 % | 0.18 % | 0.04 % | 0.00 % | 0.59 % | 100.00 % |

| | As of December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| **Classes of Loans/Leases** | **Current** | **30-59 Days Past Due** | **60-89 Days Past Due** | **Accruing Past Due 90 Days or More** | **Nonaccrual Loans/Leases** | **Total** |
| | | | *(dollars in thousands)* | | | |
| C&I | | | | | | |
| C&I - revolving | $ 387,767 | $ 30 | $ — | $ — | $ 194 $ | 387,991 |
| C&I - other | 1,474,729 | 13,159 | 2,931 | 2 | 24,111 | 1,514,932 |
| CRE - owner occupied | 604,550 | 173 | 454 | — | 816 | 605,993 |
| CRE - non-owner occupied | 1,074,541 | 85 | — | — | 3,226 | 1,077,852 |
| Construction and land development | 1,300,893 | 8 | — | 4,188 | 8,454 | 1,313,543 |
| Multi-family | 1,132,110 | — | — | — | — | 1,132,110 |
| Direct financing leases | 16,622 | 60 | 135 | — | 259 | 17,076 |
| 1-4 family real estate | 579,943 | 4,910 | 539 | 80 | 2,707 | 588,179 |
| Consumer | 146,172 | 235 | 8 | — | 313 | 146,728 |
| | $ 6,717,327 | $ 18,660 | $ 4,067 | $ 4,270 | $ 40,080 | $ 6,784,404 |
| As a percentage of total loan/lease portfolio | 99.01 % | 0.28 % | 0.06 % | 0.06 % | 0.59 % | 100.00 % |

NPLs by classes of loans/leases as of September 30, 2025 and December 31, 2024 are presented as follows:

| | As of September 30, 2025 | | | | |
|---|---|---|---|---|---|
| **Classes of Loans/Leases** | **Accruing Past Due 90 Days or More** | **Nonaccrual Loans/Leases with an ACL** | **Nonaccrual Loans/Leases without an ACL** | **Total NPLs** | **Percentage of Total NPLs** |
| | | *(dollars in thousands)* | | | |
| C&I: | | | | | |
| C&I - revolving | $ — | $ — | $ — | $ — | - % |
| C&I - other | 7 | 24,749 | 1,464 | 26,220 | 62 |
| CRE - owner occupied | — | 800 | 1,800 | 2,600 | 6 |
| CRE - non-owner occupied | — | 2,708 | 546 | 3,254 | 8 |
| Construction and land development | — | 4,118 | — | 4,118 | 10 |
| Multi-family | — | 2,333 | — | 2,333 | 5 |
| Direct financing leases | — | 412 | — | 412 | 1 |
| 1-4 family real estate | 36 | 2,589 | 324 | 2,949 | 7 |
| Consumer | — | 324 | — | 324 | 1 |
| | $ 43 | $ 38,033 | $ 4,134 | $ 42,210 | 100 % |

| Classes of Loans/Leases | As of December 31, 2024<br>Accruing Past Due 90 Days or More | Nonaccrual Loans/Leases with an ACL | Nonaccrual Loans/Leases without an ACL | Total NPLs | Percentage of Total NPLs |
|---|---|---|---|---|---|
| | | *(dollars in thousands)* | | | |
| C&I: | | | | | |
| C&I - revolving | $ — | $ 193 | $ 1 | $ 194 | - % |
| C&I - other | 2 | 20,849 | 3,262 | 24,113 | 54 |
| CRE - owner occupied | — | 816 | — | 816 | 2 |
| CRE - non-owner occupied | — | 2,686 | 540 | 3,226 | 7 |
| Construction and land development | 4,188 | — | 8,454 | 12,642 | 29 |
| Multi-family | — | — | — | — | - |
| Direct financing leases | — | 259 | — | 259 | 1 |
| 1-4 family real estate | 80 | 2,366 | 341 | 2,787 | 6 |
| Consumer | — | 313 | — | 313 | 1 |
| | $ 4,270 | $ 27,482 | $ 12,598 | $ 44,350 | 100 % |

The Company did not recognize any interest income on nonaccrual loans during the nine months ended September 30, 2025 and 2024.

Changes in the ACL on loans/leases by portfolio segment for the three and nine months ended September 30, 2025 and 2024, respectively, are presented as follows:

| | Three Months Ended September 30, 2025<br>C&I - Revolving | C&I - Other* | CRE Owner Occupied | CRE Non-Owner Occupied | Construction and Land Development | Multi-Family | 1-4 Family Real Estate | Consumer | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | | |
| Balance, beginning | $ 3,797 | $ 29,522 | $ 6,741 | $ 10,626 | $ 17,945 | $ 13,542 | $ 4,980 | $ 1,579 | $ 88,732 |
| Provision | 153 | 3,042 | (403) | 636 | (959) | 1,844 | (183) | 95 | 4,225 |
| Charge-offs | (390) | (4,211) | (87) | — | — | — | — | (58) | (4,746) |
| Recoveries | 78 | 449 | — | — | — | — | 26 | 6 | 559 |
| Balance, ending | $ 3,638 | $ 28,802 | $ 6,251 | $ 11,262 | $ 16,986 | $ 15,386 | $ 4,823 | $ 1,622 | $ 88,770 |

| | Nine Months Ended September 30, 2025<br>C&I - Revolving | C&I - Other** | CRE Owner Occupied | CRE Non-Owner Occupied | Construction and Land Development | Multi-Family | 1-4 Family Real Estate | Consumer | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | | |
| Balance, beginning | $ 3,856 | $ 34,002 | $ 7,147 | $ 11,137 | $ 15,099 | $ 12,173 | $ 4,934 | $ 1,493 | $ 89,841 |
| Provision | 94 | 9,113 | (809) | 115 | 1,804 | 3,213 | (111) | 216 | 13,635 |
| Charge-offs | (390) | (15,559) | (87) | 10 | — | — | (26) | (128) | (16,180) |
| Recoveries | 78 | 1,246 | — | — | 83 | — | 26 | 41 | 1,474 |
| Balance, ending | $ 3,638 | $ 28,802 | $ 6,251 | $ 11,262 | $ 16,986 | $ 15,386 | $ 4,823 | $ 1,622 | $ 88,770 |

* Included within the C&I – Other column are ACL on leases with a beginning balance of $423 thousand, negative provision of $41 thousand, charge-offs of $12 thousand and recoveries of $9 thousand. ACL on leases was $379 thousand as of September 30, 2025.

** Included within the C&I – Other column are ACL on leases with a beginning balance of $580 thousand, provision of $13 thousand, charge-offs of $233 thousand and recoveries of $19 thousand. ACL on leases was $379 thousand as of September 30, 2025.

| | Three Months Ended September 30, 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | C&I - Revolving | C&I - Other* | CRE Owner Occupied | CRE Non-Owner Occupied | Construction and Land Development | Multi-Family | 1-4 Family Real Estate | Consumer | Total |
| | (dollars in thousands) | | | | | | | | |
| Balance, beginning | $ 3,699 | $ 30,544 | $ 8,053 | $ 12,376 | $ 12,054 | $ 14,257 | $ 5,203 | $ 1,520 | $ 87,706 |
| Change in ACL for writedown of LHFS to fair value | — | — | — | — | — | (1,812) | — | — | (1,812) |
| Provision | 235 | 2,159 | (472) | (330) | 2,371 | 649 | (773) | (11) | 3,828 |
| Charge-offs | — | (3,040) | (10) | — | — | (800) | — | (21) | (3,871) |
| Recoveries | — | 443 | — | — | — | — | 22 | 5 | 470 |
| Balance, ending | $ 3,934 | $ 30,106 | $ 7,571 | $ 12,046 | $ 14,425 | $ 12,294 | $ 4,452 | $ 1,493 | $ 86,321 |

| | Nine Months Ended September 30, 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | C&I - Revolving | C&I - Other** | CRE Owner Occupied | CRE Non-Owner Occupied | Construction and Land Development | Multi-Family | 1-4 Family Real Estate | Consumer | Total |
| | (dollars in thousands) | | | | | | | | |
| Balance, beginning | $ 4,224 | $ 27,460 | $ 8,223 | $ 11,581 | $ 16,856 | $ 12,463 | $ 4,917 | $ 1,476 | $ 87,200 |
| Change in ACL for writedown of LHFS to fair value | — | — | — | — | — | (4,691) | — | — | (4,691) |
| Provisions | (290) | 9,855 | (642) | 465 | (2,431) | 5,322 | (464) | 92 | 11,907 |
| Charge-offs | — | (8,259) | (10) | — | — | (800) | (24) | (89) | (9,182) |
| Recoveries | — | 1,050 | — | — | — | — | 23 | 14 | 1,087 |
| Balance, ending | $ 3,934 | $ 30,106 | $ 7,571 | $ 12,046 | $ 14,425 | $ 12,294 | $ 4,452 | $ 1,493 | $ 86,321 |

* Included within the C&I – Other column are ACL on leases with a beginning balance of $800 thousand, negative provision of $21 thousand, charge-offs of $104 thousand and recoveries of $17 thousand. ACL on leases was $692 thousand as of September 30, 2024.

** Included within the C&I – Other column are ACL on leases with a beginning balance of $992 thousand, provision of $195 thousand, charge-offs of $193 thousand and recoveries of $88 thousand. ACL on leases was $692 thousand as of September 30, 2024.

The composition of the ACL on loans/leases by portfolio segment based on evaluation method as of September 30, 2025 and December 31, 2024 are as follows:

| | As of September 30, 2025 | | | | |
|---|---|---|---|---|---|
| | Amortized Cost of Loans Receivable | | | Allowance for Credit Losses | |
| | Individually Evaluated for Credit Losses | Collectively Evaluated for Credit Losses | Total | Individually Evaluated for Credit Losses | Collectively Evaluated for Credit Losses | Total |
| | (dollars in thousands) | | | | | |
| C&I : | | | | | | |
| C&I - revolving | $ 4,573 | $ 382,101 | $ 386,674 | $ — | $ 3,638 | $ 3,638 |
| C&I - other* | 32,559 | 1,309,199 | 1,341,758 | 8,542 | 20,260 | 28,802 |
| | 37,132 | 1,691,300 | 1,728,432 | 8,542 | 23,898 | 32,440 |
| CRE - owner occupied | 25,639 | 560,939 | 586,578 | 1,500 | 4,751 | 6,251 |
| CRE - non-owner occupied | 7,458 | 1,046,274 | 1,053,732 | 1,648 | 9,614 | 11,262 |
| Construction and land development | 4,681 | 1,540,084 | 1,544,765 | 1,267 | 15,719 | 16,986 |
| Multi-family | 2,349 | 1,501,247 | 1,503,596 | 116 | 15,270 | 15,386 |
| 1-4 family real estate | 3,417 | 596,421 | 599,838 | 300 | 4,523 | 4,823 |
| Consumer | 367 | 161,613 | 161,980 | 40 | 1,582 | 1,622 |
| | $ 81,043 | $ 7,097,878 | $ 7,178,921 | $ 13,413 | $ 75,357 | $ 88,770 |

* Included within the C&I – other category are leases individually evaluated of $412 thousand with a related allowance for credit losses of $62 thousand and leases collectively evaluated of $10.7 million with a related allowance for credit losses of $317 thousand as of September 30, 2025.

| | As of December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Amortized Cost of Loans Receivable | | | Allowance for Credit Losses | | |
| | Individually Evaluated for Credit Losses | Collectively Evaluated for Credit Losses | Total | Individually Evaluated for Credit Losses | Collectively Evaluated for Credit Losses | Total |
| | *(dollars in thousands)* | | | | | |
| C&I : | | | | | | |
| C&I - revolving | $ 3,404 | $ 384,587 | $ 387,991 | $ 97 | $ 3,759 | $ 3,856 |
| C&I - other* | 38,140 | 1,493,868 | 1,532,008 | 9,437 | 24,565 | 34,002 |
| | 41,544 | 1,878,455 | 1,919,999 | 9,534 | 28,324 | 37,858 |
| CRE - owner occupied | 26,822 | 579,171 | 605,993 | 2,136 | 5,011 | 7,147 |
| CRE - non-owner occupied | 18,163 | 1,059,689 | 1,077,852 | 542 | 10,595 | 11,137 |
| Construction and land development | 13,346 | 1,300,197 | 1,313,543 | 1,343 | 13,756 | 15,099 |
| Multi-family | 23 | 1,132,087 | 1,132,110 | 2 | 12,171 | 12,173 |
| 1-4 family real estate | 3,463 | 584,716 | 588,179 | 321 | 4,613 | 4,934 |
| Consumer | 443 | 146,285 | 146,728 | 45 | 1,448 | 1,493 |
| | $ 103,804 | $ 6,680,600 | $ 6,784,404 | $ 13,923 | $ 75,918 | $ 89,841 |

* Included within the C&I – other category are leases individually evaluated of $259 thousand with a related allowance for credit losses of $93 thousand and leases collectively evaluated of $16.8 million with a related allowance for credit losses of $487 thousand as of December 31, 2024.

The following table presents the amortized cost basis of collateral dependent loans, by the primary collateral type, which are individually evaluated to determine expected credit losses as of September 30, 2025 and December 31, 2024:

| | As of September 30, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Commercial Assets | Owner-occupied CRE | Non Owner-Occupied Real Estate | Owner Occupied Real Estate | Securities | Equipment | Other | Total |
| | | | *(dollars in thousands)* | | | | | |
| C&I: | | | | | | | | |
| C&I - revolving | $ 4,573 | $ — | $ — | $ — | $ — | $ — | $ — | $ 4,573 |
| C&I - other* | 7,323 | — | — | — | 4,760 | 9,074 | 11,402 | 32,559 |
| | 11,896 | — | — | — | 4,760 | 9,074 | 11,402 | 37,132 |
| CRE - owner occupied | — | 25,594 | — | 45 | — | — | — | 25,639 |
| CRE - non-owner occupied | — | — | 7,458 | — | — | — | — | 7,458 |
| Construction and land development | — | — | 4,681 | — | — | — | — | 4,681 |
| Multi-family | — | — | 2,349 | — | — | — | — | 2,349 |
| 1-4 family real estate | — | — | 183 | 3,234 | — | — | — | 3,417 |
| Consumer | — | — | — | 356 | — | — | 11 | 367 |
| | $ 11,896 | $ 25,594 | $ 14,671 | $ 3,635 | $ 4,760 | $ 9,074 | $ 11,413 | $ 81,043 |

* Included within the C&I – other category are leases individually evaluated of $412 thousand with primary collateral of equipment.

| | As of December 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Commercial Assets | Owner-occupied CRE | Non Owner-Occupied Real Estate | Owner Occupied Real Estate | Securities | Equipment | Other | Total |
| | | | *(dollars in thousands)* | | | | | |
| C&I: | | | | | | | | |
| C&I - revolving | $ 3,404 | $ — | $ — | $ — | $ — | $ — | $ — | $ 3,404 |
| C&I - other* | 3,868 | — | 506 | — | 4,760 | 14,197 | 14,809 | 38,140 |
| | 7,272 | — | 506 | — | 4,760 | 14,197 | 14,809 | 41,544 |
| CRE - owner occupied | — | 26,760 | — | 62 | — | — | — | 26,822 |
| CRE - non-owner occupied | — | — | 18,163 | — | — | — | — | 18,163 |
| Construction and land development | — | — | 13,346 | — | — | — | — | 13,346 |
| Multi-family | — | — | 23 | — | — | — | — | 23 |
| 1-4 family real estate | — | — | 176 | 3,287 | — | — | — | 3,463 |
| Consumer | — | — | 34 | 394 | — | — | 15 | 443 |
| | $ 7,272 | $ 26,760 | $ 32,248 | $ 3,743 | $ 4,760 | $ 14,197 | $ 14,824 | $ 103,804 |

* Included within the C&I – other category are leases individually evaluated of $259 thousand with primary collateral of equipment.

For all loans except direct financing leases and equipment financing agreements, the Company's credit quality indicator consists of internally assigned risk ratings. Each such loan is assigned a risk rating upon origination. The risk rating is reviewed every 15 months, at a minimum, and on an as-needed basis depending on the specific circumstances of the loan.

For certain C&I loans (including equipment financing agreements and direct financing leases), the Company's credit quality indicator is performance determined by delinquency status. Delinquency status is updated daily by the Company's loan system.

The following tables show the credit quality indicator of loans by class of receivable and year of origination as of September 30, 2025:

| | As of September 30, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Term Loans Amortized Cost Basis by Origination Year | | | | | | | |
| Internally Assigned Risk Rating | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Revolving Loans Amortized Cost Basis | Total |
| | | | | *(dollars in thousands)* | | | | |
| C&I - revolving | | | | | | | | |
| Pass | $ — | $ — | $ — | $ — | $ — | $ — | $ 376,650 | $ 376,650 |
| Special Mention | — | — | — | — | — | — | 5,451 | 5,451 |
| Substandard | — | — | — | — | — | — | 4,573 | 4,573 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total C&I - revolving | $ — | $ — | $ — | $ — | $ — | $ — | $ 386,674 | $ 386,674 |
| C&I - other | | | | | | | | |
| Pass | $ 193,886 | $ 184,251 | $ 303,324 | $ 167,862 | $ 64,491 | $ 171,237 | $ — | $ 1,085,051 |
| Special Mention | 6,604 | 2,428 | 503 | 1,683 | 2,657 | 1,580 | — | 15,455 |
| Substandard | 4,396 | 12,487 | 685 | 779 | 167 | 4,772 | — | 23,286 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total C&I - other | $ 204,886 | $ 199,166 | $ 304,512 | $ 170,324 | $ 67,315 | $ 177,589 | $ — | $ 1,123,792 |
| CRE - owner occupied | | | | | | | | |
| Pass | $ 83,921 | $ 48,185 | $ 84,304 | $ 86,297 | $ 87,716 | $ 133,294 | $ 7,408 | $ 531,125 |
| Special Mention | 102 | — | 16,669 | 7,594 | 7,698 | 1,888 | — | 33,951 |
| Substandard | 1,534 | 1,959 | 114 | 242 | 403 | 17,250 | — | 21,502 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total CRE - owner occupied | $ 85,557 | $ 50,144 | $ 101,087 | $ 94,133 | $ 95,817 | $ 152,432 | $ 7,408 | $ 586,578 |
| CRE - non-owner occupied | | | | | | | | |
| Pass | $ 204,991 | $ 164,497 | $ 155,344 | $ 214,576 | $ 140,977 | $ 110,292 | $ 37,588 | $ 1,028,265 |
| Special Mention | 5,187 | 1,012 | 202 | 8,981 | 2,412 | 215 | — | 18,009 |
| Substandard | 3,766 | 78 | 2,664 | — | 546 | 404 | — | 7,458 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total CRE - non-owner occupied | $ 213,944 | $ 165,587 | $ 158,210 | $ 223,557 | $ 143,935 | $ 110,911 | $ 37,588 | $ 1,053,732 |
| Construction and land development | | | | | | | | |
| Pass | $ 213,295 | $ 553,984 | $ 570,896 | $ 109,913 | $ 48,477 | $ 260 | $ 41,940 | $ 1,538,765 |
| Special Mention | — | 1,525 | — | — | 71 | — | — | 1,596 |
| Substandard | 194 | 4,118 | 92 | — | — | — | — | 4,404 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Construction and land development | $ 213,489 | $ 559,627 | $ 570,988 | $ 109,913 | $ 48,548 | $ 260 | $ 41,940 | $ 1,544,765 |
| Multi-family | | | | | | | | |
| Pass | $ 262,579 | $ 126,683 | $ 185,265 | $ 368,806 | $ 197,240 | $ 360,609 | $ 65 | $ 1,501,247 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | 2,333 | — | — | — | 16 | — | — | 2,349 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Multi-family | $ 264,912 | $ 126,683 | $ 185,265 | $ 368,806 | $ 197,256 | $ 360,609 | $ 65 | $ 1,503,596 |
| 1-4 family real estate | | | | | | | | |
| Pass | $ 97,620 | $ 100,331 | $ 100,016 | $ 75,385 | $ 98,074 | $ 118,088 | $ 4,719 | $ 594,233 |
| Special Mention | 1,521 | 166 | — | — | 531 | 7 | — | 2,225 |
| Substandard | 147 | 13 | 286 | 629 | 586 | 1,529 | 190 | 3,380 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total 1-4 family real estate | $ 99,288 | $ 100,510 | $ 100,302 | $ 76,014 | $ 99,191 | $ 119,624 | $ 4,909 | $ 599,838 |
| Consumer | | | | | | | | |
| Pass | $ 19,844 | $ 4,766 | $ 4,623 | $ 3,550 | $ 795 | $ 1,596 | $ 126,376 | $ 161,550 |
| Special Mention | — | — | — | — | — | — | 63 | 63 |
| Substandard | — | — | 268 | 35 | — | 21 | 43 | 367 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Consumer | $ 19,844 | $ 4,766 | $ 4,891 | $ 3,585 | $ 795 | $ 1,617 | $ 126,482 | $ 161,980 |
| Total | $ 1,101,920 | $ 1,206,483 | $ 1,425,255 | $ 1,046,332 | $ 652,857 | $ 923,042 | $ 605,066 | $ 6,960,955 |

| | As of September 30, 2025 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Term Loans Amortized Cost Basis by Origination Year | | | | | | Revolving Loans Amortized Cost Basis | |
| Delinquency Status * | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | | Total |
| | (dollars in thousands) | | | | | | | |
| C&I - other | | | | | | | | |
| Performing | $ 1,742 | $ 82,526 | $ 70,360 | $ 33,974 | $ 8,676 | $ 1,010 | $ — | $ 198,288 |
| Nonperforming | — | 1,212 | 3,750 | 2,330 | 1,232 | 64 | — | 8,588 |
| Total C&I - other | $ 1,742 | $ 83,738 | $ 74,110 | $ 36,304 | $ 9,908 | $ 1,074 | $ — | $ 206,876 |
| Direct financing leases | | | | | | | | |
| Performing | $ 291 | $ 628 | $ 5,289 | $ 3,559 | $ 730 | $ 181 | $ — | $ 10,678 |
| Nonperforming | — | — | 66 | 337 | 5 | 4 | — | 412 |
| Total Direct financing leases | $ 291 | $ 628 | $ 5,355 | $ 3,896 | $ 735 | $ 185 | $ — | $ 11,090 |
| Total | $ 2,033 | $ 84,366 | $ 79,465 | $ 40,200 | $ 10,643 | $ 1,259 | $ — | $ 217,966 |

* Performing = loans/leases accruing and less than 90 days past due. Nonperforming = loans/leases on nonaccrual and accruing loans/leases that are greater than or equal to 90 days past due.

The following table shows the gross charge-offs of loans and leases by class of receivable and year of origination for the three and nine months ended September 30, 2025:

| | Three Months Ended September 30, 2025 | | | | | | | Nine Months Ended September 30, 2025 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Charge-off by Origination Year | | | | | | | Gross Charge-off by Origination Year | | | | | | |
| Classes of Loans/Leases | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total |
| | (dollars in thousands) | | | | | | | (dollars in thousands) | | | | | | |
| C&I: | | | | | | | | | | | | | | |
| C&I - revolving | $ — | 390 | — | — | — | — | $ 390 | $ — | 390 | — | — | — | — | $ 390 |
| C&I - other | — | 1,373 | 1,163 | 1,010 | 614 | 39 | 4,199 | 500 | 4,740 | 3,834 | 4,738 | 1,365 | 149 | 15,326 |
| CRE - owner occupied | — | — | — | — | 87 | — | 87 | — | — | — | — | 87 | — | 87 |
| CRE - non-owner occupied | — | — | — | — | — | — | — | — | — | — | — | — | (10) | (10) |
| Construction and land development | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Multi-family | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Direct financing leases | — | — | — | — | 10 | 2 | 12 | — | 136 | 39 | 40 | 10 | 8 | 233 |
| 1-4 family real estate | — | — | — | — | — | — | — | — | 3 | — | 23 | — | — | 26 |
| Consumer | — | 34 | 22 | — | 1 | 1 | 58 | — | 47 | 79 | — | 1 | 1 | 128 |
| | $ — | $ 1,797 | $ 1,185 | $ 1,010 | $ 712 | $ 42 | $ 4,746 | $ 500 | $ 5,316 | $ 3,952 | $ 4,801 | $ 1,463 | $ 148 | $ 16,180 |

The following tables show the credit quality indicator of loans by class of receivable and year of origination as of December 31, 2024:

| Internally Assigned Risk Rating | As of December 31, 2024 Term Loans Amortized Cost Basis by Origination Year 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Total |
|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | |
| C&I - revolving | | | | | | | | |
| Pass | $ — | $ — | $ — | $ — | $ — | $ — | $ 368,318 | $ 368,318 |
| Special Mention | — | — | — | — | — | — | 16,369 | 16,369 |
| Substandard | — | — | — | — | — | — | 3,304 | 3,304 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total C&I - revolving | $ — | $ — | $ — | $ — | $ — | $ — | $ 387,991 | $ 387,991 |
| C&I - other | | | | | | | | |
| Pass | $ 324,649 | $ 348,843 | $ 204,275 | $ 82,601 | $ 49,130 | $ 155,191 | $ — | $ 1,164,689 |
| Special Mention | 6,517 | 5,534 | 2,855 | 4,799 | 2,548 | 725 | — | 22,978 |
| Substandard | 17,003 | 538 | 507 | 1,272 | — | 4,780 | — | 24,100 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total C&I - other | $ 348,169 | $ 354,915 | $ 207,637 | $ 88,672 | $ 51,678 | $ 160,696 | $ — | $ 1,211,767 |
| CRE - owner occupied | | | | | | | | |
| Pass | $ 65,054 | $ 104,442 | $ 117,215 | $ 102,506 | $ 95,349 | $ 69,382 | $ 13,327 | $ 567,275 |
| Special Mention | 5,589 | 234 | 739 | 6,964 | 822 | 1,829 | — | 16,177 |
| Substandard | 3,669 | — | 980 | 309 | 16,582 | 1,001 | — | 22,541 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total CRE - owner occupied | $ 74,312 | $ 104,676 | $ 118,934 | $ 109,779 | $ 112,753 | $ 72,212 | $ 13,327 | $ 605,993 |
| CRE - non-owner occupied | | | | | | | | |
| Pass | $ 194,510 | $ 204,599 | $ 272,296 | $ 164,948 | $ 96,216 | $ 95,117 | $ 20,548 | $ 1,048,234 |
| Special Mention | 4,406 | — | 55 | — | — | 6,844 | 150 | 11,455 |
| Substandard | 80 | 3,652 | 550 | — | 1,916 | 11,965 | — | 18,163 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total CRE - non-owner occupied | $ 198,996 | $ 208,251 | $ 272,901 | $ 164,948 | $ 98,132 | $ 113,926 | $ 20,698 | $ 1,077,852 |
| Construction and land development | | | | | | | | |
| Pass | $ 435,373 | $ 524,375 | $ 235,987 | $ 66,409 | $ 3,313 | $ — | $ 31,176 | $ 1,296,633 |
| Special Mention | 3,863 | — | — | 75 | — | — | — | 3,938 |
| Substandard | 4,394 | 124 | 1,082 | 7,372 | — | — | — | 12,972 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Construction and land development | $ 443,630 | $ 524,499 | $ 237,069 | $ 73,856 | $ 3,313 | $ — | $ 31,176 | $ 1,313,543 |
| Multi-family | | | | | | | | |
| Pass | $ 137,806 | $ 138,011 | $ 279,256 | $ 185,872 | $ 217,697 | $ 165,867 | $ 7,578 | $ 1,132,087 |
| Special Mention | — | — | — | — | — | — | — | — |
| Substandard | — | — | — | 23 | — | — | — | 23 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Multi-family | $ 137,806 | $ 138,011 | $ 279,256 | $ 185,895 | $ 217,697 | $ 165,867 | $ 7,578 | $ 1,132,110 |
| 1-4 family real estate | | | | | | | | |
| Pass | $ 121,918 | $ 115,491 | $ 89,073 | $ 108,998 | $ 77,540 | $ 64,015 | $ 5,106 | $ 582,141 |
| Special Mention | 380 | 146 | — | 547 | — | 1,582 | — | 2,655 |
| Substandard | 91 | 327 | 981 | 634 | 378 | 944 | 28 | 3,383 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total 1-4 family real estate | $ 122,389 | $ 115,964 | $ 90,054 | $ 110,179 | $ 77,918 | $ 66,541 | $ 5,134 | $ 588,179 |
| Consumer | | | | | | | | |
| Pass | $ 11,513 | $ 13,375 | $ 6,082 | $ 1,254 | $ 2,435 | $ 1,519 | $ 110,042 | $ 146,220 |
| Special Mention | — | — | — | — | — | — | 64 | 64 |
| Substandard | 34 | 208 | 39 | — | — | 97 | 66 | 444 |
| Doubtful | — | — | — | — | — | — | — | — |
| Total Consumer | $ 11,547 | $ 13,583 | $ 6,121 | $ 1,254 | $ 2,435 | $ 1,616 | $ 110,172 | $ 146,728 |
| Total | $ 1,336,849 | $ 1,459,899 | $ 1,211,972 | $ 734,583 | $ 563,926 | $ 580,858 | $ 576,076 | $ 6,464,163 |

| | As of December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Term Loans Amortized Cost Basis by Origination Year | | | | | | |
| Delinquency Status * | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans Amortized Cost Basis | Total |
| | (dollars in thousands) | | | | | | | |
| C&I - other | | | | | | | | |
| Performing | $ 109,373 | $ 99,204 | $ 57,819 | $ 18,853 | $ 4,107 | $ 278 | $ — | $ 289,634 |
| Nonperforming | 1,028 | 4,689 | 5,537 | 2,076 | 201 | — | — | 13,531 |
| Total C&I - other | $ 110,401 | 103,893 | 63,356 | 20,929 | 4,308 | 278 | $ — | $ 303,165 |
| Direct financing leases | | | | | | | | |
| Performing | $ 1,742 | $ 6,099 | $ 6,583 | $ 1,413 | $ 569 | $ 411 | $ — | $ 16,817 |
| Nonperforming | — | 103 | 70 | 39 | 46 | 1 | — | 259 |
| Total Direct financing leases | $ 1,742 | $ 6,202 | $ 6,653 | $ 1,452 | $ 615 | $ 412 | $ — | $ 17,076 |
| Total | $ 112,143 | $ 110,095 | $ 70,009 | $ 22,381 | $ 4,923 | $ 690 | $ — | $ 320,241 |

* Performing = loans/leases accruing and less than 90 days past due. Nonperforming = loans/leases on nonaccrual and accruing loans/leases that are greater than or equal to 90 days past due.

The following table shows the gross charge-offs of loans and leases by class of receivable and year of origination for the three and nine months ended September 30, 2024:

| | Three Months Ended September 30, 2024 | | | | | | | Nine Months Ended September 30, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Gross Charge-off by Origination Year | | | | | | | Gross Charge-off by Origination Year | | | | | | |
| Classes of Loans/Leases | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total | 2025 | 2024 | 2023 | 2022 | 2021 | Prior | Total |
| | (dollars in thousands) | | | | | | | (dollars in thousands) | | | | | | |
| C&I: | | | | | | | | | | | | | | |
| C&I - revolving | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — | $ — |
| C&I - other | — | — | 879 | 1,375 | 632 | 50 | 2,936 | — | 7 | 1,763 | 4,234 | 1,724 | 338 | 8,066 |
| CRE - owner occupied | — | — | — | — | — | 10 | 10 | — | — | — | — | — | 10 | 10 |
| CRE - non-owner occupied | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Construction and land development | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Multi-family | — | — | — | — | 800 | — | 800 | — | — | — | — | 800 | — | 800 |
| Direct financing leases | — | — | — | 67 | — | 37 | 104 | — | — | — | 77 | 24 | 92 | 193 |
| 1-4 family real estate | — | — | — | — | — | — | — | — | — | 21 | — | — | 3 | 24 |
| Consumer | — | 10 | 6 | 1 | — | 4 | 21 | — | 10 | 7 | 42 | 11 | 19 | 89 |
| | $ — | $ 10 | $ 885 | $ 1,443 | $ 1,432 | $ 101 | $ 3,871 | $ — | $ 17 | $ 1,791 | $ 4,353 | $ 2,559 | $ 462 | $ 9,182 |

There were no loan and lease modifications to borrowers experiencing financial difficulty during the three and nine months ended September 30, 2025. Any loan and lease modifications to borrowers experiencing financial difficulty during 2024 were deemed immaterial.

Changes in the ACL for OBS exposures for the three and nine months ended September 30, 2025 and 2024 are presented as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | (dollars in thousands) | | | |
| Balance, beginning | $ 7,140 | $ 10,360 | $ 8,273 | $ 9,529 |
| Provisions (credited) to expense | 80 | (344) | (1,053) | 487 |
| Balance, ending | $ 7,220 | $ 10,016 | $ 7,220 | $ 10,016 |

NOTE 4 – SECURITIZATIONS AND VARIABLE INTEREST ENTITIES

In prior years, the Company completed four different Freddie Mac sponsored securitizations. The Company retained beneficial interests from each securitization which are classified as trading securities on the consolidated balance sheets. Details related to the securitizations and related VIEs can be found in Note 4 to the Consolidated Financial Statements included under Item 8 of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

In August 2025, the Company securitized $200.3 million of HTM municipal securities. The securitization was comprised of Class A Certificates of $134.2 million and Class B Certificates of $66.1 million. The Class A Certificates were sold to third party investors, and the Class B Certificates were retained by the Company. The Class B Certificates provide the first loss support and are subordinate to the Class A Certificates. In order to execute this transaction, the Company created a new bankruptcy-remote special purpose entity (a "Sponsor SPE"), through which the transaction was executed, and which is consolidated by the Company. Based on the structure of the transaction, the Company retains effective control of the $200.3 million of HTM municipal securities and accounts for the transaction as a secured borrowing. The full $200.3 million of HTM municipal securities will remain on the balance sheet denoted as collateralizing the borrowing and the $134.2 million of the Class A Certificates sold to third party investors is accounted for as a secured term borrowing and classified with other borrowings on the Company's consolidated balance sheet.

At September 30, 2025, the Company determined it was not the primary beneficiary of the various external VIEs involved in these securitizations primarily because the Company did not have the power to direct the activities that most significantly impact the VIEs. Evaluation and assessment of VIEs for consolidation is performed on an ongoing basis by management. Any changes in facts and circumstances occurring since the previous primary beneficiary determination will be considered as part of this ongoing assessment.

The Company's total assets related to the VIEs as of September 30, 2025 and December 31, 2024 were $83.2 million and $83.5 million, respectively and there were no liabilities recorded. The Company's maximum exposure to loss associated with these VIEs consists of the capital invested plus any unfunded equity commitments that are binding. As of September 30, 2025, the Company's maximum exposure to loss related to the VIEs was $85.5 million.

NOTE 5 – DERIVATIVES AND HEDGING ACTIVITIES

Derivatives are summarized as follows as of September 30, 2025 and December 31, 2024:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| Assets: | | |
| Hedged Derivatives | | |
| Cash Flow Hedges | | |
| Interest rate swaps | $ 691 | $ 1,905 |
| Interest rate collars | 5 | — |
| Unhedged Derivatives | | |
| Interest rate caps | — | 118 |
| Swaptions | 134 | 998 |
| Interest rate swaps | 206,945 | 183,760 |
| | $ 207,775 | $ 186,781 |
| | | |
| Liabilities: | | |
| Hedged Derivatives | | |
| Cash Flow Hedges | | |
| Interest rate swaps | $ (21,218) | $ (30,623) |
| Interest rate collars | (240) | (105) |
| Fair Value Hedges | | |
| Interest rate swaps | (2,339) | (335) |
| Unhedged Derivatives | | |
| Interest rate swaps | (206,945) | (183,760) |
| | $ (230,742) | $ (214,823) |

The Company uses interest rate swap, cap, collar and swaption instruments to manage interest rate risk related to the variability of interest payments due to changes in interest rates.

Changes in fair values of derivative financial instruments accounted for as cash flow hedges, to the extent that they are included in the assessment of effectiveness, are recorded as a component of AOCI. Changes in fair values of derivative financial instruments accounted for as fair value hedges, to the extent that they are included in the assessment of effectiveness, are recorded as a component of interest income/expense.

The Company has entered into interest rate swaps to hedge against the risk of rising rates on one of its variable rate subordinated notes and its variable rate trust preferred securities. All of the interest rate swaps are designated as cash flow hedges in accordance with ASC 815. The details of the interest rate swaps are as follows:

| Hedged Item | Effective Date | Maturity Date | Balance Sheet Location | Notional Amount | Receive Rate | Pay Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | | | | |
| QCR Holdings Statutory Trust V | 7/7/2018 | 7/7/2028 | Derivatives - Assets | $ 10,000 | 6.13 % | 4.54 % | $ 156 | $ 427 |
| Community National Statutory Trust III | 9/15/2018 | 9/15/2028 | Derivatives - Assets | 3,500 | 6.05 % | 4.75 % | 73 | 197 |
| Guaranty Bankshares Statutory Trust I | 9/15/2018 | 9/15/2028 | Derivatives - Assets | 4,500 | 6.05 % | 4.75 % | 57 | 153 |
| Community National Statutory Trust II | 9/20/2018 | 9/20/2028 | Derivatives - Assets | 3,000 | 6.43 % | 5.17 % | 49 | 132 |
| QCR Holdings Statutory Trust II | 9/30/2018 | 9/30/2028 | Derivatives - Assets | 10,000 | 7.41 % | 5.85 % | 164 | 443 |
| QCR Holdings Statutory Trust III | 9/30/2018 | 9/30/2028 | Derivatives - Assets | 8,000 | 7.41 % | 5.85 % | 131 | 353 |
| Guaranty Statutory Trust II | 5/23/2019 | 2/23/2026 | Derivatives - Assets | 10,310 | 5.91 % | 4.09 % | 61 | 200 |
| QCR Holdings Subordinated Note | 3/1/2024 | 2/15/2028 | Derivatives - Liabilities | 65,000 | 4.02 % | 4.02 % | (1,051) | (50) |
| | | | | $ 114,310 | | | $ (360) | $ 1,855 |

The Company uses interest rate collars in an effort to manage future interest rate exposure on variable rate loans. The collar hedging strategy stabilizes interest rate fluctuations by setting both a floor and a cap. The collar is designated as a cash flow hedge in accordance with ASC 815. The details of the interest rate collar is as follows:

| Hedged Item | Effective Date | Maturity Date | Location | Notional Amount | Cap Strile Rate | Floor Strile Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | |
| Loans | 10/1/2022 | 10/1/2026 | Derivatives - Assets (Liabilities) | $ 50,000 | 4.40 % | 2.44 % | $ 5 | $ (105) |

For derivative instruments that are designated as unhedged, the change in fair value of the derivative instrument is recognized into current earnings. The details of the unhedged interest rate caps are as follows:

| Effective Date | Maturity Date | Balance Sheet Location | Notional Amount | Strile Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | | |
| 3/1/2020 | 3/3/2025 | Derivatives - Assets | $ 25,000 | 1.90 % | $ - | $ 118 |

During the third quarter of 2024, the Company executed a derivative strategy more commonly known as a swaption. The swaptions are designed to hedge the Company's regulatory capital ratios against the adverse effects of a significant decline in long-term interest rates. The swaptions are designated as unhedged in accordance with ASC 815, therefore the change in fair value of the derivative instrument is recognized into current earnings. An initial premium of $4.5 million was paid upfront for the swaptions. The details of the swaptions are as follows:

| Effective Date | Maturity Date | Location | Notional Amount | Strile Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | | |
| 7/30/2024 | 7/30/2025 | Derivatives - Assets | $ 77,600 | 2.13 % | $ N/A | $ 37 |
| 7/30/2024 | 7/30/2025 | Derivatives - Assets | 33,100 | 2.62 % | N/A | 54 |
| 7/30/2024 | 7/30/2025 | Derivatives - Assets | 28,254 | 2.12 % | N/A | 48 |
| 7/30/2024 | 7/30/2025 | Derivatives - Assets | 66,247 | 2.63 % | N/A | 33 |
| 7/30/2024 | 1/29/2026 | Derivatives - Assets | 20,750 | 2.63 % | 7 | 102 |
| 7/30/2024 | 1/29/2026 | Derivatives - Assets | 41,700 | 2.13 % | 3 | 77 |
| 7/30/2024 | 1/30/2026 | Derivatives - Assets | 36,546 | 2.14 % | 3 | 70 |
| 7/30/2024 | 1/30/2026 | Derivatives - Assets | 18,453 | 2.64 % | 7 | 93 |
| 7/30/2024 | 7/30/2026 | Derivatives - Assets | 16,100 | 2.64 % | 38 | 140 |
| 7/30/2024 | 7/30/2026 | Derivatives - Assets | 29,800 | 2.14 % | 22 | 116 |
| 7/30/2024 | 7/30/2026 | Derivatives - Assets | 25,971 | 2.14 % | 20 | 103 |
| 7/30/2024 | 7/30/2026 | Derivatives - Assets | 14,280 | 2.64 % | 34 | 125 |
| | | | $ 408,801 | | $ 134 | $ 998 |

The Company has entered into interest rate swaps to hedge against the risk of declining interest rates on floating rate loans. The interest rate swaps are designated as cash flow hedges in accordance with ASC 815. The details of the interest rate swaps are as follows:

| Hedged Item | Effective Date | Maturity Date | Balance Sheet Location | Notional Amount | Receive Rate | Pay Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | |
| Loans | 7/1/2021 | 7/1/2031 | Derivatives - Liabilities | $ 35,000 | 1.40 % | 4.43 % | $ (3,852) | $ (5,445) |
| Loans | 7/1/2021 | 7/1/2031 | Derivatives - Liabilities | 50,000 | 1.40 % | 4.43 % | (5,503) | (7,779) |
| Loans | 7/1/2021 | 7/1/2031 | Derivatives - Liabilities | 40,000 | 1.40 % | 4.43 % | (4,411) | (6,233) |
| Loans | 10/1/2022 | 7/1/2031 | Derivatives - Liabilities | 25,000 | 1.30 % | 4.43 % | (2,772) | (3,916) |
| Loans | 4/1/2022 | 4/1/2027 | Derivatives - Liabilities | 15,000 | 1.91 % | 4.43 % | (363) | (720) |
| Loans | 4/1/2022 | 4/1/2027 | Derivatives - Liabilities | 50,000 | 1.91 % | 4.43 % | (1,209) | (2,400) |
| Loans | 4/1/2022 | 4/1/2027 | Derivatives - Liabilities | 35,000 | 1.91 % | 4.43 % | (847) | (1,680) |
| Loans | 4/1/2022 | 4/1/2027 | Derivatives - Liabilities | 50,000 | 1.91 % | 4.43 % | (1,210) | (2,400) |
| | | | | $ 300,000 | | | $ (20,167) | $ (30,573) |

The Company uses interest rate collars in an effort to manage future interest rate exposure on variable rate deposits. The collar hedging strategy stabilizes interest rate fluctuations by setting both a floor and a cap. The collars are designated as a cash flow hedge in accordance with ASC 815. The details of the interest rate collars are as follows:

| Hedged Item | Effective Date | Maturity Date | Balance Sheet Location | Notional Amount | Cap Strile Rate | Floor Strile Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | |
| Deposits | 5/1/2025 | 11/1/2027 | Derivatives - Liabilities | $ 50,000 | 4.40 % | 2.24 % | $ (50) | $ N/A |
| Deposits | 5/1/2025 | 5/1/2028 | Derivatives - Liabilities | 50,000 | 4.40 % | 2.24 % | (79) | N/A |
| Deposits | 5/1/2025 | 11/1/2028 | Derivatives - Liabilities | 50,000 | 4.40 % | 2.43 % | (111) | N/A |
| | | | | $ 150,000 | | | $ (240) | $ N/A |

The Company has entered into interest rate swaps to hedge against the risk of rising rates on loans. The interest rate swaps are designated as fair value hedges in accordance with ASC 815. The details of the interest rate swaps are as follows:

| Hedged Item | Effective Date | Maturity Date | Balance Sheet Location | Notional Amount | Receive Rate | Pay Rate | Fair Value as of September 30, 2025 | Fair Value as of December 31, 2024 |
|---|---|---|---|---|---|---|---|---|
| | | | | *(dollars in thousands)* | | | | |
| Loans | 7/12/2023 | 8/1/2025 | Derivatives - Liabilities | $ 15,000 | 4.30 % | 4.60 % | $ N/A | $ (35) |
| Loans | 7/12/2023 | 2/1/2026 | Derivatives - Liabilities | 25,000 | 4.30 % | 4.38 % | (40) | (77) |
| Loans | 7/12/2023 | 2/1/2026 | Derivatives - Liabilities | 15,000 | 4.30 % | 4.38 % | (24) | (46) |
| Loans | 7/12/2023 | 2/1/2026 | Derivatives - Liabilities | 20,000 | 4.30 % | 4.38 % | (32) | (61) |
| Loans | 7/12/2023 | 8/1/2026 | Derivatives - Liabilities | 30,000 | 4.30 % | 4.21 % | (139) | (79) |
| Loans | 7/12/2023 | 8/1/2026 | Derivatives - Liabilities | 15,000 | 4.30 % | 4.21 % | (70) | (40) |
| Loans | 7/12/2023 | 8/1/2026 | Derivatives - Liabilities | 20,000 | 4.30 % | 4.21 % | (93) | (53) |
| Loans | 7/12/2023 | 2/1/2027 | Derivatives - Liabilities | 32,500 | 4.30 % | 4.08 % | (263) | (44) |
| Loans | 7/12/2023 | 2/1/2027 | Derivatives - Liabilities | 15,000 | 4.30 % | 4.08 % | (121) | (20) |
| Loans | 7/12/2023 | 2/1/2027 | Derivatives - Liabilities | 20,000 | 4.30 % | 4.08 % | (162) | (27) |
| Loans | 7/12/2023 | 8/1/2027 | Derivatives - Liabilities | 32,500 | 4.30 % | 3.98 % | (358) | 14 |
| Loans | 7/12/2023 | 8/1/2027 | Derivatives - Liabilities | 15,000 | 4.30 % | 3.98 % | (165) | 6 |
| Loans | 7/12/2023 | 8/1/2027 | Derivatives - Liabilities | 25,000 | 4.30 % | 3.98 % | (275) | 11 |
| Loans | 7/12/2023 | 2/1/2028 | Derivatives - Liabilities | 30,000 | 4.30 % | 3.90 % | (397) | 77 |
| Loans | 7/12/2023 | 2/1/2028 | Derivatives - Liabilities | 15,000 | 4.30 % | 3.90 % | (200) | 39 |
| | | | | $ 325,000 | | | $ (2,339) | $ (335) |

The Company has also entered into interest rate swap contracts that are not designated as hedging instruments. These derivative contracts relate to transactions in which the Company enters into an interest rate swap with a customer while at the same time entering into an equal and offsetting interest rate swap with an upstream counterparty. Additionally, the Company receives an upfront, non-refundable fee from the upstream counterparty, dependent upon the pricing that is recognized upon receipt from the counterparty. Because the Company acts as an intermediary for the customer, changes in the fair value of the underlying derivative contracts, for the most part, offset each other and do not significantly impact the Company's results of operations.

Interest rate swaps that were not designated as hedging instruments as of September 30, 2025 and December 31, 2024 are summarized as follows:

| | As of September 30, 2025 | | As of December 31, 2024 | |
|---|---|---|---|---|
| | Notional Amount | Estimated Fair Value | Notional Amount | Estimated Fair Value |
| | *(dollars in thousands)* | | | |
| Non-Hedging Interest Rate Derivatives Assets: | | | | |
| Interest rate swap contracts | $ 4,629,217 | $ 206,945 | $ 4,148,306 | $ 183,760 |
| Non-Hedging Interest Rate Derivatives Liabilities: | - | | | |
| Interest rate swap contracts | $ 4,629,217 | $ 206,945 | $ 4,148,306 | $ 183,760 |

The effect of cash flow hedging and fair value accounting on the consolidated statements of income for the three and nine months ended September 30, 2025 and 2024 are as follows:

| | Three Months Ended September 30, 2025 | | Three Months Ended September 30, 2024 | |
|---|---|---|---|---|
| | Interest and Dividend Income | Interest Expense | Interest and Dividend Income | Interest Expense |
| | *(dollars in thousands)* | | | |
| **Income and expense line items presented in the consolidated statements of income** | $ 125,015 | $ 60,216 | $ 125,420 | $ 65,698 |
| The effects of cash flow hedging: | | | | |
| Gain (loss) on interest rate caps and collars on deposits | - | - | - | (1,029) |
| Gain (loss) on interest rate swaps on debt | - | (214) | - | (339) |
| Loss on interest rate swaps and collars on loans | (2,144) | - | (3,000) | - |
| The effects of fair value hedging: | | | | |
| Gain on interest rate swaps on loans | 176 | - | 968 | - |

| | Nine Months Ended September 30, 2025 | | Nine Months Ended September 30, 2024 | |
|---|---|---|---|---|
| | Interest and Dividend Income | Interest Expense | Interest and Dividend Income | Interest Expense |
| | *(dollars in thousands)* | | | |
| **Income and expense line items presented in the consolidated statements of income** | $ 361,935 | $ 175,068 | $ 360,215 | $ 189,631 |
| The effects of cash flow hedging: | | | | |
| Gain (loss) on interest rate caps and collars on deposits | - | (117) | - | (3,184) |
| Gain (loss) on interest rate swaps on debt | - | (633) | - | (1,012) |
| (Gain) loss on interest rate swaps and collars on loans | (6,336) | - | (8,961) | - |
| The effects of fair value hedging: | | | | |
| Gain on interest rate swaps on loans | 511 | - | 2,930 | - |

The Company's hedged interest rate swaps and non-hedged interest rate swaps are collateralized with cash and investment securities with carrying values as follows, as of the dates presented:

| | September 30, 2025 | December 31, 2024 |
|---|---|---|
| | *(dollars in thousands)* | |
| Cash | $ 51,511 | $ 39,431 |
| U.S. govt. sponsored agency securities | 11,188 | 6,222 |
| Municipal securities | 143,057 | 151,107 |
| Residential mortgage-backed and related securities | 24,078 | 18,132 |
| | $ 229,834 | $ 214,892 |

The Company may be exposed to credit risk in the event of non-performance by the counterparties to its interest rate derivative agreements. The Company assesses the credit risk of its financial institution counterparties by monitoring publicly available credit ratings and financial information. Additionally, the Company manages financial institution counterparty credit risk by entering into interest rate derivatives only with primary and highly rated counterparties, and uses ISDA master agreements, central clearing mechanisms and counterparty limits. The agreements contain bilateral collateral agreements with the amount of collateral to be posted generally governed by the settlement value of outstanding swaps. The Company manages the risk of default by its borrower/customer counterparties through its normal loan underwriting and credit monitoring policies and procedures. The Company underwrites the combination of the base loan amount and potential swap exposure and focuses on high quality borrowers with strong collateral values. The majority of the Company's swapped loan portfolio consists of loans on projects, with loan-to-values, including the potential swap exposure, below 65%. The Company does not currently anticipate any losses from failure of interest rate derivative counterparties to honor their obligations.

NOTE 6 – OTHER BORROWINGS

In August 2025, the Company pledged a portion of its HTM municipal securities in exchange for term borrowings through a repurchase agreement. The repurchase agreements are reported as secured borrowings, as the Company maintains effective control of the financed assets. The secured borrowing has a fixed rate of 4.0% until the remarketing date of July 1, 2028. The table below sets forth information regarding the Company's repurchase agreements accounted for as secured other borrowings on the Company's consolidated balance sheets for September 30, 2025 and December 31, 2024.

Refer to Note 2 to the Consolidated Financial Statements for collateral pledged and held under our repurchase agreements.

| | Amount Outstanding as of September 30, 2025 | Interest Rate as of September 30, 2025 | Amount Outstanding as of December 31, 2024 | Interest Rate as of December 31, 2024 | Maturity Date |
|---|---|---|---|---|---|
| | | | *(dollars in thousands)* | | |
| Repurchase agreement | $ 134,190 | 4.00 % | $ n/a | n/a % | 1/1/2055 |
| Issuance costs | (3,581) | | n/a | | |
| Total other borrowings | $ 130,609 | | $ n/a | | |

NOTE 7 – SUBORDINATED NOTES

*2025 Issuance of Subordinated Notes*

On September 15, 2025, the Company completed private placements of $70.0 million in aggregate principal amount subordinated notes. The private placements were issued in two tranches consisting of $50.0 million in aggregate principal amount of 6.875% Fixed-to-Floating Rate Subordinated Notes due September 2035 (the "2035 Notes") and $20.0 million in aggregate principal amount of 7.225% Fixed-to-Floating Subordinated Notes due September 2037 (the "2037 Notes").

The 2035 Notes will bear interest at a fixed rate of 6.875% per year from, and including, September 15, 2025 to, but excluding, September 15, 2030. From, and including, September 15, 2030 to, but excluding, the stated maturity date of September 15, 2035 (or earlier redemption date) the interest rate will reset quarterly to a floating rate, which is expected to be the then current three-month term SOFR plus 350 basis points. The 2035 Notes are redeemable, in whole or in part, at the Company's option on or after September 15, 2030, or earlier upon the occurrence of certain events.

The 2037 Notes will bear interest at a fixed rate of 7.225% per year from, and including, September 15, 2025 to, but excluding, September 15, 2032. From, and including, September 15, 2032 to, but excluding, the stated maturity date of September 15, 2037 (or earlier redemption date) the interest rate will reset quarterly to a floating rate, which is expected to be the then current three-month term SOFR plus 375 basis points. The 2037 Notes are redeemable, in whole or in part, at the Company's option on or after September 15, 2032, or earlier upon the occurrence of certain events.

*Redemption of 5.25% Fixed-to-Floating Rate Subordinated Notes due 2030*

On July 25, 2025, the Company issued a notice of full redemption pursuant to that certain Additional Paying Agent and Co-Registrar Agreement, dated as of September 22, 2020, between GFED, as original issuer, and Wilmington Trust, National Association, as paying agent and co-registrar ("Wilmington"), as supplemented by that certain First Supplemental to Additional Paying Agent and Co-Registrar Agreement and Note, dated as of April 1, 2022, by and between Wilmington, the Company, as successor issuer, and GFED, governing the Company's 5.25% Fixed-to-Floating Rate Subordinated Notes due 2030 (the "2030 Notes").

The Company redeemed all $20.0 million of the outstanding 2030 Notes on September 30, 2025 (the "2030 Note Redemption Date") at a redemption price equal to 100% of the aggregate principal amount of the 2030 Notes, plus accrued and unpaid interest thereon to, but excluding the 2030 Note Redemption Date, in an aggregate amount of $20.5 million.

*Redemption of 5.125% Fixed-to-Floating Rate Subordinated Notes due 2030*

On July 25, 2025, the Company issued a notice of full redemption (the "MW Notice") under that certain Subordinated Note Purchase Agreement, dated as of September 14, 2020, by and between the Company and Modern Woodmen of America ("MW"), governing the Company's 5.125% Fixed-to-Floating Subordinated Note due 2030 ("the MW Note").

The Company redeemed all $50.0 million of the outstanding MW Note on September 15, 2025 (the "MW Note Redemption Date") at a redemption price equal to 100% of the aggregate principal amount of the MW Note, plus accrued and unpaid interest thereon to, but excluding, the MW Note Redemption Date, in an aggregate amount of $50.6 million.

NOTE 8 – INCOME TAXES

A reconciliation of the expected federal income tax expense to the income tax expense included in the consolidated statements of income is as follows for the three and nine months ended September 30, 2025 and 2024:

| | For the Three Months Ended September 30, | | | | For the Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | | 2024 | | 2025 | | 2024 | |
| | Amount | % of Pretax Income | Amount | % of Pretax Income | Amount | % of Pretax Income | Amount | % of Pretax Income |
| | *(dollars in thousands)* | | | | *(dollars in thousands)* | | | |
| Computed "expected" tax expense | $ 8,517 | 21.0 % | $ 6,264 | 21.0 % | $ 20,419 | 21.0 % | $ 18,773 | 21.0 % |
| Tax exempt income, net | (4,993) | (12.3) | (4,204) | (14.1) | (14,016) | (14.4) | (11,965) | (13.4) |
| Bank-owned life insurance | (200) | (0.5) | (171) | (0.6) | (520) | (0.5) | (975) | (1.1) |
| State income taxes, net of federal benefit, current year | 1,407 | 3.5 | 1,084 | 3.6 | 2,751 | 2.8 | 3,186 | 3.6 |
| Tax credits | (336) | (0.8) | (26) | (0.1) | (1,131) | (1.2) | (77) | (0.1) |
| Income from tax credit equity investments | (427) | (1.1) | (546) | (1.8) | (1,278) | (1.3) | (1,639) | (1.8) |
| Excess tax benefit on stock options exercised and restricted stock awards vested | (111) | (0.3) | (310) | (1.0) | (637) | (0.7) | (834) | (0.9) |
| Other | (13) | (0.0) | (46) | (0.1) | 116 | 0.2 | (698) | (0.8) |
| Federal and state income tax expense | $ 3,844 | 9.5 % | $ 2,045 | 6.9 % | $ 5,704 | 5.9 % | $ 5,771 | 6.5 % |

The effective tax rate for the first nine months of 2025 was at 6%, down from 7% in the first nine months of 2024. The decline was primarily due to a combination of new state tax credit investments and lower pre-tax income from lower capital markets revenue. Given a more normalized mix of revenue, the Company's effective tax rate increased in the third quarter of 2025.

Effective January 1, 2024, the Company made an election under ASU 2023-02 to account for its tax credit investments using the proportional amortization method under newly adopted accounting guidance. Under the proportional amortization method, the Company applies a practical expedient for its tax credit investments and amortizes the initial cost of the qualifying investments in proportion to the income tax credits received in the current period as compared to the total income tax credits expected to be received over the life of the investment.

The following table summarizes the impact to the Consolidated Statements of Income relative to the Company's tax credit programs for which it has elected to apply the proportional amortization method of accounting:

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | | *(dollars in thousands)* | |
| Tax credits recognized | $ 2,647 | $ 2,587 | $ 2,159 | $ 7,942 | $ 6,478 |
| Other tax benefits recognized | 495 | 492 | 671 | 1,483 | 2,013 |
| Amortization | (2,254) | (2,191) | (2,076) | (6,638) | (6,229) |
| Net benefit included in income tax | 888 | 888 | 754 | 2,787 | 2,262 |
| Other income | — | — | — | — | — |
| Allocated income on investments | — | — | — | — | — |
| Net benefit included in noninterest income | — | — | — | — | — |
| Net benefit included in the Consolidated Statements of Income | $ 888 | $ 888 | $ 754 | $ 2,787 | $ 2,262 |

The Company did not recognize impairment losses resulting from the forfeiture or ineligibility of income tax credits or other circumstances during the three and nine months ending September 30, 2025 and 2024.

On July 4, 2025, the President signed H.R. 1, the "One Big Beautiful Bill Act", into law. The legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic research and development expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. These changes were reflected in the income tax provision for the three and nine months ended September 30, 2025. The restoration of immediate expensing for research and development and 100% bonus depreciation resulted in adjustment to the Company's deferred tax assets and liabilities. The Company expects these provisions to continue to favorably impact its effective tax rate and cash tax payments in future periods.

NOTE 9 - EARNINGS PER SHARE

The following information was used in the computation of EPS on a basic and diluted basis:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | (dollars in thousands, except share data) | | | |
| Net income | $ 36,714 | $ 27,785 | $ 91,530 | $ 83,625 |
| Basic EPS | $ 2.17 | $ 1.65 | $ 5.41 | $ 4.97 |
| Diluted EPS | $ 2.16 | $ 1.64 | $ 5.38 | $ 4.94 |
| Weighted average common shares outstanding | 16,919,785 | 16,846,200 | 16,916,371 | 16,814,787 |
| Weighted average common shares issuable upon exercise of stockoptions and under the employee stockpurchase plan | 95,945 | 136,200 | 95,506 | 123,522 |
| Weighted average common and common equivalent shares outstanding | 17,015,730 | 16,982,400 | 17,011,877 | 16,938,309 |

NOTE 10 – FAIR VALUE

Accounting guidance on fair value measurement uses a hierarchy intended to maximize the use of observable inputs and minimize the use of unobservable inputs. This hierarchy includes three levels and is based upon the valuation techniques used to measure assets and liabilities. The three levels are as follows:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in markets;
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument; and
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets and liabilities measured at fair value on a recurring basis comprise the following at September 30, 2025 and December 31, 2024:

| | | Fair Value Measurements at Reporting Date Using | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| | | (dollars in thousands) | | |
| September 30, 2025: | | | | |
| Securities AFS: | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ 14,208 | $ — | $ 14,208 | $ — |
| Residential mortgage-backed and related securities | 57,108 | — | 57,108 | — |
| Municipal securities | 161,490 | — | 161,490 | — |
| Asset-backed securities | 4,918 | — | 4,918 | — |
| Corporate securities | 33,625 | — | 33,625 | — |
| Securities trading | 83,225 | — | — | 83,225 |
| Derivatives | 207,775 | — | 207,775 | — |
| Total assets measured at fair value | $ 562,349 | $ — | $ 479,124 | $ 83,225 |
| Derivatives | $ 230,742 | $ — | $ 230,742 | $ — |
| Total liabilities measured at fair value | $ 230,742 | $ — | $ 230,742 | $ — |
| December 31, 2024: | | | | |
| Securities AFS: | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ 20,591 | $ — | $ 20,591 | $ — |
| Residential mortgage-backed and related securities | 50,042 | — | 50,042 | — |
| Municipal securities | 164,575 | — | 164,575 | — |
| Asset-backed securities | 9,224 | — | 9,224 | — |
| Corporate securities | 36,677 | — | 36,677 | — |
| Securities trading | 83,529 | — | — | 83,529 |
| Derivatives | 186,781 | — | 186,781 | — |
| Total assets measured at fair value | $ 551,419 | $ — | $ 467,890 | $ 83,529 |
| Derivatives | $ 214,823 | $ — | $ 214,823 | $ — |
| Total liabilities measured at fair value | $ 214,823 | $ — | $ 214,823 | $ — |

The securities AFS portfolio consists of securities whereby the Company obtains fair values from an independent pricing service. The fair values are determined by pricing models that consider observable market data, such as interest rate volatilities, SOFR yield curve, credit spreads and prices from market makers and live trading systems (Level 2 inputs).

Trading securities consist of retained beneficial interests from securitizations and are classified as a Level 3 in the fair value hierarchy. Fair values are estimated using the discounted cash flow method, including discount rates which are deemed to be significant unobservable inputs. As of September 30, 2025, the discount rates ranged from 3.22% to 6.23%.

Changes in fair value of trading securities for the three and nine months ended September 30, 2025 and 2024, respectively, are presented as follows:

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Balance at the beginning of the period | $ 82,900 | $ 22,362 | $ 83,529 | $ 22,369 |
| Trading securities purchased | — | 36,670 | — | 36,670 |
| Paydowns | (42) | — | (123) | — |
| Premium amortization | (240) | (147) | (711) | (407) |
| Fair value gain (loss) | 607 | (200) | 530 | 53 |
| Balance at the end of the period | $ 83,225 | $ 58,685 | $ 83,225 | $ 58,685 |

Interest rate caps, swaps, collars and swaptions are used for the purpose of hedging interest rate risk on various financial assets and liabilities, further described in Note 5 to the Consolidated Financial Statements. The fair values are determined by pricing models that consider observable market data for derivative instruments with similar structures (Level 2 inputs).

Certain financial assets are measured at fair value on a non-recurring basis; that is, the assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

Assets measured at fair value on a non-recurring basis comprised the following at September 30, 2025 and December 31, 2024:

| | | Fair Value Measurements at Reporting Date Using | | |
|---|---|---|---|---|
| | Fair Value | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
| | | *(dollars in thousands)* | | |
| September 30, 2025: | | | | |
| Loans/leases evaluated individually | $ 48,207 | $ — | $ — | $ 48,207 |
| OREO | — | — | — | — |
| | $ 48,207 | $ — | $ — | $ 48,207 |
| December 31, 2024: | | | | |
| Loans/leases evaluated individually | $ 54,434 | $ — | $ — | $ 54,434 |
| OREO | 714 | — | — | 714 |
| | $ 55,148 | $ — | $ — | $ 55,148 |

Loans/leases evaluated individually are valued at the lower of cost or fair value and are classified as Level 3 in the fair value hierarchy. Fair value is measured based on the value of the collateral securing these loans/leases. Collateral may be comprised of real estate and/or business assets, including equipment, inventory and/or accounts receivable, and is determined based on appraisals by qualified licensed appraisers hired by the Company. Appraised and reported values are discounted based on management's historical knowledge, changes in market conditions from the time of valuation, and/or management's expertise and knowledge of the client and client's business.

OREO in the table above consists of property acquired through foreclosures and settlement of loans. Property acquired is carried at the estimated fair value of the property, less disposal costs, and is classified as a Level 3 in the fair value hierarchy. The estimated fair value of the property acquired is generally determined based on appraisals by qualified licensed appraisers hired by the Company. Appraised and reported values are discounted based on management’s historical knowledge, changes in market conditions from the time of valuation, and/or management’s expertise and knowledge of the property.

The following table presents additional quantitative information about assets measured at fair value on a non-recurring basis for which the Company has utilized Level 3 inputs to determine fair value:

| | Quantitative Information about Level Fair Value Measurements | | | | |
|---|---|---|---|---|---|
| | Fair Value September 30, 2025 | Fair Value December 31, 2024 | Valuation Technique | Unobservable Input | Range |
| | *(dollars in thousands)* | | | | |
| Loans/leases evaluated individually | $ 48,207 | $ 54,434 | Appraisal of collateral | Appraisal adjustments | -10.00% to -30.00% |
| OREO | — | 714 | Appraisal of collateral | Appraisal adjustments | 0.00 % to -35.00% |

For the loans/leases evaluated individually and OREO, the Company records carrying value at fair value less disposal or selling costs. The amounts reported in the tables above are fair values before the adjustment for disposal or selling costs.

There have been no changes in valuation techniques used for any assets or liabilities measured at fair value during the three and nine months ended September 30, 2025 and 2024.

The following table presents the carrying values and estimated fair values of financial assets and liabilities carried on the Company's consolidated balance sheets, including those financial assets and liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis:

| | Fair Value Hierarchy Level | As of September 30, 2025 | | As of December 31, 2024 | |
|---|---|---|---|---|---|
| | | Carrying Value | Estimated Fair Value | Carrying Value | Estimated Fair Value |
| | | *(dollars in thousands)* | | | |
| Cash and due from banks | Level 1 | $ 77,581 | $ 77,581 | $ 91,732 | $ 91,732 |
| Federal funds sold | Level 2 | 22,200 | 22,200 | 27,150 | 27,150 |
| Interest-bearing deposits at financial institutions | Level 2 | 137,833 | 137,833 | 143,442 | 143,442 |
| Investment securities: | | | | | |
| HTM | Level 2 | 954,115 | 855,044 | 835,797 | 800,583 |
| AFS | Level 2 | 271,349 | 271,349 | 281,109 | 281,109 |
| Trading | Level 3 | 83,225 | 83,225 | 83,529 | 83,529 |
| Loans/leases receivable, net | Level 3 | 50,402 | 48,207 | 50,402 | 54,434 |
| Loans/leases receivable, net | Level 2 | 7,039,749 | 6,791,653 | 6,644,161 | 6,325,156 |
| Derivatives | Level 2 | 207,775 | 207,775 | 186,781 | 186,781 |
| | | | | | |
| Deposits: | | | | | |
| Nonmaturity deposits | Level 2 | 6,138,705 | 6,138,705 | 5,835,362 | 5,835,362 |
| Time deposits | Level 2 | 1,241,363 | 1,241,426 | 1,225,825 | 1,222,482 |
| Short-term borrowings | Level 2 | 2,850 | 2,850 | 1,800 | 1,800 |
| FHLB advances | Level 2 | 290,383 | 291,276 | 285,383 | 285,196 |
| Other borrowings | Level 2 | 130,609 | 121,275 | — | — |
| Subordinated notes | Level 2 | 234,027 | 237,668 | 233,489 | 238,873 |
| Junior subordinated debentures | Level 2 | 48,958 | 42,531 | 48,860 | 41,638 |
| Derivatives | Level 2 | 230,742 | 230,742 | 214,823 | 214,823 |

NOTE 11 – BUSINESS SEGMENT INFORMATION

Selected financial and descriptive information is required to be disclosed for reportable operating segments, applying a "management perspective" as the basis for identifying reportable segments. The management perspective is determined by the view that management takes of the segments within the Company when making operating decisions, allocating resources, and measuring performance. The segments of the Company have been defined by the structure of the Company's internal organization, focusing on the financial information that the Company's operating decision-makers routinely use to make decisions about operating matters. The chief operating decision maker consists of the Chief Executive Officer and President of the Company. The chief operating decision maker reviews financial reports that detail the interest income, interest expense, provision for credit losses, noninterest income, salaries and benefits expense, occupancy expense, other noninterest expenses, income tax expense and net income from continuing operations and compares the actual results to the amounts budgeted and the reason for variances. The results of this review allow the Company's chief operating decision maker to make operating decisions and allocate resources. Capital markets revenue is considered a significant source of noninterest income. Salaries and benefits expense and occupancy expense are considered significant noninterest expenses.

The Company's Commercial Banking business is geographically divided by markets into the operating segments which are the four subsidiary banks wholly owned by the Company: QCBT, CRBT, CSB, and GB. Each of these operating segments offers similar products and services, but is managed separately due to different pricing, product demand, and consumer markets. Each offers commercial, consumer, and mortgage loans and deposit services.

The Company's All Other segment includes the corporate operations of the parent and operations of all other consolidated subsidiaries and/or defined operating segments that fall below the segment reporting thresholds.

Selected financial information on the Company's business segments is presented as follows as of and for the three and nine months ended September 30, 2025 and 2024:

| | Commercial Banking | | | | | Intercompany | Consolidated |
|---|---|---|---|---|---|---|---|
| | QCBT | CRBT | CSB | GB | All other | Eliminations | Total |
| | | | | *(dollars in thousands)* | | | |
| **Three Months Ended September 30, 2025** | | | | | | | |
| Interest and dividend income | $ 38,591 | $ 34,488 | $ 21,798 | $ 31,779 | $ 60 | $ (1,701) | $ 125,015 |
| Interest expense | 19,013 | 13,687 | 8,742 | 16,396 | 4,550 | (2,172) | 60,216 |
| Net interest income | 19,578 | 20,801 | 13,056 | 15,383 | (4,490) | 471 | 64,799 |
| Provision for credit losses | 2,015 | 499 | 1 | 1,790 | — | — | 4,305 |
| Noninterest income | | | | | | | |
| Capital markets revenue | 795 | 16,852 | 599 | 5,586 | — | — | 23,832 |
| Other segment revenue items | 5,711 | 3,909 | 1,493 | 2,053 | 45,278 | (45,625) | 12,819 |
| Total noninterest income | 6,506 | 20,761 | 2,092 | 7,639 | 45,278 | (45,625) | 36,651 |
| Noninterest expense | | | | | | | |
| Salaries and benefits expense | 8,220 | 9,705 | 5,409 | 7,968 | 3,036 | — | 34,338 |
| Occupancy expense | 1,660 | 1,918 | 1,380 | 1,834 | 571 | — | 7,363 |
| Other segment expense items | 4,761 | 3,904 | 2,438 | 3,037 | 1,390 | (644) | 14,886 |
| Total noninterest expense | 14,641 | 15,527 | 9,227 | 12,839 | 4,997 | (644) | 56,587 |
| Income tax expense | 1,057 | 3,577 | 160 | 536 | (1,486) | — | 3,844 |
| Net income (loss) from continuing operations | $ 8,371 | $ 21,959 | $ 5,760 | $ 7,857 | $ 37,277 | $ (44,510) | $ 36,714 |
| | | | | | | | |
| Goodwill | $ 2,791 | $ 14,980 | $ 9,888 | $ 110,936 | $ — | $ — | $ 138,595 |
| Intangibles | — | 447 | 468 | 8,162 | — | — | 9,077 |
| Total assets | 2,794,136 | 2,760,379 | 1,680,476 | 2,446,635 | 1,424,193 | (1,537,517) | 9,568,302 |
| | | | | | | | |
| **Three Months Ended September 30, 2024** | | | | | | | |
| Interest and dividend income | $ 38,579 | $ 33,047 | $ 20,955 | $ 32,817 | $ 77 | $ (55) | $ 125,420 |
| Interest expense | 19,804 | 14,591 | 9,210 | 18,229 | 4,308 | (444) | 65,698 |
| Net interest income | 18,775 | 18,456 | 11,745 | 14,588 | (4,231) | 389 | 59,722 |
| Provision for credit losses | 2,537 | 1,696 | (186) | (563) | — | — | 3,484 |
| Noninterest income | | | | | | | |
| Capital markets revenue | 270 | 12,706 | — | 3,314 | — | — | 16,290 |
| Other segment revenue items | 4,836 | 2,574 | 1,515 | 1,990 | 35,415 | (35,463) | 10,867 |
| Total noninterest income | 5,106 | 15,280 | 1,515 | 5,304 | 35,415 | (35,463) | 27,157 |
| Noninterest expense | | | | | | | |
| Salaries and benefits expense | 7,921 | 8,917 | 4,585 | 7,749 | 2,465 | — | 31,637 |
| Occupancy expense | 1,484 | 1,530 | 925 | 1,669 | 560 | — | 6,168 |
| Other segment expense items | 6,895 | 3,674 | 2,063 | 2,985 | 748 | (605) | 15,760 |
| Total noninterest expense | 16,300 | 14,121 | 7,573 | 12,403 | 3,773 | (605) | 53,565 |
| Income tax expense | 133 | 1,974 | 346 | 520 | (928) | — | 2,045 |
| Net income (loss) from continuing operations | $ 4,911 | $ 15,945 | $ 5,527 | $ 7,532 | $ 28,339 | $ (34,469) | $ 27,785 |
| | | | | | | | |
| Goodwill | $ 2,791 | $ 14,980 | $ 9,888 | $ 110,936 | $ — | $ — | $ 138,595 |
| Intangibles | — | 692 | 1,006 | 10,053 | — | — | 11,751 |
| Total assets | 2,552,962 | 2,625,943 | 1,519,585 | 2,360,301 | 1,304,717 | (1,274,943) | 9,088,565 |

| | Commercial Banking | | | | | Intercompany | Consolidated |
|---|---|---|---|---|---|---|---|
| | QCBT | CRBT | CSB | GB | All other | Eliminations | Total |
| | | | | (dollars in thousands) | | | |
| **Nine Months Ended September 30, 2025** | | | | | | | |
| Interest and dividend income | $ 111,385 | $ 99,369 | $ 62,787 | $ 91,491 | $ 219 | $ (3,316) | $ 361,935 |
| Interest expense | 54,213 | 39,079 | 25,312 | 47,962 | 13,120 | (4,618) | 175,068 |
| Net interest income | 57,172 | 60,290 | 37,475 | 43,529 | (12,901) | 1,302 | 186,867 |
| Provision for credit losses | 5,509 | 1,775 | 1,515 | 3,783 | — | — | 12,582 |
| Noninterest income | | | | | | | |
| Capital markets revenue | 811 | 31,008 | 661 | 7,737 | — | — | 40,217 |
| Other segment revenue items | 16,199 | 10,321 | 4,237 | 5,736 | 112,005 | (113,057) | 35,441 |
| Total noninterest income | 17,010 | 41,329 | 4,898 | 13,473 | 112,005 | (113,057) | 75,658 |
| Noninterest expense | | | | | | | |
| Salaries and benefits expense | 23,078 | 26,518 | 15,059 | 21,946 | 3,575 | — | 90,176 |
| Occupancy expense | 4,802 | 5,284 | 3,835 | 5,226 | 1,508 | — | 20,655 |
| Other segment expense items | 12,859 | 11,062 | 6,926 | 9,271 | 3,698 | (1,938) | 41,878 |
| Total noninterest expense | 40,739 | 42,864 | 25,820 | 36,443 | 8,781 | (1,938) | 152,709 |
| Income tax expense | 2,779 | 5,984 | (21) | (216) | (2,822) | — | 5,704 |
| Net income (loss) from continuing operations | $ 25,155 | $ 50,996 | $ 15,059 | $ 16,992 | $ 93,145 | $ (109,817) | $ 91,530 |
| | | | | | | | |
| Goodwill | $ 2,791 | $ 14,980 | $ 9,888 | $ 110,936 | $ — | $ — | $ 138,595 |
| Intangibles | — | 447 | 468 | 8,162 | — | — | 9,077 |
| Total assets | 2,794,136 | 2,760,379 | 1,680,476 | 2,446,635 | 1,424,193 | (1,537,517) | 9,568,302 |
| | | | | | | | |
| **Nine Months Ended September 30, 2024** | | | | | | | |
| Interest and dividend income | $ 111,531 | $ 93,576 | $ 60,293 | $ 95,325 | $ 237 | $ (747) | $ 360,215 |
| Interest expense | 58,068 | 41,112 | 26,189 | 53,361 | 12,751 | (1,850) | 189,631 |
| Net interest income | 53,463 | 52,464 | 34,104 | 41,964 | (12,514) | 1,103 | 170,584 |
| Provision for credit losses | 8,990 | 3,490 | 47 | (578) | — | — | 11,949 |
| Noninterest income | | | | | | | |
| Capital markets revenue | 270 | 43,925 | — | 6,310 | — | — | 50,505 |
| Other segment revenue items | 14,132 | 8,969 | 4,166 | 8,034 | 106,219 | (107,121) | 34,399 |
| Total noninterest income | 14,402 | 52,894 | 4,166 | 14,344 | 106,219 | (107,121) | 84,904 |
| Noninterest expense | | | | | | | |
| Salaries and benefits expense | 24,040 | 27,237 | 13,721 | 21,752 | 7,826 | — | 94,576 |
| Occupancy expense | 4,432 | 4,673 | 3,349 | 5,128 | 1,477 | — | 19,059 |
| Other segment expense items | 14,386 | 10,716 | 6,243 | 8,599 | 2,376 | (1,812) | 40,508 |
| Total noninterest expense | 42,858 | 42,626 | 23,313 | 35,479 | 11,679 | (1,812) | 154,143 |
| Income tax expense | 646 | 7,517 | 307 | 604 | (3,303) | — | 5,771 |
| Net income (loss) from continuing operations | $ 15,371 | $ 51,725 | $ 14,603 | $ 20,803 | $ 85,329 | $ (104,206) | $ 83,625 |
| | | | | | | | |
| Goodwill | $ 2,791 | $ 14,980 | $ 9,888 | $ 110,936 | $ — | $ — | $ 138,595 |
| Intangibles | — | 692 | 1,006 | 10,053 | — | — | 11,751 |
| Total assets | 2,552,962 | 2,625,943 | 1,519,585 | 2,360,301 | 1,304,717 | (1,274,943) | 9,088,565 |

Intercompany eliminations included in the selected financial information on the Company's business segments consist of equity in net income of each subsidiary bank and investment in each subsidiary bank as follows:

| | Commercial Banking | | | | |
|---|---|---|---|---|---|
| | QCBT | CRBT | CSB | GB | Total |
| | | | *(dollars in thousands)* | | |
| **Three Months Ended September 30, 2025** | | | | | |
| Other segment revenue items: | | | | | |
| Equity in net income of subsidiary bank | $ 8,371 | $ 21,959 | $ 5,760 | $ 7,857 | $ 43,947 |
| Total assets: | | | | | |
| Investment in subsidiary bank | 298,385 | 453,386 | 190,208 | 389,587 | 1,331,566 |
| | | | | | |
| **Three Months Ended September 30, 2024** | | | | | |
| Other segment revenue items: | | | | | |
| Equity in net income of subsidiary bank | $ 4,911 | $ 15,945 | $ 5,527 | $ 7,532 | $ 33,915 |
| Total assets: | | | | | |
| Investment in subsidiary bank | 276,585 | 407,476 | 170,690 | 378,676 | 1,233,427 |
| | | | | | |
| **Nine Months Ended September 30, 2025** | | | | | |
| Other segment revenue items: | | | | | |
| Equity in net income of subsidiary bank | $ 25,155 | $ 50,996 | $ 15,059 | $ 16,992 | $ 108,202 |
| Total assets: | | | | | |
| Investment in subsidiary bank | 298,385 | 453,386 | 190,208 | 389,587 | 1,331,566 |
| | | | | | |
| **Nine Months Ended September 30, 2024** | | | | | |
| Other segment revenue items: | | | | | |
| Equity in net income of subsidiary bank | $ 15,371 | $ 51,725 | $ 14,603 | $ 20,803 | $ 102,502 |
| Total assets: | | | | | |
| Investment in subsidiary bank | 276,585 | 407,476 | 170,690 | 378,676 | 1,233,427 |

NOTE 12 – REGULATORY CAPITAL REQUIREMENTS

The Company (on a consolidated basis) and the subsidiary banks are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company and the subsidiary banks' financial statements.

Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the subsidiary banks must meet specific capital guidelines that involve quantitative measures of their assets, liabilities, and certain OBS items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Company and the subsidiary banks to maintain minimum amounts and ratios (set forth in the following table) of total common equity Tier 1, Tier 1 capital to risk-weighted assets and Tier 1 capital to average assets, each as defined by regulation. Management believes, as of September 30, 2025 and December 31, 2024, that the Company and the subsidiary banks met all capital adequacy requirements to which they are subject.

Under the regulatory framework for prompt corrective action, to be categorized as "well capitalized," an institution must maintain minimum total risk-based, Tier 1 risk-based, Tier 1 leverage and common equity Tier 1 ratios as set forth in the following tables. The Company and the subsidiary banks' actual capital amounts and ratios as of September 30, 2025 and December 31, 2024 are presented in the following tables (dollars in thousands). As of September 30, 2025 and December 31, 2024, each of the subsidiary banks met such capital requirements to be "well capitalized."

| | Actual | | For Capital Adequacy Purposes | | For Capital Adequacy Purposes With Capital Conservation Buffer | | To Be Well Capitalized Under Prompt Corrective Action Provisions | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| | | | | *(dollars in thousands)* | | | | |
| As of September 30, 2025: | | | | | | | | |
| Company: | | | | | | | | |
| Total risk-based capital | $ 1,343,520 | 14.03 % | $ 765,991 | > 8.00 % | $ 1,005,363 | > 10.50 % | $ 957,488 | > 10.00 % |
| Tier 1 risk-based capital | 1,039,242 | 10.85 | 574,493 | > 6.00 | 813,865 | > 8.50 | 765,991 | > 8.00 |
| Tier 1 leverage | 1,039,242 | 11.29 | 368,209 | > 4.00 | 368,209 | > 4.00 | 460,261 | > 5.00 |
| Common equity Tier 1 | 990,284 | 10.34 | 430,870 | > 4.50 | 670,242 | > 7.00 | 622,367 | > 6.50 |
| Quad City Bank & Trust: | | | | | | | | |
| Total risk-based capital | $ 337,105 | 13.65 % | $ 197,552 | > 8.00 % | $ 259,287 | > 10.50 % | $ 246,940 | > 10.00 % |
| Tier 1 risk-based capital | 308,752 | 12.50 | 148,164 | > 6.00 | 209,899 | > 8.50 | 197,552 | > 8.00 |
| Tier 1 leverage | 308,752 | 11.17 | 110,561 | > 4.00 | 110,561 | > 4.00 | 138,202 | > 5.00 |
| Common equity Tier 1 | 308,752 | 12.50 | 111,123 | > 4.50 | 172,858 | > 7.00 | 160,511 | > 6.50 |
| Cedar Rapids Bank & Trust: | | | | | | | | |
| Total risk-based capital | $ 477,756 | 14.58 % | $ 262,055 | > 8.00 % | $ 343,948 | > 10.50 % | $ 327,569 | > 10.00 % |
| Tier 1 risk-based capital | 450,491 | 13.75 | 196,542 | > 6.00 | 278,434 | > 8.50 | 262,055 | > 8.00 |
| Tier 1 leverage | 450,491 | 16.81 | 107,215 | > 4.00 | 107,215 | > 4.00 | 134,019 | > 5.00 |
| Common equity Tier 1 | 450,491 | 13.75 | 147,406 | > 4.50 | 229,298 | > 7.00 | 212,920 | > 6.50 |
| Community State Bank: | | | | | | | | |
| Total risk-based capital | $ 205,846 | 12.52 % | $ 131,488 | > 8.00 % | $ 172,577 | > 10.50 % | $ 164,360 | > 10.00 % |
| Tier 1 risk-based capital | 192,102 | 11.69 | 98,616 | > 6.00 | 139,706 | > 8.50 | 131,488 | > 8.00 |
| Tier 1 leverage | 192,102 | 11.72 | 65,538 | > 4.00 | 65,538 | > 4.00 | 81,923 | > 5.00 |
| Common equity Tier 1 | 192,102 | 11.69 | 73,962 | > 4.50 | 115,052 | > 7.00 | 106,834 | > 6.50 |
| Guaranty Bank: | | | | | | | | |
| Total risk-based capital | $ 307,907 | 14.19 % | $ 173,542 | > 8.00 % | $ 227,773 | > 10.50 % | $ 216,927 | > 10.00 % |
| Tier 1 risk-based capital | 281,017 | 12.95 | 130,156 | > 6.00 | 184,388 | > 8.50 | 173,542 | > 8.00 |
| Tier 1 leverage | 281,017 | 12.19 | 92,212 | > 4.00 | 92,212 | > 4.00 | 115,266 | > 5.00 |
| Common equity Tier 1 | 281,017 | 12.95 | 97,617 | > 4.50 | 151,849 | > 7.00 | 141,003 | > 6.50 |

| | Actual | | For Capital Adequacy Purposes | | For Capital Adequacy Purposes With Capital Conservation Buffer | | To Be Well Capitalized Under Prompt Corrective Action Provisions | |
|---|---|---|---|---|---|---|---|---|
| | Amount | Ratio | Amount | Ratio | Amount | Ratio | Amount | Ratio |
| | *(dollars in thousands)* | | | | | | | |
| As of December 31, 2024: | | | | | | | | |
| Company: | | | | | | | | |
| Total risk-based capital | $ 1,273,903 | 14.10 % | $ 723,016 | > 8.00 % | $ 948,958 | > 10.50 % | $ 903,770 | > 10.00 % |
| Tier 1 risk-based capital | 955,039 | 10.57 | 542,262 | > 6.00 | 768,204 | > 8.50 | 723,016 | > 8.00 |
| Tier 1 leverage | 955,039 | 10.73 | 356,091 | > 4.00 | 356,091 | > 4.00 | 445,114 | > 5.00 |
| Common equity Tier 1 | 906,179 | 10.03 | 406,696 | > 4.50 | 632,639 | > 7.00 | 587,450 | > 6.50 |
| Quad City Bank & Trust: | | | | | | | | |
| Total risk-based capital | $ 323,221 | 13.65 % | $ 189,365 | > 8.00 % | $ 248,541 | > 10.50 % | $ 236,706 | > 10.00 % |
| Tier 1 risk-based capital | 293,597 | 12.40 | 142,024 | > 6.00 | 201,200 | > 8.50 | 189,365 | > 8.00 |
| Tier 1 leverage | 293,597 | 11.41 | 102,969 | > 4.00 | 102,969 | > 4.00 | 128,712 | > 5.00 |
| Common equity Tier 1 | 293,597 | 12.40 | 106,518 | > 4.50 | 165,694 | > 7.00 | 153,859 | > 6.50 |
| Cedar Rapids Bank & Trust: | | | | | | | | |
| Total risk-based capital | $ 452,942 | 14.79 % | $ 245,055 | > 8.00 % | $ 321,635 | > 10.50 % | $ 306,319 | > 10.00 % |
| Tier 1 risk-based capital | 424,253 | 13.85 | 183,792 | > 6.00 | 260,371 | > 8.50 | 245,055 | > 8.00 |
| Tier 1 leverage | 424,253 | 16.40 | 103,449 | > 4.00 | 103,449 | > 4.00 | 129,312 | > 5.00 |
| Common equity Tier 1 | 424,253 | 13.85 | 137,844 | > 4.50 | 214,424 | > 7.00 | 199,108 | > 6.50 |
| Community State Bank: | | | | | | | | |
| Total risk-based capital | $ 189,362 | 12.94 % | $ 117,065 | > 8.00 % | $ 153,648 | > 10.50 % | $ 146,332 | > 10.00 % |
| Tier 1 risk-based capital | 176,646 | 12.07 | 87,799 | > 6.00 | 124,382 | > 8.50 | 117,065 | > 8.00 |
| Tier 1 leverage | 176,646 | 11.72 | 60,305 | > 4.00 | 60,305 | > 4.00 | 75,382 | > 5.00 |
| Common equity Tier 1 | 176,646 | 12.07 | 65,849 | > 4.50 | 102,432 | > 7.00 | 95,115 | > 6.50 |
| Guaranty Bank: | | | | | | | | |
| Total risk-based capital | $ 297,047 | 14.26 % | $ 166,695 | > 8.00 % | $ 218,787 | > 10.50 % | $ 208,369 | > 10.00 % |
| Tier 1 risk-based capital | 272,621 | 13.08 | 125,021 | > 6.00 | 177,113 | > 8.50 | 166,695 | > 8.00 |
| Tier 1 leverage | 272,621 | 12.15 | 89,770 | > 4.00 | 89,770 | > 4.00 | 112,213 | > 5.00 |
| Common equity Tier 1 | 272,621 | 13.08 | 93,766 | > 4.50 | 145,858 | > 7.00 | 135,440 | > 6.50 |

## NOTE 13 - COMMITMENTS

The Company entered into a construction contract in 2024 for the construction of a new CSB facility in Ankeny, Iowa. The Company will pay the contractor a contract price of approximately $41.3 million, subject to certain agreed upon additions and deductions. As of September 30, 2025, the Company had paid $28.7 million of the contract price, resulting in a remaining future commitment of approximately $12.6 million. Construction on this facility is anticipated to be completed in 2026.

The Company entered into a construction contract in 2025 for the construction of a new Company/QCBT facility in Bettendorf, Iowa. The Company will pay the contractor a contract price of approximately $66.5 million, subject to certain agreed upon additions and deductions. As of September 30, 2025, the Company had paid $2.7 million of the contract price, resulting in a remaining future commitment of approximately $63.8 million. Construction on this facility is anticipated to be completed in 2027.

## NOTE 14 – SUBSEQUENT EVENT

On October 20, 2025, the Company's board of directors authorized a new share repurchase program under which the Company is authorized to repurchase of up to 1,700,000 shares of its common stock, or approximately 10% of the outstanding shares as of September 30, 2025. The share repurchase program does not obligate the Company to repurchase any shares of its common stock, and other than repurchases that have been completed to date, there is no assurance that the Company will do so. Under the share repurchase program, the Company may repurchase shares of common stock from time to time in open market or privately negotiated transactions. The number, timing and price of shares repurchased will depend on a number of factors, including business and market conditions, regulatory requirements, availability of funds, and other factors, including opportunities to deploy the Company's capital. The Company may, in its discretion, begin, suspend or terminate repurchases at any time prior to the program's expiration, without any prior notice. This program replaces the Company's prior repurchase program announced on May 19, 2022, which has been terminated.

Part I
Item 2

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

## INTRODUCTION

This section reviews the financial condition and results of operations of the Company and its subsidiaries as of and for the three and nine months ending September 30, 2025. Some tables may include additional periods to comply with disclosure requirements or to illustrate trends. When reading this discussion, also refer to the Consolidated Financial Statements and related notes in this report. Page locations and specific sections and notes that are referred to in this discussion are listed in the table of contents.

Additionally, a comprehensive list of the acronyms and abbreviations used throughout this discussion is included in Note 1 to the Consolidated Financial Statements.

## GENERAL

The Company was formed in February 1993 for the purpose of organizing QCBT. Over the past 32 years, the Company has grown to include four banking subsidiaries and a number of nonbanking subsidiaries. As of September 30, 2025, the Company had $9.6 billion in consolidated assets, including $7.1 billion in net loans/leases, and $7.4 billion in deposits. The financial results of acquired entities for the periods since their acquisition are included in this report. Further information related to acquired entities has been presented in the annual reports previously filed with the SEC corresponding to the year of each acquisition.

## CRITICAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are prepared in accordance with GAAP. The financial information contained within these statements is, to a significant extent, financial information that is based on approximate measures of the financial effects of transactions and events that have already occurred. The preparation of financial statements, in conformity with 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowance, determination of the fair value of loans acquired in business combinations, impairment of goodwill, the fair value of financial instruments, and the fair value of securities.

Based on its consideration of accounting policies that involve the most complex and subjective decisions and assessments, management has identified the following as critical accounting policies and estimates:

- Allowance for Credit Losses on Loans and Leases and Off-Balance Sheet Exposures
- Goodwill

A more detailed discussion of these critical accounting policies and estimates can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

## EXECUTIVE OVERVIEW

The Company reported record net income of $36.7 million and diluted EPS of $2.16 for the quarter ended September 30, 2025. By comparison, for the quarter ended June 30, 2025, the Company reported net income of $29.0 million and diluted EPS of $1.71. For the quarter ended September 30, 2024, the Company reported net income of $27.8 million, and diluted EPS of $1.64. For the nine months ended September 30, 2025, the Company reported net income of $91.5 million and diluted EPS of $5.38. By comparison, for the nine months ended September 30, 2024 the Company reported net income of $83.6 million and diluted EPS of $4.94.

The third quarter of 2025 was also highlighted by the following results and events (see section titled "GAAP to Non-GAAP Reconciliations" for additional information):

- Adjusted net income (non-GAAP) of $36.9 million, or $2.17 per diluted share;
- Net interest income growth of 18% annualized and NIM TEY (non-GAAP) expansion of five basis points to 3.51%;
- ROAA of 1.57% annualized;
- Capital markets revenue of $23.8 million, up 141% on a linked-quarter basis;
- Loan growth of 15% annualized;
- Tangible book value per share (non-GAAP) growth of $2.50, or 19% annualized; and
- Repurchased 115,735 shares at an average price of $77.49 per share.

Following is a table that represents various net income measurements for the Company:

| | For the three months ended | | | For the nine months ended | |
|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | | | *(dollars in thousands)* | | |
| Net income | $ 36,714 | $ 29,019 | $ 27,785 | $ 91,530 | $ 83,625 |
| Diluted earnings per common share | $ 2.16 | $ 1.71 | $ 1.64 | $ 5.38 | $ 4.94 |
| Weighted average common and common equivalent shares outstanding | 17,015,730 | 17,006,282 | 16,982,400 | 17,011,877 | 16,938,309 |

The Company reported adjusted net income (non-GAAP) of $36.9 million, with adjusted diluted EPS (non-GAAP) of $2.17 for the three months ended September 30, 2025. The Company reported adjusted net income (non-GAAP) of $92.3 million, with adjusted diluted EPS (non-GAAP) of $5.43 for the nine months ended September 30, 2025. See section titled "GAAP to Non-GAAP Reconciliations" for additional information. Adjusted net income (non-GAAP) for the three and nine months ended September 30, 2025 excludes a number of non-core or non-recurring items, after-tax, as set forth in the GAAP to Non-GAAP Reconciliation section.

Following is a table that represents the major income and expense categories for the Company:

| | For the three months ended | | | For the nine months ended | |
|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | | | *(dollars in thousands)* | | |
| Net interest income | $ 64,799 | $ 62,082 | $ 59,722 | $ 186,867 | $ 170,584 |
| Provision for credit losses | 4,305 | 4,043 | 3,484 | 12,582 | 11,949 |
| Noninterest income | 36,651 | 22,115 | 27,157 | 75,658 | 84,904 |
| Noninterest expense | 56,587 | 49,583 | 53,565 | 152,709 | 154,143 |
| Federal and state income tax expense | 3,844 | 1,552 | 2,045 | 5,704 | 5,771 |
| Net income | $ 36,714 | $ 29,019 | $ 27,785 | $ 91,530 | $ 83,625 |

Following are certain noteworthy developments in the Company's financial results for the quarter ended September 30, 2025:

- Net interest income in the third quarter of 2025 increased 4% compared to the second quarter of 2025 and increased 9% compared to the third quarter of 2024 due to higher average earning assets and higher investment yields. Net interest income increased 10% when comparing the first nine months of 2025 to the same period of the prior year. The increase was primarily due to higher average earning assets and higher investment securities yields and a decrease in the cost of interest-bearing deposits.

- Provision for credit losses in the third quarter of 2025 increased $262 thousand compared to the second quarter of 2025. Provision expense increased $821 thousand compared to the third quarter of 2024. Provision expense in the first nine months of 2025 increased $633 thousand compared to the first nine months of 2024. The increases across all periods were due to higher loan growth. See the "Provision for Credit Losses" section of this report for additional details.

- Noninterest income in the third quarter of 2025 increased $14.5 million, or 66%, compared to the second quarter of 2025. Noninterest income in the third quarter of 2025 increased $9.5 million, or 35%, compared to the third quarter of 2024. The increases across both periods were primarily due to higher capital markets revenue from swap fees. Noninterest income decreased $9.2 million, or 11%, when comparing the first nine months of 2025 to the same period of the prior year. The decreases were primarily due to a decrease in capital markets revenue. Capital markets revenue in the first six months of 2025 was affected by macroeconomic and governmental uncertainty. Despite this, sustained, long-term demand for affordable housing remains strong. The demand for low-income housing remains healthy and the economics associated with these tax credit projects continue to be favorable. The Company has a strong pipeline for this business that continues to improve as clients adapt to evolving market conditions. The Company expects its capital markets revenue will normalize to historical levels over the next four quarters and continue to be a solid source of fee income.

- Noninterest expense in the third quarter of 2025 increased $7.0 million, or 14%, compared to the second quarter of 2025. Noninterest expense increased $3.0 million, or 6%, compared to the third quarter of 2024. The increases across both periods were primarily due to higher capital markets revenue and its impact on variable compensation as well as higher professional and data processing fees and occupancy and equipment expenses related to the Company's digital transformation. Noninterest expense decreased $1.4 million, or 1%, when comparing the first nine months of 2025 to the same period in the prior year. These decreases were primarily due to lower capital markets revenue and its impact on variable compensation and no restructuring expenses associated with the exit of the equipment finance business in 2024.

STRATEGIC FINANCIAL METRICS

The Company has established certain strategic financial metrics by which it manages its business and measures its performance. The goals are periodically updated to reflect changes in business developments. While the Company is determined to work prudently to achieve these metrics, there is no assurance that they will be met. Moreover, the Company's ability to achieve these metrics may be affected by the factors discussed under "Forward Looking Statements" as well as the factors detailed in the "Risk Factors" section included under Item 1A. of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2024. The Company's long-term strategic financial metrics are as follows:

- Generate loan and lease growth of 9% per year, funded by core deposits, which excludes brokered deposits;

- Grow fee-based income by at least 6% per year; and

- Limit annual operating expense growth to 5% per year.

The following table shows the evaluation of the Company's strategic financial metrics:

| Strategic Financial Metric* | Key Metric | Target | Year to Date* | | |
|---|---|---|---|---|---|
| | | | September 30, 2025 | June 30, 2025 | September 30, 2024 |
| Loan and lease growth organically | Loans and leases growth | > 9% annually | 14.7 % | 6.0 % | 5.8 % |
| Fee income growth | Fee income growth | > 6% annually | (16.9)% | (36.1)% | (16.8)% |
| Improve operational efficiencies and hold noninterest expense growth | Noninterest expense growth | < 5% annually | (0.8)% | (6.3)% | (3.8)% |

* Ratios and amounts provided for these measurements represent year-to-date actual amounts for the respective period that are then annualized for comparison to the prior year actual. The calculations provided exclude non-core noninterest income and noninterest expense.

It should be noted that these initiatives are long-term targets.

STRATEGIC DEVELOPMENTS

The Company has taken the following actions during the third quarter of 2025 to support its corporate strategy and further the strategic financial metrics shown above:

- The Company grew loans and leases by 14.7% annualized in the third quarter of 2025. The loan growth was driven by both traditional and LIHTC lending.

- The Company acted as the correspondent bank through QCBT for 189 downstream banks with total noninterest bearing deposits of $89.5 million and total interest-bearing deposits of $862.3 million as of September 30, 2025, as correspondent banking continued to be a core line of business for the Company. By comparison, the Company acted as the correspondent bank for 188 downstream banks with total noninterest bearing deposits of $109.3 million and total interest-bearing deposits of $714.6 million as of September 30, 2024. The Company is competitively positioned with experienced staff, software systems and processes to continue growing in the four states currently served – Iowa, Wisconsin, Missouri and Illinois. This line of business provides a strong source of deposits, fee income, high-quality loan participations and bank stock loans. The Company also managed off-balance sheet liquidity held at the Federal Reserve on behalf of the downstream banks of $388.8 million as of September 30, 2025, as compared to $438.1 million as of September 30, 2024.

- The Company continued to focus on executing interest rate swaps on select commercial loans, including LIHTC permanent loans. These interest rate swaps allow commercial borrowers to pay a fixed interest rate while the Company receives a variable interest rate as well as an upfront nonrefundable fee dependent on the pricing. Management believes that these swaps help position the Company more favorably for various interest rate environments. The Company will continue to review opportunities to execute these swaps at all of its subsidiary banks as appropriate for applicable borrowers and the Company. Levels of capital markets revenue from swap fee income are influenced by prevailing interest rates. Capital markets revenue, primarily from swap fee income, totaled $23.8 million for the third quarter of 2025 as compared to $16.3 million for the same period of the prior year. Capital markets revenue, primarily from swap fee income, totaled $40.2 million for the first nine months of 2025 as compared to $50.5 million for the same period of the prior year. Capital markets revenue in the first nine months of 2025 was affected by macroeconomic and governmental uncertainty. Despite this, demand for affordable housing remains strong, as discussed in the "Executive Overview" section of this report, above.

- Over many years, the Company has been successful in expanding its wealth management client base. Trust and investment advisory and management fees continue to be a significant contributor to noninterest income. Assets under management increased by $316.1 million for the quarter ended September 30, 2025 compared to the quarter ended June 30, 2025, and increased by $688.4 million for the first nine months of 2025 compared to the first nine months of 2024. Income is generated primarily from fees charged based on assets under administration for corporate and personal trusts and for custodial services. The majority of trust fees are determined based on the value of the investments managed. The Company expects trust and investment advisory and management fees to be negatively impacted during periods of lower market valuations and positively impacted during periods of higher market valuations. The Company has recently expanded its wealth management business into the southwest Missouri and central Iowa markets.

- Noninterest expense for the first nine months of 2025 totaled $152.7 million as compared to $154.1 million in the first nine months of 2024. The decrease was primarily due to a reduction in salaries and benefits expenses related to lower variable incentive compensation and no restructuring expenses associated with the exit of the equipment finance business in 2024.

GAAP TO NON-GAAP RECONCILIATIONS

The following table presents certain non-GAAP financial measures related to the "TCE/TA ratio," "adjusted net income," "adjusted EPS," "adjusted ROAA," "NIM (TEY)," "adjusted NIM (TEY)," "efficiency ratio," and "adjusted efficiency ratio." In compliance with applicable rules of the SEC, all non-GAAP measures are reconciled to the most directly comparable GAAP measure, as follows:

- TCE/TA ratio (non-GAAP) is reconciled to stockholders' equity and total assets;
- Adjusted net income, adjusted EPS and adjusted ROAA (all non-GAAP measures) are reconciled to net income;
- NIM (TEY) (non-GAAP) and adjusted NIM (TEY) (non-GAAP) are reconciled to NIM; and
- Efficiency ratio (non-GAAP) and adjusted efficiency ratio (non-GAAP) are reconciled to noninterest expense, net interest income and noninterest income.

The TCE/TA non-GAAP ratio has been a focus for investors, and management believes that this ratio may assist investors in analyzing the Company's capital position without regard to the effects of intangible assets.

The following tables also include several "adjusted" non-GAAP measurements of financial performance. The Company's management believes that these measures are important to investors as they exclude non-core or non-recurring income and expense items; therefore, they provide a better comparison for analysis and may provide a better indicator of future performance.

NIM (TEY) is a financial measure that the Company's management utilizes to determine the tax benefit associated with certain tax-exempt loans and securities. It is standard industry practice to measure net interest margin using tax-equivalent measures. In addition, the Company calculates NIM without the impact of acquisition accounting net accretion (adjusted NIM), as accretion amounts can fluctuate widely, making comparisons difficult.

The efficiency ratio and adjusted efficiency ratio are utilized by management to compare the Company to its peers. They are standard ratios used to calculate overhead as a percentage of revenue in the banking industry and is widely utilized by investors.

Non-GAAP financial measures have inherent limitations, are not required to be uniformly applied, and are not audited. Although these non-GAAP financial measures are frequently used by investors to evaluate a company, they have limitations as analytical tools and should not be considered in isolation, or as a substitute for analyses of results as reported under GAAP.

| GAAP TO NON-GAAP RECONCILIATIONS | As of September 30, 2025 | June 30, 2025 | September 30, 2024 |
|---|---|---|---|
| | *(dollars in thousands, except per share data)* | | |
| **TCE/TA RATIO** | | | |
| Stockholders' equity (GAAP) | $ 1,086,915 | $ 1,050,554 | $ 976,620 |
| Less: Intangible assets | 147,672 | 148,333 | 150,347 |
| TCE (non-GAAP) | $ 939,243 | $ 902,221 | $ 826,273 |
| Total assets (GAAP) | $ 9,568,302 | $ 9,242,331 | $ 9,088,565 |
| Less: Intangible assets | 147,672 | 148,333 | 150,347 |
| TA (non-GAAP) | $ 9,420,630 | $ 9,093,998 | $ 8,938,218 |
| **TCE/TA ratio (non-GAAP)** | **9.97 %** | **9.92 %** | **9.24 %** |

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands, except per share data)* | | | | |
| **ADJUSTED NET INCOME** | | | | | |
| Net income (GAAP) | $ 36,714 | $ 29,019 | $ 27,785 | $ 91,530 | $ 83,625 |
| Less non-core items (post-tax) (*): | | | | | |
| Income: | | | | | |
| Fair value gain (loss) on derivatives, net | (223) | (397) | (542) | (776) | (831) |
| Total non-core income (non-GAAP) | $ (223) | $ (397) | $ (542) | $ (776) | $ (831) |
| Expense: | | | | | |
| Goodwill impairment | — | — | 431 | — | 431 |
| Restructuring expense | — | — | 1,544 | — | 1,544 |
| Total non-core expense (non-GAAP) | $ — | $ — | $ 1,975 | $ — | $ 1,975 |
| **Adjusted net income (non-GAAP)** | **$ 36,937** | **$ 29,416** | **$ 30,302** | **$ 92,306** | **$ 86,431** |
| **ADJUSTED EPS** | | | | | |
| Adjusted net income (non-GAAP) (from above) | $ 36,937 | $ 29,416 | $ 30,302 | $ 92,306 | $ 86,431 |
| Weighted average common shares outstanding | 16,919,785 | 16,928,542 | 16,846,200 | 16,916,371 | 16,814,787 |
| Weighted average common and common equivalent shares outstanding | 17,015,730 | 17,006,282 | 16,982,400 | 17,011,877 | 16,938,309 |
| **Adjusted EPS (non-GAAP):** | | | | | |
| **Basic** | **$ 2.18** | **$ 1.74** | **$ 1.80** | **$ 5.46** | **$ 5.14** |
| **Diluted** | **$ 2.17** | **$ 1.73** | **$ 1.78** | **$ 5.43** | **$ 5.10** |
| **ADJUSTED ROAA (non-GAAP)** | | | | | |
| Adjusted net income (non-GAAP) (from above) | $ 36,937 | $ 29,416 | $ 30,302 | $ 92,306 | $ 86,431 |
| Average Assets | $ 9,354,411 | $ 9,155,473 | $ 8,968,653 | $ 9,176,349 | $ 8,765,913 |
| **Adjusted ROAA (non-GAAP)** | **1.58 %** | **1.29 %** | **1.35 %** | **1.34 %** | **1.31 %** |
| **Adjusted ROAE (non-GAAP)** | **13.73 %** | **11.30 %** | **12.60 %** | **11.78 %** | **12.40 %** |
| **ADJUSTED NIM (TEY)*** | | | | | |
| Net interest income (GAAP) | $ 64,799 | $ 62,082 | $ 59,722 | $ 186,867 | $ 170,584 |
| Plus: Tax equivalent adjustment | 10,864 | 10,090 | 9,544 | 30,467 | 26,803 |
| Net interest income - tax equivalent (non-GAAP) | $ 75,663 | $ 72,172 | $ 69,266 | $ 217,334 | $ 197,387 |
| Less: Acquisition accounting net accretion | 182 | 84 | 463 | 451 | 1,094 |
| Adjusted net interest income | $ 75,481 | $ 72,088 | $ 68,803 | $ 216,883 | $ 196,293 |
| Average earning assets | $ 8,575,514 | $ 8,377,361 | $ 8,183,196 | $ 8,399,651 | $ 7,997,334 |
| NIM (GAAP) | 3.00 % | 2.97 % | 2.90 % | 2.97 % | 2.85 % |
| NIM (TEY) (non-GAAP) | 3.51 % | 3.46 % | 3.37 % | 3.46 % | 3.30 % |
| Adjusted NIM (TEY) (non-GAAP) | 3.50 % | 3.45 % | 3.34 % | 3.45 % | 3.28 % |
| **EFFICIENCY RATIO** | | | | | |
| Noninterest expense (GAAP) | $ 56,587 | $ 49,583 | $ 53,565 | $ 152,709 | $ 154,143 |
| Net interest income (GAAP) | $ 64,799 | $ 62,082 | $ 59,722 | $ 186,867 | $ 170,584 |
| Noninterest income (GAAP) | 36,651 | 22,115 | 27,157 | 75,658 | 84,904 |
| Total income | $ 101,450 | $ 84,197 | $ 86,879 | $ 262,525 | $ 255,488 |
| **Efficiency ratio (noninterest expense/total income) (non-GAAP)** | **55.78 %** | **58.89 %** | **61.65 %** | **58.17 %** | **60.33 %** |
| **Adjusted efficiency ratio (core noninterest expense/core total income) (Non-GAAP)** | **55.62 %** | **58.54 %** | **58.45 %** | **57.95 %** | **59.16 %** |

* Non-core or non-recurring items (after-tax) are calculated using an estimated effective federal tax rate of 21% with the exception of goodwill impairment which is not deductible for tax.

NET INTEREST INCOME AND MARGIN - (TAX EQUIVALENT BASIS)

Net interest income, on a GAAP basis, increased 9% for the quarter ended September 30, 2025, compared to the same quarter of the prior year. Net interest income, on a tax equivalent basis (non-GAAP) increased 9% for the quarter ended September 30, 2025, compared to the same quarter of the prior year. Net interest income, on a GAAP basis, increased 10% for the nine months ended September 30, 2025, compared to the same period of the prior year. Net interest income, on a tax equivalent basis (non-GAAP), increased 10% for the nine months ended September 30, 2025, compared to the same period of the prior year. Net interest income changed primarily due to the Company's loan and investment growth and continued expansion of loan and investment yields, which were partially offset by deposit growth with a lower cost of funds.

A comparison of yields, spread and margin as reported on the Company's financial statements and on a tax equivalent basis is as follows:

| | GAAP For the Three Months Ended | | | Tax Equivalent Basis For the Three Months Ended | | |
|---|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | June 30, 2025 | September 30, 2024 |
| Average Yield on Interest-Earning Assets | 5.83 % | 5.74 % | 6.13 % | 6.29 % | 6.24 % | 6.56 % |
| Average Cost of Interest-Bearing Liabilities | 3.42 % | 3.42 % | 3.93 % | 3.42 % | 3.42 % | 3.93 % |
| Net Interest Spread | 2.41 % | 2.32 % | 2.20 % | 2.87 % | 2.82 % | 2.63 % |
| NIM (TEY) (Non-GAAP) | 3.51 % | 3.46 % | 3.37 % | 3.51 % | 3.46 % | 3.37 % |
| NIM Excluding Acquisition Accounting Net Accretion (Non-GAAP) | 3.00 % | 2.96 % | 2.92 % | 3.50 % | 3.45 % | 3.34 % |

| | GAAP For the Nine Months Ended | | Tax Equivalent Basis For the Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| Average Yield on Interest-Earning Assets | 5.75 % | 6.46 % | 6.24 % | 6.46 % |
| Average Cost of Interest-Bearing Liabilities | 3.43 % | 3.91 % | 3.43 % | 3.91 % |
| Net Interest Spread | 2.32 % | 2.55 % | 2.81 % | 2.55 % |
| NIM (TEY) (Non-GAAP) | 3.46 % | 2.85 % | 3.45 % | 3.30 % |
| NIM Excluding Acquisition Accounting Net Accretion (Non-GAAP) | 2.97 % | 3.06 % | 2.97 % | 3.28 % |

Acquisition accounting net accretion can fluctuate depending on the payoff activity of acquired loans. In evaluating net interest income and NIM, it is important to understand the impact of acquisition accounting net accretion when comparing periods. The above table reports NIM with and without the acquisition accounting net accretion to allow for more appropriate comparisons. A comparison of acquisition accounting net accretion included in NIM is as follows:

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | | *(dollars in thousands)* | |
| Acquisition Accounting Net Accretion in NIM | $ 182 | $ 84 | $ 463 | $ 451 | $ 1,094 |

The Company's management closely monitors and manages NIM. From a profitability standpoint, an important challenge for the Company's subsidiary banks and leasing company is focusing on quality growth in conjunction with the improvement of their NIMs. Management continually addresses this issue with pricing and other balance sheet strategies which include better loan pricing, reducing reliance on rate-sensitive funding, closely managing deposit rate changes and finding additional ways to manage cost of funds through derivatives.

The Company's average balances, interest income/expense, and rates earned/paid on major balance sheet categories, as well as the components of change in net interest income, are presented in the following tables:

| | For the Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| | Average Balance | Interest Earned or Paid | Average Yield or Cost | Average Balance | Interest Earned or Paid | Average Yield or Cost |
| | *(dollars in thousands)* | | | | | |
| **ASSETS** | | | | | | |
| Interest earning assets: | | | | | | |
| Federal funds sold | $ 13,808 | $ 154 | 4.36 % | $ 12,596 | $ 173 | 5.37 % |
| Interest-bearing deposits at financial institutions | 128,126 | 1,341 | 4.15 % | 145,597 | 1,915 | 5.23 % |
| Investment securities - taxable | 400,765 | 4,878 | 4.86 % | 381,285 | 4,439 | 4.64 % |
| Investment securities - nontaxable (1) | 952,542 | 13,841 | 5.81 % | 760,645 | 10,744 | 5.65 % |
| Restricted investment securities | 31,959 | 570 | 6.98 % | 42,546 | 840 | 7.73 % |
| Gross loans/leases receivable (1) (2) (3) | 7,048,314 | 115,094 | 6.48 % | 6,840,527 | 116,854 | 6.80 % |
| Total interest earning assets | 8,575,514 | 135,878 | 6.29 % | 8,183,196 | 134,965 | 6.56 % |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 78,369 | | | 79,172 | | |
| Premises and equipment | 187,758 | | | 144,857 | | |
| Less allowance | (88,171) | | | (87,472) | | |
| Other | 600,941 | | | 648,900 | | |
| Total assets | $ 9,354,411 | | | $ 8,968,653 | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits | $ 5,197,006 | $ 40,221 | 3.07 % | $ 4,739,757 | $ 42,180 | 3.54 % |
| Time deposits | 1,237,232 | 12,595 | 4.04 % | 1,164,560 | 13,206 | 4.51 % |
| Short-term borrowings | 2,022 | 21 | 4.15 % | 2,485 | 32 | 5.07 % |
| FHLB advances | 204,786 | 2,348 | 4.49 % | 445,632 | 5,972 | 5.24 % |
| Other borrowings | 48,295 | 479 | 3.97 % | — | — | — % |
| Subordinated notes | 236,783 | 3,861 | 6.52 % | 233,313 | 3,616 | 6.20 % |
| Junior subordinated debentures | 48,936 | 690 | 5.52 % | 48,806 | 693 | 5.56 % |
| Total interest-bearing liabilities | 6,975,060 | 60,215 | 3.42 % | 6,634,553 | 65,699 | 3.93 % |
| Noninterest-bearing demand deposits | 949,135 | | | 953,879 | | |
| Other noninterest-bearing liabilities | 354,501 | | | 417,919 | | |
| Total liabilities | 8,278,696 | | | 8,006,351 | | |
| Stockholders' equity | 1,075,715 | | | 962,302 | | |
| Total liabilities and stockholders' equity | $ 9,354,411 | | | $ 8,968,653 | | |
| Net interest income | | $ 75,663 | | | $ 69,266 | |
| Net interest margin | | | 3.00 % | | | 2.90 % |
| Net interest margin (TEY)(Non-GAAP) | | | 3.51 % | | | 3.37 % |
| Adjusted net interest margin (TEY)(Non-GAAP) | | | 3.50 % | | | 3.34 % |
| Cost of funds (4) | | | 3.01 % | | | 3.44 % |
| Ratio of average interest-earning assets to average interest-bearing liabilities | 122.95 % | | | 123.34 % | | |

(1) Interest earned and yields on nontaxable investment securities and nontaxable loans are determined on a tax equivalent basis using a 21% federal tax rate.
(2) Loan/lease fees are not material and are included in interest income from loans/leases receivable in accordance with accounting and regulatory guidance.
(3) Non-accrual loans/leases are included in the average balance for gross loans/leases receivable in accordance with accounting and regulatory guidance.
(4) Cost of funds includes the effect of noninterest-bearing demand deposits.

**Analysis of Changes of Interest Income/Interest Expense**
**For the Three Months Ended September 30, 2025**

| | Inc./(Dec.) from Prior Period (1) | Components of Change (1) | |
|---|---|---|---|
| | | Rate | Volume |
| | | 2025 vs. 2024 | |
| | | *(dollars in thousands)* | |
| **INTEREST INCOME** | | | |
| Federal funds sold | $ (19) | $ (99) | $ 80 |
| Interest-bearing deposits at financial institutions | (574) | (363) | (211) |
| Investment securities - taxable | 439 | 211 | 228 |
| Investment securities - nontaxable (2) | 3,097 | 313 | 2,784 |
| Restricted investment securities | (270) | (76) | (194) |
| Gross loans/leases receivable (2) (3) | (1,760) | (18,244) | 16,484 |
| Total change in interest income | 913 | (18,258) | 19,171 |
| **INTEREST EXPENSE** | | | |
| Interest-bearing deposits | (1,959) | (19,884) | 17,925 |
| Time deposits | (611) | (4,482) | 3,871 |
| Short-term borrowings | (11) | (6) | (5) |
| Federal Home Loan Bank advances | (3,624) | (759) | (2,865) |
| Other borrowings | 479 | — | 479 |
| Subordinated notes | 245 | 190 | 55 |
| Junior subordinated debentures | (3) | (13) | 10 |
| Total change in interest expense | (5,484) | (24,954) | 19,470 |
| Total change in net interest income | $ 6,397 | $ 6,696 | $ (299) |

(1) The column "Inc./(Dec.) from Prior Period" is segmented into the changes attributable to variations in volume and the changes attributable to changes in interest rates. The variations attributable to simultaneous volume and rate changes have been proportionately allocated to rate and volume.
(2) Interest earned and yields on nontaxable investment securities and nontaxable loans are determined on a tax equivalent basis using a 21% federal tax rate.
(3) Loan/lease fees are not material and are included in interest income from loans/leases receivable in accordance with accounting and regulatory guidance.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS – continued

| | For the Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2025 | | | 2024 | | |
| | Average Balance | Interest Earned or Paid | Average Yield or Cost | Average Balance | Interest Earned or Paid | Average Yield or Cost |
| | (dollars in thousands) | | | | | |
| **ASSETS** | | | | | | |
| Interest earning assets: | | | | | | |
| Federal funds sold | $ 12,385 | $ 412 | 4.38 % | $ 15,196 | $ 625 | 5.40 % |
| Interest-bearing deposits at financial institutions | 149,287 | 4,778 | 4.28 % | 106,195 | 4,254 | 5.35 % |
| Investment securities - taxable | 401,067 | 14,272 | 4.75 % | 377,538 | 12,986 | 4.57 % |
| Investment securities - nontaxable (1) | 896,990 | 38,434 | 5.72 % | 717,284 | 29,557 | 5.50 % |
| Restricted investment securities | 32,191 | 1,726 | 7.07 % | 41,348 | 2,383 | 7.57 % |
| Gross loans/leases receivable (1) (2) (3) | 6,907,731 | 332,780 | 6.44 % | 6,739,773 | 337,244 | 6.68 % |
| Total interest earning assets | 8,399,651 | 392,402 | 6.24 % | 7,997,334 | 387,049 | 6.46 % |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 77,689 | | | 78,203 | | |
| Premises and equipment, net | 174,405 | | | 136,030 | | |
| Less allowance for estimated losses on loans/leases | (89,191) | | | (86,254) | | |
| Other | 613,795 | | | 640,600 | | |
| Total assets | $ 9,176,349 | | | $ 8,765,913 | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing demand deposits | $ 5,094,180 | $ 116,523 | 3.06 % | $ 4,639,937 | $ 122,207 | 3.52 % |
| Time deposits | 1,211,739 | 37,693 | 4.16 % | 1,121,508 | 37,679 | 4.49 % |
| Short-term borrowings | 1,761 | 55 | 4.09 % | 1,846 | 76 | 5.47 % |
| Federal Home Loan Bank advances | 211,189 | 7,197 | 4.49 % | 421,782 | 16,948 | 5.28 % |
| Other borrowings | 16,275 | 479 | 3.93 % | — | — | — % |
| Subordinated notes | 234,659 | 11,062 | 6.29 % | 233,207 | 10,678 | 6.10 % |
| Junior subordinated debentures | 48,904 | 2,059 | 5.55 % | 48,774 | 2,074 | 5.59 % |
| Total interest-bearing liabilities | 6,818,707 | 175,068 | 3.43 % | 6,467,054 | 189,662 | 3.91 % |
| Noninterest-bearing demand deposits | 944,349 | | | 952,806 | | |
| Other noninterest-bearing liabilities | 368,203 | | | 416,712 | | |
| Total liabilities | 8,131,259 | | | 7,836,572 | | |
| Stockholders' equity | 1,045,090 | | | 929,341 | | |
| Total liabilities and stockholders' equity | $ 9,176,349 | | | $ 8,765,913 | | |
| Net interest income | | $ 217,334 | | | $ 197,387 | |
| Net interest margin | | | 2.97 % | | | 2.85 % |
| Net interest margin (TEY)(Non-GAAP) | | | 3.46 % | | | 3.30 % |
| Adjusted net interest margin (TEY)(Non-GAAP) | | | 3.45 % | | | 3.28 % |
| Cost of funds (4) | | | 3.01 % | | | 3.41 % |
| Ratio of average interest earning assets to average interest-bearing liabilities | 123.19 % | | | 123.66 % | | |

(1) Interest earned and yields on nontaxable investment securities and nontaxable loans are determined on a tax equivalent basis using a 21% federal tax rate.
(2) Loan/lease fees are not material and are included in interest income from loans/leases receivable in accordance with accounting and regulatory guidance.
(3) Non-accrual loans/leases are included in the average balance for gross loans/leases receivable in accordance with accounting and regulatory guidance.
(4) Cost of funds includes the effect of noninterest-bearing demand deposits.

**Analysis of Changes of Interest Income/Interest Expense**
**For the nine months ended September 30, 2025**

| | Inc./(Dec.) from Prior Period (1) | Components of Change (1) | |
|---|---|---|---|
| | | Rate | Volume |
| | | 2025 vs. 2024 | |
| | | *(dollars in thousands)* | |
| **INTEREST INCOME** | | | |
| Federal funds sold | $ (213) | $ (108) | $ (105) |
| Interest-bearing deposits at other financial institutions | 524 | (1,349) | 1,873 |
| Investment securities - taxable | 1,286 | 498 | 788 |
| Investment securities - nontaxable (2) | 8,877 | 1,222 | 7,655 |
| Restricted investment securities | (657) | (151) | (506) |
| Gross loans/leases receivable (2) (3) | (4,464) | (15,885) | 11,421 |
| Total change in interest income | 5,353 | (15,773) | 21,126 |
| **INTEREST EXPENSE** | | | |
| Interest-bearing demand deposits | (5,684) | (21,532) | 15,848 |
| Time deposits | 14 | (3,861) | 3,875 |
| Short-term borrowings | (21) | (18) | (3) |
| Federal Home Loan Bank advances | (9,751) | (2,248) | (7,503) |
| Other borrowings | 479 | — | 479 |
| Subordinated notes | 384 | 320 | 64 |
| Junior subordinated debentures | (15) | (21) | 6 |
| Total change in interest expense | (14,594) | (27,360) | 12,766 |
| Total change in net interest income | $ 19,947 | $ 11,587 | $ 8,360 |

(1) The column "Inc./(Dec.) from Prior Period" is segmented into the changes attributable to variations in volume and the changes attributable to changes in interest rates. The variations attributable to simultaneous volume and rate changes have been proportionately allocated to rate and volume.

(2) Interest earned and yields on nontaxable investment securities and nontaxable loans are determined on a tax equivalent basis using a 21% federal tax rate.

(3) Loan/lease fees are not material and are included in interest income from loans/leases receivable in accordance with accounting and regulatory guidance.

The Company's operating results are also impacted by various sources of noninterest income, including trust fees, investment advisory and management fees, deposit service fees, capital markets revenue, including swap fee income and gains on loan securitizations, gains from the sales of residential real estate loans and government guaranteed loans, earnings on BOLI and other income. Offsetting these items, the Company incurs noninterest expenses, which include salaries and employee benefits, occupancy and equipment expense, professional and data processing fees, FDIC and other insurance expense, loan/lease expense and other administrative expenses.

The Company's operating results are also affected by economic and competitive conditions, particularly changes in interest rates, income tax rates, government policies and actions of regulatory authorities. For a discussion of the factors that could have a material impact on the operations and future prospects of the Company and its subsidiaries, see the "Risk Factors" section included under Item 1A. of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

RESULTS OF OPERATIONS

INTEREST INCOME

Interest income decreased $405 thousand, comparing the third quarter of 2025 to the same period of 2024, and increased $1.7 million when comparing the first nine months of 2025 to the same period of 2024. Interest income (tax equivalent non-GAAP) increased $913 thousand, comparing the third quarter of 2025 to the same period of 2024, and increased $5.4 million when comparing the first nine months of 2025 to the same period of 2024. These increases in interest income were primarily due to higher loan and investment average balances and higher loan and investment yields.

The Company intends to continue to grow quality loans as well as its private placement tax-exempt securities portfolio to maximize yield while minimizing credit and interest rate risk.

INTEREST EXPENSE

Interest expense decreased $5.5 million, comparing the third quarter of 2025 to the same period of 2024 and interest expense decreased $14.6 million, comparing the first nine months of 2025 to the same period of 2024, primarily due to the lower cost of funds. The Company's cost of funds was 3.01% for the quarter ended September 30, 2025, a decrease from 3.44% for the quarter ended September 30, 2024. The Company's costs of funds was 3.01% for the nine months ended September 30, 2025, a decrease from 3.41% for the nine months ended September 30, 2024. The decrease was a result of the Federal Reserve lowering interest rates in the second half of 2024 on the Company's liability sensitive balance sheet.

PROVISION FOR CREDIT LOSSES

The ACL is established through provision expense to provide an estimated ACL. The following table shows the components of the provision for credit losses for the three and nine months ended September 30, 2025 and 2024:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | *(dollars in thousands)* | |
| Provision for credit losses - loans and leases | $ 4,225 | $ 3,828 | $ 13,635 | $ 11,907 |
| Provision for credit losses - off-balance sheet exposures | 80 | (344) | (1,053) | 487 |
| Provision for credit losses - available for sale securities | — | — | — | (445) |
| Total provision for credit losses | $ 4,305 | $ 3,484 | $ 12,582 | $ 11,949 |

The Company had a total provision for credit losses on loans and leases of $4.2 million for the third quarter of 2025, an increase from $3.8 million for the same period of 2024, primarily driven by loan growth. The provision related to OBS was $80 thousand for the third quarter of 2025 compared to a provision related to OBS of negative $344 thousand for the third quarter of 2024. The increase was due to an increased balance in unfunded commitments. Provision for credit losses on loans and leases for the first nine months of 2025 totaled $13.6 million, an increase from $11.9 million for the first nine months of 2024. The increase was primarily driven by loan growth and increased net charge-offs. The provision related to OBS was negative $344 thousand for the first nine months of 2025 compared to a provision related to OBS of $487 thousand for the first nine months of 2024.

There was no provision related to HTM securities for the first nine months of 2025 or 2024. There was no provision related to AFS securities for the first nine months of 2025, compared to a negative provision of $445 thousand on AFS securities for the first nine months of 2024 with the change in fair value of a debt investment in a failed bank. This was a legacy investment acquired as part of the 2022 GFED acquisition, for which an allowance equal to the entire value of the bond was established in March 2023. A partial recovery in value occurred due to favorable changes in market conditions during 2024, and the investment was then sold in 2024.

The ACL for loans and leases is established based on a number of factors, including the Company's historical loss experience, delinquencies and charge-off trends, economic and other forecasts, the local, state and national economies and risk associated with the loans/leases and securities in the portfolio, as described in more detail in the "Critical Accounting Policies and Critical Accounting Estimates" section of this report.

The Company had an ACL for loans/leases held for investment of 1.24% of total gross loans/leases held for investment at September 30, 2025, compared to 1.28% at June 30, 2025 and 1.30% at September 30, 2024. Management evaluates the allowance needed on loans acquired in previous acquisitions, factoring in the remaining discount, which was $1.9 million and $2.8 million at September 30, 2025 and September 30, 2024, respectively.

Additional discussion of the Company's allowance can be found in the "Financial Condition" section of this report.

NONINTEREST INCOME

The following table sets forth the various categories of noninterest income for the three and nine months ended September 30, 2025 and 2024:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | $ Change | % Change |
| | *(dollars in thousands)* | | | |
| Trust fees | $ 3,544 | $ 3,270 | $ 274 | 8.4 % |
| Investment advisory and management fees | 1,488 | 1,229 | 259 | 21.1 |
| Deposit service fees | 2,231 | 2,294 | (63) | (2.7) |
| Gains on sales of residential real estate loans, net | 529 | 385 | 144 | 37.4 |
| Gains on sales of government guaranteed portions of loans, net | 6 | — | 6 | 100.0 |
| Capital markets revenue | 23,832 | 16,290 | 7,542 | 46.3 |
| Earnings on bank-owned life insurance | 952 | 814 | 138 | 17.0 |
| Debit card fees | 1,648 | 1,575 | 73 | 4.6 |
| Correspondent banking fees | 664 | 507 | 157 | 31.0 |
| Loan related fee income | 846 | 949 | (103) | (10.9) |
| Fair value gain (loss) on derivatives and trading securities | 324 | (886) | 1,210 | 136.6 |
| Other | 587 | 730 | (143) | (19.6) |
| Total noninterest income | $ 36,651 | $ 27,157 | $ 9,494 | 35.0 % |

| | Nine Months Ended | | | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | $ Change | % Change |
| | *(dollars in thousands)* | | | |
| Trust fees | $ 10,625 | $ 9,572 | $ 1,053 | 11.0 % |
| Investment advisory and management fees | 3,996 | 3,544 | 452 | 12.8 |
| Deposit service fees | 6,601 | 6,302 | 299 | 4.7 |
| Gains on sales of residential real estate loans, net | 1,382 | 1,307 | 75 | 5.7 |
| Gains on sales of government guaranteed portions of loans, net | 107 | 36 | 71 | 197.2 |
| Capital markets revenue | 40,217 | 50,505 | (10,288) | (20.4) |
| Earnings on bank-owned life insurance | 2,474 | 4,646 | (2,172) | (46.7) |
| Debit card fees | 4,784 | 4,612 | 172 | 3.7 |
| Correspondent banking fees | 1,977 | 1,529 | 448 | 29.3 |
| Loan related fee income | 2,840 | 2,747 | 93 | 3.4 |
| Fair value loss on derivatives and trading securities | (453) | (998) | 545 | 54.6 |
| Other | 1,108 | 1,102 | 6 | 0.5 |
| Total noninterest income | $ 75,658 | $ 84,904 | $ (9,246) | (10.9)% |

The Company continues to be successful in expanding its wealth management client base. Trust and investment advisory and management fees continue to be a significant contributor to noninterest income. Assets under management have increased $316.1 million since June 30, 2025 and have increased by $772.7 million since September 30, 2024 due primarily

to new relationships. Income is generated primarily from fees charged based on assets under administration for corporate and personal trusts and for custodial services. The majority of trust fees are determined based on the value of the investments within the fully-managed trusts. Trust fees increased 8% in the third quarter of 2025 as compared to the same period of the prior year, and increased 11% when comparing the first nine months of 2025 to the same period of the prior year due to growth in assets under management and market performance. The Company expects trust and investment advisory and management fees to be negatively impacted during periods of significantly lower market valuations and positively impacted during periods of significantly higher market valuations. During 2024, the Company expanded its wealth management business into the southwest Missouri and central Iowa markets.

Investment advisory and management fees increased 21% comparing the third quarter of 2025 to the same period of the prior year, and increased 13% when comparing the first nine months of 2025 to the same period of the prior year. Similar to trust fees, fees from these services are largely determined based on the market value of the investments managed. As a result, fee income from this line of business fluctuates with market valuations.

Deposit service fees decreased 3% in the third quarter of 2025 as compared to the same period of the prior year, and increased 5% when comparing the first nine months of 2025 to the same period of the prior year. The Company's total deposits increased by $395.4 million, or 6%, when comparing September 30, 2025 to September 30, 2024. The Company continues to be successful in expanding its core deposit base with a targeted focus on growing the number of net new accounts in 2025.

Gains on sales of residential real estate loans, net, increased 37% when comparing the third quarter of 2025 to the same period of the prior year, and increased 6% when comparing the first nine months of 2025 to the same period of the prior year. The increase was due to higher volume of client residential real estate purchase activity generating higher levels of gains.

The Company has grown its capital markets revenue significantly over the past several years. The Company's interest rate swap program consists of back-to-back interest rate swaps with two types of commercial borrowers: (1) traditional commercial loans of a certain minimum size and sophistication, and (2) LIHTC permanent loans. Most of the growth has been in the latter category as the Company has grown relationships with strong LIHTC developers with many years of experience. The LIHTC industry is strong and growing with an increased need for affordable housing. The back-to-back interest rate swaps allow commercial borrowers to pay a fixed interest rate while the Company receives a variable interest rate as well as an upfront nonrefundable fee dependent upon the pricing from an upstream counter party.

Capital markets revenue totaled $23.8 million for the third quarter of 2025, compared to $16.3 million for the third quarter of 2024. Capital markets revenue totaled $40.2 million for the first nine months of 2025, compared to $50.5 million for the first nine months of 2024. As discussed in the "Executive Overview" section of this report, capital markets revenue was affected by macroeconomic and governmental uncertainty during the first six months of 2025. Demand for affordable housing remains strong. In the traditional commercial portfolio, the pricing is more competitive and the duration is shorter as compared to the LIHTC permanent loans. Therefore, the mix of loans with interest rate swaps continued to be heavily weighted towards LIHTC permanent loans. Future levels of swap fees are dependent upon the needs of our traditional commercial and LIHTC borrowers, and the size of the related nonrefundable swap fee may fluctuate depending on the interest rate environment.

Earnings on BOLI increased 17%, comparing the third quarter of 2025 to the same period of the prior year, and decreased 47% when comparing the first nine months of 2025 to the same period of the prior year. There were BOLI exchanges in the first nine months of 2025 resulting in surrender charges of $168 thousand. In addition, there were $2.2 million of death benefit proceeds on BOLI received in the first nine months of 2024. There were no purchases of BOLI in the first nine months of 2025 or 2024. Notably, a portion of the Company's BOLI is variable rate whereby returns are determined by the performance of the equity markets. Management intends to continue to review its BOLI investments to be consistent with policy and regulatory limits in conjunction with the rest of its earning assets in an effort to maximize returns while minimizing risk.

Debit card fees are the interchange fees paid on certain debit card customer transactions. Debit card fees increased 5% when comparing the third quarter of 2025 to the same period of the prior year, and increased 4% when comparing the first nine months of 2025 to the same period of the prior year. The fees can vary based on customer debit card usage, so fluctuations from period to period may occur. As an opportunity to maximize fees, the Company offers a deposit product with a higher interest rate that incentivizes debit card activity.

Correspondent banking fees increased 31% comparing the third quarter of 2025 to the same period of the prior year and increased 29% when comparing the first nine months of 2025 to the same period of the prior year. The increase was primarily due to a shift of correspondent banking balances from non-interest bearing accounts to interest bearing accounts. Fees from correspondent banks generally increase when non-interest bearing account balances decrease due to lower associated earnings credits. Correspondent banking continues to be a core strategy for the Company, as this line of business provides a high level of deposits that can be used to fund loan growth as well as a steady source of fee income. The Company now serves 189 banks in Iowa, Illinois, Missouri and Wisconsin.

Loan-related fee income decreased 11% comparing the third quarter of 2025 to the same period of the prior year primarily due to lower participation service fees. Loan-related fee income increased 3% when comparing the first nine months of 2025 to the same period of the prior year primarily due to loan growth.

Fair value losses on derivatives were $282 thousand and fair value gains on trading securities were $606 thousand in the third quarter of 2025, as compared to $938 thousand in losses and $52 thousand in gains, respectively, in the same period of the prior year. Fair value losses on derivatives were $982 thousand and fair value gains on trading securities were $529 thousand, respectively, in the first nine months of 2025, as compared to losses of $1.1 million and gains of $52 thousand, respectively in the same period of the prior year. During the first quarter of 2024, the Company executed a derivative strategy utilizing swaptions with a notional value of approximately $409.0 million. The Company uses swaptions to manage interest rate risk related to the variability of interest payments due to changes in interest rates. These derivatives are unhedged and are marked-to-market, with gains or losses recorded in noninterest income which was a contributing factor in the increase in fair value losses on derivatives. See Note 5 to the Consolidated Financial Statements for additional information.

Other noninterest income decreased $143 thousand, or 20%, in the third quarter of 2025 as compared to the same period of the prior year, and increased 1% when comparing the first nine months of 2025 to the same period of the prior year due to fluctuations on the market value of the Company's equity investments. Income on equity investments is largely determined based on the market value of the investments managed.

NONINTEREST EXPENSE

The following tables set forth the various categories of noninterest expense for the three and nine months ended September 30, 2025 and 2024:

| | Three Months Ended | | | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | $ Change | % Change |
| | *(dollars in thousands)* | | | |
| Salaries and employee benefits | $ 34,338 | $ 31,637 | $ 2,701 | 8.5 % |
| Occupancy and equipment expense | 7,363 | 6,168 | 1,195 | 19.4 |
| Professional and data processing fees | 6,741 | 4,457 | 2,284 | 51.2 |
| Restructuring expense | — | 1,954 | (1,954) | (100.0) |
| FDIC insurance, other insurance and regulatory fees | 2,035 | 1,711 | 324 | 18.9 |
| Loan/lease expense | 345 | 587 | (242) | (41.2) |
| Net cost of (income from) and losses/(gains) on operations of other real estate | 3 | (42) | 45 | 107.1 |
| Advertising and marketing | 1,830 | 2,124 | (294) | (13.8) |
| Communication and data connectivity | 40 | 333 | (293) | (88.0) |
| Supplies | 259 | 278 | (19) | (6.8) |
| Bank service charges | 678 | 603 | 75 | 12.4 |
| Correspondent banking expense | 338 | 325 | 13 | 4.0 |
| Intangibles amortization | 662 | 690 | (28) | (4.1) |
| Goodwill impairment | — | 432 | (432) | (100.0) |
| Payment card processing | 569 | 785 | (216) | (27.5) |
| Trust expense | 412 | 395 | 17 | 4.3 |
| Other | 974 | 1,128 | (154) | (13.7) |
| Total noninterest expense | $ 56,587 | $ 53,565 | $ 3,022 | 5.6 % |

| | Nine Months Ended | | | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | $ Change | % Change |
| | *(dollars in thousands)* | | | |
| Salaries and employee benefits | $ 90,176 | $ 94,576 | $ (4,400) | (4.7)% |
| Occupancy and equipment expense | 20,655 | 19,059 | 1,596 | 8.4 |
| Professional and data processing fees | 17,974 | 13,893 | 4,081 | 29.4 |
| Restructuring expense | — | 1,954 | (1,954) | (100.0) |
| FDIC insurance, other insurance and regulatory fees | 5,965 | 5,510 | 455 | 8.3 |
| Loan/lease expense | 1,133 | 1,116 | 17 | 1.5 |
| Net cost of (income from) and losses/(gains) on operations of other real estate | 44 | (44) | 88 | 200.0 |
| Advertising and marketing | 5,189 | 5,172 | 17 | 0.3 |
| Communication and data connectivity | 604 | 1,052 | (448) | (42.6) |
| Supplies | 718 | 812 | (94) | (11.6) |
| Bank service charges | 1,994 | 1,793 | 201 | 11.2 |
| Correspondent banking expense | 981 | 993 | (12) | (1.2) |
| Intangibles amortization | 1,984 | 2,070 | (86) | (4.2) |
| Goodwill Impairment | — | 432 | (432) | (100.0) |
| Payment card processing | 1,710 | 2,137 | (427) | (20.0) |
| Trust expense | 1,182 | 1,199 | (17) | (1.4) |
| Other | 2,400 | 2,419 | (19) | (0.8) |
| Total noninterest expense | $ 152,709 | $ 154,143 | $ (1,434) | (0.9)% |

Management places a strong emphasis on overall cost containment and is committed to improving the Company's general efficiency.

Salaries and employee benefits, which is the largest component of noninterest expense, increased 9% when comparing the third quarter of 2025 to the same period of the prior year, and decreased 5% when comparing the first nine months of 2025 to the same period of the prior year primarily due to capital markets revenue and its impact on variable compensation associated with performance.

Occupancy and equipment expense increased 19% comparing the third quarter of 2025 to the same period of the prior year, and increased 8% when comparing the first nine months of 2025 to the same period of the prior year due primarily to higher depreciation expense with the opening of a new office in the Cedar Rapids market and an increase in service contract costs.

Professional and data processing fees increased 51% comparing the third quarter of 2025 to the same period of the prior year, and increased 29% when comparing the first nine months of 2025 to the same period of the prior year. The increase was due primarily to higher professional fees related to the Company's digital transformation projects. Generally, professional and data processing fees can fluctuate depending on certain one-time project costs. Management will continue to focus on minimizing such one-time costs and driving recurring costs down through contract negotiation or managed reduction in activity where costs are determined on a usage basis.

There were no restructuring expenses in the three or nine months ended September 30, 2025. Restructuring expenses totaled $2 million for both the three and nine months ended September 30, 2024 due to the decision to discontinue offering new loans and leases at m2. These charges were primarily consisting of severance and retention compensation as well as vendor contract termination fees.

FDIC insurance, other insurance and regulatory fee expense increased 19% when comparing the third quarter of 2025 to the same period of the prior year, and increased 8% when comparing the first nine months of 2025 to the same period of the prior year due primarily to asset growth.

Loan/lease expense decreased 41% when comparing the third quarter of 2025 to the same quarter of the prior year due primarily to lower legal expense on loan workouts and higher recoveries of legal expenses incurred on loan workouts. Loan/lease expense increased 2% when comparing the first nine months of 2025 to the same period of the prior year due primarily to a one-time legal fee reimbursement received in the second quarter of 2024, offsetting the expenses.

Net cost of (income from) and gains/losses on operations of other real estate includes gains/losses on the sale of OREO, write-downs of OREO and all income/expenses associated with OREO. Net cost of and gains/losses on operations of other real estate for the third quarter of 2025 totaled $3 thousand, compared to net income from and gains/losses on operations of other real estate of $42 thousand for the third quarter of 2024. Net cost of and gains/losses on operations of other real estate for the first nine months of 2025 totaled $44 thousand, compared to net income from and gains/losses on operations of other real estate of $44 thousand for the first nine months of 2024.

Advertising and marketing expense decreased 14% comparing the third quarter of 2025 to the same period of the prior year, and remained stable when comparing the first nine months of 2025 to the same period of the prior year. The decrease in expense was primarily due to a decrease in sponsorships in the third quarter of 2025.

Communication and data connectivity expense decreased 88% comparing the third quarter of 2025 to the same period of the prior year, and decreased 43% when comparing the first nine months of 2025 to the same period of the prior year. The decrease was primarily due to improvements to our data center connectivity channels and a reduction in cell phone and air card expenses as the Company continues to improve operational efficiencies.

Supplies expense decreased 7% comparing the third quarter of 2025 to the same period of the prior year, and decreased 12% when comparing the first nine months of 2025 to the same period of the prior year. These decreases were primarily due to improved management of supply stock and the timing of purchases.

Bank service charges, a large portion of which includes indirect costs incurred to provide services to QCBT's correspondent banking customer portfolio, increased 12% when comparing the third quarter of 2025 to the same period of the prior year, and increased 11% when comparing the first nine months of 2025 to the same period of the prior year. As transaction volumes and the number of correspondent banking clients fluctuate, the associated expenses are expected to also fluctuate.

Correspondent banking expense increased 4% when comparing the third quarter of 2025 to the same period of the prior year, and decreased 1% when comparing the first nine months of 2025 to the same period of the prior year. These are direct costs incurred to provide services to QCBT's correspondent banking customer portfolio, including safekeeping and cash management services.

Intangibles amortization expense decreased 4% when comparing the third quarter of 2025 to the same period of the prior year, and decreased 4% when comparing the first nine months of 2025 to the same period of the prior year. The amortization expense is due to the prior acquisitions. These expenses are expected to naturally decrease as intangibles become fully amortized unless there is an addition to intangible assets.

There was no goodwill impairment recorded for the third quarter or first nine months of 2025. Goodwill impairment expense totaled $432 thousand for the third quarter and first nine months of 2024 due to the decision to discontinue offering new loans and leases at m2.

Payment card processing expense decreased 28% when comparing the third quarter of 2025 to the same period of the prior year, and decreased 20% when comparing the first nine months of 2025 to the same period of the prior year due to a decreased volume of transactions.

Trust expense increased 4% when comparing the third quarter of 2025 to the same period of the prior year due to increased assets under management. Trust expense decreased 1% when comparing the first nine months of 2025 to the same period of the prior year due to higher custody charges in the second and third quarters of 2024.

Other noninterest expense decreased 14% when comparing the third quarter of 2025 to the same period of the prior year decreased 1% when comparing the first nine months of 2025 to the same period of the prior year. The decrease was primarily due to increased insurance claim loss reserves at our QCRH Risk Management entity in 2024. Included in other noninterest expense are items such as meals and entertainment, subscriptions and sales and use tax.

INCOME TAXES

In the third quarter of 2025, the Company incurred income tax expense of $3.8 million, compared to income tax expense of $2.0 million in the same period of the prior year. During the first nine months of 2025, the Company incurred income tax expense of $5.7 million, compared to income tax expense of $5.8 million in the first nine months of 2024. The effective tax rate for the first nine months of 2025 was at 6%, down from 7% in the first nine months of 2024. The decline was primarily due to new state tax credit investments and lower pre-tax income from lower capital markets revenue. Given a more normalized mix of revenue, the Company's effective tax rate increased in the third quarter of 2025.

Refer to the reconciliation of the expected income tax rate to the effective tax rate that is included in Note 8 to the Consolidated Financial Statements for additional detail.

FINANCIAL CONDITION

Following is a table that represents the major categories of the Company's balance sheet:

| | As of | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | June 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
| | (dollars in thousands) | | | | | | | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| Cash, federal funds sold, and interest-bearing deposits | $ 237,614 | 2 % | $ 250,473 | 3 % | $ 262,324 | 3 % | $ 262,999 | 3 % |
| Securities | 1,308,689 | 14 % | 1,263,452 | 14 % | 1,200,435 | 13 % | 1,146,046 | 13 % |
| Net loans/leases | 7,090,151 | 74 % | 6,836,192 | 74 % | 6,694,563 | 74 % | 6,742,481 | 74 % |
| Derivatives | 207,775 | 2 % | 184,982 | 2 % | 186,781 | 2 % | 261,913 | 3 % |
| Other assets | 724,073 | 8 % | 707,232 | 7 % | 681,927 | 8 % | 675,126 | 7 % |
| Total assets | $ 9,568,302 | 100 % | $ 9,242,331 | 100 % | $ 9,026,030 | 100 % | $ 9,088,565 | 100 % |
| | | | | | | | | |
| Total deposits | $ 7,380,068 | 77 % | $ 7,318,353 | 79 % | $ 7,061,187 | 79 % | $ 6,984,633 | 77 % |
| Total borrowings | 706,827 | 7 % | 509,359 | 6 % | 569,532 | 6 % | 660,344 | 7 % |
| Derivatives | 230,742 | 2 % | 209,505 | 2 % | 214,823 | 2 % | 285,769 | 3 % |
| Other liabilities | 163,750 | 3 % | 154,560 | 2 % | 183,101 | 2 % | 181,199 | 2 % |
| Total stockholders' equity | 1,086,915 | 11 % | 1,050,554 | 11 % | 997,387 | 11 % | 976,620 | 11 % |
| Total liabilities and stockholders' equity | $ 9,568,302 | 100 % | $ 9,242,331 | 100 % | $ 9,026,030 | 100 % | $ 9,088,565 | 100 % |

During the third quarter of 2025, the Company's total assets increased $326.0 million, or 4%, from June 30, 2025, to a total of $9.6 billion. The Company's net loans/leases increased $254.0 million in the third quarter of 2025. Deposits increased $61.7 million, or 1%, during the third quarter of 2025. Borrowings increased $197.5 million, or 39%, during the third quarter of 2025 due primarily to strong loan and investment growth increasing funding needs.

INVESTMENT SECURITIES

The composition of the Company's securities portfolio is managed to meet liquidity needs while prioritizing the impact on interest rate risk, maximizing return and minimizing credit risk. In recent years, the Company has continued to shift the mix of the portfolio by decreasing U.S. government sponsored agency securities, while increasing tax-exempt municipal securities. Of the latter, the large majority are private placed tax-exempt debt issuances by municipalities located in the Midwest (with some in or near the Company's existing markets) that require a thorough underwriting process before investment and are generated by our specialty finance group.

Trading securities had a fair value of $83.2 million as of September 30, 2025 and consisted of retained beneficial interests acquired in conjunction with loan securitizations completed by the Company in 2023 and 2024. See also Note 4 to the Consolidated Financial Statements for details of these securitizations.

Following is a breakdown of the Company's securities portfolio by type, the percentage of net unrealized gains (losses) to carrying value on the total portfolio, and the portfolio duration:

| | As of | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | June 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | (dollars in thousands) | | | | | | | |
| U.S. treasuries and govt. sponsored agency securities | $ 14,208 | 1 % | $ 14,267 | 1 % | $ 20,591 | 2 % | $ 18,621 | 2 % |
| Municipal securities | 1,085,669 | 83 % | 1,033,642 | 81 % | 971,567 | 81 % | 965,811 | 84 % |
| Residential mortgage-backed and related securities | 57,108 | 4 % | 58,864 | 5 % | 50,042 | 4 % | 53,487 | 5 % |
| Asset-backed securities | 4,918 | 1 % | 6,684 | 1 % | 9,224 | 1 % | 10,455 | 1 % |
| Other securities | 63,824 | 5 % | 67,358 | 5 % | 65,745 | 5 % | 39,190 | 3 % |
| Trading securities | 83,225 | 6 % | 82,900 | 7 % | 83,529 | 7 % | 58,685 | 5 % |
| | $ 1,308,952 | 100 % | $ 1,263,715 | 100 % | $ 1,200,698 | 100 % | $ 1,146,249 | 100 % |
| | | | | | | | | |
| Securities as a % of total assets | 13.68 % | | 13.67 % | | 13.30 % | | 12.61 % | |
| Net unrealized losses as a % of Amortized Cost | (11.61)% | | (13.20)% | | (7.32)% | | (4.11)% | |
| Duration (in years) | 5.5 | | 5.6 | | 5.8 | | 5.8 | |
| Annual yield on investment securities (tax equivalent) | 5.53 % | | 5.46 % | | 5.26 % | | 5.32 % | |

The Company has not invested in non-agency commercial or residential mortgage-backed securities or pooled trust preferred securities. See Note 2 to the Consolidated Financial Statements for additional information regarding the Company's investment securities.

LOANS/LEASES

Total loans/leases grew 17% on an annualized basis, when adding back the impact from the planned runoff of m2 loans and leases during the first nine months of 2025. The mix of the loan/lease classes within the Company's loan/lease portfolio is presented in the following table:

| | As of | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | June 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(dollars in thousands)* | | | | | | | |
| C&I - revolving | $ 386,674 | 5 % | $ 380,029 | 5 % | $ 387,991 | 6 % | $ 387,409 | 6 % |
| C&I - other | 1,330,668 | 19 % | 1,375,689 | 20 % | 1,514,932 | 22 % | 1,410,081 | 21 % |
| CRE - owner occupied | 586,578 | 8 % | 593,675 | 9 % | 605,993 | 9 % | 622,072 | 9 % |
| CRE - non-owner occupied | 1,053,732 | 15 % | 1,036,049 | 15 % | 1,077,852 | 16 % | 1,103,694 | 16 % |
| Construction and land development | 1,544,765 | 22 % | 1,529,022 | 22 % | 1,313,543 | 19 % | 1,256,176 | 18 % |
| Multi-family | 1,503,596 | 21 % | 1,251,763 | 18 % | 1,132,110 | 17 % | 1,297,772 | 19 % |
| Direct financing leases | 11,090 | - % | 12,880 | - % | 17,076 | - % | 19,241 | - % |
| 1-4 family real estate | 599,838 | 8 % | 592,253 | 9 % | 588,179 | 9 % | 587,512 | 9 % |
| Consumer | 161,980 | 2 % | 153,564 | 2 % | 146,728 | 2 % | 144,845 | 2 % |
| Total loans/leases | $ 7,178,921 | 100 % | $ 6,924,924 | 100 % | $ 6,784,404 | 100 % | $ 6,828,802 | 100 % |
| Less allowance | (88,770) | | (88,732) | | (89,841) | | (86,321) | |
| Net loans/leases | $ 7,090,151 | | $ 6,836,192 | | $ 6,694,563 | | $ 6,742,481 | |

CRE loans are predominantly included within the CRE – owner occupied, CRE – non-owner occupied, construction and land development and multi-family loan classes, however, CRE loans can also be included in 1-4 family based on nature of the loan. As CRE loans have historically been the Company's largest portfolio segment, management places a strong emphasis on the underwriting and monitoring of the characteristics and composition of the Company's CRE loan portfolio. For example, management tracks the level of owner-occupied CRE loans relative to non-owner-occupied loans because owner-occupied loans are generally considered to have less risk. Additionally, the Company reviews CRE concentrations by industry in relation to risk-based capital on a quarterly basis. Approximately 46% of the CRE loan portfolio consists of LIHTC loans, all of which are performing and all of which are pass rated.

Historically, the Company structures most residential real estate loans to conform to the underwriting requirements of Freddie Mac and Fannie Mae to allow the subsidiary banks to resell the loans on the secondary market to avoid the interest rate risk associated with longer term fixed rate loans and to recognize noninterest income from the gain on sale. Loans originated for this purpose were classified as held for sale and are included in the residential real estate loans in the table above. Historically, the subsidiary banks structure most loans that will not conform to the underwriting requirements of Freddie Mac and Fannie Mae as adjustable-rate mortgages that mature or adjust in one to five years, and then retain these loans in their respective portfolios. The Company also holds 15-year fixed rate residential real estate loans originated in prior years that met certain credit guidelines. The Company has not originated any subprime, Alt-A, no documentation, or stated income residential real estate loans throughout its history.

The following is a listing of significant industries within the Company's CRE loan portfolio. These include loans in the following portfolio segments as of September 30, 2025: CRE owner occupied, CRE non-owner occupied, certain construction and land development, multifamily and certain 1-4 family real estate. Within the CRE Loan portfolio, there is a low amount of office exposure, totaling $225.5 million or 3.0% of total loans at September 30, 2025.

| | As of September 30, 2025 | | As of June 30, 2025 | | As of December 31, 2024 | | As of September 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | (dollars in thousands) | | | | | | | |
| Lessors of residential buildings - LIHTC | $ 2,244,966 | 46 % | $ 2,057,244 | 45 % | $ 1,778,488 | 41 % | $ 1,913,797 | 43 % |
| Lessors of nonresidential buildings | 729,435 | 15 % | 701,754 | 15 % | 679,480 | 16 % | 644,044 | 14 % |
| Lessors of residential buildings - non LIHTC | 529,653 | 11 % | 507,213 | 11 % | 535,671 | 12 % | 541,451 | 12 % |
| Hotels | 148,352 | 3 % | 131,404 | 3 % | 141,005 | 3 % | 137,413 | 3 % |
| New housing for-sale builders | 73,404 | 1 % | 69,926 | 1 % | 71,437 | 2 % | 63,586 | 2 % |
| Other * | 1,161,048 | 24 % | 1,149,458 | 25 % | 1,134,201 | 26 % | 1,189,604 | 26 % |
| Other - LIHTC | 5,738 | - % | 1,442 | - % | 1,452 | - % | 6,008 | - % |
| Total CRE loans | $ 4,892,596 | 100 % | $ 4,618,441 | 100 % | $ 4,341,734 | 100 % | $ 4,495,903 | 100 % |

* "Other" consists of all other industries. None of these had concentrations greater than $63.9 million, or approximately 1.3% of total CRE loans in the most recent period presented.

The following table reflects credit quality indicators and performance of the Company's CRE loan portfolio:

| | As of September 30, 2025 | | | | As of June 30, 2025 | | | | As of December 31, 2024 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Delinquency Status* | | | % of | Delinquency Status* | | | % of | Delinquency Status* | | | % of |
| | Performing | Nonperforming | Total | CRE | Performing | Nonperforming | Total | CRE | Performing | Nonperforming | Total | CRE |
| | (dollars in thousands) | | | | | | | | | | | |
| Pass | $ 4,795,587 | $ 37 | $ 4,795,624 | 98 % | $ 4,517,284 | $ — | $ 4,517,284 | 98 % | $ 4,248,186 | $ — | $ 4,248,186 | 98 % |
| Special Mention | 56,455 | — | 56,455 | 1 % | 52,551 | — | 52,551 | 1 % | 34,835 | — | 34,835 | 1 % |
| Substandard | 28,027 | 12,490 | 40,517 | 1 % | 37,672 | 10,934 | 48,606 | 1 % | 41,955 | 16,758 | 58,713 | 1 % |
| Doubtful | — | — | — | 0 % | — | — | — | 0 % | — | — | — | 0 % |
| | $ 4,880,069 | $ 12,527 | $ 4,892,596 | 100 % | $ 4,607,507 | $ 10,934 | $ 4,618,441 | 100 % | $ 4,324,976 | $ 16,758 | $ 4,341,734 | 100 % |
| As a percentage of total CRE portfolio | 99.74 % | 0.26 % | 100 % | | 99.76 % | 0.24 % | 100 % | | 99.61 % | 0.39 % | 100 % | |

* Performing = CRE loans accruing and less than 90 days past due. Nonperforming = CRE loans on nonaccrual and accruing CRE loans that are greater than or equal to 90 days past due.

The Company's construction and land development loan portfolio includes the following:

| | As of | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | June 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | (dollars in thousands) | | | | | | | |
| LIHTC construction | $ 1,028,978 | 67 % | $ 1,075,000 | 70 % | $ 917,986 | 70 % | $ 913,841 | 73 % |
| Construction (commercial) | 425,446 | 28 % | 366,303 | 24 % | 312,288 | 23 % | 283,990 | 22 % |
| Land development | 77,585 | 5 % | 78,530 | 5 % | 72,644 | 6 % | 48,193 | 4 % |
| Construction (non-commercial residential) | 12,756 | 1 % | 9,189 | 1 % | 10,625 | 1 % | 10,152 | 1 % |
| Total construction and land development | $ 1,544,765 | 101 % | $ 1,529,022 | 100 % | $ 1,313,543 | 100 % | $ 1,256,176 | 100 % |

The Company's 1-4 family real estate loan portfolio includes the following:

- Certain loans that do not meet the criteria for sale into the secondary market. These are often structured as adjustable rate mortgages with maturities ranging from three to seven years to avoid long-term interest rate risk.
- A limited amount of 15-year, 20-year and 30-year fixed rate residential real estate loans that meet certain credit guidelines.

The remaining 1-4 family real estate loans originated by the Company were sold on the secondary market to avoid the interest rate risk associated with longer term fixed rate loans and to recognize noninterest income from the gain on sale. Loans originated for this purpose were classified as held for sale and are included in the residential real estate loans above.

Following is a listing of significant equipment types within the m2 loan and lease portfolio:

| | As of September 30, 2025 | | As of June 30, 2025 | | As of December 31, 2024 | | As of September 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(dollars in thousands)* | | | | | | | |
| Trucks, Vans and Vocational Vehicles | $ 50,159 | 23 % | $ 57,120 | 23 % | $ 81,575 | 23 % | $ 81,575 | 23 % |
| Construction - General | 17,045 | 8 % | 20,003 | 8 % | 25,559 | 7 % | 25,559 | 7 % |
| Trailers | 12,734 | 6 % | 14,624 | 6 % | 21,638 | 6 % | 21,638 | 6 % |
| Computer Equipment | 12,625 | 6 % | 13,883 | 5 % | 17,765 | 5 % | 17,765 | 5 % |
| Tractor | 12,464 | 6 % | 14,082 | 6 % | 20,353 | 6 % | 20,353 | 6 % |
| Food Processing Equipment | 10,564 | 5 % | 12,578 | 5 % | 14,829 | 4 % | 14,829 | 4 % |
| Marine - Travelifts | 10,059 | 5 % | 10,733 | 4 % | 13,574 | 4 % | 13,574 | 4 % |
| Manufacturing - General | 9,862 | 4 % | 11,577 | 5 % | 17,490 | 5 % | 17,490 | 5 % |
| Freightliners | 7,116 | 3 % | 8,811 | 3 % | 15,478 | 4 % | 15,478 | 4 % |
| Manufacturing - CNC | 6,107 | 3 % | 6,904 | 3 % | 8,558 | 2 % | 9,324 | 3 % |
| Other * | 69,231 | 31 % | 79,702 | 32 % | 116,441 | 34 % | 115,675 | 33 % |
| Total m2 loans and leases | $ 217,966 | 100 % | $ 250,017 | 100 % | $ 353,260 | 100 % | $ 353,260 | 100 % |

* "Other" consists of all other equipment types. None of these had concentrations greater than 3% of total m2 loan and lease portfolio in the most recent period presented.

See Note 3 to the Consolidated Financial Statements for additional information regarding the Company's loan and lease portfolio.

ALLOWANCE FOR CREDIT LOSSES ON LOANS/LEASES AND OFF-BALANCE SHEET EXPOSURES

The adequacy of the ACL was determined by management based on numerous factors, including the overall composition of the loan/lease portfolio, types of loans/leases, historical loss experience, loan/lease delinquencies, potential substandard and doubtful credits, economic conditions, collateral positions, government guarantees and other factors that, in management's judgment, deserved evaluation. To ensure that an adequate ACL was maintained, provisions were made based on a number of factors, including the increase in loans/leases and a detailed analysis of the loan/lease portfolio. The loan/lease portfolio is reviewed and analyzed quarterly with specific detailed reviews completed on all credits risk-rated less than "fair quality," and carrying aggregate exposure in excess of $250 thousand. The adequacy of the allowance is monitored by the credit administration staff and reported to management and the board of directors.

Changes in the ACL for loans/leases for the three and nine months ended September 30, 2025 and 2024 are presented as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Balance, beginning | $ 88,732 | $ 87,706 | $ 89,841 | $ 87,200 |
| Change in ACL for the transfer of loans to LHFS | — | (1,812) | — | (4,691) |
| Provision | 4,225 | 3,828 | 13,635 | 11,907 |
| Charge-offs | (4,746) | (3,871) | (16,180) | (9,182) |
| Recoveries | 559 | 470 | 1,474 | 1,087 |
| Balance, ending | $ 88,770 | $ 86,321 | $ 88,770 | $ 86,321 |

Changes in the ACL for OBS exposures for the three and nine months ended September 30, 2025 and 2024 are presented as follows:

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2025 | September 30, 2024 | September 30, 2025 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Balance, beginning | $ 7,140 | $ 10,360 | $ 8,273 | $ 9,529 |
| Provisions (credited) to expense | 80 | (344) | (1,053) | 487 |
| Balance, ending | $ 7,220 | $ 10,016 | $ 7,220 | $ 10,016 |

The Company recorded a provision on credit losses related to OBS exposures in the third quarter of 2025 of $80 thousand driven by an increase in the balance of unfunded commitments. At September 30, 2025, the allowance for OBS exposures was $7.2 million.

The Company's levels of criticized and classified loans are reported in the following table:

| | As of | | | |
|---|---|---|---|---|
| **Internally Assigned Risk Rating *** | **September 30, 2025** | **June 30, 2025** | **December 31, 2024** | **September 30, 2024** |
| | *(dollars in thousands)* | | | |
| Special Mention | $ 76,750 | $ 68,621 | $ 73,636 | $ 80,121 |
| Substandard/Classified loans*** | 67,319 | 81,040 | 84,930 | 70,022 |
| Doubtful/Classified loans*** | — | — | — | — |
| Criticized Loans ** | $ 144,069 | $ 149,661 | $ 158,566 | $ 150,143 |
| | | | | |
| Criticized Loans as a %of Total Loans/Leases | 2.01 % | 2.16 % | 2.34 % | 2.20 % |
| Classified Loans as a %of Total Loans/Leases | 0.94 % | 1.17 % | 1.25 % | 1.03 % |

* Amounts above include the government guaranteed portion, if any. For the calculation of ACL, the Company assigns internal risk ratings of Pass (Rating 2) for the government guaranteed portion.

** Criticized loans are defined as loans except for direct financing leases and equipment financing agreements with internally assigned risk ratings of 9, 10, or 11, regardless of performance.

*** Classified loans are defined as loans except for direct financing leases and equipment financing agreements with internally assigned risk ratings of 10 or 11, regardless of performance.

Criticized loans as a percentage of loans and leases decreased 0.15% while classified loans as a percentage of loans and leases decreased 0.23% from June 30, 2025 to September 30, 2025 due to certain large loans that were paid off. Both criticized and classified loans as a percentage of loans and leases decreased from December 31, 2024 to September 30, 2025 due to these payoffs. The Company continues its strong focus on improving credit quality in an effort to limit NPLs.

The following table summarizes the trend in allowance as a percentage of gross loans/leases and as a percentage of NPLs:

| | As of | | | |
|---|---|---|---|---|
| | **September 30, 2025** | **June 30, 2025** | **December 31, 2024** | **September 30, 2024** |
| ACL for loans/leases / Total loans/leases held for investment | 1.24 % | 1.28 % | 1.32 % | 1.30 % |
| ACL for loans/leases / NPLs | 210.31 % | 208.84 % | 202.57 % | 248.21 % |

Although management believes that the ACL at September 30, 2025 was at a level adequate to absorb losses on existing loans/leases, there can be no assurance that such losses will not exceed the estimated amounts or that the Company will not be required to make additional provisions in the future. Unpredictable future events could adversely affect cash flows for both commercial and individual borrowers, which could cause the Company to experience increases in problem assets, delinquencies and losses on loans/leases, and require further increases in the provision for credit losses. Asset quality is a priority for the Company. The ability to grow profitably is in part dependent upon the ability to maintain that quality. The Company continually focuses efforts at its subsidiary banks and equipment financing company with the intention to improve the overall quality of the Company's loan/lease portfolio.

See Note 3 to the Consolidated Financial Statements for additional information regarding the Company's ACL.

NONPERFORMING ASSETS

The table below presents the amount of NPAs and related ratios:

| | As of | | | |
|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | December 31, 2024 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Nonaccrual loans/leases (1) | $ 42,167 | $ 42,482 | $ 40,080 | $ 33,480 |
| Accruing loans/leases past due 90 days or more | 43 | 7 | 4,270 | 1,298 |
| Total NPLs | 42,210 | 42,489 | 44,350 | 34,778 |
| OREO | — | 62 | 661 | 542 |
| Other repossessed assets | 510 | 113 | 543 | 369 |
| Total NPAs | $ 42,720 | $ 42,664 | $ 45,554 | $ 35,689 |
| | | | | |
| NPLs to total loans/leases | 0.59 % | 0.61 % | 0.65 % | 0.51 % |
| NPAs to total loans/leases plus repossessed property | 0.60 % | 0.62 % | 0.67 % | 0.52 % |
| NPAs to total assets | 0.45 % | 0.46 % | 0.50 % | 0.39 % |
| Nonaccrual loans/leases to total loans/leases | 0.59 % | 0.61 % | 0.59 % | 0.49 % |
| ACL to nonaccrual loans | 210.49 % | 208.84 % | 224.15 % | 257.83 % |

(1) Includes government guaranteed portion of loans, as applicable.

NPAs at September 30, 2025 were $42.7 million, remaining stable from June 30, 2025, and an increase of $7.0 million from September 30, 2024. The ratio of NPAs to total assets was 0.45% at September 30, 2025, a decrease from 0.46% at June 30, 2025, and an increase from 0.39% at September 30, 2024.

The majority of the NPAs consist of nonaccrual loans/leases. For nonaccrual loans/leases, management has thoroughly reviewed these loans/leases and has provided specific allowances as appropriate.

OREO and other repossessed assets are carried at the lower of carrying amount or fair value less costs to sell.

The policy of the Company is to place a loan/lease on nonaccrual status if: (a) payment in full of interest or principal is not expected; or (b) principal or interest has been in default for a period of 90 days or more unless the obligation is both in the process of collection and well secured. A loan/lease is well secured if it is secured by collateral with sufficient market value to repay principal and all accrued interest. A debt is in the process of collection if collection of the debt is proceeding in due course either through legal action, including judgment enforcement procedures, or in appropriate circumstances, through collection efforts not involving legal action which are reasonably expected to result in repayment of the debt or in its restoration to current status.

The Company's lending/leasing practices remain unchanged and asset quality remains a top priority for management.

DEPOSITS

Total deposits increased by $61.7 million during the third quarter of 2025.

The table below presents the composition of the Company's deposit portfolio:

| | As of | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, 2025 | | June 30, 2025 | | December 31, 2024 | | September 30, 2024 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(dollars in thousands)* | | | | | | | |
| Noninterest bearing demand deposits | $ 931,774 | 13 % | $ 952,032 | 13 % | $ 921,160 | 13 % | $ 969,348 | 14 % |
| Interest bearing demand deposits | 5,176,364 | 69 % | 5,087,783 | 70 % | 4,828,216 | 68 % | 4,715,087 | 68 % |
| Time deposits | 1,004,980 | 14 % | 974,341 | 13 % | 953,496 | 14 % | 942,847 | 13 % |
| Brokered deposits | 266,950 | 4 % | 304,197 | 4 % | 358,315 | 5 % | 357,351 | 5 % |
| | $ 7,380,068 | 100 % | $ 7,318,353 | 100 % | $ 7,061,187 | 100 % | $ 6,984,633 | 100 % |

The Company actively participates in the ICS/CDARS program, which is a trusted resource that provides FDIC insurance coverage for clients that maintain larger deposit balances. Deposits in the ICS/CDARS program (which are included in interest-bearing deposits and time deposits in the preceding table) totaled $2.5 billion, or 33.4% of all deposits, as of September 30, 2025.

The Company's correspondent bank deposit portfolio and funds managed consists of the following:

- Noninterest-bearing deposits which represent correspondent banks' operating cash used for processing transactions with the Federal Reserve,
- Money market deposits which represent excess liquidity, and
- EBA balances of the correspondent banks at the FRB.

The Company had total uninsured and uncollateralized deposits of $1.6 billion and $1.5 billion as of September 30, 2025 and 2024, respectively.

Management will continue to focus on growing its core deposit portfolio, including its correspondent banking business at QCBT, as well as shifting the mix from brokered and other higher cost deposits to lower cost core deposits. With the significant success achieved by QCBT in growing its correspondent banking business, QCBT has developed procedures to proactively monitor this industry concentration of deposits and loans. Other deposit-related industry concentrations and large accounts are monitored by the internal asset liability management committees.

BORROWINGS

The subsidiary banks purchase federal funds for short-term funding needs from the FRB or from their correspondent banks. The table below presents the composition of the Company's short-term borrowings:

| | As of | | | |
|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | December 31, 2024 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Federal funds purchased | $ 2,850 | $ 1,350 | $ 1,800 | $ 2,750 |

The Company's federal funds purchased fluctuate based on the short-term funding needs of the Company's subsidiary banks.

As a result of their memberships in the FHLB of Des Moines, the subsidiary banks have the ability to borrow funds for short or long-term purposes under a variety of programs. The subsidiary banks can utilize FHLB advances for loan

matching as a hedge against the possibility of changing interest rates and when these advances provide a less costly or more readily available source of funds than customer deposits.

The table below presents the Company's FHLB advances as of the periods indicated:

| | As of | | | |
|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | December 31, 2024 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Term FHLB advances | $ 145,383 | $ 145,383 | $ 145,383 | $ 145,383 |
| Overnight FHLB advances | 145,000 | 80,000 | 140,000 | 230,000 |
| | $ 290,383 | $ 225,383 | $ 285,383 | $ 375,383 |

The Company had no change in term FHLB advances from June 30, 2025 to September 30, 2025. The Company had an increase in overnight FHLB advances of $65.0 million from June 30, 2025 to September 30, 2025. The increase was primarily due to strong loan and investment growth resulting in higher funding needs during the third quarter of 2025. The Company had an increase in overnight FHLB advances of $5.0 million from December 31, 2024 to September 30, 2025 due to loan growth.

It is management's intention to reduce its reliance on wholesale funding, including FHLB advances and brokered deposits. Replacement of this funding with core deposits helps to reduce interest expense as wholesale funding tends to be higher cost. However, the Company may choose to utilize advances and/or brokered deposits to supplement funding needs, as this is a way for the Company to effectively and efficiently manage interest rate risk.

The table below presents the maturity schedule including weighted average interest cost for the Company's combined wholesale funding portfolio (defined as FHLB advances and brokered deposits):

| | September 30, 2025 | | December 31, 2024 | |
|---|---|---|---|---|
| Maturity: | Amount Due | Weighted Average Interest Rate | Amount Due | Weighted Average Interest Rate |
| | *(dollars in thousands)* | | | |
| Year ending December 31: | | | | |
| 2025 | $ 178,345 | 4.32 % | $ 338,462 | 4.59 % |
| 2026 | 127,252 | 4.45 | 53,240 | 4.91 |
| 2027 | 87,333 | 4.45 | 87,358 | 4.45 |
| 2028 | 97,499 | 4.29 | 97,639 | 4.29 |
| 2029 | 66,904 | 3.30 | 66,999 | 3.30 |
| Thereafter | — | — | — | — |
| Total Wholesale Funding | $ 557,333 | 4.25 % | $ 643,698 | 4.42 % |

During the first nine months of 2025, wholesale funding decreased $86.4 million due to deposit growth.

The Company renewed its revolving credit note in the second quarter of 2025. At renewal, the available amount under the line of credit increased from $50.0 million to $60.0 million for which there was no outstanding balance as of September 30, 2025. Interest on the revolving line of credit is calculated at the greater of: (a) the effective Prime Rate less 0.50% or (b) 3.00% per annum. The collateral on the revolving line of credit is 100% of the outstanding stock of the Company's bank subsidiaries.

The Company had other borrowings totaling $130.6 million as of September 30, 2025. In August 2025, the Company pledged a portion of its HTM municipal securities in exchange for term borrowings through a repurchase agreement. The repurchase agreements are reported as secured borrowings as we maintain effective control of the financed assets. There

were no other borrowings as of September 30, 2024. See Note 6 to the Consolidated Financial Statements for additional information.

The Company had subordinated notes totaling $234.0 million and $233.4 million as of September 30, 2025 and 2024, respectively. The Company redeemed and issued subordinated notes in the third quarter of 2025. See Note 7 to the Consolidated Financial Statements for additional information.

The Company had junior subordinated debentures totaling $49.0 million and $48.8 million as of September 30, 2025 and 2024, respectively.

STOCKHOLDERS' EQUITY

The table below presents the composition of the Company's stockholders' equity:

| | As of | | | |
|---|---|---|---|---|
| | September 30, 2025 | June 30, 2025 | December 31, 2024 | September 30, 2024 |
| | *(dollars in thousands)* | | | |
| Common stock | $ 16,839 | $ 16,935 | $ 16,882 | $ 16,861 |
| Additional paid in capital | 375,319 | 376,571 | 374,975 | 373,812 |
| Retained earnings | 747,323 | 717,956 | 665,171 | 635,589 |
| AOCI | (52,566) | (60,908) | (59,641) | (49,642) |
| Total stockholders' equity | $ 1,086,915 | $ 1,050,554 | $ 997,387 | $ 976,620 |
| | | | | |
| TCE / TA ratio (non-GAAP)* | 9.97 % | 9.92 % | 9.55 % | 9.24 % |

* TCE/TA ratio is defined as total common stockholders' equity excluding goodwill and other intangibles divided by total assets. This ratio is a non-GAAP financial measure. See GAAP to Non-GAAP Reconciliations.

As of September 30, 2025 and 2024, no preferred stock was outstanding.

On May 19, 2022, the board of directors of the Company approved a share repurchase program under which the Company is authorized to repurchase, from time to time as the Company deems appropriate, up to 1,500,000 shares of its outstanding common stock, or approximately 10% of the outstanding shares as of December 31, 2021. 115,735 shares of common stock were repurchased under the share repurchase program during the third quarter of 2025. There were 645,180 shares of common stock remaining for repurchase under the share repurchase program as of September 30, 2025. All shares repurchased under the share repurchase program were retired.

On October 20, 2025, board of directors of the Company approved a new share repurchase program under which the Company is authorized to repurchase, from time to time as the Company deems appropriate, of up to 1,700,000 shares of its common stock, or approximately 10% of the outstanding shares as of September 30, 2025. The new share repurchase program does not have an expiration date, and replaced the share repurchase program approved in 2022. The share repurchase program does not obligate the Company to repurchase any shares of its common stock, and other than repurchases that have been completed to date, there is no assurance that the Company will do so. Under the share repurchase program, the Company may repurchase shares of common stock from time to time in open market or privately negotiated transactions. The number, timing and price of shares repurchased will depend on a number of factors, including business and market conditions, regulatory requirements, availability of funds, and other factors, including opportunities to deploy the Company's capital. The Company may, in its discretion, begin, suspend or terminate repurchases at any time prior to the program's expiration, without any prior notice.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity measures the ability of the Company to meet maturing obligations and its existing commitments, to withstand fluctuations in deposit levels, to fund its operations, and to provide for customer credit needs. The Company monitors liquidity risk through contingency planning stress testing on a regular basis. The Company seeks to avoid an over-concentration of funding sources and to establish and maintain contingent funding facilities that can be drawn upon if normal funding sources become unavailable. One source of liquidity is cash and short-term assets, such as interest-bearing deposits in other banks and federal funds sold, which totaled $237.6 million and $263.0 million at September 30, 2025 and 2024, respectively. The Company's on-balance sheet liquidity position can fluctuate based on short-term activity in deposits and loans.

The subsidiary banks have a variety of sources of short-term liquidity available to them, including federal funds purchased from correspondent banks, FHLB advances, wholesale structured repurchase agreements, brokered deposits, lines of credit, borrowing at the Federal Reserve Discount Window, sales of securities AFS, and loan/lease participations or sales. The Company also generates liquidity from the regular principal payments and prepayments made on its loan/lease portfolio and on the regular monthly payments on its securities portfolio.

At September 30, 2025, the subsidiary banks had 26 lines of credit totaling $911.2 million with upstream correspondent banks, of which $470.4 million was secured and $440.8 million was unsecured. At September 30, 2025, the Company had the full $911.2 million available under these lines of credit.

At December 31, 2024, the subsidiary banks had 27 lines of credit totaling $1.2 billion, of which $746.7 million was secured and $450.8 million was unsecured. At December 31, 2024, $1.2 billion was available under these lines of credit.

The Company has emphasized growing the number and amount of available lines of credit in an effort to strengthen this contingent source of liquidity. Additionally, the Company maintains a $60.0 million secured revolving credit note with a variable interest rate and a maturity of June 30, 2026. At September 30, 2025, the full $60.0 million was available.

As of September 30, 2025, the Company had $951.8 million in actual correspondent banking deposits spread over 189 relationships. While the Company believes that these funds are relatively stable, there is the potential for large fluctuations that can impact liquidity. Seasonality and the liquidity needs of these correspondent banks can impact balances. Management closely monitors these fluctuations and runs stress scenarios to measure the impact on liquidity and interest rate risk with various levels of correspondent deposit run-off.

Investing activities used cash of $544.1 million during the first nine months of 2025, compared to $670.0 million for the same period of 2024. The net decrease in federal funds sold was $5.0 million for the first nine months of 2025, compared to a net decrease of $22.2 million for the same period of 2024. The net decrease in interest-bearing deposits at financial institutions was $5.6 million for the first nine months of 2025, compared to a net increase of $41.0 million for the same period of 2024. Proceeds from calls, maturities, and paydowns of securities were $63.9 million for the first nine months of 2025, compared to $48.8 million for the same period of 2024. Purchases of securities used cash of $170.5 million for the first nine months of 2025, compared to $148.1 million for the same period of 2024. There were no proceeds from the sale of securities for the first nine months of 2025, compared to proceeds of $445 thousand for the same period of 2024. The net increase in loans/leases used cash of $407.5 million for the first nine months of 2025 compared to a net increase in loans of $525.3 million for the same period of 2024.

Financing activities provided cash of $443.9 million for the first nine months of 2025, compared to $409.5 million for same period of 2024. Net increases in deposits totaled $318.9 million for the first nine months of 2025, compared to net increases in deposits of $470.6 million for the same period of 2024. During the first nine months of 2025, the Company's short-term borrowings increased $1.1 million compared to an increase in short-term borrowings of $1.3 million for the same period of 2024. Net increase in overnight advances totaled $5.0 million for the first nine months of 2025 as compared to net decrease of $70.0 million for the same period of 2024. Proceeds from other borrowings were $130.6 million for the first nine months of 2025. There were no proceeds from other borrowings in the first nine months of 2024. Repurchase

and cancellation of shares in the first nine months of 2025 totaled $9.0 million, as compared to no repurchase and cancellation of shares in the first nine months of 2024.

Total cash provided by operating activities was $86.1 million for the first nine months of 2025, compared to net cash provided by operating activities of $267.2 million for the same period of 2024.

Throughout its history, the Company has secured additional capital through various sources, including the issuance of common and preferred stock, as well as trust preferred securities and subordinated notes.

The Company had two LIHTC securitization that closed in 2024. LIHTC securitizations may continue to be an ongoing tool in managing liquidity and capital. Refer to Note 4 of the Consolidated Financial Statements for details of these securitizations.

As of September 30, 2025 and December 31, 2024, the subsidiary banks remained "well-capitalized" in accordance with regulatory capital requirements administered by the federal banking authorities. Refer to Note 12 of the Consolidated Financial Statements for additional information regarding regulatory capital.

SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference) contains, and future oral and written statements of the Company and its management may contain, forward-looking statements, within the meaning of such term in the Private Securities Litigation Reform Act of 1995, with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "bode," "predict," "suggest," "project," "appear," "plan," "intend," "estimate," "annualize," "may," "will," "would," "could," "should," "likely," "might," "potential," "continue," "annualized," "target," "outlook," as well as the negative forms of those words or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors that could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries include, but are not limited to, the following:

- The strength of the local, state, national and international economies and financial markets, including effects of inflationary pressures, the threat or implementation of tariffs, trade wars and changes to immigration policy.
- Changes in, and the interpretation and prioritization of, local, state and federal laws, regulations and governmental policies (including those concerning the Company's general business).
- The economic impact of any future terrorist threats and attacks, widespread disease or pandemics, acts of war or threats thereof (including the Russian invasion of Ukraine and ongoing conflicts in the Middle East), or other adverse events that could cause economic deterioration or instability in credit markets, and the response of the local, state and national governments to any such adverse external events.
- New or revised accounting policies and practices, as may be adopted by state and federal regulatory agencies, the FASB, the SEC or the PCAOB.
- The imposition of tariffs or other governmental policies impacting the value of products produced by the Company's commercial borrowers.
- Increased competition in the financial services sector, including from non-bank competitors such as credit unions, fintech companies, and digital asset service providers, and the inability to attract new customers.

- Rapid technological changes implemented by us and our third-party vendors, including the development and implementation of tools incorporating artificial intelligence.
- Unexpected results of acquisitions, including failure to realize the anticipated benefits of the acquisitions and the possibility that transaction and integration costs may be greater than anticipated.
- The loss of key executives and employees, talent shortages and employee turnover.
- Changes in consumer spending.
- Unexpected outcomes and costs of existing or new litigation or other legal proceedings and regulatory actions involving the Company.
- The economic impact on the Company and its customers of climate change, natural disasters and exceptional weather occurrences such as tornadoes, floods and blizzards.
- Fluctuations in the value of securities held in our securities portfolio, including as a result of changes in interest rates.
- Credit risk and risks from concentrations (by type of borrower, geographic area, collateral and industry) within our loan portfolio and large loans to certain borrowers (including CRE loans).
- The overall health of the local and national real estate market.
- The ability to maintain an adequate level of allowance for credit losses on loans.
- The concentration of large deposits from certain clients who have balances above current FDIC insurance limits and who may withdraw deposits to diversify their exposure.
- The ability to successfully manage liquidity risk, which may increase dependence on non-core funding sources such as brokered deposits, and may negatively impact the Company's cost of funds.
- The level of non-performing assets on our balance sheet.
- Interruptions involving our information technology and communications systems or third-party servicers.
- The occurrence of fraudulent activity, breaches or failures of our third-party vendors' information security controls or cybersecurity-related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools or as a result of insider fraud.
- Changes in the interest rates and repayment rates of the Company's assets.
- The effectiveness of our risk management framework.
- The effects of the current U.S. government shutdown, including the impact of prolonged closures or staffing reductions at government agencies effecting our business (for instance, the U.S. Department of Housing and Urban Development involvement with our LIHTC lending business).
- The ability of the Company to manage the risks associated with the foregoing.

These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. For a discussion of the factors that could have a material adverse effect on the operations and future prospects of the Company and its subsidiaries, see the "Risk Factors" section included under Item 1A. of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

Part I
Item 3

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company, like other financial institutions, is subject to direct and indirect market risk. Direct market risk exists from changes in interest rates. The Company's net income is dependent on its net interest income. Net interest income is susceptible to interest rate risk to the degree that interest-bearing liabilities mature or reprice on a different basis than interest-earning assets. When interest-bearing liabilities mature or reprice more quickly than interest-earning assets in a given period, a significant increase in market rates of interest could adversely affect net interest income. Similarly, when interest-earning assets mature or reprice more quickly than interest-bearing liabilities, falling interest rates could result in a decrease in net interest income.

In an attempt to manage the Company's exposure to changes in interest rates, management monitors the Company's interest rate risk. Each subsidiary bank has an asset/liability management committee of the board of directors that meets quarterly to review the bank's interest rate risk position and profitability, and to make or recommend adjustments for consideration by the full board of each bank.

Internal asset/liability management teams, consisting of members of the subsidiary banks' management, meet bi-weekly to manage the mix of assets and liabilities to maximize earnings and liquidity and minimize interest rate and other risks. Management also reviews the subsidiary banks' securities portfolios, formulates investment strategies, and oversees the timing and implementation of transactions to assure attainment of the board's objectives in an effective manner. Notwithstanding the Company's interest rate risk management activities, the potential for changing interest rates is an uncertainty that can have an adverse effect on net income.

In adjusting the Company's asset/liability position, the board of directors and management attempt to manage the Company's interest rate risk while maintaining or enhancing net interest margins. At times, depending on the level of general interest rates, the relationship between long-term and short-term interest rates, market conditions and competitive factors, the board of directors and management may decide to increase the Company's interest rate risk position somewhat in order to increase its net interest margin. The Company's results of operations and net portfolio values remain vulnerable to increases in interest rates and to fluctuations in the difference between long-term and short-term interest rates.

One method used to quantify interest rate risk is a short-term earnings at risk summary, which is a detailed and dynamic simulation model used to quantify the estimated exposure of net interest income to sustained interest rate changes. This simulation model captures the impact of changing interest rates on the interest income received and interest expense paid on all interest sensitive assets and liabilities reflected on the Company's consolidated balance sheet. This sensitivity analysis demonstrates net interest income exposure annually over a five-year horizon, assuming no balance sheet growth, no balance sheet mix change, and various interest rate scenarios including no change in rates; 100, 200, 300, and 400 basis point upward and downward shifts; where interest-bearing assets and liabilities reprice at their earliest possible repricing date.

The model assumes parallel and pro rata shifts in interest rates over a twelve-month period for the 100, 200 and 300 basis point upward and downward shifts. For the 400 basis point upward shift, the model assumes a parallel and pro rata shift in interest rates over a twenty-four month period.

Further, in recent years, the Company added additional interest rate scenarios where interest rates experience a parallel and instantaneous shift (a "shock") upward and downward of 100, 200, 300, and 400 basis points. The Company will run additional interest rate scenarios on an as-needed basis.

The asset/liability management committees of the subsidiary bank boards of directors have established policy limits of a 10% decline in net interest income for the 200-basis point upward and downward parallel shift. For the 300 basis point upward and downward shock, the established policy limit is a 30% decline in net interest income. The increased policy limit is appropriate as the shock scenario is extreme and unlikely and warrants a higher limit than the more realistic and traditional parallel/pro-rata shift scenarios.

Part I
Item 3

Application of the simulation model analysis for select interest rate scenarios at the most recent quarter-end available is presented in the following table:

| | NET INTEREST INCOME EXPOSURE IN YEAR 1 | | |
|---|---|---|---|
| INTEREST RATE SCENARIO | POLICY LIMIT | As of September 30, 2025 | As of December 31, 2024 |
| 300 basis point downward parallel shock | (30.0)% | 1.8 % | 4.8 % |
| 200 basis point downward parallel shift | (10.0)% | 1.0 % | 2.3 % |
| 200 basis point upward parallel shift | (10.0)% | (1.1)% | (3.2)% |
| 300 basis point upward parallel shock | (30.0)% | (3.5)% | (9.2)% |

With the shift in funding from non-interest bearing and lower beta deposits to higher beta deposits, the Company's balance sheet is now moderately liability sensitive. Notably, management is conservative with the repricing assumptions on loans and deposits. For example, management does not model any delay in loan and deposit betas despite historical experience and practice of delays in deposit betas. Additionally, management does not model mix shift or growth in its standard scenarios which can be impactful. As an alternative, management runs separate scenarios to capture the impact on delayed beta performance and various shifts in mix of loans and deposits. Finally, management models a variety of scenarios including some that stress key assumptions to help capture and isolate the impact of the management's more conservative approach to the assumptions in the base model.

The simulation is within the board-established policy limits for all four scenarios. Additionally, for all of the various interest rate scenarios modeled and measured by management (as described above), the results at September 30, 2025 were within established risk tolerances as established by policy or by best practice (if the interest rate scenario didn't have a specific policy limit).

Interest rate risk is considered to be one of the most significant market risks affecting the Company. For that reason, the Company engages the assistance of a national consulting firm and its risk management system to monitor and control the Company's interest rate risk exposure. Other types of market risk, such as foreign currency exchange rate risk and commodity price risk, do not arise in the normal course of the Company's business activities.

Part I
Item 4

CONTROLS AND PROCEDURES

**Evaluation of disclosure controls and procedures.** An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) promulgated under the Exchange Act of 1934) as of September 30, 2025. Based on that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report, to ensure that information required to be disclosed in the reports filed and submitted under the Exchange Act was recorded, processed, summarized and reported as and when required.

**Changes in Internal Control over Financial Reporting.** There have been no significant changes to the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II

QCR HOLDINGS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 1 Legal Proceedings

There are no material pending legal proceedings to which the Company or any of its subsidiaries is a party other than ordinary routine litigation incidental to their respective businesses.

Item 1A Risk Factors

There have been no material changes in the risk factors applicable to the Company from those disclosed in Part I, Item 1A., "Risk Factors," in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Please refer to that section of the Company's Form 10-K for disclosures regarding the risks and uncertainties related to the Company's business.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On May 19, 2022, the board of directors of the Company approved a share repurchase program under which the Company is authorized to repurchase, from time to time as the Company deems appropriate, up to 1,500,000 shares of its outstanding common stock, or approximately 10% of the outstanding shares as of December 31, 2021. 115,735 shares of common stock were repurchased under the share repurchase program during the third quarter of 2025. All shares repurchased under the share repurchase program during the third quarter were retired. On October 20, 2025, board of directors of the Company approved a new share repurchase program under which the Company is authorized to repurchase, from time to time as the Company deems appropriate, of up to 1,700,000 shares of its common stock, or approximately 10% of the outstanding shares as of September 30, 2025. The new share repurchase program does not have an expiration date, and replaced the share repurchase program approved in 2022.

| Period | Total number of shares purchased | Average price paid per share | Total number of shares purchased as part of publicly announced plans or programs | Maximum number of shares that may yet be purchased under the plans or programs |
|---|---|---|---|---|
| July 1-31, 2025 | — | $ - | 1,539,085 | 760,915 |
| August 1-31, 2025 | 26,200 | 77.06 | 1,565,285 | 734,715 |
| September 1-30, 2025 | 89,535 | 77.85 | 1,654,820 | 645,180 |

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

Not applicable

Item 5 Other Information

During the fiscal quarter ended September 30, 2025, none of the Company's directors or executive officers adopted or terminated a contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule10b5-1(c) or any non-Rule 10b5-1 trading arrangement.

Part II

QCR HOLDINGS, INC. AND SUBSIDIARIES

PART II - OTHER INFORMATION

Item 6 Exhibits

| | |
|---|---|
| 4.1 | Form of 6.875% Fixed-to-Floating Rate Subordinated Note due 2035 (incorporated by reference to Exhibit A to the Note Purchase Agreement filed as Exhibit 10.1 of the Company's Current Report on Form 8-K filed on September 15, 2025). |
| 4.2 | Form of 7.225% Fixed-to-Floating Rate Subordinated Note due 2037 (incorporated by reference to Exhibit B to the Note Purchase Agreement filed as Exhibit 10.1 of the Company's Current Report on Form 8-K filed on September 15, 2025). |
| 10.1 | Form of Subordinated Note Purchase Agreement, dated September 15, 2025, by and between QCR Holdings, Inc. and the Purchaser (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on September 15, 2025). |
| 31.1 | Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a). |
| 31.2 | Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a). |
| 32.1 | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | Inline XBRL Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of September 30, 2025 and December 31, 2024; (ii) Consolidated Statements of Income for the three months ended September 30, 2025 and September 30, 2024; (iii) Consolidated Statements of Income for the nine months ended September 30, 2025 and September 30, 2024; (iv) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2025 and September 30, 2024; (v) Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2025 and September 30, 2024; (v) Consolidated Statements of Cash Flows for the three and nine months ended September 30, 2025 and September 30, 2024; and (vi) Notes to the Consolidated Financial Statements. |
| 104 | Inline XBRL cover page interactive data file pursuant to Rule 406 of Regulation S-T for the interactive data files referenced in Exhibit 101. |

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QCR HOLDINGS, INC.
(Registrant)

Date November 7, 2025

/s/ Todd A. Gipple
Todd A. Gipple
President & Chief Executive Officer

Date November 7, 2025

/s/ Nick W. Anderson
Nick W. Anderson
Chief Financial Officer

Date November 7, 2025

/s/ Brittany N. Whitfield
Brittany N. Whitfield
Chief Accounting Officer