

Cadence Bank Announces First Quarter 2023 Financial Results

HOUSTON and TUPELO, Miss., April 24, 2023 /PRNewswire/ -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter ended March 31, 2023.

Highlights for the first quarter of 2023 included:

- Achieved quarterly net income available to common shareholders of \$74.3 million, or \$0.40 per diluted common share, and adjusted net income available to common shareholders of \$124.4 million, or \$0.68 per diluted common share.
- Continued to maintain strong balance sheet liquidity, with total deposit growth of \$449.8 million, or 4.7% on an annualized basis, and a loan-to-deposit ratio of 79.4%.
- Generated net organic loan growth of \$933.3 million for the first quarter of 2023, or 12.5% on an annualized basis.
- Maintained stability in the net interest margin at 3.29%, down 4 basis points from the prior quarter.
- Experienced low levels of net charge-offs, which totaled 0.02% of average loans and leases on an annualized basis for the quarter; results for the quarter included a provision for credit losses of \$10.0 million and an ending allowance for credit losses to total loans of 1.45%, which was stable compared to December 31, 2022.
- The Company executed or announced the following as part of an ongoing effort to enhance its operating efficiency and profitability:
 - Executed a balance sheet optimization transaction whereby the Company sold \$1.5 billion in low-yielding available-for-sale securities during February, with financial earn-back expected by early in the fourth quarter of 2023. The first quarter results include an after-tax realized loss of approximately \$39.5 million related to this transaction and it is estimated to add an incremental \$10.5 million to pre-tax earnings in 2023.
 - In April 2023, announced the closure or consolidation of 35 branches to occur in mid-2023 as part of in-process initiatives projected to reduce noninterest expense by approximately \$15 - \$20 million annually.

"Our first quarter results reflect continued strength in our balance sheet, as we continued to add quality loan growth while maintaining strong liquidity and capital, even in the midst of a unique quarter for the banking industry," remarked Dan Rollins, Chairman and Chief Executive Officer of the Company. "Additionally, our strong capital and earnings allowed us the flexibility to capitalize on the rate environment by executing a balance sheet optimization transaction that, while creating an upfront loss on the sale, will result in incremental 2023 earnings for the Company. Given the late-quarter industry volatility, we proactively added on-balance sheet liquidity in addition to our significant off-balance sheet liquidity availability. Notably, however, our core deposit base showed little change during this period, a testament to the granularity of our deposits, the diversity of our customer base by both business mix and geography, and the strength of our bankers and their continuous focus on our customers."

Earnings Summary

For the first quarter of 2023, the Company reported net income available to common shareholders of \$74.3 million, or \$0.40 per diluted common share, compared with \$112.6 million, or \$0.60 per diluted common share, for the first quarter of 2022 and \$95.6 million, or \$0.52 per diluted common share, for the fourth quarter of 2022. Adjusted net income available to common shareholders was \$124.4 million, or \$0.68 per diluted common share, for the first quarter of 2023, compared with \$121.6 million, or \$0.65 per diluted common share, for the first quarter of 2022 and \$142.9 million, or \$0.78 per diluted common share, for the fourth quarter of 2022. Additionally, the Company reported adjusted pre-provision net revenue (PPNR) of \$174.6 million, or 1.46% of average assets on an annualized basis, for the first quarter of 2023 compared to \$160.4 million, or 1.36% of average assets on an annualized basis, for the first quarter of 2022 and \$195.5 million, or 1.62% of average assets on an annualized basis, for the fourth quarter of 2022.

The decline in adjusted earnings and PPNR metrics for the first quarter was driven by a decline in net interest revenue, an increase in the provision for credit losses, and an increase in core operating expenses related to several factors including seasonality in compensation expense as well as increasing deposit insurance assessment expense and pension expense. The decline in net interest revenue is a result of day count for the quarter as well as the addition of on-balance sheet liquidity in response to recent volatility in the banking industry.

Net Interest Revenue

Net interest revenue was \$354.3 million for the first quarter of 2023, compared to \$311.8 million for the first quarter of 2022 and \$359.4 million for the fourth quarter of 2022, a decrease of \$5.1 million or 1.42% from the linked quarter. The fully taxable equivalent (FTE) net interest margin was 3.29% for the first quarter of 2023, compared with 2.92% for the first quarter of 2022 and 3.33% for the fourth quarter of 2022.

Net interest revenue included accretion revenue related to acquired loans and leases of \$10.0 million and \$9.2 million for the first quarter of 2023 and the fourth quarter of 2022, respectively, adding approximately 9 basis points to the net interest margin in both quarters.

The decline in net interest revenue in the first quarter of 2023 of \$5.1 million compared to the linked quarter was the result of a \$7.9 million decline due to the lower first quarter day count, partially offset by the increase in net interest revenue due to loan growth and the balance sheet optimization transaction resulting from the sale of low-yielding securities in the quarter.

Yields on net loans, loans held for sale, and leases excluding accretion, were 5.87% for the first quarter of 2023, up 46 basis points from 5.41% for the fourth quarter of 2022, while yields on total interest earning assets were 4.88% for the first quarter of 2023, up 50 basis points from 4.38% for the fourth quarter of 2022. The increase in earning asset yields was driven by both the impact of rising interest rates on loan portfolio repricing and new loan production, as well as a mix shift as we deployed cash flow from lower yielding securities into higher yielding loans and securities. Approximately 21% of our total loans are floating (reprice within 30 days), and another 28% reprice within 12 months.

The average cost of total deposits increased to 1.28% for the first quarter of 2023, compared with 0.76% for the fourth quarter of 2022, reflecting continued rising rates as well as a mix shift from noninterest bearing to interest bearing products during the quarter. Our total deposit beta was 59% for the first quarter of 2023 and currently stands at 25% cycle-to-date.

Total interest-bearing liabilities costs increased to 2.23% from 1.54% during the quarter, reflecting the increase in short-term borrowings in the quarter as a result of both loan growth and a proactive increase in on-balance sheet liquidity late in the quarter in response to industry volatility.

Balance Sheet Activity

Loans and leases, net of unearned income, increased \$933.3 million during the first quarter, or 12.5% annualized, to \$31.3 billion. The loan growth for the quarter reflected growth primarily in the corporate banking group, including commercial real estate and renewable energy verticals, as well as in mortgage.

During the quarter, the Company initiated a balance sheet optimization transaction related to a portion of its investment securities portfolio. The Company sold \$1.5 billion of available-for-sale U.S. Treasury debt securities yielding approximately 0.70% for an after-tax realized loss of approximately \$39.5 million. The proceeds have been used to reinvest in higher-yielding debt securities, fund loan growth, and pay off borrowings. The Company estimates that the loss will be recouped within approximately 7.5 months, resulting in incremental 2023 pre-tax income of approximately \$10.5 million. Total investment securities of \$10.9 billion at March 31, 2023 decreased \$1.1 billion during the first quarter as a net result of the sale and routine portfolio cash flows, partially offset by re-investments in the securities portfolio. Consistent with prior quarters, all of the Company's investment securities portfolio is classified as available for sale on the balance sheet, with no investments categorized as held to maturity.

Total deposits increased \$449.8 million, or 4.7% on an annualized basis, to \$39.4 billion as of March 31, 2023. The quarterly increase in deposits included approximately \$1.6 billion in brokered deposits that were proactively added to the balance sheet to further enhance on-balance sheet liquidity, and a decline of approximately \$0.7 billion in public funds as a result of routine seasonal activity. Excluding the impact of brokered deposits and public funds, total deposits declined approximately \$400 million, or 1% of total deposits, during the quarter with a modest increase in community bank deposits partially offsetting a decline in the corporate banking group.

The March 31, 2023 loan to deposit ratio was 79.4% and securities to total assets was 21.0%, reflecting continued strong balance sheet liquidity. Noninterest bearing deposits represented 29.2% of total deposits at the end of the first quarter of 2023, declining from 32.7% at December 31, 2022, reflecting migration from noninterest bearing products to interest bearing products. The Company's deposit base continues to be very granular, with average transaction account balances of approximately \$20,000 for consumer accounts and \$135,000 for commercial accounts at March 31, 2023. Additionally, approximately 98% of the Company's deposit accounts have balances less than \$250,000, and nearly 70% of our deposit balances were FDIC insured or collateralized at quarter-end.

Short-term borrowings increased \$2.4 billion to \$5.7 billion at March 31, 2023, primarily reflecting an increase in on-balance sheet liquidity late in the quarter. Cash, due from balances and deposits at the Federal Reserve accordingly increased \$3.1 billion to \$5.1 billion at March 31, 2023.

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

Credit quality metrics for the first quarter of 2023 reflect continued low levels of net charge-offs, an increase in the provision for credit losses, and an increase in non-performing and classified assets. While non-performing and classified asset levels did increase during the quarter, these metrics have been at historically low levels and continue to compare favorably to longer term normalized levels.

Total non-performing assets as a percent of total assets were 0.33% at March 31, 2023 up from 0.31% at March 31, 2022 and 0.24% at December 31, 2022. Total non-performing loans and leases as a percent of loans were 0.53% at March 31, 2023, compared to 0.44% at March 31, 2022 and 0.36% at December 31, 2022. Other real estate owned and other repossessed assets declined to \$5.3 million at March 31, 2023 from the March 31, 2022 balance of \$28.4 million and the December 31, 2022 balance of \$6.7 million. Classified loans were 2.28% of total net loans and leases at March 31, 2023, up from 1.75% at March 31, 2022 and 1.76% at December 31, 2022.

Net charge-offs for the first quarter of 2023 were \$1.9 million, or 0.02% of average net loans and leases on an annualized basis, compared with net recoveries of \$0.4 million for the first quarter of 2022 and net recoveries of \$5.0 million for the fourth quarter of 2022. The provision for credit losses for the first quarter of 2023 was \$10.0 million, compared with no recorded provision for credit losses for first quarter of 2022 and a provision for credit losses of \$6.0 million for the fourth quarter of 2022. The first quarter of 2023 provision expense included a \$15.0 million provision charge for funded loans and a \$5.0 million provision reversal for unfunded commitments. The allowance for credit losses of \$453.7 million at March 31, 2023 represented 1.45% as a percent of total loans and leases, which is unchanged from the December 31, 2022 coverage.

Noninterest Revenue

Noninterest revenue was \$74.1 million for the first quarter of 2023, compared with \$128.4 million for the first quarter of 2022 and \$114.9 million for the fourth quarter of 2022. The linked quarter decline was primarily due to a \$51.3 million loss on the sale of securities. Before the loss on securities, noninterest revenue of \$125.4 million was up \$9.9 million from the fourth quarter of 2022 revenue driven by solid increases in insurance commission and mortgage banking revenue, partially offset by lower card revenues.

Insurance commission revenue was strong at \$39.6 million for the first quarter of 2023, compared with \$35.7 million for the first quarter of 2022 and \$34.7 million for the fourth quarter of 2022. The linked quarter increase of \$4.9 million is attributable to lower annual fourth quarter renewals as a result of seasonality in the scheduled renewal cycle while the increase from the first quarter of 2022 of 10.9% is a result of continued high customer retention rates and a firm pricing market.

Credit card, debit card and merchant fee revenue was \$11.9 million for the first quarter of 2023, compared with \$11.3 million for the first quarter of 2022 and \$15.8 million for the fourth quarter of 2022. The linked quarter decline in card fee revenue reflected both typical seasonal declines in the first quarter as well as the impact of a fourth quarter 2022 positive vendor incentive revenue accrual adjustment of approximately \$2.5 million. Deposit service charge revenue was \$16.5 million for the first quarter of 2023 compared with \$19.2 million for the first quarter of 2022 and \$16.9 million for the fourth quarter of 2022, with the declines including increases in earnings credit rate due to the increasing rate environment. Other noninterest revenue was \$29.8 million for the first quarter of 2023, compared with \$19.8 million for the first quarter of 2022 and \$26.4 million for the fourth quarter of 2022. The increase in other noninterest revenue compared to the fourth quarter of 2022 includes an increase in FHLB dividends, SBA revenue and credit related fees while the increase compared to the first quarter of 2022 is primarily driven by an increase in earnings from FHLB stock and other equity investments.

Mortgage production and servicing revenue totaled \$8.4 million for the first quarter of 2023, compared with \$7.7 million for the first quarter of 2022 and \$5.4 million for the fourth quarter of 2022. The net mortgage servicing rights valuation adjustment was negative \$2.3 million for the first quarter of 2023, compared with a positive \$14.0 million for the first quarter of 2022 and a negative \$2.8 million for the fourth quarter of 2022 with the variances due to continued changes in the interest rate environment. Mortgage origination volume for the first quarter of 2023 was \$454.2 million, compared with \$803.9 million for the first quarter of 2022 and \$554.5 million for the fourth quarter of 2022.

Noninterest Expense

Noninterest expense for the first quarter of 2023 was \$319.3 million, compared with \$291.7 million for the first quarter of 2022 and \$340.7 million for the fourth quarter of 2022. Adjusted noninterest expense for the first quarter of 2023 was \$305.0 million, compared with \$281.0 million for the first quarter of 2022 and \$279.3 million for the fourth quarter of 2022. The adjusted efficiency ratio was 63.46% for the first quarter of 2023 compared to 58.69% for the fourth quarter of 2022. The increase in adjusted noninterest expense compared to the linked quarter was driven primarily by an increase in salaries and employee benefits expense. Salaries and benefits expense increased \$11.8 million compared to the fourth quarter of 2022 due to both the impact of fourth quarter of 2022 year-end employee benefit expense reductions of approximately \$7.3 million combined with first quarter of 2023 seasonal factors that elevated expense including an increase of \$5.0 million in payroll tax expense resulting primarily from FICA resets. Deposit insurance assessment expense increased \$2.4 million due primarily to the 2 basis point assessment increase effective in the first quarter 2023. Additionally, excluding the impact of merger related items, other non-interest expense increased approximately \$7.6 million compared to the fourth quarter of 2022. This increase includes an increase in fraud losses of \$2.4 million, which is in the process of collection over the coming quarters, a \$1.7 million increase in pension costs resulting from an increase in the Company's pension discount rate and an increase in certain other volume driven costs. Additionally, other noninterest expense for the fourth quarter of 2022 included a benefit of approximately \$1.6 million related to year-end franchise tax accruals.

Adjusted noninterest expense for the first quarter of 2023 excludes \$14.0 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 \$5.1 million for the first quarter of 2023, compared with \$4.0 million for the first quarter of 2022 and \$20.3 million for the fourth quarter of 2022. Merger expense for the first quarter of 2023 was comprised primarily of system and technology related expenses. Incremental merger related expenses for the first quarter of 2023 totaled \$9.0 million and primarily included employment agreement and related compensation related expenses. These expenses declined compared to \$32.7 million in the prior quarter.

The Company continues to identify strategic opportunities to improve operating efficiency, including branch optimization. In April 2023, the Company announced 35 additional branch locations that will be closed or consolidated during mid 2023. This strategy, including other in-process initiatives, is estimated to result in annualized cost savings of approximately \$15-20 million. These branch closures and consolidations are in addition to the 17 executed in the fourth quarter of 2022.

Capital Management

Total shareholders' equity was \$4.5 billion at March 31, 2023 compared with \$4.6 billion at March 31, 2022 and \$4.3 billion at December 31, 2022. The increase in the current quarter was comprised of net income and an improvement in accumulated other comprehensive income (loss) ("AOCI") due to improved valuation in the available-for-sale securities portfolio, partially offset by quarterly dividends. The year-over-year decline is due to a decline in AOCI resulting from an increase in unrealized losses in the available-for-sale securities portfolio due to the interest rate environment.

Estimated regulatory capital ratios at March 31, 2023 included Common Equity Tier 1 capital of 10.1%, Tier 1 capital of 10.6%, Total risk-based capital of 12.8%, and Tier 1 leverage capital of 8.4%. During the first quarter of 2023, the Company did not repurchase shares of its common stock pursuant to its 10 million share repurchase authorization for 2023. Outstanding common shares were 182.7 million as of March 31, 2023.

Summary

Rollins concluded, "We are pleased with how we are beginning the 2023 year. Despite the recent industry liquidity concerns, an uncertain rate environment, and questions around the broader economy and credit impact, I continue to be optimistic given the strength in our earnings, our balance sheet and our capital, as well as the differentiating stability resulting from our business, customer and geographical diversification. This diversification, combined with our great team of bankers, provides the resilient foundation we are proud of at Cadence Bank."

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 21 of this news release.

Conference Call and Webcast

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

About Cadence Bank

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

Forward-Looking Statements

Certain statements made in this news release constitute "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as

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

Risks, uncertainties and other factors the Company may face include, without limitation: general economic, unemployment, credit market and real estate market conditions, including inflation, and the effect of such conditions on customers, potential customers, assets, investments and liquidity; risks arising from market and consumer reactions to the general banking environment, or to conditions or situations at specific banks; risks arising from media coverage of the banking industry; risks arising from perceived instability in the banking sector; the risks of changes in interest rates and their effects on the level, cost, and composition of, and competition for, deposits, loan demand and timing of payments, the values of loan collateral, securities, and interest sensitive assets and liabilities; the ability to attract new or retain existing deposits, to retain or grow loans or additional interest and fee income, or to control noninterest expense; the effect of pricing pressures on the Company's net interest margin; the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in real estate values; a deterioration of the credit rating for U.S. long-term sovereign debt, actions that the U.S. government may take to avoid exceeding the debt ceiling, or uncertainties surrounding the debt ceiling and the federal budget; potential delays or other problems in implementing and executing the Company's growth, expansion and acquisition strategies, including delays in obtaining regulatory or other necessary approvals, or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; the ability to pay dividends or coupons on the Company's 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value \$0.01 per share, or the 4.125% Fixed-to-Floating Rate Subordinated Notes due November 20, 2029; possible downgrades in the Company's credit ratings or outlook which could increase the costs or availability of funding from capital markets; the potential impact of the phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR; changes in legal, financial, accounting, and/or regulatory requirements; the costs and expenses to comply with such changes; the enforcement efforts of federal and state bank regulators; the ability to keep pace with technological changes, including changes regarding maintaining cybersecurity; increased competition in the financial services industry, particularly from regional and national institutions; the impact of a failure in, or breach of, the Company's operational or security systems or infrastructure, or those of third parties with whom the Company does business, including as a result of cyber-attacks or an increase in the incidence or severity of fraud, illegal payments, security breaches or other illegal acts impacting the Company or the Company's customers. The Company also faces risks from natural disasters or acts of war or terrorism; international or political instability, including the impacts related to or resulting from Russia's military action in Ukraine and additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments.

The Company also faces risks from: possible adverse rulings, judgments, settlements or other outcomes of pending, ongoing and future litigation, as well as governmental, administrative and investigatory matters; the impairment of the Company's goodwill or other intangible assets; losses of key employees and personnel; the diversion of management's attention from ongoing business operations and opportunities; and the 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, 2022, particularly those under the heading "Item 1A. Risk Factors," in the Company's Quarterly Reports on Form 10-Q under the heading "Part II-Item 1A. Risk Factors" and in the Company's Current Reports on Form 8-K.

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

Table 1
Selected Financial Data
(Unaudited)

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Earnings Summary:					
Interest revenue	\$ 526,132	\$ 473,548	\$ 405,559	\$ 349,555	\$ 331,930
Interest expense	171,862	114,188	50,205	24,789	20,108
Net interest revenue	354,270	359,360	355,354	324,766	311,822
Provision for credit losses	10,000	6,000	—	1,000	—
Net interest revenue, after provision for credit losses	344,270	353,360	355,354	323,766	311,822
Noninterest revenue	74,071	114,873	124,491	125,234	128,435
Noninterest expense	319,279	340,671	319,734	285,888	291,667

Income before income taxes	99,062	127,562	160,111	163,112	148,590
Income tax expense	22,433	29,628	36,713	36,154	33,643
Net income	76,629	97,934	123,398	126,958	114,947
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net income available to common shareholders	\$ 74,257	\$ 95,562	\$ 121,026	\$ 124,586	\$ 112,575

Balance Sheet - Period End Balances

Total assets	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061
Total earning assets	46,808,611	43,722,544	42,832,355	43,093,974	42,744,225
Available-for-sale securities	10,877,879	11,944,096	12,441,894	13,450,621	14,371,606
Loans and leases, net of unearned income	31,282,594	30,349,277	29,296,450	28,360,485	27,189,666
Allowance for credit losses (ACL)	453,727	440,347	433,363	440,112	438,738
Net book value of acquired loans	7,942,980	8,754,526	8,841,588	9,721,672	11,020,251
Unamortized net discount on acquired loans	41,748	58,162	58,887	65,350	72,620
Total deposits	39,406,454	38,956,614	39,003,946	40,189,083	40,568,055
Total deposits and repurchase agreements	40,177,789	39,665,350	39,682,280	40,838,260	41,271,615
Federal funds purchased and short-term FHLB advances	5,700,228	3,300,231	2,495,000	1,200,000	—
Subordinated and long-term debt	462,144	462,554	463,291	465,073	465,695
Total shareholders' equity	4,490,417	4,311,374	4,166,925	4,437,925	4,643,757
Total shareholders' equity, excluding AOCI ⁽¹⁾	5,572,303	5,533,912	5,464,737	5,374,270	5,307,757
Common shareholders' equity	4,323,424	4,144,381	3,999,932	4,270,932	4,476,764
Common shareholders' equity, excluding AOCI ⁽¹⁾	\$ 5,405,310	\$ 5,366,919	\$ 5,297,744	\$ 5,207,277	\$ 5,140,764

Balance Sheet - Average Balances

Total assets	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850
Total earning assets	43,819,715	42,976,050	43,079,481	42,688,497	43,515,166
Available-for-sale securities	11,354,457	12,156,803	13,252,828	13,941,127	15,070,524
Loans and leases, net of unearned income	30,891,640	29,812,924	28,872,156	27,848,097	27,106,733
Total deposits	38,904,048	38,372,354	39,600,886	39,396,028	40,565,103
Total deposits and repurchase agreements	39,632,023	39,033,328	40,256,109	40,062,095	41,259,136
Subordinated and long-term debt	462,385	462,927	464,843	465,447	466,842
Total shareholders' equity	4,396,461	4,215,585	4,506,655	4,523,189	5,062,231
Common shareholders' equity	\$ 4,229,468	\$ 4,048,592	\$ 4,339,662	\$ 4,356,196	\$ 4,895,238

Nonperforming Assets:

Nonaccrual loans and leases	\$ 160,615	\$ 98,745	\$ 89,931	\$ 89,368	\$ 91,031
Loans and leases 90+ days past due, still accruing	5,164	2,068	11,984	19,682	20,957
Accruing TDR ⁽²⁾	—	8,598	16,200	7,385	7,292
Non-performing loans and leases (NPL)	165,779	109,411	118,115	116,435	119,280
Other real estate owned and other assets	5,327	6,725	8,376	14,399	28,401
Non-performing assets (NPA)	\$ 171,106	\$ 116,136	\$ 126,491	\$ 130,834	\$ 147,681

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

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

Table 2
Selected Financial Ratios

	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Financial Ratios and Other Data:					
Return on average assets ⁽²⁾	0.64 %	0.81 %	1.03 %	1.08 %	0.98 %
Adjusted return on average assets ⁽¹⁾⁽²⁾	1.06	1.21	1.22	1.16	1.05
Return on average common shareholders' equity ⁽²⁾	7.12	9.36	11.06	11.47	9.33
Adjusted return on average common shareholders' equity ⁽¹⁾⁽²⁾	11.93	14.00	13.13	12.36	10.07
Return on average tangible common equity ⁽¹⁾⁽²⁾	11.40	15.42	17.40	18.11	13.87

Adjusted return on average tangible common equity ⁽¹⁾⁽²⁾	19.10	23.04	20.66	19.50	14.98
Pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	0.91	1.11	1.33	1.40	1.26
Adjusted pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	1.46	1.62	1.58	1.51	1.36
Net interest margin-fully taxable equivalent	3.29	3.33	3.28	3.06	2.92
Net interest rate spread-fully taxable equivalent	2.65	2.84	3.05	2.94	2.81
Efficiency ratio fully tax equivalent ⁽¹⁾	74.36	71.67	66.49	63.38	66.10
Adjusted efficiency ratio fully tax equivalent ⁽¹⁾	63.46	58.69	60.33	60.46	63.52
Loan/deposit ratio	79.38 %	77.91 %	75.11 %	70.57 %	67.02 %
Full time equivalent employees	6,567	6,572	6,629	6,659	6,568
Credit Quality Ratios:					
Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.02 %	(0.07) %	0.09 %	(0.02) %	(0.01) %
Provision for credit losses to average loans and leases ⁽²⁾	0.13	0.08	—	0.01	—
ACL to loans and leases, net	1.45	1.45	1.48	1.55	1.61
ACL to NPL	273.69	402.47	366.90	377.99	367.82
NPL to loans and leases, net	0.53	0.36	0.40	0.41	0.44
NPA to total assets	0.33	0.24	0.27	0.27	0.31
Equity Ratios:					
Total shareholders' equity to total assets	8.69 %	8.86 %	8.74 %	9.29 %	9.84 %
Total common shareholders' equity to total assets	8.36	8.52	8.39	8.94	9.48
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.46	5.42	5.24	5.82	6.31
Tangible common shareholders' equity to tangible assets, excluding AOCI	7.46	7.82	7.84	7.70	7.65
Capital Adequacy ⁽³⁾:					
Common Equity Tier 1 capital	10.1 %	10.2 %	10.3 %	10.3 %	10.6 %
Tier 1 capital	10.6	10.7	10.7	10.8	11.1
Total capital	12.8	12.8	12.8	13.0	13.3
Tier 1 leverage capital	8.4	8.4	8.4	8.4	8.2

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

(2) Quarterly ratios are annualized.

(3) Current quarter regulatory capital ratios are estimated.

Table 3
Selected Financial Information

	Quarter Ended					
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022	
Common Share Data:						
Diluted earnings per share	\$ 0.40	\$ 0.52	\$ 0.66	\$ 0.68	\$ 0.60	
Adjusted earnings per share ⁽¹⁾	0.68	0.78	0.78	0.73	0.65	
Cash dividends per share	0.235	0.22	0.22	0.22	0.22	
Book value per share	23.67	22.72	21.92	23.41	24.40	
Tangible book value per share ⁽¹⁾	14.99	13.99	13.25	14.73	15.67	
Market value per share (last)	20.76	24.66	25.41	23.48	29.26	
Market value per share (high)	28.18	29.41	28.54	29.75	34.24	
	19.24	22.43	22.04	22.82	27.95	
Market value per share (low)						
Market value per share (avg)	24.88	26.84	25.68	25.74	31.20	
Dividend payout ratio	58.75 %	42.31 %	33.33 %	32.44 %	36.60 %	
Adjusted dividend payout ratio ⁽¹⁾	34.56 %	28.21 %	28.21 %	30.14 %	33.85 %	
Total shares outstanding	182,684,578	182,437,265	182,438,780	182,461,786	183,488,844	
Average shares outstanding - diluted	183,908,798	183,762,008	183,313,831	183,711,402	187,264,335	

Yield/Rate:

(Taxable equivalent basis)

Loans, loans held for sale, and leases	6.00 %	5.54 %	4.82 %	4.29 %	4.23 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	5.87	5.41	4.70	4.12	3.96
Available-for-sale securities:					
Taxable	1.80	1.54	1.44	1.37	1.26
Tax-exempt	3.21	3.28	3.05	2.95	2.57
Other investments	4.64	3.69	2.32	1.03	0.24
Total interest earning assets and revenue	4.88	4.38	3.74	3.29	3.10
Deposits	1.28	0.76	0.35	0.17	0.15
Interest bearing demand and money market	2.03	1.34	0.60	0.26	0.20
Savings	0.36	0.31	0.17	0.06	0.06
Time	2.24	1.17	0.56	0.47	0.52
Total interest bearing deposits	1.86	1.17	0.53	0.26	0.23
Fed funds purchased, securities sold under agreement to repurchase and other	3.73	3.04	1.65	0.43	0.11
Short-term FHLB borrowings	4.66	3.84	2.05	0.98	0.14
Total interest bearing deposits and short-term borrowings	2.20	1.50	0.64	0.29	0.22
Long-term debt	4.27	4.15	4.16	4.14	4.18
Total interest bearing liabilities	2.23	1.54	0.70	0.36	0.29
Interest bearing liabilities to interest earning assets	71.24 %	68.42 %	66.19 %	65.25 %	64.46 %
Net interest income tax equivalent adjustment	\$ 1,051	\$ 1,071	\$ 1,052	\$ 1,063	\$ 1,027

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

Table 4
Consolidated Balance Sheets
(Unaudited)

(In thousands)	As of				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
ASSETS					
Cash and due from banks	\$ 660,431	\$ 756,906	\$ 693,999	\$ 770,293	\$ 781,310
Interest bearing deposits with other banks and Federal funds sold	4,452,029	1,241,246	895,630	1,069,410	880,742
Available-for-sale securities, at fair value	10,877,879	11,944,096	12,441,894	13,450,621	14,371,606
Loans and leases, net of unearned income	31,282,594	30,349,277	29,296,450	28,360,485	27,189,666
Allowance for credit losses	453,727	440,347	433,363	440,112	438,738
Net loans and leases	30,828,867	29,908,930	28,863,087	27,920,373	26,750,928
Loans held for sale, at fair value	196,110	187,925	198,381	213,458	302,211
Premises and equipment, net	826,439	817,430	802,382	782,728	781,209
Goodwill	1,459,302	1,458,795	1,449,511	1,444,209	1,409,038
Other intangible assets, net	125,724	132,764	132,953	138,370	191,642
Bank-owned life insurance	631,174	630,046	624,696	601,601	599,346
Other assets	1,635,141	1,575,276	1,597,127	1,356,645	1,136,029
Total Assets	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061
LIABILITIES					
Deposits:					
Demand: Noninterest bearing	\$ 11,517,037	\$ 12,731,065	\$ 13,839,649	\$ 14,012,529	\$ 14,458,563
Interest bearing	18,146,678	19,040,131	18,033,648	19,032,983	18,854,543
Savings	3,226,685	3,473,746	3,676,340	3,735,925	3,713,629
Time deposits	6,516,054	3,711,672	3,454,309	3,407,646	3,541,320
Total deposits	39,406,454	38,956,614	39,003,946	40,189,083	40,568,055
Securities sold under agreement to repurchase	771,335	708,736	678,334	649,177	703,560
Federal funds purchased and short-term FHLB borrowings	5,700,228	3,300,231	2,495,000	1,200,000	—
Subordinated and long-term debt	462,144	462,554	463,291	465,073	465,695

Other liabilities	862,518	913,905	892,164	806,450	822,994
Total Liabilities	47,202,679	44,342,040	43,532,735	43,309,783	42,560,304
SHAREHOLDERS' EQUITY					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,711	456,093	456,097	456,154	458,722
Capital surplus	2,715,981	2,709,391	2,695,646	2,686,031	2,701,371
Accumulated other comprehensive loss	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(664,000)
Retained earnings	2,232,618	2,201,435	2,146,001	2,065,092	1,980,671
Total Shareholders' Equity	4,490,417	4,311,374	4,166,925	4,437,925	4,643,757
Total Liabilities & Shareholders' Equity	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061

Table 5
Consolidated Quarterly Average Balance Sheets
(Unaudited)

(In thousands)	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
ASSETS					
Cash and due from banks	\$ 695,263	\$ 617,634	\$ 654,589	\$ 640,672	\$ 656,630
Interest bearing deposits with other banks and Federal funds sold	1,526,755	943,806	851,185	751,972	1,161,262
Available-for-sale securities, at fair value	11,354,457	12,156,803	13,252,828	13,941,127	15,070,524
Loans and leases, net of unearned income	30,891,640	29,812,924	28,872,156	27,848,097	27,106,733
Allowance for credit losses	442,486	434,785	441,042	438,752	444,294
Net loans and leases	30,449,154	29,378,139	28,431,114	27,409,345	26,662,439
Loans held for sale, at fair value	46,863	62,517	103,312	147,301	176,647
Premises and equipment, net	824,190	802,771	809,799	784,247	785,005
Goodwill	1,459,127	1,457,120	1,444,331	1,407,452	1,407,973
Other intangible assets, net	128,957	132,091	136,149	188,897	195,606
Bank-owned life insurance	630,601	625,938	613,973	599,912	598,822
Other assets	1,536,834	1,613,675	1,298,277	1,193,904	964,942
Total Assets	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850
LIABILITIES					
Deposits:					
Demand: Noninterest bearing	\$ 12,203,079	\$ 13,344,152	\$ 13,816,796	\$ 13,970,163	\$ 13,806,591
Interest bearing	19,009,345	17,866,198	18,675,214	18,238,571	19,401,019
Savings	3,363,236	3,555,911	3,720,218	3,723,193	3,631,699
Time deposits	4,328,388	3,606,093	3,388,658	3,464,101	3,725,794
Total deposits	38,904,048	38,372,354	39,600,886	39,396,028	40,565,103
Securities sold under agreement to repurchase	727,975	660,974	655,223	666,067	694,033
Federal funds purchased, short-term FHLB borrowings and other	3,326,196	3,251,947	1,608,587	1,294,946	131,556
Subordinated and long-term debt	462,385	462,927	464,843	465,447	466,842
Other liabilities	835,136	826,707	759,363	719,152	760,085
Total Liabilities	44,255,740	43,574,909	43,088,902	42,541,640	42,617,619
SHAREHOLDERS' EQUITY					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,354	456,095	456,130	457,713	465,458
Capital surplus	2,710,501	2,701,121	2,689,340	2,694,546	2,779,746
Accumulated other comprehensive loss	(1,174,723)	(1,302,388)	(922,673)	(821,034)	(283,417)
Retained earnings	2,237,336	2,193,764	2,116,865	2,024,971	1,933,451
Total Shareholders' Equity	4,396,461	4,215,585	4,506,655	4,523,189	5,062,231
Total Liabilities & Shareholders' Equity	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850

Table 6
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except per share data)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
INTEREST REVENUE:					
Loans and leases	\$ 457,084	\$ 414,623	\$ 349,093	\$ 296,680	\$ 282,266
Available-for-sale securities:					
Taxable	48,515	45,807	46,701	46,254	45,155
Tax-exempt	2,477	2,547	2,548	2,571	2,414
Loans held for sale	603	1,788	2,241	2,118	1,407
Other interest revenue	17,453	8,783	4,976	1,932	688
Total interest revenue	526,132	473,548	405,559	349,555	331,930
INTEREST EXPENSE:					
Interest bearing demand deposits and money market accounts	95,344	60,253	28,175	11,717	9,742
Savings	3,014	2,769	1,597	590	568
Time deposits	23,950	10,651	4,797	4,041	4,764
Federal funds purchased and securities sold under agreement to repurchase	7,667	8,365	3,944	906	216
Short-term debt	37,015	27,302	6,821	2,734	5
Subordinated and long-term debt	4,872	4,848	4,871	4,801	4,813
Total interest expense	171,862	114,188	50,205	24,789	20,108
Net interest revenue	354,270	359,360	355,354	324,766	311,822
Provision for credit losses	10,000	6,000	—	1,000	—
Net interest revenue, after provision for credit losses	344,270	353,360	355,354	323,766	311,822
NONINTEREST REVENUE:					
Mortgage banking	6,076	2,571	9,080	11,446	21,763
Credit card, debit card and merchant fees	11,851	15,750	14,497	16,593	11,321
Deposit service charges	16,482	16,863	19,134	18,291	19,189
Security (losses) gains, net	(51,261)	(595)	(139)	1,446	(1,097)
Insurance commissions	39,606	34,679	39,876	39,994	35,727
Wealth management	21,532	19,199	19,335	20,213	21,737
Other noninterest income	29,785	26,406	22,708	17,251	19,795
Total noninterest revenue	74,071	114,873	124,491	125,234	128,435
NONINTEREST EXPENSE:					
Salaries and employee benefits	195,702	183,918	191,193	182,094	187,819
Occupancy and equipment	29,113	30,539	30,610	30,129	28,270
Data processing and software	31,869	29,289	28,079	29,081	27,483
Merger expense	5,075	20,276	19,690	7,274	3,974
Amortization of intangibles	5,005	5,251	5,417	3,042	6,780
Deposit insurance assessments	8,361	5,931	4,499	4,945	3,336
Pension settlement expense	—	6,127	2,896	—	—
Other noninterest expense	44,154	59,340	37,350	29,323	34,005
Total noninterest expense	319,279	340,671	319,734	285,888	291,667
Income before income taxes	99,062	127,562	160,111	163,112	148,590
Income tax expense	22,433	29,628	36,713	36,154	33,643
Net income	76,629	97,934	123,398	126,958	114,947
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Net income available to common shareholders	\$ 74,257	\$ 95,562	\$ 121,026	\$ 124,586	\$ 112,575
Net income per common share: Diluted	\$ 0.40	\$ 0.52	\$ 0.66	\$ 0.68	\$ 0.60

Table 7
Selected Loan Portfolio Data
(Unaudited)

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022

LOAN AND LEASE PORTFOLIO:
Commercial and industrial

Non-real estate	\$ 9,159,387	\$ 8,985,547	\$ 8,803,381	\$ 8,526,481	\$ 8,017,958
Owner occupied	4,278,468	4,068,659	3,943,442	3,851,336	3,703,914
Total commercial and industrial	13,437,855	13,054,206	12,746,823	12,377,817	11,721,872
Commercial real estate					
Construction, acquisition and development	3,703,137	3,547,986	3,244,425	2,982,119	3,028,514
Income producing	5,368,676	5,150,680	5,098,470	5,054,232	4,795,486
Total commercial real estate	9,071,813	8,698,666	8,342,895	8,036,351	7,824,000
Consumer					
Residential mortgages	8,536,032	8,319,242	7,924,378	7,662,621	7,355,995
Other consumer	236,894	277,163	282,354	283,696	287,799
Total consumer	8,772,926	8,596,405	8,206,732	7,946,317	7,643,794
Total loans and leases, net of unearned income	\$ 31,282,594	\$ 30,349,277	\$ 29,296,450	\$ 28,360,485	\$ 27,189,666

NON-PERFORMING ASSETS

Non-performing Loans and Leases

Nonaccrual Loans and Leases

Commercial and industrial

Non-real estate	\$ 65,783	\$ 23,907	\$ 23,916	\$ 34,233	\$ 33,086
Owner occupied	9,089	7,944	8,327	9,567	11,787
Total commercial and industrial	74,872	31,851	32,243	43,800	44,873

Commercial real estate

Construction, acquisition and development	1,850	2,974	1,823	2,125	1,618
Income producing	20,616	7,331	8,580	8,750	9,688
Total commercial real estate	22,466	10,305	10,403	10,875	11,306

Consumer

Residential mortgages	62,748	55,892	46,671	34,172	34,278
Other consumer	529	697	614	521	574
Total consumer	63,277	56,589	47,285	34,693	34,852
Total nonaccrual loans and leases	\$ 160,615	\$ 98,745	\$ 89,931	\$ 89,368	\$ 91,031

Loans and Leases 90+ Days Past Due, Still Accruing

Restructured Loans and Leases, Still Accruing	5,164	2,068	11,984	19,682	20,957
	—	8,598	16,200	7,385	7,292
Total non-performing loans and leases	\$ 165,779	\$ 109,411	\$ 118,115	\$ 116,435	\$ 119,280

Other Real Estate Owned and Other Repossessed Assets

	5,327	6,725	8,376	14,399	28,401
Total Non-performing Assets	\$ 171,106	\$ 116,136	\$ 126,491	\$ 130,834	\$ 147,681

Additions to nonaccrual loans and leases during the

quarter (excluding acquisitions)	\$ 89,779	\$ 38,945	\$ 34,432	\$ 21,312	\$ 16,374
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Table 8
Allowance for Credit Losses
(Unaudited)

	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
(Dollars in thousands)					
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 440,347	\$ 433,363	\$ 440,112	\$ 438,738	\$ 446,415
Charge-offs:					
Commercial and industrial	(2,853)	(2,295)	(11,551)	(2,170)	(2,682)
Commercial real estate	(1,988)	(426)	(1,116)	(275)	(313)
Consumer	(2,189)	(2,650)	(2,653)	(1,941)	(1,792)
Total loans charged-off	(7,030)	(5,371)	(15,320)	(4,386)	(4,787)
Recoveries:					
Commercial and industrial	3,399	6,405	3,657	3,217	3,178
Commercial real estate	779	2,851	3,509	1,076	437

Consumer	977	1,099	1,405	1,467	1,612
Total recoveries	5,155	10,355	8,571	5,760	5,227
Net (charge-offs) recoveries	(1,875)	4,984	(6,749)	1,374	440
Adoption of new ASU related to modified loans ⁽³⁾	255	—	—	—	—
Initial allowance on loans purchased with credit deterioration	—	—	—	—	(8,117)
Provision for credit losses related to loans and leases	15,000	2,000	—	—	—
Total provision for loans and leases	15,000	2,000	—	—	—
Balance, end of period	\$ 453,727	\$ 440,347	\$ 433,363	\$ 440,112	\$ 438,738
Average loans and leases, net of unearned income, for period	\$ 30,891,640	\$ 29,812,924	\$ 28,872,156	\$ 27,848,097	\$ 27,106,733
Ratio: Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.02 %	(0.07) %	0.09 %	(0.02) %	(0.01) %

RESERVE FOR UNFUNDED COMMITMENTS ⁽¹⁾

Balance, beginning of period	\$ 28,551	\$ 24,551	\$ 24,551	\$ 23,551	\$ 23,551
(Reversal) provision for credit losses for unfunded commitments	(5,000)	4,000	—	1,000	—
Balance, end of period	\$ 23,551	\$ 28,551	\$ 24,551	\$ 24,551	\$ 23,551

- (1) The Reserve for Unfunded Commitments is classified in other liabilities on the consolidated balance sheets.
- (2) Annualized.
- (3) Cadence elected to adopt the new accounting guidance effective January 1, 2023, which eliminates the TDR recognition and measurement guidance via the modified retrospective transition method (ASU 2022-02). As such, there is no TDR reporting effective January 1, 2023.

Table 9
Loan Portfolio by Grades
(Unaudited)

(In thousands)	March 31, 2023					
	Pass	Special Mention	Substandard	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN AND LEASE PORTFOLIO:						
Commercial and industrial						
Non-real estate	\$ 8,744,629	\$ 107,218	\$ 280,192	\$ 23,316	\$ 4,032	\$ 9,159,387
Owner occupied	4,201,364	11,928	59,764	3,739	1,673	4,278,468
Total commercial and industrial	12,945,993	119,146	339,956	27,055	5,705	13,437,855
Commercial real estate						
Construction, acquisition and development	3,656,934	27,041	19,162	—	—	3,703,137
Income producing	5,191,260	36,598	116,784	5,476	18,558	5,368,676
Total commercial real estate	8,848,194	63,639	135,946	5,476	18,558	9,071,813
Consumer						
Residential mortgages	8,361,116	—	173,342	—	1,574	8,536,032
Other consumer	232,637	—	4,257	—	—	236,894
Total consumer	8,593,753	—	177,599	—	1,574	8,772,926
Total loans and leases, net of unearned income	\$ 30,387,940	\$ 182,785	\$ 653,501	\$ 32,531	\$ 25,837	\$ 31,282,594

(In thousands)	December 31, 2022					
	Pass	Special Mention	Substandard	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN AND LEASE PORTFOLIO:						
Commercial and industrial						
Non-real estate	\$ 8,735,337	\$ 37,389	\$ 205,246	\$ 3,375	\$ 4,200	\$ 8,985,547
Owner occupied	4,024,179	6,062	32,912	3,824	1,682	4,068,659
Total commercial and industrial	12,759,516	43,451	238,158	7,199	5,882	13,054,206
Commercial real estate						

Construction, acquisition and development	3,498,990	18,667	23,073	—	7,256	3,547,986
Income producing	5,035,880	27,330	68,948	—	18,522	5,150,680
Total commercial real estate	8,534,870	45,997	92,021	—	25,778	8,698,666
Consumer						
Residential mortgages	8,159,904	232	157,532	—	1,574	8,319,242
Other consumer	272,182	—	4,981	—	—	277,163
Total consumer	8,432,086	232	162,513	—	1,574	8,596,405
Total loans and leases, net of unearned income	\$ 29,726,472	\$ 89,680	\$ 492,692	\$ 7,199	\$ 33,234	\$ 30,349,277

Table 10
Geographical Loan Information
(Unaudited)

(Dollars in thousands)	March 31, 2023						
	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	M
LOAN AND LEASE PORTFOLIO:							
Commercial and industrial							
Non-real estate	\$ 370,464	\$ 148,872	\$ 471,198	\$ 537,753	\$ 329,353	\$ 530,064	\$
Owner occupied	384,004	247,806	291,558	319,831	284,527	578,141	9
Total commercial and industrial	754,468	396,678	762,756	857,584	613,880	1,108,205	1
Commercial real estate							
Construction, acquisition and development	202,210	80,681	223,119	409,773	45,899	213,740	4
Income producing	432,113	273,397	377,826	616,799	214,952	424,004	1
Total commercial real estate	634,323	354,078	600,945	1,026,572	260,851	637,744	2
Consumer							
Residential mortgages	1,163,319	377,180	580,893	374,343	439,998	1,070,648	1
Other consumer	30,764	17,067	6,220	7,115	11,205	84,523	1
Total consumer	1,194,083	394,247	587,113	381,458	451,203	1,155,171	1
Total loans and leases, net of unearned income	\$ 2,582,874	\$ 1,145,003	\$ 1,950,814	\$ 2,265,614	\$ 1,325,934	\$ 2,901,120	\$
Loan growth, excluding loans acquired during the quarter (\$)	\$ 6,215	\$ 5,070	\$ 78,734	\$ 54,397	\$ (5,146)	\$ 50,709	\$
Loan growth, excluding loans acquired during the quarter (%) (annualized)	0.98 %	1.80 %	17.06 %	9.98 %	(1.57) %	7.21 %	1

(Dollars in thousands)	December 31, 2022							
	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 367,656	\$ 156,600	\$ 446,454	\$ 543,854	\$ 317,127	\$ 515,897	\$ 67,208	\$ 315,410
Owner occupied	370,125	248,015	296,159	304,096	287,915	553,376	96,500	177,315
Total commercial and industrial	737,781	404,615	742,613	847,950	605,042	1,069,273	163,708	492,725
Commercial real estate								
Construction, acquisition and development	226,990	82,356	180,017	396,250	54,945	246,402	35,861	162,977
Income producing	425,617	260,602	369,848	580,819	216,519	403,491	188,775	302,252
Total commercial real estate	652,607	342,958	549,865	977,069	271,464	649,893	224,636	465,229
Consumer								
Residential mortgages	1,155,001	374,544	574,308	373,371	442,087	1,044,746	150,952	647,556
Other consumer	31,270	17,816	5,294	12,827	12,487	86,499	1,439	17,115
Total consumer	1,186,271	392,360	579,602	386,198	454,574	1,131,245	152,391	664,671
Total loans and leases, net of unearned income	\$ 2,576,659	\$ 1,139,933	\$ 1,872,080	\$ 2,211,217	\$ 1,331,080	\$ 2,850,411	\$ 540,735	\$ 1,622,625

Table 11
Noninterest Revenue and Expense
(Unaudited)

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
NONINTEREST REVENUE:					
Mortgage banking excl. MSR and MSR hedge market value adjustment	\$ 8,379	\$ 5,408	\$ 4,746	\$ 6,754	\$ 7,733
MSR and MSR hedge market value adjustment	(2,303)	(2,837)	4,334	4,692	14,030
Credit card, debit card and merchant fees	11,851	15,750	14,497	16,593	11,321
Deposit service charges	16,482	16,863	19,134	18,291	19,189
Security (losses) gains, net	(51,261)	(595)	(139)	1,446	(1,097)
Insurance commissions	39,606	34,679	39,876	39,994	35,727
Trust income	10,553	9,113	9,011	9,129	10,061
Annuity fees	2,192	951	600	753	604
Brokerage commissions and fees	8,787	9,135	9,724	10,331	11,072
Bank-owned life insurance	3,647	5,436	3,537	3,285	3,336
Other miscellaneous income	26,138	20,970	19,171	13,966	16,459
Total noninterest revenue	\$ 74,071	\$ 114,873	\$ 124,491	\$ 125,234	\$ 128,435
NONINTEREST EXPENSE:					
Salaries and employee benefits	\$ 195,702	\$ 183,918	\$ 191,193	\$ 182,094	\$ 187,819
Occupancy and equipment	29,113	30,539	30,610	30,129	28,270
Deposit insurance assessments	8,361	5,931	4,499	4,945	3,336
Pension settlement expense	—	6,127	2,896	—	—
Advertising and public relations	4,331	28,659	4,085	4,417	4,593
Foreclosed property expense	980	400	1,093	(1,104)	440
Telecommunications	1,717	1,714	1,882	1,984	1,833
Travel and entertainment	3,508	5,310	4,149	3,412	2,811
Data processing and software	31,869	29,289	28,079	29,081	27,483
Professional, consulting and outsourcing	4,417	3,598	2,724	3,769	3,737
Amortization of intangibles	5,005	5,251	5,417	3,042	6,780
Legal	1,491	758	2,054	1,463	1,793
Merger expense	5,075	20,276	19,690	7,274	3,974
Postage and shipping	2,452	1,925	2,098	2,022	2,034
Other miscellaneous expense	25,258	16,976	19,265	13,360	16,764
Total noninterest expense	\$ 319,279	\$ 340,671	\$ 319,734	\$ 285,888	\$ 291,667
INSURANCE COMMISSIONS:					
Property and casualty commissions	\$ 28,202	\$ 24,682	\$ 30,021	\$ 29,220	\$ 25,852
Life and health commissions	8,024	7,151	7,254	7,935	7,143
Risk management income	657	887	654	674	757
Other	2,723	1,959	1,947	2,165	1,975
Total insurance commissions	\$ 39,606	\$ 34,679	\$ 39,876	\$ 39,994	\$ 35,727

Table 12
Average Balance and Yields
(Unaudited)

(Dollars in thousands)	Quarter Ended						
	March 31, 2023			December 31, 2022			March 31, 2022
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance
ASSETS							
Interest-earning assets:							
Loans and leases, excluding accretion	\$ 30,891,640	\$ 447,449	5.87 %	\$ 29,812,924	\$ 405,827	5.40 %	\$ 27,106,733
Accretion income on acquired loans		10,028	0.13		9,190	0.12	17,741
Loans held for sale	46,863	603	5.22	62,517	1,788	11.35	176,647
Investment securities							
Taxable	10,957,786	48,515	1.80	11,767,062	45,807	1.54	14,588,090

Tax-exempt	396,671	3,135	3.21	389,741	3,224	3.28	482,434	3,056
Total investment securities	11,354,457	51,650	1.84	12,156,803	49,031	1.60	15,070,524	48,211
Other investments	1,526,755	17,453	4.64	943,806	8,783	3.69	1,161,262	688
Total interest-earning assets	43,819,715	527,183	4.88 %	42,976,050	474,619	4.38 %	43,515,166	332,957
Other assets	5,274,972			5,249,229			4,608,978	
Allowance for credit losses	442,486			434,785			444,294	
Total assets	\$ 48,652,201			\$ 47,790,494			\$ 47,679,850	

LIABILITIES AND SHAREHOLDERS' EQUITY

Interest-bearing liabilities:

Interest bearing demand and money market	\$ 19,009,345	\$ 95,344	2.03 %	\$ 17,866,198	\$ 60,253	1.34 %	\$ 19,401,019	9,742
Savings deposits	3,363,236	3,014	0.36	3,555,911	2,769	0.31	3,631,699	568
Time deposits	4,328,388	23,950	2.24	3,606,093	10,651	1.17	3,725,794	4,764
Total interest-bearing deposits	26,700,969	122,308	1.86	25,028,202	73,673	1.17	26,758,512	15,074
Fed funds purchased, securities sold under agreement to repurchase and other	\$ 832,831	\$ 7,669	3.73	\$ 1,091,029	\$ 8,365	3.04	\$ 811,422	216
Short-term FHLB borrowings	3,221,340	37,013	4.66	2,821,892	27,302	3.84	14,167	5
Long-term borrowings	462,385	4,872	4.27	462,927	4,848	4.15	466,842	4,813
Total interest-bearing liabilities	31,217,525	171,862	2.23 %	29,404,050	114,188	1.54 %	28,050,943	20,108

Noninterest-bearing liabilities:

Demand deposits	12,203,079			13,344,152			13,806,591	
Other liabilities	835,136			826,707			760,085	
Total liabilities	44,255,740			43,574,909			42,617,619	

Shareholders' equity

Total liabilities and shareholders' equity	\$ 48,652,201			\$ 47,790,494			\$ 47,679,850	
Net interest income/net interest spread		355,321	2.65 %		360,431	2.84 %		312,849
Net yield on earning assets/net interest margin			3.29 %			3.33 %		

Taxable equivalent adjustment:

Loans and investment securities		(1,051)			(1,071)			(1,027)
Net interest revenue		\$ 354,270			\$ 359,360			\$ 311,822

Table 13

Selected Additional Data (Unaudited)

(Dollars in thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
MORTGAGE SERVICING RIGHTS ("MSR"):					
Fair value, beginning of period	\$ 109,744	\$ 112,767	\$ 102,021	\$ 92,859	\$ 69,552
Originations of servicing assets	1,385	2,283	3,890	4,962	5,155
Changes in fair value:					
Due to payoffs/paydowns	(1,078)	(2,308)	(3,085)	(3,253)	(3,147)
Due to update in valuation assumptions	(3,109)	(2,998)	9,941	7,453	21,299
Fair value, end of period	\$ 106,942	\$ 109,744	\$ 112,767	\$ 102,021	\$ 92,859
MORTGAGE BANKING REVENUE:					
Origination	\$ 3,344	\$ 1,793	\$ 1,916	\$ 4,042	\$ 5,118
Servicing	6,113	5,923	5,915	5,965	5,762
Payoffs/Paydowns	(1,078)	(2,308)	(3,085)	(3,253)	(3,147)
Total mortgage banking revenue excluding MSR	8,379	5,408	4,746	6,754	7,733
Market value adjustment on MSR	(3,109)	(2,998)	9,941	7,453	21,299
Market value adjustment on MSR Hedge	806	161	(5,607)	(2,761)	(7,269)
Total mortgage banking revenue	\$ 6,076	\$ 2,571	\$ 9,080	\$ 11,446	\$ 21,763
Mortgage loans serviced	\$ 7,633,236	\$ 7,692,744	\$ 7,723,605	\$ 7,685,994	\$ 7,629,119
MSR/mortgage loans serviced	1.40 %	1.43 %	1.46 %	1.33 %	1.22 %

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Treasury securities	\$ 15,849	\$ 1,458,513	\$ 1,451,461	\$ 1,466,313	\$ 1,459,845
Obligations of U.S. government agencies	1,358,350	1,477,127	1,820,913	2,133,561	2,350,810
Mortgage-backed securities issued or guaranteed by U.S. agencies ("MBS"):					
Residential pass-through:					
Guaranteed by GNMA	83,649	84,368	87,063	95,955	105,900
Issued by FNMA and FHLMC	6,164,294	6,274,970	6,427,152	7,014,715	7,604,829
Other residential mortgage-back securities	166,449	168,452	181,317	201,440	212,216
Commercial mortgage-backed securities	2,427,808	1,881,853	1,880,949	1,899,785	1,951,367
Total MBS	8,842,200	8,409,643	8,576,481	9,211,895	9,874,312
Obligations of states and political subdivisions	447,731	466,002	444,953	485,400	530,241
Other domestic debt securities	73,557	82,718	98,615	101,313	103,117
Foreign debt securities	140,192	50,093	49,471	52,139	53,281
Total available-for-sale securities	\$ 10,877,879	\$ 11,944,096	\$ 12,441,894	\$ 13,450,621	\$ 14,371,606

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

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

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Adjusted net income available to common shareholders					
Net income	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 114,947
Plus: Merger expense	5,075	20,276	19,690	7,274	3,974
Incremental merger related expense	8,960	32,704	6,912	6,060	6,571
Branch closure and other restructuring charges	212	2,254	6	705	128
Pension settlement expense	—	6,127	2,896	—	—
Less: Security (losses) gains, net	(51,261)	(595)	(139)	1,446	(1,097)
Tax adjustment	15,394	14,665	7,016	2,981	2,786
Adjusted net income	126,743	145,225	146,025	136,570	123,931
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372
Adjusted net income available to common shareholders	\$ 124,371	\$ 142,853	\$ 143,653	\$ 134,198	\$ 121,559

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Pre-tax pre-provision net revenue					
Net income	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 114,947

Plus: Provision for credit losses	10,000	6,000	—	1,000	—
Income tax expense	22,433	29,628	36,713	36,154	33,643
Pre-tax pre-provision net revenue	\$ 109,062	\$ 133,562	\$ 160,111	\$ 164,112	\$ 148,590

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Adjusted pre-tax pre-provision net revenue					
Net income	\$ 76,629	\$ 97,934	\$ 123,398	\$ 126,958	\$ 114,947
Plus: Provision for credit losses	10,000	6,000	—	1,000	—
Merger expense	5,075	20,276	19,690	7,274	3,974
Incremental merger related expense	8,960	32,704	6,912	6,060	6,571
Branch closure and other restructuring charges	212	2,254	6	705	128
Pension settlement expense	—	6,127	2,896	—	—
Income tax expense	22,433	29,628	36,713	36,154	33,643
Less: Security (losses) gains, net	(51,261)	(595)	(139)	1,446	(1,097)
Adjusted pre-tax pre-provision net revenue	\$ 174,570	\$ 195,518	\$ 189,754	\$ 176,705	\$ 160,360

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Total adjusted noninterest expense					
Total noninterest expense	\$ 319,279	\$ 340,671	\$ 319,734	\$ 285,888	\$ 291,667
Less: Merger expense	5,075	20,276	19,690	7,274	3,974
Incremental merger related expense	8,960	32,704	6,912	6,060	6,571
Branch closure and other restructuring charges	212	2,254	6	705	128
Pension settlement expense	—	6,127	2,896	—	—
Total adjusted noninterest expense	\$ 305,032	\$ 279,310	\$ 290,230	\$ 271,849	\$ 280,994

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
Total tangible assets, excluding AOCI					
Total assets	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 47,747,708	\$ 47,204,061
Less: Goodwill	1,459,302	1,458,795	1,449,511	1,444,209	1,409,038
Other identifiable intangible assets	125,724	132,764	132,953	138,370	191,642
Total tangible assets	50,108,070	47,061,855	46,117,196	46,165,129	45,603,381
Less: AOCI	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(664,000)
Total tangible assets, excluding AOCI	\$ 51,189,956	\$ 48,284,393	\$ 47,415,008	\$ 47,101,474	\$ 46,267,381

(In thousands)	Quarter Ended				
	Mar 2023	Dec 2022	Sep 2022	Jun 2022	Mar 2022
PERIOD END BALANCES:					
Total shareholders' equity, excluding AOCI					
Total shareholders' equity	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757
Less: AOCI	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(664,000)
Total shareholders' equity, excluding AOCI	\$ 5,572,303	\$ 5,533,912	\$ 5,464,737	\$ 5,374,270	\$ 5,307,757
Common shareholders' equity, excluding AOCI					
Total shareholders' equity	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757
Less: preferred stock	166,993	166,993	166,993	166,993	166,993
Common shareholders' equity	4,323,424	4,144,381	3,999,932	4,270,932	4,476,764
Less: AOCI	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(664,000)
Common shareholders' equity, excluding AOCI	\$ 5,405,310	\$ 5,366,919	\$ 5,297,744	\$ 5,207,277	\$ 5,140,764

Total tangible common shareholders' equity, excluding AOCI

Total shareholders' equity	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,437,925	\$ 4,643,757
Less: Goodwill	1,459,302	1,458,795	1,449,511	1,444,209	1,409,038
Other identifiable intangible assets	125,724	132,764	132,953	138,370	191,642
Preferred stock	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	2,738,398	2,552,822	2,417,468	2,688,353	2,876,084
Less: AOCI	(1,081,886)	(1,222,538)	(1,297,812)	(936,345)	(664,000)
Total tangible common shareholders' equity, excluding AOCI	\$ 3,820,284	\$ 3,775,360	\$ 3,715,280	\$ 3,624,698	\$ 3,540,084

AVERAGE BALANCES:

Total tangible common shareholders' equity					
Total shareholders' equity	\$ 4,396,461	\$ 4,215,585	\$ 4,506,655	\$ 4,523,189	\$ 5,062,231
Less: Goodwill	1,459,127	1,457,120	1,444,331	1,407,452	1,407,973
Other identifiable intangible assets	128,957	132,091	136,149	188,897	195,606
Preferred stock	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$ 2,641,384	\$ 2,459,381	\$ 2,759,182	\$ 2,759,847	\$ 3,291,659
Total average assets	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 47,064,829	\$ 47,679,850
Total shares of common stock outstanding	182,684,578	182,437,265	182,438,780	182,461,786	183,488,844
Average shares outstanding-diluted	183,908,798	183,762,008	183,313,831	183,711,402	187,264,335
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.46 %	5.42 %	5.24 %	5.82 %	6.31 %
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽²⁾	7.46	7.82	7.84	7.70	7.65
Return on average tangible common equity ⁽³⁾	11.40	15.42	17.40	18.11	13.87
Adjusted return on average tangible common equity ⁽⁴⁾	19.10	23.04	20.66	19.50	14.98
Adjusted return on average assets ⁽⁵⁾	1.06	1.21	1.22	1.16	1.05
Adjusted return on average common shareholders' equity ⁽⁶⁾	11.93	14.00	13.13	12.36	10.07
Pre-tax pre-provision net revenue to total average assets ⁽⁷⁾	0.91	1.11	1.33	1.40	1.26
Adjusted pre-tax pre-provision net revenue to total average assets ⁽⁸⁾	1.46	1.62	1.58	1.51	1.36
Tangible book value per common share ⁽⁹⁾	\$ 14.99	\$ 13.99	\$ 13.25	\$ 14.73	\$ 15.67
Tangible book value per common share, excluding AOCI ⁽¹⁰⁾	20.91	20.69	20.36	19.87	19.29
Adjusted earnings per common share ⁽¹¹⁾	\$ 0.68	\$ 0.78	\$ 0.78	\$ 0.73	\$ 0.65
Adjusted dividend payout ratio ⁽¹²⁾	34.56 %	28.21 %	28.21 %	30.14 %	33.85 %

Definitions of Non-GAAP Measures:

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

(12) Adjusted dividend payout ratio is defined by the Company as common share dividends divided by net adjusted income available to common shareholders.

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

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

SOURCE Cadence Bank

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Cadence Bank

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<https://ir.cadencebank.com/2023-04-24-Cadence-Bank-Announces-First-Quarter-2023-Financial-Results>