

## Cadence Bank Announces Second Quarter 2023 Financial Results

HOUSTON and TUPELO, Miss., July 24, 2023 [/PRNewswire/](#) -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter ended June 30, 2023.

### Highlights for the second quarter of 2023 included:

- Achieved quarterly net income available to common shareholders of \$111.7 million, or \$0.61 per diluted common share, and adjusted net income available to common shareholders,<sup>(1)</sup> which excludes non-routine income and expenses,<sup>(2)</sup> of \$116.9 million, or \$0.64 per diluted common share.
- Generated net organic loan growth of \$1.3 billion for the second quarter of 2023, or 16.3% annualized. On a year-to-date basis, loans have grown \$2.2 billion, or 14.7% annualized.
- Reflected a decline in total deposits of \$704.8 million during the quarter. On a year-to-date basis, total deposits have declined \$254.9 million, or 1.3% annualized.
- Continued to maintain strong balance sheet liquidity, with a loan-to-deposit ratio of 84.1% at June 30, 2023.
- Reported total revenue of \$465.8 million, down 2.9% compared to the prior quarter (excluding securities gains and losses) as net interest revenue was negatively impacted by higher funding costs, partially offset by meaningful growth in several noninterest revenue sources spotlighted by record quarterly insurance commission revenue of \$45.6 million.
- Decreased adjusted noninterest expenses<sup>(1)</sup> to \$297.0 million, down \$8 million, or 2.6% from the prior quarter as we continue to refine our operating leverage.
- Announced the closure or consolidation of 35 branches and other strategic initiatives including early retirements and other personnel efficiencies to occur primarily during the third quarter of 2023. These initiatives are now projected to collectively reduce noninterest expense by approximately \$35 - \$40 million annually, an increase from our previous estimate of \$15 - \$20 million.

"Our second quarter results reflect several key successes, particularly from a business development standpoint," remarked Dan Rollins, Chairman and Chief Executive Officer of the Company. "While higher than anticipated deposit costs negatively impacted our net interest margin, we had another very solid quarter from a loan growth perspective and our bankers continue to successfully protect our core deposit relationships. From a liquidity and capital perspective, our balance sheet remains in a strong position. We also reported meaningful revenue growth in several of our noninterest revenue businesses, highlighted by record quarterly revenue from our insurance team. Finally, we remain encouraged with our credit quality. Net charge-offs for the quarter remain at low levels, and our total non-performing asset levels declined."

### Earnings Summary

For the second quarter of 2023, the Company reported net income available to common shareholders of \$111.7 million, or \$0.61 per diluted common share, compared with \$124.6 million, or \$0.68 per diluted common share, for the second quarter of 2022 and \$74.3 million, or \$0.40 per diluted common share, for the first quarter of 2023.

Adjusted net income available to common shareholders<sup>(1)</sup> was \$116.9 million, or \$0.64 per diluted common share, for the second quarter of 2023, compared with \$134.2 million, or \$0.73 per diluted common share, for the second quarter of 2022 and \$124.4 million, or \$0.68 per diluted common share, for the first quarter of 2023. Additionally, the Company reported adjusted pre-tax pre-provision net revenue (PPNR)<sup>(1)</sup> of \$168.8 million, or 1.38% of average assets on an annualized basis, for the second quarter of 2023 compared to \$176.7 million, or 1.51% of average assets on an annualized basis, for the second quarter of 2022 and \$174.6 million, or 1.46% of average assets on an annualized basis, for the first quarter of 2023.

The declines in adjusted earnings<sup>(1)</sup> and PPNR<sup>(1)</sup> metrics for the second quarter of 2023 were driven by a decline in net interest revenue and an increase in the provision for credit losses, which were partially offset by growth in several noninterest revenue categories and improvement in operating expenses.

### Net Interest Revenue

Net interest revenue was \$333.6 million for the second quarter of 2023, compared to \$324.8 million for the second quarter of 2022 and \$354.3 million for the first quarter of 2023. The net interest margin was 3.03% for the second quarter of 2023, compared with 3.06% for the second quarter of 2022 and 3.29% for the first quarter of 2023.

The decline in net interest revenue in the second quarter of 2023 of \$20.7 million, or 5.9%, compared to the linked quarter was primarily driven by net interest margin pressure resulting from an increase in funding costs, including the impact of mix shift out of noninterest bearing into interest bearing deposits. The decline also included \$4.8 million in lower accretion revenue related to acquired loans and leases. Accretion revenue was \$5.2 million and \$10.0 million for the second quarter of 2023 and the first quarter of 2023, respectively, adding approximately 4 basis points to the net interest margin for the second quarter of 2023 and 9 basis points for the first quarter of 2023.

Yield on net loans, loans held for sale, and leases excluding accretion, was 6.18% for the second quarter of 2023, up 31 basis points from 5.87% for the first quarter of 2023, while yield on total interest earning assets was 5.21% for the second quarter of 2023, up 33 basis points from 4.88% for the first quarter of 2023. The increase in earning asset yields continues to be driven by both the impact of rising interest rates on loan portfolio repricing and new loan production, as well as a change in mix as cash flows from lower yielding securities are deployed primarily into higher yielding loans. Approximately 20% of our total loans are floating (reprice within 30 days), and another 28% reprice within 12 months.

The average cost of total deposits increased to 1.87% for the second quarter of 2023, compared with 1.28% for the first quarter of 2023, reflecting continued competitive pressure on rates as well as a continued mix shift from noninterest bearing to interest bearing products during the second quarter of 2023. Our total deposit beta is 33% cycle-to-date. Total interest-bearing liabilities costs increased to 2.92% from 2.23% during the second quarter of 2023.

### Balance Sheet Activity

Loans and leases, net of unearned income, increased \$1.3 billion during the second quarter of 2023, or 16.3% annualized, to \$32.6 billion. Consistent with prior quarters, the loan growth continues to be diverse from both a loan category and geographic standpoint, including approximately \$556.6 million in Commercial and Industrial, \$268.4 million in Commercial Real Estate and \$453.6 million in Residential Mortgage due to increased seasonal mortgage loan production. Total investment securities of \$10.3 billion at June 30, 2023 decreased \$623.3 million during the second quarter as routine portfolio cash flows continue to be redeployed into loan growth.

Total deposits decreased \$704.8 million to \$38.7 billion as of June 30, 2023 with the decline primarily in corporate account activity. Our community bank deposits reflected net deposit outflows of \$129.6 million in the second quarter, however on a year-to-date basis, they increased \$346.7 million, demonstrating the strength of our community

franchise deposit base. Total brokered deposits were \$1.8 billion at June 30, 2023, down slightly from \$1.9 billion at the end of the first quarter of 2023. The June 30, 2023 loan to deposit ratio was 84.1% and securities to total assets was 21.0%, reflecting continued strong liquidity. Noninterest bearing deposits represented 26.4% of total deposits at the end of the second quarter of 2023, declining from 29.2% at March 31, 2023, as we saw further migration from noninterest bearing products into interest bearing products. The Company's deposit base continues to be very granular, with average transaction account balances of approximately \$22,000 for consumer accounts and \$132,000 for commercial accounts at June 30, 2023. Additionally, approximately 98% of the Company's deposit accounts have balances less than \$250,000, and approximately 75% of our deposit balances were FDIC insured or collateralized at quarter-end.

Short-term borrowings declined \$2.2 billion during the quarter to \$3.5 billion at June 30, 2023 while cash, due from balances and deposits at the Federal Reserve declined \$3.4 billion to \$1.7 billion at June 30, 2023. These balances returned to more normalized levels after excess on-balance sheet liquidity was proactively added late in the first quarter of 2023 in response to industry-wide disruption.

#### **Credit Results, Provision for Credit Losses and Allowance for Credit Losses**

Total non-performing assets as a percent of total assets were 0.34% at June 30, 2023 compared to 0.27% at June 30, 2022 and 0.33% at March 31, 2023. Total non-performing loans and leases as a percent of loans and leases, net were 0.50% at June 30, 2023, compared to 0.41% at June 30, 2022 and 0.53% at March 31, 2023. Other real estate owned and other repossessed assets declined meaningfully during the second quarter to \$2.9 million at June 30, 2023 compared to the June 30, 2022 balance of \$14.4 million and the March 31, 2023 balance of \$5.3 million.

Net charge-offs for the second quarter of 2023 were \$12.7 million, or 0.16% of average net loans and leases on an annualized basis, compared with net recoveries of \$1.4 million for the second quarter of 2022 and net charge-offs of \$1.9 million for the first quarter of 2023. The increase in net charge-offs during the second quarter of 2023 was driven primarily by the charge down of one C&I credit that was previously identified as impaired. The provision for credit losses for the second quarter of 2023 was \$15.0 million, compared with \$1.0 million for second quarter of 2022 and \$10.0 million for the first quarter of 2023. The second quarter of 2023 provision expense included a \$25.0 million provision charge for funded loans and a \$10.0 million provision reversal for unfunded commitments. The allowance for credit losses of \$466.0 million at June 30, 2023 represented 1.43% as a percent of total loans and leases, stable compared to the March 31, 2023 coverage of 1.45%.

#### **Noninterest Revenue**

Noninterest revenue was \$132.3 million for the second quarter of 2023, compared with \$125.2 million for the second quarter of 2022 and \$74.1 million for the first quarter of 2023. First quarter 2023 noninterest revenue included a \$51.3 million non-routine loss on the sale of securities. Excluding the securities loss, noninterest revenue increased \$6.9 million from the first quarter of 2023 revenue driven by increases in insurance commission, card, and mortgage banking revenue, partially offset by lower other noninterest revenue.

Insurance commission revenue continues to be strong at \$45.6 million for the second quarter of 2023, compared with \$40.0 million for the second quarter of 2022 and \$39.6 million for the first quarter of 2023. The year-over-year quarterly revenue was up \$5.6 million or 14.0% reflecting continued strong performance. The linked quarter increase of \$6.0 million or 15.1% was primarily in property and casualty commissions and was driven by successful client acquisition efforts as well as continued upward pressure on policy rates.

Credit card, debit card and merchant fee revenue was \$12.6 million for the second quarter of 2023, compared with \$16.6 million for the second quarter of 2022 and \$11.9 million for the first quarter of 2023. The second quarter of 2022 included vendor incentive revenue that was elevated compared to other periods. Deposit service charge revenue was \$17.2 million for the second quarter of 2023 compared with \$18.3 million for the second quarter of 2022 and \$16.5 million for the first quarter of 2023. The decline compared to the second quarter of 2022 includes increases in earnings credit rate due to the increasing rate environment. Other noninterest revenue was \$26.7 million for the second quarter of 2023, compared with \$17.3 million for the second quarter of 2022 and \$29.8 million for the first quarter of 2023. The decline compared to the first quarter of 2023 is related primarily to a decline in revenue on SBA loan sales, while the increase from the second quarter of 2022 was in multiple areas including partnership income, credit fees, FX income and other revenue streams.

Mortgage production and servicing revenue totaled \$6.8 million for the second quarter of 2023, compared with \$6.8 million for the second quarter of 2022 and \$8.4 million for the first quarter of 2023. The net mortgage servicing rights valuation adjustment was a positive \$1.6 million for the second quarter of 2023, compared with a positive \$4.7 million for the second quarter of 2022 and a negative \$2.3 million for the first quarter of 2023 with the variances due to continued changes in the interest rate environment. Mortgage origination volume for the second quarter of 2023 was \$848.9 million, compared with \$913.0 million for the second quarter of 2022 and \$454.2 million for the first quarter of 2023. Compared to the same quarter in 2022, mortgage origination volume was down 7.0%, and was up 86.9% compared to the prior quarter reflecting seasonality.

#### **Noninterest Expense**

Noninterest expense for the second quarter of 2023 was \$303.9 million, compared with \$285.9 million for the second quarter of 2022 and \$319.3 million for the first quarter of 2023. Adjusted noninterest expense<sup>(1)</sup> for the second quarter of 2023 was \$297.0 million, compared with \$271.8 million for the second quarter of 2022 and \$305.0 million for the first quarter of 2023. Adjusted noninterest expense<sup>(1)</sup> for the second quarter of 2023 excludes \$1.8 million in total merger related expenses, \$6.2 million in branch closure and other restructuring charges, and a \$1.1 million debt extinguishment gain. The adjusted efficiency ratio<sup>(1)</sup> was 63.6% for the second quarter of 2023 compared to 63.5% for the first quarter of 2023, as the decline in the second quarter's revenue offset the impact of lower expenses.

The \$8.0 million, or 2.6%, decline in adjusted noninterest expense<sup>(1)</sup> compared to the linked quarter was driven primarily by a decline in salaries and employee benefits expense as well as data processing and software expense, partially offset by an increase in amortization of intangibles. Salaries and benefits expense declined \$4.8 million compared to the first quarter of 2023 due to a number of factors including lower payroll tax expense and retirement plan expense. Data processing and software expense declined \$3.8 million compared to the first quarter of 2023 related to cost savings associated with vendor service terminations and vendor contracts.

The Company continues to identify strategic opportunities to improve operating efficiency, including branch optimization. In April 2023, the Company announced 35 additional branch locations that will be closed or consolidated early in the third quarter of 2023. These branch closures and consolidations are in addition to the 17 executed in the fourth quarter of 2022. The Company also continues to execute on other initiatives designed to improve efficiency, including personnel-related initiatives. These branch optimization and other efficiency initiatives are now collectively expected to result in annual cost savings of \$35 - 40 million, an increase from our previous estimate of \$15 - \$20 million. One-time costs associated with the initiatives included \$6.2 million in the second quarter of 2023 and are expected to include \$10 - \$12 million over the remainder of 2023 with the majority in the third quarter.

### **Capital Management**

Total shareholders' equity was \$4.5 billion at June 30, 2023 compared with \$4.4 billion at June 30, 2022 and \$4.5 billion at March 31, 2023. Estimated regulatory capital ratios at June 30, 2023 included Common Equity Tier 1 capital of 10.1%, Tier 1 capital of 10.5%, Total risk-based capital of 12.7%, and Tier 1 leverage capital of 8.5%. During the second quarter of 2023, the Company did not repurchase any shares of its common stock pursuant to its 10 million share repurchase authorization for 2023. Outstanding common shares were 182.6 million as of June 30, 2023.

### **Summary**

Rollins concluded, "While deposit competition and pricing are impacting financial performance across the industry, we are proud of our second quarter accomplishments and we remain optimistic on our business opportunities as we look forward. We have continued to grow loans in a steady and prudent manner, protect core deposit relationships and maintain stable credit quality. Additionally, we continue to execute on strategic initiatives designed to improve our operating efficiency. As we move into the second half of 2023, these key strategies will continue to be our focus."

### **Conference Call and Webcast**

The Company will conduct a conference call to discuss its second quarter 2023 financial results on July 25, 2023, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Interested parties may listen to this live conference call via Internet webcast by accessing <http://ir.cadencebank.com/events>. The webcast will also be available in archived format at the same address.

(1) Considered a non-GAAP financial measure. A discussion regarding these non-GAAP measures and ratios, including reconciliations of non-GAAP measures to the most directly comparable GAAP measures and definitions for non-GAAP ratios, appears in Table 14 "Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions" beginning on page 21 of this news release.

(2) See Table 14 for detail on non-routine income and expenses.

### **About Cadence Bank**

Cadence Bank (NYSE: CADE) is a leading regional banking franchise with approximately \$50 billion in assets and more than 350 branch locations across the South and Texas. Cadence provides consumers, businesses and corporations with a full range of innovative banking and financial solutions. Services and products include consumer banking, consumer loans, mortgages, home equity lines and loans, credit cards, commercial and business banking, treasury management, specialized lending, asset-based lending, commercial real estate, equipment financing, correspondent banking, SBA lending, foreign exchange, wealth management, investment and trust services, financial planning, retirement plan management, and personal and business insurance. Cadence is committed to a culture of respect, diversity and inclusion in both its workplace and communities. Cadence Bank, Member FDIC. Equal Housing Lender.

### **Forward-Looking Statements**

Certain statements made in this news release constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor under the Private Securities Litigation Reform Act of 1995 as well as the "bespeaks caution" doctrine. These statements are often, but not exclusively, made through the use of words or phrases like "assume," "believe," "budget," "contemplate," "continue," "could," "foresee," "indicate," "may," "might," "outlook," "prospect," "potential," "roadmap," "should," "target," "will," "would," the negative versions of such words, or comparable words of a future or forward-looking nature. These forward-looking statements may include, without limitation, discussions regarding general economic, interest rate, real estate market, competitive, employment, and credit market conditions, or any of the Company's comments related to topics in its risk disclosures or results of operations. Forward-looking statements are based upon management's expectations as well as certain assumptions and estimates made by, and information available to, the Company's management at the time such statements were made. Forward-looking statements are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond the Company's control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements.

Risks, uncertainties and other factors the Company may face include, without limitation: general economic, unemployment, credit market and real estate market conditions, including inflation, and the effect of such conditions on customers, potential customers, assets, investments and liquidity; risks arising from market and consumer reactions to the general banking environment, or to conditions or situations at specific banks; risks arising from media coverage of the banking industry; risks arising from perceived instability in the banking sector; the risks of changes in interest rates and their effects on the level, cost, and composition of, and competition for, deposits, loan demand and timing of payments, the values of loan collateral, securities, and interest sensitive assets and liabilities; the ability to attract new or retain existing deposits, to retain or grow loans or additional interest and fee income, or to control noninterest expense; the effect of pricing pressures on the Company's net interest margin; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in real estate values; a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, or uncertainties surrounding the debt ceiling and the federal budget; potential delays or other problems in implementing and executing the Company's growth, expansion and acquisition strategies, including delays in obtaining regulatory or other necessary approvals, or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; the ability to pay dividends or coupons on the Company's 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the

4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; possible downgrades in the Company's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; changes in legal, financial, accounting, and/or regulatory requirements; the costs and expenses to comply with such changes; the enforcement efforts of federal and state bank regulators; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity and the impact of generative artificial intelligence; increased competition in the financial services industry, particularly from regional and national institutions; the impact of a failure in, or breach of, the Company's operational or security systems or infrastructure, or those of third parties with whom the Company does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Company or the Company's customers. The Company also faces risks from natural disasters or acts of war or terrorism; international or political instability, including the impacts related to or resulting from Russia's military action in Ukraine and additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments.

The Company also faces risks from: possible adverse rulings, judgments, settlements or other outcomes of pending, ongoing and future litigation, as well as governmental, administrative and investigatory matters; the impairment of the Company's goodwill or other intangible assets; losses of key employees and personnel; the diversion of management's attention from ongoing business operations and opportunities; and the company's success in executing its business plans and strategies, and managing the risks involved in all of the foregoing.

The foregoing factors should not be construed as exhaustive and should be read in conjunction with those factors that are set forth from time to time in the Company's periodic and current reports filed with the FDIC, including those factors included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, particularly those under the heading "Item 1A. Risk Factors," in the Company's Quarterly Reports on Form 10-Q under the heading "Part II-Item 1A. Risk Factors," and in the Company's Current Reports on Form 8-K.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this news release, if one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statements. The forward-looking statements speak only as of the date of this news release, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, except as required by applicable law. All written or oral forward-looking statements attributable to the Company are expressly qualified in their entirety by this section.

**Table 1**  
**Selected Financial Data**  
**(Unaudited)**

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>Earnings Summary:</b>							
Interest revenue	\$ 573,419	\$ 526,132	\$ 473,548	\$ 405,559	\$ 349,555	\$ 1,099,551	\$ 681,485
Interest expense	239,868	171,862	114,188	50,205	24,789	411,730	44,897
Net interest revenue	333,551	354,270	359,360	355,354	324,766	687,821	636,588
Provision for credit losses	15,000	10,000	6,000	—	1,000	25,000	1,000
Net interest revenue, after provision for credit losses	318,551	344,270	353,360	355,354	323,766	662,821	635,588
Noninterest revenue	132,290	74,071	114,873	124,491	125,234	206,361	253,669
Noninterest expense	303,878	319,279	340,671	319,734	285,888	623,157	577,555
Income before income taxes	146,963	99,062	127,562	160,111	163,112	246,025	311,702
Income tax expense	32,935	22,433	29,628	36,713	36,154	55,368	69,797
Net income	114,028	76,629	97,934	123,398	126,958	190,657	241,905
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income available to common shareholders	\$ 111,656	\$ 74,257	\$ 95,562	\$ 121,026	\$ 124,586	\$ 185,913	\$ 237,161

**Balance Sheet - Period End Balances**

Total assets	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 48,838,660	\$ 47,747,708
Total earning assets	44,012,570	46,808,612	43,722,544	42,832,355	43,093,974	44,012,570	43,093,974
Available-for-sale securities	10,254,580	10,877,879	11,944,096	12,441,894	13,450,621	10,254,580	13,450,621
Loans and leases, net of unearned income	32,556,708	31,282,594	30,349,277	29,296,450	28,360,485	32,556,708	28,360,485
Allowance for credit losses (ACL)	466,013	453,727	440,347	433,363	440,112	466,013	440,112
Net book value of acquired loans	7,357,174	7,942,980	8,754,526	8,841,588	9,721,672	7,357,174	9,721,672
Unamortized net discount on acquired loans	37,000	41,748	58,162	58,887	65,350	37,000	65,350
Total deposits	38,701,669	39,406,454	38,956,614	39,003,946	40,189,083	38,701,669	40,189,083
Total deposits and repurchase agreements	39,492,427	40,177,789	39,665,350	39,682,280	40,838,260	39,492,427	40,838,260
Other short-term borrowings	3,500,226	5,700,228	3,300,231	2,495,000	1,200,000	3,500,226	1,200,000
Subordinated and long-term debt	449,733	462,144	462,554	463,291	465,073	449,733	465,073

Total shareholders' equity	4,485,850	4,490,417	4,311,374	4,166,925	4,437,925	4,485,850	4,437,925
Total shareholders' equity, excluding AOCI <sup>(1)</sup>	5,648,925	5,572,303	5,533,912	5,464,737	5,374,270	5,648,925	5,374,270
Common shareholders' equity	4,318,857	4,323,424	4,144,381	3,999,932	4,270,932	4,318,857	4,270,932
Common shareholders' equity, excluding AOCI <sup>(1)</sup>	\$ 5,481,932	\$ 5,405,310	\$ 5,366,919	\$ 5,297,744	\$ 5,207,277	\$ 5,481,932	\$ 5,207,277

#### Balance Sheet - Average Balances

Total assets	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 47,064,829	\$ 48,860,807	\$ 47,370,639
Total earning assets	44,231,755	43,819,715	42,976,050	43,079,481	42,688,497	44,026,874	43,099,548
Available-for-sale securities	10,655,791	11,354,457	12,156,803	13,252,828	13,941,127	11,003,194	14,502,705
Loans and leases, net of unearned income	31,901,096	30,891,640	29,812,924	28,872,156	27,848,097	31,399,156	27,479,463
Total deposits	38,934,793	38,904,048	38,372,354	39,600,886	39,396,028	38,919,505	39,977,335
Total deposits and repurchase agreements	39,708,963	39,632,023	39,033,328	40,256,109	40,062,095	39,670,703	40,657,308
Other short-term borrowings	3,541,985	3,326,196	3,251,947	1,608,587	1,294,946	3,434,688	716,464
Subordinated and long-term debt	455,617	462,385	462,927	464,843	465,447	458,982	466,141
Total shareholders' equity	4,539,353	4,396,461	4,215,585	4,506,655	4,523,189	4,468,302	4,791,221
Common shareholders' equity	\$ 4,372,360	\$ 4,229,468	\$ 4,048,592	\$ 4,339,662	\$ 4,356,196	\$ 4,301,309	\$ 4,624,228

#### Nonperforming Assets:

Nonaccrual loans and leases	\$ 157,243	\$ 160,615	\$ 98,745	\$ 89,931	\$ 89,368	\$ 157,243	\$ 89,368
Loans and leases 90+ days past due, still accruing	4,412	5,164	2,068	11,984	19,682	4,412	19,682
Accruing TDR <sup>(2)</sup>	—	—	8,598	16,200	7,385	—	7,385
Non-performing loans and leases (NPL)	161,655	165,779	109,411	118,115	116,435	161,655	116,435
Other real estate owned and other assets	2,857	5,327	6,725	8,376	14,399	2,857	14,399
Non-performing assets (NPA)	\$ 164,512	\$ 171,106	\$ 116,136	\$ 126,491	\$ 130,834	\$ 164,512	\$ 130,834

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 21 - 24.

(2) Cadence elected to adopt the new accounting guidance effective January 1, 2023, which eliminates the TDR recognition and measurement guidance via the modified retrospective transition method (ASU 2022-02). As such, there is no TDR reporting effective January 1, 2023.

**Table 2**  
**Selected Financial Ratios**

	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>Financial Ratios and Other Data:</b>							
Return on average assets <sup>(2)</sup>	0.93 %	0.64 %	0.81 %	1.03 %	1.08 %	0.79 %	1.03 %
Adjusted return on average assets <sup>(1)(2)</sup>	0.97	1.06	1.21	1.22	1.16	1.02	1.11
Return on average common shareholders' equity <sup>(2)</sup>	10.24	7.12	9.36	11.06	11.47	8.72	10.34
Adjusted return on average common shareholders' equity <sup>(1)(2)</sup>	10.72	11.93	14.00	13.13	12.36	11.31	11.15
Return on average tangible common equity <sup>(1)(2)</sup>	16.05	11.40	15.42	17.40	18.11	13.80	15.81
Adjusted return on average tangible common equity <sup>(1)(2)</sup>	16.80	19.10	23.04	20.66	19.50	17.91	17.05
Pre-tax pre-provision net revenue to total average assets <sup>(1)(2)</sup>	1.32	0.91	1.11	1.33	1.40	1.12	1.33
Adjusted pre-tax pre-provision net revenue to total average assets <sup>(1)(2)</sup>	1.38	1.46	1.62	1.58	1.51	1.42	1.43
Net interest margin-fully taxable equivalent	3.03	3.29	3.33	3.28	3.06	3.16	2.99
Net interest rate spread-fully taxable equivalent	2.29	2.65	2.84	3.05	2.94	2.46	2.87
Efficiency ratio fully tax equivalent <sup>(1)</sup>	65.08	74.36	71.67	66.49	63.38	69.53	64.72
Adjusted efficiency ratio fully tax equivalent <sup>(1)</sup>	63.62	63.46	58.69	60.33	60.46	63.54	61.98
Loan/deposit ratio	84.12 %	79.38 %	77.91 %	75.11 %	70.57 %	84.12 %	70.57 %
Full time equivalent employees	6,479	6,567	6,572	6,629	6,659	6,479	6,659
<b>Credit Quality Ratios:</b>							
Net charge-offs (recoveries) to average loans and leases <sup>(2)</sup>	0.16 %	0.02 %	(0.07) %	0.09 %	(0.02) %	0.09 %	(0.01) %
Provision for credit losses to average loans and leases <sup>(2)</sup>	0.19	0.13	0.08	—	0.01	0.16	0.01

ACL to loans and leases, net	1.43	1.45	1.45	1.48	1.55	1.43	1.55
ACL to NPL	288.28	273.69	402.47	366.90	377.99	288.28	377.99
NPL to loans and leases, net	0.50	0.53	0.36	0.40	0.41	0.50	0.41
NPA to total assets	0.34	0.33	0.24	0.27	0.27	0.34	0.27
<b>Equity Ratios:</b>							
Total shareholders' equity to total assets	9.19 %	8.69 %	8.86 %	8.74 %	9.29 %	9.19 %	9.29 %
Total common shareholders' equity to total assets	8.84	8.36	8.52	8.39	8.94	8.84	8.94
Tangible common shareholders' equity to tangible assets <sup>(1)</sup>	5.80	5.46	5.42	5.24	5.82	5.80	5.82
Tangible common shareholders' equity to tangible assets, excluding AOCI <sup>(1)</sup>	8.06	7.46	7.82	7.84	7.70	8.06	7.70
<b>Capital Adequacy <sup>(3)</sup>:</b>							
Common Equity Tier 1 capital	10.1 %	10.1 %	10.2 %	10.3 %	10.3 %	10.1	10.3 %
Tier 1 capital	10.5	10.6	10.7	10.7	10.8	10.5	10.8
Total capital	12.7	12.8	12.8	12.8	13.0	12.7	13.0
Tier 1 leverage capital	8.5	8.4	8.4	8.4	8.4	8.5	8.4

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 21 - 24.

(2) Annualized.

(3) Current quarter regulatory capital ratios are estimated.

**Table 3**  
**Selected Financial Information**

	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>Common Share Data:</b>							
Diluted earnings per share	\$ 0.61	\$ 0.40	\$ 0.52	\$ 0.66	\$ 0.68	\$ 1.01	\$ 1.28
Adjusted earnings per share <sup>(1)</sup>	0.64	0.68	0.78	0.78	0.73	1.31	1.38
Cash dividends per share	0.235	0.235	0.22	0.22	0.22	0.470	0.44
Book value per share	23.65	23.67	22.72	21.92	23.41	23.65	23.41
Tangible book value per share <sup>(1)</sup>	15.01	14.99	13.99	13.25	14.73	15.01	14.73
Market value per share (last)	19.88	20.76	24.66	25.41	23.48	19.88	23.48
Market value per share (high)	21.73	28.18	29.41	28.54	29.75	28.18	34.24
Market value per share (low)	16.95	19.24	22.43	22.04	22.82	16.95	22.82
Market value per share (avg)	19.73	24.88	26.84	25.68	25.74	22.32	28.47
Dividend payout ratio	38.52 %	58.75 %	42.31 %	33.33 %	32.44 %	46.53 %	34.38 %
Adjusted dividend payout ratio <sup>(1)</sup>	36.72 %	34.56 %	28.21 %	28.21 %	30.14 %	35.88 %	31.88 %
Total shares outstanding	182,626,229	182,684,578	182,437,265	182,438,780	182,461,786	182,626,229	182,461,786
Average shares outstanding - diluted	183,631,570	183,908,798	183,762,008	183,313,831	183,711,402	183,770,759	185,476,720
<b>Yield/Rate:</b>							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases	6.24 %	6.00 %	5.54 %	4.82 %	4.29 %	6.13 %	4.25 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	6.18	5.87	5.41	4.70	4.12	6.03	4.04
Available-for-sale securities:							
Taxable	2.09	1.80	1.54	1.44	1.37	1.94	1.31
Tax-exempt	3.21	3.21	3.28	3.05	2.95	3.21	2.75
Other investments	5.05	4.64	3.69	2.32	1.03	4.85	0.55
Total interest earning assets and revenue	5.21	4.88	4.38	3.74	3.29	5.05	3.20
Deposits	1.87	1.28	0.76	0.35	0.17	1.57	0.16
Interest bearing demand and money market	2.49	2.03	1.34	0.60	0.26	2.26	0.23
Savings	0.51	0.36	0.31	0.17	0.06	0.43	0.06

Time	3.69	2.24	1.17	0.56	0.47	3.15	0.49
Total interest bearing deposits	2.58	1.86	1.17	0.53	0.26	2.23	0.24
Fed funds purchased, securities sold under agreement to repurchase and other	3.97	3.73	3.04	1.65	0.43	3.85	0.27
Short-term FHLB borrowings	5.24	4.66	3.84	2.05	0.98	4.91	0.97
Short-term BTFP borrowings	5.15	—	—	—	—	5.15	—
Total interest bearing deposits and short-term borrowings	2.90	2.20	1.50	0.64	0.29	2.56	0.26
Long-term debt	4.23	4.27	4.15	4.16	4.14	4.25	4.16
Total interest bearing liabilities	2.92	2.23	1.54	0.70	0.36	2.59	0.32
Interest bearing liabilities to interest earning assets	74.57 %	71.24 %	68.42 %	66.19 %	65.25 %	72.92 %	64.86 %
Net interest income tax equivalent adjustment (in thousands)	\$ 1,063	\$ 1,051	\$ 1,071	\$ 1,052	\$ 1,063	\$ 2,114	\$ 2,090

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 21 - 24.

**Table 4**  
**Consolidated Balance Sheets**  
**(Unaudited)**

(In thousands)	As of				
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
<b>ASSETS</b>					
Cash and due from banks	\$ 722,625	\$ 660,431	\$ 756,906	\$ 693,999	\$ 770,293
Interest bearing deposits with other banks and Federal funds sold	1,008,048	4,452,029	1,241,246	895,630	1,069,410
Available-for-sale securities, at fair value	10,254,580	10,877,879	11,944,096	12,441,894	13,450,621
Loans and leases, net of unearned income	32,556,708	31,282,594	30,349,277	29,296,450	28,360,485
Allowance for credit losses	466,013	453,727	440,347	433,363	440,112
Net loans and leases	32,090,695	30,828,867	29,908,930	28,863,087	27,920,373
Loans held for sale, at fair value	193,234	196,110	187,925	198,381	213,458
Premises and equipment, net	830,184	826,439	817,430	802,382	782,728
Goodwill	1,459,302	1,459,302	1,458,795	1,449,511	1,444,209
Other intangible assets, net	119,098	125,724	132,764	132,953	138,370
Bank-owned life insurance	634,985	631,174	630,046	624,696	601,601
Other assets	1,525,909	1,635,141	1,575,276	1,597,127	1,356,645
<b>Total Assets</b>	<b>\$ 48,838,660</b>	<b>\$ 51,693,096</b>	<b>\$ 48,653,414</b>	<b>\$ 47,699,660</b>	<b>\$ 47,747,708</b>
<b>LIABILITIES</b>					
<b>Deposits:</b>					
Demand: Noninterest bearing	\$ 10,223,508	\$ 11,517,037	\$ 12,731,065	\$ 13,839,649	\$ 14,012,529
Interest bearing	18,088,711	18,146,678	19,040,131	18,033,648	19,032,983
Savings	2,983,709	3,226,685	3,473,746	3,676,340	3,735,925
Time deposits	7,405,741	6,516,054	3,711,672	3,454,309	3,407,646
<b>Total deposits</b>	<b>38,701,669</b>	<b>39,406,454</b>	<b>38,956,614</b>	<b>39,003,946</b>	<b>40,189,083</b>
Securities sold under agreement to repurchase	790,758	771,335	708,736	678,334	649,177
Other short-term borrowings	3,500,226	5,700,228	3,300,231	2,495,000	1,200,000
Subordinated and long-term debt	449,733	462,144	462,554	463,291	465,073
Other liabilities	910,424	862,518	913,905	892,164	806,450
<b>Total Liabilities</b>	<b>44,352,810</b>	<b>47,202,679</b>	<b>44,342,040</b>	<b>43,532,735</b>	<b>43,309,783</b>
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,566	456,711	456,093	456,097	456,154
Capital surplus	2,724,021	2,715,981	2,709,391	2,695,646	2,686,031
Accumulated other comprehensive loss	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)
Retained earnings	2,301,345	2,232,618	2,201,435	2,146,001	2,065,092

Total Shareholders' Equity	4,485,850	4,490,417	4,311,374	4,166,925	4,437,925
Total Liabilities & Shareholders' Equity	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708

**Table 5**  
**Consolidated Quarterly Average Balance Sheets**  
**(Unaudited)**

(In thousands)	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
<b>ASSETS</b>					
Cash and due from banks	\$ 610,948	\$ 695,263	\$ 617,634	\$ 654,589	\$ 640,672
Interest bearing deposits with other banks and Federal funds sold	1,607,830	1,526,755	943,806	851,185	751,972
Available-for-sale securities, at fair value	10,655,791	11,354,457	12,156,803	13,252,828	13,941,127
Loans and leases, net of unearned income	31,901,096	30,891,640	29,812,924	28,872,156	27,848,097
Allowance for credit losses	457,027	442,486	434,785	441,042	438,752
Net loans and leases	31,444,069	30,449,154	29,378,139	28,431,114	27,409,345
Loans held for sale, at fair value	67,038	46,863	62,517	103,312	147,301
Premises and equipment, net	829,938	824,190	802,771	809,799	784,247
Goodwill	1,459,302	1,459,127	1,457,120	1,444,331	1,407,452
Other intangible assets, net	123,313	128,957	132,091	136,149	188,897
Bank-owned life insurance	632,489	630,601	625,938	613,973	599,912
Other assets	1,636,403	1,536,834	1,613,675	1,298,277	1,193,904
<b>Total Assets</b>	<b>\$ 49,067,121</b>	<b>\$ 48,652,201</b>	<b>\$ 47,790,494</b>	<b>\$ 47,595,557</b>	<b>\$ 47,064,829</b>
<b>LIABILITIES</b>					
Deposits:					
Demand: Noninterest bearing	\$ 10,725,108	\$ 12,203,079	\$ 13,344,152	\$ 13,816,796	\$ 13,970,163
Interest bearing	17,997,618	19,009,345	17,866,198	18,675,214	18,238,571
Savings	3,088,174	3,363,236	3,555,911	3,720,218	3,723,193
Time deposits	7,123,893	4,328,388	3,606,093	3,388,658	3,464,101
Total deposits	38,934,793	38,904,048	38,372,354	39,600,886	39,396,028
Securities sold under agreement to repurchase	774,170	727,975	660,974	655,223	666,067
Other short-term borrowings	3,541,985	3,326,196	3,251,947	1,608,587	1,294,946
Subordinated and long-term debt	455,617	462,385	462,927	464,843	465,447
Other liabilities	821,203	835,136	826,707	759,363	719,152
<b>Total Liabilities</b>	<b>44,527,768</b>	<b>44,255,740</b>	<b>43,574,909</b>	<b>43,088,902</b>	<b>42,541,640</b>
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,755	456,354	456,095	456,130	457,713
Capital surplus	2,717,866	2,710,501	2,701,121	2,689,340	2,694,546
Accumulated other comprehensive loss	(1,087,389)	(1,174,723)	(1,302,388)	(922,673)	(821,034)
Retained earnings	2,285,128	2,237,336	2,193,764	2,116,865	2,024,971
<b>Total Shareholders' Equity</b>	<b>4,539,353</b>	<b>4,396,461</b>	<b>4,215,585</b>	<b>4,506,655</b>	<b>4,523,189</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 49,067,121</b>	<b>\$ 48,652,201</b>	<b>\$ 47,790,494</b>	<b>\$ 47,595,557</b>	<b>\$ 47,064,829</b>

**Table 6**  
**Consolidated Statements of Income**  
**(Unaudited)**

(Dollars in thousands, except per share data)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>INTEREST REVENUE:</b>							
Loans and leases	\$ 496,262	\$ 457,084	\$ 414,623	\$ 349,093	\$ 296,680	\$ 953,346	\$ 578,946
Available-for-sale securities:							
Taxable	53,531	48,515	45,807	46,701	46,254	102,046	91,409
Tax-exempt	2,427	2,477	2,547	2,548	2,571	4,904	4,985
Loans held for sale	961	603	1,788	2,241	2,118	1,564	3,525



Short-term investments	20,238	17,453	8,783	4,976	1,932	37,691	2,620
Total interest revenue	573,419	526,132	473,548	405,559	349,555	1,099,551	681,485
INTEREST EXPENSE:							
Interest bearing demand deposits and money market accounts	111,938	95,344	60,253	28,175	11,717	207,282	21,459
Savings	3,915	3,014	2,769	1,597	590	6,929	1,158
Time deposits	65,517	23,950	10,651	4,797	4,041	89,467	8,805
Federal funds purchased and securities sold under agreement to repurchase	7,656	7,667	8,365	3,944	906	15,323	1,122
Short-term debt	46,036	37,015	27,302	6,821	2,734	83,051	2,741
Subordinated and long-term debt	4,806	4,872	4,848	4,871	4,801	9,678	9,612
Total interest expense	239,868	171,862	114,188	50,205	24,789	411,730	44,897
Net interest revenue	333,551	354,270	359,360	355,354	324,766	687,821	636,588
Provision for credit losses	15,000	10,000	6,000	—	1,000	25,000	1,000
Net interest revenue, after provision for credit losses	318,551	344,270	353,360	355,354	323,766	662,821	635,588
NONINTEREST REVENUE:							
Mortgage banking	8,356	6,076	2,571	9,080	11,446	14,432	33,209
Credit card, debit card and merchant fees	12,617	11,851	15,750	14,497	16,593	24,469	27,914
Deposit service charges	17,208	16,482	16,863	19,134	18,291	33,690	37,480
Security gains (losses), net	69	(51,261)	(595)	(139)	1,446	(51,192)	349
Insurance commissions	45,603	39,606	34,679	39,876	39,994	85,210	75,721
Wealth management	21,741	21,532	19,199	19,335	20,213	43,272	41,950
Other noninterest income	26,696	29,785	26,406	22,708	17,251	56,480	37,046
Total noninterest revenue	132,290	74,071	114,873	124,491	125,234	206,361	253,669
NONINTEREST EXPENSE:							
Salaries and employee benefits	190,854	195,702	183,918	191,193	182,094	386,557	369,913
Occupancy and equipment	29,590	29,113	30,539	30,610	30,129	58,703	58,399
Data processing and software	28,073	31,869	29,289	28,079	29,081	59,942	56,564
Merger expense	137	5,075	20,276	19,690	7,274	5,212	11,248
Amortization of intangibles	6,626	5,005	5,251	5,417	3,042	11,631	9,822
Deposit insurance assessments	7,705	8,361	5,931	4,499	4,945	16,066	8,281
Pension settlement expense	—	—	6,127	2,896	—	—	—
Other noninterest expense	40,893	44,154	59,340	37,350	29,323	85,046	63,328
Total noninterest expense	303,878	319,279	340,671	319,734	285,888	623,157	577,555
Income before income taxes	146,963	99,062	127,562	160,111	163,112	246,025	311,702
Income tax expense	32,935	22,433	29,628	36,713	36,154	55,368	69,797
Net income	114,028	76,629	97,934	123,398	126,958	190,657	241,905
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income available to common shareholders	\$ 111,656	\$ 74,257	\$ 95,562	\$ 121,026	\$ 124,586	\$ 185,913	\$ 237,161
Net income per common share: Diluted	\$ 0.61	\$ 0.40	\$ 0.52	\$ 0.66	\$ 0.68	\$ 1.01	\$ 1.28

**Table 7**  
**Selected Loan Portfolio Data**  
**(Unaudited)**

(In thousands)	Quarter Ended				
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
<b>LOAN AND LEASE PORTFOLIO:</b>					
Commercial and industrial					
Non-real estate	\$ 9,636,481	\$ 9,159,387	\$ 8,985,547	\$ 8,803,381	\$ 8,526,481
Owner occupied	4,358,000	4,278,468	4,068,659	3,943,442	3,851,336
Total commercial and industrial	13,994,481	13,437,855	13,054,206	12,746,823	12,377,817
Commercial real estate					
Construction, acquisition and development	3,744,114	3,703,137	3,547,986	3,244,425	2,982,119
Income producing	5,596,134	5,368,676	5,150,680	5,098,470	5,054,232
Total commercial real estate	9,340,248	9,071,813	8,698,666	8,342,895	8,036,351

Consumer					
Residential mortgages	8,989,614	8,536,032	8,319,242	7,924,378	7,662,621
Other consumer	232,365	236,894	277,163	282,354	283,696
Total consumer	9,221,979	8,772,926	8,596,405	8,206,732	7,946,317
Total loans and leases, net of unearned income	\$ 32,556,708	\$ 31,282,594	\$ 30,349,277	\$ 29,296,450	\$ 28,360,485

#### NON-PERFORMING ASSETS

##### Non-performing Loans and Leases

##### Nonaccrual Loans and Leases

##### Commercial and industrial

Non-real estate	\$ 72,592	\$ 65,783	\$ 23,907	\$ 23,916	\$ 34,233
Owner occupied	7,541	9,089	7,944	8,327	9,567
Total commercial and industrial	80,133	74,872	31,851	32,243	43,800

##### Commercial real estate

Construction, acquisition and development	4,496	1,850	2,974	1,823	2,125
Income producing	19,205	20,616	7,331	8,580	8,750
Total commercial real estate	23,701	22,466	10,305	10,403	10,875

##### Consumer

Residential mortgages	53,171	62,748	55,892	46,671	34,172
Other consumer	238	529	697	614	521
Total consumer	53,409	63,277	56,589	47,285	34,693
Total nonaccrual loans and leases	\$ 157,243	\$ 160,615	\$ 98,745	\$ 89,931	\$ 89,368

Loans and leases 90+ days past due, still accruing	4,412	5,164	2,068	11,984	19,682
Restructured loans and leases, still accruing	—	—	8,598	16,200	7,385
Total non-performing loans and leases	\$ 161,655	\$ 165,779	\$ 109,411	\$ 118,115	\$ 116,435

Other real estate owned and repossessed assets	2,857	5,327	6,725	8,376	14,399
Total non-performing assets	\$ 164,512	\$ 171,106	\$ 116,136	\$ 126,491	\$ 130,834

Additions to nonaccrual loans and leases during the quarter (excluding acquisitions)	\$ 57,764	\$ 89,779	\$ 38,945	\$ 34,432	\$ 21,312
--	-----------	-----------	-----------	-----------	-----------

**Table 8**

#### Allowance for Credit Losses (Unaudited)

(Dollars in thousands)	Quarter Ended				
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 453,727	\$ 440,347	\$ 433,363	\$ 440,112	\$ 438,738
Charge-offs:					
Commercial and industrial	(13,598)	(2,853)	(2,295)	(11,551)	(2,170)
Commercial real estate	(126)	(1,988)	(426)	(1,116)	(275)
Consumer	(1,916)	(2,189)	(2,650)	(2,653)	(1,941)
Total loans charged-off	(15,640)	(7,030)	(5,371)	(15,320)	(4,386)
Recoveries:					
Commercial and industrial	1,360	3,399	6,405	3,657	3,217
Commercial real estate	618	779	2,851	3,509	1,076
Consumer	948	977	1,099	1,405	1,467
Total recoveries	2,926	5,155	10,355	8,571	5,760
Net (charge-offs) recoveries	(12,714)	(1,875)	4,984	(6,749)	1,374
Adoption of new ASU related to modified loans <sup>(3)</sup>	—	255	—	—	—
Provision for credit losses related to loans and leases	25,000	15,000	2,000	—	—
Total provision for loans and leases	25,000	15,000	2,000	—	—
Balance, end of period	\$ 466,013	\$ 453,727	\$ 440,347	\$ 433,363	\$ 440,112

Average loans and leases, net of unearned income,

for period	\$ 31,901,096	\$ 30,891,640	\$ 29,812,924	\$ 28,872,156	\$ 27,848,097
Ratio: Net charge-offs (recoveries) to average loans and leases <sup>(2)</sup>	0.16 %	0.02 %	(0.07) %	0.09 %	(0.02) %

RESERVE FOR UNFUNDED COMMITMENTS <sup>(1)</sup>					
Balance, beginning of period	\$ 23,551	\$ 28,551	\$ 24,551	\$ 24,551	\$ 23,551
(Reversal) provision for credit losses for unfunded commitments	(10,000)	(5,000)	4,000	—	1,000
Balance, end of period	\$ 13,551	\$ 23,551	\$ 28,551	\$ 24,551	\$ 24,551

(1) The Reserve for Unfunded Commitments is classified in other liabilities on the consolidated balance sheets.

(2) Annualized.

(3) Cadence elected to adopt the new accounting guidance effective January 1, 2023, which eliminates the TDR recognition and measurement guidance via the modified retrospective transition method (ASU 2022-02). As such, there is no TDR reporting effective January 1, 2023.

**Table 9**  
**Loan Portfolio by Grades**  
**(Unaudited)**

(In thousands)	June 30, 2023						
	Pass	Special Mention	Substandard	Doubtful	Impaired	Purchased Credit Deteriorated (Loss)	Total
<b>LOAN AND LEASE PORTFOLIO:</b>							
Commercial and industrial							
Non-real estate	\$ 9,126,727	\$ 160,652	\$ 311,119	\$ —	\$ 34,027	\$ 3,956	\$ 9,636,481
Owner occupied	4,276,518	29,991	48,068	—	1,762	1,661	4,358,000
Total commercial and industrial	13,403,245	190,643	359,187	—	35,789	5,617	13,994,481
Commercial real estate							
Construction, acquisition and development	3,711,414	20,339	12,158	203	—	—	3,744,114
Income producing	5,390,435	63,323	113,021	—	10,760	18,595	5,596,134
Total commercial real estate	9,101,849	83,662	125,179	203	10,760	18,595	9,340,248
Consumer <sup>(1)</sup>							
Residential mortgages	8,927,494	—	59,267	—	1,279	1,574	8,989,614
Other consumer	231,978	—	387	—	—	—	232,365
Total consumer	9,159,472	—	59,654	—	1,279	1,574	9,221,979
Total loans and leases, net of unearned income	\$ 31,664,566	\$ 274,305	\$ 544,020	\$ 203	\$ 47,828	\$ 25,786	\$ 32,556,708

(1) During the second quarter of 2023, the Company began determining the risk rating classification of its Consumer portfolio based on nonaccrual and delinquency status in accordance with the Uniform Retail Credit Classification guidance and industry norms, which contributed to a lower number of criticized and classified loans compared to previous periods. As a result of the modification, current period results are not directly comparable to prior periods.

(In thousands)	March 31, 2023						
	Pass	Special Mention	Substandard	Impaired	Purchased Credit Deteriorated (Loss)	Total	
<b>LOAN AND LEASE PORTFOLIO:</b>							
Commercial and industrial							
Non-real estate	\$ 8,744,629	\$ 107,218	\$ 280,192	\$ 23,316	\$ 4,032	\$ 9,159,387	
Owner occupied	4,201,364	11,928	59,764	3,739	1,673	4,278,468	
Total commercial and industrial	12,945,993	119,146	339,956	27,055	5,705	13,437,855	
Commercial real estate							
Construction, acquisition and development	3,656,934	27,041	19,162	—	—	3,703,137	
Income producing	5,191,260	36,598	116,784	5,476	18,558	5,368,676	

Total commercial real estate	8,848,194	63,639	135,946	5,476	18,558	9,071,813
Consumer						
Residential mortgages	8,361,116	—	173,342	—	1,574	8,536,032
Other consumer	232,637	—	4,257	—	—	236,894
Total consumer	8,593,753	—	177,599	—	1,574	8,772,926
Total loans and leases, net of unearned income	\$ 30,387,940	\$ 182,785	\$ 653,501	\$ 32,531	\$ 25,837	\$ 31,282,594

**Table 10**  
**Geographical Loan Information**  
**(Unaudited)**

	June 30, 2023							
(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
<b>LOAN AND LEASE PORTFOLIO:</b>								
<b>Commercial and industrial</b>								
Non-real estate	\$ 377,605	\$ 153,433	\$ 535,035	\$ 553,110	\$ 324,964	\$ 508,159	\$ 80,894	\$ 348,478
Owner occupied	358,089	244,598	304,871	315,771	281,270	596,732	91,474	169,620
Total commercial and industrial	735,694	398,031	839,906	868,881	606,234	1,104,891	172,368	518,098
<b>Commercial real estate</b>								
Construction, acquisition and development	200,551	81,766	261,666	404,301	48,211	199,099	44,273	146,479
Income producing	454,443	279,541	371,717	595,999	211,076	436,653	190,959	335,009
Total commercial real estate	654,994	361,307	633,383	1,000,300	259,287	635,752	235,232	481,488
<b>Consumer</b>								
Residential mortgages	1,180,606	382,172	622,179	398,080	457,968	1,127,557	168,403	715,992
Other consumer	30,950	17,757	5,344	6,915	11,364	85,071	1,556	16,206
Total consumer	1,211,556	399,929	627,523	404,995	469,332	1,212,628	169,959	732,198
Total loans and leases, net of unearned income	\$ 2,602,244	\$ 1,159,267	\$ 2,100,812	\$ 2,274,176	\$ 1,334,853	\$ 2,953,271	\$ 577,559	\$ 1,731,784
Loan growth, excluding loans acquired during the quarter (\$)	\$ 19,370	\$ 14,264	\$ 149,998	\$ 8,562	\$ 8,919	\$ 52,151	\$ 17,488	\$ 57,345
Loan growth, excluding loans acquired during the quarter (%) (annualized)	3.01 %	5.00 %	30.84 %	1.52 %	2.70 %	7.21 %	12.52 %	13.74 %

	March 31, 2023								
(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee	Texas
<b>LOAN AND LEASE PORTFOLIO:</b>									
<b>Commercial and industrial</b>									
Non-real estate	\$ 370,464	\$ 148,872	\$ 471,198	\$ 537,753	\$ 329,353	\$ 530,064	\$ 74,408	\$ 331,891	\$ 1,000,000
Owner occupied	384,004	247,806	291,558	319,831	284,527	578,141	92,030	173,729	1,500,000
Total commercial and industrial	754,468	396,678	762,756	857,584	613,880	1,108,205	166,438	505,620	5,500,000
<b>Commercial real estate</b>									
Construction, acquisition and development	202,210	80,681	223,119	409,773	45,899	213,740	40,319	139,995	1,800,000
Income producing	432,113	273,397	377,826	616,799	214,952	424,004	193,518	340,114	1,900,000
Total commercial real estate	634,323	354,078	600,945	1,026,572	260,851	637,744	233,837	480,109	3,700,000
<b>Consumer</b>									
Residential mortgages	1,163,319	377,180	580,893	374,343	439,998	1,070,648	158,404	672,393	3,400,000
Other consumer	30,764	17,067	6,220	7,115	11,205	84,523	1,392	16,317	55,000
Total consumer	1,194,083	394,247	587,113	381,458	451,203	1,155,171	159,796	688,710	3,455,000
Total loans and leases, net of unearned income	\$ 2,582,874	\$ 1,145,003	\$ 1,950,814	\$ 2,265,614	\$ 1,325,934	\$ 2,901,120	\$ 560,071	\$ 1,674,439	\$ 1,000,000

**Table 11**  
**Noninterest Revenue and Expense**  
**(Unaudited)**

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>NONINTEREST REVENUE:</b>							
Mortgage banking excl. MSR and MSR							
hedge market value adjustment	\$ 6,774	\$ 8,379	\$ 5,408	\$ 4,746	\$ 6,754	\$ 15,153	\$ 14,487
MSR and MSR hedge market value							
adjustment	1,582	(2,303)	(2,837)	4,334	4,692	(721)	18,722
Credit card, debit card and merchant fees	12,617	11,851	15,750	14,497	16,593	24,469	27,914
Deposit service charges	17,208	16,482	16,863	19,134	18,291	33,690	37,480
Security gains (losses), net	69	(51,261)	(595)	(139)	1,446	(51,192)	349
Insurance commissions	45,603	39,606	34,679	39,876	39,994	85,210	75,721
Trust income	10,084	10,553	9,113	9,011	9,129	20,637	19,190
Annuity fees	1,702	2,192	951	600	753	3,893	1,357
Brokerage commissions and fees	9,955	8,787	9,135	9,724	10,331	18,742	21,403
Bank-owned life insurance	3,811	3,647	5,436	3,537	3,285	7,458	6,621
Other miscellaneous income	22,885	26,138	20,970	19,171	13,966	49,022	30,425
<b>Total noninterest revenue</b>	<b>\$ 132,290</b>	<b>\$ 74,071</b>	<b>\$ 114,873</b>	<b>\$ 124,491</b>	<b>\$ 125,234</b>	<b>\$ 206,361</b>	<b>\$ 253,669</b>
<b>NONINTEREST EXPENSE:</b>							
Salaries and employee benefits	\$ 190,854	\$ 195,702	\$ 183,918	\$ 191,193	\$ 182,094	\$ 386,557	\$ 369,913
Occupancy and equipment	29,590	29,113	30,539	30,610	30,129	58,703	58,399
Deposit insurance assessments	7,705	8,361	5,931	4,499	4,945	16,066	8,281
Pension settlement expense	—	—	6,127	2,896	—	—	—
Advertising and public relations	5,708	4,331	28,659	4,085	4,417	10,039	9,010
Foreclosed property expense (income)	323	980	400	1,093	(1,104)	1,303	(664)
Telecommunications	1,541	1,717	1,714	1,882	1,984	3,258	3,817
Travel and entertainment	3,898	3,508	5,310	4,149	3,412	7,406	6,223
Data processing and software	28,073	31,869	29,289	28,079	29,081	59,942	56,564
Professional, consulting and outsourcing	5,519	4,417	3,598	2,724	3,769	9,936	7,507
Amortization of intangibles	6,626	5,005	5,251	5,417	3,042	11,631	9,822
Legal	1,908	1,491	758	2,054	1,463	3,399	3,256
Merger expense	137	5,075	20,276	19,690	7,274	5,212	11,248
Postage and shipping	2,070	2,452	1,925	2,098	2,022	4,522	4,056
Other miscellaneous expense	19,926	25,258	16,976	19,265	13,360	45,183	30,123
<b>Total noninterest expense</b>	<b>\$ 303,878</b>	<b>\$ 319,279</b>	<b>\$ 340,671</b>	<b>\$ 319,734</b>	<b>\$ 285,888</b>	<b>\$ 623,157</b>	<b>\$ 577,555</b>
<b>INSURANCE COMMISSIONS:</b>							
Property and casualty commissions	\$ 34,273	\$ 28,202	\$ 24,682	\$ 30,021	\$ 29,220	\$ 62,475	\$ 55,072
Life and health commissions	7,847	8,024	7,151	7,254	7,935	15,872	15,078
Risk management income	703	657	887	654	674	1,360	1,431
Other	2,780	2,723	1,959	1,947	2,165	5,503	4,140
<b>Total insurance commissions</b>	<b>\$ 45,603</b>	<b>\$ 39,606</b>	<b>\$ 34,679</b>	<b>\$ 39,876</b>	<b>\$ 39,994</b>	<b>\$ 85,210</b>	<b>\$ 75,721</b>

**Table 12**  
**Average Balance and Yields**  
**(Unaudited)**

(Dollars in thousands)	Quarter Ended								
	June 30, 2023			March 31, 2023			June 30, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<b>ASSETS</b>									
<b>Interest-earning assets:</b>									
Loans and leases, excluding									
accretion	\$ 31,901,096	\$ 491,473	6.17 %	\$ 30,891,640	\$ 447,449	5.87 %	\$ 27,848,097	\$ 285,345	4.11 %
Accretion income on acquired									
loans		5,207	0.07		10,028	0.13		11,714	0.17

Loans held for sale	67,038	961	5.75	46,863	603	5.22	147,301	2,118	5.77
Investment securities									
Taxable	10,272,425	53,531	2.09	10,957,786	48,515	1.80	13,499,222	46,254	1.37
Tax-exempt	383,366	3,072	3.21	396,671	3,135	3.21	441,905	3,255	2.95
Total investment securities	10,655,791	56,603	2.13	11,354,457	51,650	1.84	13,941,127	49,509	1.42
Other investments	1,607,830	20,238	5.05	1,526,755	17,453	4.64	751,972	1,932	1.03
Total interest-earning assets	44,231,755	574,482	5.21 %	43,819,715	527,183	4.88 %	42,688,497	350,618	3.29 %
Other assets	5,292,393			5,274,972			4,815,084		
Allowance for credit losses	457,027			442,486			438,752		
Total assets	<u>\$ 49,067,121</u>			<u>\$ 48,652,201</u>			<u>\$ 47,064,829</u>		

**LIABILITIES AND  
SHAREHOLDERS' EQUITY**

<b>Interest-bearing liabilities:</b>									
Interest bearing demand and money market	\$ 17,997,618	\$ 111,938	2.49 %	\$ 19,009,345	\$ 95,344	2.03 %	\$ 18,238,571	11,717	0.26 %
Savings deposits	3,088,174	3,915	0.51	3,363,236	3,014	0.36	3,723,193	590	0.06
Time deposits	7,123,893	65,517	3.69	4,328,388	23,950	2.24	3,464,101	4,041	0.47
Total interest-bearing deposits	28,209,685	181,370	2.58	26,700,969	122,308	1.86	25,425,865	16,348	0.26
Fed funds purchased, securities sold under agreement to repurchase and other	\$ 774,170	\$ 7,658	3.97	\$ 832,831	\$ 7,669	3.73	\$ 843,705	907	0.43
Short-term FHLB borrowings	2,388,139	31,219	5.24	3,221,340	37,013	4.66	1,117,308	2,733	0.98
Short-term BTFP borrowings	1,153,846	14,815	5.15	—	—	—	—	—	—
Long-term borrowings	455,617	4,806	4.23	462,385	4,872	4.27	465,447	4,801	4.14
Total interest-bearing liabilities	32,981,457	239,868	2.92 %	31,217,525	171,862	2.23 %	27,852,325	24,789	0.36 %
<b>Noninterest-bearing liabilities:</b>									
Demand deposits	10,725,108			12,203,079			13,970,163		
Other liabilities	821,203			835,136			719,152		
Total liabilities	44,527,768			44,255,740			42,541,640		
<b>Shareholders' equity</b>	4,539,353			4,396,461			4,523,189		
Total liabilities and shareholders' equity	<u>\$ 49,067,121</u>			<u>\$ 48,652,201</u>			<u>\$ 47,064,829</u>		
Net interest income/net interest spread		334,614	2.29 %		355,321	2.65 %		325,829	2.94 %
Net yield on earning assets/net interest margin			3.03 %			3.29 %			3.06 %
<b>Taxable equivalent adjustment:</b>									
Loans and investment securities		(1,063)			(1,051)			(1,063)	
Net interest revenue		<u>\$ 333,551</u>			<u>\$ 354,270</u>			<u>\$ 324,766</u>	

**Table 12  
Average Balance and Yields Cont.**

(Dollars in thousands)	For the Six Months Ended					
	June 30, 2023			June 30, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
<b>ASSETS</b>						
<b>Interest-earning assets:</b>						
Loans and leases, excluding accretion	\$ 31,399,156	\$ 938,922	6.03 %	\$ 27,479,463	\$ 550,254	4.04 %
Accretion income on acquired loans		15,235	0.10		29,455	0.22
Loans held for sale	57,007	1,564	5.53 %	161,893	3,525	4.39 %
Investment securities						
Taxable	10,613,212	102,046	1.94 %	14,040,648	91,409	1.31 %

Tax-exempt	389,982	6,207	3.21	462,057	6,312	2.75
Total investment securities	11,003,194	108,253	1.98	14,502,705	97,721	1.36
Other investments	1,567,517	37,691	4.85	955,487	2,620	0.55
Total interest-earning assets	44,026,874	1,101,665	5.05 %	43,099,548	683,575	3.20
Other assets	5,283,730			4,712,599		
Allowance for credit losses	449,797			441,508		
Total assets	\$ 48,860,807			\$ 47,370,639		

#### LIABILITIES AND SHAREHOLDERS'

##### EQUITY

##### Interest-bearing liabilities:

Interest bearing demand and money market	\$ 18,500,687	207,282	2.26 %	\$ 18,816,584	\$ 21,459	0.23 %
Savings deposits	3,224,945	6,929	0.43	3,677,698	1,158	0.06
Time deposits	5,733,863	89,467	3.15	3,594,225	8,805	0.49
Total interest-bearing deposits	27,459,495	303,678	2.23	26,088,507	31,422	0.24
Fed funds purchased, securities sold under agreement to repurchase and other	803,338	15,327	3.85 %	828,970	1,125	0.27 %
Short-term FHLB borrowings	2,802,438	68,232	4.91	568,785	2,738	0.97
Short-term BTFP borrowings	580,111	14,815	5.15 %	—	—	—
Long-term borrowings	458,982	9,678	4.25	466,141	9,612	4.16
Total interest-bearing liabilities	32,104,364	411,730	2.59 %	27,952,403	44,897	0.32 %

##### Noninterest-bearing liabilities:

Demand deposits	11,460,010			13,888,828		
Other liabilities	828,131			738,187		
Total liabilities	44,392,505			42,579,418		

##### Shareholders' equity

Total liabilities and shareholders' equity	\$ 48,860,807			\$ 47,370,639		
--	---------------	--	--	---------------	--	--

Net interest income/net interest spread	689,935		2.46 %	638,678		2.87 %
Net yield on earning assets/net interest margin			3.16 %			2.99 %

##### Taxable equivalent adjustment:

Loans and investment securities	(2,114)			(2,090)		
Net interest revenue	\$ 687,821			\$ 636,588		

Table 13

#### Selected Additional Data (Unaudited)

(Dollars in thousands)	Quarter Ended				
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
<b>MORTGAGE SERVICING RIGHTS ("MSR"):</b>					
Fair value, beginning of period	\$ 106,942	\$ 109,744	\$ 112,767	\$ 102,021	\$ 92,859
Originations of servicing assets	1,990	1,385	2,283	3,890	4,962
Changes in fair value:					
Due to payoffs/paydowns	(2,621)	(1,078)	(2,308)	(3,085)	(3,253)
Due to update in valuation assumptions	5,106	(3,109)	(2,998)	9,941	7,453
Fair value, end of period	\$ 111,417	\$ 106,942	\$ 109,744	\$ 112,767	\$ 102,021
<b>MORTGAGE BANKING REVENUE:</b>					
Origination	\$ 3,495	\$ 3,344	\$ 1,793	\$ 1,916	\$ 4,042
Servicing	5,900	6,113	5,923	5,915	5,965
Payoffs/Paydowns	(2,621)	(1,078)	(2,308)	(3,085)	(3,253)
Total mortgage banking revenue excluding MSR	6,774	8,379	5,408	4,746	6,754
Market value adjustment on MSR	5,106	(3,109)	(2,998)	9,941	7,453
Market value adjustment on MSR Hedge	(3,524)	806	161	(5,607)	(2,761)
Total mortgage banking revenue	\$ 8,356	\$ 6,076	\$ 2,571	\$ 9,080	\$ 11,446
Mortgage loans serviced	\$ 7,550,676	\$ 7,633,236	\$ 7,692,744	\$ 7,723,605	\$ 7,685,994
MSR/mortgage loans serviced	1.48 %	1.40 %	1.43 %	1.46 %	1.33 %

(In thousands)	Quarter Ended				
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022
<b>AVAILABLE-FOR-SALE SECURITIES, at fair value</b>					
U.S. Treasury securities	\$ 8,959	\$ 15,849	\$ 1,458,513	\$ 1,451,461	\$ 1,466,313
Obligations of U.S. government agencies	1,112,326	1,358,350	1,477,127	1,820,913	2,133,561
Mortgage-backed securities issued or guaranteed by U.S. agencies ("MBS"):					
Residential pass-through:					
Guaranteed by GNMA	79,261	83,649	84,368	87,063	95,955
Issued by FNMA and FHLMC	5,895,704	6,164,294	6,274,970	6,427,152	7,014,715
Other residential mortgage-back securities	157,294	166,449	168,452	181,317	201,440
Commercial mortgage-backed securities	2,357,047	2,427,808	1,881,853	1,880,949	1,899,785
Total MBS	8,489,306	8,842,200	8,409,643	8,576,481	9,211,895
Obligations of states and political subdivisions	433,316	447,731	466,002	444,953	485,400
Other domestic debt securities	71,356	73,557	82,718	98,615	101,313
Foreign debt securities	139,317	140,192	50,093	49,471	52,139
Total available-for-sale securities	\$ 10,254,580	\$ 10,877,879	\$ 11,944,096	\$ 12,441,894	\$ 13,450,621

**Table 14**  
**Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions**  
**(Unaudited)**

Management evaluates the Company's capital position and adjusted performance by utilizing certain financial measures not calculated in accordance with GAAP, including adjusted net income, adjusted net income available to common shareholders, pre-tax pre-provision net revenue, adjusted pre-tax pre-provision net revenue, total adjusted noninterest expense, tangible common shareholders' equity to tangible assets, total shareholders' equity (excluding AOCI), common shareholders' equity (excluding AOCI), tangible common shareholders' equity to tangible assets (excluding AOCI), return on average tangible common equity, adjusted return on average tangible common equity, adjusted return on average assets, adjusted return on average common shareholders' equity, pre-tax pre-provision net revenue to total average assets, adjusted pre-tax pre-provision net revenue to total average assets, adjusted earnings per common share, tangible book value per common share, tangible book value per common share, excluding AOCI, efficiency ratio (tax equivalent), adjusted efficiency ratio (tax equivalent), and adjusted dividend payout ratio. The Company has included these non-GAAP financial measures in this release for the applicable periods presented. Management believes that the presentation of these non-GAAP financial measures: (i) provides important supplemental information that contributes to a proper understanding of the Company's capital position and adjusted performance, (ii) enables a more complete understanding of factors and trends affecting the Company's business and (iii) allows investors to evaluate the Company's performance in a manner similar to management, the financial services industry, bank stock analysts and bank regulators. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are presented in the tables below. These non-GAAP financial measures should not be considered as substitutes for GAAP financial measures, and the Company strongly encourages investors to review the GAAP financial measures included in this news release and not to place undue reliance upon any single financial measure. In addition, because non-GAAP financial measures are not standardized, it may not be possible to compare the non-GAAP financial measures presented in this news release with other companies' non-GAAP financial measures having the same or similar names.

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
<b>Adjusted net income available to common shareholders</b>							
Net income	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 190,657	\$ 241,905
Plus: Merger expense	137	5,075	20,276	19,690	7,274	5,212	11,248
Incremental merger related expense	1,671	8,960	32,704	6,912	6,060	10,631	12,631
Gain on extinguishment of debt	(1,140)	—	—	—	—	(1,140)	—
Branch closure and other restructuring charges	6,219	212	2,254	6	705	6,431	833
Pension settlement expense	—	—	6,127	2,896	—	—	—
Less: Security gains (losses), net	69	(51,261)	(595)	(139)	1,446	(51,192)	349
Tax adjustment	1,602	15,394	14,665	7,016	2,981	16,997	5,767
Adjusted net income	119,244	126,743	145,225	146,025	136,570	245,986	260,501
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Adjusted net income available to common shareholders	\$ 116,872	\$ 124,371	\$ 142,853	\$ 143,653	\$ 134,198	\$ 241,242	\$ 255,757



(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
Pre-tax pre-provision net revenue							
Net income	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 190,657	\$ 241,905
Plus: Provision for credit losses	15,000	10,000	6,000	—	1,000	25,000	1,000
Income tax expense	32,935	22,433	29,628	36,713	36,154	55,368	69,797
Pre-tax pre-provision net revenue	\$ 161,963	\$ 109,062	\$ 133,562	\$ 160,111	\$ 164,112	\$ 271,025	\$ 312,702

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
Adjusted pre-tax pre-provision net revenue							
Net income	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 190,657	\$ 241,905
Plus: Provision for credit losses	15,000	10,000	6,000	—	1,000	25,000	1,000
Merger expense	137	5,075	20,276	19,690	7,274	5,212	11,248
Incremental merger related expense	1,671	8,960	32,704	6,912	6,060	10,631	12,631
Gain on extinguishment of debt	(1,140)	—	—	—	—	(1,140)	—
Branch closure and other restructuring charges	6,219	212	2,254	6	705	6,431	833
Pension settlement expense	—	—	6,127	2,896	—	—	—
Income tax expense	32,935	22,433	29,628	36,713	36,154	55,368	69,797
Less: Security gains (losses), net	69	(51,261)	(595)	(139)	1,446	(51,192)	349
Adjusted pre-tax pre-provision net revenue	\$ 168,781	\$ 174,570	\$ 195,518	\$ 189,754	\$ 176,705	\$ 343,351	\$ 337,065

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
Total adjusted noninterest expense							
Total noninterest expense	\$ 303,878	\$ 319,279	\$ 340,671	\$ 319,734	\$ 285,888	\$ 623,157	\$ 577,555
Less: Merger expense	137	5,075	20,276	19,690	7,274	5,212	11,248
Incremental merger related expense	1,671	8,960	32,704	6,912	6,060	10,631	12,631
Gain on extinguishment of debt	(1,140)	—	—	—	—	(1,140)	—
Branch closure and other restructuring charges	6,219	212	2,254	6	705	6,431	833
Pension settlement expense	—	—	6,127	2,896	—	—	—
Total adjusted noninterest expense	\$ 296,991	\$ 305,032	\$ 279,310	\$ 290,230	\$ 271,849	\$ 602,023	\$ 552,843

(In thousands)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
Total tangible assets, excluding AOCI							
Total assets	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 48,838,660	\$ 47,747,708
Less: Goodwill	1,459,302	1,459,302	1,458,795	1,449,511	1,444,209	1,459,302	1,444,209
Other identifiable intangible assets	119,098	125,724	132,764	132,953	138,370	119,098	138,370
Total tangible assets	47,260,260	50,108,070	47,061,855	46,117,196	46,165,129	47,260,260	46,165,129
Less: AOCI	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(1,163,075)	(936,345)
Total tangible assets, excluding AOCI	\$ 48,423,335	\$ 51,189,956	\$ 48,284,393	\$ 47,415,008	\$ 47,101,474	\$ 48,423,335	\$ 47,101,474

(Dollars in thousands, except per share data)	Quarter Ended					Year-to-date	
	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Jun 2023	Jun 2022
PERIOD END BALANCES:							
Total shareholders' equity, excluding AOCI							
Total shareholders' equity	\$4,485,850	\$4,490,417	\$4,311,374	\$4,166,925	\$4,437,925	\$4,485,850	\$4,437,925
Less: AOCI	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(1,163,075)	(936,345)
Total shareholders' equity, excluding AOCI	\$5,648,925	\$5,572,303	\$5,533,912	\$5,464,737	\$5,374,270	\$5,648,925	\$5,374,270

Common shareholders' equity, excluding AOCI							
Total shareholders' equity	\$4,485,850	\$4,490,417	\$4,311,374	\$4,166,925	\$4,437,925	\$4,485,850	\$4,437,925
Less: preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Common shareholders' equity	4,318,857	4,323,424	4,144,381	3,999,932	4,270,932	4,318,857	4,270,932
Less: AOCI	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(1,163,075)	(936,345)
Common shareholders' equity, excluding AOCI	\$5,481,932	\$5,405,310	\$5,366,919	\$5,297,744	\$5,207,277	\$5,481,932	\$5,207,277
Total tangible common shareholders' equity, excluding AOCI							
Total shareholders' equity	\$4,485,850	\$4,490,417	\$4,311,374	\$4,166,925	\$4,437,925	\$4,485,850	\$4,437,925
Less: Goodwill	1,459,302	1,459,302	1,458,795	1,449,511	1,444,209	1,459,302	1,444,209
Other identifiable intangible assets	119,098	125,724	132,764	132,953	138,370	119,098	138,370
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	2,740,457	2,738,398	2,552,822	2,417,468	2,688,353	2,740,457	2,688,353
Less: AOCI	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(1,163,075)	(936,345)
Total tangible common shareholders' equity, excluding AOCI	\$3,903,532	\$3,820,284	\$3,775,360	\$3,715,280	\$3,624,698	\$3,903,532	\$3,624,698
AVERAGE BALANCES:							
Total tangible common shareholders' equity							
Total shareholders' equity	\$4,539,353	\$4,396,461	\$4,215,585	\$4,506,655	\$4,523,189	\$4,468,302	\$4,791,221
Less: Goodwill	1,459,302	1,459,127	1,457,120	1,444,331	1,407,452	1,459,215	1,407,711
Other identifiable intangible assets	123,313	128,957	132,091	136,149	188,897	126,119	192,233
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$2,789,745	\$2,641,384	\$2,459,381	\$2,759,182	\$2,759,847	\$2,715,975	\$3,024,284
Total average assets							
	\$49,067,121	\$48,652,201	\$47,790,494	\$47,595,557	\$47,064,829	\$48,860,807	\$47,370,639
Total shares of common stock outstanding							
	182,626,229	182,684,578	182,437,265	182,438,780	182,461,786	182,626,229	182,461,786
Average shares outstanding-diluted							
	183,631,570	183,908,798	183,762,008	183,313,831	183,711,402	183,770,759	185,476,720
Tangible common shareholders' equity to tangible assets <sup>(1)</sup>							
	5.80 %	5.46 %	5.42 %	5.24 %	5.82 %	5.80 %	5.82 %
Tangible common shareholders' equity to tangible assets, excluding AOCI <sup>(2)</sup>							
	8.06	7.46	7.82	7.84	7.70	8.06	7.70
Return on average tangible common equity <sup>(3)</sup>							
	16.05	11.40	15.42	17.40	18.11	13.80	15.81
Adjusted return on average tangible common equity <sup>(4)</sup>							
	16.80	19.10	23.04	20.66	19.50	17.91	17.05
Adjusted return on average assets <sup>(5)</sup>							
	0.97	1.06	1.21	1.22	1.16	1.02	1.11
Adjusted return on average common shareholders' equity <sup>(6)</sup>							
	10.72	11.93	14.00	13.13	12.36	11.31	11.15
Pre-tax pre-provision net revenue to total average assets <sup>(7)</sup>							
	1.32	0.91	1.11	1.33	1.40	1.12	1.33
Adjusted pre-tax pre-provision net revenue to total average assets <sup>(8)</sup>							
	1.38	1.46	1.62	1.58	1.51	1.42	1.43
Tangible book value per common share <sup>(9)</sup>							
	\$ 15.01	\$ 14.99	\$ 13.99	\$ 13.25	\$ 14.73	\$ 15.01	\$ 14.73
Tangible book value per common share, excluding AOCI <sup>(10)</sup>							
	21.37	20.91	20.69	20.36	19.87	21.37	19.87
Adjusted earnings per common share <sup>(11)</sup>							
	\$ 0.64	\$ 0.68	\$ 0.78	\$ 0.78	\$ 0.73	\$ 1.31	\$ 1.38
Adjusted dividend payout ratio <sup>(12)</sup>							
	36.72 %	34.56 %	28.21 %	28.21 %	30.14 %	35.88 %	31.88 %

Definitions of Non-GAAP Measures:

- (1) Tangible common shareholders' equity to tangible assets is defined by the Company as total shareholders' equity less preferred stock, goodwill and other identifiable intangible assets, divided by the difference of total assets less goodwill and other identifiable intangible assets.
- (2) Tangible common shareholders' equity to tangible assets, excluding AOCI, is defined by the Company as total shareholders' equity less preferred stock, goodwill, other identifiable intangible assets and accumulated other comprehensive loss, divided by the difference of total assets less goodwill, accumulated other comprehensive loss, and

other identifiable intangible assets.

- (3) Return on average tangible common equity is defined by the Company as annualized net income available to common shareholders divided by average tangible common shareholders equity.
- (4) Adjusted return on average tangible common equity is defined by the Company as annualized net adjusted income available to common shareholders divided by average tangible common shareholders' equity.
- (5) Adjusted return on average assets is defined by the Company as annualized net adjusted income divided by total average assets.
- (6) Adjusted return on average common shareholders' equity is defined by the Company as annualized net adjusted income available to common shareholders divided by average common shareholders' equity.
- (7) Pre-tax pre-provision net revenue to total average assets is defined by the Company as annualized pre-tax pre-provision net revenue divided by total average assets.
- (8) Adjusted pre-tax pre-provision net revenue to total average assets is defined by the Company as annualized adjusted pre-tax pre-provision net revenue divided by total average assets adjusted for items included in the definition and calculation of net adjusted income.
- (9) Tangible book value per common share is defined by the Company as tangible common shareholders' equity divided by total shares of common stock outstanding.
- (10) Tangible book value per common share, excluding AOCI is defined by the Company as tangible common shareholders' equity less accumulated other comprehensive loss divided by total shares of common stock outstanding.
- (11) Adjusted earnings per common share is defined by the Company as net adjusted income available to common shareholders divided by average common shares outstanding-diluted.
- (12) Adjusted dividend payout ratio is defined by the Company as common share dividends divided by net adjusted income available to common shareholders.

#### **Efficiency Ratio-Fully Taxable Equivalent and Adjusted Efficiency Ratio-Fully Taxable Equivalent Definitions**

The efficiency ratio and the adjusted efficiency ratio are supplemental financial measures utilized in management's internal evaluation of the Company's use of resources and are not defined under GAAP. The efficiency ratio is calculated by dividing total noninterest expense by total revenue, which includes net interest income plus noninterest income plus the tax equivalent adjustment. The adjusted efficiency ratio excludes income and expense items otherwise disclosed as non-routine from total noninterest expense.

SOURCE Cadence Bank

For further information: Valerie C. Toalson, Senior Executive Vice President and Chief Financial Officer, 713/871-3903; Will Fisackerly, Executive Vice President and Director of Corporate Finance, 662/680-2475

---

### ***BancorpSouth Bank***

201 S. Spring St., Tupelo, MS 38804 | (662) 680-2000

<https://ir.cadencebank.com/2023-07-24-Cadence-Bank-Announces-Second-Quarter-2023-Financial-Results>