

## Great Southern Bancorp (Q1 2026)

April 16, 2026

### Corporate Speakers:

- Christina Maldonado; Great Southern Bancorp; Company Representative
- Joseph Turner; Great Southern Bancorp; President and Chief Executive Officer
- Rex Copeland; Great Southern Bancorp; Chief Financial Officer

### Participants:

- Damon Del Monte; KBW; Analyst
- John Rodis; Brean Capital; Analyst

## PRESENTATION

Operator^ And thank you for standing by. Welcome to the Great Southern Bancorp's First Quarter 2026 Earnings Call. (Operator Instructions) Please be advised that today's conference is being recorded. I would now like to hand the conference over to your first speaker today, Christina Maldonado. Please go ahead.

Christina Maldonado^ Good afternoon. And thank you for joining Great Southern Bancorp's First Quarter 2026 Earnings Call. Today we'll be discussing the company's results for the quarter ended March 31, 2026.

Before we begin, I'd like to remind everyone that during the call forward-looking statements may be made regarding the company's future events and financial performance. These statements are subject to various factors that could cause actual results to differ materially from those anticipated or projected.

For a list of these factors, please refer to the forward-looking statements disclosure in the first quarter earnings release and other public filings. Joining me today are President and CEO, Joe Turner; and Chief Financial Officer, Rex Copeland. I'll now turn the call over to Joe.

Joseph Turner^ Okay. Thanks, Christina. And good afternoon to everyone on the call. We appreciate you joining us today. Our first quarter 2026 results reflect a solid start to the year in a continuing competitive operating environment. Both credit and earnings metrics remain strong, allowing for continued progress in our pursuit of meaningful per share tangible book value growth.

This progress was underpinned by disciplined expense management, careful balance sheet structuring, and a continued emphasis on relationship-based banking.

In the first quarter of 2026, we reported net income of \$17.5 million or \$1.58 per diluted common share compared to \$17.2 million or \$1.47 per share in the year ago quarter.

Compared to the fourth quarter of 2025, net income was up from \$16.3 million or \$1.45 per diluted share.

Overall, results for the quarter reflected a resilient net interest margin prudent asset liability management, thoughtful capital allocation, and stable loan balances. Net interest income totaled \$48.3 million for the quarter.

That was down about \$1 million from the first quarter of '25, primarily as a result of the absence of the income from our now terminated interest rate swap. That was, I think, about \$2 million in Q1 of '25. Despite this lost income, our ability to strategically manage funding costs while maintaining attractive asset yields allowed for strong net interest income for the quarter.

Additionally, we benefited from the collection of \$483,000 in unbooked interest this quarter which further supported our net interest income.

Our annual loss margin was 3.71% compared to 3.57% in 2025 first quarter and 3.70% in the fourth quarter of '25. And I think, if you pulled out the \$483,000 of somewhat unusual interest income that might have knocked 3 or 4 basis points off the margin number.

Total loans increased almost \$100 million during the quarter. Loan growth was primarily in construction, commercial real estate lending, though that growth was partially offset by a decline in the multifamily category.

While this balance sheet growth supported earnings in the quarter period-to-period loan trends are influenced significantly by loan repayments from our borrowers. In the first quarter of '26, our loan repayments were less than our quarterly average during the -- during 2025 and definitely during the last half of 2025.

As such, we remain committed to measured loan origination and disciplined underwriting. From a credit standpoint, we remain mindful of the volatility and the macroeconomic challenges affecting our borrowers.

Asset quality metrics in the first quarter of '26 remain very strong for our bank with nonperforming assets to total assets of 0.18% with virtually no charge-offs. But we continue to monitor isolated examples of slower lease ups on projects, along with broader credit concerns as markets remain volatile.

We did not report a provision for credit losses on outstanding loans in the first quarter '26. Given lower unfunded balances and mix changes in the first quarter of '26, we did recognize a negative provision on unfunded commitments of \$931,000.

On the funding side, total deposits remained generally stable throughout the first quarter of '26. Non-broker deposits were down just \$26 million from the start of the quarter and

broker deposits were down about \$11 million as we use FHLB borrowings to replace serve maturing balances.

We saw normal movement across deposit categories. Deposit markets remain competitive across both core and broker channels and we continue to manage our funding mix with a focus on cost, duration and flexibility.

Expense management remains a top priority for the bank as well. Noninterest expense for the quarter was \$34.8 million, down \$30,000 from the first quarter of '25. Part of this decline is related to an insurance reimbursement of \$261,000 in legal fees recovered through a loan foreclosure in the quarter.

Additionally, several projects that would have increased hardware and software systems costs expected in the first quarter of '26 have been pushed to later in the year. We continue to invest in systems, infrastructure and personnel to support the franchise over the long term.

As we move through the balance of '26, we remain focused on maintaining strong credit quality, preserving net interest margin, managing expenses carefully, and continuing to build long-term value for our stockholders through thoughtful capital deployment. With that, I'll turn the call over to Rex for a more detailed discussion of the financials.

Rex Copeland^ Thank you, Joe. And good afternoon, everyone. I'll now provide a little more detail on our first quarter 2026 financial performance and how it compares to both the prior year and the previously linked quarters.

For the quarter ended March 31, 2026, we reported net income of \$17.5 million or \$1.58 per diluted common share compared to \$17.2 million or \$1.47 per diluted common share in the first quarter of 2025 and compared to \$16.3 million or \$1.45 per diluted common share in the fourth quarter of 2025.

We did have a few income and expense items that impacted our results in a positive manner in the quarter. I'll mention some of those throughout this discussion.

Net interest income for the quarter totaled \$48.3 million compared to \$49.3 million in the first quarter of 2025 and \$49.2 million in the fourth quarter of 2025. Compared to the first quarter of 2025, net interest income decreased by about \$1 million, as we mentioned, or approximately 2%.

And as we said, that decrease was driven primarily by the reduction in quarterly interest income associated with the previously terminated interest rate swap which ended in October of 2025.

Additionally, compared to the prior year quarter, interest income declined due to lower loan balances and lower market rates which primarily impacted variable rate loans and some newer fixed rate loan originations. Those items were mostly offset by lower interest

expense on deposit accounts and borrowings due to disciplined funding cost management and the ongoing repricing of deposits and other liabilities.

In addition, there was no interest expense on subordinated notes in the quarter ended March 31, 2026, and since those notes were redeemed in June of 2025.

As Joe mentioned, we have recorded approximately \$483,000 of additional interest income related to collection of unbooked interest on three separate relationships, two of these relationships have recently provided interest payments on a semiannual basis, though we do not have assurance of future payments or amounts going forward.

I'll note that we did record additional interest income totaling \$744,000, in the first quarter of 2025 on similar circumstances as those in this quarter. These types of cash basis interest recoveries can occur sporadically.

Our effective loan pricing and disciplined focus on interest expense resulted in annual net interest margin for the first quarter of '26 of 3.71% compared to 3.57% in the first quarter of 2025 and 3.70% in the fourth quarter of 2025. Noninterest income for the quarter was \$7.0 million compared to \$6.6 million in the first quarter of 2025. The increase of \$439,000 was driven primarily by stronger commissions from annuity sales.

We also benefited from other income in the quarter, \$421,000 of which was related to a fee on a newly originated loan with an interest rate swap as part of the transaction and unrelated and exit of a tax credit limited partnership. Those types of fees and payments occur sporadically as part of our operations.

Total interest expense for the quarter was \$34.8 million, a decrease of approximately \$30,000 compared to the first quarter of 2025.

As mentioned, part of this decrease related to the reimbursement in legal fees. Further, we noted several projects that were deferred in the quarter due to scheduling limitations, so we expect additional expense will come online in future quarters, and we expect these projects to begin throughout the remainder of 2026.

Our regular reimbursement related to qualifying expenses under our debit card program was also recognized in the first quarter, reducing noninterest expense by \$453,000.

Given our continued investment in upgrades of long-term capabilities and the expense reimbursement as noted above, we do expect noninterest expense levels will increase a bit throughout the year.

Our efficiency ratio for the quarter ended March 31, 2026, was 62.85% compared to 62.27% for the same quarter in 2025. The company's ratio of noninterest expense to average assets was 2.47% for the three months ended March 31, 2026, compared to 2.34% for the three months ended March 31, 2025.

Turning to the balance sheet. Total assets ended the quarter at approximately \$5.69 billion compared to \$5.60 billion at December 31, 2025. Total net loans, excluding mortgage loans held for sale, increased approximately \$99.8 million or 2.3% from \$4.36 billion at December 31, '25 to \$4.46 billion at March 31, 2026.

The increase in loans, as mentioned, was driven primarily by increases in construction loans and commercial real estate loans and partially offset by a decrease in multifamily loans. The overall increase in our loan portfolio balances primarily reflect a reflection of lighter loan repayments in the 2026 first quarter.

Had loan payoffs remain consistent with levels in the second half of 2025, our loan balances would likely have ended up \$100 million or more lower. Given the continued uncertainty with loan payoffs, we remain committed to measured loan originations with disciplined underwriting.

On the funding side, total deposits ended the quarter at approximately \$4.45 billion, a decrease of approximately \$37.6 million from December 31, 2025. Noninterest and interest-bearing checking combined decreased \$9 million in the quarter. Retail time deposits decreased \$17 million and brokered deposits decreased \$11 million. Though deposit competition remains strong our deposit balances have continued to stabilize throughout the last several quarters.

As of March 31, 2026, we estimated an uninsured deposits, excluding deposit accounts of the company's consolidated subsidiaries were approximately \$740 million or 16.7% of total deposits. From an asset quality perspective, the bank's credit metrics remain excellent. Nonperforming assets and potential problem loans totaled approximately \$11.3 million at March 31, 2026, an increase of about \$1.8 million from \$9.5 million at December 31, 2025.

At March 31, 2026, nonperforming assets were approximately \$10.1 million or roughly 0.18% of total assets compared to \$8.1 million or 0.15% of total assets at December 31, 2025.

During the three months ended March 31, 2026 and 2025, the company did not record a provision expense on its portfolio of outstanding loans. Total net recoveries were approximately \$13,000 for the three months ended March 31, 2026, compared to total net charge-offs of \$56,000 during the same period in 2025.

Additionally, for the quarter ended March 31, 2026, the company recorded a negative provision on unfunded commitments of approximately \$931,000 compared to a negative provision of unfunded commitments of \$348,000 for the first quarter of 2025. This negative provision on unfunded commitments resulted from the decline in unfunded commitments, primarily in unfunded construction balances.

Our capital position remained a key strength in the quarter. Total stockholders' equity at March 31, 2026, was approximately \$633.6 million, representing 11.1% of total assets

and a book value of approximately of \$58.27 per common share. This compares to total stockholders' equity of \$636.1 million or 11.4% of total assets and a book value of \$57.50 per common share at December 31, 2025.

The slight decrease in stockholders' equity in the quarter was driven by \$16.9 million in common stock repurchases, \$4.7 million in cash dividends declared and a \$2.9 million increase in unrealized losses on investments and interest rate swaps, partially offset by \$17.5 million in net income and \$4.6 million in increased capital due to stock option exercises.

During the three months ended March 31, 2026, the company repurchased 268,664 pairs of its common stock at an average price of approximately \$62.55 per share. And the company's Board of Directors declared a regular quarterly cash dividend of \$0.43 per common share.

Also during the first quarter, the company experienced stock option exercises of just over 80,000 shares at an average price of approximately \$50.90 per share. As of March 31, 2026, approximately 419,000 shares remained available under the current repurchase authorization, and our outstanding shares were approximately 10,874,000 shares at the end of March.

Overall, our balance sheet remains well positioned for sustained success driven by strong capital levels, ample liquidity, solid credit fundamentals and a balanced earning asset and funding profile. That concludes my remarks. We are now ready to take your questions.

## QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) And our first question comes from the line of Damon DelMonte of KBW.

Damon Del Monte^ First question on expenses and kind of the outlook from this point going forward. I know you guys noted that there are some projects that will be underway shortly and continue throughout the year. Could you give a little bit of guidance as to maybe help us quantify what that expense rate would be going forward?

Rex Copeland^ Well first, obviously the items that we called out in the first quarter, the couple of different things that reduced our expenses. We don't anticipate those are going to repeat in -- and then it's just going to be a matter of how quickly some of these projects get going throughout the rest of the year.

So I don't really have a great firm answer for you on that. I mean it's not going to be huge amounts of money. I don't think in any given quarter, but it's going to build on itself probably over the course of the year a little bit.

Joseph Turner^ Yes. I think that's right.

Damon Del Monte^ Can you give a little color on some of the projects?

Joseph Turner^ I think in total, we're primarily talking about IT projects and they involve data security. They involve some customer-facing technologies. There's some substantial upgrade in our systems that we're investing in.

And so I think when it's all fully baked in. And as Rex said, we're not sure exactly when that will be, but that will probably happen over the next three to six quarters, I think it's going to -- I think it could add a \$200,000 to \$250,000 a month to our expense levels.

Damon Del Monte^ Got it. Okay. Okay. That's helpful. All right. And then I guess with regards to the margin, obviously I think you quantified a three or 4 basis point impact from the interest payments this quarter.

But as we kind of think about the core margin going forward, if we do see one rate cut later in the year, could you just kind of remind us how you're positioned for the coming quarters?

Rex Copeland^ Yes. I mean we're pretty balanced, we think, on that. If it's a rate but down the road of 25 basis points in the near term, it shouldn't be that impactful.

It might be a bit impactful for a couple of months or something if we have some of our variable rate loans that were repriced down, most of our liability funding is pretty short. So we've got a lot of overnight advances from the home loan bank. Other items, we got interest rate swaps that would presumably come down in that H2.

So we've got a lot of things on the liability side that are fairly short and would reprice pretty quickly. So we don't really anticipate that is going to -- it would negatively impact us very much or for very long. So I think we're pretty well matched.

If rates stay where they are, we don't we don't anticipate there will be a lot of movement in our net interest margin. And even if they only moved by 25 basis points up or down, probably isn't going to move the needle too much on that even.

Damon Del Monte^ Okay. Great.

If I could squeeze one more in on loan growth. You highlighted that the paydowns were slower this quarter. Any visibility into expected pace of pay downs as we progress through the year?

Do you have a little bit more optimism that you could kind of get a little bit more consistent with positive growth versus kind of the trends we've seen recently?

Joseph Turner^ It's just -- this is one of the reasons, Damon, that we don't give guidance is just very difficult to predict. The -- as Rex alluded to, our levels of prepayments which

is really what moves the needle for us. They were probably, I don't know \$180 million less than the first quarter of '26 than they averaged in the last half of '25.

So that's a pretty significant number. And so you have to ask yourself, okay. Is there may be a reason? Is it a list favorable refinancing market, Mayo, but we're just not comfortable. It's -- it's too volatile to really give guidance, and that's why we choose not to.

Operator^ Our next question comes from the line of John Rodis of Brean Capital.

John Rodis^ Joe, I think you -- I just want to make sure I heard you correctly on expenses. You said IT could add roughly \$200,000 to \$250,000 a month. Is that right? Or was it a month or a quarter?

Joseph Turner^ No. That was right. That's right.

John Rodis^ A month?

Joseph Turner^ Yes. Yes.

Rex Copeland^ Not necessarily immediately, but over...

Joseph Turner^ Not necessarily. I mean when it's all -- when all these projects are fully operational which I think will happen over the next three to six quarters.

John Rodis^ Okay. Okay. Okay. So I mean I guess, just back to expenses real quick. I mean when you back out the two reimbursements in the quarter, that gets you to like \$35.5 million. So it sounds like you're sort of moving closer to that \$36 million level, give or take, on a quarterly basis. Am I thinking about that right?

Joseph Turner^ I think you are, yes.

John Rodis^ Okay. Okay. Joe, just on the buyback, you've got, what, give or take, 400,000 shares remaining. The stock's moved up a little bit versus your average in the quarter. Are you still a buyer at the current levels?

Joseph Turner^ I mean I don't want to like exactly say what we would pay or whatever. But I mean we do still think our stock at an attractive level whatever measurement you choose to sort of value it at. If it's -- if you're in a tangible book value earn back or whatever, yes, I mean we still think it makes sense.

Rex Copeland^ And we look at it kind of in a total package to our total capital. We got to factor in if we have continued loan growth and things of that nature. So all those things play into making our termination from time to time whether we'll buy our stock back more aggressively or less aggressively, I can think.

John Rodis^ Right. Within fee income, the commissions number, you talked about higher annuity sales, is that something that you think is going to continue? Or sort of what happened this quarter to make them higher?

Rex Copeland^ They've been higher now for maybe two, three, four quarters than they typically have run. I don't know if there's anything in particular that's driving it necessarily. I think we've just got some of our customers are interested in that product. And we've got some folks that are well trained in it. And so it may continue on.

It's just hard to know for sure if that's going to be something that people will continue to be interested in over the long haul. But I think in the near term, at least, I don't know that it's going to be all that different.

Joseph Turner^ Yes. It's sort of an alternative to CDs. So has something to do with interest rates and the -- what interest rates are on comparable CDs versus what they can get on the annuity product.

John Rodis^ Okay. Rex, just on the balance sheet, the securities portfolio was down a little bit. Would you expect the securities portfolio to sort of be flat to down a little bit going forward, sort of stable?

Rex Copeland^ Yes. I think it will go down kind of slowly. I mean we've got a lot of product in there that has monthly payments. But they're not like large amounts in total compared to the whole portfolio. So I think for the near term in the next couple of years, unless rates went down substantially.

We probably aren't going to see a huge amount of runoff in that portfolio. We do have some things that three to five years out, probably have some maturities in there and some things that will start to ramp that up a little bit more.

But -- but in the near term, I don't think there's going to be a lot of change in the portfolio, probably not much in the way of added to the portfolio. And as far as the payments go, I mean you're not looking at a big percentage of the portfolio running off in the next couple of quarters here.

John Rodis^ Okay. And Joe, just one more question, sort of big picture. I think in the press release, you -- you talked about, I guess, moving one location here in St. Louis or to an updated location. Are there any other plans throughout the footprint for new locations or maybe to close some locations or anything like that you're contemplating right now?

Joseph Turner^ That's something we're always doing, John. We're always looking at customer patterns and usage levels of banking centers, and we got to make sure that every dollar we have deployed is being best utilized.

And so -- and the banking centers are -- they're our best delivery channel, but they're also our most expensive delivery channel. So we have to make sure that every dollar we're spending there is wisely spent. So that's something that we're always looking at.

Rex Copeland^ And looking at some technology as well. So the one location in St. Louis, we were talking about the traffic pattern and everything there and the usage of the location. There's still some folks that will use it, we think.

And so we're going to have ITMs there on site, and we've done that in a couple of other locations as well. So we're going to continue to be able to serve our customers with an interactive experience there. There just won't be an inside lobby present.

Operator^ Thank you. I'm showing no further questions at this time. I'll now turn it back to Joe Turner for closing remarks.

Joseph Turner^ All right. Thanks again everybody, for joining us today, and we look forward to talking to you after this -- after our second quarter earnings come out. Thank you.

Operator^ Thank you for your participation in today's conference. This concludes the program. You may now disconnect.