

NCBankers ASSOCIATION *Strong Banks, Strong Communities*

OBL Ohio Bankers League

The State of Banking: 2026 Mid-Year Review

June 30th, 2026

Scott Anderson *KBW Head of Global Investment Banking*
Stifel Co-Head of Investment Banking

KBW KEEFE, BRUYETTE & WOODS *A Stifel Company*

The Industry

Industry Backdrop

The Banking Industry Is in Great Shape

Balance Sheets Are Solid

Profitability Is Strong

D.C. Is Supportive

Bank Stocks Have Had a Rough Decade, but Have Led More Recently

Large Banks Have Outperformed

ROATCE Targets in Focus

Long-Term Trends Are Manifesting

Non-Bank Players Taking Scale

Scale Is Being Rewarded

Tech Spend Is Impactful

Industry Themes

More Good than Bad

Scale

Credit

Efficiency

Valuations

Funding

Strong Outlook

Valuations

Threats

Capital

Talent Wars

Inflation

Washington

Innovation

Profitability

Rates

Global

Conflict

Security

Alternative Asset Managers

Curve

Artificial Intelligence

Liquidity

FinTech

Competition

Recent Market Developments

Recent Headlines Impacting Markets

WSJ

U.S. and Iran Have Reached a Deal to Stop Fighting, Reopen Shipping

Treasury Yields Rise on Hawkish New Fed

Bloomberg NEWS

Oil Declines After US-Iran Deal Progress, Sanctions Waiver

Fed Officials Edge Closer to Rate Hikes as Warsh Takes Helm

CNBC

Fed Signals Shift At June Meeting With Markets Pricing In 2026 Hike Published Jun 08, 2026, 09:02am EDT, Updated Jun 08, 2026, 10:07am EDT

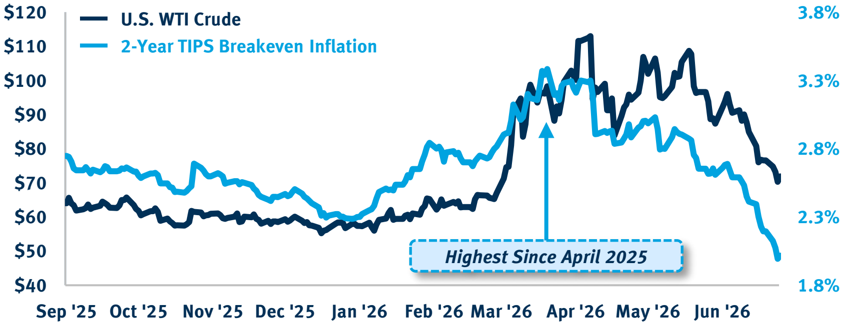
Core inflation rate hit 3.4% in May, highest since October 2023, Fed's preferred gauge shows

Forbes

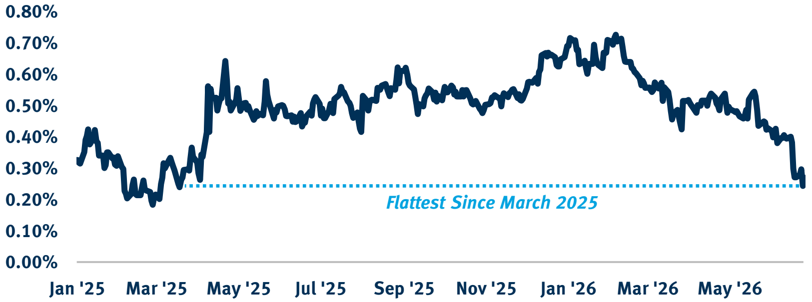
Treasury yields edge higher as traders weigh rate outlook, fresh Iran tensions

U.S. payrolls rose by 172,000 in May, much more than expected; unemployment at 4.3%

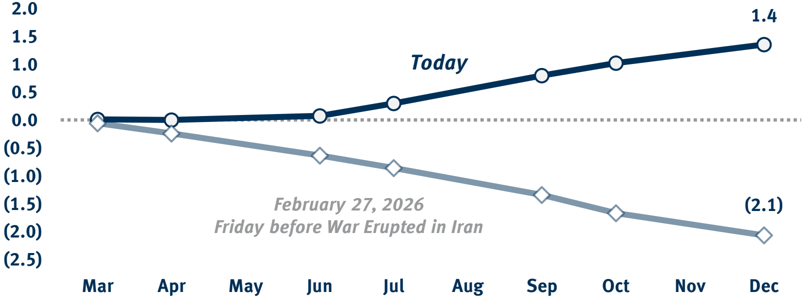
Crude Oil and Breakeven Inflation



2-Year, 10-Year Treasury Yield Spread



Number of 2026 Fed Hikes (Cuts) Implied by Futures



Source: Forbes, The Wall Street Journal, CNBC, Bloomberg and Stifel Fixed Income; Market Data as of 06/24/2026

Q1 Was Different From Start to Finish

Start of Q1 2026		End of Q1 2026
✓ Lower Rates		○ Military Action
✓ Healthy Yield Curve		○ $100 Oil
✓ Regulatory Greenlight		○ Fiscal Uncertainty
✓ Strong Loan Growth	*Quarter-End Dynamics Departed From Early Trends*	○ Tariff Uncertainty
✓ Strong EPS Growth		○ Election Uncertainty
✓ Capital Return		○ Higher for Longer
✓ Active M&A		○ Flatter Yield Curve

Bank Fundamentals Pivoted in 2025

Best Outlook in Years

	’24	’25	’26Q1	’26E	’27E
Growth					
Loans	3%	6%	3%	5%	5%
Deposits	3%	5%	5%	5%	5%
NIM Delta	(0.10%)	0.24%	(0.04%)	0.12%	0.03%
Net Interest Income	0%	12%	12%	10%	6%
EPS	(2%)	17%	22%	12%	9%
Profitability					
Efficiency Ratio	61.2%	58.3%	57.5%	56.4%	55.4%
Expense / Avg Assets	2.32%	2.37%	2.37%	2.38%	2.35%
PTPP ROAA	1.48%	1.68%	1.73%	1.80%	1.87%
ROAA	1.03%	1.17%	1.23%	1.25%	1.28%
ROATCE	13.1%	13.8%	13.9%	14.3%	14.0%
Credit Quality					
Provision / Avg Loans	0.19%	0.20%	0.16%	0.19%	0.22%
NCOs / Avg Loans	0.16%	0.18%	0.14%	0.17%	0.17%
Reserves / Loans	1.22%	1.21%	1.21%	1.20%	1.18%
Capital and Dividends					
TCE / TA	8.7%	9.0%	9.0%	9.4%	9.8%
Total Payout Ratio	43%	49%	42%	42%	39%
Dividend Payout Ratio	34%	31%	31%	30%	29%

Growth Has Returned

Improving Profitability

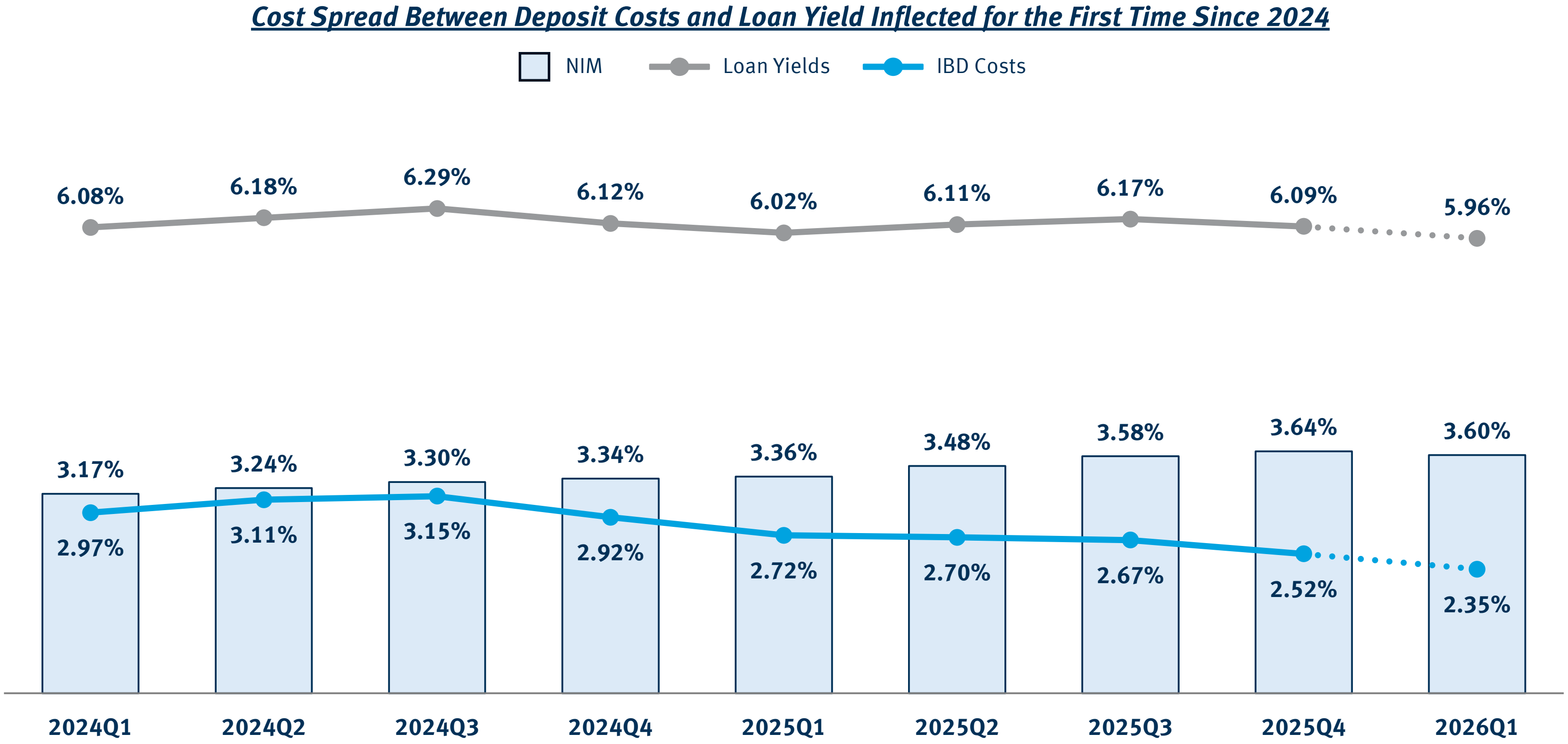
Industry Is Overearning on Credit

Excess Capital Building & Capital Return Ready to Ramp

Source: KBW Research
Note: Reflects median of all banks under KBW Research coverage

Repricing Dynamics May Start Coming to Light

Is NIM Peaking?



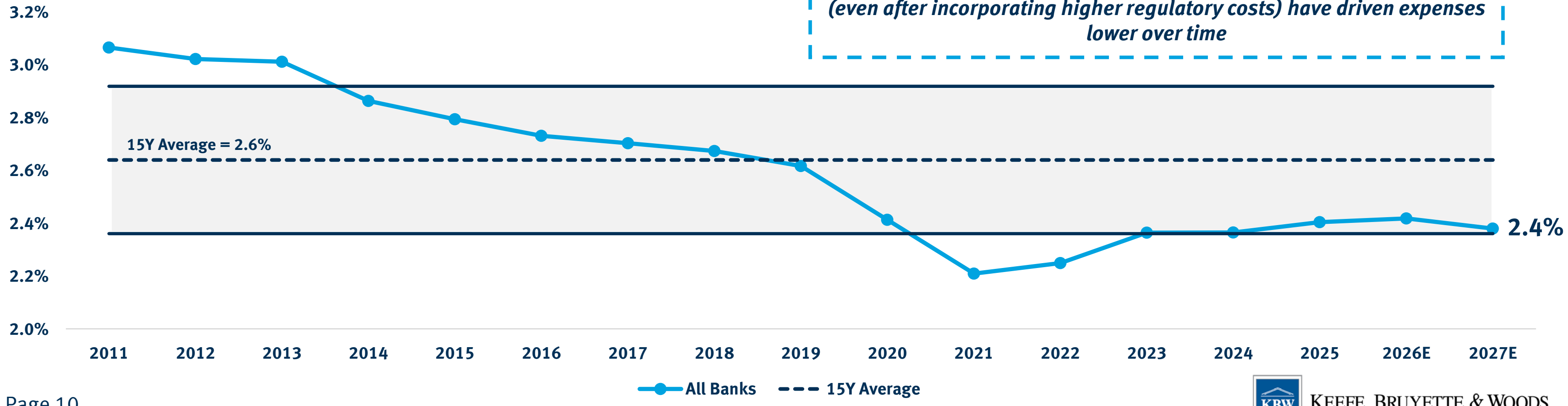
Source: KBW Research
Note: Reflects median of all banks under KBW Research coverage; Excludes merger targets and trust banks

The Industry Is Maintaining Operating Leverage

Noninterest Expense / Avg. Assets (%)

	Money Centers	Super Regionals	$50-$100B Banks	$10-$50B Banks	$5-$10B Banks	$1-$5B Banks
15Y Avg.	2.4%	2.8%	2.6%	2.6%	2.6%	2.8%
2027E	2.2%	2.5%	2.2%	2.3%	2.4%	2.5%

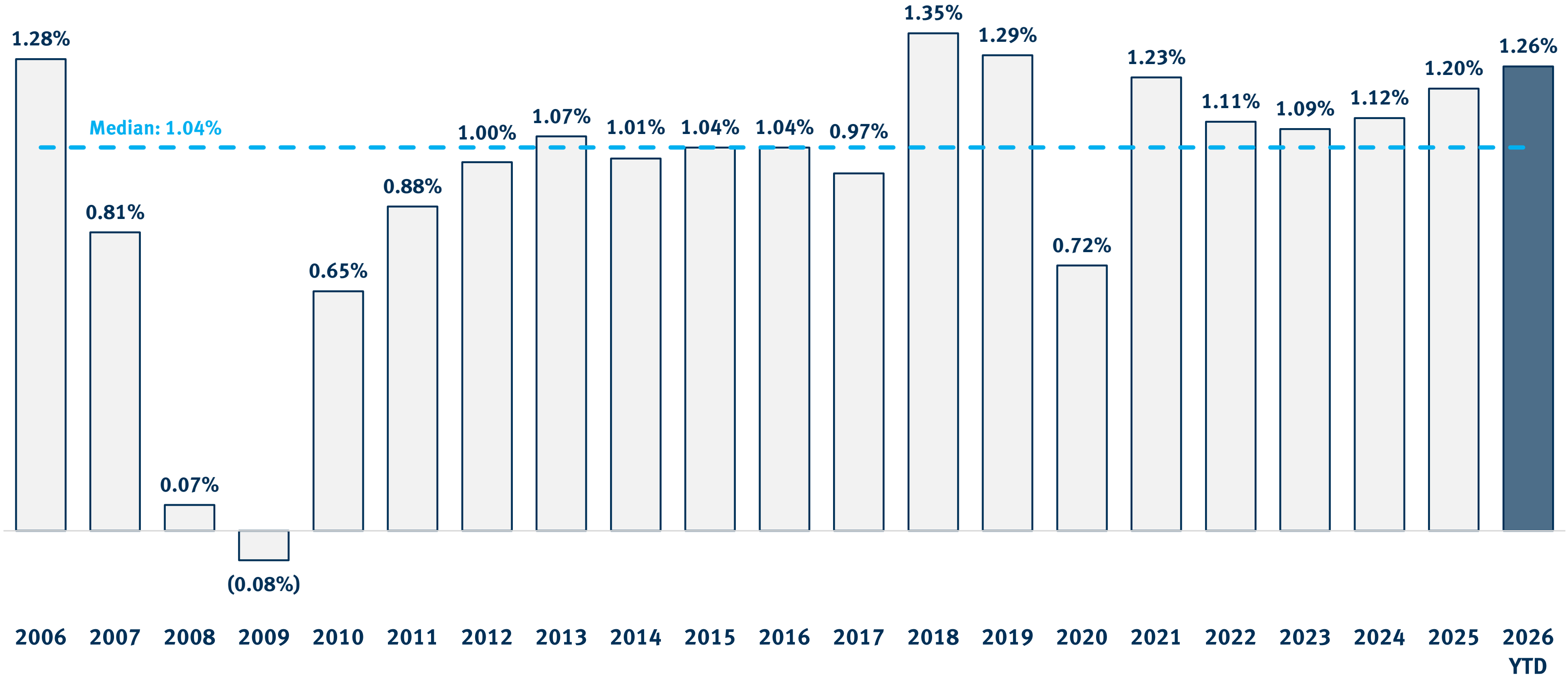
Operational efficiencies through scale, consolidation and technology (even after incorporating higher regulatory costs) have driven expenses lower over time



Source: KBW Research

The Industry Has Proven Resilient

Historical Industry Average ROAA

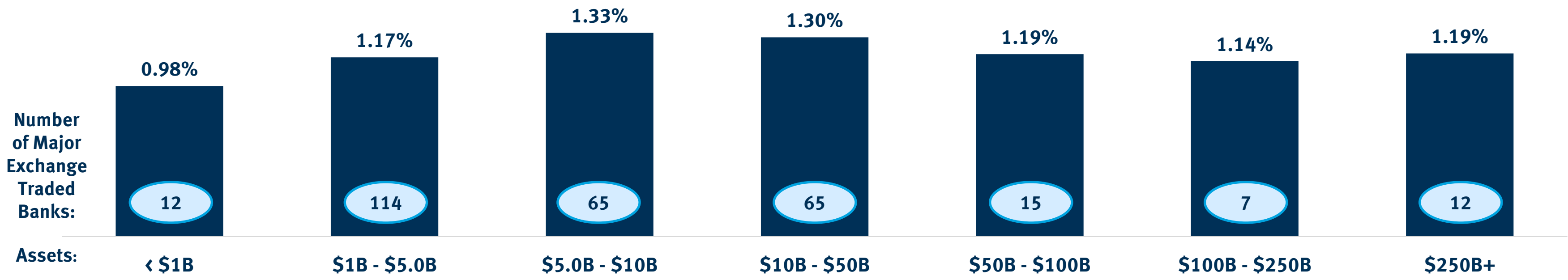


Source: FDIC
Note: 2026YTD ROAA as of 03/31/2026

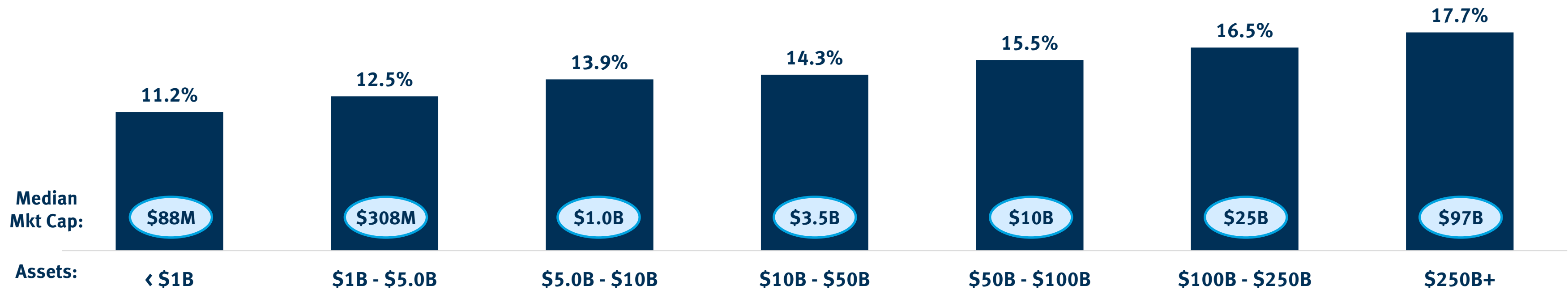
Profitability Scales

2027 Forward Outlook

2027E ROAA (%)



2027E ROATCE (%)



Source: S&P Capital IQ Pro and FactSet; Market data as of 06/24/2026

Note: Estimates per FactSet consensus estimates
Note: Includes major exchange traded banks headquartered in the U.S.; Excludes merger targets and mutual holding companies

There Is Much Optimism in the Industry

		Commentary
WELLS FARGO		**"The reason why we have the confidence that we have is** because we're seeing these KPIs across every one of our businesses growing in a reasonable way." *Charlie Scharf - CEO*
PNC		**"Corporate activity is very strong.** So much better credit this year than last year, healthy consumer, strong corporates… in the moment, things feel really good." *Bill Demchak - CEO*
Huntington		"In my career, **the banks have never been stronger** – better capital, better discipline in terms of credit risk management and overall risk management." *Stephen Steinour - CEO*
FIRST HORIZON		**"We haven't seen pipelines this strong since the '21 - '22 time frame** when rates were essentially 0." *Bryan Jordan - CEO*

Source: Company transcripts and documents

The Stocks

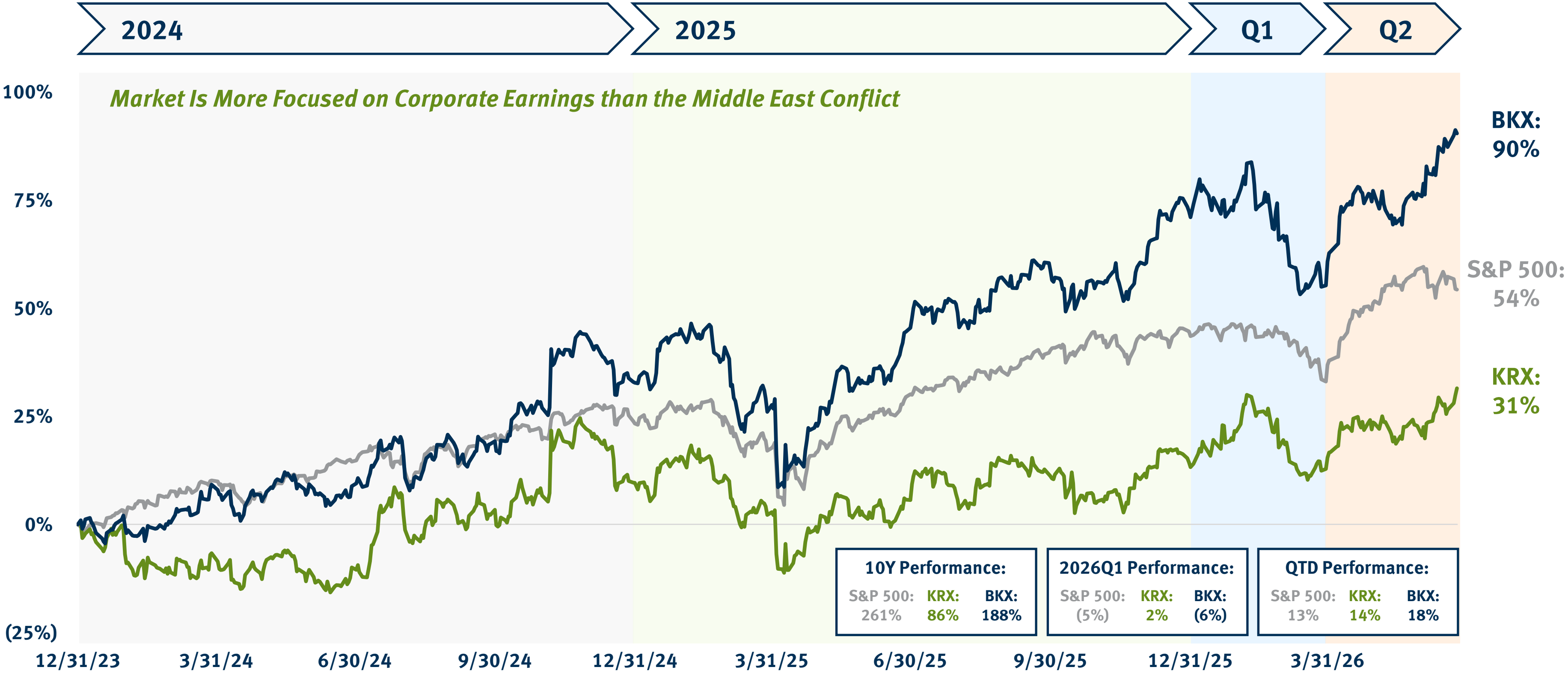
Financial Stocks Are Important

S&P Global 1200	3 Yrs Ago (as of 6/23/2023)	Current (as of 6/24/2026)	Delta (Current vs. 3 Yrs Ago)
Information Technology	22.4%	32.9%	10.5%
Financials	**14.8%**	**15.8%**	**1.1%**
Industrials	10.4%	10.6%	0.2%
Consumer Discretionary	11.2%	8.8%	(2.4%)
Health Care	12.7%	8.2%	(4.5%)
Communication Services	7.7%	8.0%	0.3%
Consumer Staples	7.5%	4.9%	(2.6%)
Energy	4.5%	3.5%	(1.0%)
Materials	4.2%	3.2%	(1.0%)
Utilities	2.7%	2.4%	(0.3%)
Real Estate	2.0%	1.6%	(0.4%)
Total	**100.0%**	**100.0%**	

S&P 500	3 Yrs Ago (as of 6/23/2023)	Current (as of 6/24/2026)	Delta (Current vs. 3 Yrs Ago)
Information Technology	28.1%	37.6%	9.5%
Financials	**12.4%**	**12.0%**	**(0.4%)**
Communication Services	8.6%	9.7%	1.2%
Consumer Discretionary	10.6%	9.3%	(1.4%)
Industrials	8.4%	8.9%	0.5%
Health Care	13.7%	8.8%	(4.9%)
Consumer Staples	6.8%	4.8%	(2.0%)
Energy	4.0%	3.1%	(1.0%)
Utilities	2.6%	2.3%	(0.4%)
Real Estate	2.4%	1.9%	(0.5%)
Materials	2.5%	1.9%	(0.6%)
Total	**100.0%**	**100.0%**	

Source: KBW Research, Bloomberg, SPDJI, FTSE Russell

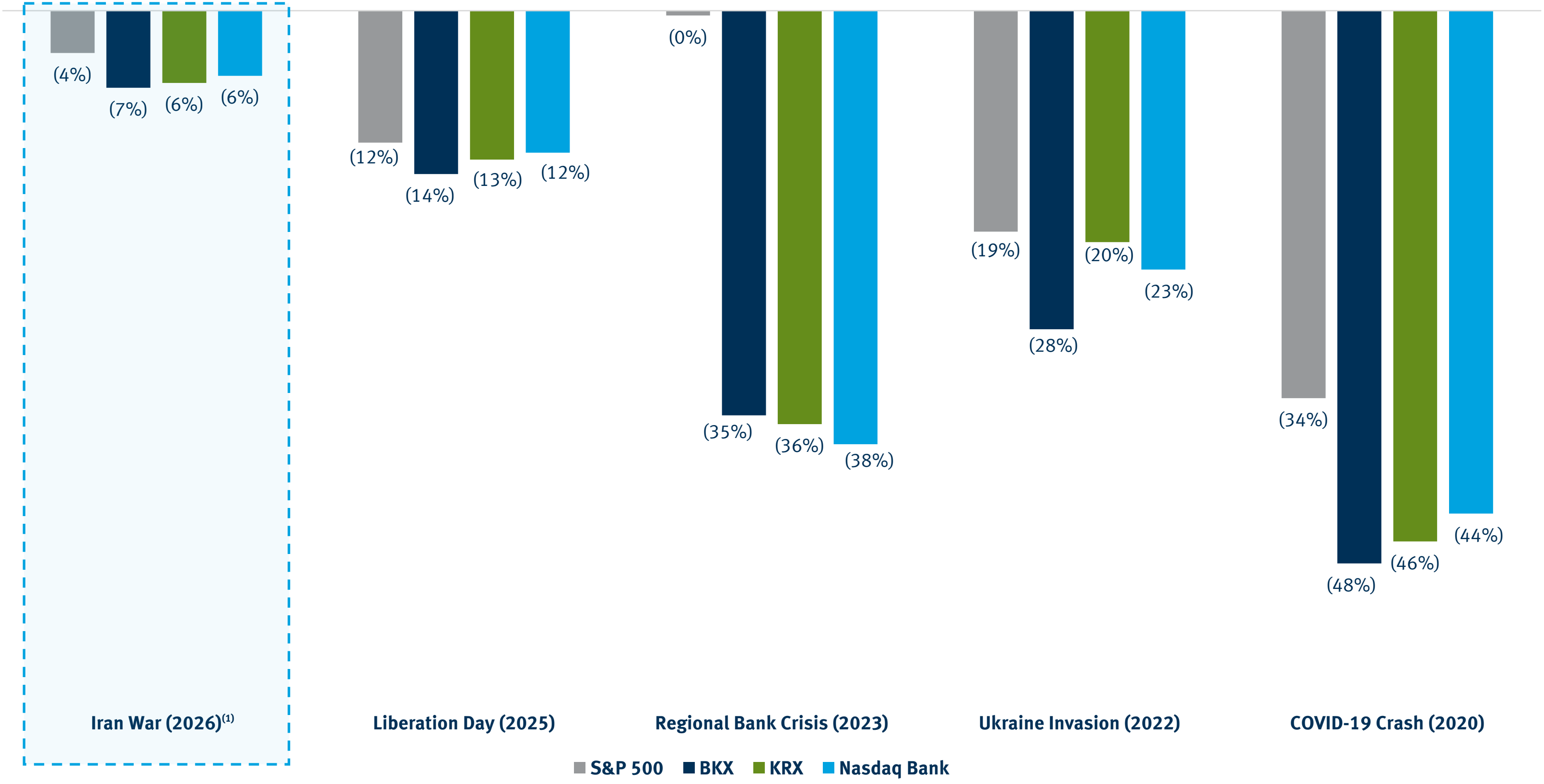
The Market Is at Record Highs



Source: FactSet; Market data as of 06/24/2026

Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion
Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion

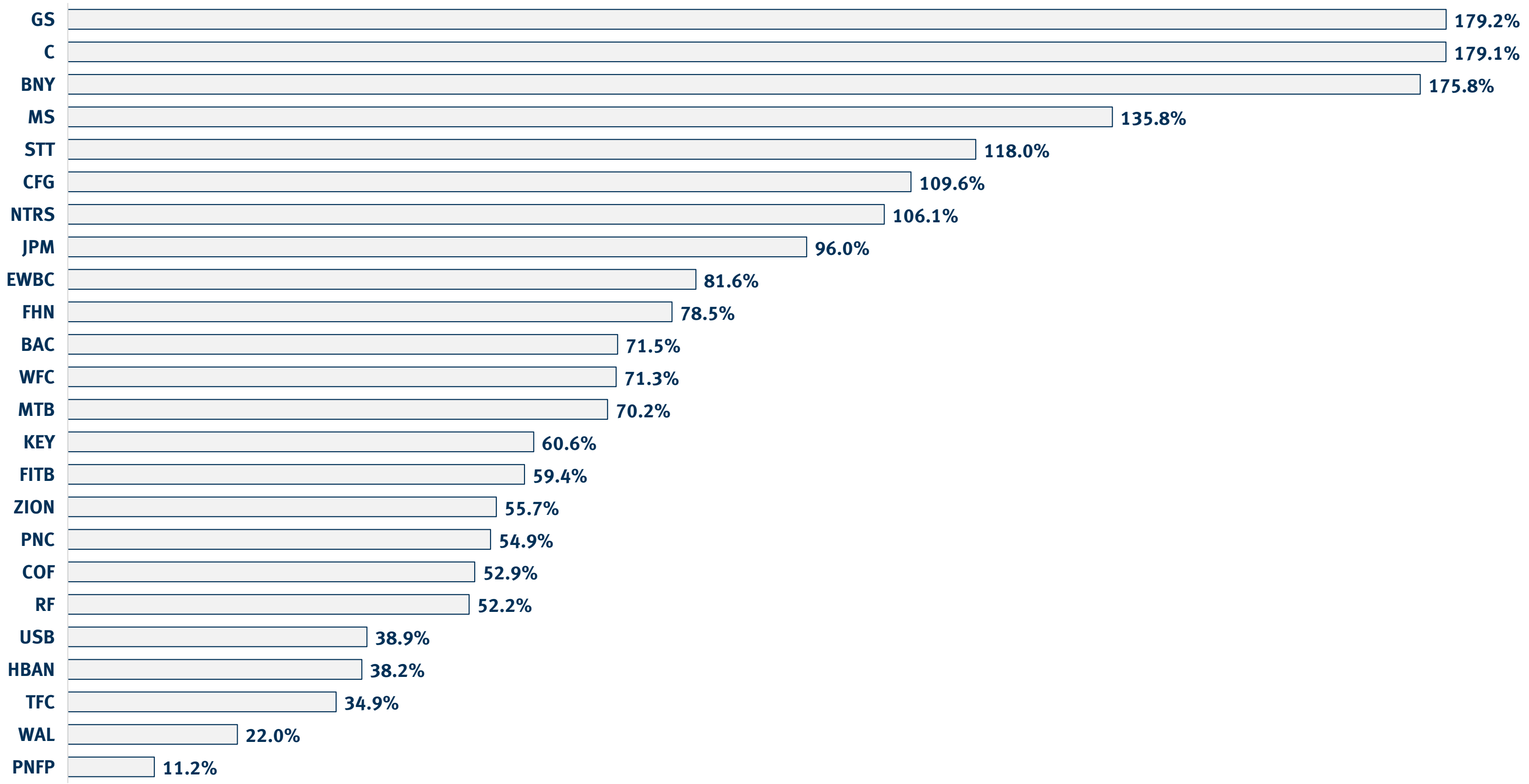
Stocks Held on Relatively Well Compared to Prior Downturns



Source: S&P Capital IQ Pro; Market data as of 06/24/2026
Note: Performance represents pre-event index value through KRX low

Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion
Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion
(1) Represents price performance from 02/27/2026 to 03/18/2026, the day prior to the onset of the Iran war to the KRX low since the start of the conflict

BKX Price Return Since 2024



Source: FactSet; Market data as of 06/24/2026

Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion

KEEFE, BRUYETTE & WOODS
A Stifel Company

KRX Price Performance Since Inception

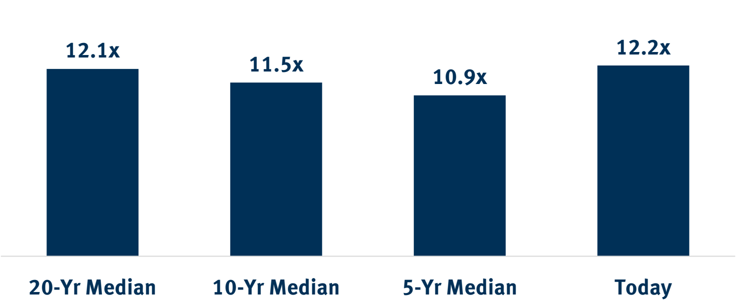
Keefe, Bruyette & Woods
A Stifel Company

Source: FactSet; Market data as of 06/24/2026
Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion

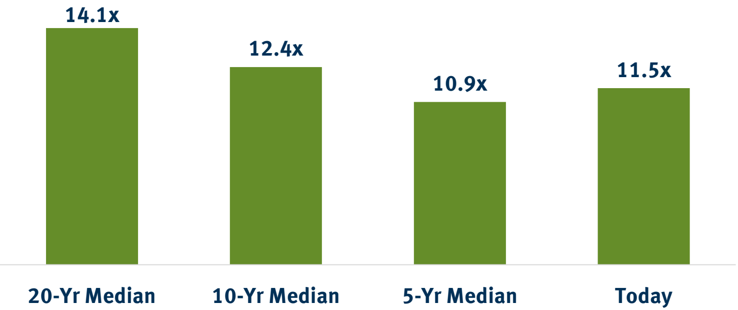
Large Cap Valuations Now Exceed Regionals

Price / NTM EPS (x)

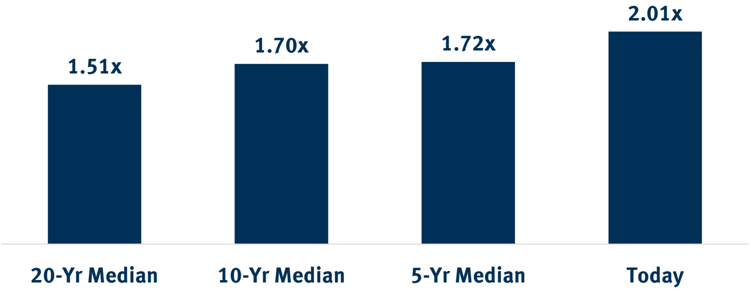
BKX

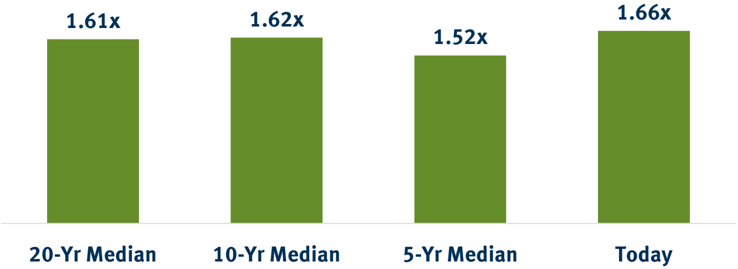


KRX



Price / Tangible Book Value (x)

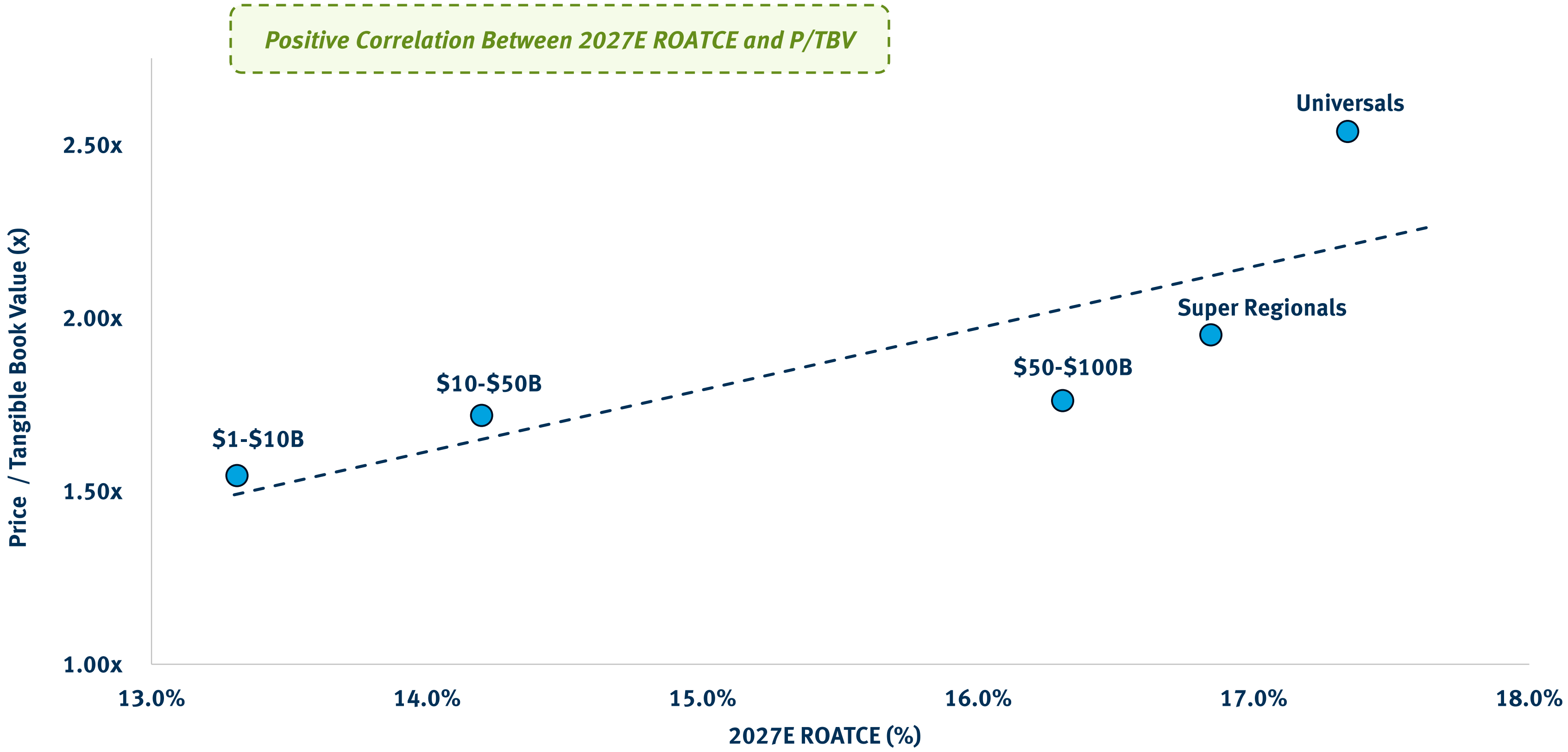




Source: S&P Capital IQ Pro and FactSet; Market data as of 06/24/2026

Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion
Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion

Performance Is Correlated With Valuation



Source: S&P Capital IQ Pro, KBW Research and FactSet; Market data as of 06/24/2026
Note: Reflects all banks under KBW Research coverage; Figures represent medians

The Deals

Deposit Market Share Is Moving as Number of Banks Declines

A Barbell Has Been Created

	Top 25 Banks by Total Assets		Mid-Sized Banks[1]		< $10 Billion in Total Assets	
	% of Banks	% of Deposits	% of Banks	% of Deposits	% of Banks	% of Deposits
Today:	*25 Banks*		*~100 Banks*		*~3,900 Banks*	
	1%	72%	2%	12%	97%	16%
~30 Years Ago:	*25 Banks*		*~50 Banks*		*~12,500 Banks*	
	0.2%	19%	0.4%	14%	99%	67%

Source: FDIC and S&P Capital IQ Pro

Note: "Today" financial data as of 03/31/2026 and excludes merger targets and mutual holding companies; "~30 Years Ago" data as of 12/31/1994; Totals may not sum due to rounding

KBW KEEFE, BRUYETTE & WOODS
A Stifel Company

Note: Company size based on assets and not pro forma for pending acquisitions

(1) Defined as all banks greater than $10 billion in assets and not in the top 25 banks by asset size

Top 20 U.S. Banking Companies

Top 20 U.S. Banks by Assets 2 Years Ago

	Institution	Assets ($B)	Market Cap. ($B)	U.S. DMS Rank
1.	JPMorganChase	$4,091	$577	1
2.	BANK OF AMERICA	3,274	299	2
3.	citi	2,433	121	4
4.	WELLS FARGO	1,959	207	3
5.	usbancorp	684	70	5
6.	PNC	566	64	6
7.	TRUIST	535	52	7
8.	Citizens	220	17	12
9.	FirstCitizens BancShares	218	24	17
10.	M&T	215	24	14
11.	FIFTH THIRD	215	25	13
12.	Huntington	194	20	15
13.	KeyBank	187	15	16
14.	REGIONS	155	19	19
15.	flagstar	113	3	21
16.	ZIONS BANCORPORATION	87	6	23
17.	FIRST HORIZON	82	9	26
18.	Western Alliance Bancorporation	77	7	30
19.	~~Webster Bank~~	~~76~~	~~9~~	~~28~~
20.	POPULAR	71	6	27

Top 20 U.S. Banks Today

	Institution	Assets ($B)	Market Cap. ($B)	U.S. DMS Rank
1.	JPMorganChase	$4,900	$809	1
2.	BANK OF AMERICA	3,496	364	2
3.	citi	2,778	214	4
4.	WELLS FARGO	2,206	232	3
5.	usbancorp	701	85	5
6.	PNC	603	87	7
7.	TRUIST	549	60	8
8.	FIFTH THIRD	297	44	11
9.	Huntington	285	32	12
10.	FirstCitizens BancShares	236	23	16
11.	Citizens	228	27	14
12.	M&T	215	31	15
13.	KeyBank	189	23	17
14.	REGIONS	161	23	19
15.	Pinnacle Financial Partners	123	15	21
16.	Western Alliance Bancorporation	99	8	24
17.	ZIONS BANCORPORATION	88	9	23
18.	flagstar	87	6	25
19.	FIRST HORIZON	84	11	27
20.	EASTWESTBANK	83	17	28

Source: S&P Capital IQ Pro and FactSet; Excludes banks with specialty business models and banks headquartered outside the U.S.

Note: Top U.S. banks 2 years ago based on assets as of 03/31/2024; Deposit market share data as of 06/30/2023 shown on original basis
Note: Top U.S. banks Today based on assets as of 03/31/2026; Deposit U.S. market share data as of 06/30/2025, shown on pro forma basis

Global Banks Ranked by Size (Top 20)

Current Rank	Previous Rank	Company	Headquarters	Total Assets Year End 2025 ($bn)
1	1	Industrial & Commercial Bank of China	China	7,646
2	2	Agricultural Bank of China	China	6,975
3	3	China Construction Bank	China	6,524
4	4	Bank of China	China	5,484
5	**5**	**JPMorgan Chase**	**United States**	**4,425**
6	**6**	**Bank of America**	**United States**	**3,412**
7 ▲	8	BNP Paribas	France	3,279
8 ▼	7	HSBC Holdings Plc	United Kingdom	3,212
9	9	Crédit Agricole	France	3,149
10 ▲	11	Postal Savings Bank of China	China	2,671
11 ▼	10	Mitsubishi UFJ Financial Group	Japan	2,667
12	**12**	**Citigroup**	**United States**	**2,622**
13 ▲	16	Banco Santander	Spain	2,252
14 ▼	13	Bank of Communications	China	2,223
15	**15**	**Wells Fargo**	**United States**	**2,149**
16 ▲	17	Barclays	United Kingdom	2,078
17 ▼	14	SMBC Group	Japan	2,020
18	22	Société Générale	France	1,987
19	18	Mizuho Financial Group	Japan	1,898
20	20	China Merchants Bank	China	1,869

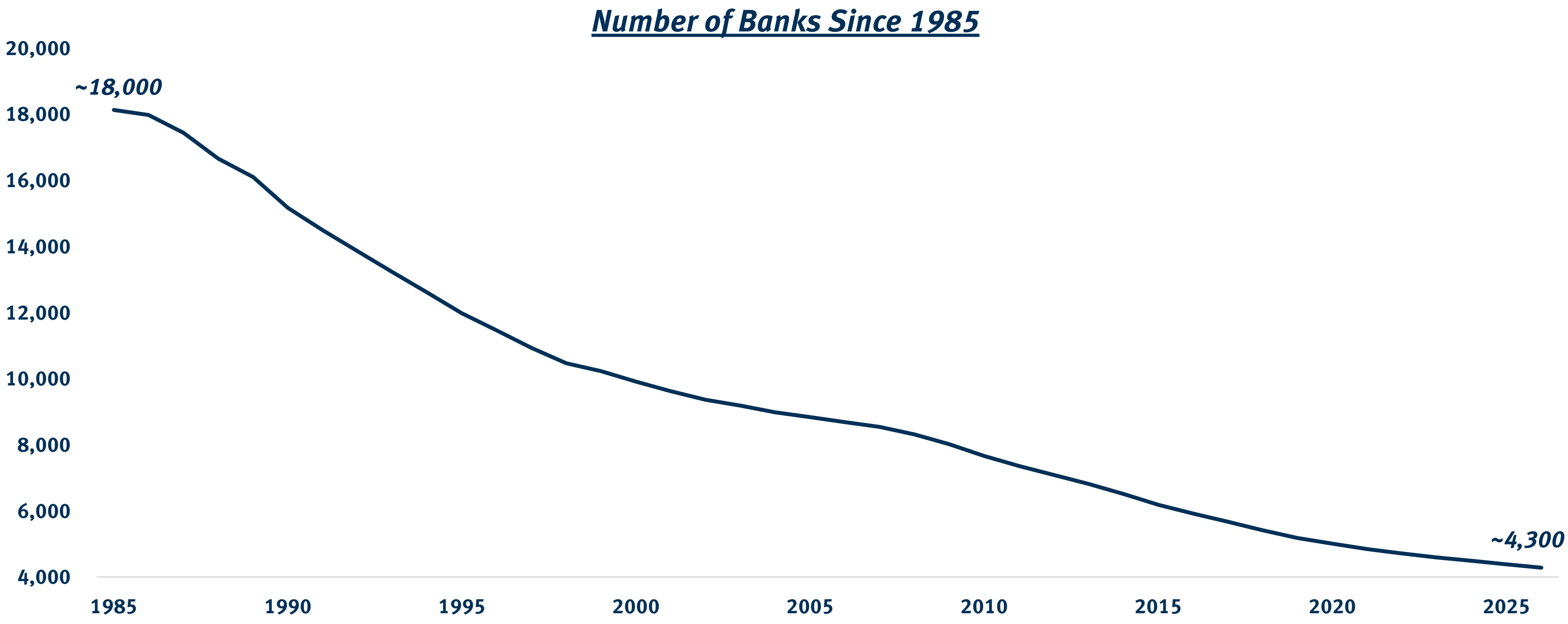
Source: Per S&P Capital IQ Pro research report titled: "The World's 100 Largest Banks by assets, 2026" published on 04/29/2026; Previous ranks as of 04/08/2025

Note: Total assets as of 12/31/2025
Note: Data shown pro forma for announced or pending transactions as of 12/31/2025; Data reported in native currencies and converted to U.S. dollars using end-of-period exchange rates

Consolidation Continues to Be a Common Theme

‘85: Interstate Banking Act

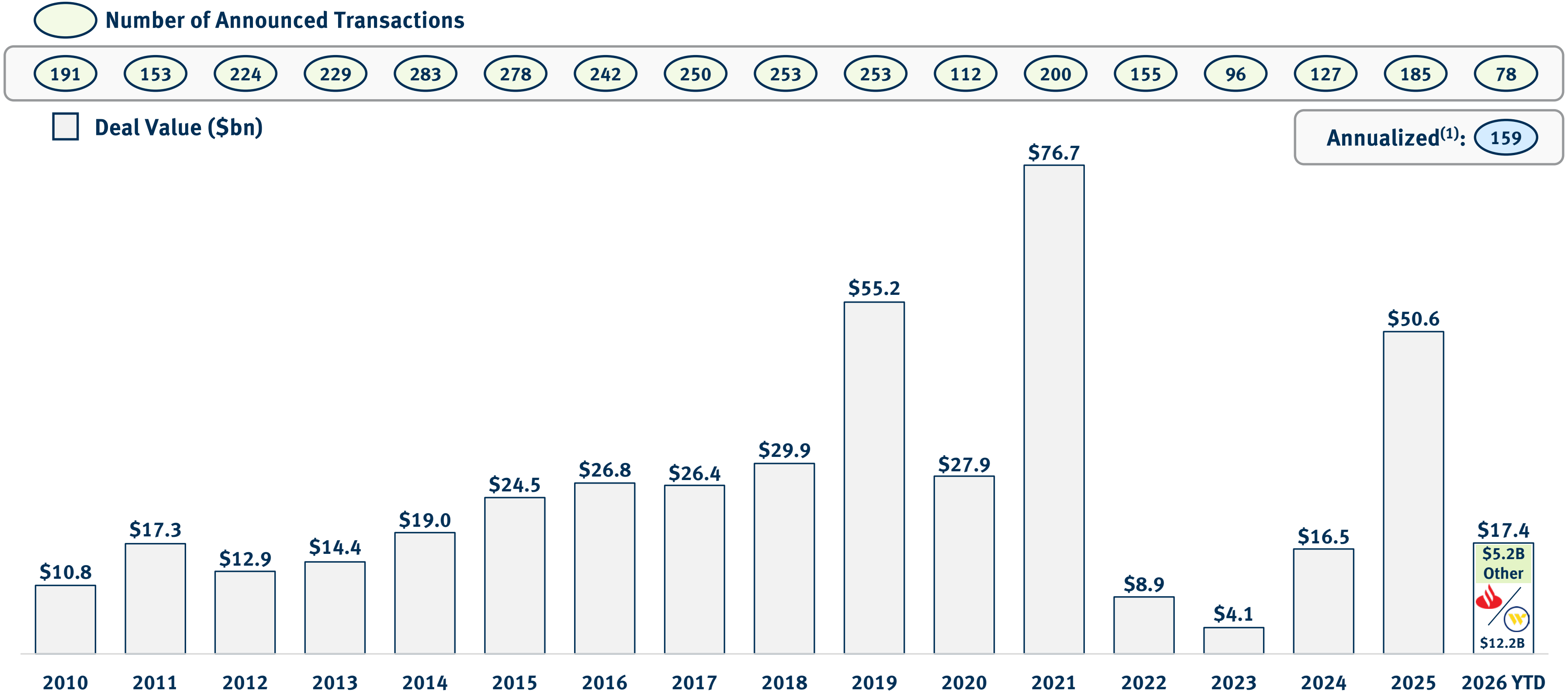
‘94: Riegle-Neal Interstate Banking and Branching Act



Source: FDIC, S&P Capital IQ Pro; Data as of 03/31/2026

M&A Deal Values

2026 Values Concentrated in One Deal



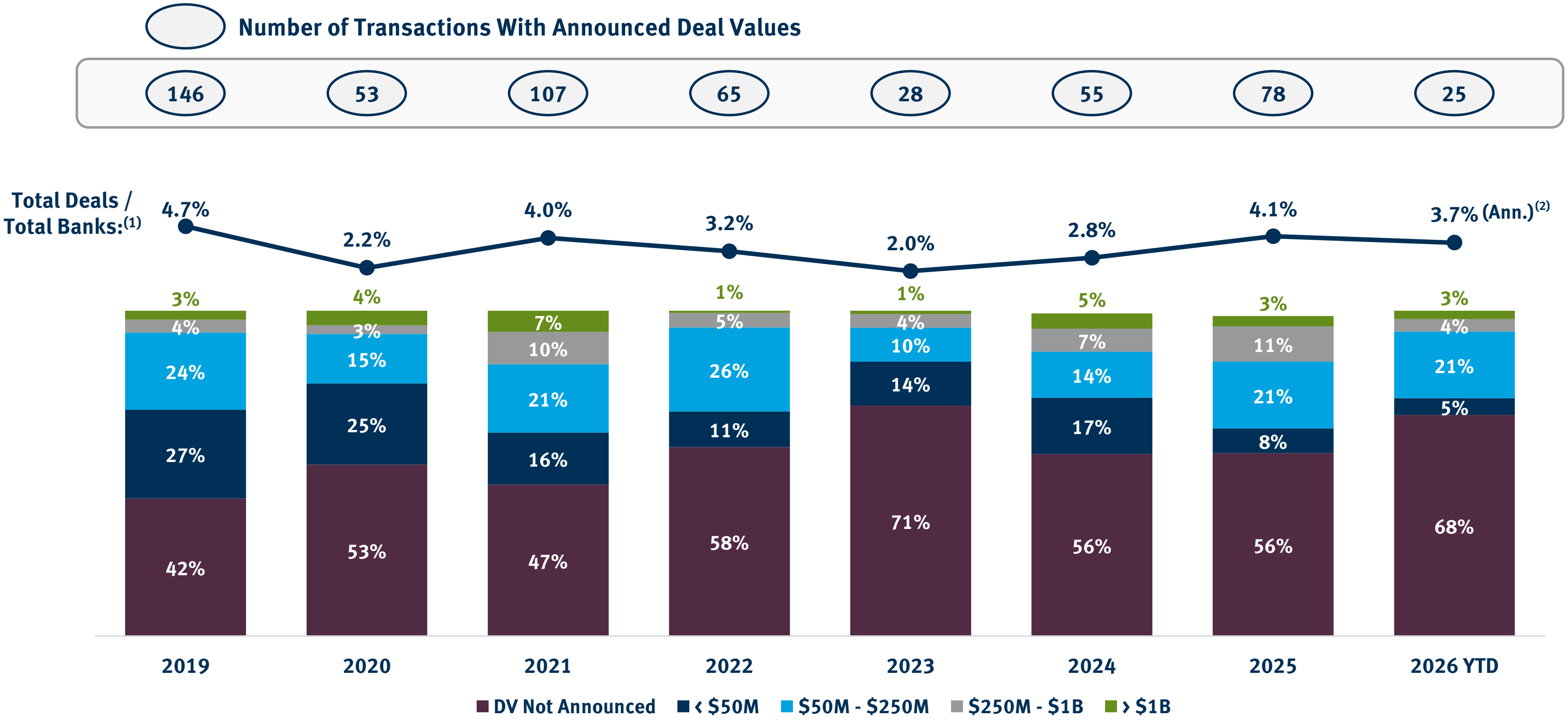
Source: S&P Capital IQ Pro; Data as of 06/24/2026; Excludes terminated transactions

Note: Includes all bank M&A transactions nationwide announced since 01/01/2010; Excludes Capital One's acquisition of Discover Financial Services, completed on 05/18/2025

(1) Annualized for a 12/31 calendar year end

M&A Deal Volume by Size

Deal Values Are Lower



Source: S&P Capital IQ Pro; Data as of 06/24/2026; Excludes terminated transactions
Note: Includes all bank M&A transactions nationwide announced since 01/01/2019; Excludes Capital One's acquisition of Discover Financial Services, completed on 05/18/2025
Note: Totals may not sum due to rounding

(1) Number of deals as a percent of total banks in the United States as of 12/31 for each year available
(2) Annualized for a 12/31 calendar year end

Why Are We Not Keeping Pace This Year?

What Has Not Impacted the Industry

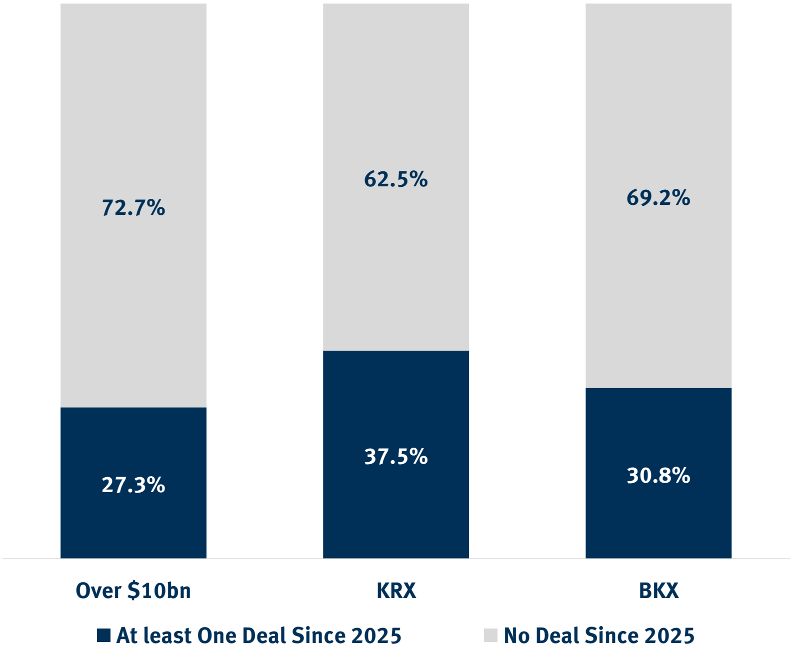
The Assumption	The Reality
Credit Quality	Buyers Are Digesting Recent Deals
Interest Rate Environment	Buyer Currency Has Underperformed
Geopolitical Uncertainty	Pipeline Is Building Behind the Scenes

Why Are We Not Keeping Pace This Year?

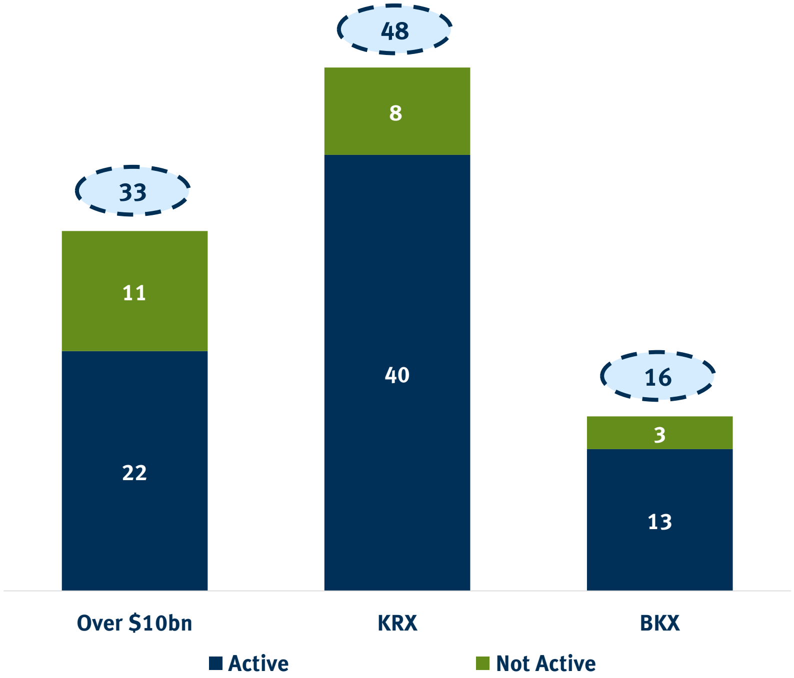
Buyers Are Digesting

Deal Activity Of Active Universe

Transactions since 1/1/2025



Strategic Universe Composition



Source: S&P Capital IQ Pro and KBW Corporate Finance; Transaction data as of 06/24/2026
Note: Strategic Universe consists of major exchange traded banks headquartered in the U.S. and Canada with total assets greater than $10bn; Excludes mutual holding companies; Excludes LC and AX due to business model considerations; Excludes trust banks (NTRS, STT, BK); Excludes select universal banks (JPM, C, BAC); Excludes PR headquartered banks

Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion
Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion

The Next Phase of Bank M&A Is Underway

Category I[(1)]

BANK OF AMERICA
BNY
Morgan Stanley
citi
Goldman Sachs
JPMorganChase
WELLS FARGO

Category III[(2)]

usbancorp
PNC
1STBANK
banking for good
TRUIST

Category IV[(3)]

First Citizens BancShares
BMO Midwest Branches
Citizens
M&T Bank
FIFTH THIRD BANCORP
Comerica
New Cat III
Huntington
VERITEX
CADENCE Bank
New Cat III
KeyCorp
New Cat IV
REGIONS
Pinnacle FINANCIAL PARTNERS
SYNOVUS

M&A Players Since 1/1/24

Source: S&P Capital IQ Pro
(1) Defined as banks that fall under US-GSIB; Excludes STT

(2) Defined as banks with assets between $250 billion and $700 billion; Excludes COF
(3) Defined as banks with assets between $100 billion and $250 billion; Excludes AMP and SYF

Bank ECM Backdrop

Constructive Environment

Increased Market Volatility
Iran uncertainty

FOMC policy
“Wait-and-see” approach post-cuts

Current Administration
Accommodative regulatory backdrop

Economic Outlook
Stable despite tariff / energy risks

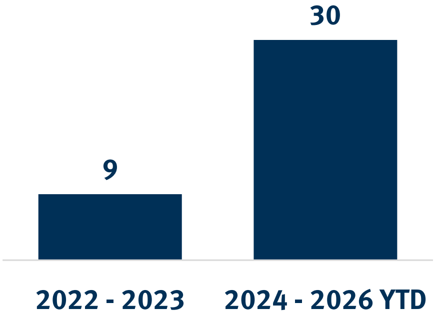
Positive Earnings Outlook
Double digit EPS growth expected 2026

Active M&A market
$83 billion of announced M&A since 2024

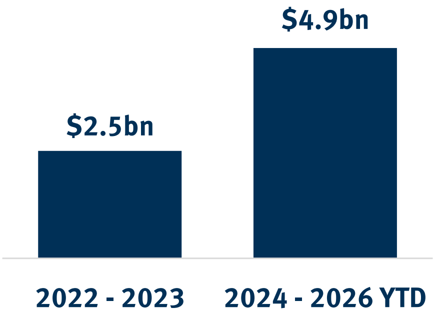
Active Capital Markets
›$9 billion of equity raised since 2024(1)
Activity will resume with stability

Bank Follow-On Market is Back

Number of Deals

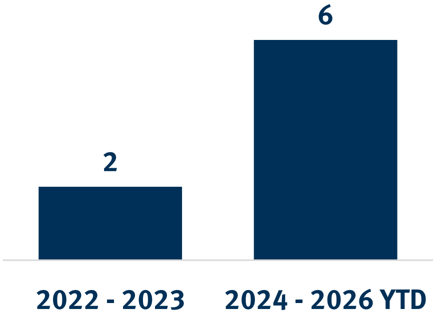


Gross Proceeds ($bn)

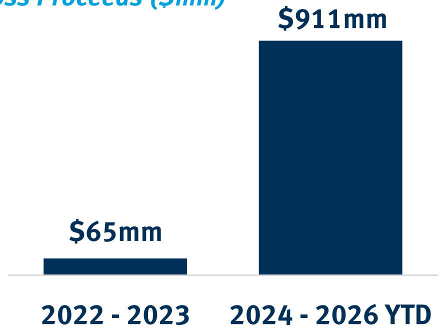


Bank IPO Market is Accelerating

Number of Deals



Gross Proceeds ($mm)

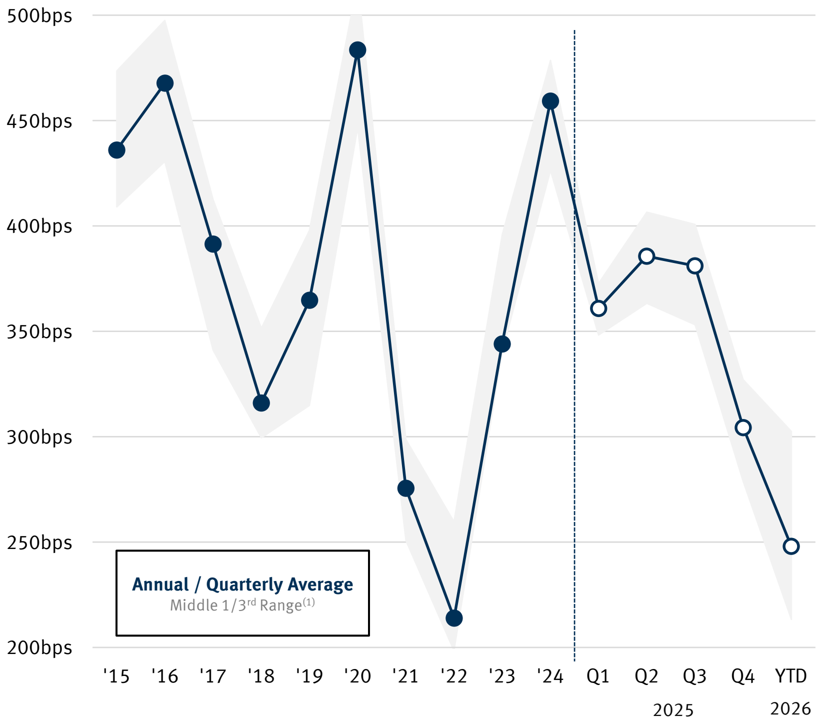


Source: S&P Capital IQ Pro and Bloomberg
(1) Includes Bank IPOs, Follow-On Offerings and Private Placements

KEEFE, BRUYETTE & WOODS
A Stifel Company

Bank DCM Backdrop

New Issue Subordinated Debt Spreads To 5-Year Treasury



Key Considerations

Tightest New Issue Spreads
since COVID period in '21 & '22

Coupons Moved Lower
helped by strong investor demand

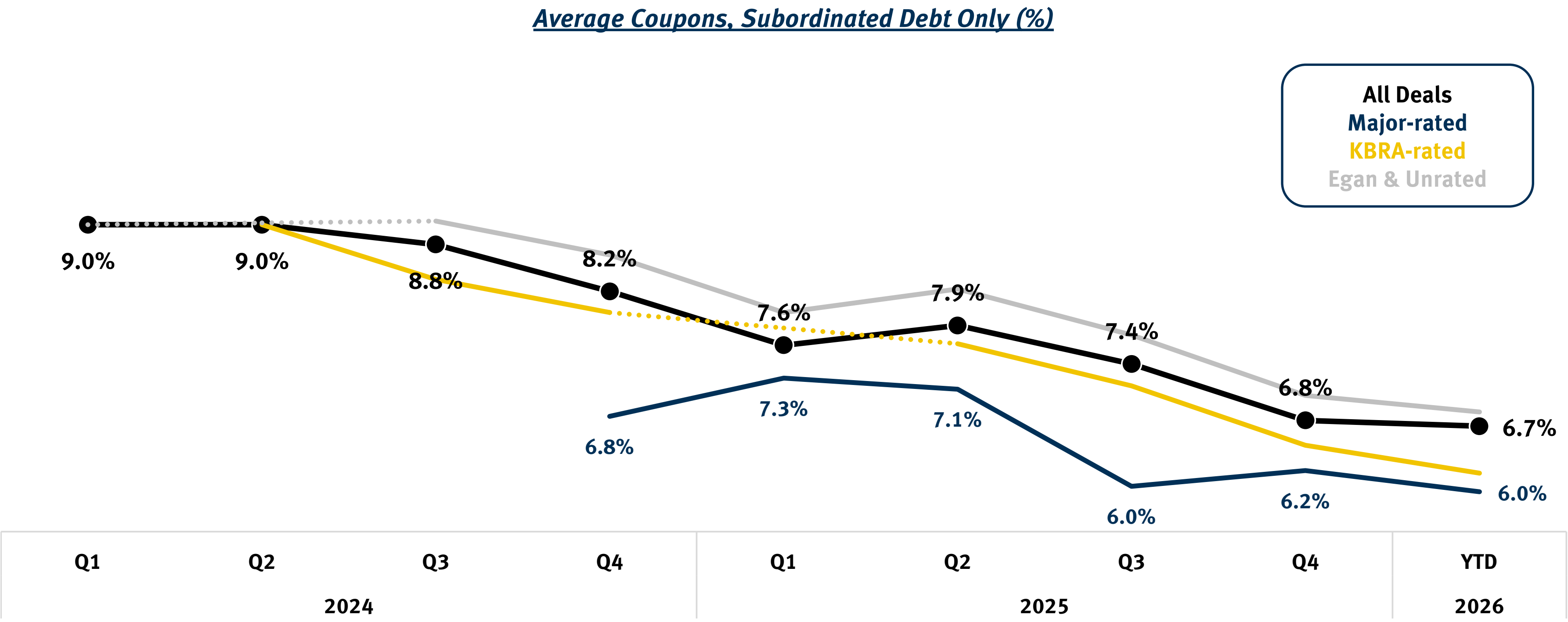
Near-term, Pricing Benchmark Driven
given volatile Treasury moves late Q1

Source: Bloomberg

Note: Chart shows subordinated debt issuances for public and private banks with less than $100bn in assets

(1) Note: 33rd to 66th percentile

Coupons Continue to Move Lower

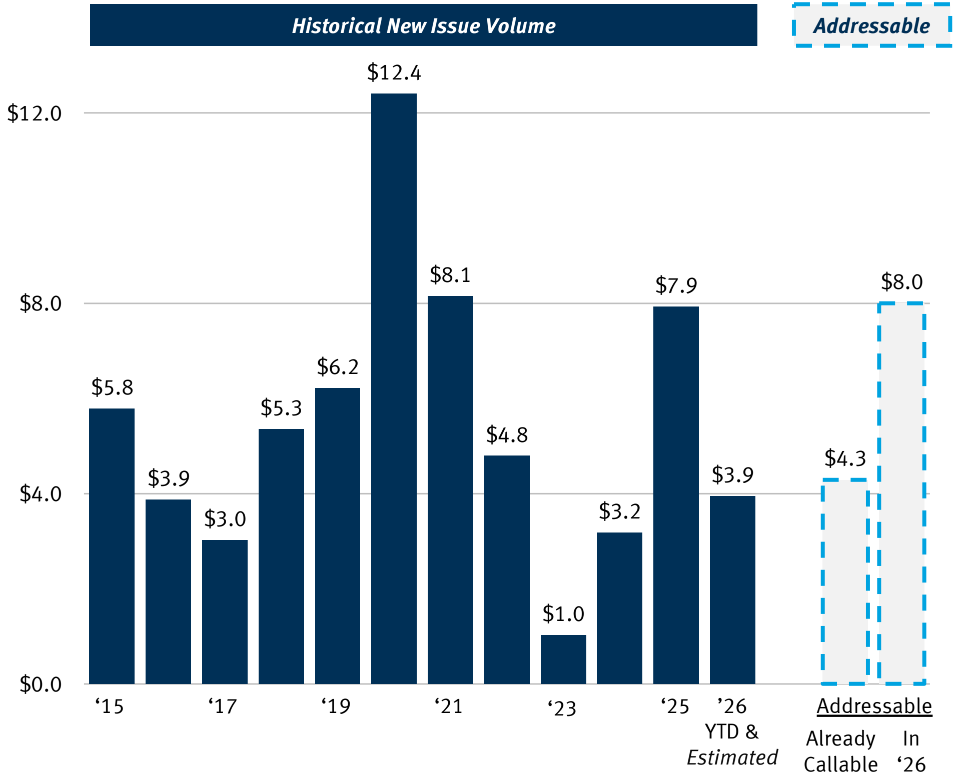


Source: Bloomberg

Note: Deal list includes all subordinated debt offerings for banks of $100bn or less in assets

Investors Continue to Support Bank Refinancing and Opportunistic Issuance Activity

Regional & Community Bank Debt Volumes



Key Considerations

Second Most Active Q1 On Record

Continued Investor Engagement
market orderly despite Iran risks

Issuers Remain Opportunistic
across refis, M&A, buybacks, B/S work

Addressable Debt Manageable
$4.3bn floating, $8bn upcoming

Source: Bloomberg
Note: Chart shows senior and subordinated debt issuances for public and private banks with less than $100bn in assets

KEEFE, BRUYETTE & WOODS
A Stifel Company

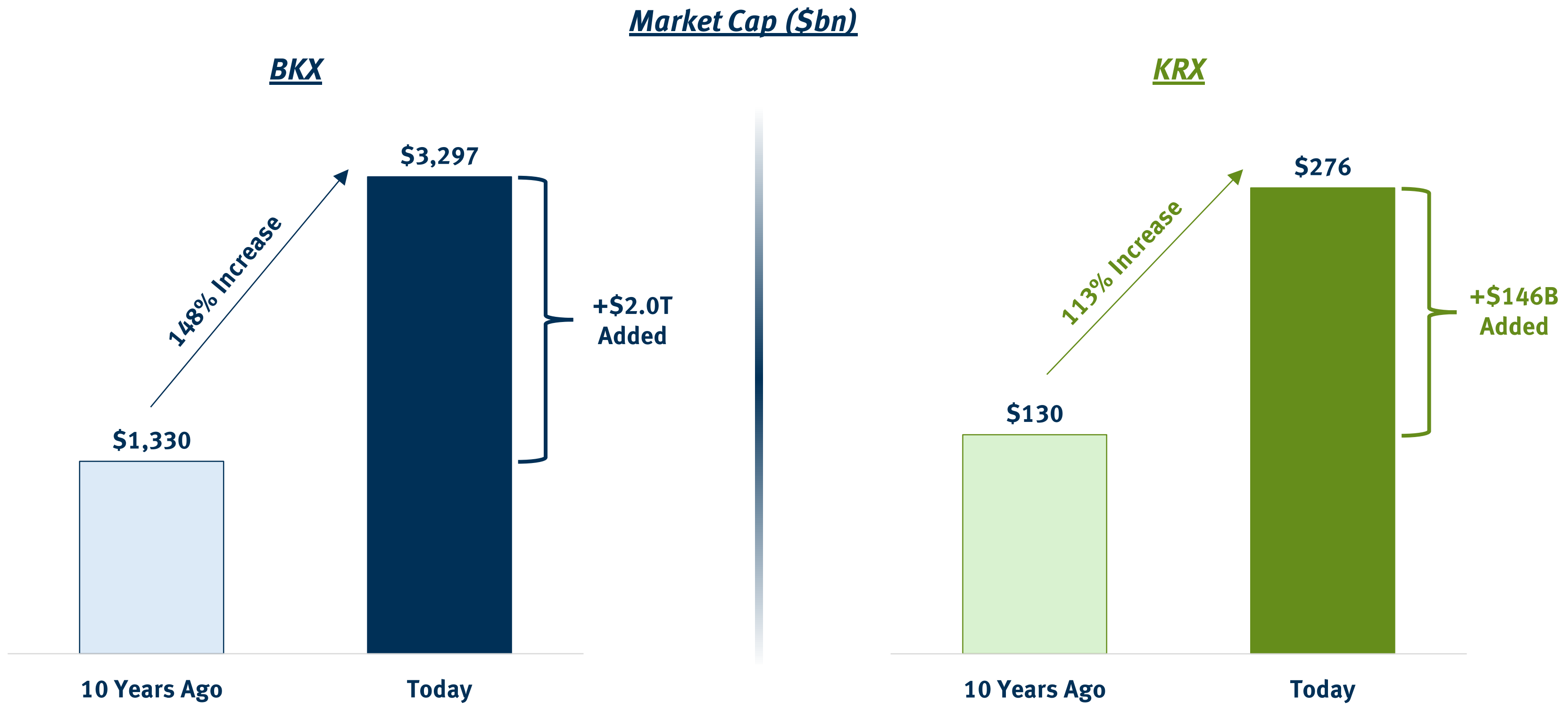
Top 10 Industry Trends

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

KEEFE, BRUYETTE & WOODS
A Stifel Company

Market Cap Evolution of the BKX and KRX

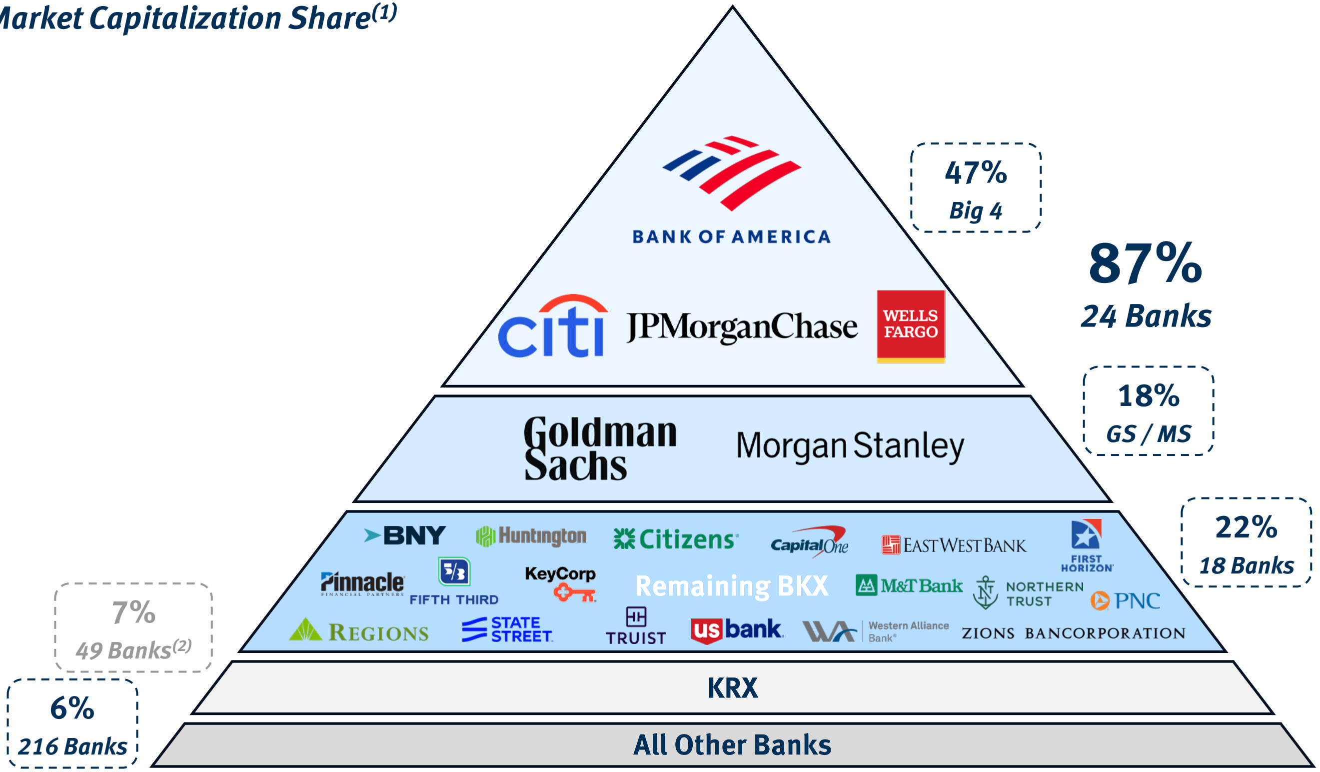


Source: FactSet; Market data as of 06/24/2026
Note: "10 Years Ago" as of 01/01/2016
Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion; "10 Years Ago" KBW NASDAQ Regional Banking Index (KRX) included 50 U.S. regional banks or thrifts with assets between ~$4 billion and ~$34 billion

Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion; "10 Years Ago" KBW NASDAQ Bank Index (BKX) included 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$39 billion and ~$2.4 trillion

Value Is Concentrated

Industry Market Capitalization Share[(1)]



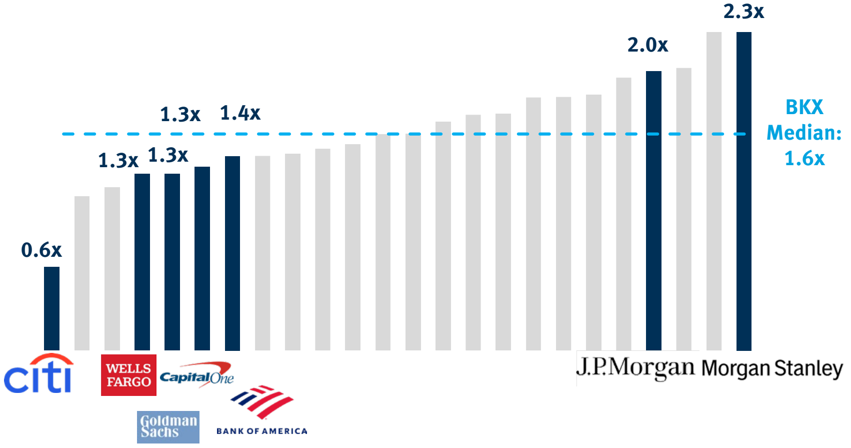
Source: S&P Capital IQ Pro; Market data as of 06/24/2026; Totals may not sum due to rounding; Excludes merger targets and mutual holding companies
Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion

Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion
(1) Percentages based on aggregate market cap of BKX, KRX and all other major exchange traded banks not included in the BKX or KRX
(2) Excludes WBS

BKX Has Seen the Most Growth

Especially Large Caps

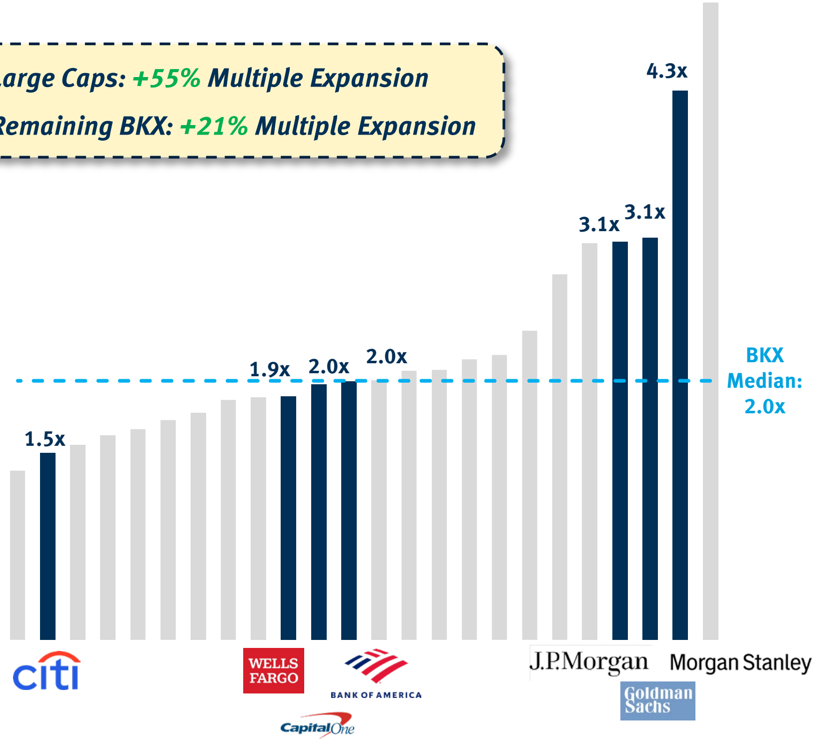
BKX P/TBV: 2023YE



BKX P/TBV: Today

Large Caps: +55% Multiple Expansion

Remaining BKX: +21% Multiple Expansion



KBW KEEFE, BRUYETTE & WOODS
A Stifel Company

Source: S&P Capital IQ Pro and FactSet; Market data as of 12/31/2023 and 06/24/2026; Financial data as of 2023Q4 and 2026Q1 and presented as stated

Note: KBW NASDAQ Bank Index (BKX) includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion

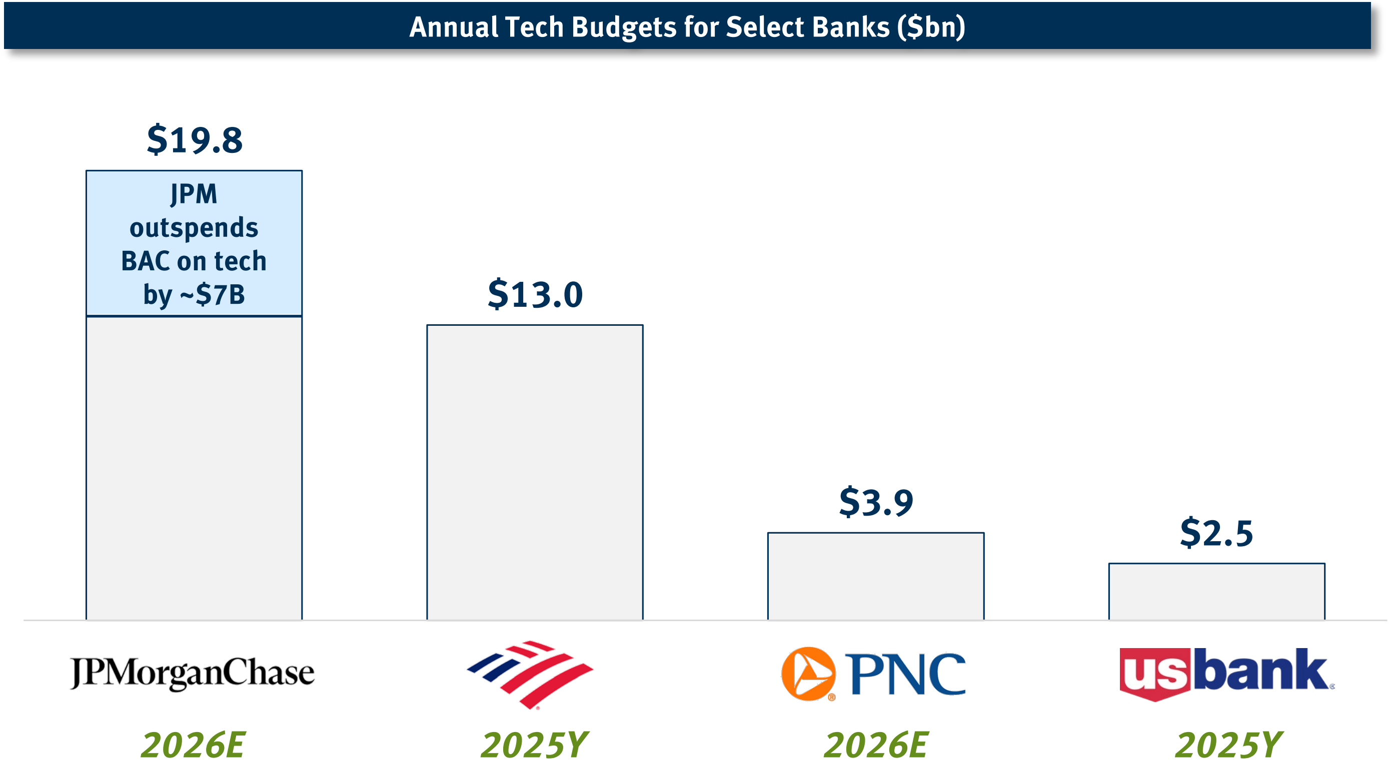
Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 **Tech Is a Battlefield**

KEEFE, BRUYETTE & WOODS
A Stifel Company

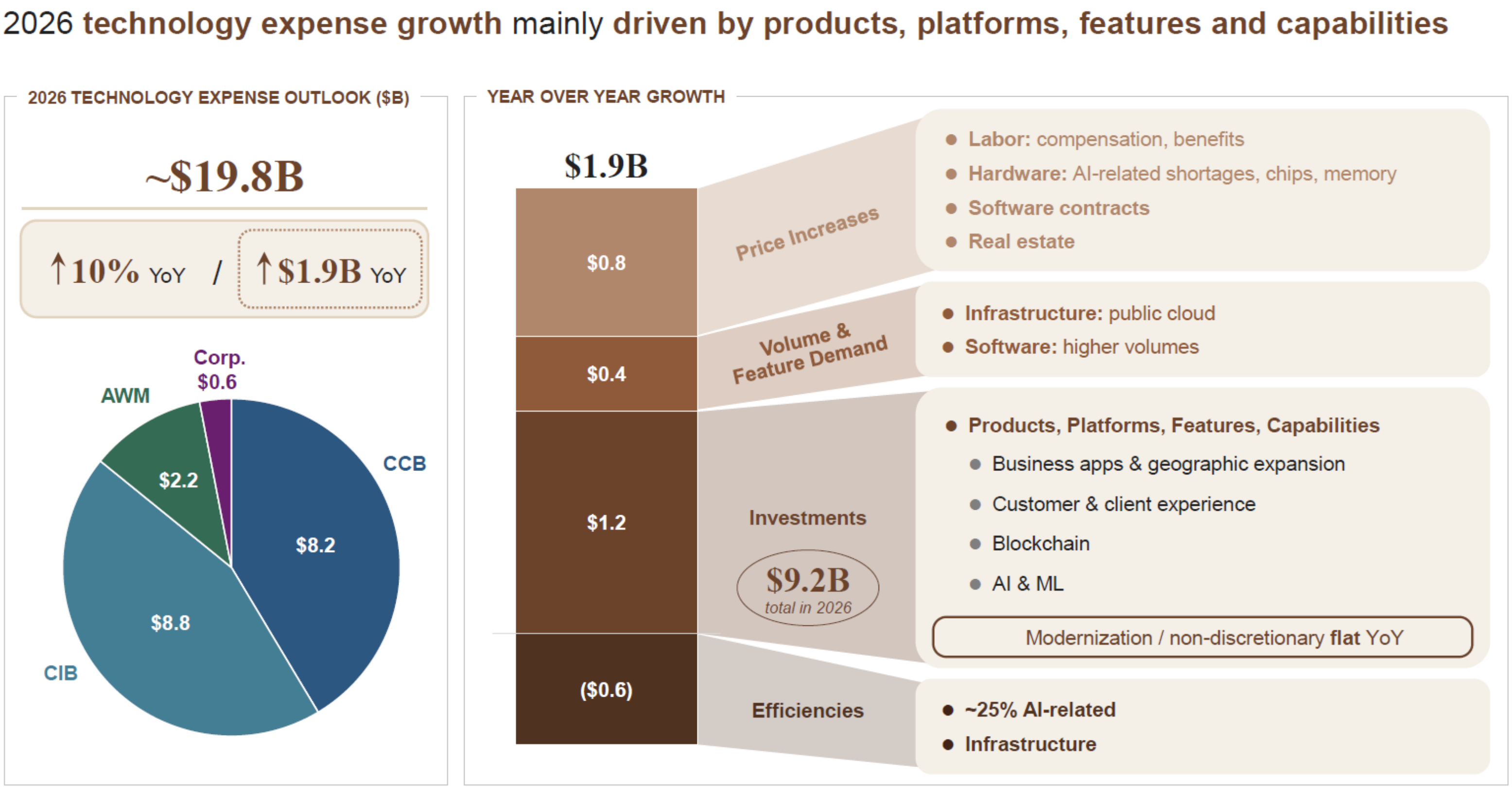
Large Banks Continue to Invest in Technology



Source: Company public filings for the most recent budget estimate and / or figure

Large Banks Continue to Invest in Technology

JPMorgan Tech Spend



Source: J.P. Morgan 2026 Firm Overview Presentation dated 02/23/2026

Note: "CCB" represents Consumer and Community Banking; "CIB" represents Corporate and Investment Banking; "AWM" represents Asset & Wealth Management
Note: Totals may not sum due to rounding

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

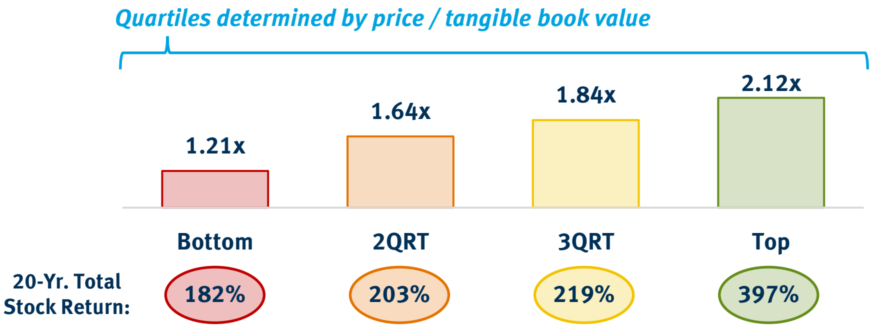
2 Tech Is a Battlefield

3 **Consistency Differentiates**

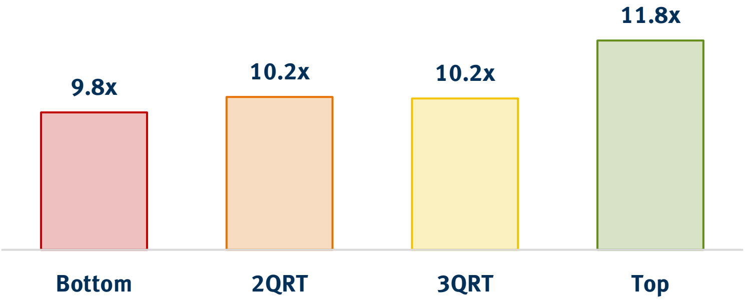
KBW KEEFE, BRUYETTE & WOODS
A Stifel Company

The Most Highly Valued Companies Today Have a Track Record of Consistent Growth …

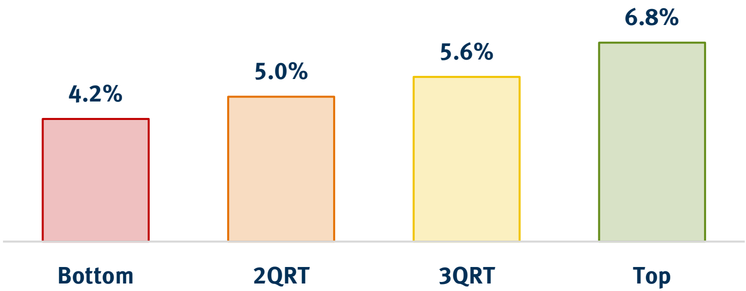
Price / Tangible Book Value (x)



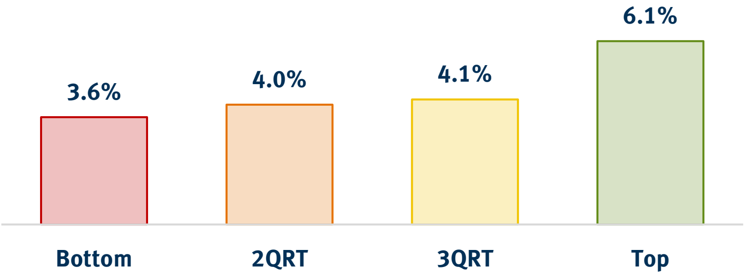
Price / 2027E Earnings Per Share (x)[1]



20-Year TBVPS CAGR (%)[2]



20-Year EPS CAGR (%)[2]



Source: S&P Capital IQ Pro and FactSet; Financial data as of 03/31/2026; Market data as of 06/24/2026
Note: Data excludes KRX constituents without available estimates or 20-year growth periods (where applicable) and merger targets (WBS)

(1) Estimates per FactSet consensus
(2) Measures compounded annual growth rate from quarter-end 2006Q1 to quarter-end 2026Q1; Quarterly EPS figures annualized

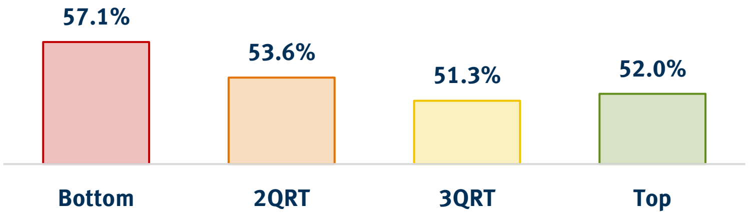
… And Exhibit Solid Operating Fundamentals

Formula for High Valuations:

1 Strong Cost Controls + 2 Low Cost, High Quality Deposit Base + 3 Strong Credit Fundamentals = 4 Strong Returns = Better Valuation

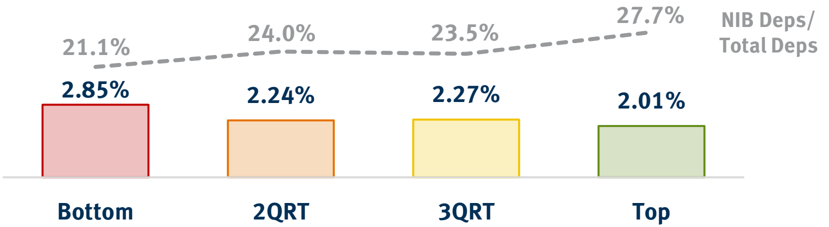
2027E Efficiency Ratio (%)[1]

1 **Strong Cost Controls**



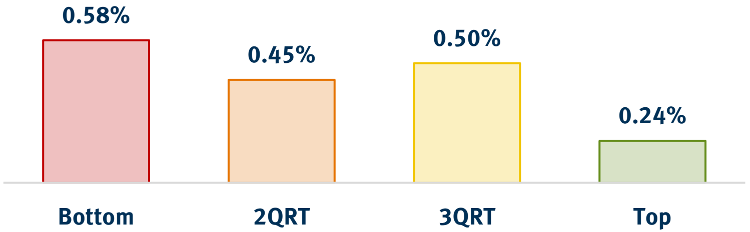
Cost of Interest-Bearing Deposits (%)

2 **Low Cost, High Quality Deposit Base**



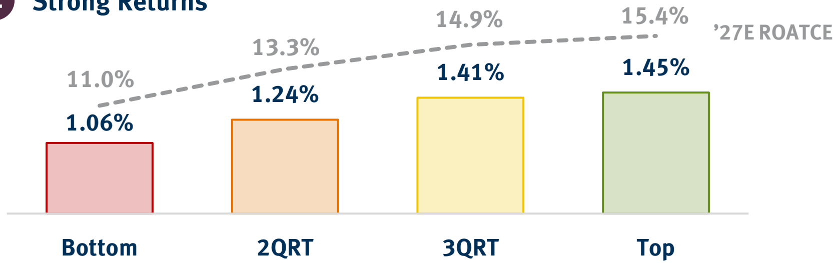
NPAs / Assets (%)

3 **Strong Credit Fundamentals**



2027E ROA (%)[1]

4 **Strong Returns**



Source: S&P Capital IQ Pro and FactSet; Financial data as of 03/31/2026; Market data as of 06/24/2026
Note: Data excludes KRX constituents without available estimates and merger targets (WBS)

(1) Estimates per FactSet consensus

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

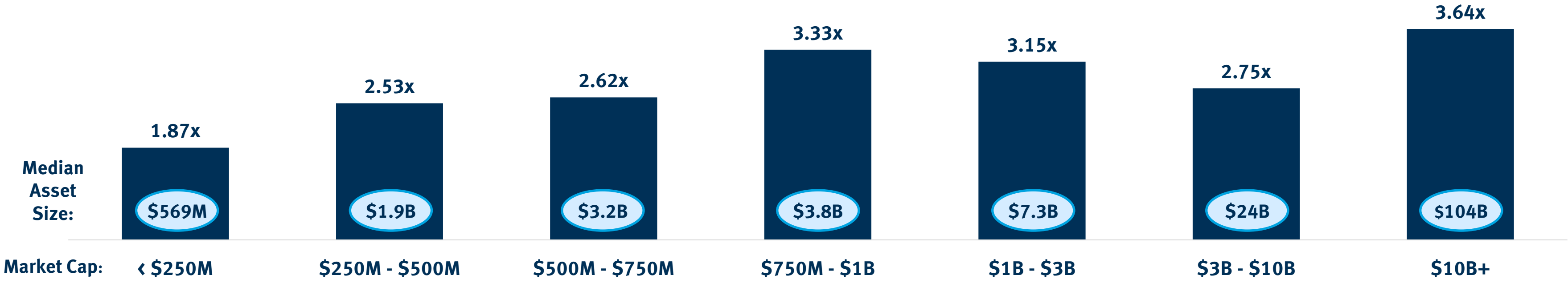
3 Consistency Differentiates

4 **Valuations Are Below Historical Levels**

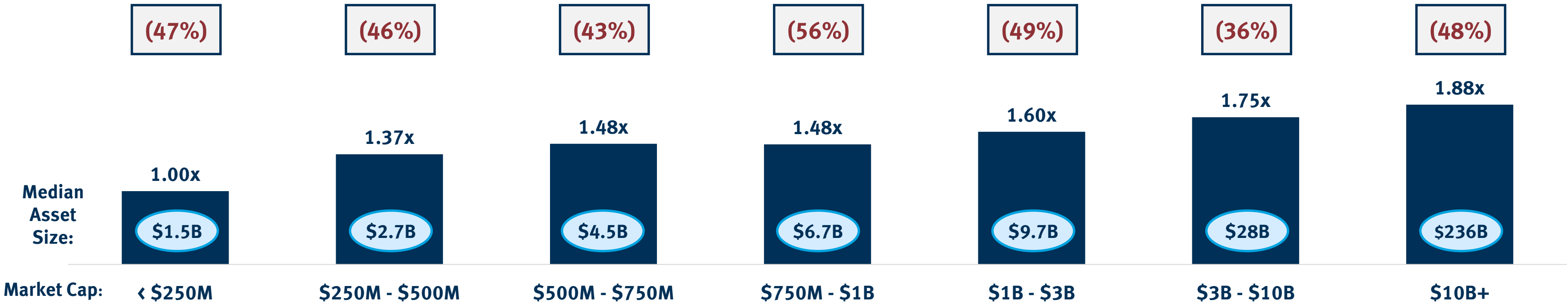
KEEFE, BRUYETTE & WOODS
A Stifel Company

Valuations Are Lower Today …

P / TBV – 20 Years Ago (x)



P / TBV – Today (x)

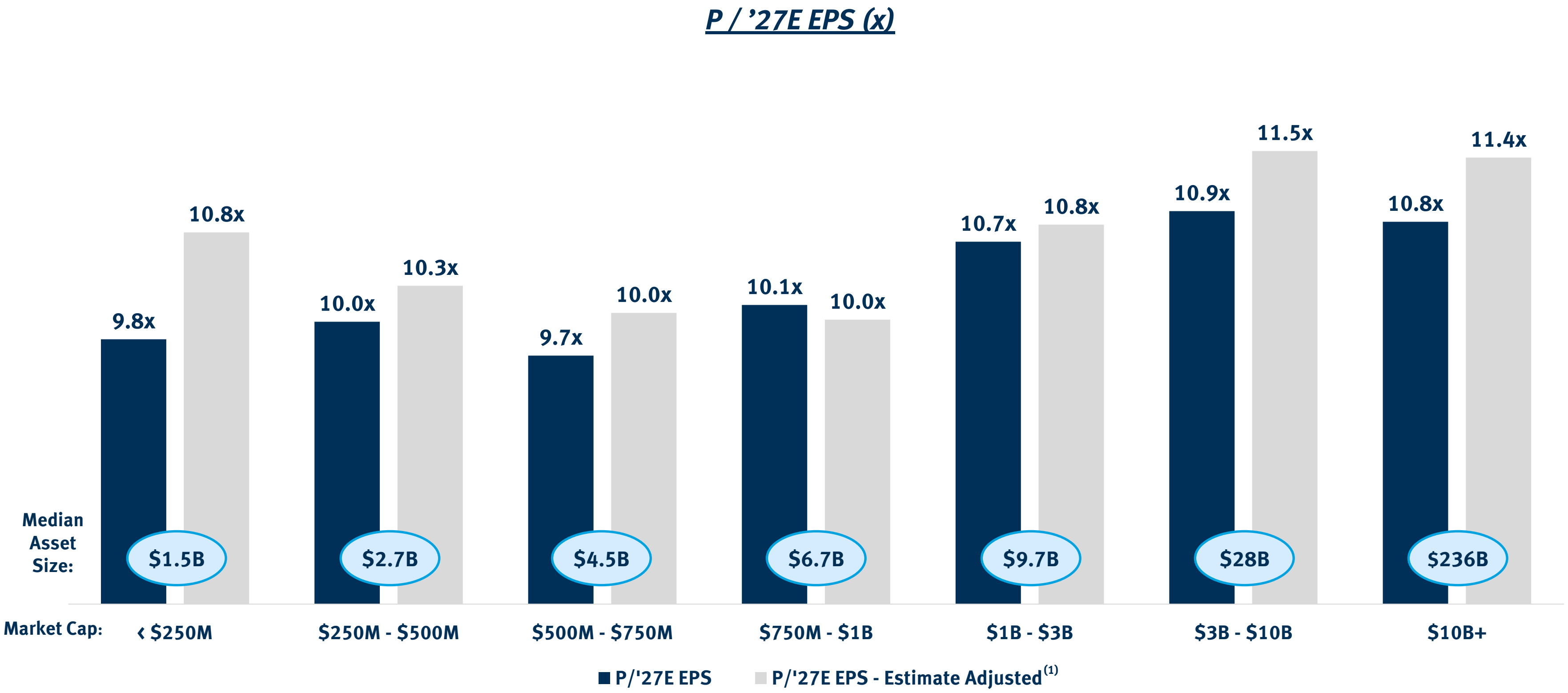


Source: S&P Capital IQ Pro and FactSet

Note: “Today” and “20 Years Ago” data includes current major exchange traded banks headquartered in the U.S.; Excludes merger targets and mutual holding companies
Note: “Today” market and estimate data as of 06/24/2026; “20 Years Ago” market and estimate data as of 06/23/2006

… But That Means There Is Runway

Consensus Estimates Imply Multiple Expansion



Source: S&P Capital IQ Pro and FactSet; Market and estimate data as of 06/24/2026
Note: Estimates per FactSet consensus estimates

Note: Includes major exchange traded banks headquartered in the U.S.; Excludes merger targets and mutual holding companies
(1) Represents median consensus price target / consensus 2027E EPS

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

3 Consistency Differentiates

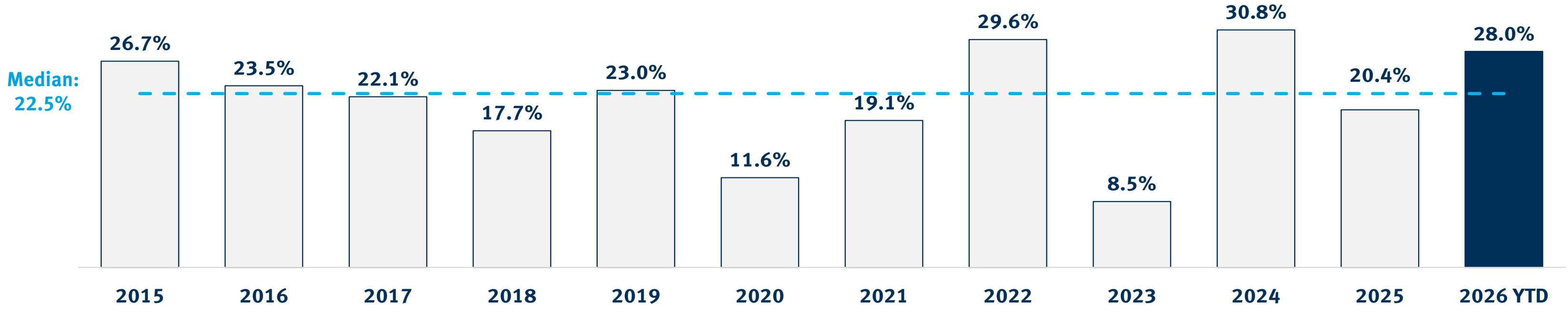
4 Valuations Are Below Historical Levels

5 M&A Pricing Is a Mixed Bag

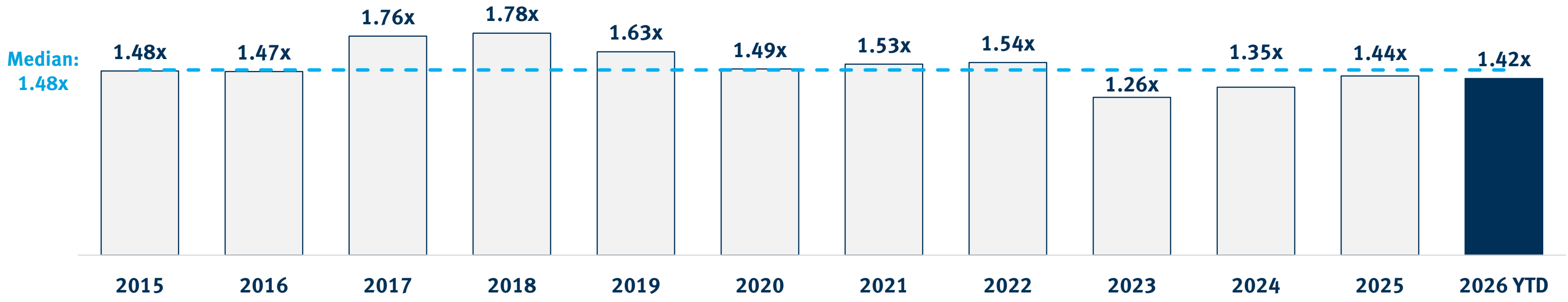
KEEFE, BRUYETTE & WOODS
A Stifel Company

Premiums and Multiples Have Fluctuated

1-Day Market Premium (%)



Price / Tangible Book Value (x)

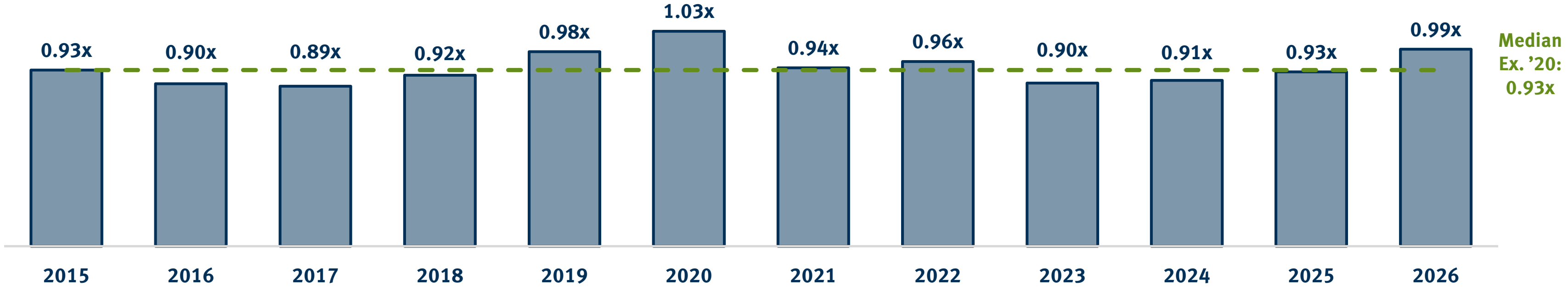


Source: S&P Capital IQ Pro and Company documents; Transaction data as of 06/24/2026

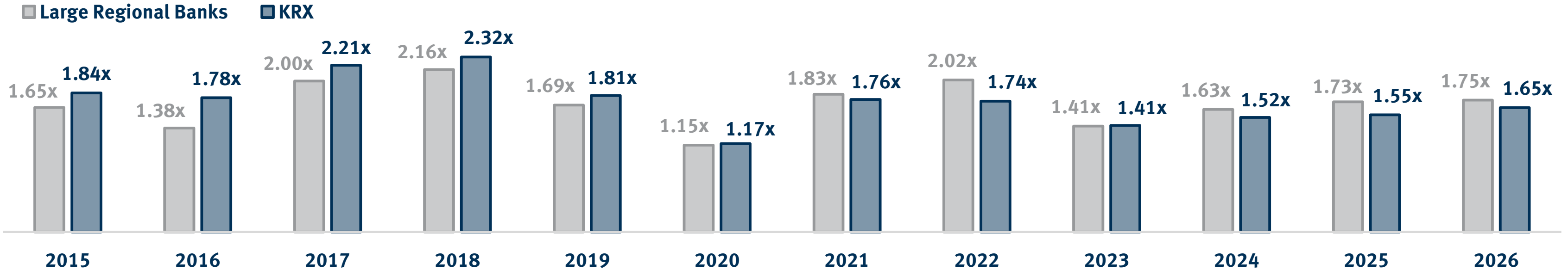
Note: Includes nationwide whole bank acquisitions with announced deal values >$25mm; Figures represent medians

But Pricing Is Actually Relatively Consistent

Bank M&A Pay-to-Trade Ratio (P/TBV Basis)[(1)(2)]



Large Regional Bank and KRX Trading P/TBV[(3)]



Source: S&P Capital IQ Pro and FactSet; Market data as of 06/24/2026
Note: "Large Regional Banks" include BKX components (COF, CFG, EWBC, FITB, FHN, HBAN, KEY, MTB, PNC, PNFP, RF, TFC, USB, WAL and ZION); Excludes trust banks (STT, NTRS, BK), broker dealers (MS, GS), and money center banks (JPM, C, BAC, WFC); KBW NASDAQ Bank Index (BKX) traditionally includes 24 banking stocks representing the large U.S. national money centers, regional banks or thrifts with assets between ~$83 billion and ~$5 trillion
Note: KBW NASDAQ Regional Banking Index (KRX) includes 50 U.S. regional banks or thrifts with assets between ~$12 billion and ~$87 billion
(1) Includes U.S. bank M&A transactions since 01/01/2015 with announced deal values greater than $50mm; Excludes transactions with private buyers, foreign buyers and nonbank buyers; Values reflect the median pay-to-trade ratio in each respective year

(2) Pay-to-trade defined as the Price / TBV multiple paid in the transaction divided by the buyer's standalone Price / TBV multiple prior to deal announcement
(3) Reflect medians of "Large Regional Banks" and the KRX

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

3 Consistency Differentiates

4 Valuations Are Below Historical Levels

5 M&A Pricing Is a Mixed Bag

6 Threats to Deposit Funding Exist

KEEFE, BRUYETTE & WOODS
A Stifel Company

Stablecoins and AI Deposit Sorting

Keeping an Eye on Deposit Insurance Reform Policy

Stablecoins

- **Deposit Substitution, Not New Money**
- **Disintermediation of Core Deposit-Taking and Lending**
- **Yield Is the Battleground**
  GENIUS bars issuers from paying interest directly,
  but exchanges can pass through yield
- **Treasury Tailwind**
  1:1 reserves in cash / short T-bills

AI Deposit Sorting

- **End of "Lazy Money"?**
- **Sticky Deposits No More?**
  Customer loyalty earned by rate, not relationships
- **Yield Harvesting Compresses NIM**
  Automated rate chasing threatens funding costs
  Continuous repricing follows and pressures margin & flight risk

Deposit Insurance Reform

Key Arguments

- **In Favor**
  Protects from bank runs; bank failures are a catalyst

  Shields non-interest-bearing deposits & payroll

  Levels the playing field
- **Against**
  Moral hazard; Government shouldn't pick winners and losers

  Taxpayers & DIF bear the costs

Where It Stands

- **2023: FDIC Publishes Reform Options**
- **2024–25: Bills Introduced, None Enacted**
- **Nov 2025: House Hearing on Costs/Benefits**
- **May 2026: Industry Op-Ed Backs Reform**
- **Today: Still $250k; Targeted Fix Likely**

Top 10 Industry Trends

1. Large Caps Draw Investor Interest
2. Tech Is a Battlefield
3. Consistency Differentiates
4. Valuations Are Below Historical Levels
5. M&A Pricing Is a Mixed Bag
6. Threats to Deposit Funding Exist
7. **Shareholder Activism**

KEEFE, BRUYETTE & WOODS
A Stifel Company

Common Campaign Objectives

Board Representation and M&A Remain Primary Drivers of Most Campaigns

Campaign Objective

1. Board Control / Representation

30% of definitive proxy contests sought control of a majority of the board

2. Urge Strategic / Operational Changes

e.g. Call for strategic alternatives, changes to operations or capital allocation, or increasing buybacks

3. Hostile / Unsolicited Public Bid

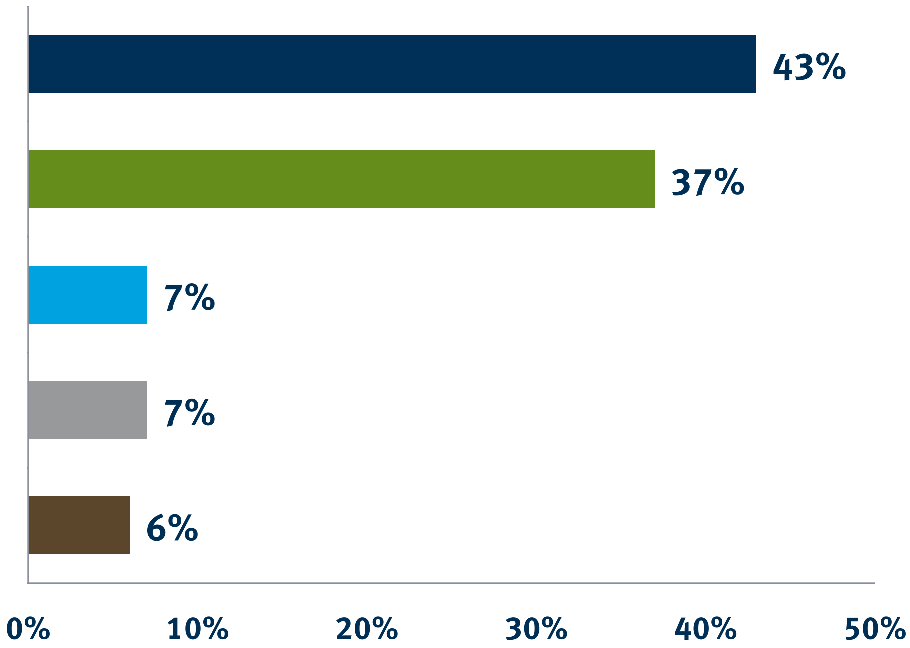
4. Vote / Activism For/Against a Merger

e.g. Investors and merger arbitrageurs

5. Vote Against a Management Proposal

e.g. "Vote No" campaign

Proportion of Campaigns



Source: FactSet; Activist Insight; ISS Voting Analytics

Summary of Recent Activity

HoldCo Activism Campaigns

Comerica

Release Date: July 28, 2025

HoldCo Grievances
- 25 years of stock underperformance
- Management underperformance
- No accountability for poor decisions
- Bloated cost structure

HoldCo Demands
Explore sale
Improve capital efficiency
Return excess capital to shareholders

Sale: October 6, 2025

Eastern Bankshares, Inc.

Release Date: October 20, 2025

HoldCo Grievances
- Destroyed tangible book value per share on poor M&A and securities restructurings
- Diluted deposit base with acquisitions
- Overcompensation and unaccountable board

HoldCo Demands
Explore sale
Stop acquisitions
Prioritize buybacks
Review leadership and Governance

Share Buyback: January 23, 2026

First Interstate BancSystem

Release Date: October 24, 2025

HoldCo Grievances
- Unacceptable historical stock performance
- Significant excess capital and no confidence in ability or judgment to allocate
- Unaddressed expense issue
- Failed Great Western acquisition

HoldCo Demands
Set CET1 target (~10.5%)
Halt M&A
Commit to buybacks
Declassify board
Comp realignment

Share Buyback: October 29, 2025

Columbia Bank

Release Date: October 29, 2025

HoldCo Grievances
- Reversal of historical premium valuation into discounted valuation
- Bet the farm on underperforming Umpqua merger
- Lack of accountability and alignment with executive compensation

HoldCo Demands
Abstain from future acquisitions
Stay below $100B
Align pay to EPS and returns
Adopt targeted capital ratios
Use excess capital on share buybacks

Share Buyback: October 30, 2025

KeyBank

Release Date: December 5, 2025

HoldCo Grievances
- Too many discussions about acquisitions in Northwest
- Not enough buybacks
- Pride over overpriced First Niagara deal in 2015
- Lack of accountability and alignment with executive compensation

HoldCo Demands
"No acquisitions" policy
Use all excess capital or buybacks
Terminate CEO Gorman
Create independent Capital Allocation Committee

Share Buyback: January 20, 2026

Other Activism Campaigns – PL Capital

Horizon Bancorp, Inc.

Release Date: October 27, 2025

PL Capital Grievances
Mismanagement of the 2021 Michigan Deposit Transaction; destruction of tangible book value; loss of shareholder value; poor accountability and strategy from the legacy board and management

PL Capital Demands
Stop acquisitions; pursue a sale, improve TBV and EPS growth; improve insider alignment

Source: Company filings

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

3 Consistency Differentiates

4 Valuations Are Below Historical Levels

5 M&A Pricing Is a Mixed Bag

6 Threats to Deposit Funding Exist

7 Shareholder Activism

8 Talent Wars

KEEFE, BRUYETTE & WOODS
A Stifel Company

Talent Is Top of Mind

	Commentary

Simmons First National Corporation

"We made some very big investments in terms of talent... from senior leadership all the way down to very productive bankers who have strong reputations in our markets."
Jay Brogdon – President & CEO

FB FirstBank

"It's a daily topic here... offense and defense with regard to talent... We're hot and heavy on a lot of recruiting."
Michael Mettee – CFO & COO

RENASANT CORPORATION

"We will always hire A-rated talent when they're available... we won't flinch at the opportunity to hire A-rated talent... market dislocation... is giving us the opportunity to have conversations with extremely talented bankers all throughout the Southeast."
Kevin Chapman – President & CEO

Source: Company transcripts and documents

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

3 Consistency Differentiates

4 Valuations Are Below Historical Levels

5 M&A Pricing Is a Mixed Bag

6 Threats to Deposit Funding Exist

7 Shareholder Activism

8 Talent Wars

9 Competition Is Everywhere

Bank Competition Exists

Large Cap Banks Are Building Branches

	New Branches	Timeline	Geography	Commentary
J.P.Morgan	160+	2026	Nationwide	"Banking is local. In 2018, **we began expanding the Chase branch network** and laid the foundation for **capturing share in underpenetrated markets that represent 40% of total U.S. retail deposits."** **– Marianne Lake, CEO of Consumer & Community Banking**
BANK OF AMERICA	150+	2027	Nationwide	**"Our continued investment in our financial center network** reflects our commitment to meeting our clients where they are and how they want to bank with us." **– Holly O'Neil, President of Consumer & Retail**
TRUIST	100+	2030	Southeast	"This **significant investment demonstrates Truist's** continued commitment to grow with our clients at every step of their financial journeys and **strengthen market share in some of the most dynamic areas of the country."** **– Bill Rogers, Chairman & CEO**
PNC	300+	2030	Nationwide	"The build-out of these **300 new branches allows us to** deliver our unique blend of hospitality and **financial advice to more clients in more neighborhoods across the country."** **– Alex Overstrom, Head of Retail Banking**
FIFTH THIRD	150+	2029	Texas	**"We will open 150 new financial centers across Texas in 2027 through 2029,** supplementing Comerica's existing statewide presence and **accelerating Fifth Third's ability to scale quickly in Dallas, Houston and Austin."** **– Jamie Leonard, COO**
REGIONS	135+	2030	Florida Georgia Tennessee	"People see our branches in markets. They know we're making investments there. It reminds them of who the bank is. **We think the way branches look and feel is a really important reinforcement of who our brand is, and so they're important."** **– John Turner, CEO**

Source: Bloomberg, JPMorgan 2025 Annual Report, 2026 RBC Capital Markets Global Financial Institutions Conference: Bank of America, PNC, and Fifth Third

Non-Bank Competition Exists

20+ Charter Applications This Year, So Far

Institution	Charter Type	Date	Status	Strategic Focus
AGORA	Trust Bank	April '26	Applied	Asset Custody
BASTION	National Trust (Conversion)	March '26	Applied	Stablecoin Infrastructure
Bridge	National Trust Bank	February '26	Conditionally Approved	Stablecoin Products
bunq	De novo	January '26	Applied	Digital Nomad Services
coinbase	National Trust Bank	April '26	Conditionally Approved	Institutional Asset Custody
crypto.com	National Trust Bank	February '26	Conditionally Approved	Institutional Trust Services
EDX	Trust Bank	March '26	Applied	Institutional Crypto Custody
Erebor Bank	De novo Bank	February '26	Granted	Defense & Tech Banking
LORUM	National Trust Bank	March '26	Applied	Fiduciary Custody
MERCURY	De novo	April '26	Conditionally Approved	Business Banking

Institution	Charter Type	Date	Status	Strategic Focus
Mission Lane	CEBA Credit Card Bank	April '26	Applied	In-House Card Lending
Morgan Stanley Digital Trust National Association	National Trust Bank	February '26	Applied	Brokerage Crypto Trading
nu bank	De novo Bank	January '26	Conditionally Approved	Consumer Digital Banking
OpenReserve Bank	De novo Bank	April '26	Applied	On-Chain Settlement
Payoneer	National Trust Bank	February '26	Applied	Stablecoin Issuance
Revolut	De novo Bank	March '26	Applied	Global Digital Banking
Upstart	De novo Bank	March '26	Applied	AI-Powered Lending
VALT	De novo Bank	March '26	Conditionally Approved	Digital Business Banking
World Liberty Financial	National Trust Bank	January '26	Applied	Stablecoin Operations
zerohash	Trust Bank	March '26	Applied	Digital Asset Infrastructure

Source: American Banker

Top 10 Industry Trends

1 Large Caps Draw Investor Interest

2 Tech Is a Battlefield

3 Consistency Differentiates

4 Valuations Are Below Historical Levels

5 M&A Pricing Is a Mixed Bag

6 Threats to Deposit Funding Exist

7 Shareholder Activism

8 Talent Wars

9 Competition Is Everywhere

10 Regional Banking Matters

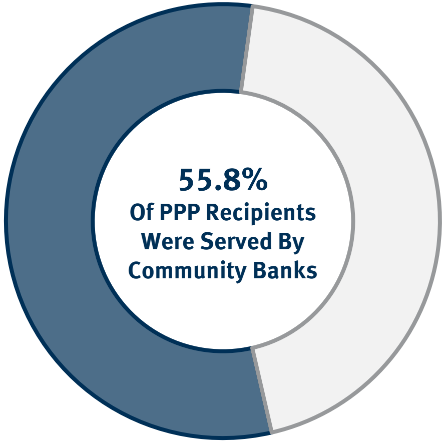
KEEFE, BRUYETTE & WOODS
A Stifel Company

Regional Banking Matters

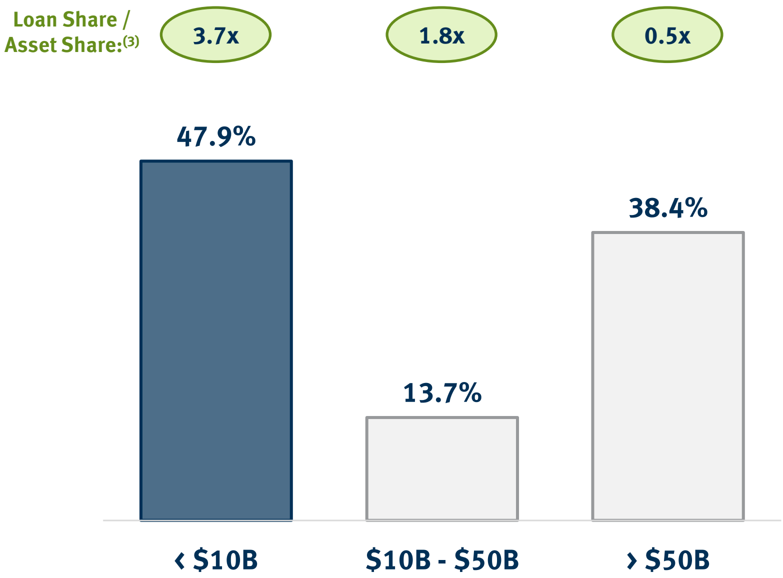
Community and Regional Banks Are the Backbone of Rural America and Main Street Credit

Paycheck Protection Program ("PPP") Loans(1)

- Community Banks were the unequivocal leaders of the U.S. economic recovery due to their outsized role as providers of PPP loans
- Credited with saving ~50 million jobs across the hospitality, health care, social assistance, retail trade and manufacturing sectors



U.S. Small Business Loans(2)



Source: S&P Capital IQ Pro, ICBA, FDIC and Small Business Administration; Financial information per bank level regulatory filings
(1) Per Independent Community Bankers of America report dated 9/1/2021

(2) Data as of 06/30/2025; "U.S. Small Business Loans" defined as the sum of Loans Secured By Nonfarm Nonresidential Properties and Commercial and Industrial loans with outstanding balances ‹$250k
(3) "Loan Share / Asset Share" represents each bank-size cohort's share of the indicated loan category / share of total industry assets

Ask AI

Prompt: What Will Be the Impact of AI on the Banking Industry?

AI is the largest operating-leverage story in banking since the move to digital — but value capture will be uneven

01 EFFICIENCY & OPERATING LEVERAGE

Largest near-term P&L impact

- Customer service
- Middle office
- Software development
- Coverage / underwriting

200–400 bps potential efficiency-ratio improvement over 3–5 years

02 REVENUE & GROWTH

Underappreciated revenue lever

- Personalization at scale across platforms
- Wealth
- Capital markets
- SMB

Cross-sell, retention, and fee revenue uplift compounds over time

03 RISK, FRAUD & COMPLIANCE

Table-stakes that's pulling ahead

- Fraud
- Credit
- AML/KYC
- Model risk

Direct cost-takeout + better loss ratios

04 TALENT & WORKFORCE

Most consequential strategic shift

- Headcount mix → technical and risk-management roles
- Productivity-per-employee replaces raw headcount as KPI
- Talent wars for AI/ML engineers favor scaled banks
- Build vs. buy vs. partner on AI capability → board decision

Scale advantage compounds — squeeze on the mid-size middle

WHAT IT MEANS FOR BANKS: Scale advantage compounds; expect capability M&A and defensive consolidation among sub-$20B banks unable to invest at competitive cost

Source: AI synthesis in response to prompt "What Will Be the Impact of AI on the Banking Industry?"; Inputs include KBW Research, Atlanta Fed Working Paper on AI Productivity (Mar '26), American Banker (Jun '25), and company disclosures; supplemented by SEC filings, earnings call transcripts, investor presentations, broker research, S&P Capital IQ, FactSet, and news / web sources. Productivity figure is sector-wide finance estimate from Atlanta Fed

KEEFE, BRUYETTE & WOODS
A Stifel Company

Prompt: What Is the Future of the Banking Industry?

The industry is consolidating into fewer, larger, more digital banks — scale, technology, and funding increasingly separate the winners from the squeezed middle

01 CONSOLIDATION & SCALE

Defining structural force

- Sub-$20B banks lack tech spend scale
- Technology spend economics
- Geographic / cross-state expansion
- Fee & revenue diversification

U.S. banks ~4,300 today vs. ~18,000 in the 1980s — and still falling

02 TECHNOLOGY & AI

Largest operating-leverage lever

- AI in operations & coverage
- Real-time payments (FedNow / RTP)
- Embedded finance & BaaS
- Stablecoins & tokenized deposits

Real-time payment values up ~5x YoY — banking goes instant

03 FUNDING & PRIVATE CREDIT

Margin & disintermediation

- Deposit competition & funding costs
- NIM normalization
- Private credit disintermediation
- Bank–nonbank partnerships

Private credit ~$2T now, est. ~$5T by 2029 — chasing the loan book

04 REGULATION & CAPITAL

Headwind turning to tailwind

- Basel III endgame recalibration
- More constructive M&A approvals
- Capital return & buybacks
- Fintech / nonbank oversight

Friendlier backdrop unlocks M&A and capital deployment

WHAT IT MEANS FOR BANKS: Scale, technology, and funding advantages compound — winners consolidate, digitize, and diversify; the sub-scale middle must invest, partner, or sell

Source: AI synthesis in response to prompt "What is the Future of the Banking Industry?"; Inputs include KBW Research, FDIC Quarterly Banking Profile, Deloitte 2026 Banking & Capital Markets Outlook, Morgan Stanley, Fiserv / The Clearing House, and Federal Reserve data; supplemented by SEC filings, earnings call transcripts, investor presentations, broker research, S&P Capital IQ, FactSet, and news / web sources

General Information and Limitations

This presentation, and the oral or video presentation that supplements it, have been developed by and are proprietary to Keefe, Bruyette & Woods, Inc. (“KBW”) and were prepared exclusively for discussion purposes only. Neither this printed presentation, nor the oral or video presentation that supplements it, nor any of their contents, may be used, reproduced, disseminated, quoted or referred to for any other purpose without the prior written consent of KBW.

The analyses contained herein rely upon information obtained from public sources, the accuracy of which has not been independently verified, and cannot be assured by KBW. In addition, many of the projections and financial analyses herein are based on estimated financial performance and are intended only to suggest a reasonable range of results for discussion purposes. This presentation is incomplete without the oral or video presentation that supplements it. KBW may have provided investment banking or financial advisory services in connection with the transactions described herein.

Neither KBW nor any other party makes any representation or warranty regarding the information contained herein and no party may rely on such information, and KBW expressly disclaims any and all liability relating to or resulting from recipient’s use of these materials. The information, data and analyses contained herein are current only as of the date(s) indicated, and KBW has no intention, obligation or duty to update these materials after such date(s). This information should not be construed as, and KBW is not undertaking to provide, any advice relating to legal, regulatory, accounting or tax matters.

KBW, a U.S. registered broker-dealer and a member of the Financial Industry Regulatory Authority, is a full service investment bank specializing in the financial services industry.

Independence of Research

KBW prohibits its employees from directly or indirectly offering a favorable research rating or specific price target, or offering or threatening to change a rating or price target, as consideration or inducement for the receipt of business or for compensation.