

Cadence Bank Announces Third Quarter 2023 Financial Results

HOUSTON and TUPELO, Miss., Oct. 23, 2023 /PRNewswire/ -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter ended September 30, 2023.

Highlights for the third quarter of 2023 included:

- Achieved quarterly net income available to common shareholders of \$90.2 million, or \$0.49 per diluted common share, and adjusted net income available to common shareholders,⁽¹⁾ which excludes non-routine income and expenses,⁽²⁾ of \$103.9 million, or \$0.56 per diluted common share.
- Net interest margin was relatively stable at 2.98%, reflecting a slower pace of deposit mix shift from noninterest to interest bearing products and a decrease in brokered funds.
- Total loans were flat at \$32.5 billion compared to the second quarter of 2023. On a year-to-date basis, loans have grown 9.6% annualized.
- Deposit balances remained relatively stable, declining \$356.8 million compared to the second quarter of 2023. Excluding reduction in brokered deposits, total deposits increased \$255.5 million, or 2.6% annualized. On a year-to-date basis, total deposits have declined 2.1% annualized.
- Continued to maintain strong balance sheet liquidity, with a loan-to-deposit ratio of 84.8% at September 30, 2023.

"Our third quarter results are highlighted by stability in our balance sheet and net interest margin," remarked Dan Rollins, Chairman and Chief Executive Officer of the Company. "While loan balances were flat for the quarter, we saw customer deposit growth of over \$255 million excluding an intentional reduction in brokered deposits, and a reduction in pace of deposit mix shift from noninterest bearing to interest bearing products. We also continue our focus on improving expenses. Our total employee FTE count has declined by over 400 thus far in 2023 and is expected to decline by an additional 80 FTEs through year end. Similarly, our branch count has declined from 407 at merger to approximately 360 today, including the closure or consolidation of 35 locations in the third quarter."

Earnings Summary

For the third quarter of 2023, the Company reported net income available to common shareholders of \$90.2 million, or \$0.49 per diluted common share, compared with \$121.0 million, or \$0.66 per diluted common share, for the third quarter of 2022 and \$111.7 million, or \$0.61 per diluted common share, for the second quarter of 2023.

Adjusted net income available to common shareholders⁽¹⁾ was \$103.9 million, or \$0.56 per diluted common share, for the third quarter of 2023, compared with \$143.7 million, or \$0.78 per diluted common share, for the third quarter of 2022 and \$116.9 million, or \$0.64 per diluted common share, for the second quarter of 2023.

Additionally, the Company reported adjusted pre-tax pre-provision net revenue (PPNR)⁽¹⁾ of \$153.6 million, or 1.25% of average assets on an annualized basis, for the third quarter of 2023 compared to \$189.8 million, or 1.58% of average assets on an annualized basis, for the third quarter of 2022 and \$168.8 million, or 1.38% of average assets on an annualized basis, for the second quarter of 2023.

Net Interest Revenue

Net interest revenue was \$329.0 million for the third quarter of 2023, compared to \$355.4 million for the third quarter of 2022 and \$333.6 million for the second quarter of 2023. The net interest margin (fully taxable equivalent) was 2.98% for the third quarter of 2023, compared with 3.28% for the third quarter of 2022 and 3.03% for the second quarter of 2023.

Net interest revenue declined \$4.5 million, or 1.4%, compared to the linked quarter as funding costs slightly outpaced improving yields on earning assets. Loan yield improvement was tempered by the slower loan originations in the third quarter of 2023. Accretion revenue was \$6.6 million and \$5.2 million for the third quarter of 2023 and the second quarter of 2023, respectively, adding approximately 7 basis points to the net interest margin for the third quarter of 2023 and 4 basis points for the second quarter of 2023.

Yield on net loans, loans held for sale, and leases excluding accretion, was 6.31% for the third quarter of 2023, up 13 basis points from 6.18% for the second quarter of 2023, while yield on total interest earning assets was 5.38% for the third quarter of 2023, up 17 basis points from 5.21% for the second quarter of 2023. Earning asset yields benefited from the immediate impact of the July Fed action on floating rate loans as well as other fixed and variable rate credits continuing to reprice at higher yields. Approximately 29% of our total loans are floating (reprice within 30 days), and another 19% reprice within 12 months. Our total loan beta, excluding accretion, is 44% cycle-to-date.

The average cost of total deposits increased to 2.14% for the third quarter of 2023, up 27 basis points during the quarter. The third quarter increase in total deposit costs slowed considerably, as the increase was nearly half the pace of the first and second quarters of 2023 cost increases of 52 and 59 basis point increases, respectively. Total interest-bearing liabilities cost increased to 3.17% from 2.92% during the third quarter of 2023. Our total deposit beta is 38% cycle-to-date.

Balance Sheet Activity

Loans and leases, net of unearned income, were \$32.5 billion at September 30, 2023, essentially flat compared to \$32.6 billion at the end of the second quarter of 2023. Total investment securities of \$9.6 billion at September 30, 2023 decreased \$611.3 million during the third quarter as routine portfolio cash flows each quarter continue to be used to fund loan growth and reduce higher cost funding, including brokered deposits.

Total deposits declined \$356.8 million to \$38.3 billion as of September 30, 2023. Total brokered deposits declined \$612.3 million from \$1.8 billion at the end of the second quarter of 2023 to \$1.2 billion at September 30, 2023, or 3.2% of total deposits. Excluding this proactive decline in brokered deposits, total deposits actually increased \$255.5 million, or 2.6% annualized, during the third quarter of 2023. The results reflect growth in both the Corporate and Community core deposit base, partially offset by seasonal declines in public fund deposits of approximately \$250 million. The September 30, 2023 loan to deposit ratio was 84.8% and securities to total assets was 19.9%, reflecting continued strong liquidity. Noninterest bearing deposits represented 25.2% of total deposits at the end of the third quarter of 2023, declining slightly from 26.4% at June 30, 2023, reflective of the moderated deposit mix shift in the third quarter of 2023. The Company's deposit base continues to be very granular, with average transaction account balances of approximately \$22,000 for consumer accounts and \$131,000 for commercial accounts at September 30, 2023. Additionally, approximately 98% of the Company's deposit accounts have balances less than \$250,000, and approximately 75% of our deposit balances were FDIC insured or collateralized at quarter-end.

Short-term borrowings were stable at \$3.5 billion at September 30, 2023 while cash, due from balances and deposits at the Federal Reserve increased \$267.1 million to \$2.0 billion at September 30, 2023.

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

Total non-performing assets as a percent of total assets were stable at 0.33% at September 30, 2023 compared to 0.27% at September 30, 2022 and 0.34% at June 30, 2023. Total non-performing loans and leases as a percent of loans and leases, net were 0.49% at September 30, 2023, compared to 0.40% at September 30, 2022 and 0.50% at June 30, 2023. Other real estate owned and other repossessed assets was \$2.9 million at September 30, 2023 compared to the September 30, 2022 balance of \$8.4 million and the June 30, 2023 balance of \$2.9 million. For the third quarter of 2023, criticized loans declined by \$10 million to \$882 million or 2.71% of loans, down from 2.74% at June 30, 2023 while classified loans increased \$65 million to \$682 million or 2.10% compared to 1.90% at June 30, 2023 reflective of certain grade migration primarily in non-real estate C&I.

Net charge-offs for the third quarter of 2023 were \$34.2 million, or 0.42% of average net loans and leases on an annualized basis, compared with net charge-offs of \$6.7 million for the third quarter of 2022 and net charge-offs of \$12.7 million for the second quarter of 2023. The increase in net charge-offs during the third quarter of 2023 was driven primarily by two C&I credits that were previously identified as impaired and reserved for in prior quarters. The provision for credit losses for the third quarter of 2023 was \$17.0 million, compared with no recorded provision for third quarter of 2022 and \$15.0 million for the second quarter of 2023. The allowance for credit losses of \$446.9 million at September 30, 2023 represented 1.37% as a percent of total loans and leases, down slightly compared to the June 30, 2023 coverage of 1.43%.

Noninterest Revenue

Noninterest revenue was \$119.0 million for the third quarter of 2023, compared with \$124.5 million for the third quarter of 2022 and \$132.3 million for the second quarter of 2023. Adjusted noninterest revenue⁽¹⁾ for the third quarter of 2023 was \$125.6 million, compared with \$124.6 million for the third quarter of 2022 and \$132.2 million for the second quarter of 2023. Adjusted noninterest revenue⁽¹⁾ for the third quarter of 2023 excludes \$6.7 million of facility and signage write-downs associated with the 35 branch closures effected in the third quarter of 2023. The linked quarter decline in adjusted noninterest revenue⁽¹⁾ was driven by lower mortgage production and servicing revenue, a negative mortgage servicing rights adjustment, as well as lower other noninterest income.

Insurance commission revenue continued to remain strong at \$45.0 million for the third quarter of 2023, compared with \$39.9 million for the third quarter of 2022 and \$45.6 million for the second quarter of 2023. The year-over-year quarterly insurance revenue was up \$5.1 million or 12.8% reflecting a continued firm pricing market and strong customer growth and retention.

Credit card, debit card and merchant fee revenue was \$12.4 million for the third quarter of 2023, compared with \$14.5 million for the third quarter of 2022 and \$12.6 million for the second quarter of 2023. Deposit service charge revenue was \$16.9 million for the third quarter of 2023 compared with \$19.1 million for the third quarter of 2022 and \$17.2 million for the second quarter of 2023. The declines include increases in earnings credit rate on corporate accounts. Other noninterest revenue was \$17.9 million for the third quarter of 2023, compared with \$22.7 million for the third quarter of 2022 and \$26.7 million for the second quarter of 2023. The decline compared to the second quarter of 2023 is driven primarily by \$6.7 million of facility and signage write-downs associated with the 35 branch closures effected in the third quarter of 2023. The remainder of this decline was driven by lower credit related fees, SBA income, and other investment income.

Mortgage production and servicing revenue totaled \$5.8 million for the third quarter of 2023, compared with \$4.7 million for the third quarter of 2022 and \$6.8 million for the second quarter of 2023. The net mortgage servicing rights valuation adjustment was a negative \$0.2 million for the third quarter of 2023, compared with a positive \$4.3 million for the third quarter of 2022 and a positive \$1.6 million for the second quarter of 2023 with the variances due to continued changes in the interest rate environment. Mortgage origination volume for the third quarter of 2023 was \$615.2 million, compared with \$769.9 million for the third quarter of 2022 and \$848.9 million for the second quarter of 2023. The decline compared to the second quarter of 2023 reflects routine selling seasonality while the year-over-year decline was impacted by a decline in refinance activity due to the rate environment.

Noninterest Expense

Noninterest expense for the third quarter of 2023 was \$312.3 million, compared with \$319.7 million for the third quarter of 2022 and \$303.9 million for the second quarter of 2023. Adjusted noninterest expense⁽¹⁾ for the third quarter of 2023 was \$301.0 million, compared with \$290.2 million for the third quarter of 2022 and \$297.0 million for the second quarter of 2023. Adjusted noninterest expense⁽¹⁾ for the third quarter of 2023 excludes \$10.6 million in restructuring charges related to efficiency initiatives including compensation matters as well as legal and advisory costs. The adjusted efficiency ratio⁽¹⁾ was 66.1% for the third quarter of 2023 compared to 63.6% for the second quarter of 2023.

The \$4.0 million, or 1.4%, increase in adjusted noninterest expense⁽¹⁾ compared to the linked quarter was driven primarily by a \$2.7 million increase in deposit insurance assessment expense resulting from an increase in insured deposits, higher second quarter loan balances and certain changes in credit quality metrics that impact the assessment. Salaries and employee benefits increased \$4.0 million in the third quarter of 2023, reflecting an increase of \$2.6 million in restructuring costs and the impact of our annual merit cycle effective July 1, partially offset by branch closures and reduced headcount during the third quarter of 2023. Employee headcount declined by 319 FTE during the third quarter of 2023, and over the last 12 months has declined by 469 FTE or 7%.

Capital Management

Total shareholders' equity was \$4.4 billion at September 30, 2023 compared with \$4.2 billion at September 30, 2022 and \$4.5 billion at June 30, 2023. Estimated regulatory capital ratios at September 30, 2023 included Common Equity Tier 1 capital of 10.3%, Tier 1 capital of 10.8%, Total risk-based capital of 12.9%, and Tier 1 leverage capital of 8.6%. During the third quarter of 2023, the Company did not repurchase any shares of its common stock pursuant to its 10 million share repurchase authorization for 2023. Outstanding common shares were 182.6 million as of September 30, 2023.

Summary

Rollins concluded, "We are excited about the opportunities ahead of us. Our funding and margin dynamics have stabilized, credit quality remains well-managed and within risk tolerances, and our efficiency initiatives continue and should be more evident in our financial results as we move forward, particularly into 2024. Our bankers remain focused on both sides of the balance sheet - producing quality loan growth as well as protecting and growing core deposit relationships."

Conference Call and Webcast

The Company will conduct a conference call to discuss its third quarter 2023 financial results on October 24, 2023, at 10:00 a.m. (Central Time). This conference call will be an interactive session between management and analysts. Interested parties may listen to this live conference call via Internet webcast by accessing <http://ir.cadencebank.com/events>. The webcast will also be available in archived format at the same address.

(1) Considered a non-GAAP financial measure. A discussion regarding these non-GAAP measures and ratios, including reconciliations of non-GAAP measures to the most directly comparable GAAP measures and definitions for non-GAAP ratios, appears in Table 14 "Reconciliation of Non-GAAP Measures and Other Non-GAAP Ratio Definitions" beginning on page 22 of this news release.

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

About Cadence Bank

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

Forward-Looking Statements

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

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

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

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

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

Table 1

**Selected Financial Data
(Unaudited)**

(In thousands)	Quarter Ended					Year-to-date	
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023	Sep 2022
Earnings Summary:							
Interest revenue	\$ 595,518	\$ 573,419	\$ 526,132	\$ 473,548	\$ 405,559	\$ 1,695,069	\$ 1,087,044
Interest expense	266,499	239,868	171,862	114,188	50,205	678,229	95,102
Net interest revenue	329,019	333,551	354,270	359,360	355,354	1,016,840	991,942
Provision for credit losses	17,000	15,000	10,000	6,000	—	42,000	1,000
Net interest revenue, after provision for credit losses	312,019	318,551	344,270	353,360	355,354	974,840	990,942
Noninterest revenue	118,997	132,290	74,071	114,873	124,491	325,358	378,160
Noninterest expense	312,267	303,878	319,279	340,671	319,734	935,424	897,289
Income before income taxes	118,749	146,963	99,062	127,562	160,111	364,774	471,813
Income tax expense	26,166	32,935	22,433	29,628	36,713	81,534	106,510
Net income	92,583	114,028	76,629	97,934	123,398	283,240	365,303
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116	7,116
Net income available to common shareholders	\$ 90,211	\$ 111,656	\$ 74,257	\$ 95,562	\$ 121,026	\$ 276,124	\$ 358,187

Balance Sheet - Period End Balances

Total assets	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 48,523,010	\$ 47,699,660
Total earning assets	43,729,220	44,012,570	46,808,612	43,722,544	42,832,355	43,729,220	42,832,355
Available-for-sale securities	9,643,231	10,254,580	10,877,879	11,944,096	12,441,894	9,643,231	12,441,894
Loans and leases, net of unearned income	32,520,593	32,556,708	31,282,594	30,349,277	29,296,450	32,520,593	29,296,450
Allowance for credit losses (ACL)	446,859	466,013	453,727	440,347	433,363	446,859	433,363
Net book value of acquired loans	6,895,487	7,357,174	7,942,980	8,754,526	8,841,588	6,895,487	8,841,588
Unamortized net discount on acquired loans	30,761	37,000	41,748	58,162	58,887	30,761	58,887
Total deposits	38,344,885	38,701,669	39,406,454	38,956,614	39,003,946	38,344,885	39,003,946
Total deposits and repurchase agreements	39,207,474	39,492,427	40,177,789	39,665,350	39,682,280	39,207,474	39,682,280
Other short-term borrowings	3,500,223	3,500,226	5,700,228	3,300,231	2,495,000	3,500,223	2,495,000
Subordinated and long-term debt	449,323	449,733	462,144	462,554	463,291	449,323	463,291
Total shareholders' equity	4,395,257	4,485,850	4,490,417	4,311,374	4,166,925	4,395,257	4,166,925
Total shareholders' equity, excluding AOCI ⁽¹⁾	5,705,178	5,648,925	5,572,303	5,533,912	5,464,737	5,705,178	5,464,737
Common shareholders' equity	4,228,264	4,318,857	4,323,424	4,144,381	3,999,932	4,228,264	3,999,932
Common shareholders' equity, excluding AOCI ⁽¹⁾	\$ 5,538,185	\$ 5,481,932	\$ 5,405,310	\$ 5,366,919	\$ 5,297,744	\$ 5,538,185	\$ 5,297,744

Balance Sheet - Average Balances

Total assets	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557	\$ 48,791,497	\$ 47,446,436
Total earning assets	44,005,800	44,231,755	43,819,715	42,976,050	43,079,481	44,019,772	43,092,786
Available-for-sale securities	10,004,441	10,655,791	11,354,457	12,156,803	13,252,828	10,666,618	14,081,502
Loans and leases, net of unearned income	32,311,572	31,901,096	30,891,640	29,812,924	28,872,156	31,706,637	27,948,795
Total deposits	38,468,912	38,934,793	38,904,048	38,372,354	39,600,886	38,767,657	39,850,473
Total deposits and repurchase agreements	39,295,967	39,708,963	39,632,023	39,033,328	40,256,109	39,544,419	40,522,105
Other short-term borrowings	3,510,942	3,541,985	3,326,196	3,251,947	1,608,587	3,460,386	1,017,106
Subordinated and long-term debt	449,568	455,617	462,385	462,927	464,843	455,810	465,704
Total shareholders' equity	4,505,162	4,539,353	4,396,461	4,215,585	4,506,655	4,480,723	4,695,324

Common shareholders' equity	\$ 4,338,169	\$ 4,372,360	\$ 4,229,468	\$ 4,048,592	\$ 4,339,662	\$ 4,313,730	\$ 4,528,331
Nonperforming Assets:							
Nonaccrual loans and leases	\$ 150,038	\$ 157,243	\$ 160,615	\$ 98,745	\$ 89,931	\$ 150,038	\$ 89,931
Loans and leases 90+ days past due, still accruing	9,152	4,412	5,164	2,068	11,984	9,152	11,984
Accruing TDR ⁽²⁾	—	—	—	8,598	16,200	—	16,200
Non-performing loans and leases (NPL)	159,190	161,655	165,779	109,411	118,115	159,190	118,115
Other real estate owned and other assets	2,927	2,857	5,327	6,725	8,376	2,927	8,376
Non-performing assets (NPA)	\$ 162,117	\$ 164,512	\$ 171,106	\$ 116,136	\$ 126,491	\$ 162,117	\$ 126,491

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 22 - 26.

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

Table 2
Selected Financial Ratios

	Quarter Ended					Year-to-date	
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023	Sep 2022
Financial Ratios and Other Data:							
Return on average assets ⁽²⁾	0.75 %	0.93 %	0.64 %	0.81 %	1.03 %	0.78 %	1.03 %
Adjusted return on average assets ⁽¹⁾⁽²⁾	0.87	0.97	1.06	1.21	1.22	0.97	1.15
Return on average common shareholders' equity ⁽²⁾	8.25	10.24	7.12	9.36	11.06	8.56	10.58
Adjusted return on average common shareholders' equity ⁽¹⁾⁽²⁾	9.50	10.72	11.93	14.00	13.13	10.70	11.79
Return on average tangible common equity ⁽¹⁾⁽²⁾	12.96	16.05	11.40	15.42	17.40	13.52	16.32
Adjusted return on average tangible common equity ⁽¹⁾⁽²⁾	14.92	16.80	19.10	23.04	20.66	16.89	18.19
Pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	1.11	1.32	0.91	1.11	1.33	1.11	1.33
Adjusted pre-tax pre-provision net revenue to total average assets ⁽¹⁾⁽²⁾	1.25	1.38	1.46	1.62	1.58	1.36	1.48
Net interest margin-fully taxable equivalent	2.98	3.03	3.29	3.33	3.28	3.10	3.09
Net interest rate spread-fully taxable equivalent	2.21	2.29	2.65	2.84	3.05	2.37	2.93
Efficiency ratio fully tax equivalent ⁽¹⁾	69.53	65.08	74.36	71.67	66.49	69.53	65.34
Adjusted efficiency ratio fully tax equivalent ⁽¹⁾	66.06	63.62	63.46	58.69	60.33	64.36	61.40
Loan/deposit ratio	84.81 %	84.12 %	79.38 %	77.91 %	75.11 %	84.81 %	75.11 %
Full time equivalent employees	6,160	6,479	6,567	6,572	6,629	6,160	6,629
Credit Quality Ratios:							
Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.42 %	0.16 %	0.02 %	(0.07) %	0.09 %	0.20 %	0.02 %
Provision for credit losses to average loans and leases ⁽²⁾	0.21	0.19	0.13	0.08	—	0.18	—
ACL to loans and leases, net	1.37	1.43	1.45	1.45	1.48	1.37	1.48
ACL to NPL	280.71	288.28	273.69	402.47	366.90	280.71	366.90
NPL to loans and leases, net	0.49	0.50	0.53	0.36	0.40	0.49	0.40
NPA to total assets	0.33	0.34	0.33	0.24	0.27	0.33	0.27
Equity Ratios:							
Total shareholders' equity to total assets	9.06 %	9.19 %	8.69 %	8.86 %	8.74 %	9.06 %	8.74 %
Total common shareholders' equity to total assets	8.71	8.84	8.36	8.52	8.39	8.71	8.39
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.65	5.80	5.46	5.42	5.24	5.65	5.24
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽¹⁾	8.22	8.06	7.46	7.82	7.84	8.22	7.84
Capital Adequacy ⁽³⁾:							
Common Equity Tier 1 capital	10.3 %	10.1 %	10.1 %	10.2 %	10.3 %	10.3	10.3 %
Tier 1 capital	10.8	10.5	10.6	10.7	10.7	10.8	10.7
Total capital	12.9	12.7	12.8	12.8	12.8	12.9	12.8
Tier 1 leverage capital	8.6	8.5	8.4	8.4	8.4	8.6	8.4

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

(1) 26.

(2) Annualized.

(3) Current quarter regulatory capital ratios are estimated.

Table 3
Selected Financial Information

	Quarter Ended					Year-to-date	
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023	Sep 2022
Common Share Data:							
Diluted earnings per share	\$ 0.49	\$ 0.61	\$ 0.40	\$ 0.52	\$ 0.66	\$ 1.50	\$ 1.94
Adjusted earnings per share ⁽¹⁾	0.56	0.64	0.68	0.78	0.78	1.87	2.16
Cash dividends per share	0.235	0.235	0.235	0.22	0.22	0.705	0.66
Book value per share	23.15	23.65	23.67	22.72	21.92	23.15	21.92
Tangible book value per share ⁽¹⁾	14.54	15.01	14.99	13.99	13.25	14.54	13.25
Market value per share (last)	21.22	19.88	20.76	24.66	25.41	21.22	25.41
Market value per share (high)	25.87	21.73	28.18	29.41	28.54	28.18	34.24
Market value per share (low)	19.00	16.95	19.24	22.43	22.04	16.95	22.04
Market value per share (average)	22.56	19.73	24.88	26.84	25.68	22.41	27.52
Dividend payout ratio	47.96 %	38.52 %	58.75 %	42.31 %	33.33 %	47.00 %	34.02 %
Adjusted dividend payout ratio ⁽¹⁾	41.96 %	36.72 %	34.56 %	28.21 %	28.21 %	37.70 %	30.56 %
Total shares outstanding	182,611,075	182,626,229	182,684,578	182,437,265	182,438,780	182,611,075	182,438,780
Average shares outstanding - diluted	184,645,004	183,631,570	183,908,798	183,762,008	183,313,831	184,062,368	184,747,880
Yield/Rate:							
(Taxable equivalent basis)							
Loans, loans held for sale, and leases	6.39 %	6.24 %	6.00 %	5.54 %	4.82 %	6.22 %	4.45 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	6.31	6.18	5.87	5.41	4.70	6.12	4.27
Available-for-sale securities:							
Taxable	2.07	2.09	1.80	1.54	1.44	1.98	1.35
Tax-exempt	3.23	3.21	3.21	3.28	3.05	3.22	2.85
Other investments	5.36	5.05	4.64	3.69	2.32	5.02	1.10
Total interest earning assets and revenue	5.38	5.21	4.88	4.38	3.74	5.16	3.38
Deposits	2.14	1.87	1.28	0.76	0.35	1.76	0.22
Interest bearing demand and money market	2.79	2.49	2.03	1.34	0.60	2.43	0.35
Savings	0.56	0.51	0.36	0.31	0.17	0.47	0.10
Time	3.98	3.69	2.24	1.17	0.56	3.48	0.52
Total interest bearing deposits	2.88	2.58	1.86	1.17	0.53	2.46	0.34
Fed funds purchased, securities sold under agreement to repurchase and other	4.27	3.97	3.73	3.04	1.65	3.99	0.78
Short-term FHLB borrowings	3.54	5.24	4.66	3.84	2.05	4.91	1.56
Short-term BTFP borrowings	5.15	5.15	—	—	—	5.15	—
Total interest bearing deposits and short-term borrowings	3.16	2.90	2.20	1.50	0.64	2.77	0.39
Long-term debt	4.22	4.23	4.27	4.15	4.16	4.24	4.16
Total interest bearing liabilities	3.17	2.92	2.23	1.54	0.70	2.79	0.45
Interest bearing liabilities to interest earning assets	75.74 %	74.57 %	71.24 %	68.42 %	66.19 %	73.87 %	65.30 %
Net interest income tax equivalent adjustment (in thousands)	\$ 1,081	\$ 1,063	\$ 1,051	\$ 1,071	\$ 1,052	\$ 3,197	\$ 3,141

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

(1) 26.

Table 4
Consolidated Balance Sheets
(Unaudited)

(In thousands)	As of				
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
ASSETS					
Cash and due from banks	\$ 594,787	\$ 722,625	\$ 660,431	\$ 756,906	\$ 693,999
Interest bearing deposits with other banks and Federal funds sold	1,403,020	1,008,048	4,452,029	1,241,246	895,630
Available-for-sale securities, at fair value	9,643,231	10,254,580	10,877,879	11,944,096	12,441,894
Loans and leases, net of unearned income	32,520,593	32,556,708	31,282,594	30,349,277	29,296,450
Allowance for credit losses	446,859	466,013	453,727	440,347	433,363
Net loans and leases	32,073,734	32,090,695	30,828,867	29,908,930	28,863,087
Loans held for sale, at fair value	162,376	193,234	196,110	187,925	198,381
Premises and equipment, net	818,006	830,184	826,439	817,430	802,382
Goodwill	1,459,302	1,459,302	1,459,302	1,458,795	1,449,511
Other intangible assets, net	114,127	119,098	125,724	132,764	132,953
Bank-owned life insurance	639,073	634,985	631,174	630,046	624,696
Other assets	1,615,354	1,525,909	1,635,141	1,575,276	1,597,127
Total Assets	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660
LIABILITIES					
Deposits:					
Demand: Noninterest bearing	\$ 9,657,198	\$ 10,223,508	\$ 11,517,037	\$ 12,731,065	\$ 13,839,649
Interest bearing	18,334,551	18,088,711	18,146,678	19,040,131	18,033,648
Savings	2,837,348	2,983,709	3,226,685	3,473,746	3,676,340
Time deposits	7,515,788	7,405,741	6,516,054	3,711,672	3,454,309
Total deposits	38,344,885	38,701,669	39,406,454	38,956,614	39,003,946
Securities sold under agreement to repurchase	862,589	790,758	771,335	708,736	678,334
Other short-term borrowings	3,500,223	3,500,226	5,700,228	3,300,231	2,495,000
Subordinated and long-term debt	449,323	449,733	462,144	462,554	463,291
Other liabilities	970,733	910,424	862,518	913,905	892,164
Total Liabilities	44,127,753	44,352,810	47,202,679	44,342,040	43,532,735
SHAREHOLDERS' EQUITY					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,528	456,566	456,711	456,093	456,097
Capital surplus	2,733,003	2,724,021	2,715,981	2,709,391	2,695,646
Accumulated other comprehensive loss	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)
Retained earnings	2,348,654	2,301,345	2,232,618	2,201,435	2,146,001
Total Shareholders' Equity	4,395,257	4,485,850	4,490,417	4,311,374	4,166,925
Total Liabilities & Shareholders' Equity	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660

Table 5
Consolidated Quarterly Average Balance Sheets
(Unaudited)

(In thousands)					
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
ASSETS					
Cash and due from banks	\$ 587,040	\$ 610,948	\$ 695,263	\$ 617,634	\$ 654,589
Interest bearing deposits with other banks and Federal funds sold	1,574,134	1,607,830	1,526,755	943,806	851,185
Available-for-sale securities, at fair value	10,004,441	10,655,791	11,354,457	12,156,803	13,252,828
Loans and leases, net of unearned income	32,311,572	31,901,096	30,891,640	29,812,924	28,872,156
Allowance for credit losses	459,698	457,027	442,486	434,785	441,042
Net loans and leases	31,851,874	31,444,069	30,449,154	29,378,139	28,431,114
Loans held for sale, at fair value	115,653	67,038	46,863	62,517	103,312
Premises and equipment, net	837,516	829,938	824,190	802,771	809,799
Goodwill	1,459,302	1,459,302	1,459,127	1,457,120	1,444,331
Other intangible assets, net	116,715	123,313	128,957	132,091	136,149
Bank-owned life insurance	636,335	632,489	630,601	625,938	613,973
Other assets	1,472,128	1,636,403	1,536,834	1,613,675	1,298,277
Total Assets	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557

LIABILITIES
Deposits:

Demand: Noninterest bearing	\$ 9,924,554	\$ 10,725,108	\$ 12,203,079	\$ 13,344,152	\$ 13,816,796
Interest bearing	17,970,463	17,997,618	19,009,345	17,866,198	18,675,214
Savings	2,913,027	3,088,174	3,363,236	3,555,911	3,720,218
Time deposits	7,660,868	7,123,893	4,328,388	3,606,093	3,388,658
Total deposits	38,468,912	38,934,793	38,904,048	38,372,354	39,600,886
Securities sold under agreement to repurchase	827,055	774,170	727,975	660,974	655,223
Other short-term borrowings	3,510,942	3,541,985	3,326,196	3,251,947	1,608,587
Subordinated and long-term debt	449,568	455,617	462,385	462,927	464,843
Other liabilities	893,499	821,203	835,136	826,707	759,363
Total Liabilities	44,149,976	44,527,768	44,255,740	43,574,909	43,088,902

SHAREHOLDERS' EQUITY

Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,557	456,755	456,354	456,095	456,130
Capital surplus	2,726,686	2,717,866	2,710,501	2,701,121	2,689,340
Accumulated other comprehensive loss	(1,175,077)	(1,087,389)	(1,174,723)	(1,302,388)	(922,673)
Retained earnings	2,330,003	2,285,128	2,237,336	2,193,764	2,116,865
Total Shareholders' Equity	4,505,162	4,539,353	4,396,461	4,215,585	4,506,655
Total Liabilities & Shareholders' Equity	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494	\$ 47,595,557

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

(Dollars in thousands, except per share data)	Quarter Ended					Year-to-date	
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023	Sep 2022
INTEREST REVENUE:							
Loans and leases	\$ 520,126	\$ 496,262	\$ 457,084	\$ 414,623	\$ 349,093	\$ 1,473,472	\$ 928,039
Available-for-sale securities:							
Taxable	50,277	53,531	48,515	45,807	46,701	152,323	138,110
Tax-exempt	2,375	2,427	2,477	2,547	2,548	7,279	7,533
Loans held for sale	1,468	961	603	1,788	2,241	3,033	5,766
Short-term investments	21,272	20,238	17,453	8,783	4,976	58,962	7,596
Total interest revenue	595,518	573,419	526,132	473,548	405,559	1,695,069	1,087,044
INTEREST EXPENSE:							
Interest bearing demand deposits and money market accounts	126,296	111,938	95,344	60,253	28,175	333,578	49,636
Savings	4,108	3,915	3,014	2,769	1,597	11,037	2,753
Time deposits	76,867	65,517	23,950	10,651	4,797	166,333	13,602
Federal funds purchased and securities sold under agreement to repurchase	9,004	7,656	7,667	8,365	3,944	24,327	5,067
Short-term debt	45,438	46,036	37,015	27,302	6,822	128,490	9,562
Subordinated and long-term debt	4,786	4,806	4,872	4,848	4,870	14,464	14,482
Total interest expense	266,499	239,868	171,862	114,188	50,205	678,229	95,102
Net interest revenue	329,019	333,551	354,270	359,360	355,354	1,016,840	991,942
Provision for credit losses	17,000	15,000	10,000	6,000	—	42,000	1,000
Net interest revenue, after provision for credit losses	312,019	318,551	344,270	353,360	355,354	974,840	990,942
NONINTEREST REVENUE:							
Mortgage banking	5,684	8,356	6,076	2,571	9,080	20,115	42,289
Credit card, debit card and merchant fees	12,413	12,617	11,851	15,750	14,497	36,882	42,410
Deposit service charges	16,867	17,208	16,482	16,863	19,134	50,557	56,615
Security gains (losses), net	64	69	(51,261)	(595)	(139)	(51,127)	211
Insurance commissions	44,989	45,603	39,606	34,679	39,876	130,198	115,596
Wealth management	21,079	21,741	21,532	19,199	19,335	64,351	61,286
Other noninterest income	17,901	26,696	29,785	26,406	22,708	74,382	59,753
Total noninterest revenue	118,997	132,290	74,071	114,873	124,491	325,358	378,160

NONINTEREST EXPENSE:

Salaries and employee benefits	194,812	190,854	195,702	183,918	191,193	581,368	561,106
Occupancy and equipment	28,343	29,590	29,113	30,539	30,610	87,046	89,008
Data processing and software	29,933	28,073	31,869	29,289	28,079	89,875	84,644
Merger expense	—	137	5,075	20,276	19,690	5,212	30,938
Amortization of intangibles	4,971	6,626	5,005	5,251	5,417	16,601	15,240
Deposit insurance assessments	10,425	7,705	8,361	5,931	4,499	26,491	12,781
Pension settlement expense	600	—	—	6,127	2,896	600	2,896
Other noninterest expense	43,183	40,893	44,154	59,340	37,350	128,231	100,676
Total noninterest expense	312,267	303,878	319,279	340,671	319,734	935,424	897,289
Income before income taxes	118,749	146,963	99,062	127,562	160,111	364,774	471,813
Income tax expense	26,166	32,935	22,433	29,628	36,713	81,534	106,510
Net income	92,583	114,028	76,629	97,934	123,398	283,240	365,303
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116	7,116
Net income available to common shareholders	\$ 90,211	\$ 111,656	\$ 74,257	\$ 95,562	\$ 121,026	\$ 276,124	\$ 358,187
Net income per common share: Diluted	\$ 0.49	\$ 0.61	\$ 0.40	\$ 0.52	\$ 0.66	\$ 1.50	\$ 1.94

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

(In thousands)	Quarter Ended				
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
LOAN AND LEASE PORTFOLIO:					
Commercial and industrial					
Non-real estate	\$ 9,199,024	\$ 9,636,481	\$ 9,159,387	\$ 8,985,547	\$ 8,803,381
Owner occupied	4,361,530	4,358,000	4,278,468	4,068,659	3,943,442
Total commercial and industrial	13,560,554	13,994,481	13,437,855	13,054,206	12,746,823
Commercial real estate					
Construction, acquisition and development	3,819,307	3,744,114	3,703,137	3,547,986	3,244,425
Income producing	5,720,606	5,596,134	5,368,676	5,150,680	5,098,470
Total commercial real estate	9,539,913	9,340,248	9,071,813	8,698,666	8,342,895
Consumer					
Residential mortgages	9,186,179	8,989,614	8,536,032	8,319,242	7,924,378
Other consumer	233,947	232,365	236,894	277,163	282,354
Total consumer	9,420,126	9,221,979	8,772,926	8,596,405	8,206,732
Total loans and leases, net of unearned income	\$ 32,520,593	\$ 32,556,708	\$ 31,282,594	\$ 30,349,277	\$ 29,296,450

NON-PERFORMING ASSETS
Non-performing Loans and Leases
Nonaccrual Loans and Leases

Commercial and industrial					
Non-real estate	\$ 67,962	\$ 72,592	\$ 65,783	\$ 23,907	\$ 23,916
Owner occupied	6,486	7,541	9,089	7,944	8,327
Total commercial and industrial	74,448	80,133	74,872	31,851	32,243
Commercial real estate					
Construction, acquisition and development	4,608	4,496	1,850	2,974	1,823
Income producing	12,251	19,205	20,616	7,331	8,580
Total commercial real estate	16,859	23,701	22,466	10,305	10,403
Consumer					
Residential mortgages	58,488	53,171	62,748	55,892	46,671
Other consumer	243	238	529	697	614
Total consumer	58,731	53,409	63,277	56,589	47,285
Total nonaccrual loans and leases	\$ 150,038	\$ 157,243	\$ 160,615	\$ 98,745	\$ 89,931
Loans and leases 90+ days past due, still accruing	9,152	4,412	5,164	2,068	11,984
Restructured loans and leases, still accruing	—	—	—	8,598	16,200
Total non-performing loans and leases	\$ 159,190	\$ 161,655	\$ 165,779	\$ 109,411	\$ 118,115

Other real estate owned and repossessed assets	2,927	2,857	5,327	6,725	8,376
Total non-performing assets	\$ 162,117	\$ 164,512	\$ 171,106	\$ 116,136	\$ 126,491
Additions to nonaccrual loans and leases during the quarter (excluding acquisitions)	\$ 41,773	\$ 57,764	\$ 89,779	\$ 38,945	\$ 34,432

Table 8
Allowance for Credit Losses
(Unaudited)

(Dollars in thousands)	Quarter Ended				
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 466,013	\$ 453,727	\$ 440,347	\$ 433,363	\$ 440,112
Charge-offs:					
Commercial and industrial	(34,959)	(13,598)	(2,853)	(2,295)	(11,551)
Commercial real estate	(931)	(126)	(1,988)	(426)	(1,116)
Consumer	(1,608)	(1,916)	(2,189)	(2,650)	(2,653)
Total loans charged-off	(37,498)	(15,640)	(7,030)	(5,371)	(15,320)
Recoveries:					
Commercial and industrial	2,240	1,360	3,399	6,405	3,657
Commercial real estate	201	618	779	2,851	3,509
Consumer	903	948	977	1,099	1,405
Total recoveries	3,344	2,926	5,155	10,355	8,571
Net (charge-offs) recoveries	(34,154)	(12,714)	(1,875)	4,984	(6,749)
Adoption of new ASU related to modified loans ⁽³⁾	—	—	255	—	—
Provision for credit losses related to loans and leases	15,000	25,000	15,000	2,000	—
Total provision for loans and leases	15,000	25,000	15,000	2,000	—
Balance, end of period	\$ 446,859	\$ 466,013	\$ 453,727	\$ 440,347	\$ 433,363
Average loans and leases, net of unearned income, for period	\$ 32,311,572	\$ 31,901,096	\$ 30,891,640	\$ 29,812,924	\$ 28,872,156
Ratio: Net charge-offs (recoveries) to average loans and leases ⁽²⁾	0.42 %	0.16 %	0.02 %	(0.07) %	0.09 %
RESERVE FOR UNFUNDED COMMITMENTS ⁽¹⁾					
Balance, beginning of period	\$ 13,551	\$ 23,551	\$ 28,551	\$ 24,551	\$ 24,551
Provision (reversal) for credit losses for unfunded commitments	2,000	(10,000)	(5,000)	4,000	—
Balance, end of period	\$ 15,551	\$ 13,551	\$ 23,551	\$ 28,551	\$ 24,551

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

Table 9
Loan Portfolio by Grades
(Unaudited)

(In thousands)	September 30, 2023					
	Pass	Special Mention	Substandard	Impaired	Purchased Credit Deteriorated (Loss)	Total
LOAN AND LEASE PORTFOLIO:						
Commercial and industrial						
Non-real estate	\$ 8,690,172	\$ 100,118	\$ 388,741	\$ 15,337	\$ 4,656	\$ 9,199,024
Owner occupied	4,281,916	30,414	46,803	1,275	1,122	4,361,530
Total commercial and industrial	12,972,088	130,532	435,544	16,612	5,778	13,560,554

Commercial real estate						
Construction, acquisition and development	3,798,695	2,975	17,637	—	—	3,819,307
Income producing	5,519,028	65,473	124,731	11,374	—	5,720,606
Total commercial real estate	9,317,723	68,448	142,368	11,374	—	9,539,913
Consumer ⁽¹⁾						
Residential mortgages	9,114,880	1,366	68,359	—	1,574	9,186,179
Other consumer	233,505	—	442	—	—	233,947
Total consumer	9,348,385	1,366	68,801	—	1,574	9,420,126
Total loans and leases, net of unearned income	\$ 31,638,196	\$ 200,346	\$ 646,713	\$ 27,986	\$ 7,352	\$ 32,520,593

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

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

Table 10
Geographical Loan Information
(Unaudited)

(Dollars in thousands)	September 30, 2023							
	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 360,970	\$ 162,650	\$ 491,854	\$ 514,031	\$ 330,072	\$ 516,449	\$ 65,475	\$ 341
Owner occupied	351,835	252,880	284,886	319,982	288,640	594,127	92,167	164,564
Total commercial and industrial	712,805	415,530	776,740	834,013	618,712	1,110,576	157,642	506,341
Commercial real estate								
Construction, acquisition and development	210,809	73,567	306,869	422,605	59,957	201,138	49,584	163,621
Income producing	427,591	275,663	374,452	634,494	217,475	423,473	193,555	328,808
Total commercial real estate	638,400	349,230	681,321	1,057,099	277,432	624,611	243,139	492,429
Consumer								
Residential mortgages	1,204,991	388,592	634,059	405,382	459,661	1,138,245	175,973	720,227
Other consumer	31,446	18,075	5,188	7,268	11,360	86,899	1,706	16,914
Total consumer	1,236,437	406,667	639,247	412,650	471,021	1,225,144	177,679	737,141
Total loans and leases, net of unearned income	\$ 2,587,642	\$ 1,171,427	\$ 2,097,308	\$ 2,303,762	\$ 1,367,165	\$ 2,960,331	\$ 578,460	\$ 1,735
Loan growth, excluding loans acquired during the quarter (\$)								
	\$ (14,602)	\$ 12,160	\$ (3,504)	\$ 29,586	\$ 32,312	\$ 7,060	\$ 901	\$ 4

Loan growth, excluding loans acquired during the quarter (%) (annualized)	(2.23) %	4.16 %	(0.66) %	5.16 %	9.60 %	0.95 %	0.62 %	0.95 %
June 30, 2023								
(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi	Missouri	Tennessee
LOAN AND LEASE PORTFOLIO:								
Commercial and industrial								
Non-real estate	\$ 377,605	\$ 153,433	\$ 535,035	\$ 553,110	\$ 324,964	\$ 508,159	\$ 80,894	\$ 348,
Owner occupied	358,089	244,598	304,871	315,771	281,270	596,732	91,474	169,620
Total commercial and industrial	735,694	398,031	839,906	868,881	606,234	1,104,891	172,368	518,098
Commercial real estate								
Construction, acquisition and development	200,551	81,766	261,666	404,301	48,211	199,099	44,273	146,479
Income producing	454,443	279,541	371,717	595,999	211,076	436,653	190,959	335,009
Total commercial real estate	654,994	361,307	633,383	1,000,300	259,287	635,752	235,232	481,488
Consumer								
Residential mortgages	1,180,606	382,172	622,179	398,080	457,968	1,127,557	168,403	715,992
Other consumer	30,950	17,757	5,344	6,915	11,364	85,071	1,556	16,206
Total consumer	1,211,556	399,929	627,523	404,995	469,332	1,212,628	169,959	732,198
Total loans and leases, net of unearned income	\$ 2,602,244	\$ 1,159,267	\$ 2,100,812	\$ 2,274,176	\$ 1,334,853	\$ 2,953,271	\$ 577,559	\$ 1,731,

Table 11
Noninterest Revenue and Expense
(Unaudited)

(In thousands)	Quarter Ended					Year-to-date	
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023	Sep 2022
NONINTEREST REVENUE:							
Mortgage banking excl. MSR and MSR hedge market value adjustment	\$ 5,842	\$ 6,774	\$ 8,379	\$ 5,408	\$ 4,746	\$ 20,995	\$ 19,234
MSR and MSR hedge market value adjustment	(158)	1,582	(2,303)	(2,837)	4,334	(880)	23,055
Credit card, debit card and merchant fees	12,413	12,617	11,851	15,750	14,497	36,882	42,410
Deposit service charges	16,867	17,208	16,482	16,863	19,134	50,557	56,615
Security gains (losses), net	64	69	(51,261)	(595)	(139)	(51,127)	211
Insurance commissions	44,989	45,603	39,606	34,679	39,876	130,198	115,596
Trust income	10,574	10,084	10,553	9,113	9,011	31,211	28,201
Annuity fees	1,882	1,702	2,192	951	600	5,775	1,957
Brokerage commissions and fees	8,623	9,955	8,787	9,135	9,724	27,365	31,128
Bank-owned life insurance	4,108	3,811	3,647	5,436	3,537	11,566	10,158
Other miscellaneous income	13,793	22,885	26,138	20,970	19,171	62,816	49,595
Total noninterest revenue	\$ 118,997	\$ 132,290	\$ 74,071	\$ 114,873	\$ 124,491	\$ 325,358	\$ 378,160
NONINTEREST EXPENSE:							
Salaries and employee benefits	\$ 194,812	\$ 190,854	\$ 195,702	\$ 183,918	\$ 191,193	\$ 581,368	\$ 561,106
Occupancy and equipment	28,343	29,590	29,113	30,539	30,610	87,046	89,008
Deposit insurance assessments	10,425	7,705	8,361	5,931	4,499	26,491	12,781
Pension settlement expense	600	—	—	6,127	2,896	600	2,896
Advertising and public relations	5,738	5,708	4,331	28,659	4,085	15,777	13,095
Foreclosed property expense	270	323	980	400	1,093	1,573	430
Telecommunications	1,702	1,541	1,717	1,714	1,882	4,960	5,699
Travel and entertainment	3,287	3,898	3,508	5,310	4,149	10,693	10,372
Data processing and software	29,933	28,073	31,869	29,289	28,079	89,875	84,644
Professional, consulting and outsourcing	5,163	5,519	4,417	3,598	2,724	15,099	10,231
Amortization of intangibles	4,971	6,626	5,005	5,251	5,417	16,601	15,240
Legal	3,592	1,908	1,491	758	2,054	6,991	5,310
Merger expense	—	137	5,075	20,276	19,690	5,212	30,938
Postage and shipping	2,421	2,070	2,452	1,925	2,098	6,943	6,154
Other miscellaneous expense	21,010	19,926	25,258	16,976	19,265	66,195	49,385

Total noninterest expense	\$ 312,267	\$ 303,878	\$ 319,279	\$ 340,671	\$ 319,734	\$ 935,424	\$ 897,289
INSURANCE COMMISSIONS:							
Property and casualty commissions	\$ 35,016	\$ 34,273	\$ 28,202	\$ 24,682	\$ 30,021	\$ 97,491	\$ 85,093
Life and health commissions	7,172	7,847	8,024	7,151	7,254	23,043	22,332
Risk management income	659	703	657	887	654	2,018	2,085
Other	2,142	2,780	2,723	1,959	1,947	7,646	6,086
Total insurance commissions	\$ 44,989	\$ 45,603	\$ 39,606	\$ 34,679	\$ 39,876	\$ 130,198	\$ 115,596

Table 12
Average Balance and Yields
(Unaudited)

(Dollars in thousands)	Quarter Ended								
	September 30, 2023			June 30, 2023			September 30, 2022		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
ASSETS									
Interest-earning assets:									
Loans and leases, excluding accretion	\$ 32,311,572	\$ 513,989	6.31 %	\$ 31,901,096	\$ 491,473	6.17 %	\$ 28,872,156	\$ 341,334	4.69 %
Accretion income on acquired loans		6,587	0.08		5,207	0.07		8,134	0.11
Loans held for sale	115,653	1,468	5.04	67,038	961	5.75	103,312	2,241	8.61
Investment securities									
Taxable	9,635,084	50,277	2.07	10,272,425	53,531	2.09	12,833,857	46,701	1.44
Tax-exempt	369,357	3,006	3.23	383,366	3,072	3.21	418,971	3,225	3.05
Total investment securities	10,004,441	53,283	2.11	10,655,791	56,603	2.13	13,252,828	49,926	1.49
Other investments	1,574,134	21,272	5.36	1,607,830	20,238	5.05	851,185	4,976	2.32
Total interest-earning assets	44,005,800	596,599	5.38 %	44,231,755	574,482	5.21 %	43,079,481	406,611	3.74 %
Other assets	5,109,036			5,292,393			4,957,118		
Allowance for credit losses	459,698			457,027			441,042		
Total assets	\$ 48,655,138			\$ 49,067,121			\$ 47,595,557		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing liabilities:									
Interest bearing demand and money market	\$ 17,970,463	\$ 126,296	2.79 %	\$ 17,997,618	\$ 111,938	2.49 %	\$ 18,675,214	28,175	0.60 %
Savings deposits	2,913,027	4,108	0.56	3,088,174	3,915	0.51	3,720,218	1,597	0.17
Time deposits	7,660,868	76,867	3.98	7,123,893	65,517	3.69	3,388,658	4,797	0.56
Total interest-bearing deposits	28,544,358	207,271	2.88	28,209,685	181,370	2.58	25,784,090	34,569	0.53
Fed funds purchased, securities sold under agreement to repurchase and other	\$ 837,773	\$ 9,007	4.27	\$ 774,170	\$ 7,658	3.97	\$ 946,419	3,944	1.65
Short-term FHLB borrowings	224	2	3.54	2,388,139	31,219	5.24	1,317,391	6,822	2.05
Short-term BTFP borrowings	3,500,000	45,433	5.15	1,153,846	14,815	5.15	—	—	—
Long-term borrowings	449,568	4,786	4.22	455,617	4,806	4.23	464,843	4,870	4.16
Total interest-bearing liabilities	33,331,923	266,499	3.17 %	32,981,457	239,868	2.92 %	28,512,743	50,205	0.70 %
Noninterest-bearing liabilities:									
Demand deposits	9,924,554			10,725,108			13,816,796		
Other liabilities	893,499			821,203			759,363		
Total liabilities	44,149,976			44,527,768			43,088,902		
Shareholders' equity	4,505,162			4,539,353			4,506,655		
Total liabilities and shareholders' equity	\$ 48,655,138			\$ 49,067,121			\$ 47,595,557		
Net interest income/net interest spread		330,100	2.21 %		334,614	2.29 %		356,406	3.05 %
Net yield on earning assets/net interest margin			2.98 %			3.03 %			3.28 %
Taxable equivalent adjustment:									
Loans and investment securities		(1,081)			(1,063)			(1,052)	
Net interest revenue		\$ 329,019			\$ 333,551			\$ 355,354	

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

	For the Nine Months Ended					
	September 30, 2023			September 30, 2022		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
(Dollars in thousands)						
ASSETS						
Interest-earning assets:						
Loans and leases, excluding accretion	\$ 31,706,637	\$ 1,452,912	6.13 %	\$ 27,948,795	\$ 891,585	4.27 %
Accretion income on acquired loans		21,822	0.09		37,592	0.18
Loans held for sale	76,770	3,033	5.28	142,152	5,766	5.42
Investment securities						
Taxable	10,283,587	152,323	1.98	13,633,964	138,110	1.35
Tax-exempt	383,031	9,214	3.22	447,538	9,536	2.85
Total investment securities	10,666,618	161,537	2.02	14,081,502	147,646	1.40
Other investments	1,569,747	58,962	5.02	920,337	7,596	1.10
Total interest-earning assets	44,019,772	1,698,266	5.16 %	43,092,786	1,090,185	3.38 %
Other assets	5,224,858			4,795,001		
Allowance for credit losses	453,133			441,351		
Total assets	\$ 48,791,497			\$ 47,446,436		
LIABILITIES AND SHAREHOLDERS' EQUITY						
Interest-bearing liabilities:						
Interest bearing demand and money market	\$ 18,322,003	333,578	2.43 %	\$ 18,768,943	\$ 49,636	0.35 %
Savings deposits	3,119,830	11,037	0.47	3,692,027	2,753	0.10
Time deposits	6,383,257	166,333	3.48	3,524,949	13,602	0.52
Total interest-bearing deposits	27,825,090	510,948	2.46	25,985,919	65,991	0.34
Fed funds purchased, securities sold under agreement to repurchase and other	814,943	24,334	3.99	867,676	5,069	0.78
Short-term FHLB borrowings	1,858,102	68,235	4.91	821,062	9,560	1.56
Short-term BTFP borrowings	1,564,103	60,248	5.15	—	—	—
Long-term borrowings	455,810	14,464	4.24	465,704	14,482	4.16
Total interest-bearing liabilities	32,518,048	678,229	2.79 %	28,140,361	95,102	0.45 %
Noninterest-bearing liabilities:						
Demand deposits	10,942,567			13,864,554		
Other liabilities	850,159			746,197		
Total liabilities	44,310,774			42,751,112		
Shareholders' equity	4,480,723			4,695,324		
Total liabilities and shareholders' equity	\$ 48,791,497			\$ 47,446,436		
Net interest income/net interest spread		1,020,037	2.37 %		995,083	2.93 %
Net yield on earning assets/net interest margin			3.10 %			3.09 %
Taxable equivalent adjustment:						
Loans and investment securities		(3,197)			(3,141)	
Net interest revenue		\$ 1,016,840			\$ 991,942	

Table 13**Selected Additional Data****(Unaudited)**

	Quarter Ended				
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
(Dollars in thousands)					
MORTGAGE SERVICING RIGHTS ("MSR"):					
Fair value, beginning of period	\$ 111,417	\$ 106,942	\$ 109,744	\$ 112,767	\$ 102,021
Originations of servicing assets	4,065	1,990	1,385	2,283	3,890
Changes in fair value:					
Due to payoffs/paydowns	(2,104)	(2,621)	(1,078)	(2,308)	(3,085)
Due to update in valuation assumptions	2,888	5,106	(3,109)	(2,998)	9,941

Fair value, end of period	\$ 116,266	\$ 111,417	\$ 106,942	\$ 109,744	\$ 112,767
MORTGAGE BANKING REVENUE:					
Origination	\$ 2,031	\$ 3,495	\$ 3,344	\$ 1,793	\$ 1,916
Servicing	5,915	5,900	6,113	5,923	5,915
Payoffs/Paydowns	(2,104)	(2,621)	(1,078)	(2,308)	(3,085)
Total mortgage banking revenue excluding MSR	5,842	6,774	8,379	5,408	4,746
Market value adjustment on MSR	2,888	5,106	(3,109)	(2,998)	9,941
Market value adjustment on MSR Hedge	(3,046)	(3,524)	806	161	(5,607)
Total mortgage banking revenue	\$ 5,684	\$ 8,356	\$ 6,076	\$ 2,571	\$ 9,080
Quarter Ended					
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022
AVAILABLE-FOR-SALE SECURITIES, at fair value					
U.S. Treasury securities	\$ 1,996	\$ 8,959	\$ 15,849	\$ 1,458,513	\$ 1,451,461
Obligations of U.S. government agencies	1,004,374	1,112,326	1,358,350	1,477,127	1,820,913
Mortgage-backed securities issued or guaranteed by U.S. agencies ("MBS"):					
Residential pass-through:					
Guaranteed by GNMA	73,649	79,261	83,649	84,368	87,063
Issued by FNMA and FHLMC	5,541,895	5,895,704	6,164,294	6,274,970	6,427,152
Other residential mortgage-back securities	146,063	157,294	166,449	168,452	181,317
Commercial mortgage-backed securities	2,271,680	2,357,047	2,427,808	1,881,853	1,880,949
Total MBS	8,033,287	8,489,306	8,842,200	8,409,643	8,576,481
Obligations of states and political subdivisions	392,252	433,316	447,731	466,002	444,953
Other domestic debt securities	71,741	71,356	73,557	82,718	98,615
Foreign debt securities	139,581	139,317	140,192	50,093	49,471
Total available-for-sale securities	\$ 9,643,231	\$ 10,254,580	\$ 10,877,879	\$ 11,944,096	\$ 12,441,894

Table 14

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

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

(In thousands)	Quarter Ended					Year-to-date
	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Adjusted net income available to common shareholders						
Net income	\$ 92,583	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 283,240
Plus: Merger expense	—	137	5,075	20,276	19,690	5,212
Incremental merger related expense	—	1,671	8,960	32,704	6,912	10,631
Gain on extinguishment of debt	—	(1,140)	—	—	—	(1,140)
Restructuring and other nonroutine expenses	10,649	6,219	212	2,254	6	17,080
Pension settlement expense	600	—	—	6,127	2,896	600
Less: Security gains (losses), net	64	69	(51,261)	(595)	(139)	(51,127)

Nonroutine gains (losses), net	(6,653)	—	—	—	—	(6,653)
Tax adjustment	4,190	1,602	15,394	14,665	7,016	21,186
Adjusted net income	106,231	119,244	126,743	145,225	146,025	352,217
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	7,116
Adjusted net income available to common shareholders	\$ 103,859	\$ 116,872	\$ 124,371	\$ 142,853	\$ 143,653	\$ 345,101
	Quarter Ended					Year-to-date
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Pre-tax pre-provision net revenue						
Net income	\$ 92,583	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 283,240
Plus: Provision for credit losses	17,000	15,000	10,000	6,000	—	42,000
Income tax expense	26,166	32,935	22,433	29,628	36,713	81,534
Pre-tax pre-provision net revenue	\$ 135,749	\$ 161,963	\$ 109,062	\$ 133,562	\$ 160,111	\$ 406,774
	Quarter Ended					Year-to-date
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Adjusted pre-tax pre-provision net revenue						
Net income	\$ 92,583	\$ 114,028	\$ 76,629	\$ 97,934	\$ 123,398	\$ 283,240
Plus: Provision for credit losses	17,000	15,000	10,000	6,000	—	42,000
Merger expense	—	137	5,075	20,276	19,690	5,212
Incremental merger related expense	—	1,671	8,960	32,704	6,912	10,631
Gain on extinguishment of debt	—	(1,140)	—	—	—	(1,140)
Restructuring and other nonroutine expenses	10,649	6,219	212	2,254	6	17,080
Pension settlement expense	600	—	—	6,127	2,896	600
Income tax expense	26,166	32,935	22,433	29,628	36,713	81,534
Less: Security gains (losses), net	64	69	(51,261)	(595)	(139)	(51,127)
Nonroutine gains (losses), net	\$ (6,653)	\$ —	\$ —	\$ —	\$ —	(6,653)
Adjusted pre-tax pre-provision net revenue	\$ 153,587	\$ 168,781	\$ 174,570	\$ 195,518	\$ 189,754	\$ 496,937
	Quarter Ended					Year-to-date
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Total adjusted noninterest revenue						
Total noninterest revenue	\$ 118,997	\$ 132,290	\$ 74,071	\$ 114,873	\$ 124,491	\$ 325,358
Less: Security gains (losses), net	64	69	(51,261)	(595)	(139)	(51,127)
Nonroutine gains (losses), net	(6,653)	—	—	—	—	(6,653)
Total adjusted noninterest revenue	\$ 125,586	\$ 132,221	\$ 125,332	\$ 115,468	\$ 124,630	\$ 383,138
	Quarter Ended					Year-to-date
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Total adjusted noninterest expense						
Total noninterest expense	\$ 312,267	\$ 303,878	\$ 319,279	\$ 340,671	\$ 319,734	\$ 935,424
Less: Merger expense	—	137	5,075	20,276	19,690	5,212
Incremental merger related expense	—	1,671	8,960	32,704	6,912	10,631
Gain on extinguishment of debt	—	(1,140)	—	—	—	(1,140)
Restructuring and other nonroutine expenses	10,649	6,219	212	2,254	6	17,080
Pension settlement expense	600	—	—	6,127	2,896	600
Total adjusted noninterest expense	\$ 301,018	\$ 296,991	\$ 305,032	\$ 279,310	\$ 290,230	\$ 903,041
	Quarter Ended					Year-to-date
(In thousands)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023
Total tangible assets, excluding AOCI						
Total assets	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 47,699,660	\$ 48,523,010
Less: Goodwill	1,459,302	1,459,302	1,459,302	1,458,795	1,449,511	1,459,302
Other identifiable intangible assets	114,127	119,098	125,724	132,764	132,953	114,127
Total tangible assets	46,949,581	47,260,260	50,108,070	47,061,855	46,117,196	46,949,581
Less: AOCI	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(1,309,921)
Total tangible assets, excluding AOCI	\$ 48,259,502	\$ 48,423,335	\$ 51,189,956	\$ 48,284,393	\$ 47,415,008	\$ 48,259,502
	Quarter Ended					Year-to-date
(Dollars in thousands, except per share data)	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Sep 2022	Sep 2023

PERIOD END BALANCES:						
Total shareholders' equity, excluding AOCI						
Total shareholders' equity	\$ 4,395,257	\$ 4,485,850	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,395,25
Less: AOCI	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(1,309,921)
Total shareholders' equity, excluding AOCI	\$5,705,178	\$ 5,648,925	\$ 5,572,303	\$ 5,533,912	\$ 5,464,737	\$ 5,705,17
Common shareholders' equity, excluding AOCI						
Total shareholders' equity	\$ 4,395,257	\$ 4,485,850	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,395,25
Less: preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Common shareholders' equity	4,228,264	4,318,857	4,323,424	4,144,381	3,999,932	4,228,264
Less: AOCI	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(1,309,921)
Common shareholders' equity, excluding AOCI	\$ 5,538,185	\$ 5,481,932	\$ 5,405,310	\$ 5,366,919	\$ 5,297,744	\$ 5,538,18
Total tangible common shareholders' equity, excluding AOCI						
Total shareholders' equity	\$ 4,395,257	\$ 4,485,850	\$ 4,490,417	\$ 4,311,374	\$ 4,166,925	\$ 4,395,25
Less: Goodwill	1,459,302	1,459,302	1,459,302	1,458,795	1,449,511	1,459,302
Other identifiable intangible assets	114,127	119,098	125,724	132,764	132,953	114,127
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	2,654,835	2,740,457	2,738,398	2,552,822	2,417,468	2,654,835
Less: AOCI	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(1,297,812)	(1,309,921)
Total tangible common shareholders' equity, excluding AOCI	\$ 3,964,756	\$ 3,903,532	\$ 3,820,284	\$ 3,775,360	\$ 3,715,280	\$ 3,964,75
AVERAGE BALANCES:						
Total tangible common shareholders' equity						
Total shareholders' equity	\$4,505,162	\$4,539,353	\$4,396,461	\$4,215,585	\$4,506,655	\$4,480,723
Less: Goodwill	1,459,302	1,459,302	1,459,127	1,457,120	1,444,331	1,459,244
Other identifiable intangible assets	116,715	123,313	128,957	132,091	136,149	122,950
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$2,762,152	\$2,789,745	\$2,641,384	\$2,459,381	\$2,759,182	\$2,731,536
Total average assets	\$48,655,138	\$49,067,121	\$48,652,201	\$47,790,494	\$47,595,557	\$48,791,497
Total shares of common stock outstanding	182,611,075	182,626,229	182,684,578	182,437,265	182,438,780	182,611,075
Average shares outstanding-diluted	184,645,004	183,631,570	183,908,798	183,762,008	183,313,831	184,062,368
Tangible common shareholders' equity to tangible assets ⁽¹⁾	5.65 %	5.80 %	5.46 %	5.42 %	5.24 %	5.65 %
Tangible common shareholders' equity to tangible assets, excluding AOCI ⁽²⁾	8.22	8.06	7.46	7.82	7.84	8.22
Return on average tangible common equity ⁽³⁾	12.96	16.05	11.40	15.42	17.40	13.52
Adjusted return on average tangible common equity ⁽⁴⁾	14.92	16.80	19.10	23.04	20.66	16.89
Adjusted return on average assets ⁽⁵⁾	0.87	0.97	1.06	1.21	1.22	0.97
Adjusted return on average common shareholders' equity ⁽⁶⁾	9.50	10.72	11.93	14.00	13.13	10.70
Pre-tax pre-provision net revenue to total average assets ⁽⁷⁾	1.11	1.32	0.91	1.11	1.33	1.11
Adjusted pre-tax pre-provision net revenue to total average assets ⁽⁸⁾	1.25	1.38	1.46	1.62	1.58	1.36
Tangible book value per common share ⁽⁹⁾	\$ 14.54	\$ 15.01	\$ 14.99	\$ 13.99	\$ 13.25	\$ 14.54
Tangible book value per common share, excluding AOCI ⁽¹⁰⁾	21.71	21.37	20.91	20.69	20.36	21.71
Adjusted earnings per common share ⁽¹¹⁾	\$ 0.56	\$ 0.64	\$ 0.68	\$ 0.78	\$ 0.78	\$ 1.87
Adjusted dividend payout ratio ⁽¹²⁾	41.96 %	36.72 %	34.56 %	28.21 %	28.21 %	37.70 %

Definitions of Non-GAAP Measures:

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

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

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

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

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