

Cadence Bank Announces Third Quarter 2022 Financial Results

HOUSTON and TUPELO, Miss., Oct. 24, 2022 /PRNewswire/ -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter ended September 30, 2022.

Highlights for the third quarter of 2022 included:

- Achieved quarterly net income available to common shareholders of \$121.0 million, or \$0.66 per diluted common share, and adjusted net income available to common shareholders of \$143.7 million, or \$0.78 per diluted common share, an increase in adjusted earnings per diluted share of 6.8% compared to the second quarter of 2022.
- Reported \$189.8 million in adjusted pre-tax pre-provision net revenue (PPNR), an increase of 7.4% compared to the second quarter of 2022.
- Generated net organic loan growth of \$936.0 million for the third quarter of 2022, or 13.1% on an annualized basis. Year-to-date, loans have grown \$2.4 billion, or 12.0% annualized.
- Net interest margin improved to 3.28%, up 22 basis points (and up 26 basis points excluding the impact of purchase accounting accretion) from the linked quarter, driven by continued improvement in loan yields, changes to the earning asset mix resulting from net loan growth and disciplined management of deposit pricing.
- Continued stable credit quality reflected in quarterly annualized net charge-offs of 0.09% of average loans and leases as well as a 3.3% linked quarter decline in total non-performing assets; no recorded provision for credit losses for the quarter.
- Recently completed the successful core system conversion and operational integration of the legacy Cadence merger, including the re-branding of all branch locations across the Company's footprint.

"Our team is pleased to report continued positive momentum for Cadence Bank, highlighted by growth in adjusted earnings per share to \$0.78 for the third quarter as well as the recent successful conversion of core systems and re-branding across our footprint," remarked Dan Rollins, Chairman and Chief Executive Officer of the Company. "We also had another good quarter in terms of loan growth, reporting total growth of \$936 million, or 13% on an annualized basis. Our net interest margin improved as we continue to benefit from rising rates and improvement in our earning asset mix. Importantly, credit quality remains stable, which is reflected in no recorded provision for credit losses for the quarter."

Earnings Summary

The fourth quarter 2021 merger with Cadence Bancorporation impacts year-over-year comparisons. See "RECENT MERGER TRANSACTION" in this release for more information.

The Company reported net income available to common shareholders of \$121.0 million, or \$0.66 per diluted common share, for the third quarter of 2022, compared with net income available to common shareholders of \$70.4 million, or \$0.65 per diluted common share, for the third quarter of 2021 and net income available to common shareholders of \$124.6 million, or \$0.68 per diluted common share, for the second quarter of 2022. Adjusted net income available to common shareholders was \$143.7 million, or \$0.78 per diluted common share, for the third quarter of 2022, compared with \$74.9 million, or \$0.69 per diluted common share, for the third quarter of 2021 and \$134.2 million, or \$0.73 per diluted common share, for the second quarter of 2022.

The Company reported adjusted PPNR of \$189.8 million, or 1.58% of average assets on an annualized basis, for the third quarter of 2022 compared to \$92.1 million, or 1.32% of average assets on an annualized basis, for the third quarter of 2021 and \$176.7 million, or 1.51% of average assets on an annualized basis, for the second quarter of 2022.

The growth in adjusted net income and PPNR during the quarter was primarily attributable to a significant increase in net interest revenue reflecting continued net interest margin improvement as well as loan growth, but was partially offset by an increase in salaries and employee benefits expense as well as other noninterest expense.

Net Interest Revenue

Net interest revenue was \$355.4 million for the third quarter of 2022, compared to \$181.5 million for the third quarter of 2021 and \$324.8 million for the second quarter of 2022, an increase of \$30.6 million or 9.4% from linked quarter. The fully taxable equivalent (FTE) net interest margin was 3.28% for the third quarter of 2022, compared with 2.86% for the third quarter of 2021 and 3.06% for the second quarter of 2022.

Net interest revenue for the third quarter of 2022 included \$8.1 million in accretion revenue related to acquired loans and leases, adding approximately 7 basis points to the net interest margin. Accretion declined \$3.6 million from \$11.7 million for the second quarter of 2022, which added approximately 11 basis points to the second quarter 2022 net interest margin. Excluding the impact of accretion, the linked quarter net interest margin increased by 26 basis points.

The increase in net interest revenue in the third quarter of 2022 compared to the linked quarter reflected continued improvement in loan and securities yields as well as additional deployment of cash flow from maturing securities into loan growth. The balance sheet remains asset sensitive, with approximately 21% of loans floating (repricing within 30 days) and another 49% of loans variable as of September 30, 2022.

Yields on net loans, loans held for sale, and leases excluding accretion, were 4.70% for the third quarter of 2022, up 58 basis points from 4.12% for the second quarter of 2022, while yields on total interest earning assets were 3.74% for the third quarter of 2022, up 45 basis points from 3.29% for the second quarter of 2022. The average cost of total deposits remained well managed at 0.35% for the third quarter of 2022, compared with 0.17% for the second quarter of 2022.

Balance Sheet Activity

Loans and leases, net of unearned income, increased \$936.0 million during the third quarter, or 13.1% annualized, and \$2.4 billion year-to-date, or 12.0% annualized, to \$29.3 billion. Loan growth for the quarter was well diversified, with our corporate banking team contributing the largest portion of the growth. Total deposits declined \$1.2 billion during the third quarter to \$39.0 billion, resulting in a total year-to-date decline of \$813.7 million. The decline in deposits for the quarter included approximately \$430 million in public funds and approximately \$260 million in correspondent bank balances, both categories of which can vary quarter to quarter. The third quarter of 2022 ended with a loan to deposit ratio of 75.1% and securities to total assets of 26.1%, reflecting continued improvement in earning asset mix while maintaining strong balance sheet liquidity. Noninterest bearing deposits represented 35.5% of total deposits at the end of the third quarter of 2022, increasing slightly from 34.9% at June 30, 2022.

Provision for Credit Losses and Allowance for Credit Losses

Credit quality metrics for the third quarter of 2022 reflect continued stability in overall credit quality, highlighted by low levels of net charge-offs and no provision for credit losses for the quarter.

Total non-performing assets declined \$4.3 million, or 3.3%, in the third quarter from \$130.8 million at June 30, 2022 to \$126.5 million at September 30, 2022. Total non-performing loans and leases were \$118.1 million at September 30, 2022, or 0.40% of total net loans and leases, compared to the June 30, 2022 balance of \$116.4 million, or 0.41% of total net loans and leases. Other real estate owned and other repossessed assets also declined to \$8.4 million at September 30, 2022, a decrease of \$6.0 million or 41.8% from the June 30, 2022 balance of \$14.4 million.

Net charge-offs for the third quarter of 2022 were \$6.7 million, or 0.09% of net loans and leases on an annualized basis, compared with net recoveries of \$2.1 million for the third quarter of 2021 and net recoveries of \$1.4 million for the second quarter of 2022. Net charge-offs for the third quarter of 2022 included one \$8.0 million acquired energy credit that was classified as purchased credit deteriorated at merger. There was no recorded provision for credit losses for the third quarter of 2022, compared with a negative provision for credit losses of \$7.0 million for the third quarter of 2021 and a provision for credit losses of \$1.0 million for the second quarter of 2022. The allowance for credit losses was \$433.4 million, or 1.48% of net loans and leases at September 30, 2022, compared with \$440.1 million, or 1.55% of net loans and leases at June 30, 2022.

Noninterest Revenue

Noninterest revenue was \$124.5 million for the third quarter of 2022, compared with \$84.4 million for the third quarter of 2021 and \$125.2 million for the second quarter of 2022. Declines in mortgage production and servicing revenue and credit card, debit card, and merchant fees were offset by increases in deposit service charges and other miscellaneous income.

Insurance commission revenue totaled \$39.9 million for the third quarter of 2022, compared with \$35.8 million for the third quarter of 2021 and \$40.0 million for the second quarter of 2022. Credit card, debit card and merchant fee revenue was \$14.5 million for the third quarter of 2022, compared with \$16.6 million for the second quarter of 2022. Second quarter 2022 results included an annual incentive payment from our card vendor as well as an annual true-up of revenue based on improved contractual revenue share. Other noninterest revenue was \$21.9 million for the third quarter of 2022, compared with \$16.4 million for the second quarter of 2022 due primarily to a negative purchase accounting adjustment recorded in the second quarter related to the day one fair value of unfunded commitments acquired in the legacy Cadence transaction. In addition, other noninterest revenue for the third quarter reflects improved earnings on limited partnership investments.

Mortgage purchase money production continues to remain active despite the rate environment. Third quarter of 2022 mortgage origination volume was \$769.9 million, compared with \$788.9 million for the third quarter of 2021 and \$913.0 million for the second quarter of 2022. Mortgage production and servicing revenue totaled \$4.7 million for the third quarter of 2022, compared with \$11.0 million for the third quarter of 2021 and \$6.8 million for the second quarter of 2022. The mortgage servicing rights valuation adjustment was \$4.3 million for the third quarter of 2022, compared with \$2.0 million for the third quarter of 2021 and \$4.7 million for the second quarter of 2022 with the variances due to continued volatility in the interest rate environment.

Noninterest Expense

Noninterest expense for the third quarter of 2022 was \$319.7 million, compared with \$179.9 million for the third quarter of 2021 and \$285.9 million for the second quarter of 2022. Adjusted noninterest expense for the third quarter of 2022 was \$290.2 million, compared with \$174.0 million for the third quarter of 2021 and \$271.8 million for the second quarter of 2022. The adjusted efficiency ratio was 60.3% for the third quarter of 2022, a slight improvement from 60.5% for the second quarter of 2022. The increase in adjusted noninterest expense compared to the linked quarter was driven primarily by increases in salaries and employee benefits expense as well as other miscellaneous expense. Salaries and benefits expense increased \$9.1 million for the linked quarter, including the impact of merit increases effective July 1, 2022, an increase in incentive compensation linked to corporate performance and a decrease in deferred salaries due to lower mortgage originations this quarter. Other noninterest expense increased \$10.4 million for the linked quarter, including an approximate \$7.4 million increase due to non-routine benefits favorably impacting second quarter expenses including a second quarter gain on sale in foreclosed property expense (versus a third quarter loss on same), finalization of intangible asset valuation and related amortization in the second quarter, and various timing of regulatory fees and SBA sold loan costs. In addition, the Company experienced elevated operating and fraud losses during the third quarter of 2022.

Adjusted noninterest expense for the third quarter of 2022 excludes \$26.6 million in total merger related expenses, which includes one-time merger expense shown as a separate line item on the income statement as well as incremental merger related expenses (expenses for which the entity receives future benefit) that are included in the respective expense categories. Merger expense was \$19.7 million for the third quarter of 2022, compared with \$3.4 million for the third quarter of 2021 and \$7.3 million for the second quarter of 2022. Merger expense for the third quarter of 2022 was comprised primarily of conversion related expenses as well as compensation related items. Incremental merger related expenses for the third quarter of 2022 totaled \$6.9 million compared to \$6.1 million in the prior quarter and included primarily employee retention, marketing, and technology related expenses. Adjusted noninterest expense for the third quarter of 2022 also excludes a charge of \$2.9 million in accordance with ASC 715 "Compensation - Retirement Benefits" to reflect the settlement accounting impact of elevated lump sum retirement pension payouts during 2022.

Capital Management

Total shareholders' equity was \$4.17 billion at September 30, 2022 compared with \$3.02 billion at September 30, 2021 and \$4.44 billion at June 30, 2022. The decline in the linked quarter is primarily due to a decline in accumulated other comprehensive income (Loss) ("AOCI") resulting from an increase in unrealized losses in the available-for-sale securities portfolio, as a result of continued increases in longer-term interest rates in the quarter.

Estimated regulatory capital ratios at September 30, 2022 included Common Equity Tier 1 capital of 10.25%, Tier 1 capital of 10.70%, Total risk-based capital of 12.84%, and Tier 1 leverage capital of 8.43%.

During the third quarter of 2022, the Company did not repurchase shares of its common stock pursuant to its share repurchase program. Outstanding company shares were 182.4 million shares as of September 30, 2022, a reduction of 5.9 million shares since December 31, 2021.

Summary

Rollins concluded, "It's really an exciting time across our Company and our footprint. The successful completion of the core systems conversion and the rebranding of all of our locations is a historic event for our bank, and symbolizes that we now operate as one unified brand. This accomplishment would not have been possible without the unwavering commitment and tireless work of the more than 6,500 teammates in our Company. As we move forward, we will continue to focus on the important objectives of taking care of the customers and communities we serve and delivering value to our shareholders."

Recent Merger Transaction

Cadence Bancorporation (NYSE: CADE)

On October 29, 2021, the Company completed the merger with Cadence Bancorporation, the parent company of Cadence Bank N.A., (collectively referred to as legacy Cadence), pursuant to which legacy Cadence was merged with and into the Company (the Cadence Merger). Legacy Cadence operated 99 full-service banking offices in the southeast. As of October 29, 2021, legacy Cadence reported total assets of \$18.8 billion, total loans of \$11.6 billion and total deposits of \$16.3 billion. Under the terms of the definitive merger agreement, each legacy Cadence shareholder received 0.70 shares of the Company's common stock in exchange for each share of Cadence common stock they held. In addition, legacy Cadence paid a one-time special dividend of \$1.25 per share on October 28, 2021. In connection with the closing of the Cadence merger, the Company changed its name from BancorpSouth Bank to Cadence Bank and also changed its NYSE ticker symbol from BXS to CADE. For more information regarding the Cadence Merger, see our Current Report on Form 8-K that was filed with the Federal Deposit Insurance Corporation (FDIC) on October 29, 2021 and the 2021 Annual Report Form 10-K filed with the FDIC. Due to the Company's evaluation of post-merger activity and the extensive information gathering and management review processes required to properly record acquired assets and liabilities, the Company considers its valuations of legacy Cadence's assets and liabilities to be provisional estimates as management continues to identify and assess information regarding the nature of these assets and liabilities for the associated valuation assumptions and methodologies used.

Non-GAAP Measures and Ratios

This news release presents certain financial measures and ratios that are not calculated in accordance with U.S. generally accepted accounting principles (GAAP). 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 under the caption "Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions" beginning on page 22 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its third quarter 2022 financial results on October 25, 2022, 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.

About Cadence Bank

Cadence Bank (NYSE: CADE) is a leading regional banking franchise with approximately \$50 billion in assets and more than 400 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. 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: 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; general economic, unemployment, credit market and real estate market conditions, including inflation, and the effect of such conditions on customers, potential customers, assets, and investments; the risks of changes in interest rates and their effects on the level and composition of deposits, loan demand, 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; 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 proposed 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; 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 the adverse effects of the ongoing global COVID-19 pandemic, including the effect of actions taken to mitigate its impact on individuals or the economy broadly; 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.

Risks specifically related to the Cadence Merger include, but are not limited to: the possibility that the anticipated benefits of the merger will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies, or as a result of the strength of the economy and competitive factors in the areas where the combined company does business; the possibility that the parties may be unable to achieve expected synergies and operating efficiencies within the expected timeframes, or at all, and to successfully integrate legacy Cadence's operations and those of the Company or because such integration may be more difficult, time consuming, or costly than expected, including as a result of unexpected factors or events; the risk that revenues following the Cadence Merger may be lower than expected; the ability of the Company and legacy Cadence to meet expectations regarding the timing, completion and accounting and tax treatments of the Cadence Merger; and the risk of potential adverse reactions or changes to business or employee relationships, including those resulting from the completion of the Cadence Merger. There are also risks of adverse outcomes for any legal proceedings that may be instituted against the Company or legacy Cadence in respect of the Cadence Merger; the risk that any announcements relating to the Cadence Merger could have adverse effects on the market price of the capital stock of the combined company; and risks arising from the dilution caused by the Company's issuance of additional shares of its capital stock in connection with the Cadence Merger and other factors as detailed from time to time in the Company's press and news releases, periodic and current reports, and other filings the Company files with the FDIC.

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 combined 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, 2021, 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.

Selected Financial Data (Unaudited)

(In thousands)	Quarter Ended					Year-to-date	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Earnings Summary:							
Interest revenue	\$ 405,559	\$ 349,555	\$ 331,930	\$ 290,626	\$ 199,511	\$ 1,087,044	\$ 591,423
Interest expense	50,205	24,789	20,108	19,414	17,967	95,102	56,908
Net interest revenue	355,354	324,766	311,822	271,212	181,544	991,942	534,515
Provision (release) for credit losses	—	1,000	—	133,562	(7,000)	1,000	4,500
Net interest revenue, after provision for credit losses	355,354	323,766	311,822	137,650	188,544	990,942	530,015
Noninterest revenue	124,491	125,234	128,435	103,854	84,420	378,160	274,299
Noninterest expense	319,734	285,888	291,667	289,194	179,889	897,289	509,696
Income (loss) before income taxes	160,111	163,112	148,590	(47,690)	93,075	471,813	294,618
Income tax expense (benefit)	36,713	36,154	33,643	(13,033)	20,350	106,510	64,799
Net income (loss)	123,398	126,958	114,947	(34,657)	72,725	365,303	229,819
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116	7,116
Net income (loss) available to common shareholders	\$ 121,026	\$ 124,586	\$ 112,575	\$ (37,029)	\$ 70,353	\$ 358,187	\$ 222,703

Balance Sheet - Period End Balances

Total assets	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 47,699,660	\$ 28,060,496
Total earning assets	42,832,355	43,093,974	42,744,225	43,503,089	25,572,354	42,832,355	25,572,354
Available-for-sale securities	12,441,894	13,450,621	14,371,606	15,606,470	10,053,372	12,441,894	10,053,372

Loans and leases, net of unearned income	29,296,450	28,360,485	27,189,666	26,882,988	14,991,245	29,296,450	14,991,245
Allowance for credit losses (ACL)	433,363	440,112	438,738	446,415	260,276	433,363	260,276
Net book value of acquired loans	8,841,588	9,721,672	11,020,251	11,968,278	1,426,266	8,841,588	1,426,266
Unamortized net discount on acquired loans	58,887	65,350	72,620	77,711	9,863	58,887	9,863
Total deposits	39,003,946	40,189,083	40,568,055	39,817,673	23,538,711	39,003,946	23,538,711
Total deposits and securities sold under agreement to repurchase	39,682,280	40,838,260	41,271,615	40,504,861	24,243,834	39,682,280	24,243,834
Federal funds purchased and short-term FHLB advances	2,495,000	1,200,000	—	595,000	—	2,495,000	—
Subordinated and long-term debt	463,291	465,073	465,695	482,411	311,858	463,291	311,858
Total shareholders' equity	4,166,925	4,437,925	4,643,757	5,247,987	3,023,257	4,166,925	3,023,257
Total shareholders' equity, excluding AOCI ⁽¹⁾	5,464,737	5,374,270	5,307,757	5,387,356	3,105,884	5,464,737	3,105,884
Common shareholders' equity	3,999,932	4,270,932	4,476,764	5,080,994	2,856,264	3,999,932	2,856,264
Common shareholders' equity, excluding AOCI ⁽¹⁾	\$ 5,297,744	\$ 5,207,277	\$ 5,140,764	\$ 5,220,363	\$ 2,938,891	\$ 5,297,744	\$ 2,938,891

Balance Sheet - Average Balances

Total assets	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585	\$ 47,446,436	\$ 26,287,396
Total earning assets	43,079,481	42,688,497	43,515,166	37,210,403	25,220,602	43,092,786	23,936,674
Available-for-sale securities	13,252,828	13,941,127	15,070,524	12,954,547	9,539,814	14,081,502	8,081,730
Loans and leases, net of unearned income	28,872,156	27,848,097	27,106,733	22,745,093	14,915,728	27,948,795	15,138,032
Total deposits	39,600,886	39,396,028	40,565,103	34,759,687	23,162,450	39,850,473	22,016,659
Total deposits and securities sold under agreement to repurchase	40,256,109	40,062,095	41,259,136	35,479,807	23,914,986	40,522,105	22,720,800
Subordinated and long-term debt	464,843	465,447	466,842	436,111	311,839	465,704	307,472
Total shareholders' equity	4,506,655	4,523,189	5,062,231	4,508,594	3,058,307	4,695,324	2,942,946
Common shareholders' equity	\$ 4,339,662	\$ 4,356,196	\$ 4,895,238	\$ 4,341,601	\$ 2,891,314	\$ 4,528,331	\$ 2,775,953

Nonperforming Assets:

Nonaccrual loans and leases	\$ 89,931	\$ 89,368	\$ 91,031	\$ 122,104	\$ 59,622	\$ 89,931	\$ 59,622
Loans and leases 90+ days past due, still accruing	11,984	19,682	20,957	24,784	17,012	11,984	17,012
Restructured loans and leases, still accruing	16,200	7,385	7,292	6,903	7,165	16,200	7,165
Non-performing loans and leases (NPL)	118,115	116,435	119,280	153,791	83,799	118,115	83,799
Other real estate owned and other assets	8,376	14,399	28,401	33,021	16,515	8,376	16,515
Non-performing assets (NPA)	\$ 126,491	\$ 130,834	\$ 147,681	\$ 186,812	\$ 100,314	\$ 126,491	\$ 100,314

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 - 25.

Selected Financial Data Cont.

	Quarter Ended					Year-to-date	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Financial Ratios and Other Data:							
Return on average assets ⁽²⁾	1.03 %	1.08 %	0.98 %	(0.34) %	1.04 %	1.03 %	1.17 %
Adjusted return on average assets ⁽¹⁾⁽²⁾	1.22	1.16	1.05	1.03	1.11	1.15	1.28
Return on average common shareholders' equity ⁽²⁾	11.06	11.47	9.33	(3.38)	9.65	10.58	10.73
Adjusted return on average common shareholders' equity ⁽¹⁾⁽²⁾	13.13	12.36	10.07	9.51	10.28	11.79	11.77
Return on average tangible common equity ⁽¹⁾⁽²⁾	17.40	18.11	13.87	(4.71)	14.85	16.32	16.40
Adjusted return on average tangible common equity ⁽¹⁾⁽²⁾	20.66	19.50	14.98	13.24	15.80	18.19	18.00
Pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	1.33	1.40	1.26	0.83	1.24	1.33	1.52
Adjusted pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	1.58	1.51	1.36	1.32	1.32	1.48	1.61
Net interest margin-fully taxable equivalent	3.28	3.06	2.92	2.90	2.86	3.09	2.99
Net interest rate spread-fully taxable equivalent	3.05	2.94	2.81	2.78	2.72	2.93	2.83
Efficiency ratio fully tax equivalent ⁽¹⁾	66.49	63.38	66.10	76.94	67.52	65.34	62.90
Adjusted efficiency ratio fully tax equivalent ⁽¹⁾	60.33	60.46	63.52	63.54	65.28	61.40	60.74
Loan/deposit ratio	75.11 %	70.57 %	67.02 %	67.52 %	63.69 %	75.11 %	63.69 %
Full time equivalent employees	6,629	6,659	6,568	6,595	4,770	6,629	4,770
Credit Quality Ratios:							
Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.09 %	(0.02) %	(0.01) %	(0.08) %	(0.05) %	0.02 %	— %
Provision for credit losses to average loans and leases ⁽²⁾	—	0.01	—	2.33	(0.19)	—	0.04

ACL to loans and leases, net	1.48	1.55	1.61	1.66	1.74	1.48	1.74
ACL to NPL	366.90	377.99	367.82	290.27	310.60	366.90	310.60
NPL to loans and leases, net	0.40	0.41	0.44	0.57	0.56	0.40	0.56
NPA to total assets	0.27	0.27	0.31	0.39	0.36	0.27	0.36
Equity Ratios:							
Total shareholders' equity to total assets	8.74 %	9.29 %	9.84 %	11.01 %	10.77 %	8.74 %	10.77 %
Total common shareholders' equity to total assets	8.39	8.94	9.48	10.66	10.18	8.39	10.18
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.24	5.82	6.31	7.54	6.82	5.24	6.82
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽¹⁾	7.84	7.70	7.65	7.82	7.11	7.84	7.11
Capital Adequacy ⁽³⁾:							
Common Equity Tier 1 capital	10.25 %	10.34 %	10.57 %	11.11 %	10.73 %	10.25 %	10.73 %
Tier 1 capital	10.70	10.81	11.05	11.61	11.63	10.70	11.63
Total capital	12.84	12.99	13.27	13.86	14.27	12.84	14.27
Tier 1 leverage capital	8.43	8.35	8.24	9.90	8.13	8.43	8.13

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 - 25.

(2) Annualized.

(3) Current quarter regulatory capital ratios are estimated.

Selected Financial Data Cont.

	Quarter Ended					Year-to-date	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Common Share Data:							
Diluted earnings (loss) per share	\$ 0.66	\$ 0.68	\$ 0.60	\$ (0.22)	\$ 0.65	\$ 1.94	\$ 2.11
Adjusted earnings per share ⁽¹⁾	0.78	0.73	0.65	0.63	0.69	2.16	2.31
Cash dividends per share	0.22	0.22	0.22	0.20	0.20	0.66	0.58
Book value per share	21.92	23.41	24.40	26.98	26.73	21.92	26.73
Tangible book value per share ⁽¹⁾	13.25	14.73	15.67	18.45	17.27	13.25	17.27
Market value per share (last)	25.41	23.48	29.26	29.79	29.78	25.41	29.78
Market value per share (high)	28.54	29.75	34.24	32.12	30.55	34.24	30.55
Market value per share (low)	22.04	22.82	27.95	27.25	24.87	22.04	24.87
Market value per share (avg)	25.68	25.74	31.20	30.20	27.89	27.52	27.89
Dividend payout ratio	33.33 %	32.44 %	36.60 %	NM	30.71 %	34.02 %	27.49 %
Adjusted dividend payout ratio ⁽¹⁾	28.21 %	30.14 %	33.85 %	31.75 %	28.99 %	30.56 %	25.11 %
Total shares outstanding	182,438,780	182,461,786	183,488,844	188,337,658	106,853,316	182,438,780	106,853,316
Average shares outstanding - diluted	183,313,831	183,711,402	187,264,335	164,720,656	108,250,102	184,747,880	105,599,914
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases	4.82 %	4.29 %	4.23 %	4.34 %	4.46 %	4.45 %	4.47 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	4.70	4.12	3.96	4.06	4.38	4.27	4.39
Available-for-sale securities:							
Taxable	1.44	1.37	1.26	1.17	1.20	1.35	1.24
Tax-exempt	3.05	2.95	2.57	2.54	2.88	2.85	3.04
Other investments	2.32	1.03	0.24	0.25	0.20	1.10	0.16
Total interest earning assets and revenue	3.74	3.29	3.10	3.11	3.15	3.38	3.31
Deposits	0.35	0.17	0.15	0.17	0.24	0.22	0.28
Interest bearing demand and money market	0.60	0.26	0.20	0.21	0.31	0.35	0.35
Savings	0.17	0.06	0.06	0.14	0.09	0.10	0.10
Time	0.56	0.47	0.52	0.58	0.91	0.52	1.02
Total interest bearing deposits	0.53	0.26	0.23	0.26	0.36	0.34	0.41
Short-term borrowings	1.89	0.74	0.11	0.11	0.10	1.16	0.12
Total interest bearing deposits and short-term borrowings	0.64	0.29	0.22	0.25	0.35	0.39	0.40
Long-term debt	4.16	4.14	4.19	3.95	4.47	4.16	4.47

Total interest bearing liabilities to interest earning assets	0.70 %	0.36 %	0.29 %	0.32 %	0.43 %	0.45 %	0.48 %
Interest bearing liabilities to interest earning assets	66.19 %	65.25 %	64.46 %	64.18 %	66.04 %	65.30 %	66.36 %
Net interest income tax equivalent adjustment	\$ 1,052	\$ 1,063	\$ 1,027	\$ 824	\$ 446	\$ 3,141	\$ 1,564

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 - 25.

Consolidated Balance Sheets (Unaudited)

(In thousands)	As of				
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
ASSETS					
Cash and due from banks	\$ 693,999	\$ 770,293	\$ 781,310	\$ 656,132	\$ 301,246
Interest bearing deposits with other banks and Federal funds sold	895,630	1,069,410	880,742	638,547	150,778
Available-for-sale securities, at fair value	12,441,894	13,450,621	14,371,606	15,606,470	10,053,372
Loans and leases, net of unearned income	29,296,450	28,360,485	27,189,666	26,882,988	14,991,245
Allowance for credit losses	433,363	440,112	438,738	446,415	260,276
Net loans and leases	28,863,087	27,920,373	26,750,928	26,436,573	14,730,969
Loans held for sale, at fair value	198,381	213,458	302,211	340,175	342,871
Premises and equipment, net	802,382	782,728	781,209	786,426	533,999
Goodwill	1,449,511	1,444,209	1,409,038	1,407,948	958,304
Other intangible assets, net	132,953	138,370	191,642	198,271	52,235
Bank-owned life insurance	624,696	601,601	599,346	597,953	359,740
Other assets	1,597,127	1,356,645	1,136,029	1,001,256	576,982
Total Assets	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496
LIABILITIES					
Deposits:					
Demand: Noninterest bearing	\$ 13,839,649	\$ 14,012,529	\$ 14,458,563	\$ 13,634,505	\$ 7,700,216
Interest bearing	18,033,648	19,032,983	18,854,543	18,727,588	10,285,371
Savings	3,676,340	3,735,925	3,713,629	3,556,079	3,054,756
Time deposits	3,454,309	3,407,646	3,541,320	3,899,501	2,498,368
Total deposits	39,003,946	40,189,083	40,568,055	39,817,673	23,538,711
Securities sold under agreement to repurchase	678,334	649,177	703,560	687,188	705,123
Federal funds purchased and short-term FHLB borrowings	2,495,000	1,200,000	—	595,000	—
Subordinated and long-term debt	463,291	465,073	465,695	482,411	311,858
Other liabilities	892,164	806,450	822,994	839,492	481,547
Total Liabilities	43,532,735	43,309,783	42,560,304	42,421,764	25,037,239
SHAREHOLDERS' EQUITY					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,097	456,154	458,722	470,844	267,133
Capital surplus	2,695,646	2,686,031	2,701,371	2,841,998	688,637
Accumulated other comprehensive loss	(1,297,812)	(936,345)	(664,000)	(139,369)	(82,627)
Retained earnings	2,146,001	2,065,092	1,980,671	1,907,521	1,983,121
Total Shareholders' Equity	4,166,925	4,437,925	4,643,757	5,247,987	3,023,257
Total Liabilities & Shareholders' Equity	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496

Consolidated Quarterly Average Balance Sheets (Unaudited)

(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
ASSETS					
Cash and due from banks	\$ 654,589	\$ 640,672	\$ 656,630	\$ 792,315	\$ 288,199
Interest bearing deposits with other banks and Federal funds sold	851,185	751,972	1,161,262	1,253,722	495,982
Available-for-sale securities, at fair value	13,252,828	13,941,127	15,070,524	12,954,547	9,539,814
Loans and leases, net of unearned income	28,872,156	27,848,097	27,106,733	22,745,093	14,915,728
Allowance for credit losses	441,042	438,752	444,294	404,578	264,067
Net loans and leases	28,431,114	27,409,345	26,662,439	22,340,515	14,651,661

Loans held for sale, at fair value	103,312	147,301	176,647	220,766	242,422
Premises and equipment, net	809,799	784,247	785,005	690,031	534,071
Goodwill	1,444,331	1,407,452	1,407,973	1,115,502	957,899
Other intangible assets, net	136,149	188,897	195,606	106,559	53,567
Bank-owned life insurance	613,973	599,912	598,822	517,511	357,429
Other assets	1,298,277	1,193,904	964,942	998,991	495,541
Total Assets	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585
LIABILITIES					
Deposits:					
Demand: Noninterest bearing	\$ 13,816,796	\$ 13,970,163	\$ 13,806,591	\$ 12,047,637	\$ 7,579,513
Interest bearing	18,675,214	18,238,571	19,401,019	15,811,268	10,027,346
Savings	3,720,218	3,723,193	3,631,699	3,374,243	3,001,406
Time deposits	3,388,658	3,464,101	3,725,794	3,526,539	2,554,185
Total deposits	39,600,886	39,396,028	40,565,103	34,759,687	23,162,450
Securities sold under agreement to repurchase	655,223	666,067	694,033	720,120	752,536
Federal funds purchased and short-term FHLB borrowings	1,608,587	1,294,946	131,556	7,554	8,706
Subordinated and long-term debt	464,843	465,447	466,842	436,111	311,839
Other liabilities	759,363	719,152	760,085	558,393	322,747
Total Liabilities	43,088,902	42,541,640	42,617,619	36,481,865	24,558,278
SHAREHOLDERS' EQUITY					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,130	457,713	465,458	404,522	270,098
Capital surplus	2,689,340	2,694,546	2,779,746	2,139,357	717,022
Accumulated other comprehensive loss	(922,673)	(821,034)	(283,417)	(103,554)	(35,408)
Retained earnings	2,116,865	2,024,971	1,933,451	1,901,276	1,939,602
Total Shareholders' Equity	4,506,655	4,523,189	5,062,231	4,508,594	3,058,307
Total Liabilities & Shareholders' Equity	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585

Consolidated Statements of Income (Loss)
(Unaudited)

(Dollars in thousands, except per share data)	Quarter Ended					Year-to-date	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
INTEREST REVENUE:							
Loans and leases	\$ 349,093	\$ 296,680	\$ 282,266	\$ 249,614	\$ 168,066	\$ 928,039	\$ 508,566
Available-for-sale securities:							
Taxable	46,701	46,254	45,155	37,258	28,617	138,110	73,792
Tax-exempt	2,548	2,571	2,414	1,608	490	7,533	1,853
Loans held for sale	2,241	2,118	1,407	1,324	2,076	5,766	6,711
Other interest revenue	4,976	1,932	688	822	262	7,596	501
Total interest revenue	405,559	349,555	331,930	290,626	199,511	1,087,044	591,423
INTEREST EXPENSE:							
Interest bearing demand deposits and money market accounts	28,175	11,717	9,742	8,485	7,723	49,636	24,766
Savings	1,597	590	568	1,203	672	2,753	1,998
Time deposits	4,797	4,041	4,764	5,139	5,861	13,602	19,255
Federal funds purchased and securities sold under agreement to repurchase	3,944	906	216	200	204	5,067	613
Short-term debt	6,821	2,733	5	—	—	9,560	—
Subordinated and long-term debt	4,870	4,801	4,813	4,387	3,505	14,482	10,250
Other interest expense	1	1	—	—	2	2	26
Total interest expense	50,205	24,789	20,108	19,414	17,967	95,102	56,908
Net interest revenue	355,354	324,766	311,822	271,212	181,544	991,942	534,515
Provision (release) for credit losses	—	1,000	—	133,562	(7,000)	1,000	4,500
Net interest revenue, after provision for credit losses	355,354	323,766	311,822	137,650	188,544	990,942	530,015
NONINTEREST REVENUE:							
Mortgage banking	9,080	11,446	21,763	10,580	13,058	42,289	47,473
Credit card, debit card and merchant fees	14,497	16,593	11,321	12,016	10,692	42,410	30,619
Deposit service charges	19,943	19,126	19,898	17,680	11,580	58,968	31,235

Security (losses) gains, net	(139)	1,446	(1,097)	(378)	(195)	211	(17)
Insurance commissions	39,876	39,994	35,727	32,637	35,773	115,596	102,546
Wealth management	19,335	20,213	21,737	16,352	7,147	61,286	23,155
Gain on sale of PPP loans	—	—	—	—	—	—	21,572
Other noninterest income	21,899	16,416	19,086	14,967	6,365	57,400	17,716
Total noninterest revenue	124,491	125,234	128,435	103,854	84,420	378,160	274,299
NONINTEREST EXPENSE:							
Salaries and employee benefits	191,193	182,094	187,819	149,599	112,968	561,106	322,216
Occupancy and equipment	30,610	30,129	28,270	26,885	18,977	89,008	54,509
Data processing and software	28,079	29,081	27,483	24,838	16,799	84,644	48,247
Merger expense	19,690	7,274	3,974	44,843	3,442	30,938	15,053
Deposit insurance assessments	4,499	4,945	3,336	3,278	2,330	12,781	5,423
Pension settlement expense	2,896	—	—	651	2,400	2,896	2,400
Other noninterest expense	42,767	32,365	40,785	39,100	22,973	115,916	61,848
Total noninterest expense	319,734	285,888	291,667	289,194	179,889	897,289	509,696
Income (loss) before income taxes	160,111	163,112	148,590	(47,690)	93,075	471,813	294,618
Income tax expense (benefit)	36,713	36,154	33,643	(13,033)	20,350	106,510	64,799
Net income (loss)	123,398	126,958	114,947	(34,657)	72,725	365,303	229,819
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116	7,116
Net income (loss) available to common shareholders	\$ 121,026	\$ 124,586	\$ 112,575	\$ (37,029)	\$ 70,353	\$ 358,187	\$ 222,703
Net income (loss) per common share: Diluted	\$ 0.66	\$ 0.68	\$ 0.60	\$ (0.22)	\$ 0.65	\$ 1.94	\$ 2.11

**Selected Loan Portfolio Data
(Unaudited)**

(In thousands)	Quarter Ended				
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Non-real estate	\$ 8,803,381	\$ 8,526,481	\$ 8,017,958	\$ 7,847,473	\$ 2,210,287
Owner occupied	3,943,442	3,851,336	3,703,914	3,567,746	2,611,777
Total commercial and industrial	12,746,823	12,377,817	11,721,872	11,415,219	4,822,064
Commercial real estate					
Construction, acquisition and development	3,244,425	2,982,119	3,028,514	2,924,343	1,797,559
Income producing	5,098,470	5,054,232	4,795,486	4,924,369	3,443,967
Total commercial real estate	8,342,895	8,036,351	7,824,000	7,848,712	5,241,526
Consumer					
Residential mortgages	7,924,378	7,662,621	7,355,995	7,311,306	4,698,328
Other consumer	282,354	283,696	287,799	307,751	229,327
Total consumer	8,206,732	7,946,317	7,643,794	7,619,057	4,927,655
Total loans and leases, net of unearned	\$ 29,296,450	\$ 28,360,485	\$ 27,189,666	\$ 26,882,988	\$ 14,991,245

NON-PERFORMING ASSETS

Non-performing Loans and Leases

Nonaccrual Loans and Leases

Commercial and industrial					
Non-real estate	\$ 23,916	\$ 34,233	\$ 33,086	\$ 33,690	\$ 13,170
Owner occupied	8,327	9,567	11,787	22,058	13,738
Total commercial and industrial	32,243	43,800	44,873	55,748	26,908
Commercial real estate					
Construction, acquisition and development	1,823	2,125	1,618	5,568	3,292
Income producing	8,580	8,750	9,688	16,086	8,403
Total commercial real estate	10,403	10,875	11,306	21,654	11,695
Consumer					
Residential mortgages	46,671	34,172	34,278	44,180	20,821
Other consumer	614	521	574	522	198
Total consumer	47,285	34,693	34,852	44,702	21,019
Total nonaccrual loans and leases	\$ 89,931	\$ 89,368	\$ 91,031	\$ 122,104	\$ 59,622
Loans and Leases 90+ Days Past Due, Still Accruing	11,984	19,682	20,957	24,784	17,012

Restructured Loans and Leases, Still Accruing	16,200	7,385	7,292	6,903	7,165
Total non-performing loans and leases	\$ 118,115	\$ 116,435	\$ 119,280	\$ 153,791	\$ 83,799
Other Real Estate Owned and Other Repossessed Assets	8,376	14,399	28,401	33,021	16,515
Total Non-performing Assets	\$ 126,491	\$ 130,834	\$ 147,681	\$ 186,812	\$ 100,314
Additions to Nonaccrual Loans and Leases during the Quarter (excluding acquisitions)	\$ 34,432	\$ 21,312	\$ 16,374	\$ 22,158	\$ 19,858

**Allowance for Credit Losses
(Unaudited)**

(Dollars in thousands)	Quarter Ended				
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 440,112	\$ 438,738	\$ 446,415	\$ 260,276	\$ 265,720
Charge-offs:					
Commercial and industrial	(11,551)	(2,170)	(2,682)	(2,712)	(1,488)
Commercial real estate	(1,116)	(275)	(313)	(586)	(131)
Consumer	(2,653)	(1,941)	(1,792)	(2,342)	(1,694)
Total loans charged-off	(15,320)	(4,386)	(4,787)	(5,640)	(3,313)
Recoveries:					
Commercial and industrial	3,657	3,217	3,178	7,835	3,787
Commercial real estate	3,509	1,076	437	1,047	646
Consumer	1,405	1,467	1,612	1,521	936
Total recoveries	8,571	5,760	5,227	10,403	5,369
Net (charge-offs) recoveries	(6,749)	1,374	440	4,763	2,056
Initial allowance on loans purchased with credit deterioration	—	—	(8,117)	62,321	—
Provision:					
Loans and leases acquired during the quarter	—	—	—	119,055	—
Provision (release) for credit losses related to loans and leases	—	—	—	—	(7,500)
Total provision for loans and leases	—	—	—	119,055	(7,500)
Balance, end of period	\$ 433,363	\$ 440,112	\$ 438,738	\$ 446,415	\$ 260,276
Average loans and leases, net of unearned, for period	\$ 28,872,156	\$ 27,848,097	\$ 27,106,733	\$ 22,745,093	\$ 14,915,728
Ratio: Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.09 %	(0.02) %	(0.01) %	(0.08) %	(0.05) %

RESERVE FOR UNFUNDED COMMITMENTS ⁽¹⁾

Balance, beginning of period	\$ 24,551	\$ 23,551	\$ 23,551	\$ 9,044	\$ 8,544
Provision for unfunded commitments for loans acquired during the quarter	—	—	—	13,007	—
Provision for credit losses for unfunded commitments	—	1,000	—	1,500	500
Balance, end of period	\$ 24,551	\$ 24,551	\$ 23,551	\$ 23,551	\$ 9,044

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

(2) Annualized.

**Loan Portfolio by Grades
(Unaudited)**

September 30, 2022

Purchased

(In thousands)					Credit	Total
	Pass	Special Mention	Substandard	Impaired	Deteriorated (Loss)	
LOAN AND LEASE PORTFOLIO:						
Commercial and industrial						
Non-real estate	\$ 8,564,230	\$ 60,616	\$ 168,174	\$ 5,947	\$ 4,414	\$ 8,803,381
Owner occupied	3,899,192	1,758	37,019	3,576	1,897	3,943,442
Total commercial and industrial	12,463,422	62,374	205,193	9,523	6,311	12,746,823
Commercial real estate						
Construction, acquisition and development	3,216,949	17,597	3,725	—	6,154	3,244,425
Income producing	4,973,000	14,363	89,573	705	20,829	5,098,470
Total commercial real estate	8,189,949	31,960	93,298	705	26,983	8,342,895
Consumer						
Residential mortgages	7,789,212	1,156	132,510	—	1,500	7,924,378
Other consumer	278,815	—	3,539	—	—	282,354
Total consumer	8,068,027	1,156	136,049	—	1,500	8,206,732
Total loans and leases, net of unearned	\$ 28,721,398	\$ 95,490	\$ 434,540	\$ 10,228	\$ 34,794	\$ 29,296,450

June 30, 2022

(In thousands)					Purchased	Total
	Pass	Special Mention	Substandard	Impaired	Credit Deteriorated (Loss)	
LOAN AND LEASE PORTFOLIO:						
Commercial and industrial						
Non-real estate	\$ 8,360,393	\$ 48,665	\$ 98,031	\$ 6,661	\$ 12,731	\$ 8,526,481
Owner occupied	3,805,811	1,735	36,098	3,622	4,070	3,851,336
Total commercial and industrial	12,166,204	50,400	134,129	10,283	16,801	12,377,817
Commercial real estate						
Construction, acquisition and development	2,963,169	423	12,475	993	5,059	2,982,119
Income producing	4,931,450	3,083	92,887	704	26,108	5,054,232
Total commercial real estate	7,894,619	3,506	105,362	1,697	31,167	8,036,351
Consumer						
Residential mortgages	7,542,086	756	117,771	598	1,410	7,662,621
Other consumer	275,105	—	8,591	—	—	283,696
Total consumer	7,817,191	756	126,362	598	1,410	7,946,317
Total loans and leases, net of unearned	\$ 27,878,014	\$ 54,662	\$ 365,853	\$ 12,578	\$ 49,378	\$ 28,360,485

**Geographical Loan Information
(Unaudited)**

September 30, 2022

(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 349,832	\$ 162,760	\$ 393,595	\$ 519,730	\$ 345,539	\$ 475,031	\$ 65,512	\$ 321,528
Owner occupied	349,354	244,482	323,891	279,264	290,926	554,072	91,611	172,550
Total commercial and industrial	699,186	407,242	717,486	798,994	636,465	1,029,103	157,123	494,078
Commercial real estate								
Construction, acquisition and development	191,703	81,362	210,076	328,010	58,871	204,065	33,441	148,321
Income producing	428,514	250,807	329,519	654,233	212,723	439,077	193,106	289,768
Total commercial real estate	620,217	332,169	539,595	982,243	271,594	643,142	226,547	438,089
Consumer								
Residential mortgages	1,120,555	363,247	537,874	354,043	435,941	1,009,632	149,603	605,962
Other consumer	26,611	10,556	4,940	14,400	9,644	55,147	1,091	9,858
Total consumer	1,147,166	373,803	542,814	368,443	445,585	1,064,779	150,694	615,820
Total loans and leases, net of unearned	\$ 2,466,569	\$ 1,113,214	\$ 1,799,895	\$ 2,149,680	\$ 1,353,644	\$ 2,737,024	\$ 534,364	\$ 1,547,987

Loan growth, excluding loans acquired during the quarter (\$)	\$ (33,431)	\$ 16,492	\$ 118,322	\$ 28,751	\$ 18,538	\$ 73,430	\$ (48,762)	\$ 26,012
Loan growth, excluding loans acquired during the quarter (%) (annualized)	(5.31) %	5.97 %	27.92 %	5.38 %	5.51 %	10.94 %	(33.18) %	6.78 %

June 30, 2022

(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 399,110	\$ 156,007	\$ 411,175	\$ 530,835	\$ 325,925	\$ 430,355	\$ 90,777	\$ 321,900
Owner occupied	351,129	244,194	293,162	279,972	292,640	560,825	91,523	173,170
Total commercial and industrial	750,239	400,201	704,337	810,807	618,565	991,180	182,300	495,070
Commercial real estate								
Construction, acquisition and development								
Income producing	199,673	73,486	209,715	258,645	57,377	180,636	30,569	130,391
Total commercial real estate	411,413	258,831	266,141	682,813	219,774	447,697	224,522	305,954
Consumer								
Residential mortgages	1,109,209	353,935	496,593	355,796	430,005	990,346	144,652	580,814
Other consumer	29,466	10,269	4,787	12,868	9,385	53,735	1,083	9,746
Total consumer	1,138,675	364,204	501,380	368,664	439,390	1,044,081	145,735	590,560
Total loans and leases, net of unearned	\$ 2,500,000	\$ 1,096,722	\$ 1,681,573	\$ 2,120,929	\$ 1,335,106	\$ 2,663,594	\$ 583,126	\$ 1,521,975

**Noninterest Revenue and Expense
(Unaudited)**

(In thousands)	Quarter Ended					Year-to-date	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR hedge market value adjustment							
MSR and MSR hedge market value adjustment	\$ 4,746	\$ 6,754	\$ 7,733	\$ 7,963	\$ 11,009	\$ 19,234	\$ 39,951
Credit card, debit card and merchant fees	14,497	16,593	11,321	12,016	10,692	42,410	30,619
Deposit service charges	19,943	19,126	19,898	17,680	11,580	58,968	31,235
Security (losses) gains, net	(139)	1,446	(1,097)	(378)	(195)	211	(17)
Insurance commissions	39,876	39,994	35,727	32,637	35,773	115,596	102,546
Trust income	9,011	9,129	10,061	7,892	4,735	28,201	14,298
Annuity fees	600	753	604	435	50	1,957	151
Brokerage commissions and fees	9,724	10,331	11,072	8,025	2,362	31,128	8,706
Gain on sale of PPP loans	—	—	—	—	—	—	21,572
Bank-owned life insurance	3,537	3,285	3,336	3,098	4,217	10,158	8,082
Other miscellaneous income	18,363	13,131	15,750	11,869	2,148	47,242	9,634
Total noninterest revenue	\$ 124,491	\$ 125,234	\$ 128,435	\$ 103,854	\$ 84,420	\$ 378,160	\$ 274,299
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 191,193	\$ 182,094	\$ 187,819	\$ 149,599	\$ 112,968	\$ 561,106	\$ 322,216
Occupancy, net of rental income	22,743	21,109	20,346	19,477	13,443	64,199	39,444
Equipment	7,867	9,020	7,924	7,408	5,534	24,809	15,065
Deposit insurance assessments	4,499	4,945	3,336	3,278	2,330	12,781	5,423
Pension settlement expense	2,896	—	—	651	2,400	2,896	2,400
Advertising	1,981	2,030	2,716	2,721	988	6,727	2,775
Foreclosed property expense	1,093	(1,104)	440	689	2,189	430	3,859
Telecommunications	1,882	1,984	1,833	1,725	1,600	5,699	4,515
Public relations	2,104	2,387	1,877	2,365	1,166	6,368	2,919
Data processing	17,710	18,089	16,824	15,606	11,297	52,623	32,745
Computer software	10,369	10,992	10,659	9,232	5,502	32,020	15,502
Amortization of intangibles	5,417	3,042	6,780	5,473	2,424	15,240	7,143

Legal merger expense	2,054 19,690	1,463 7,274	1,793 3,974	1,282 44,843	814 3,442	5,310 30,938	2,754 15,053
Postage and shipping	2,098	2,022	2,034	1,772	1,414	6,154	4,278
Other miscellaneous expense	26,138	20,541	23,312	23,073	12,378	69,989	33,605
Total noninterest expense	<u>\$ 319,734</u>	<u>\$ 285,888</u>	<u>\$ 291,667</u>	<u>\$ 289,194</u>	<u>\$ 179,889</u>	<u>\$ 897,289</u>	<u>\$ 509,696</u>
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 30,021	\$ 29,220	\$ 25,852	\$ 23,640	\$ 26,413	\$ 85,093	\$ 74,402
Life and health commissions	7,254	7,935	7,143	6,459	6,543	22,332	20,167
Risk management income	654	674	757	699	676	2,085	1,900
Other	1,947	2,165	1,975	1,839	2,141	6,086	6,077
Total insurance commissions	<u>\$ 39,876</u>	<u>\$ 39,994</u>	<u>\$ 35,727</u>	<u>\$ 32,637</u>	<u>\$ 35,773</u>	<u>\$ 115,596</u>	<u>\$ 102,546</u>

**Average Balance and Yields
(Unaudited)**

	Quarter Ended								
	September 30, 2022			June 30, 2022			September 30, 2021		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
(Dollars in thousands)									
ASSETS									
Interest-earning assets:									
Loans and leases, excluding accretion	\$ 28,872,156	\$ 341,334	4.69 %	\$ 27,848,097	\$ 285,345	4.11 %	\$ 14,915,728	\$ 165,207	4.39 %
Accretion income on acquired loans		8,134	0.11		11,714	0.17		3,175	0.08
Loans held for sale	103,312	2,241	8.61	147,301	2,118	5.77	242,422	2,076	3.40
Investment securities									
Taxable	12,833,857	46,701	1.44	13,499,222	46,254	1.37	9,454,514	28,617	1.20
Tax-exempt	418,971	3,225	3.05	441,905	3,255	2.95	85,300	620	2.88
Total investment securities	<u>13,252,828</u>	<u>49,926</u>	<u>1.49</u>	<u>13,941,127</u>	<u>49,509</u>	<u>1.42</u>	<u>9,539,814</u>	<u>29,237</u>	<u>1.22</u>
Other investments	851,185	4,976	2.32	751,972	1,932	1.03	522,638	262	0.20
Total interest-earning assets	<u>43,079,481</u>	<u>406,611</u>	<u>3.74 %</u>	<u>42,688,497</u>	<u>350,618</u>	<u>3.29 %</u>	<u>25,220,602</u>	<u>199,957</u>	<u>3.15 %</u>
Other assets	4,957,118			4,815,084			2,660,050		
Allowance for credit losses	441,042			438,752			264,067		
Total assets	<u>\$ 47,595,557</u>			<u>\$ 47,064,829</u>			<u>\$ 27,616,585</u>		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest bearing demand and money market	\$ 18,675,214	\$ 28,175	0.60 %	\$ 18,238,571	\$ 11,717	0.26 %	\$ 10,027,346	7,723	0.31 %
Savings deposits	3,720,218	1,597	0.17	3,723,193	590	0.06	3,001,406	672	0.09
Time deposits	3,388,658	4,797	0.56	3,464,101	4,041	0.47	2,554,185	5,861	0.91
Total interest-bearing deposits	<u>25,784,090</u>	<u>34,569</u>	<u>0.53</u>	<u>25,425,865</u>	<u>16,348</u>	<u>0.26</u>	<u>15,582,937</u>	<u>14,256</u>	<u>0.36</u>
Short-term borrowings	2,263,810	10,765	1.89	1,961,013	3,639	0.74	761,242	204	0.11
Long-term borrowings	464,843	4,871	4.16	465,447	4,802	4.14	311,839	3,507	4.46
Total interest-bearing liabilities	<u>28,512,743</u>	<u>50,205</u>	<u>0.70 %</u>	<u>27,852,325</u>	<u>24,789</u>	<u>0.36 %</u>	<u>16,656,018</u>	<u>17,967</u>	<u>0.43 %</u>
Noninterest-bearing liabilities:									
Demand deposits	13,816,796			13,970,163			7,579,513		
Other liabilities	759,363			719,152			322,747		
Total liabilities	<u>43,088,902</u>			<u>42,541,640</u>			<u>24,558,278</u>		
Shareholders' equity									
Total liabilities and shareholders' equity	<u>\$ 47,595,557</u>			<u>\$ 47,064,829</u>			<u>\$ 27,616,585</u>		
Net interest income/net interest spread		356,406	3.05 %		325,829	2.94 %		181,990	2.72 %
Net yield on earning assets/net interest margin			3.28 %			3.06 %			2.86 %

Taxable equivalent adjustment:

Loans and investment securities	(1,052)	(1,063)	(446)
Net interest revenue	<u>\$ 355,354</u>	<u>\$ 324,766</u>	<u>\$ 181,544</u>

Average Balance and Yields Cont.

(Dollars in thousands)	Year-To-Date					
	September 30, 2022			September 30, 2021		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
ASSETS						
Interest-earning assets:						
Loans and leases, excluding accretion	\$ 27,948,795	\$ 891,585	4.27 %	\$ 15,138,032	\$ 499,866	4.41 %
Accretion income on acquired loans		37,592	0.18		9,772	0.09
Loans held for sale	142,152	5,766	5.42 %	297,885	6,711	3.01 %
Investment securities						
Taxable	13,633,964	138,110	1.35 %	7,978,632	73,792	1.24 %
Tax-exempt	447,538	9,536	2.85	103,098	2,345	3.04
Total investment securities	<u>14,081,502</u>	<u>147,646</u>	<u>1.40</u>	<u>8,081,730</u>	<u>76,137</u>	<u>1.26</u>
Other investments	920,337	7,596	1.10	419,027	501	0.16
Total interest-earning assets	<u>43,092,786</u>	<u>1,090,185</u>	<u>3.38 %</u>	<u>23,936,674</u>	<u>592,987</u>	<u>3.31</u>
Other assets	4,795,001			2,601,498		
Allowance for credit losses	441,351			250,776		
Total assets	<u>\$ 47,446,436</u>			<u>\$ 26,287,396</u>		

LIABILITIES AND SHAREHOLDERS'**EQUITY****Interest-bearing liabilities:**

Interest bearing demand and money market	\$ 18,768,943	49,636	0.35 %	\$ 9,531,362	\$ 24,766	0.35 %
Savings deposits	3,692,027	2,753	0.10	2,802,524	1,998	0.10
Time deposits	3,524,949	13,602	0.52	2,534,747	19,255	1.02
Total interest-bearing deposits	<u>25,985,919</u>	<u>65,991</u>	<u>0.34</u>	<u>14,868,633</u>	<u>46,019</u>	<u>0.41</u>
Short-term borrowings	1,688,738	14,627	1.16	708,870	613	0.12
Long-term borrowings	465,704	14,484	4.16	307,472	10,276	4.47
Total interest-bearing liabilities	<u>28,140,361</u>	<u>95,102</u>	<u>0.45 %</u>	<u>15,884,975</u>	<u>56,908</u>	<u>0.48 %</u>

Noninterest-bearing liabilities:

Demand deposits	13,864,554			7,148,026		
Other liabilities	746,197			311,449		
Total liabilities	<u>42,751,112</u>			<u>23,344,450</u>		

Shareholders' equity

Total liabilities and shareholders' equity	<u>\$ 47,446,436</u>			<u>\$ 26,287,396</u>		
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Net interest income/net interest spread		995,083	2.93 %		536,079	2.83 %
Net yield on earning assets/net interest margin			3.09 %			2.99 %

Taxable equivalent adjustment:

Loans and investment securities	(3,141)	(1,564)
Net interest revenue	<u>\$ 991,942</u>	<u>\$ 534,515</u>

Selected Additional Data**(Unaudited)**

(Dollars in thousands)	Quarter Ended				
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
MORTGAGE SERVICING RIGHTS ("MSR"):					
Fair value, beginning of period	\$ 102,021	\$ 92,859	\$ 69,552	\$ 64,684	\$ 60,615
Originations of servicing assets	3,890	4,962	5,155	5,709	5,798
Changes in fair value:					
Due to payoffs/paydowns	(3,085)	(3,253)	(3,147)	(3,823)	(3,919)
Due to update in valuation assumptions	9,941	7,453	21,299	2,982	2,190
Fair value, end of period	<u>\$ 112,767</u>	<u>\$ 102,021</u>	<u>\$ 92,859</u>	<u>\$ 69,552</u>	<u>\$ 64,684</u>

MORTGAGE BANKING REVENUE:					
Origination	\$ 1,916	\$ 4,042	\$ 5,118	\$ 5,970	\$ 9,284
Servicing	5,915	5,965	5,762	5,816	5,644
Payoffs/Paydowns	(3,085)	(3,253)	(3,147)	(3,823)	(3,919)
Total mortgage banking revenue excluding MSR	4,746	6,754	7,733	7,963	11,009
Market value adjustment on MSR	9,941	7,453	21,299	2,983	2,190
Market value adjustment on MSR Hedge	(5,606)	(2,762)	(7,269)	(365)	(141)
Total mortgage banking revenue	\$ 9,080	\$ 11,446	\$ 21,763	\$ 10,580	\$ 13,058
Mortgage loans serviced	\$ 7,723,605	\$ 7,685,994	\$ 7,629,119	\$ 7,553,917	\$ 7,455,113
MSR/mortgage loans serviced	1.46 %	1.33 %	1.22 %	0.92 %	0.87 %

Quarter Ended

(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Treasury securities	\$ 1,451,461	\$ 1,466,313	\$ 1,459,845	\$ 1,496,465	\$ —
Obligations of U.S. government agencies	1,820,913	2,133,561	2,350,810	2,638,442	2,575,564
Mortgage-backed securities issued or guaranteed by U.S. agencies ("MBS"):					
Residential pass-through:					
Guaranteed by GNMA	87,063	95,955	105,900	113,427	52,625
Issued by FNMA and FHLMC	6,427,152	7,014,715	7,604,829	8,129,191	5,773,462
Other residential mortgage-back securities	181,317	201,440	212,216	243,357	—
Commercial mortgage-backed securities	1,880,949	1,899,785	1,951,367	2,061,133	1,518,556
Total MBS	8,576,481	9,211,895	9,874,312	10,547,108	7,344,643
Obligations of states and political subdivisions	444,953	485,400	530,241	565,520	112,152
Other domestic debt securities	98,615	101,313	103,117	63,645	21,013
Foreign debt securities	49,471	52,139	53,281	295,290	—
Total available-for-sale securities	\$ 12,441,894	\$ 13,450,621	\$ 14,371,606	\$ 15,606,470	\$ 10,053,372

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 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, adjusted pre-tax pre-provision net revenue to total average assets, adjusted earnings per common share, 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	
	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Adjusted net income available to common shareholders							
Net income (loss)	\$ 123,398	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 365,303	\$ 229,819
Plus: Merger expense	19,690	7,274	3,974	44,843	3,442	30,938	15,053
Incremental merger related expense	6,912	6,060	6,571	4,633	—	19,543	—
Initial provision for acquired loans	—	—	—	132,062	—	—	11,500
Branch closing expense	6	705	128	—	—	839	—
Pension settlement expense	2,896	—	—	651	2,400	2,896	2,400
Less: Security (losses) gains, net	(139)	1,446	(1,097)	(378)	(195)	211	(17)
Tax adjustment	7,016	2,981	2,786	41,453	1,506	12,783	7,228
Adjusted net income	146,025	136,570	123,931	106,457	77,256	406,525	251,561

Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116	7,116
Adjusted net income available to common shareholders	\$ 143,653	\$ 134,198	\$ 121,559	\$ 104,085	\$ 74,884	\$ 399,409	\$ 244,445
	Quarter Ended					Year-to-date	
(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Pre-tax pre-provision net revenue							
Net income (loss)	\$ 123,398	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 365,303	\$ 229,819
Plus: Provision (release) for credit losses	—	1,000	—	133,562	(7,000)	1,000	4,500
Income tax expense (benefit)	36,713	36,154	33,643	(13,033)	20,350	106,510	64,799
Pre-tax pre-provision net revenue	\$ 160,111	\$ 164,112	\$ 148,590	\$ 85,872	\$ 86,075	\$ 472,813	\$ 299,118
	Quarter Ended					Year-to-date	
(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Adjusted pre-tax pre-provision net revenue							
Net income (loss)	\$ 123,398	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 365,303	\$ 229,819
Plus: Provision (release) for credit losses	—	1,000	—	133,562	(7,000)	1,000	4,500
Merger expense	19,690	7,274	3,974	44,843	3,442	30,938	15,053
Incremental merger related expense	6,912	6,060	6,571	4,633	—	19,543	—
Branch closing expense	6	705	128	—	—	839	—
Pension settlement expense	2,896	—	—	651	2,400	2,896	2,400
Income tax expense (benefit)	36,713	36,154	33,643	(13,033)	20,350	106,510	64,799
Less: Security (losses) gains, net	(139)	1,446	(1,097)	(378)	(195)	211	(17)
Adjusted pre-tax pre-provision net revenue	\$ 189,754	\$ 176,705	\$ 160,360	\$ 136,377	\$ 92,112	\$ 526,818	\$ 316,588
	Quarter Ended					Year-to-date	
(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Total adjusted noninterest expense							
Total noninterest expense	\$ 319,734	\$ 285,888	\$ 291,667	\$ 289,194	\$ 179,889	\$ 897,289	\$ 509,696
Less: Merger expense	19,690	7,274	3,974	44,843	3,442	30,938	15,053
Incremental merger related expense	6,912	6,060	6,571	4,633	—	19,543	—
Branch closing expense	6	705	128	—	—	839	—
Pension settlement expense	2,896	—	—	651	2,400	2,896	2,400
Total adjusted noninterest expense	\$ 290,230	\$ 271,849	\$ 280,994	\$ 239,067	\$ 174,047	\$ 843,073	\$ 492,243
	Quarter Ended					Year-to-date	
(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
Total tangible assets, excluding AOCI							
Total assets	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 47,699,660	\$ 28,060,496
Less: Goodwill	1,449,511	1,444,209	1,409,038	1,407,948	958,304	1,449,511	958,304
Other identifiable intangible assets	132,953	138,370	191,642	198,271	52,235	132,953	52,235
Total tangible assets	46,117,196	46,165,129	45,603,381	46,063,532	27,049,957	46,117,196	27,049,957
Less: AOCI	(1,297,812)	(936,345)	(664,000)	(139,369)	(82,627)	(1,297,812)	(82,627)
Total tangible assets, excluding AOCI	\$ 47,415,008	\$ 47,101,474	\$ 46,267,381	\$ 46,202,901	\$ 27,132,584	\$ 47,415,008	\$ 27,132,584
	Quarter Ended					Year-to-date	
(In thousands)	Sep 2022	Jun 2022	Mar 2022	Dec 2021	Sep 2021	Sep 2022	Sep 2021
PERIOD END BALANCES:							
Total shareholders' equity, excluding AOCI							
Total shareholders' equity	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757	\$ 5,247,987	\$ 3,023,257	\$ 4,166,925	\$ 3,023,257
Less: AOCI	(1,297,812)	(936,345)	(664,000)	(139,369)	(82,627)	(1,297,812)	(82,627)
Total shareholders' equity, excluding AOCI	\$ 5,464,737	\$ 5,374,270	\$ 5,307,757	\$ 5,387,356	\$ 3,105,884	\$ 5,464,737	\$ 3,105,884
Common shareholders' equity, excluding AOCI							
Total shareholders' equity	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757	\$ 5,247,987	\$ 3,023,257	\$ 4,166,925	\$ 3,023,257
Less: preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Common shareholders' equity	3,999,932	4,270,932	4,476,764	5,080,994	2,856,264	3,999,932	2,856,264
Less: AOCI	(1,297,812)	(936,345)	(664,000)	(139,369)	(82,627)	(1,297,812)	(82,627)
Common shareholders' equity, excluding AOCI	\$ 5,297,744	\$ 5,207,277	\$ 5,140,764	\$ 5,220,363	\$ 2,938,891	\$ 5,297,744	\$ 2,938,891
Total tangible common shareholders' equity, excluding AOCI							
Total shareholders' equity	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757	\$ 5,247,987	\$ 3,023,257	\$ 4,166,925	\$ 3,023,257

Less: Goodwill	1,449,511	1,444,209	1,409,038	1,407,948	958,304	1,449,511	958,304
Other identifiable intangible assets	132,953	138,370	191,642	198,271	52,235	132,953	52,235
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	2,417,468	2,688,353	2,876,084	3,474,775	1,845,725	2,417,468	1,845,725
Less: AOCI	(1,297,812)	(936,345)	(664,000)	(139,369)	(82,627)	(1,297,812)	(82,627)
Total tangible common shareholders' equity, excluding AOCI	\$ 3,715,280	\$ 3,624,698	\$ 3,540,084	\$ 3,614,144	\$ 1,928,352	\$ 3,715,280	\$ 1,928,352
AVERAGE BALANCES:							
Total tangible common shareholders' equity							
Total shareholders' equity	\$ 4,506,655	\$ 4,523,189	\$ 5,062,231	\$ 4,508,594	\$ 3,058,307	\$ 4,695,324	\$ 2,942,946
Less: Goodwill	1,444,331	1,407,452	1,407,973	1,115,502	957,899	1,420,052	907,042
Other identifiable intangible assets	136,149	188,897	195,606	106,559	53,567	173,333	53,664
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$ 2,759,182	\$ 2,759,847	\$ 3,291,659	\$ 3,119,540	\$ 1,879,848	\$ 2,934,946	\$ 1,815,247
Total average assets	\$47,595,557	\$47,064,829	\$47,679,850	\$40,990,459	\$27,616,585	\$47,446,436	\$26,287,396
Total shares of common stock outstanding	182,438,780	182,461,786	183,488,844	188,337,658	106,853,316	182,438,780	106,853,316
Average shares outstanding-diluted	183,313,831	183,711,402	187,264,335	164,720,656	108,250,102	184,747,880	105,599,914
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.24 %	5.82 %	6.31 %	7.54 %	6.82 %	5.24 %	6.82 %
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽²⁾	7.84	7.70	7.65	7.82	7.11	7.84	7.11
Return on average tangible common equity ⁽³⁾	17.40	18.11	13.87	(4.71)	14.85	16.32	16.40
Adjusted return on average tangible common equity ⁽⁴⁾	20.66	19.50	14.98	13.24	15.80	18.19	18.00
Adjusted return on average assets ⁽⁵⁾	1.22	1.16	1.05	1.03	1.11	1.15	1.28
Adjusted return on average common shareholders' equity ⁽⁶⁾	13.13	12.36	10.07	9.51	10.28	11.79	11.77
Pre-tax pre-provision net revenue to total average assets ⁽⁷⁾	1.33	1.40	1.26	0.83	1.24	1.33	1.52
Adjusted pre-tax pre-provision net revenue to total average assets ⁽⁸⁾	1.58	1.51	1.36	1.32	1.32	1.48	1.61
Tangible book value per common share ⁽⁹⁾	\$ 13.25	\$ 14.73	\$ 15.67	\$ 18.45	\$ 17.27	\$ 13.25	\$ 17.27
Tangible book value per common share, excluding AOCI ⁽¹⁰⁾	20.36	19.87	19.29	19.19	18.05	20.36	18.05
Adjusted earnings per common share ⁽¹¹⁾	\$ 0.78	\$ 0.73	\$ 0.65	\$ 0.63	\$ 0.69	\$ 2.16	\$ 2.31
Adjusted dividend payout ratio ⁽¹²⁾	28.21 %	30.14 %	33.85 %	31.75 %	28.99 %	30.56 %	25.11 %

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.

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