

## Cadence Bank Announces Fourth Quarter 2023 and Annual Financial Results

HOUSTON and TUPELO, Miss., Jan. 29, 2024 /PRNewswire/ -- Cadence Bank (NYSE: CADE) (the Company), today announced financial results for the quarter and year ended December 31, 2023. Given the sale of Cadence Insurance, Inc. ("Cadence Insurance") in the fourth quarter of 2023, the financial results presented consist of both continuing operations and discontinued operations. The discontinued operations include the financial results of Cadence Insurance prior to the sale, as well as the associated gain on sale in the fourth quarter of 2023. The discontinued operations results are presented as a single line item below income from continuing operations in the accompanying tables for all periods presented. All adjusted financial results discussed herein are adjusted results from continuing operations.

### Annual highlights for 2023 included:

- Achieved net income available to common shareholders of \$532.8 million, or \$2.92 per diluted common share, and adjusted net income from continuing operations available to common shareholders,<sup>(1)</sup> which excludes non-routine income and expenses,<sup>(2)</sup> of \$401.2 million, or \$2.20 per diluted common share.
- Reported annual adjusted pre-tax pre-provision net revenue (PPNR) from continuing operations<sup>(1)</sup> of \$612.3 million, or 1.26% of average assets.
- Generated net organic loan growth of \$2.1 billion, or 7.1% while deposit balances were relatively flat year-over-year.
- Effective November 30, 2023, the Company completed the sale of Cadence Insurance to Arthur J. Gallagher & Co. ("Gallagher") (NYSE: AJG) for approximately \$904 million (the "Transaction"), generating approximately \$620 million in net capital creation, including a net book gain of approximately \$520 million (included in discontinued operations).
- During December 2023, executed a securities portfolio restructuring whereby securities with a par value of approximately \$3.1 billion and an average yield of 1.26% were sold for an after-tax loss of \$294.1 million (included in continuing operations). The Company has reinvested approximately \$1.0 billion of the proceeds in securities with an average yield of 5.57%, lowered brokered deposits by \$645 million at an average cost of 5.47% and expects to leverage the remaining proceeds, currently in cash balances earning 5.40%, during the first quarter of 2024. These transactions are expected to improve net interest margin and profitability going forward. This is in addition to \$1.5 billion of securities that were restructured during the first quarter of 2023 at an after-tax loss of \$39.5 million.

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

- Achieved quarterly net income available to common shareholders of \$256.7 million, or \$1.41 per diluted common share, and adjusted net income from continuing operations available to common shareholders,<sup>(1)</sup> which excludes non-routine income and expenses,<sup>(2)</sup> of \$72.7 million, or \$0.40 per diluted common share.
- Net interest margin improved to 3.04% from 2.98% for the third quarter of 2023, benefiting from improving trends in funding costs, reduction in brokered deposits, and the initial repositioning of securities.
- Total loans were flat at \$32.5 billion compared to the third quarter of 2023.
- Deposit balances increased \$161.3 million compared to the third quarter of 2023. Excluding a targeted reduction in brokered deposits, total deposits increased \$624.3 million, or 6.5% annualized.
- Continued to maintain strong balance sheet liquidity, with a loan-to-deposit ratio of 84.4% at December 31, 2023.
- Capital increased notably in the quarter with the Common Equity Tier 1 ratio improving 130 basis points to 11.6%, and the Total Capital ratio improving 140 basis points to 14.3%.

"Our Company made a significant amount of progress during 2023, particularly during the fourth quarter," remarked Dan Rollins, Chairman and Chief Executive Officer of the Cadence Bank. "We are pleased to have completed the sale of Cadence Insurance to Gallagher at the end of November, which generated an after-tax gain of approximately \$520 million. This transaction allowed us to unlock a tremendous amount of value for our shareholders, strengthen our capital position, and better position our Company for future success. We were able to utilize a portion of this capital during the fourth quarter to reposition a meaningful portion of our securities portfolio. We sold \$3.1 billion in securities yielding approximately 1.26% at an after-tax loss of approximately \$294 million. We are currently in the process of redeploying those proceeds into higher yielding assets."

Rollins continued, "While loan balances were flat for the fourth quarter, we produced net loan growth of \$2.1 billion, or 7.1%, for the full year, and deposit balances were relatively stable both for the fourth quarter and full year. Improvement in earning asset yields and a slowing in pressure on funding costs, along with our reduction in brokered deposits and initial securities repositioning, allowed us to improve our net interest margin in the fourth quarter. We are optimistic this trend will continue into 2024. Finally, while both our net charge-offs and provision for credit losses increased in the latter part of 2023, our credit monitoring processes are assisting in the timely identification of potential issues, and our criticized and classified asset totals have remained stable since the first quarter of 2023."

### Key Transactions

Effective November 30, 2023, the Company completed the sale of its insurance subsidiary, Cadence Insurance, to Gallagher for approximately \$904 million, subject to customary purchase price adjustments. The Transaction resulted in net capital creation of approximately \$620 million, including a net gain on sale of approximately \$520 million. The gain along with Cadence Insurance's historical financial results for periods prior to the divestiture have been reflected in the consolidated financial statements as discontinued operations. Additionally, current and prior period adjusted earnings exclude the impact of discontinued operations. The purchase price and related gain remain subject to additional adjustments in accordance with the purchase agreement.

During December 2023, the Company executed a securities portfolio restructuring whereby available-for-sale securities totaling approximately \$3.1 billion in par value were sold for an after-tax loss of \$294.1 million, which is included in results from continuing operations. In aggregate, these securities had a book yield of approximately 1.26% and an estimated duration of just over 4 years. Of the sales proceeds, \$1.0 billion has been reinvested in securities as of December 31, 2023. These securities have an aggregate book yield of approximately 5.57% and an estimated duration of approximately 2 years. Additionally, \$645 million has been used to pay down brokered deposits at a rate of 5.47% and the remainder was held in cash earning 5.40% at December 31, 2023 pending reinvestment.

### Earnings Summary

For the year ended December 31, 2023, the Company reported net income available to common shareholders of \$532.8 million, or \$2.92 per diluted common share, compared with \$453.7 million, or \$2.46 per diluted common share, for the year ended December 31, 2022. The Company reported adjusted net income from continuing operations available to common shareholders<sup>(1)</sup> of \$401.2 million, or \$2.20 per diluted common share, for the year ended December 31, 2023 compared with \$526.1 million, or \$2.85 per diluted common share, for the year ended December 31, 2022. Additionally, the Company reported adjusted PPNR from continuing operations<sup>(1)</sup> of \$612.3 million, or 1.26% of average assets, for the year ended December 31, 2023 compared with \$699.6 million, or 1.47% of average assets, for the year ended December 31, 2022.

For the fourth quarter of 2023, the Company reported net income available to common shareholders of \$256.7 million, or \$1.41 per diluted common share, compared with

\$95.6 million, or \$0.52 per diluted common share, for the fourth quarter of 2022 and \$90.2 million, or \$0.49 per diluted common share, for the third quarter of 2023.

Adjusted net income available to common shareholders from continuing operations<sup>(1)</sup> was \$72.7 million, or \$0.40 per diluted common share, for the fourth quarter of 2023, compared with \$141.4 million, or \$0.77 per diluted common share, for the fourth quarter of 2022 and \$97.6 million, or \$0.53 per diluted common share, for the third quarter of 2023. Additionally, the Company reported adjusted PPNR from continuing operations<sup>(1)</sup> of \$137.9 million, or 1.13% of average assets on an annualized basis, for the fourth quarter of 2023 compared to \$192.5 million, or 1.60% of average assets on an annualized basis, for the fourth quarter of 2022 and \$145.3 million, or 1.18% of average assets on an annualized basis, for the third quarter of 2023.

#### **Net Interest Revenue**

Net interest revenue was \$334.6 million for the fourth quarter of 2023, compared to \$359.4 million for the fourth quarter of 2022 and \$329.0 million for the third quarter of 2023. The net interest margin (fully taxable equivalent) was 3.04% for the fourth quarter of 2023, compared with 3.33% for the fourth quarter of 2022 and 2.98% for the third quarter of 2023.

Net interest revenue increased \$5.6 million, or 1.7%, compared to the third quarter of 2023 as earning asset yields continue to increase, partially as a result of the securities portfolio repositioning, lower brokered deposits and the slower pace of deposit cost increases. Purchase accounting accretion revenue was \$4.1 million and \$6.6 million for the fourth quarter of 2023 and the third quarter of 2023, respectively, adding approximately 4 basis points to the net interest margin for the fourth quarter of 2023 and 6 basis points for the third quarter of 2023.

Yield on net loans, loans held for sale, and leases excluding accretion, was 6.43% for the fourth quarter of 2023, up 12 basis points from 6.31% for the third quarter of 2023, while yield on total interest earning assets was 5.59% for the fourth quarter of 2023, up 21 basis points from 5.38% for the third quarter of 2023. Earning asset yields continue to benefit from fixed and variable rate credits as well as securities cash flows repricing at higher yields. Approximately 28% of our total loans are floating (reprice within 30 days), and another 20% reprice within 12 months. Our total loan beta, excluding accretion, is 46% cycle-to-date.

The average cost of total deposits increased to 2.32% for the fourth quarter of 2023, up 18 basis points during the quarter. The fourth quarter increase in total deposit costs continued to slow compared to the third quarter increase of 27 basis points and over 50 basis points for each of the first two quarters of 2023. Total interest-bearing liabilities cost increased to 3.34% from 3.17% during the fourth quarter of 2023. Our total deposit beta is 41% cycle-to-date.

#### **Balance Sheet Activity**

Loans and leases, net of unearned income, were \$32.5 billion at December 31, 2023, which is flat compared to September 30, 2023. Total investment securities of \$8.1 billion at December 31, 2023 decreased \$1.6 billion during the fourth quarter as a portion of the proceeds from the securities portfolio restructuring was temporarily held in cash at December 31, 2023 as the Company continues to reinvest the proceeds.

Total deposits increased \$161.3 million to \$38.5 billion as of December 31, 2023. Total brokered deposits declined \$463.0 million from \$1.2 billion at the end of the third quarter of 2023 to \$0.7 billion at December 31, 2023, or 1.9% of total deposits. Excluding the decline in brokered deposits, total deposits increased \$624.3 million, or 6.5% annualized, during the fourth quarter of 2023. Approximately half of this growth represents seasonal public funds increases while the other half represents core customer deposit growth, primarily in our community bank.

The December 31, 2023 loan to deposit ratio was 84.4% and securities to total assets was 16.5%, reflecting continued strong liquidity. Noninterest bearing deposits represented 24.0% of total deposits at the end of the fourth quarter of 2023, declining from 25.2% at September 30, 2023, reflective of a slower mix shift than during the early part of year. The Company's deposit base continues to be very granular, with average transaction account balances of approximately \$23,000 for consumer accounts and \$135,000 for commercial accounts at December 31, 2023. Additionally, approximately 98% of the Company's deposit accounts have balances less than \$250,000, and approximately 71% of our deposit balances were FDIC insured or collateralized at quarter-end.

Short-term borrowings were stable at \$3.5 billion at December 31, 2023 while cash, due from balances and deposits at the Federal Reserve increased \$2.2 billion to \$4.2 billion at December 31, 2023, primarily as a result of cash held from the securities portfolio repositioning pending reinvestment. Additionally, the Company has refinanced the \$3.5 billion bank term funding program borrowing, lowering the cost from 5.15% to 4.84% at year-end.

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

Total non-performing assets as a percent of total assets increased to 0.45% at December 31, 2023 compared to 0.23% at December 31, 2022 and 0.32% at September 30, 2023. Total non-performing loans and leases as a percent of loans and leases, net were 0.67% at December 31, 2023, compared to 0.35% at December 31, 2022 and 0.46% at September 30, 2023. The increase in nonaccrual loans was primarily due to the negative migration of previously identified criticized loans in the Commercial & Industrial non-real estate segment of the portfolio. While these credits drove the increase in nonaccrual loans, over 50% of nonaccrual loans (by balance) at December 31, 2023 are granular, secured residential mortgages and SBA guaranteed loans. Other real estate owned and other repossessed assets was \$6.2 million at December 31, 2023 compared to the December 31, 2022 balance of \$6.7 million and the September 30, 2023 balance of \$2.9 million. For the fourth quarter of 2023, criticized loans declined by \$37.7 million to \$844.7 million or 2.60% of loans, down from 2.71% at September 30, 2023, while classified loans were stable at 2.09% compared to 2.10% at September 30, 2023.

Net charge-offs for the fourth quarter of 2023 were \$23.8 million, or 0.29% of average net loans and leases on an annualized basis, compared with net recoveries of \$5.0 million for the fourth quarter of 2022 and net charge-offs of \$34.2 million for the third quarter of 2023. Net charge-offs in the fourth quarter of 2023, while lower than the prior quarter, were driven primarily by a select few credits across different industries and geographies that were identified as criticized in prior quarters. The provision for credit losses for the fourth quarter of 2023 was \$38.0 million, compared with \$6.0 million for the fourth quarter of 2022 and \$17.0 million for the third quarter of 2023. The allowance for credit losses of \$468.0 million at December 31, 2023 represented 1.44% as a percent of total loans and leases, increased from the September 30, 2023 coverage of 1.37%. The increase in the quarter's provision includes incremental impairments on previously identified criticized credits.

#### **Noninterest Revenue**

Noninterest revenue was negative \$311.5 million for the fourth quarter of 2023, or \$73.1 million excluding the loss on securities sales from our repositioning transaction. This revenue is compared with \$80.2 million for the fourth quarter of 2022 and \$74.0 million for the third quarter of 2023. Adjusted noninterest revenue<sup>(1)</sup> for the fourth quarter of 2023 was \$73.1 million, compared with \$80.8 million for the fourth quarter of 2022 and \$80.6 million for the third quarter of 2023. Adjusted noninterest revenue<sup>(1)</sup> for the fourth quarter of 2023 excludes the securities portfolio restructuring loss of \$384.5 million while third quarter 2023 adjusted noninterest revenue<sup>(1)</sup> excludes \$6.7 million of facility and signage write-downs associated with the 35 branch closures effected in the third quarter of 2023. The fourth quarter of 2023 decline in adjusted noninterest revenue was impacted by an \$8 million adjustment to deposit service charges, representing \$0.03 per diluted share, and a \$4.9 million negative variance in the mortgage servicing rights valuation, representing \$0.02 per diluted share, partially offset by increases in several other revenue items including card fees, wealth management income, bank-owned life insurance, and other miscellaneous income.

Credit card, debit card and merchant fee revenue was \$12.9 million for the fourth quarter of 2023, compared with \$15.8 million for the fourth quarter of 2022 and \$12.4 million for the third quarter of 2023. Deposit service charge revenue was \$11.2 million for the fourth quarter of 2023 compared with \$16.9 million for the fourth quarter of 2022 and \$16.9 million for the third quarter of 2023. The decline in deposit service charge revenue during the fourth quarter was the result of an adjustment of approximately \$8 million, resulting from deposit service charge changes. These changes are expected to result in a reduction in revenue of approximately \$3 million per year going forward.

Other noninterest revenue was \$27.6 million for the fourth quarter of 2023, compared with \$26.4 million for the fourth quarter of 2022 and \$17.9 million for the third quarter of 2023. Other noninterest revenue for the third quarter of 2023 included \$6.7 million of facility and signage write-downs associated with the 35 branch closures effected in the third quarter of 2023.

Mortgage production and servicing revenue totaled \$3.9 million for the fourth quarter of 2023, compared with \$5.4 million for the fourth quarter of 2022 and \$5.8 million for the third quarter of 2023. The net mortgage servicing rights valuation adjustment was a negative \$5.1 million for the fourth quarter of 2023, compared with a negative \$2.8 million for the fourth quarter of 2022 and a negative \$0.2 million for the third quarter of 2023 with the variances due to continued movement in interest rates. Mortgage origination volume for the fourth quarter of 2023 was \$434.7 million, compared with \$554.5 million for the fourth quarter of 2022 and \$615.2 million for the third quarter of 2023. The decline compared to the third quarter of 2023 reflects routine selling seasonality while the year-over-year decline was primarily the result of a shift from on-balance sheet production.

#### **Noninterest Expense**

Noninterest expense for the fourth quarter of 2023 was \$329.4 million, compared with \$308.6 million for the fourth quarter of 2022 and \$274.4 million for the third quarter of 2023. Adjusted noninterest expense<sup>(1)</sup> for the fourth quarter of 2023 was \$269.8 million, compared with \$247.6 million for the fourth quarter of 2022 and \$264.2 million for the third quarter of 2023. Adjusted noninterest expense<sup>(1)</sup> for the fourth quarter of 2023 excludes a charge of \$36.2 million related to the FDIC special assessment, a charge of \$11.2 million to reflect the pension settlement accounting impact of early retirements during 2023, incremental merger related expense of \$7.5 million, and a \$5.0 million contribution to the Company's foundation. The Company utilized a portion of the proceeds of the insurance transaction to fund this contribution, which will be utilized to positively impact the communities we serve while also reducing future expenses of the Company. The adjusted efficiency ratio<sup>(1)</sup> was 66.0% for the fourth quarter of 2023 compared to 64.4% for the third quarter of 2023.

The \$5.5 million, or 2.1%, increase in adjusted noninterest expense<sup>(1)</sup> compared to the linked quarter was driven primarily by increases in public relations, legal, and data processing and software expense, which offset improvement in salaries and employee benefits expense. Salaries and employee benefits expense declined \$5.7 million on an adjusted basis. Excluding the impact of the Cadence Insurance sale, employee count declined by 125 FTE during the fourth quarter of 2023, and over the last 12 months has declined by 537 FTE. Excluding the foundation contribution, public relations expense increased \$1.9 million in the fourth quarter partially from seasonality as well as \$0.9 million in tax credit investments with an equal reduction of tax expense. Legal expense increased \$2.6 million on an adjusted basis in the fourth quarter, primarily as a result of an accrual for the settlement of certain legal matters. Finally, data processing and software expense increased \$3.8 million related to certain expansion and development efforts, vendor increases, ongoing technology infrastructure support, and timing.

#### **Capital Management**

Total shareholders' equity was \$5.2 billion at December 31, 2023 compared with \$4.3 billion at December 31, 2022 and \$4.4 billion at September 30, 2023. Estimated regulatory capital ratios at December 31, 2023 included Common Equity Tier 1 capital of 11.6%, Tier 1 capital of 12.1%, Total risk-based capital of 14.3%, and Tier 1 leverage capital of 9.3%. During the fourth quarter of 2023, the Company did not repurchase any shares of its common stock. During December 2023, the board approved a share repurchase authorization for 10 million shares of Company common stock for the 2024 year. Outstanding common shares were 182.9 million as of December 31, 2023.

#### **Summary**

Rollins concluded, "I'm extremely proud of the accomplishments of our team during 2023. The opportunity to grow our loan portfolio combined with our bankers' success in protecting our core deposit relationships has positioned our balance sheet favorably as we enter 2024. Additionally, we have made significant progress in our efforts to improve efficiency, notably through our branch consolidation efforts and workforce reduction initiatives. Finally, we expect the insurance transaction, along with our securities portfolio restructuring, will accelerate our path to improved operating performance. We look forward to seeing the fruits of all these efforts in the new year and beyond."

#### **Conference Call and Webcast**

The Company will conduct a conference call to discuss its fourth quarter and annual 2023 financial results on January 30, 2024, 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 23 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, and retirement plan management. 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 as well as the impact of the Cadence Insurance sale (the "Cadence Insurance Transaction") on the Company's financial condition and future net income and earnings per share, the amount of net after-tax proceeds expected to be received by the Company from the Cadence Insurance Transaction, and the Company's ability to deploy capital into strategic and growth initiatives. 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 the Cadence Insurance Transaction), 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; 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, the escalating conflicts in the Middle East, 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.

In addition, the Company faces risks from the failure to achieve the expected impact on the Company's financial condition; and risks associated with unexpected costs, liabilities or delays relating to the Cadence Insurance Transaction.

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

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
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec
<b>Earnings Summary:</b>						
Interest revenue	\$ 615,187	\$ 595,459	\$ 573,395	\$ 526,126	\$ 473,546	\$ 4,311,187
Interest expense	280,582	266,499	239,868	171,862	114,188	958,000
Net interest revenue	334,605	328,960	333,527	354,264	359,358	1,353,187
Provision for credit losses	38,000	17,000	15,000	10,000	6,000	80,000
Net interest revenue, after provision for credit losses	296,605	311,960	318,527	344,264	353,358	1,273,187
Noninterest revenue	(311,460)	73,989	86,664	34,463	80,196	(116,000)
Noninterest expense	329,367	274,442	267,466	284,647	308,638	1,154,560
(Loss) income from continuing operations before income taxes	(344,222)	111,507	137,725	94,080	124,916	(910,000)
Income tax (benefit) expense	(80,485)	24,355	30,463	21,073	28,196	(4,500)
(Loss) income from continuing operations	(263,737)	87,152	107,262	73,007	96,720	3,680,000
Income from discontinued operations, net of taxes	522,801	5,431	6,766	3,622	1,214	538,000
Net income	259,064	92,583	114,028	76,629	97,934	542,000
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	9,480
Net income available to common shareholders	\$ 256,692	\$ 90,211	\$ 111,656	\$ 74,257	\$ 95,562	\$ 532,520
<b>Balance Sheet - Period End Balances</b>						
Total assets	\$ 48,934,510	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 48,653,414
Total earning assets	44,192,887	43,727,058	44,010,411	46,806,214	43,720,151	44,192,887
Available-for-sale securities	8,075,476	9,643,231	10,254,580	10,877,879	11,944,096	8,075,476
Loans and leases, net of unearned income	32,497,022	32,520,593	32,556,708	31,282,594	30,349,277	32,497,022
Allowance for credit losses (ACL)	468,034	446,859	466,013	453,727	440,347	468,034
Net book value of acquired loans	6,353,344	6,895,487	7,357,174	7,942,980	8,754,526	6,353,344
Unamortized net discount on acquired loans	26,928	30,761	37,000	41,748	58,162	26,928
Total deposits	38,497,137	38,335,878	38,701,669	39,406,454	38,956,614	38,497,137
Total deposits and repurchase agreements	38,948,653	39,198,467	39,492,427	40,177,789	39,665,350	38,948,653
Other short-term borrowings	3,500,000	3,500,223	3,500,226	5,700,228	3,300,231	3,500,000
Subordinated and long-term debt	438,460	449,323	449,733	462,144	462,554	438,460
Total shareholders' equity	5,167,843	4,395,257	4,485,850	4,490,417	4,311,374	5,167,843
Total shareholders' equity, excluding AOCI <sup>(1)</sup>	5,929,672	5,705,178	5,648,925	5,572,303	5,533,912	5,929,672
Common shareholders' equity	5,000,850	4,228,264	4,318,857	4,323,424	4,144,381	5,000,850
Common shareholders' equity, excluding AOCI <sup>(1)</sup>	\$ 5,762,679	\$ 5,538,185	\$ 5,481,932	\$ 5,405,310	\$ 5,366,919	\$ 5,762,679
<b>Balance Sheet - Average Balances</b>						
Total assets	\$ 48,444,176	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494	\$ 48,444,176
Total earning assets	43,754,664	44,003,639	44,229,519	43,817,318	42,973,660	43,754,664
Available-for-sale securities	9,300,714	10,004,441	10,655,791	11,354,457	12,156,803	9,300,714
Loans and leases, net of unearned income	32,529,030	32,311,572	31,901,096	30,891,640	29,812,924	32,529,030
Total deposits	38,215,379	38,465,975	38,934,793	38,904,048	38,372,354	38,215,379
Total deposits and repurchase agreements	38,968,397	39,293,030	39,708,963	39,632,023	39,033,328	38,968,397
Other short-term borrowings	3,503,320	3,510,942	3,541,985	3,326,196	3,251,947	3,503,320
Subordinated and long-term debt	443,251	449,568	455,617	462,385	462,927	443,251
Total shareholders' equity	4,507,343	4,505,162	4,539,353	4,396,461	4,215,585	4,507,343
Common shareholders' equity	\$ 4,340,350	\$ 4,338,169	\$ 4,372,360	\$ 4,229,468	\$ 4,048,592	\$ 4,340,350

**Nonperforming Assets:**

Nonaccrual loans and leases	\$ 216,141	\$ 150,038	\$ 157,243	\$ 160,615	\$ 98,745	\$
Restructured loans and leases, still accruing <sup>(2)</sup>	—	—	—	—	8,598	—
Non-performing loans and leases (NPL) <sup>(3)</sup>	216,141	150,038	157,243	160,615	107,343	216,
Other real estate owned and other assets	6,246	2,927	2,857	5,327	6,725	6,24
Non-performing assets (NPA)	\$ 222,387	\$ 152,965	\$ 160,100	\$ 165,942	\$ 114,068	\$

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 24 - 28.

(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.

(3) At December 31, 2023, \$49.6 million of NPL is covered by government guarantees from the SBA, FHA, VA or USDA.

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

	Quarter Ended					Year-to-date	
	Dec	Sep	Jun	Mar	Dec	Dec	Dec
	2023	2023	2023	2023	2022	2023	2022
<b>Financial Ratios and Other Data:</b>							
Return on average assets from continuing operations <sup>(2)</sup>	(2.16) %	0.71 %	0.88 %	0.61 %	0.80 %	0.01 %	0.94 %
Return on average assets <sup>(2)</sup>	2.12 %	0.75 %	0.93 %	0.64 %	0.81 %	1.11 %	0.97 %
Adjusted return on average assets from continuing operations <sup>(1)(2)</sup>	0.62	0.82	0.92	1.03	1.19	0.84	1.13
Return on average common shareholders' equity from continuing operations <sup>(2)</sup>	(24.32)	7.75	9.62	6.77	9.25	(0.13)	9.93
Return on average common shareholders' equity <sup>(2)</sup>	23.46	8.25	10.24	7.12	9.36	12.33	10.30
Adjusted return on average common shareholders' equity from continuing operations <sup>(1)(2)</sup>	6.65	8.93	10.10	11.58	13.85	9.29	11.94
Return on average tangible common equity from continuing operations <sup>(1)(2)</sup>	(36.79)	11.75	14.55	10.44	14.64	(0.20)	15.05
Return on average tangible common equity <sup>(1)(2)</sup>	35.49	12.50	15.49	10.97	14.83	18.74	15.59
Adjusted return on average tangible common equity from continuing operations <sup>(1)(2)</sup>	10.06	13.53	15.27	17.84	21.94	14.11	18.08
Pre-tax pre-provision net revenue from continuing operation to total average assets <sup>(1)(2)</sup>	(2.51)	1.05	1.25	0.87	1.09	0.16	1.23
Adjusted pre-tax pre-provision net revenue from continuing operations to total average assets <sup>(1)(2)</sup>	1.13	1.18	1.30	1.41	1.60	1.26	1.47
Net interest margin-fully taxable equivalent	3.04	2.98	3.03	3.29	3.33	3.08	3.15
Net interest rate spread-fully taxable equivalent	2.25	2.21	2.29	2.65	2.84	2.33	2.90
Efficiency ratio fully tax equivalent <sup>(1)</sup>	NM	67.93	63.49	73.03	70.05	93.28	66.97
Adjusted efficiency ratio fully tax equivalent <sup>(1)</sup>	66.01	64.35	61.87	61.31	56.13	63.34	58.56
Loan/deposit ratio	84.41 %	84.83 %	84.12 %	79.38 %	77.91 %	84.41 %	77.91 %
Full time equivalent employees	5,333	6,160	6,479	6,567	6,572	5,333	6,572
<b>Credit Quality Ratios:</b>							
Net charge-offs (recoveries) to average loans and leases <sup>(2)</sup>	0.29 %	0.42 %	0.16 %	0.02 %	(0.07) %	0.22 %	— %
Provision for credit losses to average loans and leases <sup>(2)</sup>	0.46	0.21	0.19	0.13	0.08	0.25	0.02
ACL to loans and leases, net	1.44	1.37	1.43	1.45	1.45	1.44	1.45
ACL to NPL	216.54	297.83	296.36	282.49	410.22	216.54	410.22
NPL to loans and leases, net	0.67	0.46	0.48	0.51	0.35	0.67	0.35
NPA to total assets	0.45	0.32	0.33	0.32	0.23	0.45	0.23
<b>Equity Ratios:</b>							
Total shareholders' equity to total assets	10.56 %	9.06 %	9.19 %	8.69 %	8.86 %	10.56 %	8.86 %
Total common shareholders' equity to total assets	10.22	8.71	8.84	8.36	8.52	10.22	8.52
Tangible common shareholders' equity to tangible assets <sup>(1)</sup>	7.44	5.86	6.00	5.66	5.63	7.44	5.63

Tangible common shareholders' equity, excluding AOCI, to tangible assets, excluding AOCI <sup>(1)</sup>	8.90	8.41	8.25	7.65	8.02	8.90	8.02
<b>Capital Adequacy <sup>(3)</sup>:</b>							
Common Equity Tier 1 capital	11.6 %	10.3 %	10.1 %	10.1 %	10.2 %	11.6 %	10.2 %
Tier 1 capital	12.1	10.8	10.5	10.6	10.7	12.1	10.7
Total capital	14.3	12.9	12.7	12.8	12.8	14.3	12.8
Tier 1 leverage capital	9.3	8.6	8.5	8.4	8.4	9.3	8.4
(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 24 - 28.							
(2) Annualized.							
(3) Current quarter regulatory capital ratios are estimated.							
NM - Not meaningful							

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

	Quarter Ended			
	Dec 2023	Sep 2023	Jun 2023	Mar 2023
<b>Common Share Data:</b>				
Diluted (losses) earnings per share from continuing operations	\$ (1.46)	\$ 0.46	\$ 0.57	\$ 0.38
Adjusted earnings per share from continuing operations <sup>(1)</sup>	0.40	0.53	0.60	0.66
Diluted earnings per share	1.41	0.49	0.61	0.40
Cash dividends per share	0.235	0.235	0.235	0.235
Book value per share	27.35	23.15	23.65	23.67
Tangible book value per share <sup>(1)</sup>	19.32	15.09	15.56	15.55
Market value per share (last)	29.59	21.22	19.88	20.76
Market value per share (high)	31.45	25.87	21.73	28.18
Market value per share (low)	19.67	19.00	16.95	19.24
Market value per share (average)	24.40	22.56	19.73	24.88
Dividend payout ratio from continuing operations	(16.13) %	51.09 %	41.23 %	61.84 %
Adjusted dividend payout ratio from continuing operations <sup>(1)</sup>	58.75 %	44.34 %	39.17 %	35.61 %
Total shares outstanding	182,871,775	182,611,075	182,626,229	182,684,578
Average shares outstanding - diluted	182,688,190	184,645,004	183,631,570	183,908,798
<b>Yield/Rate:</b>				
(Taxable equivalent basis)				
Loans, loans held for sale, and leases	6.48 %	6.39 %	6.24 %	6.00 %
Loans, loans held for sale, and leases excluding net accretion on acquired loans and leases	6.43	6.31	6.18	5.87
Available-for-sale securities:				
Taxable	2.45	2.07	2.09	1.80
Tax-exempt	3.78	3.23	3.21	3.21
Other investments	5.41	5.36	5.05	4.64
Total interest earning assets and revenue				
Deposits	2.32	2.14	1.87	1.28
Interest bearing demand and money market	3.02	2.79	2.49	2.03
Savings	0.56	0.56	0.51	0.36
Time	4.22	3.98	3.69	2.24
Total interest bearing deposits	3.10	2.88	2.58	1.86
Fed funds purchased, securities sold under agreement to repurchase and other	4.33	4.27	3.97	3.73
Short-term FHLB borrowings	—	3.54	5.24	4.66
Short-term BTFP borrowings	5.04	5.15	5.15	—
Total interest bearing deposits and short-term borrowings	3.33	3.16	2.90	2.20
Long-term debt	4.18	4.22	4.23	4.27
Total interest bearing liabilities	3.34	3.17	2.92	2.23

Interest bearing liabilities to interest earning assets	76.08 %	75.74 %	74.57 %	71.24 %
Net interest income tax equivalent adjustment (in thousands)	\$ 987	\$ 1,081	\$ 1,063	\$ 1,051

(1) Denotes non-GAAP financial measure. Refer to related disclosure and reconciliation on pages 24 - 28.

NM - Not meaningful

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

(In thousands)	As of				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
<b>ASSETS</b>					
Cash and due from banks	\$ 798,177	\$ 594,787	\$ 722,625	\$ 660,431	\$ 756,906
Interest bearing deposits with other banks and Federal funds sold	3,434,088	1,400,858	1,005,889	4,449,631	1,238,853
Available-for-sale securities, at fair value	8,075,476	9,643,231	10,254,580	10,877,879	11,944,096
Loans and leases, net of unearned income	32,497,022	32,520,593	32,556,708	31,282,594	30,349,277
Allowance for credit losses	468,034	446,859	466,013	453,727	440,347
Net loans and leases	32,028,988	32,073,734	32,090,695	30,828,867	29,908,930
Loans held for sale, at fair value	186,301	162,376	193,234	196,110	187,925
Premises and equipment, net	802,133	789,698	804,732	801,463	792,232
Goodwill	1,367,785	1,367,785	1,367,785	1,367,785	1,367,785
Other intangible assets, net	100,191	104,596	109,033	115,113	119,579
Bank-owned life insurance	642,840	639,073	634,985	631,174	630,046
Other assets	1,498,531	1,590,769	1,486,070	1,609,232	1,540,239
Assets of discontinued operations	—	156,103	169,032	155,411	166,823
Total Assets	\$ 48,934,510	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414
<b>LIABILITIES</b>					
Deposits:					
Demand: Noninterest bearing	\$ 9,232,068	\$ 9,648,191	\$ 10,223,508	\$ 11,517,037	\$ 12,731,065
Interest bearing	19,276,596	18,334,551	18,088,711	18,146,678	19,040,131
Savings	2,720,913	2,837,348	2,983,709	3,226,685	3,473,746
Time deposits	7,267,560	7,515,788	7,405,741	6,516,054	3,711,672
Total deposits	38,497,137	38,335,878	38,701,669	39,406,454	38,956,614
Securities sold under agreement to repurchase	451,516	862,589	790,758	771,335	708,736
Other short-term borrowings	3,500,000	3,500,223	3,500,226	5,700,228	3,300,231
Subordinated and long-term debt	438,460	449,323	449,733	462,144	462,554
Other liabilities	879,554	876,195	806,305	763,912	815,703
Liabilities of discontinued operations	—	103,545	104,119	98,606	98,202
Total Liabilities	43,766,667	44,127,753	44,352,810	47,202,679	44,342,040
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	457,179	456,528	456,566	456,711	456,093
Capital surplus	2,743,066	2,733,003	2,724,021	2,715,981	2,709,391
Accumulated other comprehensive loss	(761,829)	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)
Retained earnings	2,562,434	2,348,654	2,301,345	2,232,618	2,201,435
Total Shareholders' Equity	5,167,843	4,395,257	4,485,850	4,490,417	4,311,374
Total Liabilities & Shareholders' Equity	\$ 48,934,510	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414

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

(In thousands)	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
<b>ASSETS</b>					



Cash and due from banks	\$ 443,504	\$ 362,479	\$ 402,744	\$ 500,507	\$ 428,575
Interest bearing deposits with other banks and Federal funds sold	1,811,686	1,571,973	1,605,594	1,524,358	941,416
Available-for-sale securities, at fair value	9,300,714	10,004,441	10,655,791	11,354,457	12,156,803
Loans and leases, net of unearned income	32,529,030	32,311,572	31,901,096	30,891,640	29,812,924
Allowance for credit losses	447,879	459,698	457,027	442,486	434,785
Net loans and leases	32,081,151	31,851,874	31,444,069	30,449,154	29,378,139
Loans held for sale, at fair value	113,234	115,653	67,038	46,863	62,517
Premises and equipment, net	795,164	811,095	804,526	799,077	777,717
Goodwill	1,367,916	1,367,785	1,367,785	1,367,784	1,370,106
Other intangible assets, net	102,765	107,032	113,094	117,518	122,093
Bank-owned life insurance	640,439	636,335	632,489	630,601	625,938
Other assets	1,787,603	1,826,471	1,973,991	1,861,882	1,927,190
Total Assets	\$ 48,444,176	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494
<b>LIABILITIES</b>					
Deposits:					
Demand: Noninterest bearing	\$ 9,625,912	\$ 9,921,617	\$ 10,725,108	\$ 12,203,079	\$ 13,344,152
Interest bearing	18,292,826	17,970,463	17,997,618	19,009,345	17,866,198
Savings	2,758,977	2,913,027	3,088,174	3,363,236	3,555,911
Time deposits	7,537,664	7,660,868	7,123,893	4,328,388	3,606,093
Total deposits	38,215,379	38,465,975	38,934,793	38,904,048	38,372,354
Securities sold under agreement to repurchase	753,018	827,055	774,170	727,975	660,974
Other short-term borrowings	3,503,320	3,510,942	3,541,985	3,326,196	3,251,947
Subordinated and long-term debt	443,251	449,568	455,617	462,385	462,927
Other liabilities	1,021,865	896,436	821,203	835,136	826,707
Total Liabilities	43,936,833	44,149,976	44,527,768	44,255,740	43,574,909
<b>SHAREHOLDERS' EQUITY</b>					
Preferred stock	166,993	166,993	166,993	166,993	166,993
Common stock	456,636	456,557	456,755	456,354	456,095
Capital surplus	2,733,985	2,726,686	2,717,866	2,710,501	2,701,121
Accumulated other comprehensive loss	(1,279,235)	(1,175,077)	(1,087,389)	(1,174,723)	(1,302,388)
Retained earnings	2,428,964	2,330,003	2,285,128	2,237,336	2,193,764
Total Shareholders' Equity	4,507,343	4,505,162	4,539,353	4,396,461	4,215,585
Total Liabilities & Shareholders' Equity	\$ 48,444,176	\$ 48,655,138	\$ 49,067,121	\$ 48,652,201	\$ 47,790,494

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

(Dollars in thousands, except per share data)	Quarter Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
<b>INTEREST REVENUE:</b>					
Loans and leases	\$ 531,340	\$ 520,126	\$ 496,262	\$ 457,084	\$ 428,575
Available-for-sale securities:					
Taxable	55,801	50,277	53,531	48,512	45,112
Tax-exempt	1,927	2,375	2,427	2,477	2,517
Loans held for sale	1,418	1,468	961	603	1,717
Short-term investments	24,701	21,213	20,214	17,450	8,714
Total interest revenue	615,187	595,459	573,395	526,126	479,515
<b>INTEREST EXPENSE:</b>					
Interest bearing demand deposits and money market accounts	139,144	126,296	111,938	95,344	60,112
Savings	3,918	4,108	3,915	3,014	2,717
Time deposits	80,143	76,867	65,517	23,950	10,112
Federal funds purchased and securities sold under agreement to repurchase	8,254	9,004	7,656	7,667	8,312
Short-term debt	44,451	45,438	46,036	37,015	27,112
Subordinated and long-term debt	4,672	4,786	4,806	4,872	4,812
Total interest expense	280,582	266,499	239,868	171,862	112,065
Net interest revenue	334,605	328,960	333,527	354,264	359,450

Provision for credit losses	38,000	17,000	15,000	10,000	6,0
Net interest revenue, after provision for credit losses	296,605	311,960	318,527	344,264	353
NONINTEREST REVENUE:					
Mortgage banking	(1,137)	5,684	8,356	6,076	2,5
Credit card, debit card and merchant fees	12,902	12,413	12,617	11,851	15,
Deposit service charges	11,161	16,867	17,208	16,482	16,
Security (losses) gains, net	(384,524)	64	69	(51,261)	(59
Wealth management	22,576	21,079	21,741	21,532	19,
Other noninterest income	27,562	17,882	26,673	29,783	26,
Total noninterest revenue	(311,460)	73,989	86,664	34,463	80,
NONINTEREST EXPENSE:					
Salaries and employee benefits	148,081	161,627	159,276	165,738	156
Occupancy and equipment	28,009	27,069	28,106	27,787	29,
Data processing and software	32,922	29,127	27,289	31,105	28,
Merger expense	—	—	122	5,070	19,
Amortization of intangibles	4,405	4,436	6,081	4,466	4,6
Deposit insurance assessments	45,733	10,425	7,705	8,361	5,9
Pension settlement expense	11,226	600	—	—	6,1
Other noninterest expense	58,991	41,158	38,887	42,120	57,
Total noninterest expense	329,367	274,442	267,466	284,647	308
(Loss) income from continuing operations before taxes	(344,222)	111,507	137,725	94,080	124
Income tax (benefit) expense	(80,485)	24,355	30,463	21,073	28,
(Loss) income from continuing operations	(263,737)	87,152	107,262	73,007	96,
Income from discontinued operations	706,129	7,242	9,238	4,982	2,6
Income tax expense from discontinued operations	183,328	1,811	2,472	1,360	1,4
Income from discontinued operations, net of taxes	522,801	5,431	6,766	3,622	1,2
Net income	259,064	92,583	114,028	76,629	97,
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,3
Net income available to common shareholders	\$ 256,692	\$ 90,211	\$ 111,656	\$ 74,257	\$
Diluted (losses) earnings per common share from continuing operations	\$ (1.46)	\$ 0.46	\$ 0.57	\$ 0.38	\$
Diluted earnings per common share	\$ 1.41	\$ 0.49	\$ 0.61	\$ 0.40	\$

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

(In thousands)	Quarter Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec
<b>LOAN AND LEASE PORTFOLIO:</b>					
Commercial and industrial					
Non-real estate	\$ 8,935,598	\$ 9,199,024	\$ 9,636,481	\$ 9,159,387	\$
Owner occupied	4,349,060	4,361,530	4,358,000	4,278,468	4,06
Total commercial and industrial	13,284,658	13,560,554	13,994,481	13,437,855	13,0
Commercial real estate					
Construction, acquisition and development	3,910,962	3,819,307	3,744,114	3,703,137	3,54
Income producing	5,736,871	5,720,606	5,596,134	5,368,676	5,15
Total commercial real estate	9,647,833	9,539,913	9,340,248	9,071,813	8,69
Consumer					
Residential mortgages	9,329,692	9,186,179	8,989,614	8,536,032	8,31
Other consumer	234,839	233,947	232,365	236,894	277,
Total consumer	9,564,531	9,420,126	9,221,979	8,772,926	8,59
Total loans and leases, net of unearned income	\$ 32,497,022	\$ 32,520,593	\$ 32,556,708	\$ 31,282,594	\$ 3

**NON-PERFORMING ASSETS**

Non-performing Loans and Leases

# Nonaccrual Loans and Leases Commercial and Industrial

Non-real estate	\$ 131,559	\$ 67,962	\$ 72,592	\$ 65,783	\$
Owner occupied	7,097	6,486	7,541	9,089	7,94
Total commercial and industrial	138,656	74,448	80,133	74,872	31,8
Commercial real estate					
Construction, acquisition and development	1,859	4,608	4,496	1,850	2,97
Income producing	17,485	12,251	19,205	20,616	7,33
Total commercial real estate	19,344	16,859	23,701	22,466	10,3
Consumer					
Residential mortgages	57,881	58,488	53,171	62,748	55,8
Other consumer	260	243	238	529	697
Total consumer	58,141	58,731	53,409	63,277	56,5
Total nonaccrual loans and leases	\$ 216,141	\$ 150,038	\$ 157,243	\$ 160,615	\$
Restructured loans and leases, still accruing <sup>(1)</sup>	—	—	—	—	8,59
Total non-performing loans and leases <sup>(2)</sup>	\$ 216,141	\$ 150,038	\$ 157,243	\$ 160,615	\$
Other real estate owned and repossessed assets	6,246	2,927	2,857	5,327	6,72
Total non-performing assets	\$ 222,387	\$ 152,965	\$ 160,100	\$ 165,942	\$
Government guaranteed portion of nonaccrual loans and leases covered by the SBA, FHA, VA or USDA	\$ 49,551	\$ 42,046	\$ 35,322	\$ 30,218	\$
Loans and leases 90+ days past due, still accruing	\$ 22,466	\$ 9,152	\$ 4,412	\$ 5,164	\$
Additions to nonaccrual loans and leases during the quarter (excluding acquisitions)	\$ 131,136	\$ 69,154	\$ 57,764	\$ 89,779	\$

(1) 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 8**  
**Allowance for Credit Losses**  
**(Unaudited)**

(Dollars in thousands)	Quarter Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
ALLOWANCE FOR CREDIT LOSSES:					
Balance, beginning of period	\$ 446,859	\$ 466,013	\$ 453,727	\$ 440,347	\$ 433,363
Charge-offs:					
Commercial and industrial	(21,385)	(34,959)	(13,598)	(2,853)	(2,295)
Commercial real estate	(2,290)	(931)	(126)	(1,988)	(426)
Consumer	(3,229)	(1,608)	(1,916)	(2,189)	(2,650)
Total loans charged-off	(26,904)	(37,498)	(15,640)	(7,030)	(5,371)
Recoveries:					
Commercial and industrial	2,117	2,240	1,360	3,406	6,405
Commercial real estate	95	201	618	779	2,851
Consumer	867	903	948	970	1,099
Total recoveries	3,079	3,344	2,926	5,155	10,355
Net (charge-offs) recoveries	(23,825)	(34,154)	(12,714)	(1,875)	4,984
Adoption of new ASU related to modified loans <sup>(3)</sup>	—	—	—	255	—
Provision for credit losses related to loans and leases	45,000	15,000	25,000	15,000	2,000
Balance, end of period	\$ 468,034	\$ 446,859	\$ 466,013	\$ 453,727	\$ 440,347
Average loans and leases, net of unearned income, for period	\$ 32,529,030	\$ 32,311,572	\$ 31,901,096	\$ 30,891,640	\$ 29,812,924
Ratio: Net charge-offs (recoveries) to average loans and leases <sup>(2)</sup>	0.29 %	0.42 %	0.16 %	0.02 %	(0.07) %
RESERVE FOR UNFUNDED COMMITMENTS <sup>(1)</sup>					
Balance, beginning of period	\$ 15,551	\$ 13,551	\$ 23,551	\$ 28,551	\$ 24,551

(Reversal) provision for credit losses for unfunded commitments	(7,000)	2,000	(10,000)	(5,000)	4,000
Balance, end of period	8,551	15,551	13,551	23,551	28,551

- (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)**

December 31, 2023							
(In thousands)	Pass	Special Mention	Substandard	Loss	Impaired	Purchased Credit Deteriorated (Loss)	Total
<b>LOAN AND LEASE PORTFOLIO:</b>							
Commercial and industrial							
Non-real estate	\$ 8,450,809	\$ 101,607	\$ 294,895	\$ 13	\$ 84,457	\$ 3,817	\$ 8,935,5
Owner occupied	4,287,190	32,409	27,070	—	1,275	1,116	4,349,060
Total commercial and industrial	12,737,999	134,016	321,965	13	85,732	4,933	13,284,65
Commercial real estate							
Construction, acquisition and development	3,894,551	3,364	13,047	—	—	—	3,910,962
Income producing	5,527,388	23,727	170,217	—	15,539	—	5,736,871
Total commercial real estate	9,421,939	27,091	183,264	—	15,539	—	9,647,833
Consumer <sup>(1)</sup>							
Residential mortgages	9,258,002	4,066	66,050	—	—	1,574	9,329,692
Other consumer	234,367	—	472	—	—	—	234,839
Total consumer	9,492,369	4,066	66,522	—	—	1,574	9,564,531
Total loans and leases, net of unearned income	\$ 31,652,307	\$ 165,173	\$ 571,751	\$ 13	\$ 101,271	\$ 6,507	\$ 32,497,1

- (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.

September 30, 2023						
(In thousands)	Pass	Special Mention	Substandard	Impaired	Purchased Credit Deteriorated (Loss)	Total
<b>LOAN AND LEASE PORTFOLIO:</b>						
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						
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

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

	December 31, 2023					
(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi
<b>LOAN AND LEASE PORTFOLIO:</b>						
Commercial and industrial						
Non-real estate	\$ 417,687	\$ 158,759	\$ 503,957	\$ 528,205	\$ 346,840	\$ 532,593
Owner occupied	345,679	247,584	281,750	313,532	292,347	591,611
Total commercial and industrial	763,366	406,343	785,707	841,737	639,187	1,124,204
Commercial real estate						
Construction, acquisition and development	202,977	79,365	363,597	472,953	54,985	194,535
Income producing	446,290	273,000	369,897	605,160	212,148	435,089
Total commercial real estate	649,267	352,365	733,494	1,078,113	267,133	629,624
Consumer						
Residential mortgages	1,216,942	388,396	647,117	408,459	462,264	1,147,388
Other consumer	31,155	18,488	5,563	6,431	11,587	87,229
Total consumer	1,248,097	406,884	652,680	414,890	473,851	1,234,617
Total loans and leases, net of unearned income	\$ 2,660,730	\$ 1,165,592	\$ 2,171,881	\$ 2,334,740	\$ 1,380,171	\$ 2,988,445
Loan growth, excluding loans acquired during the quarter (\$)	\$ 73,088	\$ (5,835)	\$ 74,573	\$ 30,978	\$ 13,006	\$ 28,114
Loan growth, excluding loans acquired during the quarter (%) (annualized)	11.21 %	(1.98) %	14.11 %	5.33 %	3.77 %	3.77 %
	September 30, 2023					
(Dollars in thousands)	Alabama	Arkansas	Florida	Georgia	Louisiana	Mississippi
<b>LOAN AND LEASE PORTFOLIO:</b>						
Commercial and industrial						
Non-real estate	\$ 360,970	\$ 162,650	\$ 491,854	\$ 514,031	\$ 330,072	\$ 516,449
Owner occupied	351,835	252,880	284,886	319,982	288,640	594,127
Total commercial and industrial	712,805	415,530	776,740	834,013	618,712	1,110,576
Commercial real estate						
Construction, acquisition and development	210,809	73,567	306,869	422,605	59,957	201,138
Income producing	427,591	275,663	374,452	634,494	217,475	423,473
Total commercial real estate	638,400	349,230	681,321	1,057,099	277,432	624,611
Consumer						
Residential mortgages	1,204,991	388,592	634,059	405,382	459,661	1,138,245
Other consumer	31,446	18,075	5,188	7,268	11,360	86,899
Total consumer	1,236,437	406,667	639,247	412,650	471,021	1,225,144
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

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

	Quarter Ended					Year-to
(In thousands)	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2021
<b>NONINTEREST REVENUE:</b>						
Mortgage banking excl. MSR and MSR hedge market value adjustment	\$ 3,931	\$ 5,842	\$ 6,774	\$ 8,379	\$ 5,408	\$ 20,334
MSR and MSR hedge market value adjustment	(5,068)	(158)	1,582	(2,303)	(2,837)	(5,948)
Credit card, debit card and merchant fees	12,902	12,413	12,617	11,851	15,750	49,784
Deposit service charges	11,161	16,867	17,208	16,482	16,863	61,718
Security gains (losses), net	(384,524)	64	69	(51,261)	(595)	(435,6)
Trust income	11,301	10,574	10,084	10,553	9,113	42,513
Annuity fees	1,839	1,882	1,702	2,192	951	7,614

Brokerage commissions and fees	9,436	8,623	9,955	8,787	9,135	36,801
Bank-owned life insurance	4,728	4,108	3,811	3,647	5,436	16,294
Other miscellaneous income	22,834	13,774	22,862	26,136	20,972	85,607
Total noninterest revenue	\$ (311,460)	\$ 73,989	\$ 86,664	\$ 34,463	\$ 80,196	\$ (116,008)
NONINTEREST EXPENSE:						
Salaries and employee benefits	\$ 148,081	\$ 161,627	\$ 159,276	\$ 165,738	\$ 156,868	\$ 633,559
Occupancy and equipment	28,009	27,069	28,106	27,787	29,221	110,971
Deposit insurance assessments	45,733	10,425	7,705	8,361	5,931	72,224
Pension settlement expense	11,226	600	—	—	6,127	11,826
Advertising and public relations	12,632	5,671	5,618	4,241	28,419	28,162
Foreclosed property expense	915	270	323	980	400	2,488
Telecommunications	1,356	1,520	1,365	1,534	1,524	5,775
Travel and entertainment	3,146	2,442	2,850	2,565	3,980	11,004
Data processing and software	32,922	29,127	27,289	31,105	28,510	120,443
Professional, consulting and outsourcing	5,194	5,017	5,371	4,311	3,464	19,892
Amortization of intangibles	4,405	4,436	6,081	4,466	4,695	19,388
Legal	13,724	3,316	1,765	1,288	725	20,093
Merger expense	—	—	122	5,070	19,916	5,192
Postage and shipping	1,907	2,292	1,941	2,303	1,864	8,443
Other miscellaneous expense	20,117	20,630	19,654	24,898	16,994	85,298
Total noninterest expense	\$ 329,367	\$ 274,442	\$ 267,466	\$ 284,647	\$ 308,638	\$ 1,151,351

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

	Quarter Ended					
	December 31, 2023			September 30, 2023		
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense	Yield/Rate
(Dollars in thousands)						
<b>ASSETS</b>						
<b>Interest-earning assets:</b>						
Loans and leases, excluding accretion	\$ 32,529,030	\$ 527,688	6.44 %	\$ 32,311,572	\$ 513,989	6.31 %
Accretion income on acquired loans		4,127	0.05		6,587	0.08
Loans held for sale	113,234	1,418	4.97	115,653	1,468	5.04
Investment securities						
Taxable	9,044,724	55,801	2.45	9,635,084	50,277	2.07
Tax-exempt	255,990	2,439	3.78	369,357	3,006	3.23
Total investment securities	9,300,714	58,240	2.48	10,004,441	53,283	2.11
Other investments	1,811,686	24,701	5.41	1,571,973	21,213	5.35
Total interest-earning assets	43,754,664	616,174	5.59 %	44,003,639	596,540	5.38 %
Other assets	5,137,391			5,111,197		
Allowance for credit losses	447,879			459,698		
Total assets	\$ 48,444,176			\$ 48,655,138		
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Interest-bearing liabilities:</b>						
Interest bearing demand and money market	\$ 18,292,826	\$ 139,144	3.02 %	\$ 17,970,463	\$ 126,296	2.79 %
Savings deposits	2,758,977	3,918	0.56	2,913,027	4,108	0.56
Time deposits	7,537,664	80,143	4.22	7,660,868	76,867	3.98
Total interest-bearing deposits	28,589,467	223,205	3.10	28,544,358	207,271	2.88
Fed funds purchased, securities sold under agreement to repurchase and other	756,336	8,257	4.33	837,773	9,007	4.27
Short-term FHLB borrowings	2	—	—	224	2	3.54
Short-term BTFP borrowings	3,500,000	44,448	5.04	3,500,000	45,433	5.15
Long-term borrowings	443,251	4,672	4.18	449,568	4,786	4.22

Total interest-bearing liabilities	33,289,056	280,582	3.34 %	33,331,923	266,499	3.17 %	29,404,050
<b>Noninterest-bearing liabilities:</b>							
Demand deposits	9,625,912			9,921,617			13,344,152
Other liabilities	1,021,865			896,436			826,707
Total liabilities	43,936,833			44,149,976			43,574,909
<b>Shareholders' equity</b>	4,507,343			4,505,162			4,215,585
Total liabilities and shareholders' equity	<u>\$ 48,444,176</u>			<u>\$ 48,655,138</u>			<u>\$ 47,790,494</u>
Net interest income/net interest spread		335,592	2.25 %		330,041	2.21 %	
Net yield on earning assets/net interest margin			3.04 %			2.98 %	
<b>Taxable equivalent adjustment:</b>							
Loans and investment securities		(987)			(1,081)		
Net interest revenue		<u>\$ 334,605</u>			<u>\$ 328,960</u>		

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

(Dollars in thousands)	Year-To-Date				
	December 31, 2023			December 31, 2022	
	Average Balance	Income/Expense	Yield/Rate	Average Balance	Income/Expense
<b>ASSETS</b>					
<b>Interest-earning assets:</b>					
Loans and leases, excluding accretion	\$ 31,913,925	\$ 1,980,600	6.21 %	\$ 28,418,658	\$ 1,297,384
Accretion income on acquired loans		25,949	0.08		46,811
Loans held for sale	85,961	4,450	5.18	122,079	7,554
Investment securities					
Taxable	9,971,325	208,122	2.09	13,163,403	183,915
Tax-exempt	351,010	11,653	3.32	432,969	12,758
Total investment securities	10,322,335	219,775	2.13	13,596,372	196,673
Other investments	1,629,036	83,577	5.13	923,861	16,371
Total interest-earning assets	43,951,257	2,314,351	5.27 %	43,060,970	1,564,793
Other assets	5,204,505			4,911,883	
Allowance for credit losses	451,809			439,696	
Total assets	<u>\$ 48,703,953</u>			<u>\$ 47,533,157</u>	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Interest-bearing liabilities:</b>					
Interest bearing demand and money market	\$ 18,314,649	472,723	2.58 %	\$ 18,541,402	\$ 109,893
Savings deposits	3,028,875	14,955	0.49	3,657,718	5,519
Time deposits	6,674,231	246,476	3.69	3,545,402	24,253
Total interest-bearing deposits	28,017,755	734,154	2.62	25,744,522	139,665
Fed funds purchased, securities sold under agreement to repurchase and other	800,170	32,590	4.07	923,973	13,432
Short-term FHLB borrowings	1,389,759	68,235	4.91	1,325,381	36,863
Short-term BTFP borrowings	2,052,055	104,696	5.10	—	—
Long-term borrowings	452,645	19,136	4.23	465,004	19,330
Total interest-bearing liabilities	32,712,384	958,811	2.93 %	28,458,880	209,290
<b>Noninterest-bearing liabilities:</b>					
Demand deposits	10,610,698			13,733,384	
Other liabilities	893,438			766,490	
Total liabilities	44,216,520			42,958,754	
<b>Shareholders' equity</b>	4,487,433			4,574,403	
Total liabilities and shareholders' equity	<u>\$ 48,703,953</u>			<u>\$ 47,533,157</u>	
Net interest income/net interest spread		1,355,540	2.33 %		1,355,503
Net yield on earning assets/net interest margin			3.08 %		
<b>Taxable equivalent adjustment:</b>					
Loans and investment securities		(4,184)			(4,212)

Net interest revenue	\$ 1,351,356	\$ 1,351,291
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**Table 13**

**Selected Additional Data  
(Unaudited)**

(Dollars in thousands)	Quarter Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
<b>MORTGAGE SERVICING RIGHTS ("MSR"):</b>					
Fair value, beginning of period	\$ 116,266	\$ 111,417	\$ 106,942	\$ 109,744	\$ 112,767
Originations of servicing assets	2,636	4,065	1,990	1,385	2,283
Changes in fair value:					
Due to payoffs/paydowns	(3,035)	(2,104)	(2,621)	(1,078)	(2,308)
Due to update in valuation assumptions	(9,043)	2,888	5,106	(3,109)	(2,998)
Fair value, end of period	\$ 106,824	\$ 116,266	\$ 111,417	\$ 106,942	\$ 109,744
<b>MORTGAGE BANKING REVENUE:</b>					
Origination	\$ 1,040	\$ 2,031	\$ 3,495	\$ 3,344	\$ 1,793
Servicing	5,926	5,915	5,900	6,113	5,923
Payoffs/Paydowns	(3,035)	(2,104)	(2,621)	(1,078)	(2,308)
Total mortgage banking revenue excluding MSR	3,931	5,842	6,774	8,379	5,408
Market value adjustment on MSR	(9,043)	2,888	5,106	(3,109)	(2,998)
Market value adjustment on MSR Hedge	3,975	(3,046)	(3,524)	806	161
Total mortgage banking revenue	\$ (1,137)	\$ 5,684	\$ 8,356	\$ 6,076	\$ 2,571
Mortgage loans serviced	\$ 7,702,592	\$ 7,643,885	\$ 7,550,676	\$ 7,633,236	\$ 7,692,744
MSR/mortgage loans serviced	1.39 %	1.52 %	1.48 %	1.40 %	1.43 %

(In thousands)	Quarter Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
<b>AVAILABLE-FOR-SALE SECURITIES, at fair value</b>					
U.S. Treasury securities	\$ 465,018	\$ 1,996	\$ 8,959	\$ 15,849	\$ 1,458,513
Obligations of U.S. government agencies	332,011	1,004,374	1,112,326	1,358,350	1,477,127
<b>Mortgage-backed securities issued or guaranteed by U.S. agencies ("MBS"):</b>					
Residential pass-through:					
Guaranteed by GNMA	75,662	73,649	79,261	83,649	84,368
Issued by FNMA and FHLMC	4,387,101	5,541,895	5,895,704	6,164,294	6,274,970
Other residential mortgage-back securities	727,434	146,063	157,294	166,449	168,452
Commercial mortgage-backed securities	1,742,837	2,271,680	2,357,047	2,427,808	1,881,853
Total MBS	6,933,034	8,033,287	8,489,306	8,842,200	8,409,643
Obligations of states and political subdivisions	137,624	392,252	433,316	447,731	466,002
Other domestic debt securities	67,197	71,741	71,356	73,557	82,718
Foreign debt securities	140,592	139,581	139,317	140,192	50,093
Total available-for-sale securities	\$ 8,075,476	\$ 9,643,231	\$ 10,254,580	\$ 10,877,879	\$ 11,944,096

**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 income from continuing operations, adjusted income from continuing operations available to common shareholders, pre-tax pre-provision net revenue from continuing operations, adjusted pre-tax pre-provision net revenue from continuing operations, total adjusted noninterest 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 from continuing operations, return on average tangible common equity, adjusted return on average tangible common equity from continuing operations, adjusted return on average tangible common equity, adjusted return on average assets from continuing operations, adjusted return on average assets, adjusted return on average common shareholders' equity from continuing operations, 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
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
Adjusted Income from Continuing Operations Available to Common Shareholders						
(Loss) income from continuing operations	\$ (263,737)	\$ 87,152	\$ 107,262	\$ 73,007	\$ 96,720	\$ 3,684
Plus: Merger expense	—	—	122	5,070	19,916	5,192
Incremental merger related expense	7,500	—	1,671	8,960	32,704	18,131
Gain on extinguishment of debt	(652)	—	(1,140)	—	—	(1,792)
Restructuring and other nonroutine expenses	41,522	9,596	6,219	212	2,254	57,548
Pension settlement expense	11,226	600	—	—	6,127	11,826
Less: Security (losses) gains, net	(384,524)	64	69	(51,261)	(595)	(435,652)
Nonroutine (losses) gains, net	—	(6,653)	—	—	—	(6,653)
Tax adjustment	105,275	3,944	1,599	15,393	14,580	126,211
Adjusted income from continuing operations	75,108	99,992	112,466	123,117	143,736	410,683
Less: Preferred dividends	2,372	2,372	2,372	2,372	2,372	9,488
Adjusted income from continuing operations available to common shareholders	\$ 72,736	\$ 97,620	\$ 110,094	\$ 120,745	\$ 141,364	\$ 401,195

(In thousands)	Quarter Ended					Year-to-date
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
Pre-Tax Pre-Provision Net Revenue from Continuing Operations						
(Loss) income from continuing operations	\$ (263,737)	\$ 87,152	\$ 107,262	\$ 73,007	\$ 96,720	\$ 3,684
Plus: Provision for credit losses	38,000	17,000	15,000	10,000	6,000	80,000
Income tax (benefit) expense	(80,485)	24,355	30,463	21,073	28,196	(4,594)
Pre-tax pre-provision net revenue from continuing operations	\$ (306,222)	\$ 128,507	\$ 152,725	\$ 104,080	\$ 130,916	\$ 79,090

(In thousands)	Quarter Ended					Year-to-date
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
Adjusted Pre-Tax Pre-Provision Net Revenue from Continuing Operations						
(Loss) income from continuing operations	\$ (263,737)	\$ 87,152	\$ 107,262	\$ 73,007	\$ 96,720	\$ 3,684
Plus: Provision for credit losses	38,000	17,000	15,000	10,000	6,000	80,000
Merger expense	—	—	122	5,070	19,916	5,192
Incremental merger related expense	7,500	—	1,671	8,960	32,704	18,131
Gain on extinguishment of debt	(652)	—	(1,140)	—	—	(1,792)
Restructuring and other nonroutine expenses	41,522	9,596	6,219	212	2,254	57,548
Pension settlement expense	11,226	600	—	—	6,127	11,826
Income tax (benefit) expense	(80,485)	24,355	30,463	21,073	28,196	(4,594)
Less: Security (losses) gains, net	(384,524)	64	69	(51,261)	(595)	(435,652)
Nonroutine (losses) gains, net	\$ —	\$ (6,653)	\$ —	\$ —	\$ —	(6,653)
Adjusted pre-tax pre-provision net revenue from continuing operations	\$ 137,898	\$ 145,292	\$ 159,528	\$ 169,583	\$ 192,512	\$ 612,300

(In thousands)	Quarter Ended					Year-to-date
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023

Total Adjusted Noninterest Revenue	\$ (311,460)	\$ 73,989	\$ 86,664	\$ 34,463	\$ 80,196	\$ (116,343)
Less: Security gains (losses), net	(384,524)	64	69	(51,261)	(595)	(435,652)
Nonroutine gains (losses), net	—	(6,653)	—	—	—	(6,653)
Total adjusted noninterest revenue	\$ 73,064	\$ 80,578	\$ 86,595	\$ 85,724	\$ 80,791	\$ 325,962
Quarter Ended						Year-to-date
(In thousands)	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
Total Adjusted Noninterest Expense						
Total noninterest expense	\$ 329,367	\$ 274,442	\$ 267,466	\$ 284,647	\$ 308,638	\$ 1,155,923
Less: Merger expense	—	—	122	5,070	19,916	5,192
Incremental merger related expense	7,500	—	1,671	8,960	32,704	18,131
Gain on extinguishment of debt	(652)	—	(1,140)	—	—	(1,792)
Restructuring and other nonroutine expenses	41,522	9,596	6,219	212	2,254	57,548
Pension settlement expense	11,226	600	—	—	6,127	11,826
Total adjusted noninterest expense	\$ 269,771	\$ 264,246	\$ 260,594	\$ 270,405	\$ 247,637	\$ 1,065,018
Quarter Ended						Year-to-date
(In thousands)	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
Total Tangible Assets, Excluding AOCI						
Total assets	\$ 48,934,510	\$ 48,523,010	\$ 48,838,660	\$ 51,693,096	\$ 48,653,414	\$ 48,934,510
Less: Goodwill	1,367,785	1,367,785	1,367,785	1,367,785	1,367,785	1,367,785
Other identifiable intangible assets	100,191	104,596	109,033	115,113	119,579	100,191
Total tangible assets	47,466,534	47,050,629	47,361,842	50,210,198	47,166,050	47,466,534
Less: AOCI	(761,829)	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(761,829)
Total tangible assets, excluding AOCI	\$ 48,228,363	\$ 48,360,550	\$ 48,524,917	\$ 51,292,084	\$ 48,388,588	\$ 48,228,363
Quarter Ended						Year-to-date
(Dollars in thousands, except per share data)	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022	Dec 2023
PERIOD END BALANCES:						
Total Shareholders' Equity, Excluding AOCI						
Total shareholders' equity	\$5,167,843	\$4,395,257	\$4,485,850	\$4,490,417	\$4,311,374	\$5,167,843
Less: AOCI	(761,829)	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(761,829)
Total shareholders' equity, excluding AOCI	\$5,929,672	\$5,705,178	\$5,648,925	\$5,572,303	\$5,533,912	\$5,929,672
Common Shareholders' Equity, Excluding AOCI						
Total shareholders' equity	\$5,167,843	\$4,395,257	\$4,485,850	\$4,490,417	\$4,311,374	\$5,167,843
Less: preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Common shareholders' equity	5,000,850	4,228,264	4,318,857	4,323,424	4,144,381	5,000,850
Less: AOCI	(761,829)	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(761,829)
Common shareholders' equity, excluding AOCI	\$5,762,679	\$5,538,185	\$5,481,932	\$5,405,310	\$5,366,919	\$5,762,679
Total Tangible Common Shareholders' Equity, Excluding AOCI						
Total shareholders' equity	\$5,167,843	\$4,395,257	\$4,485,850	\$4,490,417	\$4,311,374	\$5,167,843
Less: Goodwill	1,367,785	1,367,785	1,367,785	1,367,785	1,367,785	1,367,785
Other identifiable intangible assets	100,191	104,596	109,033	115,113	119,579	100,191
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	3,532,874	2,755,883	2,842,039	2,840,526	2,657,017	3,532,874
Less: AOCI	(761,829)	(1,309,921)	(1,163,075)	(1,081,886)	(1,222,538)	(761,829)
Total tangible common shareholders' equity, excluding AOCI	\$4,294,703	\$4,065,804	\$4,005,114	\$3,922,412	\$3,879,555	\$4,294,703
AVERAGE BALANCES:						
Total Tangible Common Shareholders' Equity						
Total shareholders' equity	\$4,507,343	\$4,505,162	\$4,539,353	\$4,396,461	\$4,215,585	\$4,487,433

Less: Goodwill	1,367,916	1,367,785	1,367,785	1,367,784	1,370,106	1,367,818
Other identifiable intangible assets	102,765	107,032	113,094	117,518	122,093	110,053
Preferred stock	166,993	166,993	166,993	166,993	166,993	166,993
Total tangible common shareholders' equity	\$2,869,669	\$2,863,352	\$2,891,481	\$2,744,166	\$2,556,393	\$2,842,569
Total average assets	\$48,444,176	\$48,655,138	\$49,067,121	\$48,652,201	\$47,790,494	\$48,703,953
Total shares of common stock outstanding	182,871,775	182,611,075	182,626,229	182,684,578	182,437,265	182,871,775
Average shares outstanding-diluted	182,688,190	184,645,004	183,631,570	183,908,798	183,762,008	182,608,713
Tangible common shareholders' equity to tangible assets <sup>(1)</sup>	7.44 %	5.86 %	6.00 %	5.66 %	5.63 %	7.44 %
Tangible common shareholders' equity, excluding AOCI, to tangible assets, excluding AOCI <sup>(2)</sup>	8.90	8.41	8.25	7.65	8.02	8.90
Return on average tangible common equity from continuing operations <sup>(3)</sup>	(36.79)	11.75	14.55	10.44	14.64	(0.20)
Return on average tangible common equity <sup>(3)</sup>	35.49	12.50	15.49	10.97	14.83	18.74
Adjusted return on average tangible common equity from continuing operations <sup>(4)</sup>	10.06	13.53	15.27	17.84	21.94	14.11
Adjusted return on average assets from continuing operations <sup>(5)</sup>	0.62	0.82	0.92	1.03	1.19	0.84
Adjusted return on average common shareholders' equity from continuing operations <sup>(6)</sup>	6.65	8.93	10.10	11.58	13.85	9.29
Pre-tax pre-provision net revenue from continuing operations to total average assets <sup>(7)</sup>	(2.51)	1.05	1.25	0.87	1.09	0.16
Adjusted pre-tax pre-provision net revenue from continuing operations to total average assets <sup>(8)</sup>	1.13	1.18	1.30	1.41	1.60	1.26
Tangible book value per common share <sup>(9)</sup>	\$ 19.32	\$ 15.09	\$ 15.56	\$ 15.55	\$ 14.56	\$ 19.32
Tangible book value per common share, excluding AOCI <sup>(10)</sup>	23.48	22.26	21.93	21.47	21.27	23.48
Adjusted earnings from continuing operations per common share <sup>(11)</sup>	\$ 0.40	\$ 0.53	\$ 0.60	\$ 0.66	\$ 0.77	\$ 2.20
Adjusted dividend payout ratio from continuing operations <sup>(12)</sup>	58.75 %	44.34 %	39.17 %	35.61 %	28.57 %	42.73 %

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, excluding AOCI, 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 from continuing operations is defined by the Company as annualized income available to common shareholders from continuing operation divided by average tangible common shareholders equity.
- (4) Adjusted return on average tangible common equity from continuing operations is defined by the Company as annualized adjusted income available to common shareholders from continuing operations divided by average tangible common shareholders' equity.
- (5) Adjusted return on average assets from continuing operations is defined by the Company as annualized adjusted income from continuing operations divided by total average assets.
- (6) Adjusted return on average common shareholders' equity from continuing operations is defined by the Company as annualized adjusted income available to common shareholders from continuing operations divided by average common shareholders' equity.
- (7) Pre-tax pre-provision net revenue from continuing operations to total average assets is defined by the Company as annualized pre-tax pre-provision net revenue from continuing operations divided by total average assets.
- (8) Adjusted pre-tax pre-provision net revenue from continuing operations to total average assets is defined by the Company as annualized adjusted pre-tax pre-

- (9) provision net revenue from continuing operations divided by total average assets adjusted for items included in the definition and calculation of adjusted income. 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 from continuing operations per common share is defined by the Company as adjusted income available to common shareholders from continuing operations divided by average common shares outstanding-diluted.
- (12) Adjusted dividend payout ratio from continuing operations is defined by the Company as common share dividends divided by adjusted income available to common shareholders from continuing operations.

#### **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 from continuing operations. The adjusted efficiency ratio excludes income and expense items otherwise disclosed as non-routine from total noninterest expense from continuing operations.

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