

Cadence Bank Announces Second Quarter 2022 Financial Results

TUPELO, Miss. and HOUSTON, July 25, 2022 /PRNewswire/ -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter ended June 30, 2022.

Highlights for the second quarter of 2022 included (as compared to the linked quarter unless noted otherwise):

- Achieved meaningful growth in quarterly net income available to common shareholders of \$124.6 million, or \$0.68 per diluted common share, and adjusted net income available to common shareholders of \$134.2 million, or \$0.73 per diluted common share, representing quarterly increases in earnings per diluted share of 13.3% and 12.3% respectively.
- Reported \$176.7 million in adjusted pre-tax pre-provision net revenue (PPNR), up 10.2% and improving to 1.51% of average assets on an annualized basis.
- Continued improvement in other profitability metrics, including an adjusted return on average tangible common equity of 19.50% for the second quarter.
- Generated net organic loan growth of \$1.2 billion for the quarter, or 17.3% on an annualized basis. Year-to-date, loans have grown \$1.5 billion, or 11.0% annualized. Total deposits declined \$378.9 million during the quarter, but have increased \$371.4 million year-to-date, or 1.9% on an annualized year-to-date basis.
- Net interest margin improved notably to 3.06%, up 14 basis points (and up 20 basis points excluding the impact of purchase accounting accretion), driven primarily by increasing new and floating loan yields, balance sheet mix changes resulting from net loan growth and minimal increases in deposit costs.
- Additional improvement in credit quality metrics included net recoveries of \$1.4 million and an 11.4% decline in total non-performing assets; recorded a quarterly provision for credit losses of \$1 million.
- Operating efficiency continued to improve, which is reflected in a decline in the adjusted efficiency ratio to 60.5% for the second quarter compared to 63.5% for the first quarter of 2022.

"The Company's financial results for the second quarter reflect key fundamental successes across virtually all aspects of our business, highlighted by adjusted earnings of \$0.73 per diluted common share," remarked Dan Rollins, Chairman and Chief Executive Officer of the Company. "Our bankers' efforts and the strength of our footprint resulted in quarterly net loan growth across nearly all of our markets and business lines. As expected, given the increasing rate environment, we reported considerable improvement in our net interest margin as well as meaningful growth in our net interest income. Credit quality continues to remain exceptionally strong as evidenced by our fifth consecutive quarter of net recoveries and additional declines in total non-performing assets."

Rollins continued, "Our results for the quarter also reflect a decline in adjusted expense which, combined with revenue growth, resulted in the adjusted efficiency ratio declining by 300 basis points to 60.5% for the quarter. Finally, from a capital management perspective, we repurchased 1.0 million shares of Company common stock during the quarter while continuing to maintain strong regulatory capital metrics."

Earnings Summary

Year-over-year comparisons were impacted by the merger with Cadence Bank, N.A. in the fourth quarter of 2021. See "RECENT MERGER TRANSACTIONS" in this release for more information.

The Company reported net income available to common shareholders of \$124.6 million, or \$0.68 per diluted common share, for the second quarter of 2022, compared with net income available to common shareholders of \$73.2 million, or \$0.69 per diluted common share, for the second quarter of 2021 and net income available to common shareholders of \$112.6 million, or \$0.60 per diluted common share, for the first quarter of 2022. Adjusted net income available to common shareholders was \$134.2 million, or \$0.73 per diluted common share, for the second quarter of 2022, compared with \$89.2 million, or \$0.84 per diluted common share, for the second quarter of 2021 and \$121.6 million, or \$0.65 per diluted common share, for the first quarter of 2022.

The Company reported adjusted PPNR of \$176.7 million, or 1.51% of average assets on an annualized basis, for the second quarter of 2022 compared to \$118.0 million, or 1.77% of average assets on an annualized basis, for the second quarter of 2021 and \$160.4 million, or 1.36% of average assets on an annualized basis, for the first quarter of 2022.

The meaningful growth in adjusted net income and PPNR during the quarter was due to a 4.2% increase in net interest revenue reflecting a higher interest rate environment, loan growth and a 2.0% decrease in non-interest expense, partially offset by a 2.5% lower noninterest revenue due to movement in net MSR valuation.

Net Interest Revenue

Net interest revenue was \$324.8 million for the second quarter of 2022, compared to \$180.2 million for the second quarter of 2021 and \$311.8 million for the first quarter of 2022, an increase of \$12.9 million or 4.2% from linked quarter. The fully taxable equivalent (FTE) net interest margin was 3.06% for the second quarter of 2022, compared with 2.99% for the second quarter of 2021 and 2.92% for the first quarter of 2022.

Net interest revenue for the second quarter of 2022 included \$11.7 million in accretion revenue related to acquired loans and leases, adding approximately 11 basis points to the net interest margin. Accretion declined \$6.0 million from \$17.7 million for the first quarter of 2022, which added approximately 17 basis points to the first quarter 2022 net interest margin. Excluding the impact of accretion, the linked quarter net interest margin increased by 20 basis points.

The increase in net interest revenue in the second quarter of 2022 compared to the linked quarter reflected meaningful improvement in loan and securities yields as well as continued deployment of cash and cash flow from maturing securities into loan growth. The balance sheet remains asset sensitive, with approximately 24% of loans floating (repricing within 30 days) and another 44% of loans variable as of June 30, 2022.

Yields on net loans, loans held for sale, and leases excluding accretion, were 4.12% for the second quarter of 2022, up 16 basis points from 3.96% for the first quarter of 2022, while yields on total interest earning assets were 3.29% for the second quarter of 2022, up 19 basis points from 3.10% for the first quarter of 2022. The average cost of deposits remained well managed, increasing only 2 basis points to 0.17% for the second quarter of 2022, compared with 0.15% for the first quarter of 2022.

Balance Sheet Activity

Loans and leases, net of unearned income, continued to reflect solid growth, increasing \$1.2 billion during the second quarter, or 17.3% annualized, and \$1.5 billion year-to-date, or 11.0% annualized, to \$28.4 billion. Total deposits declined \$378.9 million during the second quarter to \$40.8 billion, but have grown \$371.4 million year-to-date,

or 1.9% annualized. Loan growth for the quarter was spread across multiple geographies and portfolios including commercial and industrial, commercial real estate, community banking and residential mortgage. The decline in deposits during the quarter was due to public fund and municipal balances that increased during the first quarter and declined in the second quarter, with the segment flat on total deposits since year-end 2021. The second quarter of 2022 ended with a loan to deposit ratio of 70.6% and securities to total assets of 28.2%, reflecting improved mix shift while maintaining continued strong balance sheet liquidity. Noninterest bearing deposits represented 34.9% of total deposits at the end of the second quarter of 2022, relatively stable compared to 35.6% at March 31, 2022.

Provision for Credit Losses and Allowance for Credit Losses

Credit quality metrics for the second quarter of 2022 continue to improve as reflected by the fifth consecutive quarter of net recoveries as well as successive declines in total non-performing assets.

Total non-performing assets declined \$16.8 million, or 11.4%, in the second quarter from \$147.7 million at March 31, 2022 to \$130.8 million at June 30, 2022. Total non-performing loans and leases were \$116.4 million at June 30, 2022, or 0.41% of total net loans and leases, representing a decline of \$2.8 million or 2.4%, from the March 31, 2022 balance of \$119.3 million, or 0.44% of total net loans and leases. Other real estate owned and other repossessed assets also declined to \$14.4 million at June 30, 2022, a decrease of \$14.0 million or 49.3% from the March 31, 2022 balance of \$28.4 million.

Net recoveries for the second quarter of 2022 were \$1.4 million, or 0.02% of net loans and leases on an annualized basis, compared with net recoveries of \$1.8 million for the second quarter of 2021 and net recoveries of \$0.4 million for the first quarter of 2022. The provision for credit losses in the second quarter of 2022 was \$1 million, compared with a provision for credit losses of \$11.5 million for the second quarter of 2021 and no recorded provision for the first quarter of 2022. The \$11.5 million provision for the second quarter of 2021 was primarily associated with day one accounting provision requirements for loans acquired during the quarter. The allowance for credit losses was \$440.1 million, or 1.55% of net loans and leases at June 30, 2022, compared with \$438.7 million, or 1.61% of net loans and leases at March 31, 2022.

Noninterest Revenue

Noninterest revenue was \$125.2 million for the second quarter of 2022, compared with \$101.9 million for the second quarter of 2021 and \$128.4 million for the first quarter of 2022. The linked quarter decline was driven primarily by a lower mortgage servicing rights valuation adjustment, partially offset by strong credit card, debit card, and merchant fees as well as insurance commission revenue.

While mortgage revenue has been impacted due to the rising rate environment, our broader footprint has supported continued growth in mortgage origination volume. Second quarter of 2022 mortgage origination was \$913.0 million, up from both \$906.4 million for the second quarter of 2021 and \$803.9 million for the first quarter of 2022. Mortgage production and servicing revenue totaled \$6.7 million for the second quarter of 2022, compared with \$11.0 million for the second quarter of 2021 and \$7.7 million for the first quarter of 2022. The mortgage servicing rights valuation adjustment was \$4.7 million for the second quarter of 2022, compared with a negative \$1.9 million for the second quarter of 2021 and \$14.0 million for the first quarter of 2022 with the variances due to increased interest rates and a higher proportion of the asset being hedged during the second quarter of 2022.

Insurance commission revenue again reflected strong performance at \$40.0 million for the second quarter of 2022, compared with \$36.1 million for the second quarter of 2021 and \$35.7 million for the first quarter of 2022. The insurance pricing market has remained firm and the Company continues to experience high customer retention rates. The Company completed the acquisition of Wall 2 Wall Benefit Services, a Houston, TX based firm specializing in insurance and employee benefit services, during the second quarter of 2022.

Credit card, debit card and merchant fee revenue was \$16.6 million for the second quarter of 2022, compared with \$11.3 million for the first quarter of 2022 reflecting an annual incentive payment from our card vendor as well as an annual true-up of revenue based on improved contractual revenue share in 2022. Other noninterest revenue was \$16.4 million for the second quarter of 2022, compared with \$19.1 million for the first quarter of 2022 due in part to a purchase accounting adjustment associated with the day one fair value of unfunded commitments acquired in the legacy Cadence transaction.

Noninterest Expense

Noninterest expense for the second quarter of 2022 was \$285.9 million, compared with \$174.0 million for the second quarter of 2021 and \$291.7 million for the first quarter of 2022. Adjusted noninterest expense for the second quarter of 2022 was \$271.8 million, compared with \$164.0 million for the second quarter of 2021 and \$281.0 million for the first quarter of 2022. The adjusted efficiency ratio was 60.5% for the second quarter of 2022, which represents improvement compared to the 63.5% for the first quarter of 2022. The decline in adjusted noninterest expense compared to the linked quarter included a reduction in compensation related items including payroll taxes, 401(k) match, and health insurance expense as well as intangible amortization expense as we finalized acquired intangible asset valuations.

Adjusted noninterest expense for the second quarter of 2022 excludes \$13.3 million in total merger related expenses, which includes merger expense shown as a separate line item on the income statement as well as incremental merger related expenses that are included in the respective expense categories. Merger expenses represent costs to complete the merger with no future benefit, while incremental merger related expenses represent costs to complete the merger for which the entity receives a future benefit. Merger expense was \$7.3 million for the second quarter of 2022, compared with \$10.0 million for the second quarter of 2021 and \$4.0 million for the first quarter of 2022. Merger expense for the second quarter of 2022 was comprised primarily of conversion related expenses as well as compensation related items. Incremental merger related expenses for the second quarter of 2022 totaled \$6.1 million compared to \$6.6 million in the prior quarter and included primarily employee retention and marketing related expenses.

Capital Management

Total shareholders' equity was \$4.44 billion at June 30, 2022 compared with \$3.07 billion at June 30, 2021 and \$4.64 billion at March 31, 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, driven by increases in longer-term interest rates in the quarter.

Estimated regulatory capital ratios remain solid at June 30, 2022 including Common Equity Tier 1 capital of 10.39%, Tier 1 capital of 10.86%, Total risk-based capital of 13.05%, and Tier 1 leverage capital of 8.35%.

During the second quarter of 2022, the Company repurchased 1.0 million shares of its common stock pursuant to its share repurchase program. The company has 3.9 million shares remaining on its current share repurchase authorization which will expire December 30, 2022. Outstanding company shares were 182.5 million shares as of June 30, 2022, a reduction of 5.9 million shares since December 31, 2021.

Summary

Rollins concluded, "Our financial results continue to contribute to the energy and optimism around our Company, and we are reaching milestones daily toward fully integrating our two legacy companies. Last week, we publicly revealed several additional aspects of our branding for the new Cadence Bank, which complement our new logo released earlier this year. The branding speaks to serving our customers with capabilities and opportunities resulting from two great companies coming together. We look forward to the full rebranding of our Company during the fourth quarter upon completion of our core systems conversion. We have a lot to be excited about at Cadence Bank, with this quarter's financial performance certainly being a significant part of that."

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 23 of this news release.

Conference Call and Webcast

The Company will conduct a conference call to discuss its second quarter 2022 financial results on July 26, 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, Midwest 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 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 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 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.

Cadence Bank

Selected Financial Information

(Dollars in thousands, except per share data)

(Unaudited)

	Quarter Ended					Year to Date	
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21
Earnings Summary:							
Interest revenue	\$ 349,555	\$ 331,930	\$ 290,626	\$ 199,511	\$ 199,129	\$ 681,485	\$ 391,91
Interest expense	24,789	20,108	19,414	17,967	18,947	44,897	38,941
Net interest revenue	324,766	311,822	271,212	181,544	180,182	636,588	352,971
Provision (release) for credit losses	1,000	-	133,562	(7,000)	11,500	1,000	11,500
Net interest revenue, after provision							
for credit losses	323,766	311,822	137,650	188,544	168,682	635,588	341,471
Noninterest revenue	125,234	128,435	103,854	84,420	101,943	253,669	189,879
Noninterest expense	285,888	291,667	289,194	179,889	173,984	577,555	329,807

Income (loss) before income taxes	163,112	148,590	(47,690)	93,075	96,641	311,702	201,543
Income tax expense (benefit)	36,154	33,643	(13,033)	20,350	21,102	69,797	44,449
Net income (loss)	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 75,539	\$ 241,905	\$ 157,09
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income (loss) available to common shareholders	\$ 124,586	\$ 112,575	\$ (37,029)	\$ 70,353	\$ 73,167	\$ 237,161	\$ 152,35

Balance Sheet - Period End Balances

Total assets	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 27,612,365	\$ 47,747,708	\$ 27,612,36
Total earning assets	43,093,975	42,744,225	43,503,089	25,572,354	25,129,873	43,093,975	25,129,873
Total securities	13,450,621	14,371,606	15,606,470	10,053,372	9,084,111	13,450,621	9,084,111
Loans and leases, net of unearned income	28,360,485	27,189,666	26,882,988	14,991,245	15,004,039	28,360,485	15,004,039
Allowance for credit losses (ACL)	440,112	438,738	446,415	260,276	265,720	440,112	265,720
Net book value of acquired loans (included in loans and leases above)	9,721,672	11,020,251	11,968,278	1,426,266	1,646,031	9,721,672	1,646,031
Paycheck protection program (PPP) loans (included in loans and leases above)	18,769	27,013	50,008	32,771	167,144	18,769	167,144
Unamortized net discount on acquired loans	65,350	72,620	77,711	9,863	13,037	65,350	13,037
Total deposits	40,189,083	40,568,055	39,817,673	23,538,711	22,838,486	40,189,083	22,838,486
Total deposits and securities sold under agreement to repurchase	40,838,260	41,271,615	40,504,861	24,243,834	23,521,621	40,838,260	23,521,621
Federal funds purchased and short term FHLB advances	1,200,000	-	595,000	-	-	1,200,000	-
Long-term debt	2,380	2,514	3,742	4,082	4,189	2,380	4,189
Subordinated debt	462,693	463,181	478,669	307,776	307,601	462,693	307,601
Total shareholders' equity	4,437,925	4,643,757	5,247,987	3,023,257	3,069,574	4,437,925	3,069,574
Common shareholders' equity	4,270,932	4,476,764	5,080,994	2,856,264	2,902,581	4,270,932	2,902,581

Balance Sheet - Average Balances

Total assets	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585	\$ 26,666,296	\$ 47,370,639	\$ 25,611,78
Total earning assets	42,688,497	43,515,166	37,210,403	25,220,602	24,211,759	43,099,548	23,274,984
Total securities	13,941,127	15,070,524	12,954,547	9,539,814	8,067,109	14,502,705	7,340,604
Loans and leases, net of unearned income	27,848,097	27,106,733	22,745,093	14,915,728	15,470,539	27,479,463	15,251,027
PPP loans (included in loans and leases above)	21,430	36,621	48,206	73,783	973,036	28,984	1,017,483
Total deposits	39,396,028	40,565,103	34,759,687	23,162,450	22,385,883	39,977,335	21,434,268
Total deposits and securities sold under agreement to repurchase	40,062,095	41,259,136	35,479,807	23,914,986	23,092,969	40,657,308	22,113,811
Federal funds purchased and short term FHLB advances	1,294,946	131,556	7,554	8,706	3,901	716,464	2,707
Long-term debt	2,461	3,361	3,844	4,168	4,714	2,909	4,547
Subordinated debt	462,986	463,481	432,267	307,671	304,056	463,232	300,706
Total shareholders' equity	4,523,189	5,062,231	4,508,594	3,058,307	2,954,834	4,791,221	2,884,309
Common shareholders' equity	4,356,196	4,895,238	4,341,601	2,891,314	2,787,841	4,624,228	2,717,316

Nonperforming Assets:

Nonaccrual loans and leases	\$ 89,368	\$ 91,031	\$ 122,104	\$ 59,622	\$ 61,664	\$ 89,368	\$ 61,66
Loans and leases 90+ days past due, still accruing	19,682	20,957	24,784	17,012	15,386	19,682	15,386
Restructured loans and leases, still accruing	7,385	7,292	6,903	7,165	7,368	7,385	7,368
Non-performing loans (NPLs)	116,435	119,280	153,791	83,799	84,418	116,435	84,418
Other real estate owned and other repossessed assets	14,399	28,401	33,021	16,515	17,333	14,399	17,333
Non-performing assets (NPAs)	\$ 130,834	\$ 147,681	\$ 186,812	\$ 100,314	\$ 101,751	\$ 130,834	\$ 101,75

Cadence Bank

Selected Financial Information

(Dollars in thousands, except per share data)

(Unaudited)

Quarter Ended					Year to Date	
Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21

Financial Ratios and Other Data:

Return on average assets	1.08 %	0.98 %	(0.34 %)	1.04 %	1.14 %	1.03 %	1.24 %
Adjusted return on average assets*	1.16	1.05	1.03	1.11	1.38	1.11	1.34
Return on average common shareholders' equity	11.47	9.33	(3.38)	9.65	10.53	10.34	11.31
Adjusted return on average common shareholders' equity*	12.36	10.07	9.51	10.28	12.83	11.15	12.58
Return on average tangible common equity*	18.11	13.87	(4.71)	14.85	16.08	15.81	17.24
Adjusted return on average tangible common equity*	19.50	14.98	13.24	15.80	19.61	17.05	19.18
Pre-tax pre-provision net revenue to total average assets*	1.40	1.26	0.83	1.24	1.63	1.33	1.69
Adjusted pre-tax pre-provision net revenue to total average assets*	1.51	1.36	1.32	1.32	1.77	1.43	1.78
Net interest margin-fully taxable equivalent	3.06	2.92	2.90	2.86	2.99	2.99	3.07
Net interest rate spread-fully taxable equivalent	2.94	2.81	2.78	2.72	2.83	2.87	2.90
Efficiency ratio-fully taxable equivalent*	63.38	66.10	76.94	67.52	61.55	64.72	60.63
Adjusted efficiency ratio-fully taxable equivalent*	60.46	63.52	63.54	65.28	58.04	61.98	58.51
Loan/deposit ratio	70.57 %	67.02 %	67.52 %	63.69 %	65.70 %	70.57 %	65.70 %
Employee FTE	6,659	6,568	6,595	4,770	4,835	6,659	4,835

Credit Quality Ratios:

Net (recoveries) charge-offs to average loans and leases ⁽¹⁾	(0.02 %)	(0.01 %)	(0.08 %)	(0.05 %)	(0.05 %)	(0.01 %)	0.02 %
Provision for credit losses to average loans and leases ⁽¹⁾	0.01	0.00	2.33	(0.19)	0.30	0.01	0.15
ACL to net loans and leases	1.55	1.61	1.66	1.74	1.77	1.55	1.77
ACL to non-performing loans and leases	377.99	367.82	290.27	310.60	314.77	377.99	314.77
Non-performing loans and leases to net loans and leases	0.41	0.44	0.57	0.56	0.56	0.41	0.56
Non-performing assets to total assets	0.27	0.31	0.39	0.36	0.37	0.27	0.37

Equity Ratios:

Total shareholders' equity to total assets	9.29 %	9.84 %	11.01 %	10.77 %	11.12 %	9.29 %	11.12 %
Total common shareholders' equity to total assets	8.94	9.48	10.66	10.18	10.51	8.94	10.51
Tangible common shareholders' equity to tangible assets*	5.82	6.31	7.54	6.82	7.11	5.82	7.11
Tangible common shareholders' equity to tangible assets, excluding AOCI*	7.70	7.65	7.82	7.11	7.23	7.70	7.23

Capital Adequacy:

Common Equity Tier 1 capital ⁽²⁾	10.39 %	10.57 %	11.11 %	10.73 %	10.89 %	10.39 %	10.89 %
Tier 1 capital ⁽²⁾	10.86	11.05	11.61	11.63	11.80	10.86	11.80
Total capital ⁽²⁾	13.05	13.27	13.86	14.27	14.50	13.05	14.50
Tier 1 leverage capital ⁽²⁾	8.35	8.24	9.90	8.13	8.25	8.35	8.25

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 23 - 26.

(1) Annualized

(2) Current quarter regulatory capital ratios are estimated.

Cadence Bank

Selected Financial Information

(Dollars in thousands, except per share data)

(Unaudited)

	Quarter Ended						Year to Date	
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21		Jun-22	Jun-21
Common Share Data:								
Diluted earnings (loss) per share	\$ 0.68	\$ 0.60	\$ (0.22)	\$ 0.65	\$ 0.69		\$ 1.28	\$
Adjusted earnings per share*	0.73	0.65	0.63	0.69	0.84		1.38	1.59
Cash dividends per share	0.22	0.22	0.20	0.20	0.19		0.44	0.38
Book value per share	23.41	24.40	26.98	26.73	26.72		23.41	26.72
Tangible book value per share*	14.73	15.67	18.45	17.27	17.41		14.73	17.41
Market value per share (last)	23.48	29.26	29.79	29.78	28.33		23.48	28.33
Market value per share (high)	29.75	34.24	32.12	30.55	33.18		34.24	35.59
Market value per share (low)	22.82	27.95	27.25	24.87	27.59		22.82	26.95
Market value per share (avg)	25.74	31.20	30.20	27.89	30.33		28.47	30.58
Dividend payout ratio	32.44 %	36.60 %	NM	30.71 %	27.43 %		34.41 %	25.97 %

Adjusted dividend payout ratio*	30.14 %	33.85 %	31.75 %	28.99 %	22.62 %	31.88 %	23.90 %
Total shares outstanding	182,461,786	183,488,844	188,337,658	106,853,316	108,614,595	182,461,786	108,614,5
Average shares outstanding - diluted	183,711,402	187,264,335	164,720,656	108,250,102	105,838,056	185,476,720	104,274,8

Yield/Rate:

(Taxable equivalent basis)

Loans, loans held for sale, and leases	4.29 %	4.23 %	4.34 %	4.46 %	4.43 %	4.25 %	4.48 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	4.12	3.96	4.06	4.38	4.35	4.04	4.39
Available-for-sale securities:							
Taxable	1.37	1.26	1.17	1.20	1.21	1.31	1.26
Tax-exempt	2.95	2.57	2.54	2.88	2.77	2.75	3.10
Short-term, FHLB and other equity investments	1.03	0.24	0.25	0.20	0.16	0.55	0.13
Total interest earning assets and revenue	3.29	3.10	3.11	3.15	3.31	3.20	3.40
Deposits	0.17	0.15	0.17	0.24	0.27	0.16	0.30
Demand - interest bearing	0.26	0.20	0.21	0.31	0.34	0.23	0.37
Savings	0.06	0.06	0.14	0.09	0.09	0.06	0.10
Time	0.47	0.52	0.58	0.91	1.00	0.49	1.07
Total interest bearing deposits	0.26	0.23	0.26	0.36	0.41	0.24	0.44
Short-term borrowings	0.74	0.11	0.11	0.10	0.12	0.56	0.12
Total interest bearing deposits and short-term borrowings	0.29	0.22	0.25	0.35	0.40	0.26	0.43
Long-term debt	4.14	4.19	3.95	4.47	4.47	4.16	4.47
Total interest bearing liabilities and expense	0.36	0.29	0.32	0.43	0.47	0.32	0.51
Interest bearing liabilities to interest earning assets	65.25 %	64.46 %	64.18 %	66.04 %	66.24 %	64.86 %	66.54 %
Net interest income tax equivalent adjustment	\$ 1,063	\$ 1,027	\$ 824	\$ 446	\$ 550	\$ 2,090	\$

*Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 23 - 26.

NM = Not meaningful

Cadence Bank

Consolidated Balance Sheets

(Unaudited)

	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 770,293	\$ 781,310	\$ 656,132	\$ 301,246	\$ 331,873
Interest bearing deposits with other banks and Federal funds sold	1,069,410	880,742	638,547	150,778	629,390
Available-for-sale securities, at fair value	13,450,621	14,371,606	15,606,470	10,053,372	9,084,111
Loans and leases, net of unearned income	28,360,485	27,189,666	26,882,988	14,991,245	15,004,039
Allowance for credit losses	440,112	438,738	446,415	260,276	265,720
Net loans and leases	27,920,373	26,750,928	26,436,573	14,730,969	14,738,319
Loans held for sale	213,458	302,211	340,175	342,871	403,046
Premises and equipment, net	782,728	781,209	786,426	533,999	533,276
Goodwill	1,444,209	1,409,038	1,407,948	958,304	957,474
Other identifiable intangibles	138,370	191,642	198,271	52,235	54,659
Bank owned life insurance	601,601	599,346	597,953	359,740	355,660
Other assets	1,356,645	1,136,029	1,001,256	576,982	524,557
Total Assets	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 27,612,365
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 14,012,529	\$ 14,458,563	\$ 13,634,505	\$ 7,700,216	\$ 7,619,308
Interest bearing	19,032,983	18,854,543	18,727,588	10,285,371	9,671,662
Savings	3,735,925	3,713,629	3,556,079	3,054,756	2,939,958
Time deposits	3,407,646	3,541,320	3,899,501	2,498,368	2,607,558
Total deposits	40,189,083	40,568,055	39,817,673	23,538,711	22,838,486
Securities sold under agreement to repurchase	649,177	703,560	687,188	705,123	683,135
Federal funds purchased and short-term FHLB advances	1,200,000	-	595,000	-	-

Subordinated debt	462,693	463,181	478,669	307,776	307,601
Long-term debt	2,380	2,514	3,742	4,082	4,189
Other liabilities	806,450	822,994	839,492	481,547	709,380
Total Liabilities	43,309,783	42,560,304	42,421,764	25,037,239	24,542,791
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,154	458,722	470,844	267,133	271,536
Capital surplus	2,686,031	2,701,371	2,841,998	688,637	730,294
Accumulated other comprehensive loss	(936,345)	(664,000)	(139,369)	(82,627)	(34,575)
Retained earnings	2,065,092	1,980,671	1,907,521	1,983,121	1,935,326
Total Shareholders' Equity	4,437,925	4,643,757	5,247,987	3,023,257	3,069,574
Total Liabilities & Shareholders' Equity	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 27,612,365

Cadence Bank

Consolidated Average Balance Sheets

(Unaudited)

	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
(Dollars in thousands)					
<u>Assets</u>					
Cash and due from banks	\$ 640,672	\$ 656,630	\$ 792,315	\$ 288,199	\$ 365,647
Interest bearing deposits with other banks and Federal funds sold	751,972	1,161,262	1,253,722	495,982	302,845
Available-for-sale securities, at fair value	13,941,127	15,070,524	12,954,547	9,539,814	8,067,109
Loans and leases, net of unearned income	27,848,097	27,106,733	22,745,093	14,915,728	15,470,539
Allowance for credit losses	438,752	444,294	404,578	264,067	245,095
Net loans and leases	27,409,345	26,662,439	22,340,515	14,651,661	15,225,444
Loans held for sale	147,301	176,647	220,766	242,422	361,999
Premises and equipment, net	784,247	785,005	690,031	534,071	526,960
Goodwill	1,407,452	1,407,973	1,115,502	957,899	910,448
Other identifiable intangibles	188,897	195,606	106,559	53,567	52,564
Bank owned life insurance	599,912	598,822	517,511	357,429	348,378
Other assets	1,193,904	964,942	998,991	495,541	504,902
Total Assets	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585	\$ 26,666,296
<u>Liabilities</u>					
Deposits:					
Demand: Noninterest bearing	\$ 13,970,163	\$ 13,806,591	\$ 12,047,637	\$ 7,579,513	\$ 7,367,832
Interest bearing	18,238,571	19,401,019	15,811,268	10,027,346	9,598,550
Savings	3,723,193	3,631,699	3,374,243	3,001,406	2,851,113
Time deposits	3,464,101	3,725,794	3,526,539	2,554,185	2,568,388
Total deposits	39,396,028	40,565,103	34,759,687	23,162,450	22,385,883
Securities sold under agreement to repurchase	666,067	694,033	720,120	752,536	707,086
Federal funds purchased and short-term FHLB advances	1,294,946	131,556	7,554	8,706	3,901
Subordinated debt	462,986	463,481	432,267	307,671	304,056
Long-term debt	2,461	3,361	3,844	4,168	4,714
Other liabilities	719,152	760,085	558,393	322,747	305,822
Total Liabilities	42,541,640	42,617,619	36,481,865	24,558,278	23,711,462
<u>Shareholders' Equity</u>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	457,713	465,458	404,522	270,098	266,676
Capital surplus	2,694,546	2,779,746	2,139,357	717,022	674,949
Accumulated other comprehensive loss	(821,034)	(283,417)	(103,554)	(35,408)	(30,614)
Retained earnings	2,024,971	1,933,451	1,901,276	1,939,602	1,876,830
Total Shareholders' Equity	4,523,189	5,062,231	4,508,594	3,058,307	2,954,834
Total Liabilities & Shareholders' Equity	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585	\$ 26,666,296

Cadence Bank
Consolidated Statements of Income (Loss)
(Dollars in thousands, except per share data)
(Unaudited)

	Quarter Ended					Year to Date	
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21
INTEREST REVENUE:							
Loans and leases	\$ 296,680	\$ 282,266	\$ 249,614	\$ 168,066	\$ 171,305	\$ 578,946	\$ 340,500
Available-for-sale securities:							
Taxable	46,254	45,155	37,258	28,617	23,983	91,409	45,175
Tax-exempt	2,571	2,414	1,608	490	676	4,985	1,363
Loans held for sale	2,118	1,407	1,324	2,076	3,040	3,525	4,635
Other	1,932	688	822	262	125	2,620	239
Total interest revenue	349,555	331,930	290,626	199,511	199,129	681,485	391,912
INTEREST EXPENSE:							
Interest bearing demand and money							
market accounts	11,717	9,742	8,485	7,723	8,247	21,459	17,043
Savings	590	568	1,203	672	626	1,158	1,326
Time	4,041	4,764	5,139	5,861	6,428	8,805	13,394
Federal funds purchased and securities sold							
under agreement to repurchase	906	216	200	204	206	1,122	409
Short-term and long-term debt	2,733	54	37	42	44	2,787	89
Subordinated debt	4,801	4,764	4,350	3,463	3,387	9,565	6,656
Other	1	-	-	2	9	1	24
Total interest expense	24,789	20,108	19,414	17,967	18,947	44,897	38,941
Net interest revenue	324,766	311,822	271,212	181,544	180,182	636,588	352,971
Provision (release) for credit losses	1,000	-	133,562	(7,000)	11,500	1,000	11,500
Net interest revenue, after provision for credit losses	323,766	311,822	137,650	188,544	168,682	635,588	341,471
NONINTEREST REVENUE:							
Mortgage banking	11,446	21,763	10,580	13,058	9,105	33,209	34,415
Credit card, debit card and merchant fees	16,593	11,321	12,016	10,692	10,874	27,914	19,927
Deposit service charges	19,126	19,898	17,680	11,580	10,069	39,024	19,655
Security gains (losses), net	1,446	(1,097)	(378)	(195)	96	349	178
Insurance commissions	39,994	35,727	32,637	35,773	36,106	75,721	66,773
Wealth management	20,213	21,737	16,352	7,147	7,543	41,950	16,008
Gain on sale of PPP loans	-	-	-	-	21,572	-	21,572
Other	16,416	19,086	14,967	6,365	6,578	35,502	11,351
Total noninterest revenue	125,234	128,435	103,854	84,420	101,943	253,669	189,879
NONINTEREST EXPENSE:							
Salaries and employee benefits	182,094	187,819	149,599	112,968	108,188	369,913	209,248
Occupancy and equipment	30,129	28,270	26,885	18,977	18,154	58,399	35,532
Data processing and software	29,081	27,483	24,838	16,799	15,911	56,564	31,448
Merger expense	7,274	3,974	44,843	3,442	9,962	11,248	11,611
Deposit insurance assessments	4,945	3,336	3,278	2,330	1,638	8,281	3,093
Pension settlement expense	-	-	651	2,400	-	-	-
Other	32,365	40,785	39,100	22,973	20,131	73,150	38,875
Total noninterest expense	285,888	291,667	289,194	179,889	173,984	577,555	329,807
Income (loss) before income taxes	163,112	148,590	(47,690)	93,075	96,641	311,702	201,543
Income tax expense (benefit)	36,154	33,643	(13,033)	20,350	21,102	69,797	44,449
Net income (loss)	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 75,539	\$ 241,905	\$ 157,094
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Net income (loss) available to common shareholders	\$ 124,586	\$ 112,575	\$ (37,029)	\$ 70,353	\$ 73,167	\$ 237,161	\$ 152,350
Net income (loss) per common share: Diluted	\$ 0.68	\$ 0.60	\$ (0.22)	\$ 0.65	\$ 0.69	\$ 1.28	\$ 1.46

Cadence Bank
Selected Loan Data
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Non-real estate	\$ 8,526,481	\$ 8,017,958	\$ 7,847,473	\$ 2,210,287	\$ 2,271,370
Owner occupied	3,851,336	3,703,914	3,567,746	2,611,777	2,623,500
Total commercial and industrial	12,377,817	11,721,872	11,415,219	4,822,064	4,894,870
Commercial real estate					
Construction, acquisition and development	2,982,119	3,028,514	2,924,343	1,797,559	1,926,421
Income producing	5,054,232	4,795,486	4,924,369	3,443,967	3,323,883
Total commercial real estate	8,036,351	7,824,000	7,848,712	5,241,526	5,250,304
Consumer					
Residential mortgages	7,662,621	7,355,995	7,311,306	4,698,328	4,617,155
Other consumer	283,696	287,799	307,751	229,327	241,710
Total consumer	7,946,317	7,643,794	7,619,057	4,927,655	4,858,865
Total loans and leases, net of unearned	\$ 28,360,485	\$ 27,189,666	\$ 26,882,988	\$ 14,991,245	\$ 15,004,039
NON-PERFORMING ASSETS					
NON-PERFORMING LOANS AND LEASES:					
Nonaccrual Loans and Leases					
Commercial and industrial					
Non-real estate	\$ 34,233	\$ 33,086	\$ 33,690	\$ 13,170	\$ 10,941
Owner occupied	9,567	11,787	22,058	13,738	13,156
Total commercial and industrial	43,800	44,873	55,748	26,908	24,097
Commercial real estate					
Construction, acquisition and development	2,125	1,618	5,568	3,292	2,582
Income producing	8,750	9,688	16,086	8,403	13,483
Total commercial real estate	10,875	11,306	21,654	11,695	16,065
Consumer					
Residential mortgages	34,172	34,278	44,180	20,821	21,218
Other consumer	521	574	522	198	284
Total consumer	34,693	34,852	44,702	21,019	21,502
Total nonaccrual loans and leases	\$ 89,368	\$ 91,031	\$ 122,104	\$ 59,622	\$ 61,664
Loans and Leases 90+ Days Past Due, Still					
Accruing:	19,682	20,957	24,784	17,012	15,386
Restructured Loans and Leases, Still Accruing	7,385	7,292	6,903	7,165	7,368
Total non-performing loans and leases	\$ 116,435	\$ 119,280	\$ 153,791	\$ 83,799	\$ 84,418
OTHER REAL ESTATE OWNED AND					
OTHER REPOSSESSED ASSETS	14,399	28,401	33,021	16,515	17,333
Total Non-performing Assets	\$ 130,834	\$ 147,681	\$ 186,812	\$ 100,314	\$ 101,751
Additions to Nonaccrual Loans and Leases					
During the Quarter (excluding acquisitions)	\$ 21,312	\$ 16,374	\$ 22,158	\$ 19,858	\$ 16,005

Cadence Bank
Selected Loan Data
(Dollars in thousands)
(Unaudited)

	Quarter Ended				
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 438,738	\$ 446,415	\$ 260,276	\$ 265,720	\$ 241,117

Loans and leases charged-off:					
Commercial and industrial	(2,170)	(2,682)	(2,712)	(1,488)	(1,882)
Commercial real estate	(275)	(313)	(586)	(131)	(623)
Consumer	(1,941)	(1,792)	(2,342)	(1,694)	(1,357)
Total loans charged-off	(4,386)	(4,787)	(5,640)	(3,313)	(3,862)
Recoveries:					
Commercial and industrial	3,217	3,178	7,835	3,787	3,061
Commercial real estate	1,076	437	1,047	646	1,291
Consumer	1,467	1,612	1,521	936	1,310
Total recoveries	5,760	5,227	10,403	5,369	5,662
Net recoveries (charge-offs)	1,374	440	4,763	2,056	1,800
Initial allowance on loans purchased with credit deterioration	-	(8,117)	62,321	-	12,803
Provision:					
Loans and leases acquired during the quarter	-	-	119,055	-	11,500
Provision (release) for credit losses related to loans and leases	-	-	-	(7,500)	(1,500)
Total provision for loans and leases	-	-	119,055	(7,500)	10,000
Balance, end of period	\$ 440,112	\$ 438,738	\$ 446,415	\$ 260,276	\$ 265,720
Average loans and leases, net of unearned, for period	\$ 27,848,097	\$ 27,106,733	\$ 22,745,093	\$ 14,915,728	\$ 15,470,539
Ratio: Net (recoveries) charge-offs to average loans and leases (annualized)	(0.02 %)	(0.01 %)	(0.08 %)	(0.05 %)	(0.05 %)
RESERVE FOR UNFUNDED COMMITMENTS**					
Balance, beginning of period	\$ 23,551	\$ 23,551	\$ 9,044	\$ 8,544	\$ 7,044
Provision for unfunded commitments for loans acquired during the quarter	-	-	13,007	-	-
Provision for credit losses for unfunded commitments	1,000	-	1,500	500	1,500
Balance, end of period	\$ 24,551	\$ 23,551	\$ 23,551	\$ 9,044	\$ 8,544

**The Reserve for Unfunded Commitments is classified in other liabilities on the balance sheet.

Cadence Bank

Selected Loan Data

(Dollars in thousands)

(Unaudited)

	June 30, 2022						
	Pass	Special Mention	Substandard	Doubtful	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN PORTFOLIO BY INTERNALLY ASSIGNED GRADE:							
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

	June 30, 2022							
	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	199,673	73,486	209,715	258,645	57,377	180,636	30,569	130,391
Income producing	411,413	258,831	266,141	682,813	219,774	447,697	224,522	305,954
Total commercial real estate	611,086	332,317	475,856	941,458	277,151	628,333	255,091	436,345
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
Loan growth, excluding loans acquired during the quarter (\$)	\$ 39,667	\$ 39,162	\$ 115,299	\$ (15,814)	\$ 10,049	\$ 19,427	\$ 39,670	\$ 37,043
Loan growth, excluding loans acquired during the quarter (%) (annualized)	6.47 %	14.85 %	29.53 %	(2.97 %)	3.04 %	2.95 %	29.28 %	10.01 %
	March 31, 2022							
	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 410,993	\$ 139,935	\$ 369,738	\$ 504,198	\$ 336,376	\$ 424,165	\$ 78,363	\$ 321,527
Owner occupied	322,879	234,336	257,621	290,903	290,846	565,650	81,014	169,208
Total commercial and industrial	733,872	374,271	627,359	795,101	627,222	989,815	159,377	490,735
Commercial real estate								

Construction, acquisition and development	191,368	73,123	241,378	349,205	48,003	191,517	59,027	116,101
Income producing	419,156	247,322	228,781	643,513	227,590	443,432	184,407	298,215
Total commercial real estate	610,524	320,445	470,159	992,718	275,593	634,949	243,434	414,316
Consumer								
Residential mortgages	1,086,175	352,510	463,477	334,850	412,687	965,583	139,725	569,567
Other consumer	29,762	10,334	5,281	14,073	9,556	53,821	919	10,312
Total consumer	1,115,937	362,844	468,758	348,923	422,243	1,019,404	140,644	579,879
Total loans and leases, net of unearned	\$ 2,460,333	\$ 1,057,560	\$ 1,566,276	\$ 2,136,742	\$ 1,325,058	\$ 2,644,168	\$ 543,455	\$ 1,484,930

Cadence Bank

Noninterest Revenue and Expense

(Dollars in thousands)

(Unaudited)

	Quarter Ended					Year to Date	
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21
NONINTEREST REVENUE:							
Mortgage banking excl. market value adjustments							
on MSR and MSR Hedge	\$ 6,754	\$ 7,733	\$ 7,963	\$ 11,009	\$ 11,013	\$ 14,487	\$ 28,942
Market value adjustments on MSR and MSR Hedge	4,692	14,030	2,617	2,049	(1,908)	18,722	5,473
Credit card, debit card and merchant fees	16,593	11,321	12,016	10,692	10,874	27,914	19,927
Deposit service charges	19,126	19,898	17,680	11,580	10,069	39,024	19,655
Securities gains (losses), net	1,446	(1,097)	(378)	(195)	96	349	178
Insurance commissions	39,994	35,727	32,637	35,773	36,106	75,721	66,773
Trust income	9,129	10,061	7,892	4,735	4,434	19,190	9,563
Annuity fees	753	604	435	50	50	1,357	101
Brokerage commissions and fees	10,331	11,072	8,025	2,362	3,059	21,403	6,344
Gain on sale of PPP loans	-	-	-	-	21,572	-	21,572
Bank-owned life insurance	3,285	3,336	3,098	4,217	1,845	6,621	3,865
Other miscellaneous income	13,131	15,750	11,869	2,148	4,733	28,881	7,486
Total noninterest revenue	\$ 125,234	\$ 128,435	\$ 103,854	\$ 84,420	\$ 101,943	\$ 253,669	\$ 189,879
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 182,094	\$ 187,819	\$ 149,599	\$ 112,968	\$ 108,188	\$ 369,913	\$ 209,248
Occupancy, net of rental income	21,109	20,346	19,477	13,443	13,187	41,455	26,001
Equipment	9,020	7,924	7,408	5,534	4,967	16,944	9,531
Deposit insurance assessments	4,945	3,336	3,278	2,330	1,638	8,281	3,093
Pension settlement expense	-	-	651	2,400	-	-	-
Advertising	2,030	2,716	2,721	988	783	4,746	1,787
Foreclosed property expense	(1,104)	440	689	2,189	649	(664)	1,670
Telecommunications	1,984	1,833	1,725	1,600	1,517	3,817	2,915
Public relations	2,387	1,877	2,365	1,166	1,012	4,264	1,753
Data processing	18,089	16,824	15,606	11,297	11,024	34,913	21,448
Computer software	10,992	10,659	9,232	5,502	4,887	21,651	10,000
Amortization of intangibles	3,042	6,780	5,473	2,424	2,401	9,822	4,719
Legal	1,463	1,793	1,282	814	774	3,256	1,940
Merger expense	7,274	3,974	44,843	3,442	9,962	11,248	11,611
Postage and shipping	2,022	2,034	1,772	1,414	1,317	4,056	2,864
Other miscellaneous expense	20,541	23,312	23,073	12,378	11,678	43,853	21,227
Total noninterest expense	\$ 285,888	\$ 291,667	\$ 289,194	\$ 179,889	\$ 173,984	\$ 577,555	\$ 329,807
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 29,220	\$ 25,852	\$ 23,640	\$ 26,413	\$ 26,040	\$ 55,072	\$ 47,989
Life and health commissions	7,935	7,143	6,459	6,543	7,130	15,078	13,624
Risk management income	674	757	699	676	611	1,431	1,224
Other	2,165	1,975	1,839	2,141	2,325	4,140	3,936
Total insurance commissions	\$ 39,994	\$ 35,727	\$ 32,637	\$ 35,773	\$ 36,106	\$ 75,721	\$ 66,773

Cadence Bank**Average Balances and Yields****(Dollars in thousands)****(Unaudited)**

(Dollars in thousands)	For the Three Months Ended							
	June 30, 2022			March 31, 2022			June 30, 2021	
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense
ASSETS								
Interest-earning assets:								
Loans and leases, excluding accretion	\$ 27,848,097	\$285,345	4.11 %	\$27,106,733	\$264,910	3.96 %	\$15,470,539	\$168,801
Accretion income on acquired loans		11,714	0.17		17,741	0.27		2,812
Loans held for sale	147,301	2,118	5.77	176,647	1,407	3.23	361,999	3,040
Investment securities								
Taxable	13,499,222	46,254	1.37	14,588,090	45,155	1.26	7,943,065	23,983
Tax-exempt	441,905	3,255	2.95	482,434	3,056	2.57	124,044	856
Total investment securities	13,941,127	49,509	1.42	15,070,524	48,211	1.30	8,067,109	24,839
Other investments	751,972	1,932	1.03	1,161,262	688	0.24	312,112	125
Total interest-earning assets	42,688,497	350,618	3.29	43,515,166	332,957	3.10	24,211,759	199,675
Other assets	4,815,084			4,608,978			2,699,632	
Allowance for credit losses	(438,752)			(444,294)			(245,095)	
Total assets	\$ 47,064,829			\$47,679,850			\$26,666,296	
LIABILITIES AND SHAREHOLDERS' EQUITY								
Interest-bearing liabilities:								
Demand deposits	\$ 18,238,571	\$ 11,717	0.26 %	\$19,401,019	\$ 9,742	0.20 %	\$ 9,598,550	\$ 8,241
Savings deposits	3,723,193	590	0.06	3,631,699	568	0.06	2,851,113	626
Time deposits	3,464,101	4,041	0.47	3,725,794	4,764	0.52	2,568,388	6,428
Total interest-bearing deposits	25,425,865	16,348	0.26	26,758,512	15,074	0.23	15,018,051	15,301
Short-term borrowings	1,961,013	3,639	0.74	825,589	216	0.11	710,987	206
Long-term borrowings	465,447	4,802	4.14	466,842	4,818	4.19	308,770	3,440
Total interest-bearing liabilities	27,852,325	24,789	0.36	28,050,943	20,108	0.29	16,037,808	18,947
Noninterest-bearing liabilities:								
Demand deposits	13,970,163			13,806,591			7,367,832	
Other liabilities	719,152			760,085			305,822	
Total liabilities	42,541,640			42,617,619			23,711,462	
Shareholders' equity	4,523,189			5,062,231			2,954,834	
Total liabilities and shareholders' equity	\$ 47,064,829			\$47,679,850			\$26,666,296	
Net interest income/net interest spread		325,829	2.94 %		312,849	2.81 %		180,731
Net yield on earning assets/net interest margin			3.06 %			2.92 %		
Taxable equivalent adjustment:								
Loans and investment securities		(1,063)			(1,027)			(550)
Net interest revenue		\$324,766			\$311,822			\$180,181

Cadence Bank**Average Balances and Yields****(Dollars in thousands)****(Unaudited)**

(Dollars in thousands)	For the Six Months Ended					
	June 30, 2022			June 30, 2021		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
ASSETS						
Interest-earning assets:						
Loans and leases, excluding accretion	\$ 27,479,463	\$ 550,254	4.04 %	\$ 15,251,027	\$ 334,665	4.43 %
Accretion income on acquired loans		29,455	0.22		6,591	0.09

Loans held for sale	161,893	3,525	4.39	326,076	4,635	2.87
Investment securities						
Taxable	14,040,648	91,409	1.31	7,228,460	45,175	1.26
Tax-exempt	462,057	6,312	2.75	112,144	1,725	3.10
Total investment securities	14,502,705	97,721	1.36	7,340,604	46,900	1.29
Other investments	955,487	2,620	0.55	357,277	239	0.13
Total interest-earning assets	43,099,548	683,575	3.20	23,274,984	393,030	3.40
Other assets	4,712,599			2,580,823		
Allowance for credit losses	(441,508)			(244,021)		
Total assets	<u>\$ 47,370,639</u>			<u>\$ 25,611,786</u>		

LIABILITIES AND SHAREHOLDERS' EQUITY

Interest-bearing liabilities:

Demand deposits	\$ 18,816,584	\$ 21,459	0.23 %	\$ 9,279,260	\$ 17,043	0.37 %
Savings deposits	3,677,698	1,158	0.06	2,701,435	1,326	0.10
Time deposits	3,594,225	8,805	0.49	2,524,867	13,394	1.07
Total interest-bearing deposits	26,088,507	31,422	0.24	14,505,562	31,763	0.44
Short-term borrowings	1,397,755	3,862	0.56	682,254	419	0.12
Long-term borrowings	466,141	9,613	4.16	305,253	6,759	4.47
Total interest-bearing liabilities	27,952,403	44,897	0.32	15,493,069	38,941	0.51

Noninterest-bearing liabilities:

Demand deposits	13,888,828			6,928,706		
Other liabilities	738,187			305,702		
Total liabilities	42,579,418			22,727,477		

Shareholders' equity

Total liabilities and shareholders' equity	<u>\$ 47,370,639</u>			<u>\$ 25,611,786</u>		
Net interest income/net interest spread		638,678	2.87 %		354,089	2.90 %
Net yield on earning assets/net interest margin			2.99 %			3.07 %

Taxable equivalent adjustment:

Loans and investment securities	(2,090)			(1,118)		
Net interest revenue	<u>\$ 636,588</u>			<u>\$ 352,971</u>		

Cadence Bank

Selected Additional Information

(Dollars in thousands)

(Unaudited)

	Quarter Ended				
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21
MORTGAGE SERVICING RIGHTS (MSR):					
Fair value, beginning of period	\$ 92,859	\$ 69,552	\$ 64,684	\$ 60,615	\$ 60,332
Additions to mortgage servicing rights:					
Originations of servicing assets	4,962	5,155	5,709	5,798	6,833
Changes in fair value:					
Due to payoffs/paydowns	(3,253)	(3,147)	(3,823)	(3,919)	(2,946)
Due to update in valuation assumptions	7,453	21,299	2,982	2,190	(3,604)
Fair value, end of period	<u>\$ 102,021</u>	<u>\$ 92,859</u>	<u>\$ 69,552</u>	<u>\$ 64,684</u>	<u>\$ 60,615</u>
MORTGAGE BANKING REVENUE:					
Origination	\$ 4,042	\$ 5,118	\$ 5,970	\$ 9,284	\$ 8,646
Servicing	5,965	5,762	5,816	5,644	5,313
Payoffs/Paydowns	(3,253)	(3,147)	(3,823)	(3,919)	(2,946)
Total mortgage banking revenue excluding MSR	6,754	7,733	7,963	11,009	11,013
Market value adjustment on MSR and MSR Hedge	4,692	14,030	2,617	2,049	(1,908)
Total mortgage banking revenue	<u>\$ 11,446</u>	<u>\$ 21,763</u>	<u>\$ 10,580</u>	<u>\$ 13,058</u>	<u>\$ 9,105</u>
Mortgage loans serviced	\$ 7,685,994	\$ 7,629,119	\$ 7,553,917	\$ 7,455,113	\$ 7,407,690
MSR/mortgage loans serviced	1.33 %	1.22 %	0.92 %	0.87 %	0.82 %
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Treasury securities	\$ 1,466,313	\$ 1,459,845	\$ 1,496,465	\$ -	\$ -

Obligations of U.S. government agencies	2,133,561	2,350,810	2,638,442	2,575,564	2,758,412
Mortgage-backed securities issued or guaranteed by					
U.S. agencies (MBS):					
Residential pass-through:					
Guaranteed by GNMA	95,955	105,900	113,427	52,625	56,009
Issued by FNMA and FHLMC	7,014,715	7,604,829	8,129,191	5,773,462	4,653,531
Other residential mortgage-back securities	201,440	212,216	243,357	-	-
Commercial mortgage-backed securities	1,899,785	1,951,367	2,061,133	1,518,556	1,478,058
Total MBS	9,211,895	9,874,312	10,547,108	7,344,643	6,187,598
Obligations of states and political subdivisions	485,400	530,241	565,520	112,152	117,248
Other domestic debt securities	101,313	103,117	63,645	21,013	20,853
Foreign debt securities	52,139	53,281	295,290	-	-
Total available-for-sale securities	\$ 13,450,621	\$ 14,371,606	\$ 15,606,470	\$ 10,053,372	\$ 9,084,111

Cadence Bank

Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions

(Dollars in thousands, except per share amounts)

(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, 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.

Reconciliation of Net Income to Adjusted Net Income and Adjusted Net income to Adjusted Net Income Available to Common Shareholders:

	Quarter Ended					Year to Date	
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21
Net income (loss)	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 75,539	\$ 241,905	\$ 157,094
Plus: Merger expense	7,274	3,974	44,843	3,442	9,962	11,248	11,611
Incremental merger related expense	6,060	6,571	4,633	-	-	12,631	-
Initial provision for acquired loans	-	-	132,062	-	11,500	-	11,500
Branch closing expense	705	128	-	-	-	833	-
Pension settlement expense	-	-	651	2,400	-	-	-
Less: Security gains (losses)	1,446	(1,097)	(378)	(195)	96	349	178
Tax adjustment	2,981	2,786	41,453	1,506	5,331	5,767	5,722
Adjusted net income	\$ 136,570	\$ 123,931	\$ 106,457	\$ 77,256	\$ 91,574	\$ 260,501	\$ 174,305
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	4,744	4,744
Adjusted net income available to common shareholders	\$ 134,198	\$ 121,559	\$ 104,085	\$ 74,884	\$ 89,202	\$ 255,757	\$ 169,561

Cadence Bank

Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions

(Dollars in thousands, except per share amounts)

(Unaudited)

Reconciliation of Net Income to Pre-Tax Pre-Provision Net Revenue

Quarter Ended					Year to Date	
Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Jun-22	Jun-21

Net income (loss)	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 75,539	\$ 241,905	\$ 157,094
Plus: Provision (release) for credit losses	1,000	-	133,562	(7,000)	11,500	1,000	11,500
Income tax expense (benefit)	36,154	33,643	(13,033)	20,350	21,102	69,797	44,449
Pre-tax pre-provision net revenue	<u>\$ 164,112</u>	<u>\$ 148,590</u>	<u>\$ 85,872</u>	<u>\$ 86,075</u>	<u>\$ 108,141</u>	<u>\$ 312,702</u>	<u>\$ 213,043</u>

Reconciliation of Net Income to Adjusted Pre-Tax Pre-Provision Net Revenue

Net income (loss)	\$ 126,958	\$ 114,947	\$ (34,657)	\$ 72,725	\$ 75,539	\$ 241,905	\$ 157,094
Plus: Provision (release) for credit losses	1,000	-	133,562	(7,000)	11,500	1,000	11,500
Merger expense	7,274	3,974	44,843	3,442	9,962	11,248	11,611
Incremental merger related expense	6,060	6,571	4,633	-	-	12,631	-
Branch closing expense	705	128	-	-	-	833	-
Pension settlement expense	-	-	651	2,400	-	-	-
Income tax expense (benefit)	36,154	33,643	(13,033)	20,350	21,102	69,797	44,449
Less: Security gains (losses)	1,446	(1,097)	(378)	(195)	96	349	178
Adjusted pre-tax pre-provision net revenue	<u>\$ 176,705</u>	<u>\$ 160,360</u>	<u>\$ 136,377</u>	<u>\$ 92,112</u>	<u>\$ 118,007</u>	<u>\$ 337,065</u>	<u>\$ 224,476</u>

Reconciliation of Total Noninterest Expense to Total Adjusted Expense

Total noninterest expense	\$ 285,888	\$ 291,667	\$ 289,194	\$ 179,889	\$ 173,984	\$ 577,555	\$ 329,807
Less: Merger expense	7,274	3,974	44,843	3,442	9,962	11,248	11,611
Incremental merger related expense	6,060	6,571	4,633	-	-	12,631	-
Branch closing expense	705	128	-	-	-	833	-
Pension settlement expense	-	-	651	2,400	-	-	-
Total adjusted expense	<u>\$ 271,849</u>	<u>\$ 280,994</u>	<u>\$ 239,067</u>	<u>\$ 174,047</u>	<u>\$ 164,022</u>	<u>\$ 552,843</u>	<u>\$ 318,196</u>

Cadence Bank

Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions

(Dollars in thousands, except per share amounts)

(Unaudited)

Reconciliation of Total Assets to Total Tangible Assets and Tangible

Shareholders' Equity to Tangible Common Shareholders' Equity:

	Quarter Ended					
	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	
Tangible assets						
Total assets	\$ 47,747,708	\$ 47,204,061	\$ 47,669,751	\$ 28,060,496	\$ 27,612,365	\$
Less: Goodwill	1,444,209	1,409,038	1,407,948	958,304	957,474	:
Other identifiable intangible assets	138,370	191,642	198,271	52,235	54,659	:
Total tangible assets	<u>\$ 46,165,129</u>	<u>\$ 45,603,381</u>	<u>\$ 46,063,532</u>	<u>\$ 27,049,957</u>	<u>\$ 26,600,232</u>	\$
Less: Accumulated other comprehensive loss	(936,345)	(664,000)	(139,369)	(82,627)	(34,575)	(
Total tangible assets, excluding AOCI	<u>\$ 47,101,474</u>	<u>\$ 46,267,381</u>	<u>\$ 46,202,901</u>	<u>\$ 27,132,584</u>	<u>\$ 26,634,807</u>	\$
PERIOD END BALANCES:						
Tangible shareholders' equity						
Total shareholders' equity	\$ 4,437,925	\$ 4,643,757	\$ 5,247,987	\$ 3,023,257	\$ 3,069,574	\$
Less: Goodwill	1,444,209	1,409,038	1,407,948	958,304	957,474	:
Other identifiable intangible assets	138,370	191,642	198,271	52,235	54,659	:
Preferred stock	166,993	166,993	166,993	166,993	166,993	:
Total tangible common shareholders' equity	<u>\$ 2,688,353</u>	<u>\$ 2,876,084</u>	<u>\$ 3,474,775</u>	<u>\$ 1,845,725</u>	<u>\$ 1,890,448</u>	\$
Less: Accumulated other comprehensive loss	(936,345)	(664,000)	(139,369)	(82,627)	(34,575)	(
Total tangible common shareholders' equity, excluding AOCI	<u>\$ 3,624,698</u>	<u>\$ 3,540,084</u>	<u>\$ 3,614,144</u>	<u>\$ 1,928,352</u>	<u>\$ 1,925,023</u>	\$
AVERAGE BALANCES:						
Tangible shareholders' equity						
Total shareholders' equity	\$ 4,523,189	\$ 5,062,231	\$ 4,508,594	\$ 3,058,307	\$ 2,954,834	\$
Less: Goodwill	1,407,452	1,407,973	1,115,502	957,899	910,448	:
Other identifiable intangible assets	188,897	195,606	106,559	53,567	52,564	:
Preferred stock	166,993	166,993	166,993	166,993	166,993	:
Total tangible common shareholders' equity	<u>\$ 2,759,847</u>	<u>\$ 3,291,659</u>	<u>\$ 3,119,540</u>	<u>\$ 1,879,848</u>	<u>\$ 1,824,829</u>	\$
Total average assets	\$ 47,064,829	\$ 47,679,850	\$ 40,990,459	\$ 27,616,585	\$ 26,666,296	\$
Total shares of common stock outstanding	182,461,786	183,488,844	188,337,658	106,853,316	108,614,595	:

Average shares outstanding-diluted	183,711,402	187,264,335	164,720,656	108,250,102	105,838,056	:
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.82 %	6.31 %	7.54 %	6.82 %	7.11 %	:
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽²⁾	7.70 %	7.65 %	7.82 %	7.11 %	7.23 %	:
Return on average tangible common equity ⁽³⁾	18.11	13.87	(4.71)	14.85	16.08	:
Adjusted return on average tangible common equity ⁽⁴⁾	19.50	14.98	13.24	15.80	19.61	:
Adjusted return on average assets ⁽⁵⁾	1.16	1.05	1.03	1.11	1.38	:
Adjusted return on average common shareholders' equity ⁽⁶⁾	12.36	10.07	9.51	10.28	12.83	:
Pre-tax pre-provision net revenue to total average assets ⁽⁷⁾	1.40	1.26	0.83	1.24	1.63	:
Adjusted pre-tax pre-provision net revenue to total average assets ⁽⁸⁾	1.51	1.36	1.32	1.32	1.77	:
Tangible book value per common share ⁽⁹⁾	\$ 14.73	\$ 15.67	\$ 18.45	\$ 17.27	\$ 17.41	:
Tangible book value per common share, excluding AOCI ⁽¹⁰⁾	\$ 19.87	\$ 19.29	\$ 19.19	\$ 18.05	\$ 17.72	:
Adjusted earnings per common share ⁽¹¹⁾	\$ 0.73	\$ 0.65	\$ 0.63	\$ 0.69	\$ 0.84	:
Adjusted dividend payout ratio ⁽¹²⁾	30.14 %	33.85 %	31.75 %	28.99 %	22.62 %	:

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Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions

(Dollars in thousands, except per share amounts)

(Unaudited)

Non-GAAP Ratio Definitions

- (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 expense items otherwise disclosed as non-operating from total noninterest expense.

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