

Fourth Quarter 2023
ECONOMIC INDICATORS (NOT SEASONALLY ADJUSTED, UNLESS NOTED)

| Employment Growth Rates (% change from year ago, unless noted) | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|--|--------------|--------------|--------------|-------------|-------------|
| Total Nonfarm (share of trailing four quarter employment in parentheses) | 2.5% | 2.6% | 4.7% | 3.3% | 5.8% |
| Manufacturing (7%) | 2.0% | 2.4% | 5.4% | 3.1% | 5.8% |
| Other (non-manufacturing) Goods-Producing (7%) | 4.3% | 4.3% | 7.0% | 5.5% | 7.1% |
| Private Service-Providing (71%) | 2.2% | 2.4% | 5.1% | 3.2% | 6.6% |
| Government (15%) | 3.3% | 3.0% | 1.8% | 2.8% | 1.4% |
| Unemployment Rate (% of labor force, seasonally adjusted) | 3.9% | 3.9% | 4.0% | 3.9% | 3.9% |

| Other Indicators (% change of 4-qtr moving total, unless noted) | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|---|--------------|--------------|--------------|-------------|-------------|
| Single-Family Home Permits | -7.8% | -19.6% | -11.1% | -7.8% | -11.1% |
| Multifamily Building Permits | -26.7% | -10.8% | 35.2% | -26.7% | 35.2% |
| Home Price Index (change from year ago) | 2.7% | 2.2% | 13.7% | 4.1% | 19.8% |
| Nonbusiness Bankruptcy Filings per 1000 people (quarterly annualized level) | N/A | 0.78 | 0.64 | N/A | 0.61 |

BANKING TRENDS

| General Information | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|--------------------------------|--------------|--------------|--------------|-------------|-------------|
| Institutions (#) | 382 | 383 | 387 | 382 | 387 |
| Total Assets (in millions) | \$1,048,273 | \$1,039,496 | \$1,092,235 | \$1,048,273 | \$1,092,235 |
| New Institutions (# < 3 years) | 2 | 2 | 2 | 2 | 2 |
| Subchapter S Institutions (#) | 183 | 183 | 185 | 183 | 185 |

| Asset Quality | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|---|--------------|--------------|--------------|-------------|-------------|
| Past-Due and Nonaccrual Loans / Total Loans (median %) | 0.76 | 0.69 | 0.60 | 0.76 | 0.60 |
| Noncurrent Loans / Total Loans (median %) | 0.20 | 0.16 | 0.15 | 0.20 | 0.15 |
| Loan and Lease Allowance / Total Loans (median %) | 1.25 | 1.26 | 1.25 | 1.25 | 1.25 |
| Loan and Lease Allowance / Noncurrent Loans (median multiple) | 3.72 | 4.38 | 5.10 | 3.72 | 5.10 |
| Net Loan Losses / Total Loans (median %, year-to-date annualized) | 0.03 | 0.01 | 0.01 | 0.03 | 0.01 |

| Capital / Earnings (year-to-date annualized, unless noted) | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|---|--------------|--------------|--------------|-------------|-------------|
| Tier 1 Leverage (median %, end of period) | 10.74 | 10.68 | 10.26 | 10.74 | 10.26 |
| Return on Assets (median %) | 1.21 | 1.24 | 1.20 | 1.21 | 1.20 |
| Pretax Return on Assets (median %) | 1.35 | 1.39 | 1.32 | 1.35 | 1.32 |
| Net Interest Margin (median %) | 3.72 | 3.69 | 3.46 | 3.72 | 3.46 |
| Yield on Earning Assets (median %) | 5.12 | 4.99 | 3.86 | 5.12 | 3.86 |
| Cost of Funding Earning Assets (median %) | 1.38 | 1.25 | 0.33 | 1.38 | 0.33 |
| Provisions to Avg. Assets (median %) | 0.06 | 0.05 | 0.05 | 0.06 | 0.05 |
| Noninterest Income to Avg. Assets (median %) | 0.49 | 0.50 | 0.49 | 0.49 | 0.49 |
| Overhead to Avg. Assets (median %) | 2.55 | 2.51 | 2.40 | 2.55 | 2.40 |

| Liquidity / Sensitivity | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|--|--------------|--------------|--------------|-------------|-------------|
| Net Loans to Assets (median %) | 60.75 | 60.66 | 56.33 | 60.75 | 56.33 |
| Noncore Funding to Assets (median %) | 11.54 | 11.01 | 7.02 | 11.54 | 7.02 |
| Long-term Assets to Assets (median %, call filers) | 29.16 | 29.52 | 34.39 | 29.16 | 34.39 |
| Brokered Deposits (number of institutions) | 117 | 105 | 88 | 117 | 88 |
| Brokered Deposits to Assets (median % for those above) | 3.47 | 4.44 | 3.85 | 3.47 | 3.85 |

| Loan Concentrations (median % of Tier 1 Capital plus the Reserve for Loan and Lease Losses) | Q4-23 | Q3-23 | Q4-22 | 2023 | 2022 |
|--|--------------|--------------|--------------|-------------|-------------|
| Commercial and Industrial | 55 | 55 | 55 | 55 | 55 |
| Commercial Real Estate | 211 | 206 | 206 | 211 | 206 |
| Construction & Development | 58 | 57 | 56 | 58 | 56 |
| Multifamily Residential Real Estate | 6 | 6 | 6 | 6 | 6 |
| Nonresidential Real Estate | 125 | 121 | 123 | 125 | 123 |
| Residential Real Estate | 99 | 99 | 90 | 99 | 90 |
| Consumer | 11 | 11 | 11 | 11 | 11 |
| Agriculture | 25 | 25 | 25 | 25 | 25 |

BANKING PROFILE

| Largest Deposit Markets (from 2023 Summary of Deposits) | Institutions in Market | | Asset Distribution | | Institutions | |
|--|-------------------------------|-----------|--------------------------------|-----|---------------------|--|
| Dallas-Fort Worth-Arlington, TX | 168 | \$714,660 | < \$100 million | 51 | (13.4%) | |
| Houston-The Woodlands-Sugar Land, TX | 104 | \$324,124 | \$100 million to \$250 million | 88 | (23.0%) | |
| San Antonio-New Braunfels, TX | 63 | \$180,282 | \$250 million to \$1 billion | 151 | (39.5%) | |
| Austin-Round Rock-Georgetown, TX | 73 | \$66,438 | \$1 billion to \$10 billion | 78 | (20.4%) | |
| McAllen-Edinburg-Mission, TX | 20 | \$14,219 | \$10 billion | 14 | (3.7%) | |