**UNITED STATES**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**WASHINGTON, DC 20429**

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# FORM 10-Q

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**(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended March 31, 2024**

**OR**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from ________________ to ________________**

**FDIC Certificate No. 11813**

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# CADENCE BANK

**(Exact name of registrant as specified in its charter)**

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|---|---|
| **Mississippi**<br>**(State or other jurisdiction of incorporation or organization)** | **64-0117230**<br>**(I.R.S. Employer Identification No.)** |
| **One Mississippi Plaza, 201 South Spring Street**<br>**Tupelo, Mississippi**<br>**(Address of principal executive offices)** | **38804**<br>**(Zip Code)** |

**Registrant's telephone number, including area code: (662) 680-2000**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $2.50 par value per share | CADE | New York Stock Exchange |
| 5.50% Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share | CADE PR A | New York Stock Exchange |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large Accelerated Filer | ☒ | Accelerated Filer | ☐ |
| Non-Accelerated Filer | ☐ | Smaller Reporting Company | ☐ |
| | | Emerging Growth Company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 6, 2024, the registrant had outstanding 182,732,963 shares of common stock, par value $2.50 per share, and 6,900,000 shares of its 5.50% Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share.

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**Glossary of Defined Terms**

ACH - Automated Clearing House
ACL - Allowance for credit losses
AFS - Available for sale
ALM - Asset/liability management
ALCO - Asset/Liability Management Committee
AML Act - Anti-Money Laundering Act of 2020
AOCI - Accumulated other comprehensive income (loss)
ASC - Accounting Standards Codification
ASU - Accounting Standards Update
ATM - Automated teller machine
Basel III - Basel Committee's 2010 Regulatory Capital Framework (Third Accord)
Basel III Rules - Final capital rules adopting the Basel III capital framework approved by U.S. federal regulators in 2013
Basel Committee - Basel Committee on Banking Supervision
BHC Act - Bank Holding Company Act of 1956, as amended
Board - the Company’s Board of Directors
BOLI - Bank-owned life insurance
BTFP - Bank Term Funding Program
C&I - Commercial and industrial
CAD - Construction, acquisition and development
CAMT - Corporate alternative minimum tax rate
CDE - Community development entity
CECL - ASU 2016-13, Measurement of Credit Losses on Financial Instruments ("Current Expected Credit Losses")
CET1 - Common Equity Tier 1
CFPB - Consumer Financial Protection Bureau
Code - Code of Business Conduct and Ethics
Company - Cadence Bank and its subsidiaries
COSO - Committee of Sponsoring Organizations of the Treadway Commission
COVID-19 - Coronavirus Disease 2019
CRA - Community Reinvestment Act of 1977
CRE - Commercial real estate
DIF - Deposit Insurance Fund
DOJ - U.S. Department of Justice
EAP - Employee Assistance Program
ECL - Expected credit loss
EIR - Effective interest rate
EPS - Earnings per share
Exchange Act - Securities Exchange Act of 1934
ESG - Environmental, Social and Governance
EVE - Economic value of equity
FASB - Financial Accounting Standards Board
FDIC - Federal Deposit Insurance Corporation
FDICIA - Federal Deposit Insurance Corporation Improvement Act of 1991
FDM - Financial difficulty modification
FHA - Federal Housing Administration
FHLB - Federal Home Loan Bank
FHLMC - Federal Home Loan Mortgage Corporation (“Freddie Mac”)
FinCEN - Financial Crimes Enforcement Network
FNMA - Federal National Mortgage Association (“Fannie Mae”)
FRB - Federal Reserve Bank
FTE - Fully taxable equivalent
FTP - Funds transfer pricing
GAAP - Generally Accepted Accounting Principles in the United States
GNMA - Government National Mortgage Association (“Ginnie Mae”)
HTC - Historic tax credits
IRA of 2022 - Inflation Reduction Act of 2022
IRR - Interest rate risk
ITM - Interactive teller machine
LTV - Loan to value

MBS - Mortgage-backed securities
MDBCF - Mississippi Department of Banking and Consumer Finance
MSR - Mortgage servicing rights
NAV - Net asset value
NII - Net interest income
NM - Not meaningful
NMTC - New market tax credit
NPA - Nonperforming asset(s)
NPL - Nonperforming loan(s)
NSF - Nonsufficient funds
NYSE - New York Stock Exchange
OCC - Office of the Comptroller of the Currency
OREO - Other real estate owned
PCD - Purchased credit deteriorated
PCI - Purchase credit impaired
PSU - Performance stock unit
ROU - Right of use
RSA - Restricted stock award
RSU - Restricted stock unit
SBA - Small Business Administration
SBIC - Small Business Investment Company
SEC - U.S. Securities and Exchange Commission
SNC - Shared National Credit
SOFR - Secured Overnight Financing Rate
TBA - To be announced
TDR - Troubled debt restructuring
USDA - U.S. Department of Agriculture
VA - U.S. Department of Veterans Affairs
VIE - Variable interest entity

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements made in this quarterly report on Form 10-Q (this "Report") are not statements of historical fact and 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 created thereby under the Private Securities Litigation Reform Act of 1995 as well as the "bespeaks caution" doctrine. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "aspire," "assume," "believe," "budget," "contemplate," "continue," "could," "estimate," "expect," "forecast," "foresee," "goal," "hope," "indicate," "intend," "may," "might," "outlook," "plan," "project," "projection," "predict," "prospect," "potential," "roadmap," "seek," "should," "target," "will," and "would," or the negative versions of those words, or other 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; our assets; business; cash flows; financial condition; liquidity; prospects; results of operations, the impact of the sale of Cadence Insurance (the "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 Transaction, and the Company's ability to deploy capital into strategic and growth initiatives; deposit growth interest and fee-based revenue; capital resources; capital metrics; efficiency ratio; valuation of mortgage servicing rights; mortgage production volume; net income; net interest revenue; non-interest revenue; net interest margin; interest expense; non-interest expense; earnings per share; interest rate sensitivity; interest rate risk; balance sheet and liquidity management; off-balance sheet arrangements; fair value determinations; asset quality; credit quality; credit losses; provision and allowance for credit losses, impairments, charge-offs, recoveries and changes in volume; investment securities portfolio yields and values; ability to manage the impact of pandemics and natural disasters; adoption and use of critical accounting policies; adoption and implementation of new accounting standards and their effect on our financial results and our financial reporting; utilization of non-GAAP financial metrics; declaration and payment of dividends; ability to pay dividends or coupons on our 5.5% Series A Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, or our subordinated notes; mortgage and insurance business and commission revenue growth; implementation and execution of cost savings initiatives; ability to successfully litigate, resolve or otherwise dispense with threatened, ongoing and future litigation and administrative and investigatory matters; ability to successfully complete pending or future acquisitions or divestitures; dispositions and other strategic growth opportunities and initiatives; ability to successfully integrate and manage acquisitions or divestitures; opportunities and efforts to grow market share; reputation; ability to compete with other financial institutions; ability to recruit and retain key employees and personnel; access to capital markets; investment in other financial institutions; and ability to operate our regulatory compliance programs in accordance with applicable law.

Forward-looking statements are based upon management's expectations as well as certain assumptions and estimates made by, and information available to, management at the time such statements were made. Forward-looking statements are not historical facts, are not guarantees of future results or performance and are subject to certain known and unknown risks, uncertainties and other factors that are beyond our control and that may cause actual results to differ materially from those expressed in, or implied by, such forward-looking statements. These risks, uncertainties and other factors include, without limitation, general economic, unemployment, credit market and real estate market conditions, and the effect of such conditions on the creditworthiness of borrowers, collateral values, the value of investment securities and asset recovery values; the risks of changes in interest rates and their effects on the level and composition of deposits, loan demand, loan repayment velocity, and the values of loan collateral, securities and interest sensitive assets and liabilities; risks arising from market reactions to the banking environment in general, or to conditions or situations at specific banks; risks arising from perceived instability in the banking sector; the impact of inflation, the failure of assumptions underlying the establishment of reserves for possible credit losses, fair value for loans and other real estate owned; changes in the prices, values and sales volumes of residential and commercial real estate, especially as they relate to the value of collateral supporting the Company's loans; 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; the availability of and access to capital; possible downgrades in our credit ratings or outlook which could increase the costs or availability of funding from capital markets; the ability to attract new or retain existing deposits or to retain or grow loans; potential delays or other problems in implementing and executing our growth, expansion and acquisition or divestment strategies (including the sale of Cadence Insurance, Inc.), including delays in obtaining regulatory or other necessary approvals or the failure to realize any anticipated benefits or synergies from any acquisitions or growth strategies; significant turbulence or a disruption in the capital or financial markets; the effect of a fall in stock market prices on our investment banking business and our fee income from our brokerage and wealth management businesses; the ability to grow additional interest and fee income or to control noninterest expense; competitive factors and pricing pressures, including their effect on our net interest margin; changes in legal, financial and/or regulatory requirements; recently enacted and potential legislation and regulatory actions and the costs and expenses to comply with new and/or existing legislation and regulatory actions, and any related rules and regulations; changes in U.S. Government monetary and fiscal policy, including any changes that may result from U.S. elections; FDIC special assessments or changes to regular assessments; possible adverse rulings, judgments, settlements and other outcomes of pending or future litigation or government actions; the ability to keep pace with technological changes, including changes regarding generative artificial intelligence, maintaining cybersecurity and compliance with applicable cybersecurity regulatory requirements; increased competition in the financial services industry, particularly from regional and national institutions, as well as from fintech companies, risks related to our reliance on third parties to provide key components of our business infrastructure, including the risks related to disruptions in services provided by disputes with, or financial difficulties of a third-party vendor, the impact of failure in, or breach of, our operational or security systems or infrastructure, or those of third parties with whom we do 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 us or our customers; 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, or the Israel-Hamas war, including the imposition of additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments); risks related to, and the costs associated with, ESG matters, including the scope and pace of related rulemaking activity; impairment of our goodwill or other intangible assets; adoption of new accounting standards or changes in existing standards; and other factors described in "Part I, Item 1A. Risk Factors" in this Report or as detailed from time to time in the Company's press and news releases, reports and other filings we file with the FDIC.

The Company 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.

Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this Report, 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 Report, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this section.

## PART I—FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS.

**Consolidated Balance Sheets**
**Cadence Bank and Subsidiaries**
**(Unaudited)**

| (In thousands, except share and per share amounts) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| ASSETS | | |
| Cash and due from banks | $ 427,543 | $ 798,177 |
| Interest bearing deposits with other banks and Federal funds sold | 2,609,931 | 3,434,088 |
| Total cash and cash equivalents | 3,037,474 | 4,232,265 |
| Available for sale securities, at fair value | 8,306,589 | 8,075,476 |
| Loans and leases, net of unearned income | 32,882,616 | 32,497,022 |
| Allowance for credit losses | 472,575 | 468,034 |
| Net loans and leases | 32,410,041 | 32,028,988 |
| Loans held for sale, at fair value | 169,556 | 186,301 |
| Premises and equipment, net | 822,666 | 802,133 |
| Goodwill | 1,367,785 | 1,367,785 |
| Other intangible assets, net | 96,126 | 100,191 |
| Bank-owned life insurance | 645,167 | 642,840 |
| Other assets | 1,458,459 | 1,498,531 |
| TOTAL ASSETS | $ 48,313,863 | $ 48,934,510 |
| LIABILITIES | | |
| Noninterest bearing demand deposits | $ 8,820,468 | $ 9,232,068 |
| Interest bearing demand and money market deposits | 18,945,982 | 19,276,596 |
| Savings | 2,694,777 | 2,720,913 |
| Time deposits | 7,658,999 | 7,267,560 |
| Total deposits | 38,120,226 | 38,497,137 |
| Securities sold under agreement to repurchase | 94,390 | 451,516 |
| Short-term BTFP borrowings | 3,500,000 | 3,500,000 |
| Subordinated and long-term borrowings | 430,123 | 438,460 |
| Other liabilities | 979,192 | 879,554 |
| TOTAL LIABILITIES | 43,123,931 | 43,766,667 |
| SHAREHOLDERS' EQUITY | | |
| Preferred stock, $0.01 par value per share; authorized - 500,000,000 shares; issued and outstanding - 6,900,000 shares for both periods presented | 166,993 | 166,993 |
| Common stock, $2.50 par value per share; authorized - 500,000,000 shares; issued and outstanding - 182,681,325 and 182,871,775 shares, respectively | 456,703 | 457,179 |
| Capital surplus | 2,724,587 | 2,743,066 |
| Accumulated other comprehensive loss | (791,333) | (761,829) |
| Retained earnings | 2,632,982 | 2,562,434 |
| TOTAL SHAREHOLDERS' EQUITY | 5,189,932 | 5,167,843 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | $ 48,313,863 | $ 48,934,510 |

See accompanying notes to the unaudited consolidated financial statements.

**Consolidated Statements of Income**
**Cadence Bank and Subsidiaries**
**(Unaudited)**

| (In thousands, except per share amounts) | Three Months Ended March 31, 2024 | 2023 |
|---|---|---|
| INTEREST REVENUE: | | |
| Loans and leases | $ 528,940 | $ 457,084 |
| Available for sale securities: | | |
| Taxable | 63,405 | 48,512 |
| Tax-exempt | 687 | 2,477 |
| Loans held for sale | 1,184 | 603 |
| Short-term investments | 42,897 | 17,450 |
| Total interest revenue | 637,113 | 526,126 |
| INTEREST EXPENSE: | | |
| Interest bearing demand deposits and money market accounts | 149,403 | 95,344 |
| Savings | 3,801 | 3,014 |
| Time deposits | 80,670 | 23,950 |
| Federal funds purchased and securities sold under agreement to repurchase | 2,523 | 7,667 |
| Short-term debt | 42,109 | 37,015 |
| Subordinated and long-term debt | 4,699 | 4,872 |
| Total interest expense | 283,205 | 171,862 |
| Net interest revenue | 353,908 | 354,264 |
| Provision for credit losses | 22,000 | 10,000 |
| Net interest revenue, after provision for credit losses | 331,908 | 344,264 |
| NONINTEREST REVENUE: | | |
| Mortgage banking | 6,443 | 6,076 |
| Credit card, debit card and merchant fees | 12,162 | 11,851 |
| Deposit service charges | 18,338 | 16,482 |
| Security losses, net | (9) | (51,261) |
| Wealth management | 22,833 | 21,532 |
| Other | 24,019 | 29,783 |
| Total noninterest revenue | 83,786 | 34,463 |
| NONINTEREST EXPENSE: | | |
| Salaries and employee benefits | 156,650 | 165,738 |
| Occupancy and equipment | 28,640 | 27,787 |
| Data processing and software | 30,028 | 31,105 |
| Merger expense | — | 5,070 |
| Amortization of intangibles | 4,066 | 4,466 |
| Deposit insurance assessments | 8,414 | 8,361 |
| Other | 35,409 | 42,120 |
| Total noninterest expense | 263,207 | 284,647 |
| Income from continuing operations before income taxes | 152,487 | 94,080 |
| Income tax expense | 35,509 | 21,073 |
| Income from continuing operations | $ 116,978 | $ 73,007 |
| Income from discontinued operations before income taxes | — | 4,982 |
| Income tax expense from discontinued operations | — | 1,360 |
| Income from discontinued operations, net of income taxes | — | 3,622 |
| Net income | 116,978 | 76,629 |
| Less: preferred dividends | 2,372 | 2,372 |
| Net income available to common shareholders | $ 114,606 | $ 74,257 |
| Basic earnings per common share from continuing operations | $ 0.63 | $ 0.39 |
| Basic earnings per common share | $ 0.63 | $ 0.41 |
| Diluted earnings per common share from continuing operations | $ 0.62 | $ 0.38 |
| Diluted earnings per common share | $ 0.62 | $ 0.40 |

See accompanying notes to the unaudited consolidated financial statements.

**Consolidated Statements of Comprehensive Income (Loss)**
**Cadence Bank and Subsidiaries**
**(Unaudited)**

| (In thousands) | Three Months Ended March 31, 2024 | 2023 |
|---|---|---|
| Net income | $ 116,978 | $ 76,629 |
| Other comprehensive (loss) income, net of tax: | | |
| Unrealized (losses) gains on AFS securities: | | |
| Net unrealized (losses) gains, net of income taxes of $9,324 and $(55,394) | (30,149) | 179,119 |
| Reclassification adjustment for net losses realized in net income, net of income taxes of $2 and $12,108 | (7) | (39,153) |
| Net change in unrealized (losses) gains on AFS securities, net of tax | (30,156) | 139,966 |
| Recognized employee benefit plan net periodic benefit cost, net of income taxes of $(202) and $(210) | 652 | 686 |
| Other comprehensive (loss) income, net of tax | (29,504) | 140,652 |
| Comprehensive income | $ 87,474 | $ 217,281 |

See accompanying notes to the unaudited consolidated financial statements.

## Consolidated Statements of Shareholders' Equity
## Cadence Bank and Subsidiaries
## (Unaudited)

| (In thousands, except share and per share amounts) | Preferred Stock Shares | Preferred Stock Amount | Common Stock Shares | Common Stock Amount | Capital Surplus | Accumulated Other Comprehensive (Loss) Income | Retained Earnings | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2023** | 6,900,000 | $ 166,993 | 182,871,775 | $ 457,179 | $ 2,743,066 | $ (761,829) | $ 2,562,434 | $ 5,167,843 |
| Net income | — | — | — | — | — | — | 116,978 | 116,978 |
| Other comprehensive loss, net of tax | — | — | — | — | — | (29,504) | — | (29,504) |
| Recognition of stock compensation | — | — | 467,143 | 1,168 | (3,231) | — | — | (2,063) |
| Repurchase of stock, net of excise tax | — | — | (657,593) | (1,644) | (15,248) | — | — | (16,892) |
| Preferred dividends declared, $0.34 per share | — | — | — | — | — | — | (2,372) | (2,372) |
| Cash dividends declared, $0.25 per share | — | — | — | — | — | — | (45,598) | (45,598) |
| Cumulative effect of change in accounting principle | — | — | — | — | — | — | 1,540 | 1,540 |
| **Balance at March 31, 2024** | 6,900,000 | $ 166,993 | 182,681,325 | $ 456,703 | $ 2,724,587 | $ (791,333) | $ 2,632,982 | $ 5,189,932 |

| (In thousands, except share and per share amounts) | Preferred Stock Shares | Preferred Stock Amount | Common Stock Shares | Common Stock Amount | Capital Surplus | Accumulated Other Comprehensive (Loss) Income | Retained Earnings | Total Shareholders' Equity |
|---|---|---|---|---|---|---|---|---|
| **Balance at December 31, 2022** | 6,900,000 | $ 166,993 | 182,437,265 | $ 456,093 | $ 2,709,391 | $ (1,222,538) | $ 2,201,435 | $ 4,311,374 |
| Net income | — | — | — | — | — | — | 76,629 | 76,629 |
| Other comprehensive income, net of tax | — | — | — | — | — | 140,652 | — | 140,652 |
| Recognition of stock compensation | — | — | 253,599 | 634 | 6,732 | — | — | 7,366 |
| Repurchase of stock, net of excise tax | — | — | (6,286) | (16) | (142) | — | — | (158) |
| Preferred dividends declared, $0.34 per share | — | — | — | — | — | — | (2,372) | (2,372) |
| Cash dividends declared, $0.235 per share | — | — | — | — | — | — | (42,879) | (42,879) |
| Cumulative effect of change in accounting principle | — | — | — | — | — | — | (195) | (195) |
| **Balance at March 31, 2023** | 6,900,000 | $ 166,993 | 182,684,578 | $ 456,711 | $ 2,715,981 | $ (1,081,886) | $ 2,232,618 | $ 4,490,417 |

See accompanying notes to the unaudited consolidated financial statements.

**Consolidated Statements of Cash Flows**
**Cadence Bank and Subsidiaries**
**(Unaudited)**

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | **2024** | **2023** |
| **Operating Activities:** | | |
| Net income | $ 116,978 | $ 76,629 |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Depreciation, amortization, and accretion | 56,554 | 64,381 |
| Deferred income tax expense | 12,798 | 11,350 |
| Provision for credit losses | 22,000 | 10,000 |
| Gain on sale of loans, net | (4,486) | (4,713) |
| Loss on sales of available for sale securities, net | 9 | 51,261 |
| Unrealized gain on limited partnerships, net | (1,000) | (1,257) |
| Share-based compensation expense | 6,074 | 10,203 |
| Proceeds from payments and sales of loans held for sale | 280,316 | 408,823 |
| Origination of loans held for sale | (265,545) | (428,748) |
| (Increase) decrease in accrued interest receivable | (14,374) | 4,123 |
| Increase in accrued interest payable | 47,527 | 17,324 |
| Net increase in prepaid pension asset | (1,563) | (2,994) |
| Decrease in other assets | 58,305 | 13,837 |
| Increase (decrease) in other liabilities | 47,537 | (24,657) |
| Other, net | (2,411) | (1,905) |
| Net cash provided by operating activities | 358,719 | 203,657 |
| **Investing Activities:** | | |
| Purchases of available for sale securities | (693,341) | (741,768) |
| Proceeds from sales of available for sale securities | 4,000 | 1,508,444 |
| Proceeds from maturities, calls, and payments of available for sale securities | 411,195 | 418,998 |
| Purchases of FHLB stock, net | — | (110,043) |
| Increase in loans, net | (421,170) | (990,252) |
| Purchases of premises and equipment | (35,092) | (24,210) |
| Proceeds from sales of premises and equipment | 3,324 | 2,660 |
| Proceeds from disposition of foreclosed and repossessed property | 3,024 | 2,607 |
| Net death benefits received (purchases of) on bank owned life insurance | 143 | (1,368) |
| Purchases of  tax credit investments | (4,359) | (7,673) |
| Purchases of limited partnership interests | (8,980) | (9,111) |
| Other, net | 2,513 | 2,602 |
| Net cash (used) provided by investing activities | (738,743) | 50,886 |
| **Financing Activities:** | | |
| (Decrease) increase in deposits, net | (376,834) | 449,942 |
| Net change in securities sold under agreement to repurchase and federal funds purchased | (357,126) | (137,401) |
| Net change in BTFP borrowings and short-term FHLB advances | — | 2,599,998 |
| Repayment or repurchase of long-term borrowings | (7,876) | (4,536) |
| Repurchase of common stock | (16,892) | (158) |
| Cash dividends paid on common stock | (45,530) | (42,871) |
| Cash dividends paid on preferred stock | (2,372) | (2,372) |
| Cash paid for tax withholding on vested share-based compensation and other | (8,137) | (2,837) |
| Net cash (used in) provided by financing activities | (814,767) | 2,859,765 |
| **Net (decrease) increase in cash and cash equivalents** | (1,194,791) | 3,114,308 |
| **Cash and cash equivalents at beginning of period** | 4,232,265 | 1,998,152 |
| **Cash and cash equivalents at end of period** | $ 3,037,474 | $ 5,112,460 |

**Consolidated Statements of Cash Flows (continued)**
**Supplemental Cash Flow Disclosures**
**Cadence Bank and Subsidiaries**

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | **2024** | **2023** |
| **Supplemental Disclosures** | | |
| Cash paid during the period for: | | |
| Interest | $ 235,678 | $ 154,538 |
| Income taxes, net of refunds | 4,839 | (1,122) |
| Cash paid for amounts included in lease liabilities | 4,656 | 6,228 |
| Non-cash investing activities, at fair value: | | |
| Acquisition of real estate and other assets in settlement of loans | 1,715 | 513 |
| Transfers of loans held for sale to loans | 461 | — |
| Right of use assets  obtained in exchange for new operating lease liabilities | 9,519 | 4,961 |
| Increase in funding obligations for certain tax credit investments | 7,800 | 17,043 |

See accompanying notes to unaudited consolidated financial statements.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation and Consolidation

The accompanying unaudited consolidated financial statements for the Company have been prepared in accordance with instructions to the SEC Form 10-Q and Article 10 of Regulation S-X; therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, comprehensive income, and cash flows in conformity with GAAP. All adjustments consisting of normally recurring accruals that, in the opinion of management, are necessary for a fair presentation of the consolidated financial position and results of operations for the periods covered by this report have been included. These interim financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023. Operating results for the period ended March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The consolidated balance sheet at December 31, 2023 has been derived from the audited financial statements included in our Form 10-K for the year ended December 31, 2023.

The Company and its subsidiaries follow GAAP, including, where applicable, general practices within the banking industry. The consolidated financial statements include the accounts of the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated in consolidation. The assessment of whether or not the Company has a controlling interest (i.e., the primary beneficiary) in a VIE is performed on an on-going basis. All equity investments in non-consolidated VIEs are included in “other assets” in the Company’s consolidated balance sheets (see Note 17 for more information).

Certain amounts reported in prior years have been reclassified to conform to the 2024 presentation. These reclassifications did not materially impact the Company’s consolidated financial statements.

In accordance with GAAP, the Company’s management evaluated subsequent events for potential recognition or disclosure in the consolidated financial statements through the date of the issuance of the consolidated financial statements.

### Discontinued Operations

On October 24, 2023, the Company entered into the Stock Purchase Agreement regarding the sale of Cadence Insurance to Arthur Gallagher and Arthur J. Gallagher & Co pursuant to which the Company agreed to sell all of the issued and outstanding shares of capital stock of Cadence Insurance to Gallagher for a purchase price of $904.0 million in cash, subject to customary purchase price adjustments. The transaction closed on November 30, 2023. Cadence Insurance’s operating results have been presented as “discontinued operations” within the accompanying consolidated statements of income. Cash flows from both continuing and discontinued operations are included in the Consolidated Statement of Cash Flows. See Note 2 and Note 14 for further discussion.

### Recently Adopted Accounting Pronouncements

*ASU No. 2022-03*

In June 2022, the FASB issued ASU No. 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions.* The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The ASU introduces new disclosure requirements to provide investors with information about the restriction including the nature and remaining duration of the restriction.

The guidance became effective for Cadence beginning January 1, 2024. Cadence does not include contractual sale restrictions as adjustments to the measured fair value of our equity securities. The adoption of this guidance had no immediate impact to our consolidated financial statements.

*ASU No. 2023-01*

In March 2023, the FASB issued ASU No. 2023-01, *Leases (Topic 842): Common Control Arrangements* which amends the accounting for common control leasing arrangements. The ASU requires all entities to amortize leasehold improvements associated with common control leases over the useful life to the common control group.

The guidance became effective for Cadence beginning January 1, 2024. Cadence adopted this guidance on a prospective basis. The adoption of this guidance had no immediate impact to our consolidated financial statements.

*ASU No. 2023-02*

In March 2023, the FASB issued ASU No. 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method.* The ASU allows entities to elect the proportional amortization method, on a tax-credit-program-by-tax-credit-program basis, for all equity investments in tax credit programs meeting the eligibility criteria in ASC 323-740-25-1. The ASU further prescribes specific information reporting entities must disclose about tax credit investments each period.

This guidance became effective for Cadence beginning January 1, 2024. Cadence adopted this guidance on a modified-retrospective basis. Cadence evaluated all investments for which it still expects to receive income tax credits or other income tax benefits as of January 1, 2024, to determine which investments qualified for the proportional amortization method as of the date the investment was entered into. Based on Cadence's assessment of investments' eligibility for proportional amortization as of January 1, 2024, Cadence had NMTC and HTC investments with investment balances of approximately $36 million that were eligible for the proportional amortization method and for which Cadence still expects to receive income tax credits and other income tax benefits of approximately $51 million in future periods.

The Company recorded a cumulative-effect adjustment to retained earnings for the difference between (1) the cumulative amortization recognized for the eligible investments from investment inception through January 1, 2024, under the equity method of accounting, and (2) the cumulative amortization that would be recognized for the same period under the proportional amortization method. The Company's cumulative adoption adjustment of $1.5 million was recorded to retained earnings and represents the excess amortization expense under the equity method of accounting and removal of the remaining deferred tax liabilities associated with the eligible investments as of January 1, 2024.

**Pending Accounting Pronouncements**

*ASU No. 2023-05*

In August 2023, the FASB issued ASU No. 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement.* The ASU applies to the formation of entities that meet the definition of a joint venture (or a corporate joint venture) as defined in the FASB ASC Master Glossary. The amendments in the ASU require that a newly formed joint venture, upon formation, would initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). The ASU allows a joint venture to apply measurement period guidance in accordance with ASC 805-10, allowing the amounts recognized upon formation to be adjusted for provisional items during the measurement period not to exceed one year from the formation date.

The ASU does not amend the definition of a joint venture, the existing guidance for the accounting by an equity method investor for its investment in a joint venture, or the accounting by a joint venture for contributions received subsequent to formation.

The amendments are effective prospectively for all joint ventures with a formation date on or after January 1, 2025, and early adoption is permitted. A joint venture that was formed before the effective date of the ASU may elect to apply the amendments retrospectively if it has sufficient information. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

*ASU No. 2023-06*

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*, that incorporates certain U.S. Securities and Exchange Commission (SEC) disclosure requirements into the FASB Accounting Standards Codification. The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations.

The ASU modifies the disclosure or presentation requirements of a variety of Topics in the Codification. The requirements are relatively narrow in nature. Some of the amendments represent clarifications to, or technical corrections of, the current requirements.

The effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. If by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. As this guidance is solely disclosure related, there will be no quantitative impact to the Company's consolidated financial statements.

*ASU No. 2023-07*

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The amendments in the ASU improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses.

The amendments in the ASU are effective for annual periods beginning after December 15, 2023. As this guidance is solely disclosure related, there will be no quantitative impact to the Company's consolidated financial statements.

*ASU No. 2023-08*

In December 2023, the FASB issued ASU No. 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets.* The amendments are intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity's crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period.

The amendments in the ASU are effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued (or made available for issuance). If amendments are adopted in an interim period, they must be adopted as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

*ASU No. 2023-09*

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The ASU is intended to improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. It also includes certain other amendments intended to improve the effectiveness of income tax disclosures.

The amendments in the ASU are effective for annual periods beginning after December 15, 2024. For other entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. As this guidance is solely disclosure related, there will be no quantitative impact to the Company's consolidated financial statements.

*ASU No. 2024-01*

In March 2024, the FASB issued ASU No. 2024-01, *Compensation--Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards,* which provides four cases illustrating the scope application of Topic 718 for profits interest awards. Determining whether a profits interest award should be accounted for as a share-based payment arrangement or other compensation requires judgement based on the facts and circumstances of the specific transaction. The illustrative example includes four fact patterns to demonstrate how an entity would apply the scope guidance in Topic 718 to determine whether profits interest awards should be accounted for in accordance with Topic 718.

The amendments in the ASU are effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The amendments should be applied either (1) retrospectively to all prior periods presented in the financial statements or (2) prospectively to profits interest and similar awards grated or modified on or after the date at which the entity first applies the amendments. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

*ASU No. 2024-02*

In March 2024, the FASB issued ASU No. 2024-02, *Codification Improvements--Amendments to Remove References to the Concepts Statements,* which contains amendments that remove references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior Statements to provide guidance in certain topical areas. Generally, the amendments are not intended to result in significant accounting change for most entities. However, the Board recognized that changes to that guidance may result in accounting change for some entities. Therefore, the Company provided the Board transition guidance for all the amendments in this Update.

These amendments are effective for public business entities for fiscal years beginning after December 15, 2024. Early application of the amendments is permitted for all entities, for any fiscal year or interim period for which financial statements have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

**NOTE 2. DISCONTINUED OPERATIONS**

On November 30, 2023, the Company completed the sale of its insurance subsidiary, Cadence Insurance, via a stock purchase agreement with Gallagher and Arthur J. Gallagher & Co. for $904 million, subject to customary purchase price adjustments. The transaction resulted in a pre-tax gain of $706.6 million. The gain, along with Cadence Insurance's historical financial results for periods prior to the sale, is reflected in the Company's consolidated financial statements as discontinued operations. Cadence Insurance's operating results have been presented as "Discontinued operations" within the accompanying consolidated financial statements and prior period amounts have been reclassified to conform with the current period presentation. For more information, see Note 3 to the consolidated financial statements to the Annual Report on Form 10-K for the year ended December 31, 2023. There were no discontinued operations for the three months ended March 31, 2024.

The following summarized financial information related to Cadence Insurance has been segregated from continuing operations and reported as discontinued operations for the period presented.

| (In thousands) | Three Months Ended |
|---|---|
| **Discontinued operations:** | March 31, 2023 |
| Net interest revenue | $ 6 |
| Noninterest revenue | |
| Insurance commissions | 39,606 |
| Other | 2 |
| Total noninterest revenue | 39,608 |
| Noninterest expense | |
| Salaries and employee benefits | 29,964 |
| Occupancy and equipment | 1,326 |
| Data processing and software | 764 |
| Merger expenses | 5 |
| Amortization of intangibles | 539 |
| Other | 2,034 |
| Total noninterest expense | 34,632 |
| Income from discontinued operations before income tax expense | 4,982 |
| Income tax expense | 1,360 |
| Income from discontinued operations, net of tax | $ 3,622 |

## NOTE 3. AVAILABLE FOR SALE SECURITIES AND EQUITY SECURITIES

The amortized cost, unrealized gains and losses, and estimated fair value of available for sale securities are presented in the following tables:

| (In thousands) | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
|---|---|---|---|---|
| March 31, 2024 | | | | |
| U.S. Treasury securities | $ 239,361 | $ 41 | $ — | $ 239,402 |
| U.S. government agency securities | 359,519 | 129 | 41,415 | 318,233 |
| MBS issued or guaranteed by U.S. agencies | | | | |
| Residential pass-through: | | | | |
| Guaranteed by GNMA | 83,497 | — | 11,463 | 72,034 |
| Issued by FNMA and FHLMC | 4,989,898 | 9 | 735,680 | 4,254,227 |
| Other residential MBS | 1,245,488 | 1,177 | 36,048 | 1,210,617 |
| Commercial MBS | 1,805,614 | 1,580 | 112,227 | 1,694,967 |
| Total MBS | 8,124,497 | 2,766 | 895,418 | 7,231,845 |
| Obligations of states and political subdivisions | 170,497 | 11 | 35,865 | 134,643 |
| Corporate debt securities | 73,940 | 5 | 6,524 | 67,421 |
| Foreign debt securities | 318,407 | 69 | 3,431 | 315,045 |
| Total available for sale securities | $ 9,286,221 | $ 3,021 | $ 982,653 | $ 8,306,589 |

| (In thousands) | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses | Estimated Fair Value |
|---|---|---|---|---|
| December 31, 2023 | | | | |
| U.S Treasury securities | $ 464,793 | $ 225 | $ — | $ 465,018 |
| U.S. government agency securities | 370,891 | 218 | 39,098 | 332,011 |
| MBS issued or guaranteed by U.S. agencies | | | | |
| Residential pass-through: | | | | |
| Guaranteed by GNMA | 85,806 | 1 | 10,145 | 75,662 |
| Issued by FNMA and FHLMC | 5,097,172 | 95 | 710,166 | 4,387,101 |
| Other residential MBS | 756,244 | 2,440 | 31,250 | 727,434 |
| Commercial MBS | 1,850,447 | 1,413 | 109,023 | 1,742,837 |
| Total MBS | 7,789,669 | 3,949 | 860,584 | 6,933,034 |
| Obligations of states and political subdivisions | 172,252 | 13 | 34,641 | 137,624 |
| Corporate debt securities | 73,941 | — | 6,744 | 67,197 |
| Foreign debt securities | 144,080 | 6 | 3,494 | 140,592 |
| Total available for sale securities | $ 9,015,626 | $ 4,411 | $ 944,561 | $ 8,075,476 |

For the three months ended March 31, 2024, gross gains of $2 thousand and gross losses of $11 thousand were recognized for available for sale securities, compared to gross gains of $664 thousand and gross losses of $51.9 million for the same period in 2023. There were no impairment charges related to credit losses included in gross realized losses for the three months ended March 31, 2024 and 2023.

Available for sale securities with a carrying value of $6.1 billion and $6.6 billion at March 31, 2024 and December 31, 2023, respectively, were pledged to secure public and trust funds on deposit and for other purposes.

There were no securities held for trading or held-to-maturity at March 31, 2024 or December 31, 2023.

The amortized cost and estimated fair value of available-for-sale securities at March 31, 2024 by contractual maturity are shown below. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

| (In thousands) | Amortized Cost | Estimated Fair Value |
|---|---|---|
| Maturing in one year or less | $ 240,110 | $ 240,152 |
| Maturing after one year through five years | 116,292 | 112,039 |
| Maturing after five years through ten years | 570,868 | 543,148 |
| Maturing after ten years | 234,454 | 179,405 |
| Mortgage-backed securities | 8,124,497 | 7,231,845 |
| Total available for sale securities | $ 9,286,221 | $ 8,306,589 |

At March 31, 2024 and December 31, 2023, approximately 84.7% and 82.5% of securities were in an unrealized loss position, respectively. At March 31, 2024, there were 871 securities in a loss position for more than twelve months, and 61 securities in a loss position for less than twelve months. At December 31, 2023, there were 827 securities in a loss position for more than twelve months, and 91 securities in a loss position for less than twelve months. A summary of available for sale investments with continuous unrealized loss positions for which an allowance for credit losses has not been recorded is as follows:

| | Less Than 12 Months | | 12 Months or Longer | |
|---|---|---|---|---|
| (In thousands) | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| March 31, 2024 | | | | |
| U.S. government agency securities | $ 71,193 | $ 284 | $ 208,471 | $ 41,131 |
| MBS | 916,458 | 7,382 | 5,474,253 | 888,036 |
| Obligations of states and political subdivisions | 301 | 8 | 124,448 | 35,857 |
| Corporate debt securities | — | — | 41,226 | 6,524 |
| Foreign debt securities | 149,121 | 182 | 51,751 | 3,249 |
| Total | $ 1,137,073 | $ 7,856 | $ 5,900,149 | $ 974,797 |

| | Less Than 12 Months | | 12 Months or Longer | |
|---|---|---|---|---|
| (In thousands) | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| December 31, 2023 | | | | |
| U.S. government agency securities | $ 103,099 | $ 563 | $ 187,683 | $ 38,535 |
| MBS | 730,925 | 9,644 | 5,347,365 | 850,940 |
| Obligations of states and political subdivisions | — | — | 127,291 | 34,641 |
| Corporate debt securities | — | — | 46,197 | 6,744 |
| Foreign debt securities | 69,288 | 1 | 51,507 | 3,493 |
| Total | $ 903,312 | $ 10,208 | $ 5,760,043 | $ 934,353 |

Management evaluates available for sale securities in unrealized loss positions to determine whether the impairment is due to credit-related factors or noncredit-related factors. Credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis. Management believes that the unrealized losses detailed in the previous tables are due to noncredit-related factors, such as changes in interest rates and other market conditions. Therefore, no allowance for credit losses was recorded related to these securities at March 31, 2024 or December 31, 2023. Additionally, as of March 31, 2024 management had no intent to sell these securities until the full recovery of unrealized losses, which may not be until maturity, and it is more likely than not that the Company would not be required to sell the securities prior to recovery of costs. The fair value is expected to recover as the securities approach their maturity date or repricing date or if market yields for such investments decline.

Held in other assets, equity investments with readily determinable fair values not held for trading are recorded at fair value, with changes in fair value reported in net income. Additionally, the Company holds equity investments without readily determinable fair values in other assets. These investments include an investment in the common stock of the FHLB of Dallas. The Company is required to own stock in the FHLB of Dallas for membership in the FHLB system and in relation to the level of FHLB advances. The Company accounts for this investment as a long-term asset and carries it at cost. During the periods ended as of March 31, 2024 and December 31, 2023 there were no downward or upward adjustments to these investments for impairments or price changes from observable transactions.

| (In thousands) | Cost | Gross Unrealized Gains | Gross Unrealized Losses | Carrying Value |
|---|---|---|---|---|
| March 31, 2024 | | | | |
| Equity securities held at cost: | | | | |
| Equity securities | $ 20,582 | $ — | $ — | $ 20,582 |
| Federal Home Loan Bank stock | 13,351 | — | — | 13,351 |
| Total equity securities, held at cost | $ 33,933 | $ — | $ — | $ 33,933 |
| Equity securities held at fair value: | | | | |
| Farmer Mac stock | $ 49 | $ 548 | $ — | $ 597 |
| Affordable Housing MBS Exchange Traded Fund | 24,994 | — | 3,881 | 21,113 |
| Total equity securities, held at fair value | $ 25,043 | $ 548 | $ 3,881 | $ 21,710 |

| (In thousands) | Cost | Gross Unrealized Gains | Gross Unrealized Losses | Carrying Value |
|---|---|---|---|---|
| December 31, 2023 | | | | |
| Equity securities held at cost: | | | | |
| Equity securities | $ 20,582 | $ — | $ — | $ 20,582 |
| Federal Home Loan Bank stock | 13,113 | — | — | 13,113 |
| Total equity securities, held at cost | $ 33,695 | $ — | $ — | $ 33,695 |
| Equity securities held at fair value: | | | | |
| Farmer Mac stock | $ 49 | $ 536 | $ — | $ 585 |
| Affordable Housing MBS Exchange Traded Fund | 24,994 | — | 3,471 | 21,523 |
| Total equity securities, held at fair value | $ 25,043 | $ 536 | $ 3,471 | $ 22,108 |

**NOTE 4. LOANS AND LEASES**

The following table is a summary of our loan and lease portfolio aggregated by segment and class at the periods indicated:

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Commercial and industrial | | |
| Non-real estate | $ 9,121,457 | $ 8,935,598 |
| Owner occupied | 4,442,357 | 4,349,060 |
| Total commercial and industrial | 13,563,814 | 13,284,658 |
| Commercial real estate | | |
| Construction, acquisition and development | 3,864,351 | 3,910,962 |
| Income producing | 5,783,943 | 5,736,871 |
| Total commercial real estate | 9,648,294 | 9,647,833 |
| Consumer | | |
| Residential mortgages | 9,447,675 | 9,329,692 |
| Other consumer | 222,833 | 234,839 |
| Total consumer | 9,670,508 | 9,564,531 |
| Total loans and leases, net of unearned income (1) | $ 32,882,616 | $ 32,497,022 |

(1) Total loans and leases are net of $68.3 million and $75.4 million of unearned income at March 31, 2024 and December 31, 2023, respectively.

The Company engages in lending to consumers, small and medium-sized business enterprises, and government entities through its community banking locations and to regional and national business enterprises through its corporate banking division. The bank acts as agent or participant in SNC and other financing arrangements with other financial institutions. Loans are issued generally to finance home purchases and improvements, personal expenditures, business investment and operations, construction and development, and income producing properties. Loans are underwritten to be repaid primarily by available cash flow from personal income, investment income, business operations, rental income, or the sale of developed or constructed properties. Collateral and personal guaranties of business owners are generally required as a condition of the financing arrangements and provide additional cash flow and proceeds from asset sales of guarantors in the event primary sources of repayment are no longer sufficient.

While loans are structured to provide protection to the Company if borrowers are unable to repay as agreed, the Company recognizes there are numerous risks that may result in deterioration of the repayment ability of borrowers and guarantors. These risks include failure of business operations due to economic, legal, market, logistical, weather, health, governmental and *force majeure* events. Concentrations in the Company's loan and lease portfolio also present credit risks. The impact of a slowing economy, inflation, rising interest rates, and labor and supply chain shortages, poses additional risk to borrowers and financial institutions. As a result of these factors, there is risk for businesses to experience difficulty in meeting repayment obligations, and the Company may experience losses or deterioration in performance in its loan portfolio. For information regarding nonaccrual policies, past-dues or delinquency status, and recognizing write-offs within ACL, refer to "Note 1 - Summary of Significant Accounting Policies" included in Part II., Item 8 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The Company has identified the following segments and classes of loans and leases with similar risk characteristics for measuring expected credit losses:

**Commercial and Industrial ("C&I")**

*Non-Real Estate* – Commercial and industrial loans are loans and leases to finance business operations, equipment and owner-occupied facilities for small and medium-sized enterprises and also larger corporate borrowers. These include both lines of credit for terms of one year or less and term loans which are amortized over the useful life of the assets financed. Personal and/or corporate guarantees are generally obtained where available and prudent. This category also includes loans to finance agricultural production. The Company recognizes risk from economic cycles, commodity prices, pandemics, government regulation, supply-chain disruptions, product innovations or obsolescence, operational errors, lawsuits, natural disasters, losses due to fraud, theft or embezzlement, loss of sponsor support, health or loss of key personnel or competitive situations may adversely affect the scheduled repayment of business loans. In addition, risks in the agricultural sector including crop failures due to weather, insects and other blights, commodity prices, governmental intervention, lawsuits, labor or logistical disruptions.

*Owner Occupied* – Owner occupied loans include loans secured by business facilities to finance business operations, equipment and owner-occupied facilities primarily for small and medium-sized enterprises. These include both lines of credit for terms of one year or less and term loans which are amortized over the useful life of the assets financed. Personal guarantees, if applicable, are generally required for these loans. The Company recognizes that risk from economic cycles, pandemics, government regulation, supply-chain disruptions, product innovations or obsolescence, operational errors, lawsuits, natural disasters, losses due to theft or embezzlement, health or loss of key personnel, or competitive situations may adversely affect the scheduled repayment of business loans.

**Commercial Real Estate ("CRE")**

*Construction, Acquisition and Development* ("CAD") – CAD loans include both loans and credit lines for the purpose of purchasing, carrying, and developing land into residential subdivisions or various types of commercial developments, such as industrial, warehouse, retail, office, and multi-family. This category also includes loans and credit lines for construction of residential, multi-family and commercial buildings. The Company generally engages in CAD lending primarily in local markets served by its branches. The Company recognizes that risks are inherent in the financing of real estate development and construction. These risks include location, market conditions and price volatility, change in interest rates, demand for developed land, lots and buildings, desirability of features and styling of completed developments and buildings, competition from other developments and builders, traffic patterns, remote work patterns, governmental jurisdiction, tax structure, availability of utilities, roads, public transportation and schools, availability of permanent financing for homebuyers, zoning, environmental restrictions, lawsuits, economic and business cycle, labor, and reputation of the builder or developer.

Each CAD loan is underwritten to address: (i) the desirability of the project, its market viability and projected absorption period; (ii) the creditworthiness of the borrower and the guarantor as to liquidity, cash flow and assets available to ensure performance of the loan; (iii) equity contribution to the project; (iv) the developer's experience and success with similar projects; and (v) the value of the collateral.

A substantial portion of CAD loans are secured by real estate in markets in which the Company is located. The Company's loan policy generally prohibits loans for the sole purpose of carrying interest reserves. Certain of the construction, acquisition and development loans were structured with interest-only terms. A portion of the residential mortgage and CRE portfolios were originated through the permanent financing of construction, acquisition and development loans. Rising interest rates and the potential for slowing economic conditions could negatively impact borrowers' and guarantors' ability to repay their debt which would make more of the Company's loans collateral-dependent.

*Income Producing* – CRE loans include loans to finance income-producing commercial and multi-family properties. Lending in this category is generally limited to properties located in the Company's market area with only limited exposure to properties located elsewhere but owned by in-market borrowers. Loans in this category include loans for neighborhood retail centers, medical and professional offices, single retail stores, industrials and apartments leased generally to local businesses and residents. The underwriting of these loans takes into consideration the occupancy and rental rates as well as the financial health of the borrower. The Company's exposure to national retail tenants is limited. The Company recognizes that risk from economic cycles, pandemics, government restrictions, delayed or missed rent payments, supply-chain disruptions, operational errors, lawsuits, natural disasters, losses due to theft or embezzlement, health or loss of key personnel or competitive situations may adversely affect the scheduled repayment of business loans.

**Consumer**

*Residential Mortgages* – Residential mortgages are first or second-lien loans to consumers secured by a primary residence or second home. This category includes traditional mortgages, home equity loans and revolving lines of credit. The loans are generally secured by properties located within the local market area of the community bank which originates and services the loan. These loans are underwritten in accordance with the Company's general loan policies and procedures which require, among other things, proper documentation of each borrower's financial condition, satisfactory credit history, and property value. In addition to loans originated through the Company's branches, the Company originates and services residential mortgages sold in the secondary market which are underwritten and closed pursuant to investor and agency guidelines. At March 31, 2024 and December 31, 2023, residential mortgage loans in process of foreclosure totaled $11.9 million and $10.9 million, respectively. Additionally, the Company held $3.6 million and $4.4 million in foreclosed residential properties at March 31, 2024 and December 31, 2023, respectively.

*Other Consumer* – Other consumer lending includes consumer credit cards as well as personal revolving lines of credit and installment loans. The Company offers credit cards, primarily to its deposit and loan customers. Consumer installment loans include term loans secured by automobiles, boats and recreational vehicles.

The Company recognizes there are risks in consumer lending which include interruptions in the borrower's personal and investment income due to loss of employment, market conditions, and general economic conditions, deterioration in the health and well-being of the borrower and family members, natural disasters, pandemics, lawsuits, losses, or inability to generate income due to injury, accidents, theft, vandalism, or incarceration.

**Credit Quality**

The following tables provide details regarding the aging of the Company's loan and lease portfolio, net of unearned income, at the periods indicated:

| | March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| (In thousands) | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total Past Due | Current | Total Amortized Cost | 90+ Days Past Due still Accruing |
| Commercial and industrial | | | | | | | |
| Non-real estate | $ 17,432 | $ 12,432 | $ 152,964 | $ 182,828 | $ 8,938,629 | $ 9,121,457 | $ 26,813 |
| Owner occupied | 8,031 | 3,142 | 4,978 | 16,151 | 4,426,206 | 4,442,357 | — |
| Total commercial and industrial | 25,463 | 15,574 | 157,942 | 198,979 | 13,364,835 | 13,563,814 | 26,813 |
| Commercial real estate | | | | | | | |
| Construction, acquisition and development | 5,952 | 4,182 | 3,180 | 13,314 | 3,851,037 | 3,864,351 | 259 |
| Income producing | 26,824 | 848 | 16,553 | 44,225 | 5,739,718 | 5,783,943 | — |
| Total commercial real estate | 32,776 | 5,030 | 19,733 | 57,539 | 9,590,755 | 9,648,294 | 259 |
| Consumer | | | | | | | |
| Residential mortgages | 46,706 | 25,379 | 49,691 | 121,776 | 9,325,899 | 9,447,675 | 2,649 |
| Other consumer | 1,153 | 408 | 474 | 2,035 | 220,798 | 222,833 | 327 |
| Total consumer | 47,859 | 25,787 | 50,165 | 123,811 | 9,546,697 | 9,670,508 | 2,976 |
| Total | $ 106,098 | $ 46,391 | $ 227,840 | $ 380,329 | $32,502,287 | $32,882,616 | $ 30,048 |

| | December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| (In thousands) | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total Past Due | Current | Total Amortized Cost | 90+ Days Past Due still Accruing |
| Commercial and industrial | | | | | | | |
| Non-real estate | $ 22,750 | $ 14,574 | $ 113,607 | $ 150,931 | $ 8,784,667 | $ 8,935,598 | $ 19,941 |
| Owner occupied | 4,818 | 1,193 | 5,882 | 11,893 | 4,337,167 | 4,349,060 | — |
| Total commercial and industrial | 27,568 | 15,767 | 119,489 | 162,824 | 13,121,834 | 13,284,658 | 19,941 |
| Commercial real estate | | | | | | | |
| Construction, acquisition and development | 1,394 | 1,191 | 1,878 | 4,463 | 3,906,499 | 3,910,962 | 18 |
| Income producing | 11,179 | 4,702 | 6,390 | 22,271 | 5,714,600 | 5,736,871 | 29 |
| Total commercial real estate | 12,573 | 5,893 | 8,268 | 26,734 | 9,621,099 | 9,647,833 | 47 |
| Consumer | | | | | | | |
| Residential mortgages | 48,244 | 23,934 | 45,520 | 117,698 | 9,211,994 | 9,329,692 | 2,265 |
| Other consumer | 1,569 | 511 | 340 | 2,420 | 232,419 | 234,839 | 213 |
| Total consumer | 49,813 | 24,445 | 45,860 | 120,118 | 9,444,413 | 9,564,531 | 2,478 |
| Total | $ 89,954 | $ 46,105 | $ 173,617 | $ 309,676 | $32,187,346 | $32,497,022 | $ 22,466 |

The Company utilizes an internal loan classification system that is continually updated to grade loans according to certain credit quality indicators. These credit quality indicators include, but are not limited to, recent credit performance, delinquency, liquidity, cash flows, debt coverage ratios, collateral type and loan-to-value ratio. The Company's internal loan classification system is compatible with classifications used by regulatory agencies. Loans may be classified as follows:

Pass: Loans which are performing as agreed with few or no signs of weakness. These loans show sufficient cash flow, capital and collateral to repay the loan as agreed.

Special Mention: Loans where potential weaknesses have developed which could cause a more serious problem if not corrected.

Substandard: Loans where well-defined weaknesses exist that require corrective action to prevent further deterioration. Loans are further characterized by the possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful: Loans having all the characteristics of Substandard and which have deteriorated to a point where collection and liquidation in full is highly questionable.

Loss: Loans that are considered uncollectible or with limited possible recovery.

Impaired: An internal grade for individually analyzed collateral-dependent loans for which a specific provision has been considered to address the unsupported exposure.

PCD (Loss): An internal grade for loans with evidence of deterioration of credit quality since origination that are acquired, and for which it is probable, at acquisition, that the bank will be unable to collect all contractually required payments.

The following tables provide details of the Company's loan and lease portfolio, net of unearned income, by segment, class and internally assigned grade at the periods indicated:

| | March 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| (In thousands) | Pass | Special Mention | Substandard [(1)] | Doubtful | Impaired [(1)] | PCD (Loss) | Total |
| Commercial and industrial | | | | | | | |
| Non-real estate | $ 8,615,472 | $ 101,824 | $ 307,065 | $ 16 | $ 93,335 | $ 3,745 | $ 9,121,457 |
| Owner occupied | 4,381,398 | 20,682 | 37,894 | — | 1,275 | 1,108 | 4,442,357 |
| Total commercial and industrial | 12,996,870 | 122,506 | 344,959 | 16 | 94,610 | 4,853 | 13,563,814 |
| Commercial real estate | | | | | | | |
| Construction, acquisition and development | 3,846,801 | 2,668 | 13,468 | — | 1,414 | — | 3,864,351 |
| Income producing | 5,575,662 | 25,360 | 165,680 | — | 17,241 | — | 5,783,943 |
| Total commercial real estate | 9,422,463 | 28,028 | 179,148 | — | 18,655 | — | 9,648,294 |
| Consumer | | | | | | | |
| Residential mortgages | 9,371,570 | — | 74,531 | — | — | 1,574 | 9,447,675 |
| Other consumer | 222,245 | — | 588 | — | — | — | 222,833 |
| Total consumer | 9,593,815 | — | 75,119 | — | — | 1,574 | 9,670,508 |
| Total | $ 32,013,148 | $ 150,534 | $ 599,226 | $ 16 | $ 113,265 | $ 6,427 | $ 32,882,616 |

(1) In the loan classifications above, $75.8 million of the substandard balance and $8.5 million of the impaired balance is covered by government guarantees from the SBA, FHA, VA and USDA.

| (In thousands) | December 31, 2023 Pass | Special Mention | Substandard [1] | Loss | Impaired [1] | PCD (Loss) | Total |
|---|---|---|---|---|---|---|---|
| Commercial and industrial | | | | | | | |
| Non-real estate | $ 8,450,809 | $ 101,607 | $ 294,895 | $ 13 | $ 84,457 | $ 3,817 | $ 8,935,598 |
| 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 | 13,284,658 |
| 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 | | | | | | | |
| 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 | $ 31,652,307 | $ 165,173 | $ 571,751 | $ 13 | $ 101,271 | $ 6,507 | $ 32,497,022 |

(1) In the loan classifications above, $61.1 million of the substandard balance and $8.4 million of the impaired balance is covered by government guarantees from the SBA, FHA, VA and USDA.

The following tables provide credit quality indicators, including current period gross charge-offs, by class and period of origination (vintage) at March 31, 2024:

Commercial and Industrial - Non-Real Estate

| (Dollars in thousands) | Period Originated: 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| Pass | $ 359,341 | $1,167,114 | $1,367,501 | $ 953,871 | $ 277,580 | $ 789,734 | $3,688,567 | $ 11,764 | $ 8,615,472 |
| Special Mention | — | 7,870 | 11,928 | 20,429 | — | 6,987 | 54,610 | — | 101,824 |
| Substandard | 432 | 28,879 | 70,073 | 80,641 | 17,667 | 38,537 | 70,104 | 732 | 307,065 |
| Doubtful | — | — | — | — | — | 16 | — | — | 16 |
| Impaired | — | 4,323 | 14,148 | 21,512 | — | 47,737 | 5,615 | — | 93,335 |
| PCD (Loss) | — | — | — | — | — | 3,745 | — | — | 3,745 |
| Total | $ 359,773 | $1,208,186 | $1,463,650 | $1,076,453 | $ 295,247 | $ 886,756 | $3,818,896 | $ 12,496 | $ 9,121,457 |
| % Criticized | 0.1% | 3.4% | 6.6% | 11.4% | 6.0% | 10.9% | 3.4% | 5.9% | 5.5% |
| Gross charge-offs | $ 300 | $ 454 | $ 566 | $ 6,038 | $ 280 | $ 7,724 | $ 1,534 | $ — | $ 16,896 |

Commercial and Industrial - Owner Occupied

| (Dollars in thousands) | Period Originated: 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
|---|---|---|---|---|---|---|---|---|---|
| Pass | $ 141,885 | $ 562,884 | $ 977,469 | $ 843,040 | $ 457,615 | $1,292,224 | $ 105,701 | $ 580 | $ 4,381,398 |
| Special Mention | — | 5,526 | 6,191 | 692 | — | 5,473 | 2,800 | — | 20,682 |
| Substandard | — | 1,185 | 3,887 | 3,481 | 2,354 | 26,840 | 147 | — | 37,894 |
| Impaired | — | — | — | — | — | 1,275 | — | — | 1,275 |
| PCD (Loss) | — | — | — | — | — | 1,108 | — | — | 1,108 |
| Total | $ 141,885 | $ 569,595 | $ 987,547 | $ 847,213 | $ 459,969 | $1,326,920 | $ 108,648 | $ 580 | $ 4,442,357 |
| % Criticized | —% | 1.2% | 1.0% | 0.5% | 0.5% | 2.6% | 2.7% | —% | 1.4% |
| Gross charge-offs | $ — | $ 1 | $ 4 | $ 4 | $ 41 | $ 50 | $ 1 | $ — | $ 101 |

| | Construction, Acquisition, & Development | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 103,284 | $1,041,984 | $1,531,337 | $ 888,893 | $ 90,629 | $ 113,088 | $ 77,586 | $ — | $ 3,846,801 |
| Special Mention | — | 542 | 1,139 | — | — | 987 | — | — | 2,668 |
| Substandard | — | 168 | 1,957 | 9,838 | 263 | 1,043 | 199 | — | 13,468 |
| Impaired | — | — | — | 1,414 | — | — | — | — | 1,414 |
| Total | $ 103,284 | $1,042,694 | $1,534,433 | $ 900,145 | $ 90,892 | $ 115,118 | $ 77,785 | $ — | $ 3,864,351 |
| % Criticized | —% | 0.1% | 0.2% | 1.3% | 0.3% | 1.8% | 0.3% | —% | 0.5% |
| Gross charge-offs | $ — | $ — | $ 72 | $ 57 | $ — | $ 2 | $ 1 | $ — | $ 132 |

| | Commercial Real Estate - Income Producing | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 33,986 | $ 503,493 | $1,494,858 | $1,179,447 | $ 596,738 | $1,682,786 | $ 84,354 | $ — | $ 5,575,662 |
| Special Mention | — | — | 3,127 | 752 | 1,403 | 20,078 | — | — | 25,360 |
| Substandard | — | — | 23,957 | 6,022 | 35,549 | 100,152 | — | — | 165,680 |
| Impaired | — | — | — | — | — | 17,241 | — | — | 17,241 |
| Total | $ 33,986 | $ 503,493 | $1,521,942 | $1,186,221 | $ 633,690 | $1,820,257 | $ 84,354 | $ — | $ 5,783,943 |
| % Criticized | —% | —% | 1.8% | 0.6% | 5.8% | 7.6% | —% | —% | 3.6% |
| Gross charge-offs | $ — | $ — | $ 3 | $ 4 | $ — | $ 2,105 | $ — | $ — | $ 2,112 |

| | Consumer - Residential Mortgages | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 192,069 | $1,461,073 | $2,040,619 | $1,670,904 | $1,079,492 | $1,948,266 | $ 978,802 | $ 345 | $ 9,371,570 |
| Substandard | 57 | 2,415 | 10,547 | 11,420 | 8,727 | 38,533 | 2,832 | — | 74,531 |
| PCD (Loss) | — | — | — | — | — | 1,574 | — | — | 1,574 |
| Total | $ 192,126 | $1,463,488 | $2,051,166 | $1,682,324 | $1,088,219 | $1,988,373 | $ 981,634 | $ 345 | $ 9,447,675 |
| % Criticized | —% | 0.2% | 0.5% | 0.7% | 0.8% | 2.0% | 0.3% | —% | 0.8% |
| Gross charge-offs | $ 102 | $ 33 | $ 72 | $ 103 | $ 45 | $ 119 | $ 121 | $ — | $ 595 |

| | Consumer - Other Consumer | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2024 | 2023 | 2022 | 2021 | 2020 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 13,613 | $ 47,891 | $ 20,878 | $ 11,621 | $ 6,333 | $ 4,520 | $ 117,389 | $ — | $ 222,245 |
| Substandard | — | 73 | 124 | — | — | 8 | 383 | — | 588 |
| Total | $ 13,613 | $ 47,964 | $ 21,002 | $ 11,621 | $ 6,333 | $ 4,528 | $ 117,772 | $ — | $ 222,833 |
| % Criticized | — % | 0.2 % | 0.6 % | — % | — % | 0.2 % | 0.3 % | — % | 0.3 % |
| Gross charge-offs | $ 714 | $ 127 | $ 74 | $ 34 | $ — | $ 34 | $ 817 | $ — | $ 1,800 |

The following tables provide credit quality indicators, including current period gross charge-offs, by class and period of origination (vintage) at December 31, 2023.

| | Commercial and Industrial - Non-Real Estate | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $1,211,573 | $1,425,415 | $1,069,614 | $ 279,689 | $ 228,086 | $ 610,891 | $3,583,696 | $ 41,845 | $ 8,450,809 |
| Special Mention | — | 10,155 | 30,042 | 11,599 | 2,220 | 16,096 | 31,495 | — | 101,607 |
| Substandard | 22,458 | 88,307 | 69,226 | 7,381 | 27,439 | 40,071 | 39,995 | 18 | 294,895 |
| Loss | — | — | — | — | — | 13 | — | — | 13 |
| Impaired | 635 | 14,187 | 22,057 | — | — | 20,475 | 5,904 | 21,199 | 84,457 |
| PCD (Loss) | — | — | — | — | — | 3,817 | — | — | 3,817 |
| Total | $1,234,666 | $1,538,064 | $1,190,939 | $ 298,669 | $ 257,745 | $ 691,363 | $3,661,090 | $ 63,062 | $ 8,935,598 |
| % Criticized | 1.9% | 7.3% | 10.2% | 6.4% | 11.5% | 11.6% | 2.1% | 33.6% | 5.4% |
| Gross charge-offs | $ 6,064 | $ 539 | $ 21,038 | $ 6,103 | $ 980 | $ 9,746 | $ 27,931 | $ — | 72,401 |

| | Commercial and Industrial - Owner Occupied | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 535,962 | $ 974,614 | $ 844,507 | $ 472,226 | $ 309,595 | $1,041,764 | $ 108,522 | $ — | $ 4,287,190 |
| Special Mention | 6,066 | 5,637 | — | — | 845 | 17,036 | 2,825 | — | 32,409 |
| Substandard | 747 | 1,893 | 3,584 | 2,647 | 5,431 | 12,686 | 82 | — | 27,070 |
| Impaired | — | — | — | — | — | 1,275 | — | — | 1,275 |
| PCD (Loss) | — | — | — | — | 1,116 | — | — | — | 1,116 |
| Total | $ 542,775 | $ 982,144 | $ 848,091 | $ 474,873 | $ 316,987 | $1,072,761 | $ 111,429 | $ — | $ 4,349,060 |
| % Criticized | 1.3% | 0.8% | 0.4% | 0.6% | 2.3% | 2.9% | 2.6% | —% | 1.4% |
| Gross charge-offs | $ — | $ 169 | $ 109 | $ 1 | $ 5 | $ 110 | $ — | $ — | 394 |

| | Construction, Acquisition & Development | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 984,843 | $ 1,644,676 | $ 906,293 | $ 147,645 | $ 65,953 | $ 47,211 | $ 97,930 | $ — | $ 3,894,551 |
| Special Mention | 824 | 1,552 | — | — | 988 | — | — | — | 3,364 |
| Substandard | 52 | 1,785 | 9,674 | 340 | 902 | 158 | 136 | — | 13,047 |
| Total | $ 985,719 | $1,648,013 | $ 915,967 | $ 147,985 | $ 67,843 | $ 47,369 | $ 98,066 | $ — | $ 3,910,962 |
| % Criticized | 0.1% | 0.2% | 1.1% | 0.2% | 2.8% | 0.3% | 0.1% | —% | 0.4% |
| Gross charge-offs | $ — | $ 28 | $ 600 | $ 2 | $ — | $ 178 | $ — | $ — | 808 |

| Commercial Real Estate - Income Producing | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 490,336 | $1,358,612 | $1,235,035 | $ 574,173 | $ 518,213 | $1,260,960 | $ 90,059 | $ — | $ 5,527,388 |
| Special Mention | — | 3,221 | 10,349 | — | 6,051 | 4,106 | — | — | 23,727 |
| Substandard | — | 24,989 | 6,400 | 35,063 | 34,158 | 69,607 | — | — | 170,217 |
| Impaired | — | — | — | — | — | 15,539 | — | — | 15,539 |
| Total | $ 490,336 | $1,386,822 | $1,251,784 | $ 609,236 | $ 558,422 | $1,350,212 | $ 90,059 | $ — | $ 5,736,871 |
| % Criticized | —% | 2.0% | 1.3% | 5.8% | 7.2% | 6.6% | —% | —% | 3.7% |
| Gross charge-offs | $ — | $ — | $ 1 | $ — | $ — | $ 4,526 | $ — | $ — | 4,527 |

| Consumer - Residential Mortgages | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $1,486,784 | $2,011,519 | $1,686,270 | $1,099,734 | $ 544,597 | $1,462,355 | $ 965,626 | $ 1,117 | $ 9,258,002 |
| Special Mention | — | — | 4,066 | — | — | — | — | — | 4,066 |
| Substandard | 1,423 | 6,525 | 10,951 | 9,437 | 8,313 | 25,864 | 3,537 | — | 66,050 |
| PCD (Loss) | — | — | — | — | — | 1,574 | — | — | 1,574 |
| Total | $1,488,207 | $2,018,044 | $1,701,287 | $1,109,171 | $ 552,910 | $1,489,793 | $ 969,163 | $ 1,117 | $ 9,329,692 |
| % Criticized | 0.1% | 0.3% | 0.9% | 0.9% | 1.5% | 1.8% | 0.4% | —% | 0.8% |
| Gross charge-offs | $ 8 | $ 380 | $ 483 | $ 168 | $ 83 | $ 591 | $ 551 | $ — | 2,264 |

| Consumer - Other Consumer | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Period Originated: | | | | | | | | |
| (Dollars in thousands) | 2023 | 2022 | 2021 | 2020 | 2019 | Prior | Revolving Loans | Revolving Loans Converted to Term | Total |
| Pass | $ 57,877 | $ 25,060 | $ 14,080 | $ 8,026 | $ 3,667 | $ 2,050 | $ 123,607 | $ — | $ 234,367 |
| Substandard | — | 67 | 9 | — | 38 | — | 358 | — | 472 |
| Total | $ 57,877 | $ 25,127 | $ 14,089 | $ 8,026 | $ 3,705 | $ 2,050 | $ 123,965 | $ — | $ 234,839 |
| % Criticized | —% | 0.3% | 0.1% | —% | 1.0% | —% | 0.3% | —% | 0.2% |
| Gross charge-offs | $ 2,780 | $ 584 | $ 277 | $ 210 | $ 89 | $ 58 | $ 2,680 | $ — | 6,678 |

The Company's collateral-dependent loans totaling $119.7 million and $107.8 million at March 31, 2024 and December 31, 2023, respectively, includes loans internally classified as impaired and PCD Loss. At March 31, 2024, most of these loans are within the non-real estate and income producing classes. Additionally, there were a small amount of these loans in owner occupied, CAD, and residential mortgages. C&I loans are typically supported by collateral such as real estate, receivables, equipment, inventory, or by an enterprise valuation. Loans within the CRE and Consumer segments are generally secured by commercial and residential real estate.

Loans of $1.0 million or greater are considered for specific provision when management has determined based on current information and events, it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the note and that the loan is collateral-dependent. At March 31, 2024 and December 31, 2023, $80.3 million and $85.3 million, respectively, of collateral-dependent loans had a valuation allowance of $38.1 million and $41.7 million, respectively. The remaining balance of collateral-dependent loans of $39.4 million and $22.5 million at March 31, 2024 and December 31, 2023, respectively, have sufficient collateral supporting the collection of all contractual principal and interest or were charged down to the underlying collateral's fair value, less estimated selling costs. Therefore, such loans did not have an associated valuation allowance.

NPLs consist of nonaccrual loans and leases. At March 31, 2024 and December 31, 2023, NPLs totaled $241.0 million and $216.1 million, respectively. Within the NPL balance, $59.9 million of the March 31, 2024 balance and $49.6 million of the December 31, 2023 balance is covered by government guarantees from the SBA, FHA, VA or USDA.

The Company's policy for all loan classifications provides that loans and leases are generally placed in nonaccrual status if, in management's opinion, payment in full of principal or interest is not expected, unless such loan or lease is both well-secured and in the process of collection.

The following table presents the amortized cost basis of loans on nonaccrual status by segment and class at the periods indicated:

| | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| (In thousands) | Nonaccrual Loans | Nonaccrual Loans with No Related Allowance | Nonaccrual Loans | Nonaccrual Loans with No Related Allowance |
| Commercial and industrial | | | | |
| Non-real estate | $ 149,683 | $ 23,508 | $ 131,559 | $ 11,267 |
| Owner occupied | 5,962 | 1,275 | 7,097 | 1,275 |
| Total commercial and industrial | 155,645 | 24,783 | 138,656 | 12,542 |
| Commercial real estate | | | | |
| Construction, acquisition and development | 3,787 | — | 1,859 | — |
| Income producing | 19,428 | 4,416 | 17,485 | 4,416 |
| Total commercial real estate | 23,215 | 4,416 | 19,344 | 4,416 |
| Consumer | | | | |
| Residential mortgages | 61,886 | — | 57,881 | — |
| Other consumer | 261 | — | 260 | — |
| Total consumer | 62,147 | — | 58,141 | — |
| Total | $ 241,007 | $ 29,199 | $ 216,141 | $ 16,958 |

The following table presents the interest income recognized on loans on nonaccrual status by segment and class for the periods indicated:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Commercial and industrial | | |
| Non-real estate | $ 597 | $ 102 |
| Owner occupied | 72 | 73 |
| Total commercial and industrial | 669 | 175 |
| Commercial real estate | | |
| Construction, acquisition and development | 21 | 10 |
| Income producing | 39 | 100 |
| Total commercial real estate | 60 | 110 |
| Consumer | | |
| Residential mortgages | 397 | 454 |
| Other consumer | 1 | 2 |
| Total consumer | 398 | 456 |
| Total | $ 1,127 | $ 741 |

In the normal course of business, management may grant concessions, which would not otherwise be considered, to borrowers that are experiencing financial difficulty. Loans identified as meeting the criteria under ASC 310 are identified as financial difficulty modifications (FDM). Any modification, renewal or forbearance on loans assigned a rating of "Special Mention" or worse, and loans of any rating which show evidence of financial difficulty is reviewed to determine whether the borrower is experiencing financial difficulty and if so, which terms of the loan were modified. If the borrower is experiencing financial difficulty and the loan is modified via forgiveness of principal, reduction in interest rate to a rate below current market rates for issuance, payment extension or deferral for greater than 6 months (including extensions granted in the past 12 months), term or maturity date extension, or combination of these specific modification terms, the modification requires disclosure.

Under the general loan modification guidance, a modification is treated as a new loan only if both of the following conditions are met: 1) the terms of the new loan are at least as favorable to the lender as the terms for comparable loans to other customers with similar collection risks, and 2) modifications to the terms of the original loan are more than minor. If either condition is not met, the modification is accounted for as the continuation of the old loan with any effect of the modification treated as a prospective adjustment to the loan's effective interest rate. Modifications in scope for borrowers experiencing financial difficulty may include principal forgiveness, other-than-insignificant payment delay, interest rate reduction, or a combination of modifications. During the three months ended March 31, 2024, the most common concessions related to term extensions and principal forgiveness. Other concessions included a reduction of interest rates to below market rates. The amount of additional commitments to lend to borrowers experiencing financial difficulty is insignificant at March 31, 2024 and December 31, 2023.

Upon determination by the Company that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is charged off. The amortized cost basis of the loan is reduced by the uncollectible amount and the ACL is adjusted by this amount.

The following table presents loans that were modified within the past three months for borrowers experiencing financial difficulty by segment and class, as well as the percentage of these modified loans compared to overall loans in each segment and class, at March 31, 2024 and March 31, 2023:

| | March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| (Dollars in thousands) | Principal Forgiveness | Term Extension | Interest Rate Reduction | Combination Term Extension and Interest Rate Reduction | Combination Term Extension, Payment Deferral and Interest Rate Reduction | Percent of Total Loan Class |
| Commercial and industrial | | | | | | |
| Non-real estate | $ 13,614 | $ 21,432 | $ — | $ 2,784 | $ — | 0.41 % |
| Owner occupied | — | — | — | 1,376 | — | 0.03 |
| Total commercial and industrial | 13,614 | 21,432 | — | 4,160 | — | 0.29 |
| Commercial real estate | | | | | | |
| Income producing | — | 1,981 | — | — | 12,786 | 0.26 |
| Total commercial real estate | — | 1,981 | — | — | 12,786 | 0.15 |
| Consumer | | | | | | |
| Residential mortgages | — | 128 | 116 | 612 | — | 0.01 |
| Total consumer | — | 128 | 116 | 612 | — | 0.01 |
| Total loans and leases, net of unearned income | $ 13,614 | $ 23,541 | $ 116 | $ 4,772 | $ 12,786 | 0.17 % |

| | March 31, 2023 | | | |
|---|---|---|---|---|
| (Dollars in thousands) | Payment Deferral | Term Extension | Combination Term Extension and Interest Rate Reduction | Percent of Total Loan Class |
| Commercial and industrial | | | | |
| Non-real estate | $ 25,689 | $ 36,487 | $ — | 0.68 % |
| Total commercial and industrial | 25,689 | 36,487 | — | 0.46 % |
| Commercial real estate | | | | |
| Income producing | — | 9,837 | — | 0.18 % |
| Total commercial real estate | — | 9,837 | — | 0.11 % |
| Consumer | | | | |
| Residential mortgages | — | 117 | 31 | — % |
| Total consumer | — | 117 | 31 | — % |
| Total loans and leases, net of unearned income | $ 25,689 | $ 46,441 | $ 31 | 0.23 % |

The following table presents the financial effect of the loan modifications presented above for borrowers experiencing financial difficulty for the following period:

| | Three Months Ended March 31, 2024 | | | Three Months Ended March 31, 2023 | |
|---|---|---|---|---|---|
| | Principal Forgiveness | Weighted-Average Interest Rate Reduction | Weighted-Average Term Extension (in years) | Weighted-Average Interest Rate Reduction | Weighted-Average Term Extension (in years) |
| Commercial and industrial | | | | | |
| Non-real estate | $ 5,835 | 0.61 % | 1.56 | — % | 1.14 |
| Commercial real estate | | | | | |
| Income producing | — | 0.54 | 1.37 | — | 1.04 |
| Consumer | | | | | |
| Residential mortgages | — | 3.72 | 9.44 | 1.74 | 4.01 |

The following table provides the amortized cost basis of loans that experienced a payment default during the period and were modified in the 12 months before default to borrowers experiencing financial difficulty:

| | Amortized Cost Basis of Modified Loans That Subsequently Defaulted at March 31, 2024 | | |
|---|---|---|---|
| (In thousands) | Payment Deferral | Term Extension | Combination Interest Rate Reduction and Payment Deferral |
| Commercial and industrial | | | |
| Non-real estate | $ 6,391 | $ 34,603 | $ — |
| Consumer | | | |
| Residential mortgages | — | — | 37 |
| Total modified | $ 6,391 | $ 34,603 | $ 37 |

The Company closely monitors the performance of the loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. Loans are considered to be in payment default at 90 or more days past due. The following table depicts the performance of loans that have been modified in the last 12 months:

| | Payment Status (Amortized Cost Basis) at March 31, 2024 | | |
|---|---|---|---|
| (In thousands) | Current | 30-89 Days Past Due | 90+ Days Past Due |
| Commercial and industrial | | | |
| Non-real estate | $ 60,072 | $ 995 | $ 32,048 |
| Owner occupied | 1,413 | — | — |
| Commercial real estate | | | |
| Income producing | 34,519 | — | — |
| Consumer | | | |
| Residential mortgages | 1,150 | 191 | 37 |
| Other consumer | 10 | — | — |
| Total | $ 97,164 | $ 1,186 | $ 32,085 |

**NOTE 5. ALLOWANCE FOR CREDIT LOSSES**

The following table summarizes the changes in the ACL for the periods indicated:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Balance at beginning of period | $ 468,034 | $ 440,347 |
| Charge-offs | (21,636) | (7,030) |
| Recoveries | 2,177 | 5,155 |
| Adoption of new ASU related to modified loans (1) | — | 255 |
| Provision for loan losses | 24,000 | 15,000 |
| Balance at end of period | $ 472,575 | $ 453,727 |

(1) Cadence adopted 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). See Note 4 for additional information.

The following tables summarize the changes in the ACL by segment and class for the periods indicated:

| (In thousands) | Three Months Ended March 31, 2024 Beginning Balance | Charge-offs | Recoveries | Provision (Release) | Ending Balance |
|---|---|---|---|---|---|
| Commercial and industrial | | | | | |
| Non-real estate | $ 194,577 | $ (16,896) | $ 1,234 | $ 29,684 | $ 208,599 |
| Owner occupied | 31,445 | (101) | 78 | 2,253 | 33,675 |
| Total commercial and industrial | 226,022 | (16,997) | 1,312 | 31,937 | 242,274 |
| Commercial real estate | | | | | |
| Construction, acquisition and development | 42,118 | (132) | 112 | (1,712) | 40,386 |
| Income producing | 69,209 | (2,112) | 38 | (4,413) | 62,722 |
| Total commercial real estate | 111,327 | (2,244) | 150 | (6,125) | 103,108 |
| Consumer | | | | | |
| Residential mortgages | 124,851 | (595) | 271 | (3,063) | 121,464 |
| Other consumer | 5,834 | (1,800) | 444 | 1,251 | 5,729 |
| Total consumer | 130,685 | (2,395) | 715 | (1,812) | 127,193 |
| Ending Balance | $ 468,034 | $ (21,636) | $ 2,177 | $ 24,000 | $ 472,575 |

| (In thousands) | Three Months Ended March 31, 2023 Beginning Balance | Charge-offs | Recoveries | Adoption of new ASU for modified loans | Provision (Release) | Ending Balance |
|---|---|---|---|---|---|---|
| Commercial and industrial | | | | | | |
| Non-real estate | $ 147,669 | $ (2,799) | $ 2,288 | $ 256 | $ 6,772 | $ 154,186 |
| Owner occupied | 35,548 | (54) | 1,118 | 2 | 1,939 | 38,553 |
| Total commercial and industrial | 183,217 | (2,853) | 3,406 | 258 | 8,711 | 192,739 |
| Commercial real estate | | | | | | |
| Construction, acquisition and development | 68,902 | (82) | 45 | — | 5,236 | 74,101 |
| Income producing | 74,727 | (1,906) | 734 | (3) | 2,435 | 75,987 |
| Total commercial real estate | 143,629 | (1,988) | 779 | (3) | 7,671 | 150,088 |
| Consumer | | | | | | |
| Residential mortgages | 106,142 | (457) | 501 | — | (2,012) | 104,174 |
| Other consumer | 7,359 | (1,732) | 469 | — | 630 | 6,726 |
| Total consumer | 113,501 | (2,189) | 970 | — | (1,382) | 110,900 |
| Ending Balance | $ 440,347 | $ (7,030) | $ 5,155 | $ 255 | $ 15,000 | $ 453,727 |

The following table represents a roll forward of the reserve for unfunded commitments for the periods shown. The reserve for unfunded commitments is classified in other liabilities in the consolidated balance sheets.

| (In thousands) | Three Months Ended March 31, 2024 | 2023 |
|---|---|---|
| Balance at beginning of period | $ 8,551 | $ 28,551 |
| (Reversal) Provision for credit losses for unfunded commitments | (2,000) | (5,000) |
| Balance at end of period | $ 6,551 | $ 23,551 |

The economic impact of inflation, rising interest rates, volatility in the financial markets, and the potential for a slowing economy poses additional risk to borrowers and financial institutions. These factors add to the risk borrowers may experience difficulty in meeting repayment obligations, and the Company may experience losses or deterioration in performance in its loan portfolio.

The ACL estimate is impacted by both portfolio changes and changes in economic conditions experienced during the period. The unemployment rate has the highest weighting within the Company's credit risk modeling framework. Economic forecasts, which are obtained from different sources, provide upside, downside, and base case scenarios over an eight-quarter forecast horizon to establish a forecast range. Management considers the scenarios and selects a blended scenario which, in management's opinion, reflects likely economic conditions within that range. The Company recognizes that inflation, rising interest rates and a slowing economy may have short-term, long-term, and regional impacts to the economy. In addition, qualitative factors such as changes in economic conditions, concentrations of risk, and changes in portfolio risk resulting from regulatory changes are considered in determining the adequacy of the level of the ACL. For information on how expected loss estimates are developed, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

## NOTE 6. BORROWINGS

Borrowings with original maturities of one year or less are classified as short-term. The following tables present information relating to short-term debt for the periods presented:

| | March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | End of Period | | Year to Date Daily Average | | Maximum Outstanding at any Month End |
| (Dollars in thousands) | Balance | Interest Rate[(1)] | Balance | Interest Rate[(1)] | |
| Securities sold under agreement to repurchase and other | $ 94,390 | 5.13% | $ 209,348 | 4.86% | $ 267,792 |
| Bank Term Funding Program | 3,500,000 | 4.76 | 3,500,000 | 4.84 | 3,500,000 |
| Total | $ 3,594,390 | | $ 3,709,348 | | $ 3,767,792 |

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | End of Period | | Year to Date Daily Average | | Maximum Outstanding at any Month End |
| (Dollars in thousands) | Balance | Interest Rate | Balance | Interest Rate | |
| Federal funds purchased | $ — | —% | $ 29,361 | 4.91% | $ 375,000 |
| Securities sold under agreement to repurchase and other | 451,516 | 4.29 | 770,777 | 4.04 | 862,589 |
| Bank Term Funding Program | 3,500,000 | 4.84 | 2,052,088 | 5.10 | 3,500,000 |
| Short-term FHLB advances | — | — | 1,389,759 | 4.91 | 5,700,228 |
| Total | $ 3,951,516 | | $ 4,241,985 | | $ 10,437,817 |

(1) Annualized

Federal funds purchased generally mature the day following the date of purchase. At March 31, 2024 and December 31, 2023, the Company had established non-binding federal funds borrowing lines of credit with other banks aggregating $2.2 billion and $2.1 billion, respectively. Additionally, the Company maintains access to the Federal Reserve Bank ("FRB") discount window borrowings which generally mature within 90 days and are collateralized by $2.1 billion in commercial, agriculture, and consumer loans pledged under a borrower-in-custody agreement. At March 31, 2024 and December 31, 2023, there were no borrowings from the FRB discount window.

The BTFP was created by the Federal Reserve to support businesses and households by making additional funding available to eligible financial institutions to help assure they have the ability to meet the needs of their depositors. The BTFP offers loans of up to one year in length to banks and other qualifying institutions pledging any collateral eligible for purchase by the FRB. The collateral is valued at its par amount and consists mainly of MBS and U.S. government agency securities. Cadence's BTFP borrowing is comprised of one loan totaling $3.5 billion at a rate of 4.76% at March 31, 2024 and matures on January 16, 2025. Short-term FHLB borrowings mature within one year following the date of the advance.

All borrowings from the FHLB are collateralized by commercial, construction, and real estate loans pledged under a blanket floating lien security agreement with the FHLB of Dallas at March 31, 2024 and December 31, 2023. Under the terms of this agreement, the Company is required to maintain sufficient collateral to secure borrowings in an aggregate amount of the lesser of the book value (i.e., unpaid principal balance), after applicable FHLB discounts, of the Company's eligible commercial and residential loans pledged as collateral, or 35% of the Company's assets. Loans totaling $23.1 billion and $22.9 billion at March 31, 2024 and December 31, 2023, respectively, were pledged to the FHLB of Dallas. At March 31, 2024, the remaining borrowing availability totaled $10.1 billion. At March 31, 2024, there were no call features on long-term FHLB borrowings. Short-term FHLB borrowings mature within one year following the date of the advance.

The FHLB of Dallas has also issued irrevocable letters of credit totaling $2.1 billion at March 31, 2024 on behalf of our customers. Of the total amount, $2.1 billion expires on April 12, 2024 and $26.7 million expires on December 17, 2025.

Securities sold under repurchase agreements generally mature within 1 day from the date of sale. The Company monitors collateral levels on a continuous basis and may be required to provide additional collateral based on the fair value of the underlying securities. Collateral pledged pursuant to these repurchase agreements can include MBS issued or guaranteed by U.S. agencies, U.S. Treasury securities and U.S. government agency securities.

The following table presents the details of the long-term and subordinated debt the Company has outstanding:

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| 4.850% advances from FHLB Dallas, due August 2, 2027 | $ 705 | $ 771 |
| 4.125% fixed to floating rate, subordinated notes, due November 20, 2029, callable on November 20, 2024 | 275,794 | 283,159 |
| 7.250% subordinated notes, due June 28, 2029, callable on June 28, 2024 | 35,000 | 35,000 |
| 4.750% subordinated notes, due June 30, 2029, callable on June 30, 2024 | 78,852 | 79,352 |
| 6.250% subordinated notes, due June 28, 2029, callable on June 28, 2024 | 25,000 | 25,000 |
| 5.000% fixed to floating rate, subordinated notes, due June 30, 2030, callable on June 30, 2025 | 10,000 | 10,000 |
| Purchase accounting adjustment, net of amortization | 5,203 | 5,786 |
| Debt issue costs | (431) | (608) |
| Total long-term borrowings | $ 430,123 | $ 438,460 |

During 2024, the Company repurchased $7.4 million of our $300 million Subordinated Notes due November 20, 2029 and $0.5 million of our $85 million Subordinated Notes due June 30, 2029, resulting in a $576 thousand gain on the extinguishment of debt.

**NOTE 7. PENSION, OTHER POST RETIREMENT BENEFIT AND PROFIT SHARING PLANS**

The components of net periodic benefit (credit) cost for the periods indicated were as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Service cost | $ 1,907 | $ 2,616 |
| Interest cost | 2,941 | 2,850 |
| Expected return on plan assets | (5,741) | (5,396) |
| Recognized prior service cost | 3 | 3 |
| Recognized net loss | 733 | 895 |
| Net periodic benefit (credit) cost [1] | $ (157) | $ 968 |

(1) While service cost is included in salaries and employee benefits, the other components of net periodic pension (credit) costs are included in other noninterest expense in the unaudited consolidated statements of income for the three months ended March 31, 2024 and 2023.

## NOTE 8. MORTGAGE SERVICING RIGHTS

The MSR, which are recognized as a separate asset on the date the corresponding mortgage loan is sold on a servicing retained basis, is recorded at fair value as determined at each accounting period end. An estimate of the fair value of the Company's MSR is determined utilizing assumptions such as mortgage interest rates, discount rates, mortgage loan prepayment speeds, market trends and industry demand. Data and assumptions used in the fair value calculation related to the MSR were as follows:

| (Dollars in thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Unpaid principal balance | $ 7,764,936 | $ 7,702,592 |
| Weighted-average prepayment speed (CPR) | 8.0 | 8.1 |
| Average discount rate (annual percentage) | 10.1 | 10.3 |
| Weighted-average coupon interest rate (percentage) | 4.0 | 3.9 |
| Weighted-average remaining maturity (months) | 339.6 | 338.8 |
| Weighted-average servicing fee (basis points) | 28.6 | 28.6 |

Because the valuation is determined by using discounted cash flow models, the primary risk inherent in valuing the MSR is the impact of fluctuating interest rates on the estimated life of the servicing revenue stream. The use of different estimates or assumptions could produce different fair values. At March 31, 2024 and 2023, the Company had an economic hedge in place designed to cover 74.8% and 51.0% of the MSR balance, respectively. At December 31,2023, the hedge covered 73.1% of the MSR (see Note 15 for additional information). The Company is susceptible to fluctuations in the fair value of its MSR in changing interest rate environments.

The following table summarizes activity relating to residential mortgage loans sold with servicing retained for the three months ended March 31, 2024 and 2023:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Residential mortgage loans sold with servicing retained | $ 221,081 | $ 103,732 |
| Pretax (losses) gains resulting from above loan sales | (134) | 431 |

The Company services a class of residential mortgages that are first lien loans secured by a primary residence or second home. The following table presents changes in the fair value of the MSR related to the activity in this class for the periods indicated:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Fair value, beginning of period | $ 106,824 | $ 109,744 |
| Originations of servicing assets | 2,736 | 1,385 |
| Changes in fair value: | | |
| Due to payoffs/paydowns | (2,656) | (1,078) |
| Due to change in valuation inputs or assumptions used in the valuation model | 4,781 | (3,109) |
| Fair value, end of period | $ 111,685 | $ 106,942 |

All of the changes to the fair value of the MSR and the related economic hedge are recorded as part of mortgage banking revenue in the consolidated statements of income. As part of mortgage banking noninterest revenue, the Company recorded contractual servicing fees of $5.4 million and $5.6 million, and late and other ancillary fees of $744 thousand and $675 thousand for the three months ended March 31, 2024 and 2023, respectively.

## NOTE 9. FAIR VALUE DISCLOSURES

See Note 14 to the consolidated financial statements of the Annual Report on Form 10-K for the year ended December 31, 2023 for a description of valuation methodologies for assets and liabilities measured at fair value on a recurring and non-recurring basis.

### Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following tables present the balances of the assets and liabilities measured at fair value on a recurring basis:

| | March 31, 2024 | | | |
|---|---|---|---|---|
| (In thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Available for sale securities | $ — | $ 8,306,589 | $ — | $ 8,306,589 |
| Equity investments | 21,710 | — | — | 21,710 |
| Mortgage servicing rights | — | — | 111,685 | 111,685 |
| Derivative instruments | 3 | 29,803 | 2,608 | 32,414 |
| Loans held for sale | — | 169,556 | — | 169,556 |
| Investments in limited partnerships | — | — | 101,513 | 101,513 |
| SBA servicing rights | — | — | 6,014 | 6,014 |
| Total | $ 21,713 | $ 8,505,948 | $ 221,820 | $ 8,749,481 |
| Liabilities: | | | | |
| Derivative instruments | $ 951 | $ 48,301 | $ 28 | $ 49,280 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| (In thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Available for sale securities | $ — | $ 8,075,476 | $ — | $ 8,075,476 |
| Equity investments | 22,108 | — | — | 22,108 |
| Mortgage servicing rights | — | — | 106,824 | 106,824 |
| Derivative instruments | 1,809 | 25,836 | 1,858 | 29,503 |
| Loans held for sale | — | 186,301 | — | 186,301 |
| Investments in limited partnerships | — | — | 94,998 | 94,998 |
| SBA servicing rights | — | — | 6,124 | 6,124 |
| Total | $ 23,917 | $ 8,287,613 | $ 209,804 | $ 8,521,334 |
| Liabilities: | | | | |
| Derivative instruments | $ — | $ 44,294 | $ 10 | $ 44,304 |

Level 3 financial instruments typically include unobservable components but may also include some observable components that may be validated to external sources. The table below includes a roll forward of the consolidated balance sheet amounts for the three months ended March 31, 2024, and 2023 for changes in the fair value of financial instruments within Level 3 of the valuation hierarchy that are recorded on a recurring basis. The gains or (losses) in the following table (which are reported in Other noninterest income in the consolidated statements of income) may include changes to fair value due in part to observable factors that may be part of the valuation methodology.

| | Three Months Ended March 31, 2024 | | | |
|---|---|---|---|---|
| (In thousands) | Mortgage Servicing Rights | Investments in Limited Partnerships | SBA Servicing Rights | Mortgage Loan Held-For-Sale Interest Rate Lock Commitments (Assets and Liabilities) |
| Balance at December 31, 2023 | $ 106,824 | $ 94,998 | $ 6,124 | $ 1,848 |
| Net gains (losses) | 2,125 | 1,000 | (472) | 732 |
| Additions | 2,736 | — | 362 | — |
| Contributions paid | — | 8,210 | — | — |
| Distributions received | — | (2,695) | — | — |
| Other | — | — | — | — |
| Balance at March 31, 2024 | $ 111,685 | $ 101,513 | $ 6,014 | $ 2,580 |
| Net unrealized gains (losses) included in net income for the quarter relating to assets and liabilities held at March 31, 2024 | $ 4,781 | $ 1,000 | $ (472) | $ 732 |

| | Three Months Ended March 31, 2023 | | | |
|---|---|---|---|---|
| (In thousands) | Mortgage Servicing Rights | Investments in Limited Partnerships | SBA Servicing Rights | Mortgage Loan Held-For-Sale Interest Rate Lock Commitments (Assets and Liabilities) |
| Balance at December 31, 2022 | $ 109,744 | $ 67,533 | $ 5,585 | $ 425 |
| Net (losses) gains | (4,187) | 738 | 601 | 1,594 |
| Additions | 1,385 | — | 880 | — |
| Contributions paid | — | 6,467 | — | — |
| Distributions received | — | (725) | — | — |
| Other | — | 20 | — | — |
| Balance at March 31, 2023 | $ 106,942 | $ 74,033 | $ 7,066 | $ 2,019 |
| Net unrealized (losses) gains included in net income for the quarter relating to assets and liabilities held at March 31, 2023 | $ (3,109) | $ 738 | $ 601 | $ 1,594 |

**Fair Value Option**

The Company elected to measure commercial real estate loans held for sale and commercial and industrial loans held for sale under the fair value option. Included in these loans are loans guaranteed by the SBA and loans related to syndications. The Company assumed the cost of these loans approximates their fair value.

The Company also elected to measure residential mortgage loans held for sale at fair value. The election allows for effective offset of the changes in fair values of the loans and the derivative instruments used to hedge them. Included in the residential mortgage loans held for sale portfolio are certain previously sold GNMA loans. Under ASC 860-10-40, GNMA loans are no longer considered sold due to the conditional buyback option becoming unconditional once the delinquency criteria is met when they reach 90 or more days past due. The Company records these loans at fair value on the consolidated balance sheets with an offsetting liability. The Company assumed the cost approximates the fair value. At March 31, 2024 and December 31, 2023, the fair value of the GNMA loans totaled $50.9 million and $56.5 million, respectively.

The following table summarizes the difference between the aggregate fair value and the aggregate unpaid principal balance of loans held for sale:

| (In thousands) | March 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Aggregate Fair Value | Aggregate Unpaid Principal | Aggregate Fair Value Less Aggregate Unpaid Principal | Aggregate Fair Value | Aggregate Unpaid Principal | Aggregate Fair Value Less Aggregate Unpaid Principal |
| Residential mortgage loans | $ 140,942 | $ 140,951 | $ (9) | $ 157,631 | $ 156,175 | $ 1,456 |
| Commercial and industrial loans | 28,405 | 28,423 | (18) | 28,464 | 25,807 | 2,657 |
| Commercial real estate loans | 209 | 209 | — | 206 | 206 | — |
| Total | $ 169,556 | $ 169,583 | $ (27) | $ 186,301 | $ 182,188 | $ 4,113 |

Net gains and losses resulting from changes in fair value for residential mortgage loans held for sale are recorded in mortgage banking income in the consolidated statements of income. For the three months ended March 31, 2024 and 2023, the Company had net losses totaling $0.1 million and net gains totaling $0.4 million, respectively.

**Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis**

From time to time, the Company may be required to measure certain other financial assets at fair value on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from the application of lower of cost or fair value accounting or write-downs of individual assets. The following tables present the balances of assets measured at fair value on a nonrecurring basis:

| | March 31, 2024 | | | |
|---|---|---|---|---|
| (In thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Impaired loans, collateral-dependent | $ — | $ — | $ 113,265 | $ 113,265 |
| Purchased credit deteriorated (loss) loans | — | — | 6,427 | 6,427 |
| Other real estate and repossessed assets | — | — | 5,280 | 5,280 |

| | December 31, 2023 | | | |
|---|---|---|---|---|
| (In thousands) | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Impaired loans, collateral-dependent | $ — | $ — | $ 101,271 | $ 101,271 |
| Purchased credit deteriorated (loss) loans | — | — | 6,507 | 6,507 |
| Other real estate and repossessed assets | — | — | 6,247 | 6,247 |

**Unobservable Inputs**

The following table presents the significant unobservable inputs used in Level 3 fair value measurements for financial assets measured at fair value on a recurring and nonrecurring basis:

| | Quantitative Information about Level 3 Fair Value Measurements | | | | |
|---|---|---|---|---|---|
| (In thousands) | Carrying Value | Valuation Methods | Unobservable Inputs | Range | Weighted Average |
| March 31, 2024 | | | | | |
| Measured at fair value on a recurring basis: | | | | | |
| Mortgage servicing rights[1] | $ 111,685 | Discounted cash flow | Discount rate | 9.6% - 11.2% | 10.1% |
| | | | Repayment speed (CPR) | 6.4 - 8.9 | 8.0 |
| | | | Coupon interest rate | 2.8% - 6.8% | 4.0% |
| | | | Remaining maturity (months) | 119 - 480 | 340.0 |
| | | | Servicing fee (bps) | 19.0 bps-50.0 bps | 28.6 bps |
| Investments in limited partnerships | 101,513 | Practical expedient | Net asset value | NM | NM |
| SBA servicing rights[1] | 6,014 | Coupon less contractual servicing cost | Contractual servicing cost (bps) | 12.5 bps-40.0 bps | 26.3 bps |
| Mortgage loan held-for-sale interest rate lock commitments (assets and liabilities) | 2,580 | Discounted cash flow | Closing ratio | 10.0% - 100% | 59.9% |
| Measured at fair value on a nonrecurring basis: | | | | | |
| Impaired loans, collateral-dependent | $ 113,265 | Appraised value, as adjusted | Discount to fair value | 0% - 50% | 31.6% |
| Purchased credit deteriorated (loss) loans | 6,427 | Appraised value, as adjusted | Discount to fair value | 10% - 30% | 24.5% |
| Other real estate and repossessed assets | 5,280 | Appraised value, as adjusted | Estimated closing costs | 7.0% | 7.0% |

| (In thousands) | Carrying Value | Valuation Methods | Unobservable Inputs | Range | Weighted Average |
|---|---|---|---|---|---|
| | Quantitative Information about Level 3 Fair Value Measurements | | | | |
| December 31, 2023 | | | | | |
| Measured at fair value on a recurring basis: | | | | | |
| Mortgage servicing rights[1] | $ 106,824 | Discounted cash flow | Discount rate | 9.8% - 16.0% | 10.3% |
| | | | Repayment speed (CPR) | 6.4 - 100.0 | 8.1 |
| | | | Coupon interest rate | 2.8% - 6.8% | 3.9% |
| | | | Remaining maturity (months) | 119 - 480 | 338.8 |
| | | | Servicing fee (bps) | 19.0 bps-50.0 bps | 28.6 bps |
| Investments in limited partnerships | 94,998 | Practical expedient | Net asset value | NM | NM |
| SBA servicing rights[1] | 6,124 | Coupon less contractual servicing cost | Contractual servicing cost (bps) | 12.5 bps-40.0 bps | 26.3 bps |
| Mortgage loan held-for-sale interest rate lock commitments (assets and liabilities) | 1,848 | Discounted cash flow | Closing ratio | 10.0% - 100% | 55.9% |
| Measured at fair value on a nonrecurring basis: | | | | | |
| Impaired loans, collateral-dependent | $ 101,271 | Appraised value, as adjusted | Discount to fair value | 0% - 90% | 29.2% |
| Purchased credit deteriorated (loss) loans | 6,507 | Appraised value, as adjusted | Discount to fair value | 10% - 30% | 24.6% |
| Other real estate and repossessed assets | 6,247 | Appraised value, as adjusted | Estimated closing costs | 7.0% | 7.0% |

(1) Weighted averages were calculated using the input attributed and the outstanding balance of the loan.

Certain assets and liabilities subject to fair value disclosure requirements are not actively traded, requiring management to estimate the fair value. These estimations necessarily require judgement to be applied to the reasonableness and relevancy of comparable market prices, expected future cash flows, and appropriate discount rates.

The short-term nature of certain assets and liabilities result in their carrying value approximating fair value. They include cash and due from banks, interest bearing deposits with other banks and Federal funds sold, accrued interest receivable, non-time deposits, federal funds purchased, securities sold under agreement to repurchase, short-term BTFP borrowings and accrued interest payable.

The following tables present carrying and fair value information of financial instruments for the periods presented:

| | March 31, 2024 | | | | |
|---|---|---|---|---|---|
| (In thousands) | Carrying Value | Fair Value | Level 1 | Level 2 | Level 3 |
| **Assets:** | | | | | |
| Cash and due from banks | $ 427,543 | $ 427,543 | $ 427,543 | $ — | $ — |
| Interest bearing deposits with other banks and Federal funds sold | 2,609,931 | 2,609,931 | 2,609,931 | — | — |
| Available for sale securities and equity securities with readily determinable fair values | 8,328,299 | 8,328,299 | 21,710 | 8,306,589 | — |
| Net loans and leases | 32,410,041 | 31,446,539 | — | — | 31,446,539 |
| Loans held for sale | 169,556 | 169,556 | — | 169,556 | — |
| Accrued interest receivable | 213,054 | 213,054 | — | 33,964 | 179,090 |
| Mortgage servicing rights | 111,685 | 111,685 | — | — | 111,685 |
| Investments in limited partnerships | 101,513 | 101,513 | — | — | 101,513 |
| Other assets | 11,294 | 11,294 | — | — | 11,294 |
| | | | | | |
| **Liabilities:** | | | | | |
| Deposits | $38,120,226 | $38,108,825 | $ — | $38,108,825 | $ — |
| Federal funds purchased and securities sold under agreement to repurchase and other short-term borrowings | 94,390 | 94,390 | 94,390 | — | — |
| Short-term BTFP borrowings | 3,500,000 | 3,500,000 | 3,500,000 | — | — |
| Accrued interest payable | 148,209 | 148,209 | 34,692 | 113,517 | — |
| Subordinated and long-term borrowings | 430,123 | 405,850 | — | 405,850 | — |
| | | | | | |
| **Derivative instruments:** | | | | | |
| Assets: | | | | | |
| Commercial loan interest rate contracts | $ 29,210 | $ 29,210 | $ — | $ 29,210 | $ — |
| Mortgage loan held-for-sale interest rate lock commitments | 2,608 | 2,608 | — | — | 2,608 |
| U.S. Treasury options | 3 | 3 | 3 | — | — |
| Mortgage loan forward sale commitments | 288 | 288 | — | 288 | — |
| Foreign exchange contracts | 305 | 305 | — | 305 | — |
| Liabilities: | | | | | |
| Commercial loan interest rate contracts | $ 47,463 | $ 47,463 | $ — | $ 47,463 | $ — |
| Mortgage loan held-for-sale interest rate lock commitments | 28 | 28 | — | — | 28 |
| SOFR futures | 737 | 737 | 737 | — | — |
| U.S. Treasury options | 214 | 214 | 214 | — | — |
| Mortgage loan forward sale commitments | 584 | 584 | — | 584 | — |
| Foreign exchange contracts | 254 | 254 | — | 254 | — |

| (In thousands) | December 31, 2023 Carrying Value | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Cash and due from banks | $ 798,177 | $ 798,177 | $ 798,177 | $ — | $ — |
| Interest bearing deposits with other banks and Federal funds sold | 3,434,088 | 3,434,088 | 3,434,088 | — | — |
| Available for sale securities and equity securities with readily determinable fair values | 8,097,584 | 8,097,584 | 22,108 | 8,075,476 | — |
| Net loans and leases | 32,028,988 | 30,933,473 | — | — | 30,933,473 |
| Loans held for sale | 186,301 | 186,301 | — | 186,301 | — |
| Accrued interest receivable | 198,680 | 198,680 | — | 28,565 | 170,115 |
| Mortgage servicing rights | 106,824 | 106,824 | — | — | 106,824 |
| Investments in limited partnerships | 94,998 | 94,998 | — | — | 94,998 |
| Other assets | 12,371 | 12,371 | — | — | 12,371 |
| | | | | | |
| **Liabilities:** | | | | | |
| Deposits | $38,497,137 | $38,487,472 | $ — | $38,487,472 | $ — |
| Federal funds purchased and securities sold under agreement to repurchase and other short-term borrowings | 451,516 | 451,516 | 451,516 | — | — |
| Short-term BTFP borrowings | 3,500,000 | 3,500,000 | 3,500,000 | — | — |
| Accrued interest payable | 100,682 | 100,682 | 2,324 | 98,358 | — |
| Subordinated and long-term borrowings | 438,460 | 411,651 | — | 411,651 | — |
| | | | | | |
| **Derivative instruments:** | | | | | |
| Assets: | | | | | |
| Commercial loan interest rate contracts | $ 25,264 | $ 25,264 | $ — | $ 25,264 | $ — |
| Mortgage loan held-for-sale interest rate lock commitments | 1,858 | 1,858 | — | — | 1,858 |
| SOFR futures | 1,549 | 1,549 | 1,549 | — | — |
| U.S. Treasury options | 260 | 260 | 260 | — | — |
| Mortgage loan forward sale commitments | 246 | 246 | — | 246 | — |
| Foreign exchange contracts | 326 | 326 | — | 326 | — |
| Liabilities: | | | | | |
| Commercial loan interest rate contracts | $ 41,459 | $ 41,459 | $ — | $ 41,459 | $ — |
| Mortgage loan held-for-sale interest rate lock commitments | 10 | 10 | — | — | 10 |
| Mortgage loan forward sale commitments | 2,567 | 2,567 | — | 2,567 | — |
| Foreign exchange contracts | 268 | 268 | — | 268 | — |

## NOTE 10. SHARE-BASED COMPENSATION

The Company's Long-Term Equity Incentive Plan ("Incentive Plan"), Cadence Bank Equity Incentive Plan for Non-Employee Directors, 2021 Long-Term Equity Incentive Plan and the Amended and Restated 2015 Omnibus Incentive Plan (the "2015 Plan" assumed from Legacy Cadence) permit the Company to grant to employees and directors various forms of share-based incentive compensation. PSUs entitle the recipient to receive shares of the Company's common stock upon the achievement of performance goals that are specified in the award over a performance period. The recipient of PSUs is not treated as a shareholder of the Company and is not entitled to vote or receive dividends until the performance conditions stated in the award are satisfied and the shares of stock are issued to the recipient. All PSUs vest over a three-year period and are valued at the fair value of the Company's stock at the grant date based upon the estimated number of shares expected to vest. In 2022, the Company incorporated a lattice model into the PSU valuation methodology to estimate the fair value of the portion of the award related to market conditions. RSUs enable the recipient to receive the shares once they are vested but with no voting rights until the shares are received. RSUs generally vest over three- to five-year periods and are eligible to receive dividends that are accrued and paid upon vesting. RSAs entitle the recipient to vote the shares of stock but the recipient does not receive the shares until they are fully vested. RSA grants vest over five- to seven-year periods and are entitled to receive dividends.

For more information, see Note 15 to the consolidated financial statements to the Annual Report on Form 10-K for the year ended December 31, 2023.

**Performance Stock Units**

The following table summarizes the Company's PSU activity for the periods indicated:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Shares | Weighted Average Grant Date Fair Value | Shares | Weighted Average Grant Date Fair Value |
| Nonvested at beginning of period | 1,967,631 | $ 26.17 | 1,485,603 | $ 28.54 |
| Granted during the period | 65,941 | 28.76 | — | — |
| Vested during the period | (412,120) | 28.76 | (31,666) | 31.14 |
| Forfeited during the period | (14,772) | 23.10 | (4,722) | 28.10 |
| Nonvested at end of period | 1,606,680 | $ 25.64 | 1,449,215 | $ 28.48 |

The Company recorded $1.7 million of compensation expense from continuing operations related to the PSUs for the three months ended March 31, 2024, compared to $3.3 million for the three months ended March 31, 2023. At March 31, 2024, there was $13.2 million of unrecognized compensation cost related to PSUs that is expected to be recognized over a weighted average period of 1.50 years.

**Restricted Stock Units**

The following table summarizes the Company's RSU activity for the periods indicated:

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | Shares | Weighted Average Grant Date Fair Value | Shares | Weighted Average Grant Date Fair Value |
| Nonvested at beginning of period | 3,055,824 | $ 25.19 | 2,435,802 | $ 28.53 |
| Vested during the period | (312,585) | 28.69 | (336,118) | 28.77 |
| Forfeited during the period | (61,220) | 26.09 | (13,395) | 28.44 |
| Nonvested at end of period | 2,682,019 | $ 24.77 | 2,086,289 | $ 28.49 |

The Company recorded $4.3 million of compensation expense from continuing operations related to the RSUs for the three months ended March 31, 2024 compared to $4.9 million for the three months ended March 31, 2023. These amounts included $287 thousand and $316 thousand related to RSUs issued to the Company's directors during the three months ended March 31, 2024 and 2023, respectively. At March 31, 2024, there was $31.6 million of unrecognized compensation cost related to RSUs that is expected to be recognized over a weighted average period of 2.55 years.

**Restricted Stock Awards**

The following table summarizes the Company's RSA activity for the periods indicated:

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | Shares | Weighted Average Grant Date Fair Value | | Shares | Weighted Average Grant Date Fair Value | |
| Nonvested at beginning of period | 526,868 | $ | 28.14 | 1,055,307 | $ | 29.47 |
| Vested during the period | — | | — | (23,282) | | 30.45 |
| Forfeited during the period | (24,523) | | 28.54 | (14,475) | | 28.73 |
| Nonvested at end of period | 502,345 | $ | 28.12 | 1,017,550 | $ | 29.45 |

The Company recorded $38 thousand of compensation expense from continuing operations related to the RSAs for the three months ended March 31, 2024 compared to $1.1 million for the three months ended March 31, 2023. At March 31, 2024, there was $1.9 million of unrecognized compensation cost related to RSAs that is expected to be recognized over a weighted average period of 1.38 years.

The following table presents information regarding the vesting of the Company's nonvested share-based compensation grants outstanding at March 31, 2024:

| | Number of Shares | | |
|---|---|---|---|
| Period Ending | PSU | RSU | RSA |
| December 31, 2024 | 573,884 | 510,436 | 247,222 |
| December 31, 2025 | 478,713 | 363,758 | 218,623 |
| December 31, 2026 | 554,083 | 1,372,315 | — |
| December 31, 2027 | — | 392,929 | 36,500 |
| December 31, 2028 and later | — | 42,581 | — |
| Total nonvested shares | 1,606,680 | 2,682,019 | 502,345 |

**Stock Options**

Key employees and directors of the Company may be granted stock options. Compensation expense is measured using estimates of fair value of all share-based awards. No stock options were granted during the three months ended March 31, 2024 or 2023. The Company recorded no compensation expense related to the stock options for three months ended March 31, 2024 and 2023. At March 31, 2024, there were 895,289 vested and unexpired options outstanding with a weighted average exercise price of $27.47, which are set to expire in the first quarter of 2026.

**NOTE 11. EARNINGS PER SHARE AND DIVIDEND DATA**

Basic and diluted EPS are calculated in accordance with ASC 260, *Earnings Per Share*. Basic EPS is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is computed using the weighted-average number of shares determined for the basic EPS computation plus the shares resulting from the assumed exercise of all outstanding share-based awards using the treasury stock method. There were 0.1 million and 1.1 million antidilutive equity awards excluded from dilutive shares for the three months ended March 31, 2024 and 2023, respectively.

The following table provides a reconciliation of the numerators and denominators of the basic and diluted EPS computations for the periods indicated:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands, except per share amounts) | 2024 | 2023 |
| Net income from continuing operations | $ 116,978 | $ 73,007 |
| Net income from discontinued operations | — | 3,622 |
| Net income | 116,978 | 76,629 |
| Less: preferred stock dividends | 2,372 | 2,372 |
| Net income available to common shareholders | $ 114,606 | $ 74,257 |
| Net income from continuing operations available to common shareholders | $ 114,606 | $ 70,635 |
| | | |
| Weighted average common shares outstanding | 182,572 | 182,460 |
| Dilutive effect of stock compensation | 3,002 | 1,449 |
| Weighted average diluted common shares | 185,574 | 183,909 |
| | | |
| Basic earnings per common share from continuing operations | $ 0.63 | $ 0.39 |
| Basic earnings per common share from discontinued operations | — | 0.02 |
| Basic earnings per common share | 0.63 | 0.41 |
| | | |
| Diluted earnings per common share from continuing operations | $ 0.62 | $ 0.38 |
| Diluted earnings per common share from discontinued operations | — | 0.02 |
| Diluted earnings per common share | 0.62 | 0.40 |

Dividends to shareholders are subject to approval by the applicable state regulatory authority.

**NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")**

Activity within the balances in accumulated other comprehensive income (loss) is shown in the following tables for the periods indicated:

| (In thousands) | Unrealized loss on AFS securities | Pension and other postretirement benefits | Accumulated other comprehensive loss |
|---|---|---|---|
| Balance at December 31, 2023 | $ (716,749) | $ (45,080) | $ (761,829) |
| Net change | (30,156) | 652 | (29,504) |
| Balance at March 31, 2024 | $ (746,905) | $ (44,428) | $ (791,333) |
| | | | |
| Balance at December 31, 2022 | $ (1,172,472) | $ (50,066) | $ (1,222,538) |
| Net change | 139,966 | 686 | 140,652 |
| Balance at March 31, 2023 | $ (1,032,506) | $ (49,380) | $ (1,081,886) |

## NOTE 13. CAPITAL AND REGULATORY MATTERS

The Company is subject to various regulatory capital requirements administered by the federal and state banking agencies. Regulatory capital ratios at March 31, 2024 and December 31, 2023 were calculated in accordance with the Basel III capital framework as well as the interagency final rule published on September 30, 2020 entitled "Revised Transition of the Current Expected Credit Losses Methodology for Allowances." Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material adverse effect on the Company's consolidated financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by regulators about components, risk weightings and other factors. Quantitative measures established by the FDIC to ensure capital adequacy require the Company to maintain minimum capital amounts and ratios.

Additionally, regulatory capital rules include a capital conservation buffer which the Company must maintain on top of its minimum risk-based capital requirements. This buffer applies to all three risk-based capital measurements (CET1, Tier 1 and total capital to risk-weighted assets). A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments, stock repurchases, and certain discretionary bonus payments to executive officers.

The actual capital amounts and ratios for the Company are presented in the following tables and as shown, exceed the thresholds necessary to be considered "well capitalized." Management believes that no events or changes have occurred subsequent to the indicated dates that would change this designation.

| | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| (Dollars in thousands) | Amount | Ratio | Amount | Ratio |
| Actual: | | | | |
| Common equity Tier 1 capital (to risk-weighted assets) | $ 4,396,495 | 11.71 % | $ 4,363,020 | 11.62 % |
| Tier 1 capital (to risk-weighted assets) | 4,563,488 | 12.15 | 4,530,013 | 12.06 |
| Total capital (to risk-weighted assets) | 5,438,721 | 14.49 | 5,377,324 | 14.32 |
| Tier 1 leverage capital (to average assets) | 4,563,488 | 9.46 | 4,530,013 | 9.30 |
| Minimum requirement[1]: | | | | |
| Common equity Tier 1 capital (to risk-weighted assets) | 1,689,495 | 4.50 | 1,690,158 | 4.50 |
| Tier 1 capital (to risk-weighted assets) | 2,252,660 | 6.00 | 2,253,544 | 6.00 |
| Total capital (to risk-weighted assets) | 3,003,546 | 8.00 | 3,004,726 | 8.00 |
| Tier 1 leverage capital (to average assets) | 1,929,343 | 4.00 | 1,949,381 | 4.00 |
| Well capitalized requirement under prompt corrective action provisions: | | | | |
| Common equity Tier 1 capital (to risk-weighted assets) | 2,440,381 | 6.50 | 2,441,340 | 6.50 |
| Tier 1 capital (to risk-weighted assets) | 3,003,546 | 8.00 | 3,004,726 | 8.00 |
| Total capital (to risk-weighted assets) | 3,754,433 | 10.00 | 3,755,907 | 10.00 |
| Tier 1 leverage capital (to average assets) | 2,411,679 | 5.00 | 2,436,727 | 5.00 |

(1) The additional capital conservation buffer in effect is 2.5%.

On December 13, 2023, the Company announced a new share repurchase program whereby the Company may acquire up to an aggregate of 10,000,000 shares of its common stock in the open market at prevailing market prices or in privately negotiated transactions during the period January 2, 2024 through December 31, 2024. During the quarter ended March 31, 2024, the Company had repurchased 657,593 shares under this repurchase program.

The extent and timing of any repurchases depends on market conditions and other corporate, legal and regulatory considerations. Repurchased shares are held as authorized and unissued shares. These authorized but unissued shares are available for use in the Company's stock compensation programs, other transactions, or for other corporate purposes as determined by the Company's Board of Directors.

Federal and state banking laws and regulations and state corporate laws restrict the amount of dividends that the Company may declare and pay. Under Mississippi law, the Company cannot pay any dividend on its common stock unless it has received written approval of the Commissioner of the MDBCF. The federal banking agencies have indicated that paying dividends that deplete a depository institution’s capital base to an inadequate level would be an unsafe and unsound banking practice. Moreover, the federal agencies have issued policy statements providing that insured banks should generally only pay dividends out of current operating earnings.

**NOTE 14. SEGMENT REPORTING**

The Company determines operating segments based upon the services offered, the significance of those services to the Company's financial condition and operating results, and management's regular review of the operating results of those services. The application and development of management reporting methodologies is a robust process and is subject to periodic enhancements. As these enhancements are made, financial results presented by each reportable segment may be periodically revised. In the third quarter of 2023, the Company modified certain allocated shared service costs from the General Corporate and Other Segment to the other operating segments, with the FTP offset included in the General Corporate and Other segment. Accordingly, prior periods were updated to reflect these enhancements. Cadence makes operating decisions based on the following operating segments, as described below.

- Corporate Banking segment focuses on C&I, business banking, and commercial real estate lending to clients in the geographic footprint.
- Community Banking segment provides a broad range of banking services through the branch network to serve the needs of community businesses and individual consumers in the geographic footprint.
- Mortgage segment includes mortgage banking activities of originating mortgage loans, selling mortgage loans in the secondary market and servicing the mortgage loans that are sold on a servicing retained basis.
- Banking Services segment offers individuals, businesses, governmental institutions, and non-profit entities a wide range of solutions to help protect, grow, and transfer wealth. Offerings include credit-related products, trust and investment management, asset management, retirement and savings solutions, estate planning and annuity products.
- General Corporate and Other segment includes other activities not allocated to other aforementioned operating segments. Additionally, intercompany elimination are included as they do not reflect normal operations of the other segments The disaggregation of General Corporate and Other better defines the results from the individual segments due to the direct relationship of the internal support provided by the strategic business units within the Bank.

The Insurance Agencies segment is included in discontinued operations for all periods presented in the Consolidated Statements of Income and Consolidated Balance Sheets, where applicable. The Insurance Agencies segment provided service as agents in the sale of commercial lines of insurance and full lines of property and casualty, life, health, and employee benefit products and services. See Note 2 for additional information about discontinued operations.

Results of continuing operations and selected financial information by operating segment for periods indicated are presented in the following tables. Also, the tables show total noninterest income segregated between contracts with customers within the scope of ASC 606, Revenue from Contracts with Customers, and those within the scope of other GAAP Topics.

| (In thousands) | Corporate Banking | Community Banking | Mortgage | Banking Services | General Corporate and Other | Total Continuing Operations |
|---|---|---|---|---|---|---|
| **Results of Continuing Operations** | | | | | | |
| Three Months Ended March 31, 2024 | | | | | | |
| Net interest revenue | $ 113,268 | $ 283,330 | $ 21,997 | $ 10,129 | $ (74,816) | $ 353,908 |
| Provision (release) for credit losses | 20,442 | (2,658) | 1,094 | (703) | 3,825 | 22,000 |
| Net interest revenue after provision (release) for credit losses | 92,826 | 285,988 | 20,903 | 10,832 | (78,641) | 331,908 |
| Noninterest revenue | | | | | | |
| *In Scope of Topic 606* | | | | | | |
| Credit card, debit card and merchant fees | 160 | 9,001 | — | 5 | 2,996 | 12,162 |
| Deposit service charges | 3,296 | 13,591 | — | 931 | 520 | 18,338 |
| Trust income | 266 | 4 | — | 11,759 | (707) | 11,322 |
| Brokerage commissions and fees | — | — | — | 9,851 | (45) | 9,806 |
| Total noninterest revenue (in-scope of Topic 606) | 3,722 | 22,596 | — | 22,546 | 2,764 | 51,628 |
| Total noninterest revenue (out-of-scope of Topic 606) | 9,825 | 9,265 | 7,574 | 3,714 | 1,780 | 32,158 |
| Total noninterest revenue | 13,547 | 31,861 | 7,574 | 26,260 | 4,544 | 83,786 |
| Noninterest expense | 57,573 | 150,583 | 19,757 | 26,211 | 9,083 | 263,207 |
| Income (loss) from continuing operations before income taxes | 48,800 | 167,266 | 8,720 | 10,881 | (83,180) | 152,487 |
| Income tax expense (benefit) | 11,444 | 39,285 | 2,037 | 2,553 | (19,810) | 35,509 |
| Income (loss) from continuing operations | $ 37,356 | $ 127,981 | $ 6,683 | $ 8,328 | $ (63,370) | $ 116,978 |
| **Selected Financial Information** | | | | | | |
| Total assets at end of period | $ 11,738,473 | $ 16,999,654 | $ 5,101,542 | $1,156,941 | $13,317,253 | $ 48,313,863 |

| (In thousands) | Corporate Banking | Community Banking | Mortgage | Banking Services | General Corporate and Other | Total Continuing Operations |
|---|---|---|---|---|---|---|
| **Results of Continuing Operations** | | | | | | |
| Three Months Ended March 31, 2023 | | | | | | |
| Net interest revenue | $ 133,049 | $ 345,372 | $ 18,814 | $ 13,531 | $ (156,502) | $ 354,264 |
| Provision (release) for credit losses | (10,343) | 20,516 | 1,378 | 319 | (1,870) | 10,000 |
| Net interest revenue after provision (release) for credit losses | 143,392 | 324,856 | 17,436 | 13,212 | (154,632) | 344,264 |
| Noninterest revenue | | | | | | |
| *In Scope of Topic 606* | | | | | | |
| Credit card, debit card and merchant fees | 161 | 8,879 | — | 5 | 2,806 | 11,851 |
| Deposit service charges | 3,047 | 13,577 | — | 173 | (315) | 16,482 |
| Trust income | 39 | 1 | — | 11,219 | (706) | 10,553 |
| Brokerage commissions and fees | — | — | — | 8,861 | (74) | 8,787 |
| Total noninterest revenue (in-scope of Topic 606) | 3,247 | 22,457 | — | 20,258 | 1,711 | 47,673 |
| Total noninterest revenue (out-of-scope of Topic 606) | 14,284 | 4,213 | 6,060 | 2,217 | (39,984) | (13,210) |
| Total noninterest revenue | 17,531 | 26,670 | 6,060 | 22,475 | (38,273) | 34,463 |
| Noninterest expense | 56,874 | 156,780 | 19,120 | 23,808 | 28,065 | 284,647 |
| Income (loss) from continuing operations before income taxes | 104,049 | 194,746 | 4,376 | 11,879 | (220,970) | 94,080 |
| Income tax expense (benefit) | 24,452 | 45,765 | 1,028 | 2,794 | (52,966) | 21,073 |
| Income (loss) from continuing operations | $ 79,597 | $ 148,981 | $ 3,348 | $ 9,085 | $ (168,004) | $ 73,007 |
| **Selected Financial Information** | | | | | | |
| Total assets at end of period | $ 11,133,533 | $ 16,893,875 | $ 4,416,869 | $ 1,009,251 | $18,084,157 | $ 51,537,685 |

## NOTE 15. DERIVATIVE INSTRUMENTS

The Company primarily uses derivatives to manage exposure to market risk, including interest rate risk, credit risk and foreign currency risk, and to assist customers with their risk management objectives. Management may designate certain derivatives as hedging instruments in a qualifying hedge accounting relationship. The Company's derivative instruments consist of economic hedges that do not qualify for hedge accounting and derivatives held for customer accommodation, or other purposes.

The fair value of derivative positions outstanding is included in other assets and other liabilities in the accompanying consolidated balance sheets and in the net change in each of these financial statement line items in the operating section of the accompanying consolidated statements of cash flows. For derivatives not designated as hedging instruments or determined to be an ineffective hedge under applicable accounting guidance, gains and losses due to changes in fair value are included in noninterest income and the operating section of the consolidated statements of cash flows. For derivatives designated as cash flow hedging instruments, the entire change in the fair value related to the derivative instrument is recognized as a component of other comprehensive income and subsequently reclassified into interest income when the forecasted transaction affects income. At March 31, 2024 and December 31, 2023, there were no derivatives designated under hedge accounting. The notional amounts and estimated fair values for the periods indicated were as follows:

| | March 31, 2024 | | | | December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Fair Value | | | | Fair Value | | |
| (In thousands) | Notional Amount | Other Assets | Other Liabilities | Weighted Average Maturity (years) | Notional Amount | Other Assets | Other Liabilities | Weighted Average Maturity (years) |
| Commercial loan interest rate contracts | $ 2,603,643 | $ 29,210 | $ 47,463 | 4.3 | $ 2,682,401 | $ 25,264 | $ 41,459 | 4.5 |
| Mortgage loan held-for-sale interest rate lock commitments | 170,574 | 2,608 | 28 | 0.1 | 125,339 | 1,858 | 10 | 0.1 |
| SOFR futures (used to hedge MSR, see Note 8) | 100,000 | — | 737 | 0.2 | 113,000 | 1,549 | — | 0.2 |
| U.S. Treasury options (used to hedge MSR, see Note 8) | 70,000 | 3 | 214 | 0.2 | 34,000 | 260 | — | 0.2 |
| Mortgage loan forward sale commitments | 239,635 | 288 | 584 | 0.1 | 235,323 | 246 | 2,567 | 0.1 |
| Foreign exchange contracts | 47,626 | 305 | 254 | 0.2 | 48,846 | 326 | 268 | 0.3 |
| Total derivatives | $ 3,231,478 | $ 32,414 | $ 49,280 | | $ 3,238,909 | $ 29,503 | $ 44,304 | |

The Company is party to collateral support agreements with certain derivative counterparties. Such agreements require that the Company maintain collateral based on the fair values of derivative transactions. In the event of default by the Company, the counterparty would be entitled to the collateral. At March 31, 2024, and December 31, 2023, the Company was required to post $53.6 million and $50.0 million, respectively, in cash or qualifying securities as collateral for its derivative transactions, which are included in interest bearing deposits with other banks on the Company's consolidated balance sheets. In addition, the Company had recorded the obligation to return cash collateral provided by counterparties of $24.0 million and $16.3 million at March 31, 2024, and December 31, 2023, respectively, within deposits on the Company's consolidated balance sheet. Certain financial instruments, such as derivatives, may be eligible for offset in the consolidated balance sheet and/or subject to master netting arrangements or similar agreements. The Company's derivative transactions with upstream financial institution counterparties are generally executed under International Swaps and Derivative Association master agreements which include "right of set-off" provisions. In such cases, there is generally a legally enforceable right to offset recognized amounts and there may be an intention to settle such amounts on a net basis. Nonetheless, the Company does not generally offset such financial instruments for financial reporting purposes.

The Company records gains and losses for derivatives not designated as hedging instruments in noninterest income on the consolidated statements of income. For the three months ended March 31, 2024, and 2023 mortgage loans held for sale interest rate lock commitment gains totaled $1.8 million and $2.1 million, respectively. Foreign exchange contract gains totaled $0.9 million and $1.2 million for the three months ended March 31, 2024 and 2023, respectively.

The Company enters into certain interest rate contracts on commercial loans, which include swaps, floors and caps that are not designated as hedging instruments. These derivative contracts relate to transactions in which the Company enters into an interest rate contract with a loan customer while at the same time entering into an offsetting interest rate contract with another financial institution. In connection with each swap transaction, the Company agrees to pay interest to the customer on a notional amount at a variable interest rate and receive interest from the customer on a similar notional amount at a fixed interest rate. At the same time, the Company agrees to pay another financial institution the same fixed interest rate on the same notional amount and receive the same variable interest rate on the same notional amount. The interest rate swap, cap and floor transactions allow the Company to manage its interest rate risk. Because the Company acts as an intermediary for its customers, changes in the fair value of the underlying derivative contracts generally offset and do not significantly impact the Company's consolidated statements of income. The Company is exposed to credit loss in the event of nonperformance by the parties to the interest rate contracts. However, the Company does not anticipate nonperformance by the counterparties. The estimated fair value has been recorded as an asset and a corresponding liability in the accompanying consolidated balance sheets at March 31, 2024 and December 31, 2023.

The Company has both bought and sold credit protection in the form of participations on interest rate swaps (swap participations). These swap participations, which meet the definition of credit derivatives, were entered into in the ordinary course of business to serve the credit needs of customers. Swap participations, whereby the Company has purchased credit protection, entitle the Company to receive a payment from the counterparty if the customer fails to make payment on any amounts due to the Company upon early termination of the swap transaction. For contracts where the Company sold credit protection, the Company would be required to make payment to the counterparty if the customer fails to make payment on any amounts due to the counterparty upon early termination of the swap transaction. Swap participation agreements where the Company is the beneficiary had notional values totaling $133.5 million and $137.2 million at March 31, 2024 and December 31, 2023, respectively. Swap participation agreements where the Company is the guarantor had notional values totaling $425.8 million at both March 31, 2024 and December 31, 2023.

Other derivative instruments held by the Company include commitments to fund fixed-rate mortgage loans held for sale to customers and forward commitments to sell individual, fixed-rate mortgage loans. The Company’s objective in obtaining the forward commitments is to mitigate the interest rate risk associated with the commitments to fund the fixed-rate mortgage loans. Both the commitments to fund fixed-rate mortgage loans and the forward commitments to sell individual fixed-rate mortgage loans are reported at fair value, with adjustments being recorded in current period earnings, and are not accounted for as hedges.

The Company has an economic hedge in place on its MSR and uses various instruments (including but not limited to Treasury options, SOFR and TBA futures and forwards) to mitigate the interest rate risk associated with the MSR. These hedging instruments are reported at fair value, with adjustments included as part of mortgage banking revenue in the consolidated statements of income. See Note 8 for additional information.

## NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

### Mortgage Loans Serviced for Others

The Company services mortgage loans for other financial institutions that are not included as assets in the Company’s accompanying consolidated financial statements. Included in the $7.8 billion and $7.7 billion of mortgage loans serviced for investors at March 31, 2024 and December 31, 2023, respectively, was $1.0 million of primary recourse servicing pursuant to which the Company is responsible for any losses incurred in the event of nonperformance by the mortgagor. The Company's exposure to credit loss in the event of such nonperformance is the unpaid principal balance at the time of default. This exposure is limited by the underlying collateral, which consists of single family residences and either federal or private mortgage insurance.

### Lending Commitments

The consolidated financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of banking business and which involve elements of credit risk, interest rate risk, and liquidity risk. Such financial instruments are recorded when they are funded. At March 31, 2024 and December 31, 2023, these included $459.0 million and $450.7 million, respectively, in letters of credit and $9.3 billion and $9.7 billion, respectively, in unfunded extensions of credit such as interim mortgage financing, construction credit, credit card, and revolving line of credit arrangements.

Commitments to extend credit and letters of credit include some exposure to credit loss in the event of nonperformance of the customer. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. In addition, the Company has entered into certain contingent commitments to grant loans. Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. The credit policies and procedures for such commitments are the same as those used for lending activities. Because these instruments have fixed maturity dates and because a number expire without being drawn upon, they generally do not present any significant liquidity risk. The Company did not realize significant credit losses from these commitments and arrangements during the three months ended March 31, 2024 and 2023.

### Other Commitments

The Company makes investments in limited partnerships, including certain affordable housing partnerships for which tax credits are received. At March 31, 2024 and December 31, 2023, unfunded capital commitments totaled $278.8 million and $275.2 million, respectively. See Note 17 for more information.

### Litigation

The nature of the Company’s business ordinarily results in certain types of claims, litigation, investigations, and other legal or administrative cases and proceedings. Although the Company and its subsidiaries have policies and procedures to minimize legal noncompliance and the impact of claims and other proceedings, and endeavored to procure reasonable amounts of insurance coverage, litigation and regulatory actions present an ongoing risk.

The Company and its subsidiaries engage in lines of business that are heavily regulated and involve a large volume of actual or potential financial transactions with customers or applicants, and the Company is a public company with a large number of shareholders. From time to time, applicants, borrowers, customers, shareholders, former employees, service providers, and other third parties have brought actions against the Company or its subsidiaries, in some cases claiming substantial damages. Financial services companies are subject to the risk of regulatory investigations, class action litigation, and, from time to time, the Company and its subsidiaries have such actions brought against them. The Company and its subsidiaries are also subject to enforcement actions by federal or state regulators, including the FDIC, the CFPB, the DOJ, state attorneys general, and the MDBCF, which may be adversely impacted by ongoing litigation in which the Company is involved. Additionally, the Company is, and management expects it to be, engaged in a number of foreclosure proceedings and other collection actions as part of its lending and leasing collections activities, which, from time to time, have resulted in counterclaims against the Company and its subsidiaries. Various legal proceedings have and may arise in the future out of claims against entities to which the Company is a successor as a result of business combinations.

When and as the Company determines it has meritorious defenses to the claims asserted, it vigorously defends against such claims. The Company will consider settlement of claims when, in management’s judgment and in consultation with counsel, it is in the best interests of the Company to do so.

The Company cannot predict with certainty the cost of defense, the cost of prosecution, or the ultimate outcome of litigation or other proceedings filed by or against it, its subsidiaries and its directors, management or employees, including remedies or damage awards. On at least a quarterly basis, the Company assesses its liabilities and contingencies in connection with outstanding legal proceedings as well as certain threatened claims (which are not considered incidental to the ordinary conduct of the Company’s business) utilizing the latest and most reliable information available. For matters where a loss is not probable or the amount of the loss cannot be estimated, the Company will not make an accrual. For matters where it is probable the Company will incur a loss and the amount can be reasonably estimated, the Company will accrue for the loss. Once established, the accrual is adjusted periodically to reflect any relevant developments. The actual cost of any such matters, however, may turn out to be substantially higher than the amount accrued. Further, the Company’s insurance policies have deductibles and coverage limits, and such policies are unlikely to cover all costs and expenses related to the defense or prosecution of such legal proceedings or any losses arising therefrom.

Although the final outcome of any legal proceedings is inherently uncertain, based on the information available, advice of counsel and available insurance coverage, if applicable, management believes that the litigation-related liability of $7.5 million accrued at March 31, 2024 is adequate and that any incremental change in potential liability arising from the Company’s legal proceedings and threatened claims, including the matters described herein and those otherwise arising in the ordinary course of business, will not have a material adverse effect on the Company’s business or consolidated results of operations or financial condition. It is possible, however, that future developments could result in an unfavorable outcome for or resolution of any one or more of the legal proceedings in which the Company or its subsidiaries are defendants, which may be material to the Company’s business or consolidated results of operations or financial condition for a particular fiscal period or periods.

On August 30, 2021, Legacy Cadence Bank and the DOJ agreed to a settlement set forth in the consent order related to the investigation by the DOJ of Legacy Cadence Bank’s fair lending program in Harris, Fort Bend, and Montgomery Counties located in Houston, Texas during the period between 2014 and 2016 (the “Consent Order”). The Consent Order was signed by the United States District Court for the Northern District of Georgia, Atlanta Division, on August 31, 2021. Pursuant to Section 5.2(g) of the Agreement and Plan of Merger and Paragraph 50 of the Consent Order, Legacy BancorpSouth Bank approved the negotiated settlement, and subsequently, the Company agreed to accept the obligations of the Consent Order. The Consent Order is in effect for five years. For additional information regarding the terms of this settlement and the Consent Order, see Legacy Cadence’s Current Report on Form 8-K that was filed with the SEC on August 30, 2021.

## NOTE 17. VARIABLE INTEREST ENTITIES AND OTHER INVESTMENTS

Under ASC 810-10-65, the Company is deemed to be the primary beneficiary and required to consolidate a VIE if it has a variable interest in the VIE that provides a controlling financial interest. The determination of whether a controlling financial interest exists is based on whether a single party has both the power to direct the activities of the VIE that most significantly impact the VIE’s economic performance and the obligation to absorb the losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. ASC 810-10-65 requires continual reconsideration of conclusions reached regarding which interest holder is a VIE's primary beneficiary.

Certain NMTC meet the qualifications for consolidation under ASC 810. Consolidation is applicable to this type of investment structure because the entities owned by the tax credit investment fund, managing member, and limited partner of the sub-CDE, are under common control and the limited partner's related party group has both the power and the obligation to absorb the significant benefits and losses of the sub-CDE. Based on this, the limited partner, which is the Company, is the primary beneficiary of the sub-CDE (VIE) and therefore subject to consolidation. NMTC investment structures which include a managing member not affiliated with the Company are not subject to consolidation.

At March 31, 2024 and December 31, 2023, the Company's assets of the consolidated VIE that can be used only to settle obligations of the consolidated VIE totaled $6.2 million and $6.5 million, respectively.

The Company is invested in several tax credit projects solely as a limited partner. At March 31, 2024 and December 31, 2023, the Company's maximum exposure to loss associated with these limited partnerships was limited to its investment. Most of the investments are in affordable housing projects. The partnerships have qualified to receive annual affordable housing federal tax credits that are recognized as a reduction of current tax expense. Under the effective yield method, the Company recognizes the tax credits as they are allocated and amortizes the initial costs of the investments to provide a constant effective yield over the period the tax credits are allocated. Under the proportional amortization method, the Company amortizes the cost of the investment in proportion to the tax credits and other tax benefits received and recognizes the net investment performance in the income statement as a component of income tax expense. The Company also has, to a lesser degree, investments in NMTC and historic tax credit projects. The Company has elected to account for the NMTC not subject to consolidation and historic tax credits using the flow-through method, which reduces federal income taxes in the year in which the credit arises. At March 31, 2024 and December 31, 2023, the Company recorded these tax credit investments in other assets on its consolidated balance sheets of $360.3 million and $362.0 million, respectively.

Through December 31, 2023, the amortization of the NMTC investments and historic tax credit investments was recorded in other noninterest income on the Company's consolidated statements of income. The Company adopted the provisions of ASU 2023-02 (see Note 1) as of January 1, 2024 and determined each investments' eligibility for proportional amortization. For certain NMTC and HTC investments that do not qualify for the proportional amortization method under ASU 2023-02, amortization related to these investments are recorded in other noninterest income in the Company's consolidated statements of income. The Company recorded amortization of $0.3 million for both the three months ended March 31, 2024 and 2023. The cash flow activity related to these investments are presented in the net income (loss) line in the operating activities section of the consolidated statements of cash flows.

For the investments that do qualify under ASU 2023-02, the Company recognized income tax credits and other income tax benefits for the three months ended March 31, 2024 of $10.6 million and $1.2 million, respectively. The total income tax benefits of $11.8 million are partially offset by $9.2 million of investment amortization recognized for the three months ended March 31, 2024, for a net income tax benefit of $2.6 million. The Company recorded amortization for these income tax credits of $5.0 million for three months ended March 31, 2023, which $0.7 million was reported in noninterest income in the consolidated statements of income and $4.3 million was reported in income tax expense.

The cash flows related to the total income tax benefits are presented in the consolidated statements of cash flows. The net income tax benefit of $2.6 million is included in the net income (loss) line within operating activities. Investment amortization of $9.2 million is included in the depreciation and amortization line item, which is an adjustment to reconcile net income (loss) to cash from (used for) operating activities. The income tax credits and other income tax benefits of an $11.8 million decrease is included in the other liabilities line item, which is also an adjustment to reconcile net income (loss) to cash from (used for) operating activities.

Additionally, the Company has investments in other certain limited partnerships accounted for under the fair value practical expedient of NAV totaling $101.5 million and $95.0 million at March 31, 2024 and December 31, 2023, respectively. Related to these assets recorded at fair value through net income, the Company recognized net gains of $1.0 million and $0.7 million for the three months ended March 31, 2024 and 2023, respectively. These investments are made primarily through various SBIC funds as a strategy to provide expansion and growth opportunities to small businesses within our footprint. Of the total fair value of these limited partnerships, $12.4 million and $11.7 million related to real-estate funds at March 31, 2024 and December 31, 2023, respectively. The remaining $89.1 million and $83.3 million related to SBIC funds that concentrate in a variety of industries at March 31, 2024 and December 31, 2023, respectively. At March 31, 2024, unfunded commitments related to these investments were $7.0 million and $82.1 million related to the real-estate funds and other SBIC funds, respectively. SBIC funds are generally structured to operate for approximately 10 years. During the life of each SBIC fund, partners can request to withdraw from the fund, and subsequently receive the balance of their investment as the underlying assets are liquidated over the remaining life of the fund. The Company has no current plans to withdraw from any of its SBIC funds.

Other limited partnerships without readily determinable fair values that do not qualify for the practical expedient are accounted for at their cost minus impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. These investments totaled $3.1 million and $2.4 million at March 31, 2024 and December 31, 2023, respectively. Other limited partnerships accounted for under the equity method totaled $9.8 million at both March 31, 2024 and December 31, 2023.

A summary of the Company's investments in limited partnerships is presented as of the following periods:

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Tax credit investments (amortized cost) | $ 360,283 | $ 361,990 |
| Limited partnerships accounted for under the fair value practical expedient of NAV | 101,513 | 94,998 |
| Limited partnerships without readily determinable fair values that do not qualify for the practical expedient of NAV accounted for under the cost method | 3,132 | 2,417 |
| Limited partnerships required to be accounted for under the equity method | 9,785 | 9,785 |
| Total investments in limited partnerships | $ 474,713 | $ 469,190 |

Equity investments with readily determinable fair values not held for trading are recorded at fair value, with changes in fair value reported in net income (see Note 3). Cadence elected a measurement alternative to fair value for certain equity investments in limited partnerships described above without a readily determinable fair value. During the three months ended and as of March 31, 2024, and 2023, there were no downward or upward adjustments to these investments for impairments or price changes from observable transactions. The carrying amount of these equity investments in limited partnerships measured under this measurement alternative for the specified periods are as follows:

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Carrying value at the beginning of the period | $ 2,417 | $ 1,968 |
| Reclassifications | — | 558 |
| Distributions | (55) | (1,070) |
| Contributions | 770 | 124 |
| Carrying value at the end of the period | $ 3,132 | $ 1,580 |

## ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

### OVERVIEW

The Company is a regional bank with dual headquarters in Houston, Texas and Tupelo, Mississippi with $48.3 billion in total assets at March 31, 2024. The Company has commercial banking operations in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri, Tennessee, and Texas. The Company and its subsidiaries provide commercial banking, leasing, mortgage origination and servicing, brokerage, trust, investment advisory, and payroll services to corporate customers, local governments, individuals, and other financial institutions through an extensive network of branches and offices.

Management's discussion and analysis provides a narrative discussion of the Company's financial condition and results of operations. For a complete understanding of the following discussion, refer to the consolidated financial statements and related notes presented elsewhere in this Report. Management's discussion and analysis should also be read in conjunction with the risk factors included in Item 1A of this Report and those included in Item 1A of our Form 10-K for the year ended December 31, 2023, and the other reports we file with the FDIC. This discussion and analysis is based on reported financial information, and certain amounts for prior years have been reclassified to conform with the current financial statement presentation.

The financial condition and operating results of the Company are heavily influenced by economic trends nationally and in the specific markets in which the Company's subsidiaries provide financial services. Generally, the pressures of the national and regional economic cycle create a difficult operating environment for the financial services industry. During such times, the Company is not immune to pressures and any economic downturn may have a negative impact on the Company and its customers in all of the markets it serves. Management believes future weakness in the economic environment could adversely affect the strength of the credit quality of the Company's assets overall. Therefore, management will continue to focus on early identification and resolution of any credit issues.

The largest source of the Company's revenue is derived from its corporate and community banking operations. The financial condition and operating results of the Company are affected by the level and volatility of interest rates on loans, investment securities, deposits, and other borrowed funds, and the impact of economic downturns on loan demand, collateral values, and creditworthiness of existing borrowers. The financial services industry is highly competitive and heavily regulated. The Company's success depends on its ability to compete aggressively within its markets while maintaining sufficient asset quality and cost controls to generate net income.

The information that follows is provided to enhance comparability of financial information between periods and to provide a better understanding of the Company's operations.

#### Recent Developments

During the first quarter of 2024, our results reflect improved operating performance resulting from several strategic accomplishments over the past several quarters as well as continued success in business development. The Company's results reflect strength in our balance sheet, as we focused on adding quality loan growth and increasing our core customer deposits, while maintaining strong liquidity and capital. We experienced strong revenue growth coupled with lower operating expenses, resulting in improved operating efficiency. Also during the first quarter of 2024, the Company opportunistically repurchased 657,593 shares of our common stock, further benefiting EPS. We believe these results positively position our Company for continued and future success.

### NON-GAAP FINANCIAL MEASURES AND RECONCILIATIONS

In addition to financial ratios based on measures defined by U.S. GAAP, the Company has identified "total tangible shareholders' equity," "tangible common shareholders' equity," "total tangible common shareholders' equity (excluding AOCI)," "total tangible assets," "total tangible assets (excluding AOCI)," "tangible shareholders' equity to tangible assets," "tangible common shareholders' equity to tangible assets," "tangible common shareholders' equity to tangible assets (excluding AOCI)," "tangible common book value per share," and "tangible book value per common share (excluding AOCI)" as non-GAAP financial measures used when evaluating the performance of the Company.

- Total tangible shareholders' equity is defined by the Company as total shareholders' equity less goodwill and identifiable intangible assets.

- Total tangible common shareholders' equity is defined by the Company as total shareholders' equity less preferred stock, goodwill, and other identifiable intangible assets.
- Total tangible common shareholders' equity, excluding AOCI, is defined by the Company as total shareholders' equity less preferred stock, goodwill, other identifiable intangible assets, and AOCI.
- Total tangible assets are defined by the Company as total assets less goodwill and identifiable intangible assets.
- Total tangible assets, excluding AOCI, are defined by the Company as total assets less goodwill, identifiable intangible assets, and AOCI.
- Tangible common book value per share is defined by the Company as tangible common shareholders' equity divided by total shares of common stock outstanding.
- Tangible book value per common share, excluding AOCI, is defined by the Company as tangible common shareholders' equity less AOCI divided by total shares of common stock outstanding.

Management believes the ratios of tangible shareholders' equity to tangible assets, tangible common shareholders' equity to tangible assets and tangible common shareholders' equity to tangible assets (excluding AOCI) to be important to investors who are interested in evaluating the adequacy of the Company's capital levels. Management also believes that tangible common book value per share and tangible common book value per share (excluding AOCI) are important to investors who are interested in changes from period to period in book value per share exclusive of changes in intangible assets.

The following table reconciles these Non-GAAP financial measures as presented above to U.S. GAAP financial measures as reflected in the Company's consolidated financial statements for the periods indicated:

**TABLE 1—NON-GAAP FINANCIAL MEASURES**

| (Dollars in thousands) | March 31, 2024 | December 31, 2023 | March 31, 2023 |
|---|---|---|---|
| Total tangible assets, excluding AOCI | | | |
| Total assets | $ 48,313,863 | $ 48,934,510 | $ 51,693,096 |
| Less: Goodwill | 1,367,785 | 1,367,785 | 1,367,785 |
| Other identifiable intangible assets | 96,126 | 100,191 | 115,113 |
| Total tangible assets | $ 46,849,952 | $ 47,466,534 | $ 50,210,198 |
| Less: AOCI | (791,333) | (761,829) | (1,081,886) |
| Total tangible assets, excluding AOCI | $ 47,641,285 | $ 48,228,363 | $ 51,292,084 |
| | | | |
| Total tangible common shareholders' equity, excluding AOCI | | | |
| Total shareholders' equity | $ 5,189,932 | $ 5,167,843 | $ 4,490,417 |
| Less: Goodwill | 1,367,785 | 1,367,785 | 1,367,785 |
| Other identifiable intangible assets | 96,126 | 100,191 | 115,113 |
| Total tangible shareholders' equity | $ 3,726,021 | $ 3,699,867 | $ 3,007,519 |
| Less: Preferred stock | 166,993 | 166,993 | 166,993 |
| Total tangible common shareholders' equity | $ 3,559,028 | $ 3,532,874 | $ 2,840,526 |
| Less: AOCI | (791,333) | (761,829) | (1,081,886) |
| Total tangible common shareholders' equity, excluding AOCI | $ 4,350,361 | $ 4,294,703 | $ 3,922,412 |
| | | | |
| Total common shares outstanding | 182,681,325 | 182,871,775 | 182,684,578 |
| | | | |
| Tangible shareholders' equity to tangible assets | 7.95 % | 7.79 % | 5.99 % |
| Tangible common shareholders' equity to tangible assets | 7.60 % | 7.44 % | 5.66 % |
| Tangible common shareholders' equity, excluding AOCI, to tangible assets, excluding AOCI | 9.13 % | 8.90 % | 7.65 % |
| Tangible common book value per share | $ 19.48 | $ 19.32 | $ 15.55 |
| Tangible book value per common share, excluding AOCI | $ 23.81 | $ 23.48 | $ 21.47 |

## FINANCIAL HIGHLIGHTS

The following table presents financial highlights for the periods indicated:

**TABLE 2—FINANCIAL HIGHLIGHTS**

| | As of and For the Three Months Ended March 31, | |
|---|---|---|
| (Dollars in thousands, except per share amounts) | 2024 | 2023 |
| Common share data: | | |
| Basic earnings per share from continuing operations | $ 0.63 | $ 0.39 |
| Basic earnings per share | 0.63 | 0.41 |
| Diluted earnings per share from continuing operations | 0.62 | 0.38 |
| Diluted earnings per share | 0.62 | 0.40 |
| Cash dividends per share | 0.25 | 0.24 |
| Book value per share | 27.50 | 23.67 |
| Tangible common book value per share [(1)] | 19.48 | 15.55 |
| Tangible book value per common share, excluding AOCI [(1)] | 23.81 | 21.47 |
| Dividend payout ratio | 40.48 % | 58.20 % |
| Financial Ratios: | | |
| Return on average assets from continuing operations | 0.97 % | 0.61 % |
| Return on average assets | 0.97 | 0.64 |
| Return on average shareholders' equity from continuing operations | 9.06 | 6.73 |
| Return on average shareholders' equity | 9.06 | 7.07 |
| Return on average common shareholders' equity from continuing operations | 9.17 | 6.77 |
| Return on average common shareholders' equity | 9.17 | 7.12 |
| Total shareholders' equity to total assets | 10.74 | 8.69 |
| Total common shareholders' equity to total assets | 10.40 | 8.36 |
| Tangible common shareholders' equity to tangible assets [(1)] | 7.60 | 5.66 |
| Tangible common shareholders' equity, excluding AOCI, to tangible assets, excluding AOCI [(1)] | 9.13 | 7.65 |
| Net interest margin-fully taxable equivalent | 3.22 | 3.29 |
| Credit Quality Ratios: | | |
| Net charge-offs to average loans and leases (annualized) | 0.24 % | 0.02 % |
| Provision for credit losses to average loans and leases (annualized) | 0.27 | 0.13 |
| ACL to net loans and leases | 1.44 | 1.45 |
| ACL to NPL | 196.08 | 282.49 |
| ACL to NPA | 191.88 | 273.43 |
| NPL to net loans and leases | 0.73 | 0.51 |
| NPA to total assets | 0.51 | 0.32 |
| Capital Adequacy Ratios: | | |
| Common Equity Tier 1 capital | 11.71 % | 10.12 % |
| Tier 1 capital | 12.15 | 10.55 |
| Total capital | 14.49 | 12.79 |
| Tier 1 leverage capital | 9.46 | 8.36 |

(1) Non-GAAP financial measure. See "Non-GAAP Financial Measures and Reconciliations."

As of March 31, 2024, the target range for the federal funds rate was 5.25% to 5.50%. In March 2024, the Federal Reserve left open the timing of potential rate cuts in 2024. The prior year's increase in interest rates has had a pronounced effect on both our balance sheet as well as our earnings. As seen in the following sections, the slight decrease in net interest revenue for the three months ended March 31, 2024 compared to the same period in 2023, resulted from an increase in interest expense, primarily on deposits due to both a mix shift of deposits out of noninterest bearing and into interest bearing, and an increase in deposit rates. The increase in interest expense was mostly offset by a combination of higher yields on interest-earning assets and a shift in the mix of interest-earning assets. See “Net Interest Revenue” for further information.

The Company reported net income available to common shareholders of $114.6 million for the three months ended March 31, 2024, compared to $74.3 million for the same period in 2023. Key factors contributing to the $40.3 million increase in net income available to common shareholders were the increase in noninterest revenue from $34.5 million for the three months ended March 31, 2023 to $83.8 million for the three months ended March 31, 2024 primarily due to the $51.3 million net loss on sale of securities as a result of our balance sheet optimization transaction in the first quarter of 2023, and the decrease in noninterest expense from $284.6 million in the first quarter of 2023 to $263.2 million in the first quarter of 2024. The increase in noninterest revenue combined with the decrease in noninterest expense were partially offset by the slight decrease in net interest revenue from $354.3 million for the three months ended March 31, 2023 to $353.9 million for the three months ended March 31, 2024. The Company recorded a provision for credit losses of $22.0 million for the three months ended March 31, 2024 compared to a provision for credit losses of $10.0 million for the same period in 2023.

Net interest revenue for the three months ended March 31, 2024 was $353.9 million compared to $354.3 million for the same period in 2023. The $0.4 million, or 0.1%, decrease in net interest revenue was primarily related to the increase in interest expense due to a mix shift from noninterest bearing deposits into interest bearing, as well as increased market interest rates paid on average interest bearing liabilities for deposits and short-term borrowings. Average interest-bearing liabilities increased to $33.5 billion for the three months ended March 31, 2024 from $31.2 billion for same period in 2023. As a result of this increase in average interest-bearing liabilities coupled with the increase in rates paid on average interest bearing liabilities, interest expense increased $111.3 million, or 64.8%, for the three months ended March 31, 2024 compared to the same period in 2023. The increase in interest expense was mostly offset by increased interest rates which resulted in an increase on yields earned on interest-earning assets coupled with growth in average balances in the loan and lease portfolio and other investments.

The Company attempts to diversify its revenue streams with noninterest revenue received from mortgage banking operations, wealth management activities and other activities that generate fee income. Noninterest revenue for the three months ended March 31, 2024 was $83.8 million, compared to $34.5 million for same period in 2023. The primary contributors to the increase in noninterest revenue were an increase in deposit service charges of $1.9 million and a decrease in security losses of $51.3 million as a result of securities portfolio restructuring in the first quarter of 2023. These increases were partially offset by a $5.8 million decrease in other noninterest revenue across various smaller fee revenue sources. Excluding security net losses, noninterest revenue for the three months ended March 31, 2024, was $83.8 million, a decrease of $1.9 million, or 2.3%, from $85.7 million for same period in 2023.

Noninterest expense for the three months ended March 31, 2024 was $263.2 million, a decrease of 7.5% from $284.6 for same period in 2023. The decrease in noninterest expense in the first quarter of 2024 compared to the first quarter of 2023 was primarily a result of decreases in salaries and employee benefits, other noninterest expense and merger expense, partially offset by increases in occupancy and equipment, and deposit insurance assessments. For the three months ended March 31, 2023, salaries and employee benefits decreased $9.1 million, or 5.5%, compared to the same period in 2023. Decreases in other noninterest expense for the three months ended March 31, 2024 compared to the same period in 2023 included decreases in data processing and software costs and fraud and operational losses.

## RESULTS OF OPERATIONS

The following is a summary of our results of operations for the periods indicated:

**TABLE 3—SUMMARY OF RESULTS OF OPERATIONS**

| | Three Months Ended March 31, | |
|---|---|---|
| (Dollars in thousands) | 2024 | 2023 |
| Earnings Summary: | | |
| Interest revenue | $ 637,113 | $ 526,126 |
| Interest expense | 283,205 | 171,862 |
| Net interest revenue | 353,908 | 354,264 |
| Provision for credit losses | 22,000 | 10,000 |
| Net interest revenue, after provision for credit losses | 331,908 | 344,264 |
| Noninterest revenue | 83,786 | 34,463 |
| Noninterest expense | 263,207 | 284,647 |
| Income from continuing operations, before income taxes | 152,487 | 94,080 |
| Income tax expense | 35,509 | 21,073 |
| Income from continuing operations | 116,978 | 73,007 |
| Income from discontinued operations, before income taxes | — | 4,982 |
| Income tax expense from discontinued operations | — | 1,360 |
| Income from discontinued operations, net of income taxes | — | 3,622 |
| Net income | 116,978 | 76,629 |
| Less: preferred dividends | 2,372 | 2,372 |
| Net income available to common shareholders | $ 114,606 | $ 74,257 |

### Net Interest Revenue

Net interest revenue is the difference between interest revenue earned on assets, such as loans, leases and securities, and interest expense paid on liabilities, such as deposits and borrowings, and continues to provide the Company with its principal source of revenue. Net interest revenue is affected by the general level of interest rates, changes in interest rates and changes in the amount and composition of interest earning assets and interest bearing liabilities. One of the Company's long-term objectives is to manage interest earning assets and interest bearing liabilities to maximize net interest revenue, while balancing interest rate, credit and liquidity risk. Net interest margin is determined by dividing FTE net interest revenue by average earning assets. For purposes of the following discussion, revenue from tax-exempt loans and investment securities have been adjusted to an FTE basis, using an effective tax rate of 21% for the three months ended March 31, 2024 and 2023.

The following table presents average interest earning assets, average interest bearing liabilities, net interest revenue-FTE, net interest margin-FTE and net interest rate spread for each of the periods presented:

**TABLE 4—CONSOLIDATED AVERAGE BALANCES AND YIELD/RATE ANALYSIS**

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| (Dollars in thousands) | Average Balance | Interest | Yield/ Rate | Average Balance | Interest | Yield/ Rate |
| ASSETS | | | | | | |
| Loans and leases (net of unearned income) [(1)(2)] | $ 32,737,574 | $ 529,393 | 6.50 % | $ 30,891,640 | $ 457,477 | 6.00 % |
| Loans held for sale, at fair value | 72,356 | 1,184 | 6.58 | 46,863 | 603 | 5.22 |
| Available for sale securities, at fair value: | | | | | | |
| Taxable | 8,187,342 | 63,405 | 3.11 | 10,957,786 | 48,512 | 1.80 |
| Tax-exempt [(3)] | 82,366 | 870 | 4.25 | 396,671 | 3,135 | 3.21 |
| Other investments | 3,146,439 | 42,897 | 5.48 | 1,524,358 | 17,450 | 4.64 |
| Total interest earning assets and revenue | 44,226,077 | 637,749 | 5.80 % | 43,817,318 | 527,177 | 4.88 % |
| Other assets | 4,890,312 | | | 5,277,369 | | |
| Allowance for credit losses | 473,849 | | | 442,486 | | |
| Total | $ 48,642,540 | | | $ 48,652,201 | | |
| | | | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | |
| Deposits: | | | | | | |
| Interest bearing demand and money market | $ 19,303,845 | $ 149,403 | 3.11 % | $ 19,009,345 | $ 95,344 | 2.03 % |
| Savings | 2,696,452 | 3,801 | 0.57 | 3,363,236 | 3,014 | 0.36 |
| Time | 7,348,356 | 80,670 | 4.42 | 4,328,388 | 23,950 | 2.24 |
| Fed funds purchased, securities sold under agreement to repurchase and other | 209,348 | 2,528 | 4.86 | 832,831 | 7,669 | 3.73 |
| Short-term FHLB borrowings | — | — | — | 3,221,340 | 37,013 | 4.66 |
| Short-term BTFP borrowings | 3,500,000 | 42,104 | 4.84 | — | — | — |
| Subordinated and long-term debt | 434,579 | 4,699 | 4.35 | 462,385 | 4,872 | 4.27 |
| Total interest bearing liabilities and expense | 33,492,580 | 283,205 | 3.40 % | 31,217,525 | 171,862 | 2.23 % |
| Demand deposits - noninterest bearing | 9,072,619 | | | 12,203,079 | | |
| Other liabilities | 883,293 | | | 835,136 | | |
| Total liabilities | 43,448,492 | | | 44,255,740 | | |
| Shareholders' equity | 5,194,048 | | | 4,396,461 | | |
| Total | $ 48,642,540 | | | $ 48,652,201 | | |
| Net interest revenue-FTE | | $ 354,544 | | | $ 355,315 | |
| Net interest margin-FTE | | | 3.22 % | | | 3.29 % |
| Net interest rate spread | | | 2.40 % | | | 2.65 % |
| Interest bearing liabilities to interest earning assets | | | 75.73 % | | | 71.24 % |

(1) Includes taxable equivalent adjustment to interest of $0.4 million for the three months ended March 31, 2024 and 2023, using an effective tax rate of 21% for all periods presented.

(2) Nonaccrual loans are included in loans and leases (net of unearned income). Nonaccrual loans were $241.0 million and $160.6 million for the three months ended March 31, 2024 and 2023, respectively.

(3) Includes taxable equivalent adjustment to interest of $0.2 million and $0.7 million for the three months ended March 31, 2024 and 2023, respectively, using an effective tax rate of 21% for all periods presented.

Net interest revenue-FTE decreased 0.2% to $354.5 million for the three months ended March 31, 2024, from $355.3 million for the same period in 2023. The decrease in net interest revenue-FTE was primarily due to increased rates paid on average interest bearing deposits and a shift out of noninterest bearing deposits into time deposits. The increase in interest expense was mostly offset by the increase in interest rates on loans and other investments which resulted in an increase on yields earned on interest-earning assets. Average loans increased from 70.5% of average interest earning assets in the 2023 first quarter to 74.0% in the 2024 first quarter.

Interest revenue-FTE increased 21.0% to $637.7 million for the three months ended March 31, 2024, from $527.2 million for the same period in 2023. The increase in interest revenue-FTE for the three months ended March 31, 2024, was primarily a result of the increase in yields earned on loans due to the increase in market rates over the prior year period, as well as the securities portfolio repositioning in late 2023 and improved earning asset mix from continued deployment of cash. Additionally, interest revenue-FTE included $3.5 million and $10.0 million in accretion related to the purchase discounts on acquired loans for the three months ended March 31, 2024 and 2023, respectively.

Interest expense increased 64.8% to $283.2 million for the three months ended March 31, 2024, compared to $171.9 million for the same period in 2023. The increase in interest expense for the three months ended March 31, 2024 was primarily a result of the overall rates paid on average interest-bearing deposits increasing 135 basis points for the three months ended March 31, 2024, compared to the same period in 2023, which was in response to increased interest rates, combined with a shift out of noninterest bearing deposits into time deposits.

Net interest margin-FTE for the three months ended March 31, 2024 was 3.22%, a decrease of 7 basis points, from 3.29% for the same period in 2023. Net interest revenue-FTE may also be analyzed by segregating the yield/rate and volume components of interest revenue and interest expense. The table below presents an analysis of rate and average volume change in net interest revenue from the first quarter of 2023 to the first quarter of 2024. The changes in net interest income due to both rate and volume have been allocated to volume.

**TABLE 5—RATE/VOLUME ANALYSIS**

| | First Quarter 2024 vs First Quarter 2023 | | | | |
|---|---|---|---|---|---|
| | Net Interest Revenue | | Increase | | |
| (In thousands) | 2024 | 2023 | (Decrease) | Volume | Rate |
| INTEREST REVENUE | | | | | |
| Loans and leases, net of unearned income | $ 529,393 | $ 457,477 | $ 71,916 | $ 27,337 | $ 44,579 |
| Loans held for sale | 1,184 | 603 | 581 | 328 | $ 253 |
| Available for sale securities: | | | | | |
| Taxable | 63,405 | 48,512 | 14,893 | (12,265) | 27,158 |
| Non-taxable | 870 | 3,135 | (2,265) | (2,484) | 219 |
| Other | 42,897 | 17,450 | 25,447 | 18,569 | 6,878 |
| Total interest revenue | 637,749 | 527,177 | 110,572 | 31,485 | 79,087 |
| | | | | | |
| INTEREST EXPENSE | | | | | |
| Demand deposits - interest bearing | 149,403 | 95,344 | 54,059 | 1,477 | 52,582 |
| Savings deposits | 3,801 | 3,014 | 787 | (598) | 1,385 |
| Time deposits | 80,670 | 23,950 | 56,720 | 16,710 | 40,010 |
| Fed funds purchased, securities sold under agreement to repurchase and other | 2,528 | 7,669 | (5,141) | (5,741) | 600 |
| Short-term FHLB borrowings | — | 37,013 | (37,013) | (37,013) | — |
| Short-term BTFP borrowings | 42,104 | — | 42,104 | 42,104 | — |
| Subordinated and long-term debt | 4,699 | 4,872 | (173) | (293) | 120 |
| Total interest expense | 283,205 | 171,862 | 111,343 | 16,646 | 94,697 |
| Net interest revenue | $ 354,544 | $ 355,315 | $ (771) | $ 14,839 | $ (15,610) |

**Provision for Credit Losses and Allowance for Credit Losses (“ACL”)**

An analysis of the ACL for loans for the periods indicated is provided in the following table:

**TABLE 6—ACL**

| | Three Months Ended March 31, | |
|---|---|---|
| (In thousands) | 2024 | 2023 |
| Balance, beginning of period | $ 468,034 | $ 440,347 |
| Charge-offs: | | |
| Commercial and industrial | | |
| Non-real estate | (16,896) | (2,799) |
| Owner occupied | (101) | (54) |
| Total commercial and industrial | (16,997) | (2,853) |
| Commercial real estate | | |
| Construction, acquisition and development | (132) | (82) |
| Income producing | (2,112) | (1,906) |
| Total commercial real estate | (2,244) | (1,988) |
| Consumer | | |
| Residential mortgages | (595) | (457) |
| Other consumer | (1,800) | (1,732) |
| Total consumer | (2,395) | (2,189) |
| Total charge-offs | (21,636) | (7,030) |
| Recoveries: | | |
| Commercial and industrial | | |
| Non-real estate | 1,234 | 2,288 |
| Owner occupied | 78 | 1,118 |
| Total commercial and industrial | 1,312 | 3,406 |
| Commercial real estate | | |
| Construction, acquisition and development | 112 | 45 |
| Income producing | 38 | 734 |
| Total commercial real estate | 150 | 779 |
| Consumer | | |
| Residential mortgages | 271 | 501 |
| Other consumer | 444 | 469 |
| Total consumer | 715 | 970 |
| Total recoveries | 2,177 | 5,155 |
| Net (charge-offs) recoveries | (19,459) | (1,875) |
| Adoption of new ASU related to modified loans [1] | — | 255 |
| Provision: | | |
| Provision for credit losses related to loans and leases | 24,000 | 15,000 |
| Balance, end of period | $ 472,575 | $ 453,727 |
| | | |
| Loans and leases, net of unearned income - average | $ 32,737,574 | $ 30,891,640 |
| Loans and leases, net of unearned income - period end | $ 32,882,616 | $ 31,282,594 |

[1] Cadence adopted 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).

## TABLE 7—ACL RELATED RATIOS

| | Three Months Ended March 31, | |
|---|---|---|
| | 2024 | 2023 |
| RATIOS | | |
| Provision for credit losses to average loans and leases, net of unearned income | 0.27 % | 0.13 % |
| ACL to loans and leases, net of unearned income | 1.44 % | 1.45 % |
| Non-performing loans to loans and leases, net of unearned income | 0.73 % | 0.51 % |
| ACL to non-performing loans | 196.08 % | 282.49 % |
| Net charge-offs (recoveries) to average loans and leases: (1) | | |
| Commercial and industrial | | |
| Non-real estate | 0.19 % | 0.01 % |
| Owner occupied | — % | (0.01)% |
| Total commercial and industrial | 0.19 % | (0.01)% |
| Commercial real estate | | |
| Income producing | 0.03 % | 0.02 % |
| Total commercial real estate | 0.03 % | 0.02 % |
| Consumer | | |
| Other consumer | 0.02 % | 0.02 % |
| Total consumer | 0.02 % | 0.02 % |
| Total | 0.24 % | 0.02 % |

(1) Ratios are annualized.

Net charge-offs totaled $19.5 million compared to net charge-offs of $1.9 million for the three months ended March 31, 2024, and 2023, respectively. Net charge-offs as a percentage of average loans and leases were 0.24% annualized for the three months ended March 31, 2024, compared to net charge-offs as a percentage of average loans and leases of 0.02% annualized in the same period for 2023. Net charge-offs for the three months ended March 31, 2024, were primarily in the non-real estate and income producing categories.

The Company recorded $22.0 million in provision for credit losses during three months ended March 31, 2024, and $10.0 million for the same period in 2023. The provision for credit losses for the three months ended March 31, 2024, included a $24.0 million provision related to loans and leases and a $2.0 million release related to unfunded commitments.

The ACL increased $4.6 million to $472.6 million at March 31, 2024, from $468.0 million at December 31, 2023. The ACL to non-performing loans decreased to 196.08% at March 31, 2024, from 282.49% at March 31, 2023. For more information about the Company’s classified, non-performing, purchased credit deteriorated, and impaired loans, see “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Condition – Loans and Leases” in Part I of this Report.

The breakdown of the ACL by loan and lease segment and class is based, in part, on evaluations of specific loan and lease histories and the impact of forecasted economic conditions on the portfolio segments and geographical areas. Accordingly, because these conditions are subject to change, the allocation is not necessarily indicative of the breakdown of any future allowance for credit losses. Several economic forecasts from external sources are used in the estimation and allocation of the ACL. The forecasts cover an eight-quarter forecast horizon to establish a forecast range and are based on upside, downside, and base case scenarios. A blended scenario is selected by management to reflect the probable economic conditions within the range. During the first quarter of 2024, the forecast was weighted more to a base forecast compared to a more downside forecast weighting in the first part of 2023, as the risk of heightened inflation and a recession eased comparatively.

The Company recognizes that high interest rates, inflation, and slower economic growth may have short-term, long-term, and regional impacts to the economy. In addition, qualitative factors such as changes in economic conditions, concentrations of risk, and changes in portfolio risk resulting from regulatory changes are considered in determining the adequacy of the level of the ACL (see Note 5 to the consolidated financial statements).

**TABLE 8—ACL BY SEGMENT AND CLASS**

| | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| (Dollars in thousands) | ACL | % of Loans in Each Category to Total Loans | ACL | % of Loans in Each Category to Total Loans |
| Commercial and industrial | | | | |
| Non-real estate | $ 208,599 | 27.7 % | $ 194,577 | 27.5 % |
| Owner occupied | 33,675 | 13.5 | 31,445 | 13.4 |
| Total commercial and industrial | 242,274 | 41.2 | 226,022 | 40.9 |
| Commercial real estate | | | | |
| Construction, acquisition and development | 40,386 | 11.8 | 42,118 | 12.0 |
| Income producing | 62,722 | 17.6 | 69,209 | 17.7 |
| Total commercial real estate | 103,108 | 29.4 | 111,327 | 29.7 |
| Consumer | | | | |
| Residential mortgages | 121,464 | 28.7 | 124,851 | 28.7 |
| Other consumer | 5,729 | 0.7 | 5,834 | 0.7 |
| Total consumer | 127,193 | 29.4 | 130,685 | 29.4 |
| Total | $ 472,575 | 100.0 % | $ 468,034 | 100.0 % |

**Noninterest Revenue**

The components of noninterest revenue from continuing operations for the periods indicated and the percentage change between the periods are shown in the following table:

**TABLE 9—NONINTEREST REVENUE**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| (Dollars in thousands) | 2024 | 2023 | % Change |
| Mortgage banking, excluding MSR and MSR hedge market value adjustment | $ 6,460 | $ 8,379 | (22.9)% |
| MSR and MSR hedge market value adjustment | (17) | (2,303) | 99.3 |
| Credit card, debit card and merchant fees | 12,162 | 11,851 | 2.6 |
| Deposit service charges | 18,338 | 16,482 | 11.3 |
| Securities losses, net | (9) | (51,261) | NM |
| Trust income [(1)] | 11,322 | 10,553 | 7.3 |
| Annuity fees [(1)] | 1,705 | 2,192 | (22.2) |
| Brokerage commissions and fees [(1)] | 9,806 | 8,787 | 11.6 |
| Bank-owned life insurance | 3,946 | 3,647 | 8.2 |
| Credit related fees | 6,207 | 7,365 | (15.7) |
| SBA income | 3,299 | 4,604 | (28.3) |
| Other miscellaneous income | 10,567 | 14,167 | (25.4) |
| Total noninterest revenue | $ 83,786 | $ 34,463 | 143.1 % |

(1) Included in wealth management revenue on the Consolidated Statements of Income.

NM - not meaningful.

The Company's revenue from mortgage banking typically fluctuates as mortgage interest rates change and is primarily attributable to two activities - the origination and sale of new mortgage loans and the servicing of sold mortgage loans.

Origination revenue is comprised of gains or losses from the sale of mortgage loans held for sale, origination fees, underwriting fees and other fees associated with the origination of mortgage loans. For the three months ended March 31, 2024 and 2023, mortgage loan held for sale origination volumes totaled $222.9 million and 117.3 million, respectively, which produced origination revenue of $3.2 million and $3.3 million, respectively. The decrease in mortgage origination revenue was the result of lower margins on loans sold during the three months ended March 31, 2024 due to changes in the interest rate environment compared to margins on loans sold in the same period in 2023. During late 2023, there was a strategic shift to increase the mix of originated mortgage loans to more held for sale versus held for investment, which largely contributed to the higher volumes of originated mortgage loans held for sale and sold during the first quarter of 2024.

Revenue from the servicing process includes fees from the actual servicing of mortgage loans. For the three months ended March 31, 2024 and 2023, revenue from the servicing of mortgage loans was $6.0 million and $6.1 million, respectively.

The Company services a class of residential mortgages that are first lien loans secured by a primary residence or second home. The MSR, which are recognized as a separate asset on the date the corresponding mortgage loan is sold on a servicing retained basis, is recorded at fair value as determined at each accounting period end. At March 31, 2024 and March 31, 2023 the estimated fair value of the MSR was $111.7 million and $106.9 million, respectively.

Changes in the fair value of the Company's MSR are generally a result of changes in mortgage interest rates from the previous reporting period. An increase in mortgage interest rates typically results in an increase in the fair value of the MSR while a decrease in mortgage interest rates typically results in a decrease in the fair value of the MSR. During the three months ended March 31, 2024, mortgage interest rates increased compared to the same period in 2023. The fair value of the MSR is also impacted by principal payments on loans in the servicing portfolio. For the three months ended March 31, 2024 and 2023, decreases in the value of the MSR from these payments were $2.7 million and $1.1 million, respectively.

The Company hedges the change in fair value of its MSR. At March 31, 2024 and 2023, there was a hedge in place designed to cover approximately 74.8% and 51.0%, respectively, of the MSR value. The Company is susceptible to significant fluctuations in MSR value during changing interest rate environments. Reflecting this sensitivity to interest rates, the fair value of the MSR, including the hedge, experienced a decrease of $17 thousand for the three months ended March 31, 2024 and a decrease of $2.3 million in the same period in 2023.

The following table presents the Company's mortgage banking operations for the periods indicated:

**TABLE 10— MORTGAGE BANKING OPERATIONS**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| (Dollars in thousands) | 2024 | 2023 | % Change |
| Production revenue: | | | |
| Origination | $ 3,165 | $ 3,344 | (5.4)% |
| Servicing | 5,951 | 6,113 | (2.7) |
| Payoffs/Paydowns | (2,656) | (1,078) | (146.4) |
| Total origination and servicing revenue | 6,460 | 8,379 | (22.9) |
| MSR and hedge market value adjustment | (17) | (2,303) | 99.3 |
| Total mortgage banking revenue | $ 6,443 | $ 6,076 | 6.0 % |
| | | | |
| Origination of mortgage loans held for sale | $ 222,876 | $ 117,261 | 90.1 |
| Mortgage loans serviced at quarter-end | 7,764,936 | 7,633,236 | 1.7 % |

Deposit service charge revenue increased $1.9 million for the three months ended March 31, 2024 compared to the same period in 2023. The increase is primarily attributable to price list and billing structure adjustments.

Net securities losses decreased $51.3 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease is primarily driven by the securities portfolio restructuring that was executed as a part of a balance sheet optimization initiative during the first quarter of 2023 when $1.5 billion in U.S. Treasury available for sale securities were sold generating a realized loss of $51.3 million, and reinvested into higher yielding earning assets.

Credit-related fees includes those associated with unused line of credit fees, letter of credit fees, derivative fee income, and arrangement fees, among other loan-related fees. This category decreased $1.2 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease is primarily driven by volume decreases in derivative fee income, unused line of credit fees, and letter of credit fees.

SBA income decreased $1.3 million for the three months ended March 31, 2024 compared to the same period in 2023. This decrease in activity caused a decrease of $1.0 million in recognized SBA loan gains and a decrease of $1.1 million in recognized SBA servicing right gains for the three months ended March 31, 2024 compared to the same period in 2023. This decrease was offset by a $0.9 million increase in loan packaging fees for the three months ended March 31, 2024 compared to the same period in 2023.

Other miscellaneous income includes payroll processing revenue, foreign exchange revenue, wire transfer fees, and other miscellaneous items. Other miscellaneous income decreased $3.6 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease is primarily driven by decreases in dividend income from FHLB stock ($1.5 million), earnings from limited partnerships ($1.4 million), and advisory fees ($1.1 million).

**Noninterest Expense**

The components of noninterest expense from continuing operations for the periods indicated and the percentage change between periods is shown in the following table:

**TABLE 11—NONINTEREST EXPENSE**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| (Dollars in thousands) | 2024 | 2023 | % Change |
| Salaries and employee benefits | $ 156,650 | $ 165,738 | (5.5)% |
| Occupancy and equipment | 28,640 | 27,787 | 3.1 |
| Data processing and software | 30,028 | 31,105 | (3.5) |
| Merger expense | — | 5,070 | (100.0) |
| Deposit insurance assessments | 8,414 | 8,361 | 0.6 |
| Advertising and public relations | 4,224 | 4,241 | (0.4) |
| Foreclosed property expense | 268 | 980 | (72.6) |
| Telecommunications | 1,545 | 1,534 | 0.7 |
| Travel and entertainment | 2,236 | 2,565 | (12.8) |
| Amortization of intangibles | 4,066 | 4,466 | (9.0) |
| Professional, consulting and outsourcing | 3,935 | 4,311 | (8.7) |
| Legal expense | 3,682 | 1,288 | 185.9 |
| Postage and shipping | 2,205 | 2,303 | (4.2) |
| Other miscellaneous expense | 17,314 | 24,898 | (30.5) |
| Total noninterest expense | $ 263,207 | $ 284,647 | (7.5)% |

Salaries and employee benefits expense is the largest category of our noninterest expense. Salaries and employee benefits decreased $9.1 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease is primarily the result of the decrease in employee headcount which was partially offset by increases in retail and annual performance-based incentives.

The components of salary and employee benefits expense for the periods indicated and the percentage change between years are shown in the following table:

**TABLE 12—SALARIES AND EMPLOYEE BENEFITS EXPENSE**

| | Three Months Ended March 31, | | |
|---|---|---|---|
| (Dollars in thousands) | 2024 | 2023 | % Change |
| Regular salaries, net of deferred salaries | $ 98,623 | $ 112,274 | (12.2)% |
| Commissions and incentive compensation | 28,027 | 22,445 | 24.9 |
| Taxes and employee benefits | 30,000 | 31,019 | (3.3) |
| Total salaries and employee benefits | $ 156,650 | $ 165,738 | (5.5)% |

Data processing and software expense decreased $1.1 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease is largely driven by a decrease in software maintenance costs.

Merger expense represents one-time expenses related to effecting the acquisition of another entity. There were no merger expenses for the three months ended March 31, 2024, compared to $5.1 million for the same period in 2023. These expenses in 2023 primarily included compensation related expenses.

Legal expense increased $2.4 million for the three months ended March 31, 2024 compared to the same period in 2023. The increase is largely driven by settlement and other legal expenses related to certain legal matters.

Other miscellaneous expense includes insurance expense, operational and fraud losses, supplies expense, franchise and sales taxes, training and business development expenses, various regulatory fees, and various other expenses. This category decreased $7.6 million for the three months ended March 31, 2024 compared to the same period in 2023. The decrease in other miscellaneous expenses is driven by decreased operational losses ($3.3 million), pension costs ($0.9 million), rewards contingent liabilities and travel rewards redemptions expenses ($0.9 million), SBA agent related fees ($0.8 million), delivery related expenses ($0.4 million), and an increase in gains on extinguishment of debt ($0.6 million).

**Income Taxes**

The Company recorded an income tax expense from continuing operations of $35.5 million for the three months ended March 31, 2024, compared to $21.1 million for the same period in 2023. The increase in tax expense in 2024 can be attributed to higher pre-tax income.

The Company recorded zero income tax expense related to discontinued operations for the three months ended March 31, 2024, compared to $1.4 million for the same period in 2023. There is no tax expense on discontinued operations in 2024 as the sale of Cadence Insurance closed in November 2023, and reported as a discontinued operation in 2023 and periods prior.

The effective tax rate on continuing operations was 23.3% for the three months ended March 31, 2024, compared to 22.4% for the same period in 2023. The increase in the effective tax rate for 2024 was the result of the increase in pre-tax income.

In August 2022, the IRA of 2022 was signed into law to address inflation, healthcare costs, climate change and renewal energy incentives, among other things. Included in the IRA of 2022 are provisions for the creation of a 15% CAMT that is effective for tax years beginning January 1, 2023 for corporations with an average annual adjusted financial statement income in excess of $1 billion. Based on information available to date, we do not anticipate that the Company will be subject to the 15% CAMT in 2024, absent any further changes in law.

## FINANCIAL CONDITION

The percentage of earning assets to total assets measures the effectiveness of management's efforts to invest available funds representing the most efficient and profitable uses. Earning assets at March 31, 2024 were $44.0 billion, or 91.0% of total assets, compared with $44.2 billion, or 90.3% of total assets, at December 31, 2023.

### TABLE 13—FINANCIAL CONDITION SUMMARY

| (In thousands) | As of and For the Three Months Ended March 31, 2024 | As of and For the Three Months Ended March 31, 2023 | As of and For the Year Ended December 31, 2023 |
|---|---|---|---|
| Period-End Balances: | | | |
| Total assets | $ 48,313,863 | $ 51,693,096 | $ 48,934,510 |
| Available for sale securities | 8,306,589 | 10,877,879 | 8,075,476 |
| Loans and leases, net of unearned income | 32,882,616 | 31,282,594 | 32,497,022 |
| Total deposits | 38,120,226 | 39,406,454 | 38,497,137 |
| Securities sold under agreement to repurchase | 94,390 | 771,335 | 451,516 |
| Federal funds purchased and short-term BTFP and FHLB borrowings | 3,500,000 | 5,700,228 | 3,500,000 |
| Subordinated and long-term debt | 430,123 | 462,144 | 438,460 |
| Total shareholders' equity | 5,189,932 | 4,490,417 | 5,167,843 |
| Common shareholders' equity | 5,022,939 | 4,323,424 | 5,000,850 |
| Average Balances: | | | |
| Total assets | 48,642,540 | 48,652,201 | 48,703,953 |
| Available for sale securities | 8,269,708 | 11,354,457 | 10,322,335 |
| Loans and leases, net of unearned income | 32,737,574 | 30,891,640 | 31,913,925 |
| Total deposits | 38,421,272 | 38,904,048 | 38,628,453 |
| Securities sold under agreement to repurchase | 209,348 | 727,975 | 770,777 |
| Federal funds purchased and short-term BTFP and FHLB borrowings | 3,500,000 | 3,326,196 | 3,471,207 |
| Subordinated and long-term borrowings | 434,579 | 462,385 | 452,645 |
| Total shareholders' equity | 5,194,048 | 4,396,461 | 4,487,433 |
| Common shareholders' equity | 5,027,055 | 4,229,468 | 4,320,440 |

### Securities

The Company uses its securities portfolio as a source of revenue and liquidity, and to serve as collateral to secure certain types of deposits and borrowings. These securities, which are available for a possible sale, are recorded at fair value. The following table shows the carrying value of the Company's AFS securities by investment category for the periods indicated:

**TABLE 14—AVAILABLE FOR SALE SECURITIES SUMMARY**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Available for sale securities: | | |
| U.S. Treasury securities | $ 239,402 | $ 465,018 |
| U.S. government agency securities | 318,233 | 332,011 |
| MBS issued or guaranteed by U.S. agencies | | |
| Residential pass-through: | | |
| Guaranteed by GNMA | 72,034 | 75,662 |
| Issued by FNMA and FHLMC | 4,254,227 | 4,387,101 |
| Other residential MBS | 1,210,617 | 727,434 |
| Commercial MBS | 1,694,967 | 1,742,837 |
| Total MBS | 7,231,845 | 6,933,034 |
| Obligations of states and political subdivisions | 134,643 | 137,624 |
| Corporate debt securities | 67,421 | 67,197 |
| Foreign debt securities | 315,045 | 140,592 |
| Total | $ 8,306,589 | $ 8,075,476 |

At March 31, 2024, the Company's AFS securities totaled $8.3 billion compared to $8.1 billion at December 31, 2023. The increase of $231.1 million, or 2.9%, was primarily driven by the purchases of $693.3 million of higher yielding securities during the period. The increase was offset by maturities and payments of $411.2 million during the period.

Net unrealized losses on AFS securities at March 31, 2024 and December 31, 2023 totaled $1.0 billion and $0.9 billion, respectively. At March 31, 2024, management believes that the unrealized losses are due to noncredit-related factors, such as changes in interest rates and other market conditions (see Note 3 to the unaudited consolidated financial statements).

The following table shows the maturities and weighted average yields for the carrying value of the available-for-sale securities for the periods indicated:

**TABLE 15—MATURITY DISTRIBUTION OF AFS SECURITIES**

| | Contractual Maturity | | | |
|---|---|---|---|---|
| | March 31, 2024 | | December 31, 2023 | |
| (Dollars in thousands) | Estimated Fair Value | Weighted Average Yield | Estimated Fair Value | Weighted Average Yield |
| U.S. Treasury securities: | | | | |
| Due in less than one year | $ 239,402 | 5.42 % | $ 465,018 | 5.46 % |
| U.S. Treasury securities total | 239,402 | 5.42 | 465,018 | 5.46 |
| U.S. government agency securities: | | | | |
| Due in one to five years | 11,012 | 4.30 | 12,853 | 4.37 |
| Due in five to ten years | 238,406 | 4.63 | 249,502 | 4.66 |
| Due after ten years | 68,815 | 2.22 | 69,656 | 2.22 |
| U.S. government agency securities total | 318,233 | 4.09 | 332,011 | 4.14 |
| Obligations of states and political subdivisions: | | | | |
| Due in less than one year | 749 | 1.88 | 1,835 | 2.84 |
| Due in one to five years | 9,107 | 2.94 | 9,153 | 2.95 |
| Due in five to ten years | 15,575 | 2.22 | 15,655 | 2.22 |
| Due after ten years | 109,212 | 2.69 | 110,981 | 2.70 |
| Obligations of states and political subdivisions total | 134,643 | 2.65 | 137,624 | 2.66 |
| Corporate debt securities: | | | | |
| Due in one to five years | 5,195 | 5.90 | 5,181 | 5.90 |
| Due in five to ten years | 60,848 | 4.59 | 60,632 | 4.59 |
| Due after ten years | 1,378 | 4.50 | 1,384 | 4.50 |
| Corporate debt securities total | 67,421 | 4.69 | 67,197 | 4.69 |
| Foreign debt securities: | | | | |
| Due in one to five years | 86,725 | 3.63 | 51,507 | 2.25 |
| Due in five to ten years | 228,320 | 5.81 | 89,085 | 5.86 |
| Foreign debt securities total | 315,045 | 5.21 | 140,592 | 4.54 |
| | | | | |
| Total securities due in less than one year | 240,151 | 5.41 | 466,853 | 5.45 |
| Total securities due in one to five years | 112,039 | 3.74 | 78,694 | 2.92 |
| Total securities due in five to ten years | 543,149 | 5.05 | 414,874 | 4.82 |
| Total securities due after ten years | 179,405 | 2.52 | 182,021 | 2.53 |
| MBS | 7,231,845 | 2.89 | 6,933,034 | 2.54 |
| Total estimated fair value | $ 8,306,589 | 3.11 % | $ 8,075,476 | 2.83 % |

The yield on tax-exempt obligations of states and political subdivisions has been adjusted to a taxable equivalent basis using a 21% tax rate.

**Loans and Leases**

The Company's loans and leases held for investment portfolio represents the largest single component of the Company's earning asset base. Average loans and leases comprised 74.0% and 72.6% of average earning assets during the three months ended March 31, 2024 and the year ended December 31, 2023, respectively. The Company's lending activities include both commercial and consumer loans and leases. The Company has established systematic procedures for approving and monitoring loans and leases that vary depending on the size and nature of the loan or lease and applies these procedures in a disciplined manner. The bank also acts as agent or participant in syndications and other financing arrangements with other financial institutions. The Company's loans and leases are widely diversified by borrower and industry. Loans and leases, net of unearned income, totaled $32.9 billion at March 31, 2024, representing a 1.2% increase from $32.5 billion at December 31, 2023.

The following table shows the composition of the Company's loan and lease portfolio by segment and class at the dates indicated:

**TABLE 16—LOAN PORTFOLIO**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Commercial and industrial | | |
| Non-real estate | $ 9,121,457 | $ 8,935,598 |
| Owner occupied | 4,442,357 | 4,349,060 |
| Total commercial and industrial | 13,563,814 | 13,284,658 |
| Commercial real estate | | |
| Construction, acquisition and development | 3,864,351 | 3,910,962 |
| Income producing | 5,783,943 | 5,736,871 |
| Total commercial real estate | 9,648,294 | 9,647,833 |
| Consumer | | |
| Residential mortgages | 9,447,675 | 9,329,692 |
| Other consumer | 222,833 | 234,839 |
| Total consumer | 9,670,508 | 9,564,531 |
| Total loans and leases, net of unearned income (1) | $ 32,882,616 | $ 32,497,022 |

(1) Total loans and leases are net of $68.3 million and $75.4 million of unearned income at March 31, 2024 and December 31, 2023, respectively.

The following table shows the Company's loan and lease portfolio by segment and class at March 31, 2024 by geographical location.

**TABLE 17—LOANS BY GEOGRAPHICAL LOCATION**

| (In thousands) | Alabama | Arkansas | Florida | Georgia | Louisiana | Mississippi | Missouri | Tennessee | Texas | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Commercial and industrial | | | | | | | | | | | |
| Non-real estate | $ 413,301 | $ 146,430 | $ 542,282 | $ 539,664 | $ 328,789 | $ 533,880 | $ 70,147 | $ 321,934 | $ 3,740,402 | $ 2,484,628 | $ 9,121,457 |
| Owner occupied | 352,403 | 245,047 | 284,283 | 307,074 | 296,196 | 615,518 | 96,778 | 168,039 | 1,735,411 | 341,608 | 4,442,357 |
| Total commercial and industrial | 765,704 | 391,477 | 826,565 | 846,738 | 624,985 | 1,149,398 | 166,925 | 489,973 | 5,475,813 | 2,826,236 | 13,563,814 |
| Commercial real estate | | | | | | | | | | | |
| Construction, acquisition and development | 196,775 | 79,748 | 425,582 | 528,889 | 40,494 | 203,222 | 39,893 | 175,446 | 1,665,187 | 509,115 | 3,864,351 |
| Income producing | 442,236 | 265,621 | 360,230 | 531,762 | 213,757 | 425,447 | 203,475 | 295,180 | 2,250,912 | 795,323 | 5,783,943 |
| Total commercial real estate | 639,011 | 345,369 | 785,812 | 1,060,651 | 254,251 | 628,669 | 243,368 | 470,626 | 3,916,099 | 1,304,438 | 9,648,294 |
| Consumer | | | | | | | | | | | |
| Residential mortgages | 1,232,302 | 390,552 | 667,203 | 418,748 | 460,552 | 1,155,102 | 191,468 | 726,161 | 3,989,512 | 216,075 | 9,447,675 |
| Other consumer | 29,673 | 17,565 | 5,040 | 6,869 | 11,195 | 84,452 | 1,770 | 17,503 | 44,403 | 4,363 | 222,833 |
| Total consumer | 1,261,975 | 408,117 | 672,243 | 425,617 | 471,747 | 1,239,554 | 193,238 | 743,664 | 4,033,915 | 220,438 | 9,670,508 |
| Total | $ 2,666,690 | $ 1,144,963 | $ 2,284,620 | $ 2,333,006 | $ 1,350,983 | $ 3,017,621 | $ 603,531 | $ 1,704,263 | $ 13,425,827 | $ 4,351,112 | $ 32,882,616 |

**Mergers and Acquisitions**

In connection with past bank acquisitions, the Company acquired loans both with and without evidence of credit quality deterioration since origination. Acquired loans are recorded at their fair value at the time of acquisition with no carryover from the acquired institution's previously recorded allowance for credit losses.

The fair value for acquired loans recorded at the time of acquisition is based upon several factors including the timing and payment of expected cash flows, as adjusted for estimated credit losses and prepayments, and then discounting these cash flows using comparable market rates. The resulting fair value adjustment is recorded in the form of a premium or discount to the unpaid principal balance of each acquired loan. As it relates to acquired loans that, as of the date of acquisition, have experienced a more-than-insignificant deterioration in credit quality since origination ("PCD"), the net premium or net discount is adjusted to reflect the Company's ACL recorded for PCD loans at the time of acquisition, and the remaining fair value adjustment not related to credit is accreted or amortized into interest income over the remaining life of the loan. As it relates to acquired loans not classified as PCD ("non-PCD") loans, the credit loss and yield components of the fair value adjustment are aggregated, and the resulting net premium or net discount is accreted or amortized into interest income over the remaining life of the loan. The Company records an ACL for non-PCD loans at the time of acquisition through provision expense, and therefore, no further adjustments are made to the net premium or net discount for non-PCD loans.

In addition, a grade is assigned to each loan during the valuation process. For acquired loans that are not individually reviewed during the valuation process, such loans are assumed to have characteristics similar to the assigned rating of the acquired institution's risk rating, adjusted for any estimated differences between the Company's rating methodology and the acquired institution's risk rating methodology. Acquired loans that are individually evaluated at the acquisition date are assigned a specific reserve in the same manner as other loans individually evaluated and are assigned an internal grade of representing PCD with Loss Exposure.

The following is a discussion of the Company's segments and classes of loans and leases:

**Commercial and Industrial ("C&I")**

*Non-Real Estate* – The Company engages in lending to small and medium-sized business enterprises and government entities through its community banking locations and to regional and national business enterprises through its corporate banking division. C&I loans are loans and leases to finance business operations, equipment and owner-occupied facilities. These include both lines of credit for terms of one year or less and term loans which are amortized over the useful life of the assets financed. Personal and/or corporate guarantees are generally obtained where available and prudent. Also included in this category are loans to finance agricultural production. The Company recognizes that risk from economic cycles, commodity prices, pandemics, government regulation, supply-chain disruptions, product innovations or obsolescence, operational errors, lawsuits, natural disasters, fraud, losses due to theft or embezzlement, loss of sponsor support, health or loss of key personnel, or competitive situations may adversely affect the scheduled repayment of business loans. In addition, risks in the agricultural sector including crop failures due to weather, insects and other blights, commodity prices, governmental intervention, lawsuits, labor or logistical disruptions. Non-real estate loans increased 2.1% from December 31, 2023, to March 31, 2024.

*Owner Occupied* – Owner occupied loans include loans secured by business facilities to finance business operations, equipment, agricultural land and owner-occupied facilities. These include both lines of credit for terms of one year or less and term loans which are amortized over the useful life of the assets financed. Personal guarantees are generally obtained where available and prudent. The Company recognizes that risk from economic cycles, pandemics, government regulation, supply-chain disruptions, product innovations or obsolescence, operational errors, lawsuits, natural disasters, losses due to theft or embezzlement, health or loss of key personnel, or competitive situations may adversely affect the scheduled repayment of business loans. Owner occupied loans increased 2.1% from December 31, 2023, to March 31, 2024.

**Commercial Real Estate ("CRE")**

*Construction, Acquisition and Development* – CAD loans include both loans and credit lines for construction of commercial, industrial, residential, and multi-family buildings and for purchasing, carrying, and developing land into residential subdivisions or various types of commercial developments, such as industrial, warehouse, retail, office, and multi-family. The Company generally engages in construction and development lending primarily in markets served by its branches. The Company recognizes that risks are inherent in the financing of real estate development and construction. These risks include location, market conditions and price volatility, changes in interest rates, demand for developed land, lots and buildings, desirability of features and styling of completed developments and buildings, competition from other developments and builders, traffic patterns, remote work patterns, governmental jurisdiction, tax structure, availability of utilities, roads, public transportation and schools, availability of permanent financing for homebuyers, zoning, environmental restrictions, lawsuits, economic and business cycle, or labor and reputation of the builder or developer. CAD loans decreased 1.2% from December 31, 2023, to March 31, 2024.

Each CAD loan is underwritten to address: (i) the desirability of the project, its market viability and projected absorption period; (ii) the creditworthiness of the borrower and the guarantor, if applicable, as to liquidity, cash flow and assets available to ensure performance of the loan; (iii) equity contribution to the project; (iv) the developer's experience and success with similar projects; and (v) the value of the collateral.

*Income Producing* – Income producing loans include loans to finance income-producing commercial and multi-family properties. Lending in this category is generally limited to properties located in the Company's market area with only limited exposure to properties located elsewhere. Loans in this category include loans for neighborhood retail centers, medical and professional offices, single retail stores, warehouses and apartments leased generally to local businesses and residents. The underwriting of these loans takes into consideration the occupancy and rental rates as well as the financial health of the borrower. The Company's exposure to national retail tenants is limited. The Company recognizes that risk from economic cycles, pandemics, delayed or missed rent payments, supply-chain disruptions, operational errors, lawsuits, natural disasters, losses due to theft or embezzlement, health or loss of key personnel, or competitive situations may adversely affect the scheduled repayment of business loans. Income producing loans increased 0.8% from December 31, 2023, to March 31, 2024.

**Consumer**

*Residential Mortgages* – Consumer mortgages are first or second-lien loans to consumers secured by a primary residence or second home. This category includes traditional mortgages and home equity loans and revolving lines of credit. The loans are generally secured by properties located primarily in markets served by the Company's branches. These loans are underwritten in accordance with the Company's general loan policy and procedures which require, among other things, proper documentation of each borrower's financial condition, satisfactory credit history, and property value. In addition to loans originated for the Company's portfolio, the Company originates and services consumer mortgages sold in the secondary market which are underwritten and closed pursuant to investor and agency guidelines. Residential mortgages increased 1.3% from December 31, 2023, to March 31, 2024.

*Other Consumer* – Other consumer lending includes consumer credit card accounts as well as personal revolving lines of credit and installment loans. The Company offers credit cards primarily to its deposit and loan customers. Consumer installment loans include term loans of up to five years secured by automobiles, boats and recreational vehicles. The Company recognizes that there are risks in consumer lending which include interruptions in the borrower's personal and investment income due to loss of employment, market conditions, and general economic conditions, deterioration in the health and well-being of the borrower and family members, natural disasters, pandemics, lawsuits, losses, or inability to generate income due to injury, accidents, theft, vandalism, or incarceration. Other consumer loans decreased 5.1% from December 31, 2023, to March 31, 2024.

**Selected Loan Maturity and Interest Rate Sensitivity**

The maturity distribution of the Company's loan portfolio is one factor in management's evaluation by collateral type of the risk characteristics of the loan and lease portfolio. The interest rate sensitivity of the Company's loan and lease portfolio is important in the management of net interest margin. The Company attempts to manage the relationship between the interest rate sensitivity of its assets and liabilities to produce an effective interest differential that is not significantly impacted by changes in the level of interest rates (See - Quantitative and Qualitative Disclosures About Market Risk). The following table shows the maturity distribution based on remaining maturities of the Company's loan and lease portfolio and the interest rate sensitivity of the Company's loans and leases maturing after one year at March 31, 2024:

**TABLE 18—INTEREST RATE SENSITIVITY OF LOANS**

| | | | | | Rate Structure for Loans Maturing Over One Year | |
|---|---|---|---|---|---|---|
| (In thousands) | One Year or Less | Over One Year through Five Years | Over Five Years through Fifteen Years | Over Fifteen Years | Fixed Interest Rate | Variable Interest Rate |
| Commercial and industrial | | | | | | |
| Non-real estate | $ 1,594,663 | $ 6,368,838 | $ 1,062,505 | $ 95,451 | $ 992,373 | $ 6,534,421 |
| Owner occupied | 235,830 | 817,140 | 2,026,138 | 1,363,249 | 1,623,529 | 2,582,998 |
| Total commercial and industrial | 1,830,493 | 7,185,978 | 3,088,643 | 1,458,700 | 2,615,902 | 9,117,419 |
| Commercial real estate | | | | | | |
| Construction, acquisition and development | 1,151,294 | 1,562,816 | 544,951 | 605,290 | 505,321 | 2,207,736 |
| Income producing | 806,817 | 1,598,780 | 1,120,583 | 2,257,763 | 960,640 | 4,016,486 |
| Total commercial real estate | 1,958,111 | 3,161,596 | 1,665,534 | 2,863,053 | 1,465,961 | 6,224,222 |
| Consumer | | | | | | |
| Residential mortgages | 232,322 | 261,071 | 1,177,461 | 7,776,821 | 3,596,877 | 5,618,476 |
| Other consumer | 37,870 | 173,934 | 10,315 | 714 | 87,756 | 97,207 |
| Total consumer | 270,192 | 435,005 | 1,187,776 | 7,777,535 | 3,684,633 | 5,715,683 |
| Total | $ 4,058,796 | $ 10,782,579 | $ 5,941,953 | $ 12,099,288 | $ 7,766,496 | $ 21,057,324 |

**Loans Held-for-Sale**

At March 31, 2024 and December 31, 2023, loans held for sale totaled $169.6 million and $186.3 million, respectively. Included in loans held for sale are loans sold to GNMA with an option to repurchase totaling $50.9 million and $56.5 million at March 31, 2024 and December 31, 2023, respectively. The Company records the GNMA loans at fair value on the consolidated balance sheets with a corresponding liability. GNMA optional repurchase programs allow financial institutions to buy back individual delinquent mortgage loans that meet certain criteria (90 days or more past due) from the securitized loan pool for which the institution provides servicing. At the servicer's option and without GNMA's prior authorization, the servicer may repurchase such a delinquent loan for an amount equal to 100% of the remaining principal balance of the loan. Under FASB ASC 860, this buyback option is considered a conditional option until the delinquency criteria are met, at which time the option becomes unconditional. When the Company is deemed to have regained effective control over these loans under the unconditional buyback option, the loans can no longer be reported as sold and must be brought back onto the consolidated balance sheet as loans held for sale, regardless of whether the Company intends to exercise the buy-back option. These GNMA loans are not included in the nonperforming loans totals (See Table 19).

## Asset Quality

### Nonperforming Assets

NPA consists of NPL, OREO, and other repossessed assets. The increase from December 31, 2023 to March 31, 2024 in NPA was driven by the increase of $24.9 million, or 11.5%, in nonaccrual loans and leases (See Tables 20 and 21). The increase was offset by the decrease of $1.0 million, or 15.5%, in foreclosed OREO and other NPA. The majority of the increase in nonaccrual loans and leases is located in the C&I non-real estate segment. NPA were as follows as of each period presented:

**TABLE 19—NONPERFORMING ASSETS**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Total NPL[1] | $ 241,007 | $ 216,141 |
| Foreclosed OREO and other NPA | 5,280 | 6,246 |
| Total NPA | $ 246,287 | $ 222,387 |
| NPL to total loans and leases | 0.73 % | 0.67 % |
| NPA to total assets | 0.51 % | 0.45 % |
| | | |
| GNMA loans 90 or more days past due eligible for repurchase | $ 50,922 | $ 56,524 |
| | | |
| Government guaranteed portion of nonaccrual loans and leases covered by the SBA, FHA, VA or USDA | $ 59,897 | $ 49,551 |
| | | |
| Loans and leases 90+ days past due, still accruing | $ 30,048 | $ 22,466 |

(1) See Tables 20 and 21 for more information regarding NPL.

### Nonperforming Loans

NPL consist of nonaccrual loans and leases. The Company's policy provides that loans and leases are generally placed in nonaccrual status if, in management's opinion, payment in full of principal or interest is not expected or payment of principal or interest is more than 90 days past due, unless the loan or lease is both well-secured and in the process of collection. NPL increased 11.5% at March 31, 2024, compared to December 31, 2023. NPL as a percentage of net loans and leases was 0.7% at both December 31, 2023, and March 31, 2024.

Included in NPL at March 31, 2024, were $107.9 million of Impaired loans. Loans assigned an internal grade of Impaired are individually analyzed collateral-dependent loans for which a specific provision has been considered to address the unsupported exposure. Loans assigned an internal grade of PCD (loss) represent loans with evidence of deterioration of credit quality since origination that are acquired, and for which it was probable, at acquisition, that the bank will be unable to collect all contractually required payments. Impaired loans had a specific reserve of $38.0 million included in the total ACL of $472.6 million at March 31, 2024, and were net of $14.3 million in partial charge-downs previously taken on these impaired loans. Additionally, certain loans internally risk rated as PCD (loss) were included in NPL. At March 31, 2024, these loans totaled $1.6 million and had a specific reserve of $62 thousand included in the ACL. Net partial charge-downs previously taken on PCD (loss) loans were immaterial at March 31, 2024.

NPL at December 31, 2023, included $100.6 million of Impaired loans that had a specific reserve of $41.6 million included in the ACL of $468.0 million at December 31, 2023, and were net of $4.8 million in partial charge-downs previously taken on these impaired loans. PCD (loss) loans included in NPL totaled $1.6 million and had a specific reserve of $62 thousand included in the ACL. Net partial charge-downs previously taken on PCD (loss) loans were immaterial at December 31, 2023.

The following table presents the Company’s NPL by geographical location at March 31, 2024:

**TABLE 20—NONPERFORMING LOANS BY GEOGRAPHICAL LOCATION**

| (In thousands) | Amortized Cost | Total NPL | NPL as a % of Amortized Cost |
|---|---|---|---|
| Alabama | $ 2,666,690 | $ 15,094 | 0.57 % |
| Arkansas | 1,144,963 | 6,406 | 0.56 |
| Florida | 2,284,620 | 15,350 | 0.67 |
| Georgia | 2,333,006 | 61,862 | 2.65 |
| Louisiana | 1,350,983 | 5,306 | 0.39 |
| Mississippi | 3,017,621 | 14,353 | 0.48 |
| Missouri | 603,531 | 2,084 | 0.35 |
| Tennessee | 1,704,263 | 2,361 | 0.14 |
| Texas | 13,425,827 | 64,187 | 0.48 |
| Other | 4,351,112 | 54,004 | 1.24 |
| Total | $ 32,882,616 | $ 241,007 | 0.73 % |

The following table provides additional details related to the Company’s loan and lease portfolio and the distribution of NPL by segment and class at March 31, 2024:

**TABLE 21—NONPERFORMING LOANS BY SEGMENT AND CLASS**

| (In thousands) | Amortized Cost | Total NPL | NPL as a % of Amortized Cost |
|---|---|---|---|
| Commercial and industrial | | | |
| Non-real estate | $ 9,121,457 | $ 149,683 | 1.64 % |
| Owner occupied | 4,442,357 | 5,962 | 0.13 |
| Total commercial and industrial | 13,563,814 | 155,645 | 1.15 |
| Commercial real estate | | | |
| Construction, acquisition and development | 3,864,351 | 3,787 | 0.10 |
| Income producing | 5,783,943 | 19,428 | 0.34 |
| Total commercial real estate | 9,648,294 | 23,215 | 0.24 |
| Consumer | | | |
| Residential mortgages | 9,447,675 | 61,886 | 0.66 |
| Other consumer | 222,833 | 261 | 0.12 |
| Total consumer | 9,670,508 | 62,147 | 0.64 |
| Total | $ 32,882,616 | $ 241,007 | 0.73 % |

NPL at March 31, 2024 increased by $24.9 million, or 11.5%, to $241.0 million from $216.1 million at December 31, 2023. The increase in nonaccrual loans was primarily driven by the increases of $18.1 million, or 13.8%, for the C&I non-real estate segment.

The following table provides details regarding the aging of the Company’s NPL by segment and class at March 31, 2024:

**TABLE 22—AGING OF NONACCRUAL LOANS**

| (In thousands) | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total Past Due | Current | Total Nonaccrual |
|---|---|---|---|---|---|---|
| Commercial and industrial | | | | | | |
| Non-real estate | $ 603 | $ 1,683 | $ 126,151 | $ 128,437 | $ 21,246 | $ 149,683 |
| Owner occupied | 333 | 227 | 4,978 | 5,538 | 424 | 5,962 |
| Total commercial and industrial | 936 | 1,910 | 131,129 | 133,975 | 21,670 | 155,645 |
| Commercial real estate | | | | | | |
| Construction, acquisition and development | 866 | — | 2,921 | 3,787 | — | 3,787 |
| Income producing | — | 470 | 16,553 | 17,023 | 2,405 | 19,428 |
| Total commercial real estate | 866 | 470 | 19,474 | 20,810 | 2,405 | 23,215 |
| Consumer | | | | | | |
| Residential mortgages | 3,888 | 5,905 | 47,042 | 56,835 | 5,051 | 61,886 |
| Other consumer | 29 | 28 | 147 | 204 | 57 | 261 |
| Total consumer | 3,917 | 5,933 | 47,189 | 57,039 | 5,108 | 62,147 |
| Total | $ 5,719 | $ 8,313 | $ 197,792 | $ 211,824 | $ 29,183 | $ 241,007 |

**OREO and Repossessed Assets**

OREO consists of properties acquired through foreclosure. Repossessed assets consist of non-real estate assets acquired in partial or full settlement of loans. OREO and repossessed assets totaled $5.3 million and $6.2 million at March 31, 2024, and December 31, 2023, respectively. The decrease of $0.9 million, or 15.5%, was primarily the result of write-downs and sales of OREO during the three months ended March 31, 2024.

Because a portion of the Company’s NPL have been determined to be collateral-dependent, management expects the resolution of a significant number of these loans may necessitate foreclosure proceedings resulting in further additions to OREO. At March 31, 2024, residential mortgages in process of foreclosure increased to $11.9 million compared to $10.9 million at December 31, 2023.

At the time of foreclosure, the fair value of the collateral for loans backed by real estate is typically determined by an appraisal performed by a third-party appraiser holding professional certifications. Such appraisals are then reviewed and evaluated by the Company’s internal appraisal group. A market value appraisal using a 180-360-day marketing period is typically ordered and the OREO is recorded at the time of foreclosure at its market value less estimated selling costs. For residential subdivisions that are not completed, the appraisals reflect the uncompleted status of the subdivision.

Since OREO is carried at fair value less estimated selling costs on an ongoing basis, new appraisals are generally obtained on at least an annual basis and the OREO carrying values are adjusted accordingly. The type of appraisals typically used for these periodic reappraisals are “Restricted Use Appraisals,” meaning the appraisal is for client use only. Other indications of fair value are also used to attempt to ensure that OREO is carried at fair value. These include listing the property with a broker and acceptance of an offer to purchase from a third-party. If an OREO property is listed with a broker at an amount less than the current carrying value, the carrying value is adjusted to reflect the list price less estimated selling costs and if an offer to purchase is accepted at a price less than the current carrying value, the carrying value is adjusted to reflect that sales price, less estimated selling costs. The majority of the properties in OREO are actively marketed using a combination of real estate brokers, bank staff who are familiar with the particular properties and/or third parties.

**Financial Difficulty Modifications**

In March 2022, the FASB issued ASU No. 2022-02, eliminating the recognition and measurement guidance on TDRs for creditors that have adopted ASC 326 and requiring them to make enhanced disclosures about loan modifications for borrowers experiencing financial difficulty. The guidance became effective for Cadence beginning January 1, 2023, and was adopted via the modified retrospective transition method.

With the removal of the TDR accounting model, the general loan modification guidance in Subtopic 310-20 is now applied to all loan modifications, including modifications made for borrowers experiencing financial difficulty. Under this guidance, a modification is treated as a new loan only if both 1) the terms of the new loan are at least as favorable to the lender as the terms for comparable loans to other customers with similar collection risks, and 2) modifications to the terms of the original loan are more than minor. If either condition is not met, the modification is accounted for as the continuation of the old loan with any effect of the modification treated as a prospective adjustment to the loan's effective interest rate. Modifications in scope for borrowers experiencing financial difficulty may include principal forgiveness, other-than-insignificant payment delay, interest rate reduction, or a combination of modifications. During the three months ended March 31, 2024, the most common concessions related to term extensions and principal forgiveness. Other concessions included a reduction of interest rates to below market rates.

At March 31, 2024, loans that were modified within the past three months for borrowers experiencing financial difficulty totaled $54.8 million, or 0.2%, of total loans and leases, net of unearned income. Loans are considered to be in payment default at 90 or more days past due. See Note 4 to the consolidated financial statements for additional information for borrowers experiencing financial difficulty.

**Loan Concentrations**

At March 31, 2024, the Company did not have any concentration of loans or leases in excess of 10% of total loans and leases outstanding which were not otherwise disclosed as a category of loans or leases. Loan concentrations are considered to exist when there are amounts loaned to multiple borrowers engaged in similar activities which would cause them to be similarly impacted by economic or other conditions. The Company conducts business in a geographically concentrated area and has a significant amount of loans secured by real estate to borrowers in varying activities and businesses but does not consider these factors alone in identifying loan concentrations. The ability of the Company's borrowers to repay loans is somewhat dependent upon the economic conditions prevailing in the Company's market areas.

**Internally Assigned Grades on Loans**

The Company utilizes an internal loan classification system that is updated to perpetually grade loans according to certain credit quality indicators. These credit quality indicators include, but are not limited to, recent credit performance, delinquency, liquidity, cash flows, debt coverage ratios, collateral type and loan-to-value ratio. See Note 4 to the consolidated financial statements.

The following table provides details of the Company's loan and lease portfolio by segment, class, and internally assigned grade at March 31, 2024:

**TABLE 23—GRADES ON LOANS**

| (In thousands) | Pass | Special Mention | Substandard (1) | Doubtful | Impaired (1) | PCD (Loss) | Total |
|---|---|---|---|---|---|---|---|
| Commercial and industrial | | | | | | | |
| Non-real estate | $ 8,615,472 | $ 101,824 | $ 307,065 | $ 16 | $ 93,335 | $ 3,745 | $ 9,121,457 |
| Owner occupied | 4,381,398 | 20,682 | 37,894 | — | 1,275 | 1,108 | 4,442,357 |
| Total commercial and industrial | 12,996,870 | 122,506 | 344,959 | 16 | 94,610 | 4,853 | 13,563,814 |
| Commercial real estate | | | | | | | |
| Construction, acquisition and development | 3,846,801 | 2,668 | 13,468 | — | 1,414 | — | 3,864,351 |
| Income producing | 5,575,662 | 25,360 | 165,680 | — | 17,241 | — | 5,783,943 |
| Total commercial real estate | 9,422,463 | 28,028 | 179,148 | — | 18,655 | — | 9,648,294 |
| Consumer (2) | | | | | | | |
| Residential mortgages | 9,371,570 | — | 74,531 | — | — | 1,574 | 9,447,675 |
| Other consumer | 222,245 | — | 588 | — | — | — | 222,833 |
| Total consumer | 9,593,815 | — | 75,119 | — | — | 1,574 | 9,670,508 |
| Total | $ 32,013,148 | $ 150,534 | $ 599,226 | $ 16 | $ 113,265 | $ 6,427 | $ 32,882,616 |

(1) In the loan classifications above, $75.8 million of the substandard balance and $8.5 million of the impaired balance is covered by government guarantees from either the SBA, FHA, VA and USDA.

The following tables provides details regarding the aging of the Company's loan and lease portfolio by internally assigned grade at March 31, 2024 and December 31, 2023:

**TABLE 24—AGING BY GRADE ON LOANS**

| (In thousands) | Current | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total |
|---|---|---|---|---|---|
| Pass | $ 31,938,639 | $ 52,342 | $ 20,935 | $ 1,232 | $ 32,013,148 |
| Special Mention | 147,128 | 2,800 | 606 | — | 150,534 |
| Substandard | 385,638 | 50,956 | 23,921 | 138,711 | 599,226 |
| Doubtful | 16 | — | — | — | 16 |
| Impaired | 26,014 | — | 929 | 86,322 | 113,265 |
| PCD (Loss) | 4,852 | — | — | 1,575 | 6,427 |
| Total at March 31, 2024 | $ 32,502,287 | $ 106,098 | $ 46,391 | $ 227,840 | $ 32,882,616 |

| (In thousands) | Current | 30-59 Days Past Due | 60-89 Days Past Due | 90+ Days Past Due | Total |
|---|---|---|---|---|---|
| Pass | $ 31,559,559 | $ 51,766 | $ 20,441 | $ 20,541 | $ 31,652,307 |
| Special Mention | 165,173 | — | — | — | 165,173 |
| Substandard | 438,423 | 18,518 | 17,893 | 96,917 | 571,751 |
| Loss | — | — | 13 | — | 13 |
| Impaired | 19,258 | 19,670 | 7,758 | 54,585 | 101,271 |
| PCD (Loss) | 4,933 | — | — | 1,574 | 6,507 |
| Total at December 31, 2023 | $ 32,187,346 | $ 89,954 | $ 46,105 | $ 173,617 | $ 32,497,022 |

At March 31, 2024, pass, substandard, doubtful, and impaired grade categories showed increases while loss, special mention, and PCD (loss) decreased compared to December 31, 2023. Pass loans increased $360.8 million, or 1.1%, compared to December 31, 2023. The increase in pass was seen across all loan categories except for slight decreases in CRE CAD and other consumer. Substandard loans increased $27.5 million, or 4.8%, at March 31, 2024 compared to December 31, 2023. The increase was concentrated in C&I and Consumer residential mortgages and was partially offset by decreases in CRE income producing. For impaired loans, the increase of $12.0 million was primarily driven by an increase in C&I non-real estate, CRE CAD and CRE income producing, slightly offset by a decrease in owner occupied. Special mention loans decreased $14.6 million, or 8.9%, compared to December 31, 2023. The decrease in special mention was driven primarily by a decrease in the C&I and Consumer segment. The Company has maintained stable credit results while continuing to grow loans. Of total loans and leases, 98.8% were current on their contractual payments at March 31, 2024.

Collateral for some of the Company's loans and leases is subject to fair value estimates that can fluctuate with market conditions and other external factors. In addition, while the Company has certain underwriting obligations related to such estimates, the estimates of some real property and other collateral are dependent upon third-party independent appraisers employed as independent contractors of the Company.

**Deposits**

Deposits originating within the communities served by the Company continue to be the Company's primary source of funding its earning assets. The Company has been able to compete effectively for deposits in its primary market areas, while continuing to manage the exposure to rising interest rates. The distribution and market share of deposits by type of deposit and by type of depositor are important considerations in the Company's assessment of the stability of its funding sources and its access to additional funds. Furthermore, management shifts the mix and maturity of the deposits depending on economic conditions and loan and investment policies in an attempt, within set policies, to minimize cost and maximize net interest margin.

The following table presents the Company's deposits and the percentage change between the periods indicated:

**TABLE 25—SUMMARY OF DEPOSITS**

| (Dollars in thousands) | March 31, 2024 | December 31, 2023 | % Change |
|---|---|---|---|
| Noninterest bearing demand deposits | $ 8,820,468 | $ 9,232,068 | (4.5)% |
| Interest bearing demand and money market deposits | 18,945,982 | 19,276,596 | (1.7) |
| Savings | 2,694,777 | 2,720,913 | (1.0) |
| Time deposits | 7,658,999 | 7,267,560 | 5.4 |
| Total deposits | $ 38,120,226 | $ 38,497,137 | (1.0)% |

Deposits experienced a decrease of 1.0% at March 31, 2024, compared to December 31, 2023 due to decreases in brokered deposits and public funds partially offset by increases in core customer deposits (which exclude brokered deposits and public funds). The decline of $262.8 million in brokered deposits reflects the Company's continuing efforts to reduce its use of brokered deposits. Total public fund balances declined $874.0 million compared to December 31, 2023, reflecting seasonal volatility in these balances. Core customer deposits reflected an increase of $760.0 million compared to December 31, 2023, which included both organic growth and transfers from the repo product. Noninterest bearing demand deposits decreased $411.6 million, or 4.5%, at March 31, 2024, reflecting customer migration to interest bearing products given the increase in market interest rates paid on deposits. Time deposits increased 5.4% at March 31, 2024 compared to December 31, 2023 due in part to an increase of $0.6 billion in CD's offset by a decrease of $0.2 billion in brokered time deposits.

The following table presents the classification of the Company's deposits on an average basis for each of the periods indicated:

**TABLE 26—AVERAGE BALANCE AND YIELD ON DEPOSITS**

| | Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| (Dollars in thousands) | Average Amount | Average Rate | Average Amount | Average Rate |
| Noninterest bearing demand deposits | $ 9,072,619 | —% | $ 12,203,079 | —% |
| Interest bearing demand deposits | 19,303,845 | 3.11 | 19,009,345 | 2.03 |
| Savings | 2,696,452 | 0.57 | 3,363,236 | 0.36 |
| Time | 7,348,356 | 4.42 | 4,328,388 | 2.24 |
| Total deposits | $ 38,421,272 | | $ 38,904,048 | |

Uninsured deposits are defined as the portion of deposit accounts in U.S. offices that exceed the FDIC insurance limit and amounts in any other uninsured investment or deposit account that are classified as deposits and are not subject to any federal or state deposit insurance regimes. The uninsured portion of public funds owned by municipal and state government entities are collateralized by the Company with investment securities and custodial letters of credit from the FHLB of Dallas. The following table segregates our deposits by deposit insurance categories.

**TABLE 27—ESTIMATED TOTAL INSURED AND UNINSURED DEPOSITS**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| FDIC insured | $ 23,655,116 | $ 22,909,914 |
| Collateralized (uninsured) | 4,544,266 | 5,518,946 |
| Uninsured (excluding collateralized) | 9,920,844 | 10,068,277 |
| Total deposits | $ 38,120,226 | $ 38,497,137 |

The Company's estimated uninsured time deposits at March 31, 2024 had maturities as follows:

**TABLE 28—MATURITY OF UNINSURED TIME DEPOSITS**

| (In thousands) | Amount |
|---|---|
| Three months or less | $ 368,307 |
| Over three months through six months | 415,300 |
| Over six months through twelve months | 479,894 |
| Over 12 months | 168,333 |
| Total | $ 1,431,834 |

**Borrowings**

**Short-term Borrowings**

The Company has several types of available short-term borrowing arrangements including Federal funds purchased, securities sold under agreements to repurchase, short-term BTFP, short-term FHLB borrowings and the Federal Reserve discount window. Federal funds purchased are unsecured lines while the rest of these types of borrowings are collateralized by investment securities and loans. At March 31, 2024 and December 31, 2023, the Company had total short-term borrowings of $3.6 billion with a weighted average interest rate of 4.77% and $4.0 billion with a weighted average interest rate of 4.78%, respectively. During first quarter 2024, short-term BTFP borrowings represented the largest component of short-term borrowings, comprised of one loan totaling $3.5 billion at a rate of 4.76% and maturing on January 16, 2025. See Note 6 to the Company's consolidated financial statements for additional details.

**Long-term Borrowings**

During the first quarter of 2024, the Company repurchased $7.4 million of our $300 million Subordinated Notes due November 20, 2029 and $0.5 million of our $85 million Subordinated Notes due June 30, 2029, resulting in a $576 thousand gain on the extinguishment of debt. The following is a summary of our long-term borrowings at the dates indicated:

**TABLE 29—LONG-TERM BORROWINGS**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| 4.850% advances from FHLB Dallas, due August 2, 2027 | $ 705 | $ 771 |
| 4.125% fixed to floating rate, subordinated notes, due November 20, 2029, callable on November 20, 2024 | 275,794 | 283,159 |
| 7.250% subordinated notes, due June 28, 2029, callable on June 28, 2024 | 35,000 | 35,000 |
| 4.750% subordinated notes, due June 30, 2029, callable on June 30, 2024 | 78,852 | 79,352 |
| 6.250% subordinated notes, due June 28, 2029, callable on June 28, 2024 | 25,000 | 25,000 |
| 5.000% fixed to floating rate, subordinated notes, due June 30, 2030, callable on June 30, 2025 | 10,000 | 10,000 |
| Purchase accounting adjustment, net of amortization | 5,203 | 5,786 |
| Debt issue costs | (431) | (608) |
| Total long-term borrowings | $ 430,123 | $ 438,460 |

## Liquidity and Capital Resources

### Liquidity

One of the Company's goals is to maintain adequate funds to meet increases in loan demand or any potential increase in the normal level of deposit withdrawals. This goal is accomplished primarily by generating cash from the Company’s operating activities and maintaining sufficient short-term liquid assets. These sources, coupled with a stable core deposit base and a historically strong reputation in the capital markets, allow the Company to fund earning assets and maintain the availability of funds. Management believes that the Company’s traditional sources of maturing loans and investment securities, sales of loans held for sale, cash from operating activities and a strong base of core deposits are adequate to meet the Company’s liquidity needs for normal operations over both the short-term and the long-term.

In response to the industry wide concerns regarding liquidity and potential deposit outflows that occurred late in the first quarter of 2023, the Company proactively increased its on-balance sheet liquidity. Cadence continues to maintain strong on-balance sheet liquidity through the proceeds from the security portfolio restructuring and proceeds from the sale of Cadence Insurance. The following table summarizes the Company’s cash and cash equivalents as of the following dates:

**TABLE 30—CASH AND CASH EQUIVALENTS**

| (In thousands) | March 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash and cash equivalents | $ 3,037,474 | $ 4,232,265 |
| Cash and cash equivalents as a percentage of: | | |
| Loans and lease, net | 9.2 % | 13.0 % |
| Total earning assets | 6.9 | 9.6 |
| Total assets | 6.3 | 8.6 |
| Total deposits | 8.0 | 11.0 |
| Total uninsured deposits | 21.0 | 27.2 |

To provide additional liquidity as needed, the Company utilizes short-term financing through the purchase of federal funds, securities sold under agreements to repurchase, and borrowings at the FHLB and through the BTFP. Additionally, the Company can borrow funds through the Federal Reserve discount window.

The Company had the following sources of contingent liquidity available at March 31, 2024:

**TABLE 31—CASH AND SOURCES OF CONTINGENT LIQUIDITY**

| (In thousands) | Amount |
|---|---|
| Cash and cash equivalents | $ 3,037,474 |
| Unpledged investment securities (at par) (1) | 2,392,697 |
| Secured lines of credit availability at the FHLB and Federal Reserve | 11,902,334 |
| Unsecured Federal funds lines availability | 2,150,000 |
| Total | $ 19,482,505 |

(1) The fair value of unpledged investment securities was $2.3 billion at March 31, 2024.

At March 31, 2024, the Company had irrevocable letters of credit issued by the FHLB totaling $2.1 billion, of which $2.1 billion is used to collateralize certain public funds and $26.7 million is used on behalf of our customers.

The ability of the Company to obtain funding from these or other sources could be negatively affected should the Company experience a substantial deterioration in its financial condition or its debt rating or should the availability of short-term funding become restricted as a result of the disruption in the financial markets. Management does not anticipate any short- or long-term changes to its liquidity strategies and believes that the Company has ample sources to meet any liquidity challenges that may arise. The Company has sound and robust risk management practices that include an active ALCO to analyze and manage the Company's liquidity and interest rate risk (See - Quantitative and Qualitative Disclosures About Market Risk).

**Other Liquidity Considerations**

The Company's operating lease obligations represent short and long-term operating lease and rental payments for facilities, certain software and data processing and other equipment. Purchase obligations represent obligations to purchase goods and services that are legally binding and enforceable on the Company and that specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

In the ordinary course of business, the Company enters into various off-balance sheet commitments and other arrangements to extend credit that are not reflected on the consolidated balance sheets of the Company. The business purpose of these off-balance sheet commitments is the routine extension of credit. The Company also faces the risk of deteriorating credit quality of borrowers to whom a commitment to extend credit has been made; however, no significant credit losses are expected from these commitments and arrangements. At March 31, 2024, letters of credit totaled $459.0 million and unfunded extensions of credit totaled $9.3 billion (see Note 16 to the consolidated financial statement for more information). At March 31, 2024, the Company maintained a reserve for unfunded commitments of $6.6 million included in other liabilities.

**Cash Flow Sources and Uses**

Cash equivalents include cash and amounts due from banks, including interest bearing deposits with other banks. At March 31, 2024, cash and cash equivalents totaled $3.0 billion compared to $4.2 billion and December 31, 2023. The ratio of cash and cash equivalents to total assets was 6.3% at March 31, 2024 compared to 8.6% at December 31, 2023.

Cash flows from discontinued operations are not presented separately in the consolidated statements of cash flows. The disposition of Cadence Insurance will not have a significant impact on either the future cash flows or capital resources of the Company, due to the size of Cadence Insurance relative to the Company.

During the three months ended March 31, 2024 and 2023, operating activities provided $358.7 million and $203.7 million in cash, respectively. The increase was primarily driven by an increase of $40.3 million in net income, a decrease of $163.2 million in originations of loans held for sale, an increase of $72.2 million in increase in other liabilities, and an increase of $44.5 million in decrease in other assets. A decrease of $128.5 million in proceeds from payments and sales of loans held for sale and a decrease of $51.3 million in loss on sale of AFS securities offset most of the increase noted above.

During the three months ended March 31, 2024 and 2023, investing activities used $738.7 million in cash compared to providing $50.9 million, respectively. The increase of $789.6 million cash used resulted primarily from a decrease of $1.5 billion in proceeds from sales of AFS securities which resulted from the Company's balance sheet optimization initiative in the first quarter of 2023. This decrease was partially offset by a decrease of $569.1 million in increased loans and an increase of $110.0 million in cash activities from FHLB stock.

During the three months ended March 31, 2024 and 2023, financing activities used cash of $814.8 million compared to providing cash of $2.9 billion, respectively. The change in financing activities resulted from a decrease of $2.8 billion in the net change in short-term borrowings and a decrease of $826.8 million in increase in deposits.

**Regulatory Capital**

Regulatory capital at March 31, 2024 and December 31, 2023 was calculated in accordance with standards established by the federal banking agencies as well as the interagency final rule published on September 30, 2020 entitled "Revised Transition of the Current Expected Credit Losses Methodology for Allowances" which delayed the estimated impact on regulatory capital stemming from the adoption of CECL. The agencies granted this relief to allow institutions to focus on lending to customers in light of the economic and other impacts from COVID-19, while also maintaining the quality of regulatory capital. Under the final rule, the Day-1 impact of the adoption of CECL and 25% of subsequent provisions for credit losses ("Day-2 impacts") were deferred over a two-year period ending January 1, 2022. At that point, the amount is phased into regulatory capital on a pro rata basis over a three-year period ending January 1, 2025.

Additionally, regulatory capital rules include a capital conservation buffer of 2.5% which the Company must maintain on top of its minimum risk-based capital requirements. This buffer applies to all three risk-based capital measurements (CET1, Tier 1 and total capital to risk-weighted assets). A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments and stock repurchases, and certain discretionary bonus payments to executive officers.

Capital amounts and ratios for the Company at March 31, 2024 and December 31, 2023, are presented in the following table and as shown, exceed the thresholds necessary to be considered "well capitalized." Management believes that no events or changes have occurred subsequent to the indicated dates that would change this designation.

**TABLE 33—REGULATORY CAPITAL**

| | March 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| (Dollars in thousands) | Amount | Ratio | Amount | Ratio |
| Common equity Tier 1 capital (to risk-weighted assets) | $ 4,396,495 | 11.71% | $ 4,363,020 | 11.62% |
| Tier 1 capital (to risk-weighted assets) | 4,563,488 | 12.15 | 4,530,013 | 12.06 |
| Total capital (to risk-weighted assets) | 5,438,721 | 14.49 | 5,377,324 | 14.32 |
| Tier 1 leverage capital (to average assets) | 4,563,488 | 9.46 | 4,530,013 | 9.30 |

**Uses of Capital**

Subject to pre-approval from the FDIC and MDBCF, the Company may pursue acquisitions of depository institutions and businesses closely related to banking that further the Company's business strategies. Management anticipates that consideration for any transactions would include shares of the Company's common stock, cash or a combination thereof.

On December 13, 2023, the Company announced a new share repurchase program whereby the Company may acquire up to an aggregate of 10,000,000 shares of its common stock. The share repurchase program became effective on January 2, 2024, and will expire on December 31, 2024. Under the share repurchase program, Cadence's shares may be purchased periodically in open market transactions at prevailing market prices, in privately negotiated transactions, or by other means in accordance with federal securities laws. Repurchased shares are held as authorized but unissued shares available for use in connection with the Company's stock compensation programs, other transactions, or for other corporate purposes as determined by the Company's Board of Directors. Through March 31, 2024, the Company had repurchased 657,593 shares under this program.

During the first quarter of 2024, the Company increased the common stock dividend to $0.25 per share.

**Impact of Inflation**

The consolidated financial statements and related consolidated financial data presented herein have been prepared in accordance with U.S. GAAP and practices within the banking industry which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. The effect of inflation on a financial institution differs from the effect on other types of businesses. While a financial institution's operating expenses are affected by general inflation, the asset and liability structure of a financial institution consists largely of monetary items. Monetary items, such as cash, investments, loans, deposits, and borrowings, are those assets and liabilities which are or will be converted into a fixed number of dollars regardless of changes in prices. As a result, changes in interest rates can be more impactful to a financial institution's performance than general inflation. Inflation may also have impacts on the Company's customers, on businesses and consumers and their ability or willingness to invest, save or spend, and perhaps on their ability to repay loans. As such, there would likely be impacts on the general appetite for banking products and the credit health to the Company's customers. See Part 1, Item 1.A., Risk Factors, of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, for additional information regarding the risks of inflation.

**Certain Litigation and Other Contingencies**

The nature of the Company's business ordinarily results in certain types of claims, litigation, investigations, and other legal or administrative cases and proceedings. Although the Company and its subsidiaries have policies and procedures to minimize legal noncompliance and the impact of claims and other proceedings and endeavored to procure reasonable amounts of insurance coverage, litigation and regulatory actions present an ongoing risk.

The Company and its subsidiaries engage in lines of business that are heavily regulated and involve a large volume of actual or potential financial transactions with customers or applicants, and the Company is a public company with a large number of shareholders. From time to time, applicants, borrowers, customers, shareholders, former employees, service providers, and other third parties have brought actions against the Company or its subsidiaries, in cases claiming substantial damages. Financial services companies are subject to risks arising from changing regulatory frameworks or expectations, regulatory investigations, class action litigation, and, from time to time, the Company and its subsidiaries have such actions brought against them. The Company and its subsidiaries are also subject to enforcement actions by federal or state regulators, including the FDIC, the CFPB, the DOJ, state attorneys general and the MDBCF, which may be adversely impacted by ongoing litigation in which the Company is involved. Additionally, the Company is, and management expects it to be, engaged in a number of foreclosure proceedings and other collection actions as part of its lending and leasing collections activities, which, from time to time, have resulted in counterclaims against the Company and its subsidiaries. Various legal proceedings have and may arise in the future out of claims against entities to which the Company is a successor as a result of business combinations.

When and as the Company determines it has meritorious defenses to the claims asserted, it vigorously defends against such claims. The Company will consider settlement of claims when, in management's judgment and in consultation with counsel, it is in the best interests of the Company to do so.

The Company cannot predict with certainty the cost of defense, the cost of prosecution, or the ultimate outcome of litigation or other proceedings filed by or against it, its subsidiaries and its directors, management or employees, including remedies or damage awards. On at least a quarterly basis, the Company assesses its liabilities and contingencies in connection with outstanding legal proceedings as well as certain threatened claims (which are not considered incidental to the ordinary conduct of the Company's business) utilizing the latest and most reliable information available. For matters where a loss is not probable or the amount of the loss cannot be estimated, the Company will not accrue. For matters where it is probable the Company will incur a loss and the amount can be reasonably estimated, the Company establishes an accrual for the loss. Once established, the accrual is adjusted periodically to reflect any relevant developments. The actual cost of any such matters, however, may turn out to be substantially higher than the amount accrued. Further, the Company's insurance policies have deductibles and coverage limits, and such policies are unlikely to cover all costs and expenses related to the defense or prosecution of such legal proceedings or any losses arising therefrom.

Although the final outcome of any legal proceedings is inherently uncertain, based on the information available, advice of counsel and available insurance coverage, if applicable, management believes that the litigation-related liability of $7.5 million accrued at March 31, 2024 is adequate and that any incremental change in potential liability arising from the Company's legal proceedings and threatened claims, including the matters described herein and those otherwise arising in the ordinary course of business, will not have a material adverse effect on the Company's business or consolidated results of operations or financial condition. It is possible, however, that future developments could result in an unfavorable outcome for, or resolution of any one or more of the legal proceedings in which the Company or its subsidiaries are defendants, which may be material to the Company's business or consolidated results of operations or financial condition for a particular fiscal period or periods.

On August 30, 2021, Legacy Cadence and the DOJ agreed to a settlement set forth in the consent order related to the investigation by the DOJ of Legacy Cadence Bank's fair lending program in Harris, Fort Bend, and Montgomery Counties located in Houston, Texas during the period between 2014 and 2016 (the "Consent Order"). The Consent Order was signed by the United States District Court for the Northern District of Georgia, Atlanta Division, on August 31, 2021. Pursuant to Section 5.2(g) of the Agreement and Plan of Merger and Paragraph 50 of the Consent Order, Legacy BancorpSouth Bank approved the negotiated settlement, and subsequently, the Company agreed to accept the obligations of the Consent Order. The Consent Order is in effect for five years. For additional information regarding the terms of this settlement and the Consent Order, see Legacy Cadence Bancorporation's Current Report on Form 8-K that was filed with the SEC on August 30, 2021.

**Recent Pronouncements**

Refer to Note 1 "Summary of Significant Accounting Policies" in the consolidated financial statements for a discussion of accounting standards currently effective for 2024 and accounting standards that have been issued but are not currently effective.

## CRITICAL ACCOUNTING ESTIMATES

During the three months ended March 31, 2024, there were no material changes in the Company's critical accounting policies and no significant changes in the application of critical accounting policies as presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The consolidated financial statements have been prepared in conformity with GAAP and practices within the banking industry which require management to make estimates and assumptions about future events. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, and the resulting estimates form the basis for making judgments about the carrying values of certain assets and liabilities not readily apparent from other sources. Actual results could differ significantly from those estimates.

## ITEM 3. Quantitative and Qualitative Disclosures About Market Risk.

### Interest Rate Risk Management

Market risk reflects the risk of economic loss resulting from changes in interest rates and other relevant market prices. This risk of loss can be reflected in either reduced potential net interest revenue in future periods or diminished market values of financial assets. The Company's market risk arises primarily from IRR that is inherent in its lending, investment and deposit taking activities.

The main causes of IRR are the differing structural characteristics of our assets, liabilities and off-balance sheet obligations and their cumulative net reaction to changing interest rates. These structural characteristics include timing differences in maturity or repricing and the effect of embedded options such as loan prepayments, securities prepayments and calls, interest rate caps, floors, collars, and deposit withdrawal options. In addition to these sources of IRR, basis risk results from differences in the spreads between various market interest rates and changes in the slope of the yield curve can contribute to additional IRR.

We evaluate IRR and develop guidelines regarding balance sheet composition and re-pricing, funding sources and pricing, and off-balance sheet commitments that aim to moderate IRR. We use financial simulation models that reflect various interest rate scenarios and the related impact on NII and EVE over specified periods of time. NII is a shorter-term indicator while EVE is a longer-term indicator of IRR. We refer to this process as ALM.

The primary objective of ALM is to manage interest rate risk within a desired risk tolerance for potential fluctuations in NII and EVE throughout different interest rate cycles, which we aim to achieve through management of interest rate sensitive earning assets and liabilities. In general, we seek to maintain a desired risk tolerance with asset and liability balances within maturity and repricing characteristics to limit our exposure to acceptable earnings volatility and changes in the value of assets and liabilities as interest rates fluctuate over time. Adjustments to maturity categories can be accomplished either by lengthening or shortening the duration of an individual asset or liability category, or externally with interest rate derivative contracts, such as interest rate swaps, caps, collars, and floors. See "—Interest Rate Exposure" below for a more detailed discussion of our various derivative positions.

Our ALM strategy is formulated and monitored by our ALCO in accordance with policies approved by the Board of Directors. ALCO meets regularly to review, among other things, the sensitivity of our assets and liabilities to interest rate changes, the book and market values of assets and liabilities, unrealized gains and losses, recent purchase and sale activity, maturities of securities and borrowings, and projected future transactions. ALCO also establishes and approves pricing and funding strategies with respect to overall asset and liability composition. ALCO reports regularly to our Risk Committee of the Board of Directors.

Financial simulation models are the primary tools we use to measure IRR exposures. These simulation models incorporate all of our earning assets and liabilities. By examining a range of hypothetical deterministic interest rate scenarios, these models provide management with information regarding the potential impact on NII and EVE caused by changes in interest rates.

The models simulate the cash flows and accounting accruals generated by the financial instruments on our balance sheet, as well as the cash flows generated by the new business that we anticipate over a 60-month forecast horizon, however, past the 36-month mark, the growth of the balances is static in the forecast. Numerous assumptions are made in the modeling process, including balance sheet composition, re-pricing, a combination of market data and internal historical experiences, and maturity characteristics of existing and new business. These assumptions are reviewed regularly. Additionally, loan and investment prepayments, administered rate account elasticity, and other option risks are considered as well as the uncertainty surrounding future customer behavior. Because our modeling is limited by the predictive power of historical data and current assumptions, and because our loan portfolio will be actively managed in the event of a change in interest rates, simulation results, including those discussed in "—Interest Rate Exposure" immediately below, are not intended as a forecast of the actual effect of a change in market interest rates on our NII or EVE, or indicative of management's expectations of actual results in the event of a fluctuation in market interest rates; however, these results are used to help measure the potential risks related to IRR.

**Interest Rate Exposure**

Based upon the current interest rate environment at March 31, 2024, our simulation model projects our sensitivity to an instantaneous increase or decrease in interest rates over a one-year period as follows:

**TABLE 34—INTEREST RATE SENSITIVITY**

| | Increase (Decrease) | | | |
|---|---|---|---|---|
| (Dollars in millions) | Net Interest Income | | Economic Value of Equity | |
| Change (in Basis Points) in Interest Rates (12-Month Projection) | Amount | Percent | Amount | Percent |
| + 200 BP | $ 62.0 | 4.2 % | $ (594.0) | (8.9)% |
| + 100 BP | 32.0 | 2.2 | (276.0) | (4.1) |
| - 100 BP | (20.0) | (1.3) | 261.0 | 3.9 |
| - 200 BP | (34.0) | (2.3) | 507.0 | 7.6 |

Both the NII and EVE simulations include assumptions regarding balances, asset prepayment speeds, deposit and borrowings repricing and runoff and interest rate relationships among balances that management believes to be reasonable for the various interest rate environments. Differences in actual occurrences from these assumptions may change our market risk exposure.

See "Table 15 – Maturity Distribution of AFS Securities" that shows the maturities and weighted average yields for the carrying value of the available for sale securities as of March 31, 2024, and "Table 18 – Interest Rate Sensitivity of Loans" that shows the maturity distribution based on remaining maturities of the Company's loan and lease portfolio and the interest rate sensitivity of the Company's loans and leases maturing after one year at March 31, 2024.

**Derivative Positions**

***Overview.*** Our Board of Directors has authorized the ALCO to utilize financial futures, forward sales, options, interest rate swaps, caps, collars, and floors, and other instruments to the extent appropriate, in accordance with regulations and our internal policy. From time to time, we expect to use interest rate swaps, caps, collars, and floors as macro hedges against inherent rate sensitivity in our assets and our liabilities to synthetically alter the maturities or re-pricing characteristics of assets or liabilities to reduce imbalances.

We currently engage in only the following types of hedges: (1) those which enable us to transfer the interest rate risk exposure involved in our daily business activities; and (2) those which serve to alter the market risk inherent in our investment portfolio, mortgage pipeline, mortgage servicing rights, or liabilities and thus help us to manage earnings and market value volatility within approved risk tolerances.

The following is a discussion of our current derivative positions related to IRR.

*Interest Rate Lock Commitments.* In the ordinary course of business, the Company enters into certain commitments with customers in connection with residential mortgage loan applications for loans the Company intends to sell. Such commitments are considered derivatives under current accounting guidance and are required to be recorded at fair value. The change in fair value of these instruments is reflected currently in the mortgage banking revenue of the consolidated statements of income. The fair value of these derivatives is recorded on the consolidated balance sheets in other assets and other liabilities.

*Forward Sales Commitments.* The Company enters into forward sales commitments of MBS with investors to mitigate the effect of the interest rate risk inherent in providing interest rate lock commitments to customers. During the period from commitment date to closing date, the Company is subject to the risk that market rates of interest may change. In an effort to mitigate such risk, forward delivery sales commitments, under which the Company agrees to deliver certain MBS, are established. These commitments are non-hedging derivatives in accordance with current accounting guidance and recorded at fair value, with changes in fair value reflected currently in the mortgage banking revenue of the consolidated statements of income. The fair value of these derivatives is recorded on the consolidated balance sheets in other assets and other liabilities.

*Mortgage Servicing Right Hedges.* The value of our MSR is dependent on changes in market interest rates. In order to mitigate the effects of changes in rates on the value of our MSR, the Company has used various instruments (including but not limited to Treasury options, Treasury, SOFR and TBA futures and forwards, swap futures, etc.) as economic hedges.

*Agreements Not Designated as Hedging Derivatives.* The Company enters into interest rate swap, floor, cap and collar agreements on commercial loans with customers to meet the financing needs and interest rate risk management needs of its customers. At the same time, the Company enters into offsetting interest rate swap agreements with a financial institution in order to minimize the Company's interest rate risk. These interest rate agreements are non-hedging derivatives and are recorded at fair value with changes in fair value reflected in noninterest income. The fair value of these derivatives is recorded on the consolidated balance sheets in other assets and other liabilities.

See Note 15 to the consolidated financial statements for additional information regarding our derivative financial instruments.

## ITEM 4. CONTROLS AND PROCEDURES.

### CONCLUSION REGARDING THE EFFECTIVENESS OF DISCLOSURE CONTROLS AND PROCEDURES

The Company, with the participation of its management, including the Company's Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Report.

Based upon that evaluation, and as of the end of the period covered by this Report, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective in ensuring that information required to be disclosed in its reports that the Company files or submits to the FDIC under the Exchange Act is recorded, processed, summarized and reported on a timely basis, and to ensure that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

### CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that occurred during the three months ended March 31, 2024, covered by this Report that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

The information in response to this item is incorporated herein by reference to "Note 16 - Commitments and Contingent Liabilities" in the notes to consolidated financial statements included in Part I., Item 1. "Financial Statements" of this Report. Also, see Part I. Item II. "Financial Condition - Certain Litigation and Other Contingencies."

### Item 1A. Risk Factors.

There have been no material changes to our risk factors previously disclosed under Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the period commencing January 1, 2024 and ending March 31, 2024, the Company did not issue any restricted stock units and issued 65,941 performance stock units under the Amended and Restated Cadence Bank Long-Term Equity Incentive Plan, as amended, to eligible directors, officers, and employees of the Company for services rendered to the Company. The Company did not receive any cash consideration in connection with these grants, and these securities were exempt from registration under the Securities Act of 1933, as amended, pursuant to Section (3)(a)(2) thereof because the sales involved securities issued by a bank.

**Issuer Purchases of Equity Securities**

| For the Month Ended | Total Number of Shares Purchased(1) (2) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(2) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(2) |
|---|---|---|---|---|
| January 31, 2024 | — | $ — | — | 10,000,000 |
| February 29, 2024 | 657,593 | 25.65 | 657,593 | 9,342,407 |
| March 31, 2024 | — | — | — | 9,342,407 |
| Total | 657,593 | $ 25.65 | | |

(1) This column includes 657,593 shares that were repurchased under the stock repurchase program in the first quarter of 2024.

(2) On December 13, 2023, the Company announced a new share repurchase program whereby the Company may acquire up to an aggregate of 10,000,000 shares of its common stock in the open market at prevailing market prices or in privately negotiated transactions during the period January 2, 2024 through December 31, 2024. The extent and timing of any repurchases depends on market conditions and other corporate, legal and regulatory considerations. Repurchased shares are held as authorized but unissued shares. These authorized but unissued shares will be available for use in connection with the Company's equity incentive plans, other compensation programs, other transactions or for other corporate purposes as determined by the Company's Board of Directors. As of March 31, 2024, the Company had repurchased 657,593 shares under this repurchase program.

### Item 3. Defaults Upon Senior Securities.

None.

### Item 4. Mine Safety Disclosures.

None.

### Item 5. Other Information.

Pursuant to Item 408(a) of Regulation S-K, none of the Company's directors or executive officers adopted, terminated or modified a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three months ended March 31, 2024.

The Company has executed a Change in Control Agreement, effective January 1, 2024, with Cathy Freeman, the Company's Chief Administrative Officer. The agreement provides for a payment upon a good reason separation or involuntary termination of service within 12 months following a change in control, each as defined in the agreement. Upon such an event, Ms. Freeman would be entitled to receive: (a) a cash payment equal to two times the sum of her annual salary and target cash incentive; (b) participation in or a cash payment equal to the value of fringe benefits for two years; (c) participation in or a cash payment equal to the employer cost of health coverage for two years; and (d) vesting in her outstanding equity awards. The agreement contains restrictive covenants, including a one-year non-solicitation of customers and employees, prohibition on disclosure of confidential information, and prohibition on disparagement. The agreement does not provide for payment in the event of a for-cause termination and provides for a cut-back of benefits in the event the amount of the benefit triggers Section 280G.

The Company has executed a Change in Control Agreement, effective January 1, 2024, with Jeff Jaggers, the Company's Chief Operating Officer. The agreement provides for a payment upon a good reason separation or involuntary termination of service within 12 months following a change in control, each as defined in the agreement. Upon such an event, Mr. Jaggers would be entitled to receive: (a) a cash payment equal to two times the sum of his annual salary and target cash incentive; (b) participation in or a cash payment equal to the value of fringe benefits for two years; (c) participation in or a cash payment equal to the employer cost of health coverage for two years; and (d) vesting in his outstanding equity awards. The agreement contains restrictive covenants, including a one-year non-solicitation of customers and employees, prohibition on disclosure of confidential information, and prohibition on disparagement. The agreement does not provide for payment in the event of a for-cause termination and provides for a cut-back of benefits in the event the amount of the benefit triggers Section 280G.

The Company has executed a Change in Control Agreement, effective January 1, 2024, with Shanna Kuzdzal, the Company's Chief Legal Officer. The agreement provides for a payment upon a good reason separation or involuntary termination of service within 12 months following a change in control, each as defined in the agreement. Upon such an event, Ms. Kuzdzal would be entitled to receive: (a) a cash payment equal to two times the sum of her annual salary and target cash incentive; (b) participation in or a cash payment equal to the value of fringe benefits for two years; (c) participation in or a cash payment equal to the employer cost of health coverage for two years; and (d) vesting in her outstanding equity awards. The agreement contains restrictive covenants, including a one-year non-solicitation of customers and employees, prohibition on disclosure of confidential information, and prohibition on disparagement. The agreement does not provide for payment in the event of a for-cause termination and provides for a cut-back of benefits in the event the amount of the benefit triggers Section 280G.

The Company has executed a Change in Control Agreement, effective January 1, 2024, with Ty Lambert, the Company's Chief Risk Officer. The agreement provides for a payment upon a good reason separation or involuntary termination of service within 12 months following a change in control, each as defined in the agreement. Upon such an event, Mr. Lambert would be entitled to receive: (a) a cash payment equal to two times the sum of his annual salary and target cash incentive; (b) participation in or a cash payment equal to the value of fringe benefits for two years; (c) participation in or a cash payment equal to the employer cost of health coverage for two years; and (d) vesting in his outstanding equity awards. The agreement contains restrictive covenants, including a one-year non-solicitation of customers and employees, prohibition on disclosure of confidential information, and prohibition on disparagement. The agreement does not provide for payment in the event of a for-cause termination and provides for a cut-back of benefits in the event the amount of the benefit triggers Section 280G.

For more information regarding recent changes in the Company's management, refer to Company's Current Report on Form 8-K dated March 29, 2024.

**Item 6. Exhibits.**

(2) Stock Purchase Agreement, dated as October 24, 2023, by and among Cadence Bank, Cadence Insurance, Inc., Arthur J. Gallagher Risk Management Services, LLC and Arthur J. Gallagher & Co. (solely for purposes of Section 12.16). (Filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the FDIC on October 26, 2023 and incorporated herein by reference thereto).

(3)

a) Amended and Restated Articles of Incorporation of the Company. (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the FDIC on November 1, 2017 and incorporated herein by reference thereto).
b) Articles of Amendment to the Amended and Restated Articles of Incorporation of the Company. (Filed as Exhibit 3.2 to the Company's Form 8-A filed with the FDIC on November 20, 2019 and incorporated herein by reference thereto).
c) Articles of Second Amendment to the Amended and Restated Articles of the Company. (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the FDIC on October 29, 2021 and incorporated herein by reference thereto).
d) Amended and Restated Bylaws of the Company. (Filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the FDIC on November 1, 2017 and incorporated herein by reference thereto).
e) First Amendment to the Amended and Restated Bylaws of the Company. (Filed as Exhibit 3(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the FDIC on February 25, 2021 and incorporated herein by reference thereto).
f) Second Amendment to the Amended and Restated Bylaws of the Company. (Filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the FDIC on October 29, 2021 and incorporated herein by reference thereto).

g) Second Amended and Restated Articles of Incorporation of the Company. (Filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the FDIC on April 29, 2024 and incorporated herein by reference thereto).

h) Second Amended and Restated Bylaws of the Company. (Filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the FDIC on April 29, 2024 and incorporated herein by reference thereto).

(10)

a) Letter Agreement Amendment, dated March 27, 2024, amending that certain Letter Agreement dated April 12, 2021, by and between Cadence Bank (fka BancorpSouth Bank) and Christopher Bagley. (Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the FDIC on March 29, 2024 and incorporated herein by reference thereto). †
b) Letter Agreement Amendment, dated March 27, 2024, amending that certain Letter Agreement dated April 12, 2021, by and between Cadence Bank (fka BancorpSouth Bank) and Valerie Toalson. (Filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the FDIC on March 29, 2024 and incorporated herein by reference thereto). †
c) Change in Control Agreement, dated March 27, 2024, by and between Valerie Toalson and Cadence Bank. (Filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed with the FDIC on March 29, 2024 and incorporated herein by reference thereto). †
d) Change in Control Agreement, effective January 1, 2024, by and between Cathy Freeman and Cadence Bank. * †
e) Change in Control Agreement, effective January 1, 2024, by and between Jeff Jaggers and Cadence Bank. * †
f) Change in Control Agreement, effective January 1, 2024, by and between Shanna Kuzdzal and Cadence Bank. * †
g) Change in Control Agreement, effective January 1, 2024, by and between Ty Lambert and Cadence Bank. * †

(31.1) Certification of the Chief Executive Officer of Cadence Bank pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*

(31.2) Certification of the Chief Financial Officer of Cadence Bank pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*

(32.1) Certification of the Chief Executive Officer of Cadence Bank pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

(32.2) Certification of the Chief Financial Officer of Cadence Bank pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

† Management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CADENCE BANK

DATE: May 10, 2024

By: /s/ Valerie C. Toalson

Valerie C. Toalson

Senior Executive Vice President and Chief Financial Officer

**EXHIBIT 10(d)**

**CADENCE BANK**
**CHANGE IN CONTROL AGREEMENT**

**This Change in Control Agreement** ("Agreement") is entered into by and among Cadence Bank, a Mississippi-chartered bank (the "Bank" or "Cadence"), and Cathy Freeman ("Executive"), (collectively, the "Parties") to be effective as of January 1, 2024 (the "Effective Date").

**Whereas,** Executive is employed as the Chief Administration Officer of the Bank and is expected to make material contributions to the continued growth and strength of the Bank;

**Whereas,** Cadence recognizes the need to attract and retain well-qualified executives and key personnel and has identified Executive as such a person; and

**Whereas,** Executive was previously a party to a Change in Control Agreement with the Bank, dated December 18, 2015 (the "Prior Agreement");

**Whereas,** the Parties wish to amend and restate the Prior Agreement; and

**Whereas,** the Parties acknowledge that sufficient consideration in the form of continued employment, the provision of confidential information, and certain desired modifications to the Prior Agreement is provided in this Agreement to support the amendment of the Prior Agreement; and

**Whereas,** the Parties acknowledge that no benefits are due under the Prior Agreement and that it shall be replaced in its entirety with this Agreement;

**Now, therefore** based upon the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## ARTICLE I.
## CONSTRUCTION AND TERM

**Section 1.1**. **Prior Agreement**. The Parties acknowledge and agree that no Change in Control occurred under the Prior Agreement and that no benefits accrued. Upon execution of this Agreement, the Prior Agreement shall no longer be enforceable by either party and shall be replaced in its entirety by the terms of this Agreement.

**Section 1.2**. **Term and Renewal**. The term of this Agreement shall commence on the Effective Date and shall expire December 31, 2026 ("Original Term"). If written notice of non-renewal is not provided by the Bank on or before December 31, 2024, the term shall be extended one year beyond the Original Term (the "Renewal Term"). Thereafter, if the Bank does not provide written notice of non-renewal on or before December 31 of any subsequent year, the Renewal Term shall be automatically extended by one year beyond the then-current Renewal Term. Notwithstanding the foregoing, this Agreement shall terminate upon Executive's termination of employment prior to the end of the Original Term or any Renewal Term.

**Section 1.3** **Employment Status**. Executive acknowledges that his or her employment is at-will and that nothing contained in this Agreement creates a right to continued employment.

## ARTICLE II.
## DEFINITIONS

Terms used in this Agreement that are defined are indicated by initial capitalization of the term. References to an "Article" or a "Section" mean an article or a section of this Agreement. In addition to those terms that are specifically defined herein, the following terms are defined for purposes hereof:

"<u>Affiliate</u>." Affiliate means any entity that is a subsidiary organization of the Bank.

"<u>Cause</u>." A termination of Executive's employment for Cause means a termination of employment on account of any of the incidents described below as determined in the sole discretion of the Board of Directors. To terminate Executive's employment for Cause, the Bank shall provide written notice to Executive setting forth the provision(s) under which it claims

Cause within 90 days of the date that the Board of Directors has actual knowledge of the facts underlying the Cause event. Executive shall have the opportunity to cure such condition within 30 days after receiving notice, to the extent such condition or conduct is capable of cure, as determined in the sole discretion of the Board of Directors.

(1) Executive has engaged in an act of misconduct or dishonesty that is materially injurious to the Bank or an Affiliate;

(2) Executive has engaged in an act of fraud, embezzlement, theft, or any other crime of moral turpitude (without necessity of formal criminal proceedings being initiated);

(3) Executive has willfully violated a material Bank policy or procedure;

(4) Executive has been suspended and/or temporarily prohibited from participating in the affairs of the Bank or an Affiliate by any self-regulatory authority or pursuant to a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. §§1818(e)(3) and (g)(1)) or other law or regulation;

(5) Executive has breached the restrictive covenants in Sections 4.1 or 4.2;

(6) Executive has willfully impeded, failed to materially comply with, or attempted to influence or obstruct an investigation authorized by the Board of Directors; or

(7) Executive has willfully failed to substantially perform his/her reasonably-assigned duties with the Bank, excluding any failure resulting from incapacity due to physical or mental illness.

For purposes of determining whether an act or omission constituting Cause has occurred, no such act or omission shall be considered "willful" unless made by Executive in bad faith without a reasonable belief that the act or omission was legal, appropriate, and in the Bank's best interests. Any act or omission occurring in reliance upon a directive of the Board of Directors made pursuant to a duly-adopted resolution or the advice of counsel to the Bank shall be deemed made in good faith.

The existence of Cause shall be determined in good faith by the Board of Directors of the Bank or the Compensation Committee of the Bank's Board of Directors. The Bank shall have sole discretion in making its determination that an event constituting Cause has occurred; *provided, however,* that such determination must be made in a reasonable and good faith manner after Executive has been granted an opportunity to present information to the Board of Directors or the Compensation Committee, as applicable, regarding its determination. Such opportunity must be granted no fewer than five days following receipt by the Executive of notice that the Board of Directors or Compensation Committee, as applicable, plans to make a determination of the existence of Cause.

"Change in Control" means a transaction or circumstance in which any of the following have occurred:

(1) the merger, acquisition or consolidation of the Bank with any corporation or other legal entity pursuant to which the other entity immediately after such merger, acquisition or consolidation owns more than 65% of the voting securities (defined as any securities which vote generally in the election of its directors) of the Bank outstanding immediately prior thereto or more than 65% of the Bank's total fair market value immediately prior thereto;

(2) the date that any person, or persons acting as a group, as described in Treas. Reg. § 1.409A-3(i)(5) (a "Person"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Bank or a corporation controlling the Bank or owned directly or indirectly by the shareholders of the Bank in substantially the same proportions as their ownership of stock of the Bank, becomes the beneficial owner (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Bank representing more than 30% of the total voting power represented by the Bank's then outstanding voting securities (as defined above);

(3) the date that a majority of the members of the Board of Directors of the Bank is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of the Bank before the date of the appointment or election; or

(4) the date that any Person acquires (or has acquired within the 12-month period ending on such date) assets from the Bank that have a gross fair market value equal to 40% or more of the fair market value of the Bank's total assets; *provided, however,* that any of the following acquisitions will be excluded from such calculation:

(i) an acquisition by a shareholder of the Bank (immediately before the acquisition) in exchange for or with respect to its stock;

(ii) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by the Bank;

(iii) an acquisition by a Person that owns directly or indirectly 50% or more of the total value or voting power of the outstanding stock of the Bank; or

(iv) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by a Person described in paragraph (iii) above.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compensation Committee." The Executive Compensation and Stock Incentive Committee of the Bank's Board of Directors or any duly-appointed successor committee.

"Good Reason." A termination of employment for Good Reason means a resignation or other termination of employment by Executive for any of the reasons described below, provided that the circumstances underlying such condition are not initiated by Executive or with Executive's consent. Good Reason is further conditioned on the Executive providing written notice to Cadence of Executive's intent to terminate within 90 days of the date that the facts giving rise to the Good Reason condition occurs and the Bank's failure to materially cure such condition within 30 days after receiving such notice.

(1) A material diminution in Executive's base salary or target annual bonus or incentive compensation opportunity.

(2) A material diminution in Executive's authority, duties, or obligations after taking into account any overall increased authority, duties or obligations resulting from a Change in Control that creates a materially-larger entity.

(3) A requirement that Executive report and be subject to the authority of an officer or employee of the Bank or an Affiliate who is neither the Chief Executive Officer of Cadence nor occupying a substantially-equivalent or superior role in the new organization.

(4) A relocation of Executive's principal place of employment by 50 miles or more.

(5) Any material breach of this Agreement by the Bank or the failure of any successor to assume this Agreement on and after a Change of Control.

## ARTICLE III.
## CHANGE IN CONTROL TERMINATION PAYMENT

**Section 3.1 Benefits.**

(a) *Amount.* Upon the occurrence of a Change in Control, and subject to the conditions, limitations and adjustments that are provided for herein, the Bank will provide to Executive the sum of the amounts described below if, within the 12-month period following such Change in Control, Executive's employment with the Bank and its Affiliates is terminated by the Bank without Cause or by the Executive for Good Reason:

(1) An amount equal to 200% of Executive's annual base compensation determined by reference to Executive's base salary in effect at the time of Change in Control.

(2) An amount equal to 200% of the target annual bonus that Executive would be eligible to receive during the fiscal year ending during which the Change in Control occurs.

(3) An amount equal to 24 multiplied by the monthly cost of COBRA coverage for the level of coverage elected by the Executive for the year of termination of employment, less the employee-portion of such coverage paid by Executive as an active employee.

(4) If any fringe benefit program, policy, arrangement or insurer permits post-employment participation applicable to similarly-situated executives, Executive shall continue to participate for the lesser of the period permitted by such program, policy, arrangement or insurer or a period of 24 months following termination of service at the cost of the Bank.

(5) Unless specified otherwise in a subsequent agreement, immediate vesting of all equity incentive awards, provided that satisfaction of performance conditions of performance-based units shall be determined according to the underlying award agreement.

(b) *Adjustments.* Notwithstanding anything herein to the contrary, the amounts and the timing of payments under Section 3.1(a) shall be adjusted in accordance with Section 3.2.

(c) *Time for Payment; Interest.* The cash amounts payable under this Section 3.1 shall be paid to Executive in a single lump sum within ten business days following the date of termination of employment except as may be required by Section 3.2(b). The Bank's obligation to pay to Executive any amounts under this Section 3.1 will bear interest at the lesser of (i) 10% or (ii) the maximum rate allowed by law until paid by the Bank, and all accrued and unpaid interest will bear interest at the same rate, all of which interest will be compounded annually.

(d) *Troubled Institution Limitations.* All payments and benefits hereunder are subject to the limitations on golden parachute and indemnification payments that may apply pursuant to 12 U.S.C. § 1828(k) and FDIC Regulation at 12 C.F.R. Part 359 or any other applicable law, including any law or regulation adopted in the future, that may prohibit payments under this Agreement. If certain circumstances occur that would limit payments hereunder, this limitation shall be applied by reducing the payments and benefits that exceed legal limitation unless consent to such payments is obtained pursuant to such regulations.

**Section 3.2 Limitation of Payments.**

(a) *Golden Parachute.* Notwithstanding anything in this Agreement to the contrary, if Executive is a "disqualified individual" (as defined in section 280G(c) of the Code) and the benefits and payments provided for in this Agreement, together with any other payments or vesting of equity awards which Executive has the right to receive on account of a "change in control" (defined for this purpose in section 280G of the Code) would in the aggregate result in a "parachute payment" (as defined in section 280G(b)(2) of the Code) to Executive, the amount of such change in control payments shall be reduced by the Bank so that the aggregate of payments to Executive is the maximum change in control payment that does not constitute a parachute payment (such amount referred to herein as the "Safe Harbor Payment"); *provided, however,* such reduction shall not be applied if the net payment to Executive (after considering the effect of applicable excise taxes under section 4999 of the Code) is greater than the Safe Harbor Payment. If, as a result of the above calculations, payments or benefits are to be reduced to the Safe Harbor Payment, the reduction shall be applied in the following order: (i) cash severance pay that is exempt from section 409A, (ii) any other cash severance pay, (iii) continued health care benefits, (iv) any restricted stock, (v) any equity awards other than restricted stock and stock options, and (vi) stock options. Unless the Bank and Executive otherwise agree in writing, any determination required under this Section shall be made by an independent advisor designated by the Bank and reasonably acceptable to Executive (the "Independent Advisor"), whose determination shall be conclusive and binding upon Executive and the Bank for all purposes. For purposes of making the calculations required under this Section, the Independent Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of sections 280G and 4999 of the Code; provided that the Independent Advisor shall assume that Executive pays all taxes at the highest marginal rate in the absence of clear evidence to the contrary. The Bank and Executive shall furnish to the Independent Advisor such information and documents as the Independent Advisor may reasonably request in order to make a determination under this Section. The Bank shall bear all costs that the Independent Advisor may incur in connection with any calculations contemplated by this Section.

(b) *Section 409A.*

(1) To the extent payments or benefits under this Agreement are subject to Code Section 409A, this Agreement shall be interpreted to comply with such provisions. A payment of any amount or benefit paid to Executive that is subject to Section 409A of the Code and payable on account of termination of employment shall not be made unless such termination is also a "separation from service" within the meaning of section 409A of the Code and the regulations promulgated thereunder. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "resignation" or like terms shall mean "separation from service" within the meaning of section 409A of the Code. Notwithstanding anything to the contrary in this Agreement or otherwise, if at the time of Executive's "separation from service" Executive is a "specified employee" (as defined under section 409A of the Code), payments of "deferred compensation" (as defined under section 409A of the Code) that Executive would otherwise be entitled to receive during the six month period following the separation from service, whether paid under this Agreement or otherwise, will instead be accumulated and paid in a lump sum on the earlier of (i) the first day of the seventh month after the date of the separation from service, or (ii) the date of Executive's death. This paragraph shall apply only to the extent required to avoid Executive's incurrence of any additional tax or interest under section 409A of the Code.

(2) Nothing in this Agreement shall be construed to obligate the Bank to make an impermissible acceleration or deferral of payments under section 409A of the Code or any regulations or Treasury guidance promulgated thereunder. To the extent that payments hereunder would constitute an impermissible acceleration or deferral, payments shall be made in accordance with the terms of the applicable plan, program, arrangement or policy or at the time permitted under section 409A of the Code.

## ARTICLE IV.
## RESTRICTIVE COVENANTS

**Section 4.1 Non-solicitation.**

(a) Beginning on the Effective Date and for a period of one year after the date of termination of Executive's employment with the Bank or any of its Affiliates (the "Termination Date"), Executive will not, directly or indirectly, for himself/herself or for another, in any manner whatsoever, procure, solicit, accept or aid another in the procurement, solicitation or acceptance of financial services business (including without limitation, solicitation of banking or securities products and services), and other related products marketed by the Bank or its Affiliates, or make inquiries about any of those products from or to any person, firm, corporation or association which was at the Termination Date either doing business with the Bank or any of its Affiliates, in the Territory (as hereinafter defined), or being actively solicited by the Bank or any of its Affiliates during the 12 months prior to the Termination Date and Executive directly or indirectly interacted with, serviced, or solicited such account or customer.

(b) Beginning on the Effective Date and for a period of one year after the Termination Date, Executive will not induce, attempt to induce, solicit, encourage, or discuss employment with any other employee of the Bank or any of its Affiliates to terminate his or her employment with the Bank or its Affiliate, provided that if Executive's place of employment immediately prior to the Termination Date is in Alabama, the restrictions contained in this paragraph shall be limited to an employee who holds a position uniquely essential to the management, organization, or service of the Bank. Executive also agrees not to disclose the identity of any other employee of the Bank or an Affiliate to any other Competing Business (as hereinafter defined) for purposes of recruiting or hiring away such employee. Executive agrees not to hire any prospective employee for a Competing Business if Executive knows or should have known that such person works for the Bank or its Affiliate as of the Termination Date or during the six months prior to the Termination Date.

(c) Executive shall not, during the non-solicitation periods described in Sections 4.1(a) and 4.1(b) above, use or disclose to any other person the names of the Bank's or any of its Affiliates' customers, clients and the nature of their business with the Bank or its Affiliates.

(d) "Competing Business" shall mean any business which has engaged or engages in activities in any county or parish in any state in which the Bank or any Affiliate has an office or in any county or parish in any state where Executive, at the Termination Date or for 12 months prior to the Termination Date, performed services for the Bank or any Affiliate or drew customers (hereinafter, the "Territory") constituting or relating to the establishment, ownership, management or operation of a bank or financial services business or other related business (including without limitation, solicitation of banking or securities products and services) that competes with any business then being operated by the Bank, provided that the Bank was operating or had taken material steps toward becoming actively engaged in such business during the Employment Period.

**Section 4.2 Confidential Information.**

(a) Executive hereby covenants and agrees with the Bank that, beginning with the Effective Date and lasting in perpetuity, Executive will not disclose at any time or improperly use any Confidential Information (as defined below), including, but not limited to, any confidential or secret information concerning (A) the business, affairs or operations of the Bank or its Affiliates, or (B) any marketing, sales, operations, advertising or other concepts or plans of the Bank or its Affiliates. Executive shall, both during and after Executive's employment with the Bank, protect and maintain the confidential and/or proprietary character of all Confidential Information. Executive shall not, during or after termination of Executive's employment, directly or indirectly, use (for Executive or another) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential, except as may be necessary for the performance of Executive's duties under this Agreement. In the event such Confidential Information becomes publicly-known as a result of Executive's improper use or disclosure, all prohibitions and restrictions on Executive's conduct contained in this paragraph shall continue in force. In the event Executive is required by law to disclose such Confidential Information, Executive shall, to the extent legally permitted, provide written notice to the Bank within two business days of becoming aware of such requirement.

(b) As used herein, "Confidential Information" means all technical and business information (including agreements with third parties, product design, financial statements and related books and records, marketing plans, operations plans and structure, compensation arrangements, personnel records, customer lists and records, arrangements with customers and suppliers, manuals and reports) of the Bank and its Affiliates which is of a confidential and/or proprietary character and which is either developed by Executive (alone or with others) or to which Executive has had access during Executive's employment.

(c) Executive specifically acknowledges that the restrictions of Sections 4.1 and 4.2 as to time and manner of non-solicitation and non-disclosure or use of Confidential Information are reasonable and necessary to protect the legitimate business interests of Cadence.

(d) In accordance with the Defend Trade Secrets Act, Executive will not be held liable under any federal or state trade secret law for the disclosure of Confidential Information made in confidence to a federal, state, or local governmental official or to an attorney, each solely for the purpose of reporting or investigating a suspected violation of law. Further, nothing contained herein shall prohibit Executive from exercising any legally-protected whistleblower rights or participating in any government investigation.

**Section 4.3 Remedies, Modification and Severability**. Executive and Cadence agree that Executive's breach of Sections 4.1 and 4.2 of this Agreement will result in irreparable harm to the Bank, that no adequate remedy at law is available, and that the Bank shall be entitled to injunctive relief; *provided, however,* nothing herein shall prevent the Bank from pursuing any other remedies at law or at equity available to it. Should a court of competent jurisdiction declare any of the covenants set forth in Sections 4.1 or 4.2 unenforceable, the court shall be empowered to modify or reform such covenants so as to provide relief reasonably necessary to protect the interests of the Bank and to award injunctive relief, or damages, or both, to which the Bank may be entitled. If any provision of this Agreement is declared by a court of last resort to be invalid, Bank and Executive agree that such declaration shall not affect the validity of the other provisions of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the construction which renders it valid.

**Section 4.4 Mutual Non-Disparagement.** Executive agrees that Executive will not intentionally make any disparaging or detrimental public comments about Cadence, any of its officers, directors, employees, Affiliates or agents nor will Executive authorize, encourage or participate with anyone on Executive's behalf to make such statements. In consideration of the foregoing, Cadence shall instruct its directors and senior officers to refrain from intentionally making any disparaging or detrimental public comments about Executive. Nothing in this Section shall preclude either party from fulfilling any duty or obligation that he, she or it may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation, or, in the case of Executive, from taking any reasonable actions to enforce Executive's rights under this Agreement.

**Section 4.5 Acknowledgement.** For purposes of the restrictive covenants contained in this Agreement, Executive acknowledges that he or she has been provided with significant benefit, including, but not limited to confidential information, trade secrets, plans, and strategies of the Bank.

## ARTICLE V.
## GENERAL TERMS

**Section 5.1 Notices.** Any notice under this Agreement must be in writing and may be given by certified or registered mail, postage prepaid, addressed to the party or parties to be notified with return receipt requested, or by delivering the notice in person, to the relevant address set forth below, or to such other address as the recipient of such notice or communication has specified in writing to the other party hereto in accordance with this Section:

If to Cadence:

Chief Legal Officer
1333 West Loop South, 18th Floor
Attn: Shanna Kuzdzal
Houston, TX 77027

Notice to Executive may be to the then-current address of Executive on the records of Cadence.

**Section 5.2 Withholding; No Offset.** All payments required to be made by the Bank under this Agreement to Executive will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Executive may owe to Cadence or any other person, except as required by law.

**Section 5.3 Entire Agreement.** This Agreement constitutes the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

**Section 5.4 Amendment.** This Agreement may be amended in writing at any time by Cadence, provided that the Executive's written consent is required for any amendment that would diminish the benefits provided hereunder to Executive, except as may be necessary to maintain compliance with applicable provisions of the Code.

**Section 5.5 Choice of Law.** This Agreement and the performance hereof will be construed and governed in accordance with the internal laws of the State of Mississippi, without regard to its choice of law principles, except to the extent that federal law controls or preempts state law.

**Section 5.6 Successors and Assigns.** The obligations, duties and responsibilities of Executive under this Agreement are personal and shall not be assignable. In the event of Executive's death or disability, this Agreement shall be enforceable by Executive's estate, executors or legal representatives. Cadence shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, or otherwise) to all or substantially all of the business or assets of the Bank to expressly assume and agree to perform, by a written agreement in form and substance satisfactory to Executive, all of the obligations of Cadence under this Agreement. As used in this Agreement, the terms "Bank" and "Cadence" shall mean the Bank and Cadence as defined herein and any successor to their respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, written agreement, or otherwise.

**Section 5.7 Waiver of Provisions.** Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

**Section 5.8 Severability.** The provisions of this Agreement and the benefits and amounts payable hereunder shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement and/or benefit or payment shall be effective and binding upon the parties.

**Section 5.9 Attorneys' Fees.** In the event Cadence or Executive breaches any term or provision of this Agreement and the other party employs an attorney or attorneys to enforce the terms of this Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce this Agreement.

**Section 5.10 Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, Bank and Executive have caused this Agreement to be executed on the day and year indicated below to be effective as described above.

**EXECUTIVE**

/s/ Cathy Freeman
By: ________________________________
Cathy Freeman
Date: 2/5/2024

**CADENCE BANK**

/s/ James D. Rollins, III
By: ________________________________
James D. Rollins, III
Chief Executive Officer
Date: 2/20/2024

**EXHIBIT 10(e)**

**CADENCE BANK**
**CHANGE IN CONTROL AGREEMENT**

**This Change in Control Agreement** ("Agreement") is entered into by and among Cadence Bank, a Mississippi-chartered bank (the “Bank” or “Cadence”), and Jeff Jaggers ("Executive"), (collectively, the “Parties”) to be effective as of January 1, 2024 (the “Effective Date”).

**Whereas,** Executive is employed as the Chief Operating Officer of the Bank and is expected to make material contributions to the continued growth and strength of the Bank;

**Whereas,** Cadence recognizes the need to attract and retain well-qualified executives and key personnel and has identified Executive as such a person; and

**Whereas,** Executive was previously a party to a Change in Control Agreement with the Bank, dated December 21, 2015 (the “Prior Agreement”);

**Whereas,** the Parties wish to amend and restate the Prior Agreement; and

**Whereas,** the Parties acknowledge that sufficient consideration in the form of continued employment, the provision of confidential information, and certain desired modifications to the Prior Agreement is provided in this Agreement to support the amendment of the Prior Agreement; and

**Whereas,** the Parties acknowledge that no benefits are due under the Prior Agreement and that it shall be replaced in its entirety with this Agreement;

**Now, therefore** based upon the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## ARTICLE I.
## CONSTRUCTION AND TERM

**Section 1.1**. **Prior Agreement**. The Parties acknowledge and agree that no Change in Control occurred under the Prior Agreement and that no benefits accrued. Upon execution of this Agreement, the Prior Agreement shall no longer be enforceable by either party and shall be replaced in its entirety by the terms of this Agreement.

**Section 1.2**. **Term and Renewal**. The term of this Agreement shall commence on the Effective Date and shall expire December 31, 2026 (“Original Term”). If written notice of non-renewal is not provided by the Bank on or before December 31, 2024, the term shall be extended one year beyond the Original Term (the “Renewal Term”). Thereafter, if the Bank does not provide written notice of non-renewal on or before December 31 of any subsequent year, the Renewal Term shall be automatically extended by one year beyond the then-current Renewal Term. Notwithstanding the foregoing, this Agreement shall terminate upon Executive's termination of employment prior to the end of the Original Term or any Renewal Term.

**Section 1.3** **Employment Status**. Executive acknowledges that his or her employment is at-will and that nothing contained in this Agreement creates a right to continued employment.

## ARTICLE II.
## DEFINITIONS

Terms used in this Agreement that are defined are indicated by initial capitalization of the term. References to an “Article” or a "Section" mean an article or a section of this Agreement. In addition to those terms that are specifically defined herein, the following terms are defined for purposes hereof:

“Affiliate.” Affiliate means any entity that is a subsidiary organization of the Bank.

“Cause.” A termination of Executive’s employment for Cause means a termination of employment on account of any of the incidents described below as determined in the sole discretion of the Board of Directors. To terminate Executive’s employment for Cause, the Bank shall provide written notice to Executive setting forth the provision(s) under which it claims Cause within 90 days of the date that the Board of Directors has actual knowledge of the facts underlying the Cause event. Executive shall have the opportunity to cure such condition within 30 days after receiving notice, to the extent such condition or conduct is capable of cure, as determined in the sole discretion of the Board of Directors.

(1) Executive has engaged in an act of misconduct or dishonesty that is materially injurious to the Bank or an Affiliate;

(2) Executive has engaged in an act of fraud, embezzlement, theft, or any other crime of moral turpitude (without necessity of formal criminal proceedings being initiated);

(3) Executive has willfully violated a material Bank policy or procedure;

(4) Executive has been suspended and/or temporarily prohibited from participating in the affairs of the Bank or an Affiliate by any self-regulatory authority or pursuant to a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. §§1818(e)(3) and (g)(1)) or other law or regulation;

(5) Executive has breached the restrictive covenants in Sections 4.1 or 4.2;

(6) Executive has willfully impeded, failed to materially comply with, or attempted to influence or obstruct an investigation authorized by the Board of Directors; or

(7) Executive has willfully failed to substantially perform his/her reasonably-assigned duties with the Bank, excluding any failure resulting from incapacity due to physical or mental illness.

For purposes of determining whether an act or omission constituting Cause has occurred, no such act or omission shall be considered “willful” unless made by Executive in bad faith without a reasonable belief that the act or omission was legal, appropriate, and in the Bank’s best interests. Any act or omission occurring in reliance upon a directive of the Board of Directors made pursuant to a duly-adopted resolution or the advice of counsel to the Bank shall be deemed made in good faith.

The existence of Cause shall be determined in good faith by the Board of Directors of the Bank or the Compensation Committee of the Bank’s Board of Directors. The Bank shall have sole discretion in making its determination that an event constituting Cause has occurred; *provided, however,* that such determination must be made in a reasonable and good faith manner after Executive has been granted an opportunity to present information to the Board of Directors or the Compensation Committee, as applicable, regarding its determination. Such opportunity must be granted no fewer than five days following receipt by the Executive of notice that the Board of Directors or Compensation Committee, as applicable, plans to make a determination of the existence of Cause.

"Change in Control" means a transaction or circumstance in which any of the following have occurred:

(1) the merger, acquisition or consolidation of the Bank with any corporation or other legal entity pursuant to which the other entity immediately after such merger, acquisition or consolidation owns more than 65% of the voting securities (defined as any securities which vote generally in the election of its directors) of the Bank outstanding immediately prior thereto or more than 65% of the Bank’s total fair market value immediately prior thereto;

(2) the date that any person, or persons acting as a group, as described in Treas. Reg. § 1.409A-3(i)(5) (a "Person"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Bank or a corporation controlling the Bank or owned directly or indirectly by the shareholders of the Bank in substantially the same proportions as their ownership of stock of the Bank, becomes the beneficial owner (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Bank representing more than 30% of the total voting power represented by the Bank's then outstanding voting securities (as defined above);

(3) the date that a majority of the members of the Board of Directors of the Bank is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of the Bank before the date of the appointment or election; or

(4) the date that any Person acquires (or has acquired within the 12-month period ending on such date) assets from the Bank that have a gross fair market value equal to 40% or more of the fair market value of the Bank's total assets; *provided, however,* that any of the following acquisitions will be excluded from such calculation:

(i) an acquisition by a shareholder of the Bank (immediately before the acquisition) in exchange for or with respect to its stock;

(ii) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by the Bank;

(iii) an acquisition by a Person that owns directly or indirectly 50% or more of the total value or voting power of the outstanding stock of the Bank; or

(iv) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by a Person described in paragraph (iii) above.

"<u>COBRA</u>" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

"<u>Code</u>" means the Internal Revenue Code of 1986, as amended.

"<u>Compensation Committee</u>." The Executive Compensation and Stock Incentive Committee of the Bank's Board of Directors or any duly-appointed successor committee.

"<u>Good Reason</u>." A termination of employment for Good Reason means a resignation or other termination of employment by Executive for any of the reasons described below, provided that the circumstances underlying such condition are not initiated by Executive or with Executive's consent. Good Reason is further conditioned on the Executive providing written notice to Cadence of Executive's intent to terminate within 90 days of the date that the facts giving rise to the Good Reason condition occurs and the Bank's failure to materially cure such condition within 30 days after receiving such notice.

(1) A material diminution in Executive's base salary or target annual bonus or incentive compensation opportunity.

(2) A material diminution in Executive's authority, duties, or obligations after taking into account any overall increased authority, duties or obligations resulting from a Change in Control that creates a materially-larger entity.

(3) A requirement that Executive report and be subject to the authority of an officer or employee of the Bank or an Affiliate who is neither the President of Cadence nor occupying a substantially-equivalent or superior role in the new organization.

(4) A relocation of Executive's principal place of employment by 50 miles or more.

(5) Any material breach of this Agreement by the Bank or the failure of any successor to assume this Agreement on and after a Change of Control.

**ARTICLE III.**
**CHANGE IN CONTROL TERMINATION PAYMENT**

**Section 3.1 Benefits.**

(a) *Amount.* Upon the occurrence of a Change in Control, and subject to the conditions, limitations and adjustments that are provided for herein, the Bank will provide to Executive the sum of the amounts described below if, within the 12-month period following such Change in Control, Executive's employment with the Bank and its Affiliates is terminated by the Bank without Cause or by the Executive for Good Reason:

(1) An amount equal to 200% of Executive's annual base compensation determined by reference to Executive's base salary in effect at the time of Change in Control.

(2) An amount equal to 200% of the target annual bonus that Executive would be eligible to receive during the fiscal year ending during which the Change in Control occurs.

(3) An amount equal to 24 multiplied by the monthly cost of COBRA coverage for the level of coverage elected by the Executive for the year of termination of employment, less the employee-portion of such coverage paid by Executive as an active employee.

(4) If any fringe benefit program, policy, arrangement or insurer permits post-employment participation applicable to similarly-situated executives, Executive shall continue to participate for the lesser of the period permitted by such program, policy, arrangement or insurer or a period of 24 months following termination of service at the cost of the Bank.

(5) Unless specified otherwise in a subsequent agreement, immediate vesting of all equity incentive awards, provided that satisfaction of performance conditions of performance-based units shall be determined according to the underlying award agreement.

(b) *Adjustments.* Notwithstanding anything herein to the contrary, the amounts and the timing of payments under Section 3.1(a) shall be adjusted in accordance with Section 3.2.

(c) *Time for Payment; Interest.* The cash amounts payable under this Section 3.1 shall be paid to Executive in a single lump sum within ten business days following the date of termination of employment except as may be required by Section 3.2(b). The Bank's obligation to pay to Executive any amounts under this Section 3.1 will bear interest at the lesser of (i) 10% or (ii) the maximum rate allowed by law until paid by the Bank, and all accrued and unpaid interest will bear interest at the same rate, all of which interest will be compounded annually.

(d) *Troubled Institution Limitations.* All payments and benefits hereunder are subject to the limitations on golden parachute and indemnification payments that may apply pursuant to 12 U.S.C. § 1828(k) and FDIC Regulation at 12 C.F.R. Part 359 or any other applicable law, including any law or regulation adopted in the future, that may prohibit payments under this Agreement. If certain circumstances occur that would limit payments hereunder, this limitation shall be applied by reducing the payments and benefits that exceed legal limitation unless consent to such payments is obtained pursuant to such regulations.

**Section 3.2 Limitation of Payments.**

(a) *Golden Parachute.* Notwithstanding anything in this Agreement to the contrary, if Executive is a “disqualified individual” (as defined in section 280G(c) of the Code) and the benefits and payments provided for in this Agreement, together with any other payments or vesting of equity awards which Executive has the right to receive on account of a “change in control” (defined for this purpose in section 280G of the Code) would in the aggregate result in a “parachute payment” (as defined in section 280G(b)(2) of the Code) to Executive, the amount of such change in control payments shall be reduced by the Bank so that the aggregate of payments to Executive is the maximum change in control payment that does not constitute a parachute payment (such amount referred to herein as the “Safe Harbor Payment”); *provided, however,* such reduction shall not be applied if the net payment to Executive (after considering the effect of applicable excise taxes under section 4999 of the Code) is greater than the Safe Harbor Payment. If, as a result of the above calculations, payments or benefits are to be reduced to the Safe Harbor Payment, the reduction shall be applied in the following order: (i) cash severance pay that is exempt from section 409A, (ii) any other cash severance pay, (iii) continued health care benefits, (iv) any restricted stock, (v) any equity awards other than restricted stock and stock options, and (vi) stock options. Unless the Bank and Executive otherwise agree in writing, any determination required under this Section shall be made by an independent advisor designated by the Bank and reasonably acceptable to Executive (the "Independent Advisor"), whose determination shall be conclusive and binding upon Executive and the Bank for all purposes. For purposes of making the calculations required under this Section, the Independent Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of sections 280G and 4999 of the Code; provided that the Independent Advisor shall assume that Executive pays all taxes at the highest marginal rate in the absence of clear evidence to the contrary. The Bank and Executive shall furnish to the Independent Advisor such information and documents as the Independent Advisor may reasonably request in order to make a determination under this Section. The Bank shall bear all costs that the Independent Advisor may incur in connection with any calculations contemplated by this Section.

(b) *Section 409A.*

(1) To the extent payments or benefits under this Agreement are subject to Code Section 409A, this Agreement shall be interpreted to comply with such provisions. A payment of any amount or benefit paid to Executive that is subject to Section 409A of the Code and payable on account of termination of employment shall not be made unless such termination is also a "separation from service" within the meaning of section 409A of the Code and the regulations promulgated thereunder. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "resignation" or like terms shall mean "separation from service" within the meaning of section 409A of the Code. Notwithstanding anything to the contrary in this Agreement or otherwise, if at the time of Executive's "separation from service" Executive is a "specified employee" (as defined under section 409A of the Code), payments of "deferred compensation" (as defined under section 409A of the Code) that Executive would otherwise be entitled to receive during the six month period following the separation from service, whether paid under this Agreement or otherwise, will instead be accumulated and paid in a lump sum on the earlier of (i) the first day of the seventh month after the date of the separation from service, or (ii) the date of Executive's death. This paragraph shall apply only to the extent required to avoid Executive's incurrence of any additional tax or interest under section 409A of the Code.

(2) Nothing in this Agreement shall be construed to obligate the Bank to make an impermissible acceleration or deferral of payments under section 409A of the Code or any regulations or Treasury guidance promulgated thereunder. To the extent that payments hereunder would constitute an impermissible acceleration or deferral, payments shall be made in accordance with the terms of the applicable plan, program, arrangement or policy or at the time permitted under section 409A of the Code.

## ARTICLE IV.
## RESTRICTIVE COVENANTS

**Section 4.1 Non-solicitation.**

(a) Beginning on the Effective Date and for a period of one year after the date of termination of Executive's employment with the Bank or any of its Affiliates (the "Termination Date"), Executive will not, directly or indirectly, for himself/herself or for another, in any manner whatsoever, procure, solicit, accept or aid another in the procurement, solicitation or acceptance of financial services business (including without limitation, solicitation of banking or securities products and services), and other related products marketed by the Bank or its Affiliates, or make inquiries about any of those products from or to any person, firm, corporation or association which was at the Termination Date either doing business with the Bank or any of its Affiliates, in the Territory (as hereinafter defined), or being actively solicited by the Bank or any of its Affiliates during the 12 months prior to the Termination Date and Executive directly or indirectly interacted with, serviced, or solicited such account or customer.

(b) Beginning on the Effective Date and for a period of one year after the Termination Date, Executive will not induce, attempt to induce, solicit, encourage, or discuss employment with any other employee of the Bank or any of its Affiliates to terminate his or her employment with the Bank or its Affiliate, provided that if Executive's place of employment immediately prior to the Termination Date is in Alabama, the restrictions contained in this paragraph shall be limited to an employee who holds a position uniquely essential to the management, organization, or service of the Bank. Executive also agrees not to disclose the identity of any other employee of the Bank or an Affiliate to any other Competing Business (as hereinafter defined) for purposes of recruiting or hiring away such employee. Executive agrees not to hire any prospective employee for a Competing Business if Executive knows or should have known that such person works for the Bank or its Affiliate as of the Termination Date or during the six months prior to the Termination Date.

(c) Executive shall not, during the non-solicitation periods described in Sections 4.1(a) and 4.1(b) above, use or disclose to any other person the names of the Bank's or any of its Affiliates' customers, clients and the nature of their business with the Bank or its Affiliates.

(d) "Competing Business" shall mean any business which has engaged or engages in activities in any county or parish in any state in which the Bank or any Affiliate has an office or in any county or parish in any state where Executive, at the Termination Date or for 12 months prior to the Termination Date, performed services for the Bank or any Affiliate or drew customers (hereinafter, the "Territory") constituting or relating to the establishment, ownership, management or operation of a bank or financial services business or other related business (including without limitation, solicitation of banking or securities products and services) that competes with any business then being operated by the Bank, provided that the Bank was operating or had taken material steps toward becoming actively engaged in such business during the Employment Period.

**Section 4.2 Confidential Information.**

(a) Executive hereby covenants and agrees with the Bank that, beginning with the Effective Date and lasting in perpetuity, Executive will not disclose at any time or improperly use any Confidential Information (as defined below), including, but not limited to, any confidential or secret information concerning (A) the business, affairs or operations of the Bank or its Affiliates, or (B) any marketing, sales, operations, advertising or other concepts or plans of the Bank or its Affiliates. Executive shall, both during and after Executive's employment with the Bank, protect and maintain the confidential and/or proprietary character of all Confidential Information. Executive shall not, during or after termination of Executive's employment, directly or indirectly, use (for Executive or another) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential, except as may be necessary for the performance of Executive's duties under this Agreement. In the event such Confidential Information becomes publicly-known as a result of Executive's improper use or disclosure, all prohibitions and restrictions on Executive's conduct contained in this paragraph shall continue in force. In the event Executive is required by law to disclose such Confidential Information, Executive shall, to the extent legally permitted, provide written notice to the Bank within two business days of becoming aware of such requirement.

(b) As used herein, "Confidential Information" means all technical and business information (including agreements with third parties, product design, financial statements and related books and records, marketing plans, operations plans and structure, compensation arrangements, personnel records, customer lists and records, arrangements with customers and suppliers, manuals and reports) of the Bank and its Affiliates which is of a confidential and/or proprietary character and which is either developed by Executive (alone or with others) or to which Executive has had access during Executive's employment.

(c) Executive specifically acknowledges that the restrictions of Sections 4.1 and 4.2 as to time and manner of non-solicitation and non-disclosure or use of Confidential Information are reasonable and necessary to protect the legitimate business interests of Cadence.

(d) In accordance with the Defend Trade Secrets Act, Executive will not be held liable under any federal or state trade secret law for the disclosure of Confidential Information made in confidence to a federal, state, or local governmental official or to an attorney, each solely for the purpose of reporting or investigating a suspected violation of law. Further, nothing contained herein shall prohibit Executive from exercising any legally-protected whistleblower rights or participating in any government investigation.

**Section 4.3 Remedies, Modification and Severability**. Executive and Cadence agree that Executive's breach of Sections 4.1 and 4.2 of this Agreement will result in irreparable harm to the Bank, that no adequate remedy at law is available, and that the Bank shall be entitled to injunctive relief; *provided, however,* nothing herein shall prevent the Bank from pursuing any other remedies at law or at equity available to it. Should a court of competent jurisdiction declare any of the covenants set forth in Sections 4.1 or 4.2 unenforceable, the court shall be empowered to modify or reform such covenants so as to provide relief reasonably necessary to protect the interests of the Bank and to award injunctive relief, or damages, or both, to which the Bank may be entitled. If any provision of this Agreement is declared by a court of last resort to be invalid, Bank and Executive agree that such declaration shall not affect the validity of the other provisions of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the construction which renders it valid.

**Section 4.4 Mutual Non-Disparagement.** Executive agrees that Executive will not intentionally make any disparaging or detrimental public comments about Cadence, any of its officers, directors, employees, Affiliates or agents nor will Executive authorize, encourage or participate with anyone on Executive's behalf to make such statements. In consideration of the foregoing, Cadence shall instruct its directors and senior officers to refrain from intentionally making any disparaging or detrimental public comments about Executive. Nothing in this Section shall preclude either party from fulfilling any duty or obligation that he, she or it may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation, or, in the case of Executive, from taking any reasonable actions to enforce Executive's rights under this Agreement.

**Section 4.5 Acknowledgement.** For purposes of the restrictive covenants contained in this Agreement, Executive acknowledges that he or she has been provided with significant benefit, including, but not limited to confidential information, trade secrets, plans, and strategies of the Bank.

## ARTICLE V.
## GENERAL TERMS

**Section 5.1 Notices.** Any notice under this Agreement must be in writing and may be given by certified or registered mail, postage prepaid, addressed to the party or parties to be notified with return receipt requested, or by delivering the notice in person, to the relevant address set forth below, or to such other address as the recipient of such notice or communication has specified in writing to the other party hereto in accordance with this Section:

If to Cadence:

Chief Legal Officer
1333 West Loop South, 18th Floor
Attn: Shanna Kuzdzal
Houston, TX 77027

Notice to Executive may be to the then-current address of Executive on the records of Cadence.

**Section 5.2 Withholding; No Offset.** All payments required to be made by the Bank under this Agreement to Executive will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Executive may owe to Cadence or any other person, except as required by law.

**Section 5.3 Entire Agreement.** This Agreement constitutes the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

**Section 5.4 Amendment.** This Agreement may be amended in writing at any time by Cadence, provided that the Executive's written consent is required for any amendment that would diminish the benefits provided hereunder to Executive, except as may be necessary to maintain compliance with applicable provisions of the Code.

**Section 5.5 Choice of Law.** This Agreement and the performance hereof will be construed and governed in accordance with the internal laws of the State of Mississippi, without regard to its choice of law principles, except to the extent that federal law controls or preempts state law.

**Section 5.6 Successors and Assigns.** The obligations, duties and responsibilities of Executive under this Agreement are personal and shall not be assignable. In the event of Executive's death or disability, this Agreement shall be enforceable by Executive's estate, executors or legal representatives. Cadence shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, or otherwise) to all or substantially all of the business or assets of the Bank to expressly assume and agree to perform, by a written agreement in form and substance satisfactory to Executive, all of the obligations of Cadence under this Agreement. As used in this Agreement, the terms "Bank" and "Cadence" shall mean the Bank and Cadence as defined herein and any successor to their respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, written agreement, or otherwise.

**Section 5.7 Waiver of Provisions.** Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

**Section 5.8** **Severability.** The provisions of this Agreement and the benefits and amounts payable hereunder shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement and/or benefit or payment shall be effective and binding upon the parties.

**Section 5.9** **Attorneys' Fees.** In the event Cadence or Executive breaches any term or provision of this Agreement and the other party employs an attorney or attorneys to enforce the terms of this Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce this Agreement.

**Section 5.10** **Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, Bank and Executive have caused this Agreement to be executed on the day and year indicated below to be effective as described above.

**EXECUTIVE**

/s/ Jeff Jaggers
By: ________________________________________
Jeff Jaggers
Date: 2/21/2024

**CADENCE BANK**

/s/ James D. Rollins, III
By: ________________________________________
James D. Rollins, III
Chief Executive Officer
Date: 2/22/2024

**EXHIBIT 10(f)**

# CADENCE BANK
# CHANGE IN CONTROL AGREEMENT

**This Change in Control Agreement** ("Agreement") is entered into by and among Cadence Bank, a Mississippi-chartered bank (the "Bank" or "Cadence"), and Shanna Kuzdzal ("Executive"), (collectively, the "Parties") to be effective as of January 1, 2024 (the "Effective Date").

**Whereas,** Executive is employed as the Chief Legal Officer of the Bank and is expected to make material contributions to the continued growth and strength of the Bank;

**Whereas,** Cadence recognizes the need to attract and retain well-qualified executives and key personnel and has identified Executive as such a person; and

**Whereas,** the Parties acknowledge that sufficient consideration in the form of continued employment and the provision of confidential information provided in this Agreement is sufficient to support the duties and obligations contained herein; and

**Now, Therefore,** based upon the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## ARTICLE I.
## CONSTRUCTION AND TERM

**Section 1.1**. **Term and Renewal**. The term of this Agreement shall commence on the Effective Date and shall expire December 31, 2026 ("Original Term"). If written notice of non-renewal is not provided by the Bank on or before December 31, 2024, the term shall be extended one year beyond the Original Term (the "Renewal Term"). Thereafter, if the Bank does not provide written notice of non-renewal on or before December 31 of any subsequent year, the Renewal Term shall be automatically extended by one year beyond the then-current Renewal Term. Notwithstanding the foregoing, this Agreement shall terminate upon Executive's termination of employment prior to the end of the Original Term or any Renewal Term.

**Section 1.2 Employment Status**. Executive acknowledges that his or her employment is at-will and that nothing contained in this Agreement creates a right to continued employment.

## ARTICLE II.
## DEFINITIONS

Terms used in this Agreement that are defined are indicated by initial capitalization of the term. References to an "Article" or a "Section" mean an article or a section of this Agreement. In addition to those terms that are specifically defined herein, the following terms are defined for purposes hereof:

"<u>Affiliate</u>." Affiliate means any entity that is a subsidiary organization of the Bank.

"<u>Cause</u>." A termination of Executive's employment for Cause means a termination of employment on account of any of the incidents described below as determined in the sole discretion of the Board of Directors. To terminate Executive's employment for Cause, the Bank shall provide written notice to Executive setting forth the provision(s) under which it claims Cause within 90 days of the date that the Board of Directors has actual knowledge of the facts underlying the Cause event. Executive shall have the opportunity to cure such condition within 30 days after receiving notice, to the extent such condition or conduct is capable of cure, as determined in the sole discretion of the Board of Directors.

(1) Executive has engaged in an act of misconduct or dishonesty that is materially injurious to the Bank or an Affiliate;

(2) Executive has engaged in an act of fraud, embezzlement, theft, or any other crime of moral turpitude (without necessity of formal criminal proceedings being initiated);

(3) Executive has willfully violated a material Bank policy or procedure;

(4) Executive has been suspended and/or temporarily prohibited from participating in the affairs of the Bank or an Affiliate by any self-regulatory authority or pursuant to a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. §§1818(e)(3) and (g)(1)) or other law or regulation;

(5) Executive has breached the restrictive covenants in Sections 4.1 or 4.2;

(6) Executive has willfully impeded, failed to materially comply with, or attempted to influence or obstruct an investigation authorized by the Board of Directors; or

(7) Executive has willfully failed to substantially perform his/her reasonably-assigned duties with the Bank, excluding any failure resulting from incapacity due to physical or mental illness.

For purposes of determining whether an act or omission constituting Cause has occurred, no such act or omission shall be considered "willful" unless made by Executive in bad faith without a reasonable belief that the act or omission was legal, appropriate, and in the Bank's best interests. Any act or omission occurring in reliance upon a directive of the Board of Directors made pursuant to a duly-adopted resolution or the advice of counsel to the Bank shall be deemed made in good faith.

The existence of Cause shall be determined in good faith by the Board of Directors of the Bank or the Compensation Committee of the Bank's Board of Directors. The Bank shall have sole discretion in making its determination that an event constituting Cause has occurred; *provided, however,* that such determination must be made in a reasonable and good faith manner after Executive has been granted an opportunity to present information to the Board of Directors or the Compensation Committee, as applicable, regarding its determination. Such opportunity must be granted no fewer than five days following receipt by the Executive of notice that the Board of Directors or Compensation Committee, as applicable, plans to make a determination of the existence of Cause.

"<u>Change in Control</u>" means a transaction or circumstance in which any of the following have occurred:

(1) the merger, acquisition or consolidation of the Bank with any corporation or other legal entity pursuant to which the other entity immediately after such merger, acquisition or consolidation owns more than 65% of the voting securities (defined as any securities which vote generally in the election of its directors) of the Bank outstanding immediately prior thereto or more than 65% of the Bank's total fair market value immediately prior thereto;

(2) the date that any person, or persons acting as a group, as described in Treas. Reg. § 1.409A-3(i)(5) (a "Person"), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Bank or a corporation controlling the Bank or owned directly or indirectly by the shareholders of the Bank in substantially the same proportions as their ownership of stock of the Bank, becomes the beneficial owner (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Bank representing more than 30% of the total voting power represented by the Bank's then outstanding voting securities (as defined above);

(3) the date that a majority of the members of the Board of Directors of the Bank is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of the Bank before the date of the appointment or election; or

(4) the date that any Person acquires (or has acquired within the 12-month period ending on such date) assets from the Bank that have a gross fair market value equal to 40% or more of the fair market value of the Bank's total assets; *provided, however,* that any of the following acquisitions will be excluded from such calculation:

(i) an acquisition by a shareholder of the Bank (immediately before the acquisition) in exchange for or with respect to its stock;

(ii) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by the Bank;

(iii) an acquisition by a Person that owns directly or indirectly 50% or more of the total value or voting power of the outstanding stock of the Bank; or

(iv) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by a Person described in paragraph (iii) above.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compensation Committee." The Executive Compensation and Stock Incentive Committee of the Bank's Board of Directors or any duly-appointed successor committee.

"Good Reason." A termination of employment for Good Reason means a resignation or other termination of employment by Executive for any of the reasons described below, provided that the circumstances underlying such condition are not initiated by Executive or with Executive's consent. Good Reason is further conditioned on the Executive providing written notice to Cadence of Executive's intent to terminate within 90 days of the date that the facts giving rise to the Good Reason condition occurs and the Bank's failure to materially cure such condition within 30 days after receiving such notice.

(1) A material diminution in Executive's base salary or target annual bonus or incentive compensation opportunity.

(2) A material diminution in Executive's authority, duties, or obligations after taking into account any overall increased authority, duties or obligations resulting from a Change in Control that creates a materially-larger entity.

(3) A requirement that Executive report and be subject to the authority of an officer or employee of the Bank or an Affiliate who is neither the Chief Executive Officer of Cadence nor occupying a substantially-equivalent or superior role in the new organization.

(4) A relocation of Executive's principal place of employment by 50 miles or more.

(5) Any material breach of this Agreement by the Bank or the failure of any successor to assume this Agreement on and after a Change of Control.

## ARTICLE III.
## CHANGE IN CONTROL TERMINATION PAYMENT

**Section 3.1 Benefits.**

(a) *Amount.* Upon the occurrence of a Change in Control, and subject to the conditions, limitations and adjustments that are provided for herein, the Bank will provide to Executive the sum of the amounts described below if, within the 12-month period following such Change in Control, Executive's employment with the Bank and its Affiliates is terminated by the Bank without Cause or by the Executive for Good Reason:

(1) An amount equal to 200% of Executive's annual base compensation determined by reference to Executive's base salary in effect at the time of Change in Control.

(2) An amount equal to 200% of the target annual bonus that Executive would be eligible to receive during the fiscal year ending during which the Change in Control occurs.

(3) An amount equal to 24 multiplied by the monthly cost of COBRA coverage for the level of coverage elected by the Executive for the year of termination of employment, less the employee-portion of such coverage paid by Executive as an active employee.

(4) If any fringe benefit program, policy, arrangement or insurer permits post-employment participation applicable to similarly-situated executives, Executive shall continue to participate for the lesser of the period permitted by such program, policy, arrangement or insurer or a period of 24 months following termination of service at the cost of the Bank.

(5) Unless specified otherwise in a subsequent agreement, immediate vesting of all equity incentive awards, provided that satisfaction of performance conditions of performance-based units shall be determined according to the underlying award agreement.

(b) *Adjustments.* Notwithstanding anything herein to the contrary, the amounts and the timing of payments under Section 3.1(a) shall be adjusted in accordance with Section 3.2.

(c) *Time for Payment; Interest.* The cash amounts payable under this Section 3.1 shall be paid to Executive in a single lump sum within ten business days following the date of termination of employment except as may be required by Section 3.2(b). The Bank's obligation to pay to Executive any amounts under this Section 3.1 will bear interest at the lesser of (i) 10% or (ii) the maximum rate allowed by law until paid by the Bank, and all accrued and unpaid interest will bear interest at the same rate, all of which interest will be compounded annually.

(d) *Troubled Institution Limitations.* All payments and benefits hereunder are subject to the limitations on golden parachute and indemnification payments that may apply pursuant to 12 U.S.C. § 1828(k) and FDIC Regulation at 12 C.F.R. Part 359 or any other applicable law, including any law or regulation adopted in the future, that may prohibit payments under this Agreement. If certain circumstances occur that would limit payments hereunder, this limitation shall be applied by reducing the payments and benefits that exceed legal limitation unless consent to such payments is obtained pursuant to such regulations.

**3.2 Limitation of Payments.**

(a) *Golden Parachute.* Notwithstanding anything in this Agreement to the contrary, if Executive is a "disqualified individual" (as defined in section 280G(c) of the Code) and the benefits and payments provided for in this Agreement, together with any other payments or vesting of equity awards which Executive has the right to receive on account of a "change in control" (defined for this purpose in section 280G of the Code) would in the aggregate result in a "parachute payment" (as defined in section 280G(b)(2) of the Code) to Executive, the amount of such change in control payments shall be reduced by the Bank so that the aggregate of payments to Executive is the maximum change in control payment that does not constitute a parachute payment (such amount referred to herein as the "Safe Harbor Payment"); *provided, however,* such reduction shall not be applied if the net payment to Executive (after considering the effect of applicable excise taxes under section 4999 of the Code) is greater than the Safe Harbor Payment. If, as a result of the above calculations, payments or benefits are to be reduced to the Safe Harbor Payment, the reduction shall be applied in the following order: (i) cash severance pay that is exempt from section 409A, (ii) any other cash severance pay, (iii) continued health care benefits, (iv) any restricted stock, (v) any equity awards other than restricted stock and stock options, and (vi) stock options. Unless the Bank and Executive otherwise agree in writing, any determination required under this Section shall be made by an independent advisor designated by the Bank and reasonably acceptable to Executive (the "Independent Advisor"), whose determination shall be conclusive and binding upon Executive and the Bank for all purposes. For purposes of making the calculations required under this Section, the Independent Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of sections 280G and 4999 of the Code; provided that the Independent Advisor shall assume that Executive pays all taxes at the highest marginal rate in the absence of clear evidence to the contrary. The Bank and Executive shall furnish to the Independent Advisor such information and documents as the Independent Advisor may reasonably request in order to make a determination under this Section. The Bank shall bear all costs that the Independent Advisor may incur in connection with any calculations contemplated by this Section.

(b) *Section 409A.*

(1) To the extent payments or benefits under this Agreement are subject to Code Section 409A, this Agreement shall be interpreted to comply with such provisions. A payment of any amount or benefit paid to Executive that is subject to Section 409A of the Code and payable on account of termination of employment shall not be made unless such termination is also a "separation from service" within the meaning of section 409A of the Code and the regulations promulgated thereunder. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "resignation" or like terms shall mean "separation from service" within the meaning of section 409A of the Code. Notwithstanding anything to the contrary in this Agreement or otherwise, if at the time of Executive's "separation from service" Executive is a "specified employee" (as defined under section 409A of the Code), payments of "deferred compensation" (as defined under section 409A of the Code) that Executive would otherwise be entitled to receive during the six month period following the separation from service, whether paid under this Agreement or otherwise, will instead be accumulated and paid in a lump sum on the earlier of (i) the first day of the seventh month after the date of the separation from service, or (ii) the date of Executive's death. This paragraph shall apply only to the extent required to avoid Executive's incurrence of any additional tax or interest under section 409A of the Code.

(2) Nothing in this Agreement shall be construed to obligate the Bank to make an impermissible acceleration or deferral of payments under section 409A of the Code or any regulations or Treasury guidance promulgated thereunder. To the extent that payments hereunder would constitute an impermissible acceleration or deferral, payments shall be made in accordance with the terms of the applicable plan, program, arrangement or policy or at the time permitted under section 409A of the Code.

## ARTICLE IV.
## RESTRICTIVE COVENANTS

**Section 4.1 Non-solicitation.**

(a) Beginning on the Effective Date and for a period of one year after the date of termination of Executive's employment with the Bank or any of its Affiliates (the "Termination Date"), Executive will not, directly or indirectly, for himself/herself or for another, in any manner whatsoever, procure, solicit, accept or aid another in the procurement, solicitation or acceptance of financial services business (including without limitation, solicitation of banking or securities products and services), and other related products marketed by the Bank or its Affiliates, or make inquiries about any of those products from or to any person, firm, corporation or association which was at the Termination Date either doing business with the Bank or any of its Affiliates, in the Territory (as hereinafter defined), or being actively solicited by the Bank or any of its Affiliates during the 12 months prior to the Termination Date and Executive directly or indirectly interacted with, serviced, or solicited such account or customer.

(b) Beginning on the Effective Date and for a period of one year after the Termination Date, Executive will not induce, attempt to induce, solicit, encourage, or discuss employment with any other employee of the Bank or any of its Affiliates to terminate his or her employment with the Bank or its Affiliate, provided that if Executive's place of employment immediately prior to the Termination Date is in Alabama, the restrictions contained in this paragraph shall be limited to an employee who holds a position uniquely essential to the management, organization, or service of the Bank. Executive also agrees not to disclose the identity of any other employee of the Bank or an Affiliate to any other Competing Business (as hereinafter defined) for purposes of recruiting or hiring away such employee. Executive agrees not to hire any prospective employee for a Competing Business if Executive knows or should have known that such person works for the Bank or its Affiliate as of the Termination Date or during the six months prior to the Termination Date.

(c) Executive shall not, during the non-solicitation periods described in Sections 4.1(a) and 4.1(b) above, use or disclose to any other person the names of the Bank's or any of its Affiliates' customers, clients and the nature of their business with the Bank or its Affiliates.

(d) "**Competing Business**" shall mean any business which has engaged or engages in activities in any county or parish in any state in which the Bank or any Affiliate has an office or in any county or parish in any state where Executive, at the Termination Date or for 12 months prior to the Termination Date, performed services for the Bank or any Affiliate or drew customers (hereinafter, the "Territory") constituting or relating to the establishment, ownership, management or operation of a bank or financial services business or other related business (including without limitation, solicitation of banking or securities products and services) that competes with any business then being operated by the Bank, provided that the Bank was operating or had taken material steps toward becoming actively engaged in such business during the Employment Period.

**Section 4.2 Confidential Information.**

(a) Executive hereby covenants and agrees with the Bank that, beginning with the Effective Date and lasting in perpetuity, Executive will not disclose at any time or improperly use any Confidential Information (as defined below), including, but not limited to, any confidential or secret information concerning (A) the business, affairs or operations of the Bank or its Affiliates, or (B) any marketing, sales, operations, advertising or other concepts or plans of the Bank or its Affiliates. Executive shall, both during and after Executive's employment with the Bank, protect and maintain the confidential and/or proprietary character of all Confidential Information. Executive shall not, during or after termination of Executive's employment, directly or indirectly, use (for Executive or another) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential, except as may be necessary for the performance of Executive's duties under this Agreement. In the event such Confidential Information becomes publicly-known as a result of Executive's improper use or disclosure, all prohibitions and restrictions on Executive's conduct contained in this paragraph shall continue in force. In the event Executive is required by law to disclose such Confidential Information, Executive shall, to the extent legally permitted, provide written notice to the Bank within two business days of becoming aware of such requirement.

(b) As used herein, "Confidential Information" means all technical and business information (including agreements with third parties, product design, financial statements and related books and records, marketing plans, operations plans and structure, compensation arrangements, personnel records, customer lists and records, arrangements with customers and suppliers, manuals and reports) of the Bank and its Affiliates which is of a confidential and/or proprietary character and which is either developed by Executive (alone or with others) or to which Executive has had access during Executive's employment.

(c) Executive specifically acknowledges that the restrictions of Sections 4.1 and 4.2 as to time and manner of non-solicitation and non-disclosure or use of Confidential Information are reasonable and necessary to protect the legitimate business interests of Cadence.

(d) In accordance with the Defend Trade Secrets Act, Executive will not be held liable under any federal or state trade secret law for the disclosure of Confidential Information made in confidence to a federal, state, or local governmental official or to an attorney, each solely for the purpose of reporting or investigating a suspected violation of law. Further, nothing contained herein shall prohibit Executive from exercising any legally-protected whistleblower rights or participating in any government investigation.

**Section 4.3 Remedies, Modification and Severability**. Executive and Cadence agree that Executive's breach of Sections 4.1 and 4.2 of this Agreement will result in irreparable harm to the Bank, that no adequate remedy at law is available, and that the Bank shall be entitled to injunctive relief; *provided, however,* nothing herein shall prevent the Bank from pursuing any other remedies at law or at equity available to it. Should a court of competent jurisdiction declare any of the covenants set forth in Sections 4.1 or 4.2 unenforceable, the court shall be empowered to modify or reform such covenants so as to provide relief reasonably necessary to protect the interests of the Bank and to award injunctive relief, or damages, or both, to which the Bank may be entitled. If any provision of this Agreement is declared by a court of last resort to be invalid, Bank and Executive agree that such declaration shall not affect the validity of the other provisions of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the construction which renders it valid.

**Section 4.4 Mutual Non-Disparagement.** Executive agrees that Executive will not intentionally make any disparaging or detrimental public comments about Cadence, any of its officers, directors, employees, Affiliates or agents nor will Executive authorize, encourage or participate with anyone on Executive's behalf to make such statements. In consideration of the foregoing, Cadence shall instruct its directors and senior officers to refrain from intentionally making any disparaging or detrimental public comments about Executive. Nothing in this Section shall preclude either party from fulfilling any duty or obligation that he, she or it may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation, or, in the case of Executive, from taking any reasonable actions to enforce Executive's rights under this Agreement.

**Section 4.5 Acknowledgement.** For purposes of the restrictive covenants contained in this Agreement, Executive acknowledges that he or she has been provided with significant benefit, including, but not limited to confidential information, trade secrets, plans, and strategies of the Bank.

## ARTICLE V.
## GENERAL TERMS

**Section 5.1 Notices.** Any notice under this Agreement must be in writing and may be given by certified or registered mail, postage prepaid, addressed to the party or parties to be notified with return receipt requested, or by delivering the notice in person, to the relevant address set forth below, or to such other address as the recipient of such notice or communication has specified in writing to the other party hereto in accordance with this Section:
If to Cadence:

Chief Legal Officer
1333 West Loop South, 18th Floor
Attn: Shanna Kuzdzal
Houston, TX 77027

Notice to Executive may be to the then-current address of Executive on the records of Cadence.

**Section 5.2 Withholding; No Offset.** All payments required to be made by the Bank under this Agreement to Executive will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Executive may owe to Cadence or any other person, except as required by law.

**Section 5.3 Entire Agreement.** This Agreement constitutes the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

**Section 5.4 Amendment.** This Agreement may be amended in writing at any time by Cadence, provided that the Executive's written consent is required for any amendment that would diminish the benefits provided hereunder to Executive, except as may be necessary to maintain compliance with applicable provisions of the Code.

**Section 5.5 Choice of Law.** This Agreement and the performance hereof will be construed and governed in accordance with the internal laws of the State of Mississippi, without regard to its choice of law principles, except to the extent that federal law controls or preempts state law.

**Section 5.6 Successors and Assigns.** The obligations, duties and responsibilities of Executive under this Agreement are personal and shall not be assignable. In the event of Executive's death or disability, this Agreement shall be enforceable by Executive's estate, executors or legal representatives. Cadence shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, or otherwise) to all or substantially all of the business or assets of the Bank to expressly assume and agree to perform, by a written agreement in form and substance satisfactory to Executive, all of the obligations of Cadence under this Agreement. As used in this Agreement, the terms "Bank" and "Cadence" shall mean the Bank and Cadence as defined herein and any successor to their respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, written agreement, or otherwise.

**Section 5.7 Waiver of Provisions.** Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

**Section 5.8 Severability.** The provisions of this Agreement and the benefits and amounts payable hereunder shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement and/or benefit or payment shall be effective and binding upon the parties.

**Section 5.9 Attorneys' Fees.** In the event Cadence or Executive breaches any term or provision of this Agreement and the other party employs an attorney or attorneys to enforce the terms of this Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce this Agreement.

**Section 5.10 Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, Bank and Executive have caused this Agreement to be executed on the day and year indicated below to be effective as described above.

**EXECUTIVE**

/s/ Shanna Kuzdzal

By: ______________________________________

Shanna Kuzdzal

Date: 2/13/2024

**CADENCE BANK**

/s/ James D. Rollins, III

By: ______________________________________

James D. Rollins, III
Chief Executive Officer

Date: 2/20/2024

**EXHIBIT 10(g)**

# CADENCE BANK
# CHANGE IN CONTROL AGREEMENT

**This Change in Control Agreement** ("Agreement") is entered into by and among Cadence Bank, a Mississippi-chartered bank (the "Bank" or "Cadence"), and Ty Lambert ("Executive"), (collectively, the "Parties") to be effective as of January 1, 2024 (the "Effective Date").

**Whereas,** Executive is employed as the Chief Risk Officer of the Bank and is expected to make material contributions to the continued growth and strength of the Bank;

**Whereas,** Cadence recognizes the need to attract and retain well-qualified executives and key personnel and has identified Executive as such a person; and

**Whereas,** Executive was previously a party to a Change in Control Agreement with the Bank, dated September 24, 2020 (the "Prior Agreement");

**Whereas,** the Parties wish to amend and restate the Prior Agreement;

**Whereas,** the Parties acknowledge that sufficient consideration in the form of continued employment, the provision of confidential information, and certain desired modifications to the Prior Agreement is provided in this Agreement to support the amendment of the Prior Agreement; and

**Whereas,** the Parties acknowledge that no benefits are due under the Prior Agreement and that it shall be replaced in its entirety with this Agreement;

**Now, Therefore** based upon the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

## ARTICLE I.
## CONSTRUCTION AND TERM

**Section 1.1**. **Prior Agreement**. The Parties acknowledge and agree that no Change in Control occurred under the Prior Agreement and that no benefits accrued. Upon execution of this Agreement, the Prior Agreement shall no longer be enforceable by either party and shall be replaced in its entirety by the terms of this Agreement.

**Section 1.2**. **Term and Renewal**. The term of this Agreement shall commence on the Effective Date and shall expire December 31, 2026 ("Original Term"). If written notice of non-renewal is not provided by the Bank on or before December 31, 2024, the term shall be extended one year beyond the Original Term (the "Renewal Term"). Thereafter, if the Bank does not provide written notice of non-renewal on or before December 31 of any subsequent year, the Renewal Term shall be automatically extended by one year beyond the then-current Renewal Term. Notwithstanding the foregoing, this Agreement shall terminate upon Executive's termination of employment prior to the end of the Original Term or any Renewal Term.

**Section 1.3** **Employment Status**. Executive acknowledges that his or her employment is at-will and that nothing contained in this Agreement creates a right to continued employment.

## ARTICLE II.
## DEFINITIONS

Terms used in this Agreement that are defined are indicated by initial capitalization of the term. References to an “Article” or a "Section" mean an article or a section of this Agreement. In addition to those terms that are specifically defined herein, the following terms are defined for purposes hereof:

“Affiliate.” Affiliate means any entity that is a subsidiary organization of the Bank.

“Cause.” A termination of Executive’s employment for Cause means a termination of employment on account of any of the incidents described below as determined in the sole discretion of the Board of Directors. To terminate Executive’s employment for Cause, the Bank shall provide written notice to Executive setting forth the provision(s) under which it claims Cause within 90 days of the date that the Board of Directors has actual knowledge of the facts underlying the Cause event. Executive shall have the opportunity to cure such condition within 30 days after receiving notice, to the extent such condition or conduct is capable of cure, as determined in the sole discretion of the Board of Directors.

(1) Executive has engaged in an act of misconduct or dishonesty that is materially injurious to the Bank or an Affiliate;

(2) Executive has engaged in an act of fraud, embezzlement, theft, or any other crime of moral turpitude (without necessity of formal criminal proceedings being initiated);

(3) Executive has willfully violated a material Bank policy or procedure;

(4) Executive has been suspended and/or temporarily prohibited from participating in the affairs of the Bank or an Affiliate by any self-regulatory authority or pursuant to a notice served under section 8(e)(3) or (g)(1) of the Federal Deposit Insurance Act (12 U.S.C. §§1818(e)(3) and (g)(1)) or other law or regulation;

(5) Executive has breached the restrictive covenants in Sections 4.1 or 4.2;

(6) Executive has willfully impeded, failed to materially comply with, or attempted to influence or obstruct an investigation authorized by the Board of Directors; or

(7) Executive has willfully failed to substantially perform his/her reasonably-assigned duties with the Bank, excluding any failure resulting from incapacity due to physical or mental illness.

For purposes of determining whether an act or omission constituting Cause has occurred, no such act or omission shall be considered “willful” unless made by Executive in bad faith without a reasonable belief that the act or omission was legal, appropriate, and in the Bank’s best interests. Any act or omission occurring in reliance upon a directive of the Board of Directors made pursuant to a duly-adopted resolution or the advice of counsel to the Bank shall be deemed made in good faith.

The existence of Cause shall be determined in good faith by the Board of Directors of the Bank or the Compensation Committee of the Bank’s Board of Directors. The Bank shall have sole discretion in making its determination that an event constituting Cause has occurred; *provided, however,* that such determination must be made in a reasonable and good faith manner after Executive has been granted an opportunity to present information to the Board of Directors or the Compensation Committee, as applicable, regarding its determination. Such opportunity must be granted no fewer than five days following receipt by the Executive of notice that the Board of Directors or Compensation Committee, as applicable, plans to make a determination of the existence of Cause.

"Change in Control" means a transaction or circumstance in which any of the following have occurred:

(1) the merger, acquisition or consolidation of the Bank with any corporation or other legal entity pursuant to which the other entity immediately after such merger, acquisition or consolidation owns more than 65% of the voting securities (defined as any securities which vote generally in the election of its directors) of the Bank outstanding immediately prior thereto or more than 65% of the Bank’s total fair market value immediately prior thereto;

(2) the date that any person, or persons acting as a group, as described in Treas. Reg. § 1.409A-3(i)(5) (a “Person”), other than a trustee or other fiduciary holding securities under an employee benefit plan of the Bank or a corporation

controlling the Bank or owned directly or indirectly by the shareholders of the Bank in substantially the same proportions as their ownership of stock of the Bank, becomes the beneficial owner (as defined in Rule 13d-3 under the Securities and Exchange Act of 1934, as amended), directly or indirectly, of securities of the Bank representing more than 30% of the total voting power represented by the Bank's then outstanding voting securities (as defined above);

(3) the date that a majority of the members of the Board of Directors of the Bank is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board of Directors of the Bank before the date of the appointment or election; or

(4) the date that any Person acquires (or has acquired within the 12-month period ending on such date) assets from the Bank that have a gross fair market value equal to 40% or more of the fair market value of the Bank’s total assets; *provided, however,* that any of the following acquisitions will be excluded from such calculation:

(i) an acquisition by a shareholder of the Bank (immediately before the acquisition) in exchange for or with respect to its stock;

(ii) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by the Bank;

(iii) an acquisition by a Person that owns directly or indirectly 50% or more of the total value or voting power of the outstanding stock of the Bank; or

(iv) an acquisition by an entity 50% or more of the total value or voting power of which is owned directly or indirectly by a Person described in paragraph (iii) above.

“<u>COBRA</u>” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

“<u>Code</u>” means the Internal Revenue Code of 1986, as amended.

“<u>Compensation Committee</u>.” The Executive Compensation and Stock Incentive Committee of the Bank’s Board of Directors or any duly-appointed successor committee.

“<u>Good Reason</u>.” A termination of employment for Good Reason means a resignation or other termination of employment by Executive for any of the reasons described below, provided that the circumstances underlying such condition are not initiated by Executive or with Executive’s consent. Good Reason is further conditioned on the Executive providing written notice to Cadence of Executive’s intent to terminate within 90 days of the date that the facts giving rise to the Good Reason condition occurs and the Bank’s failure to materially cure such condition within 30 days after receiving such notice.

(1) A material diminution in Executive’s base salary or target annual bonus or incentive compensation opportunity.

(2) A material diminution in Executive's authority, duties, or obligations after taking into account any overall increased authority, duties or obligations resulting from a Change in Control that creates a materially-larger entity.

(3) A requirement that Executive report and be subject to the authority of an officer or employee of the Bank or an Affiliate who is neither the Chief Executive Officer of Cadence nor occupying a substantially-equivalent or superior role in the new organization.

(4) A relocation of Executive's principal place of employment by 50 miles or more.

(5) Any material breach of this Agreement by the Bank or the failure of any successor to assume this Agreement on and after a Change of Control.

## ARTICLE III.
## CHANGE IN CONTROL TERMINATION PAYMENT

**Section 3.1 Benefits.**

(a) *Amount.* Upon the occurrence of a Change in Control, and subject to the conditions, limitations and adjustments that are provided for herein, the Bank will provide to Executive the sum of the amounts described below if, within the 12-month period following such Change in Control, Executive's employment with the Bank and its Affiliates is terminated by the Bank without Cause or by the Executive for Good Reason:

(1) An amount equal to 200% of Executive's annual base compensation determined by reference to Executive’s base salary in effect at the time of Change in Control.

(2) An amount equal to 200% of the target annual bonus that Executive would be eligible to receive during the fiscal year ending during which the Change in Control occurs.

(3) An amount equal to 24 multiplied by the monthly cost of COBRA coverage for the level of coverage elected by the Executive for the year of termination of employment, less the employee-portion of such coverage paid by Executive as an active employee.

(4) If any fringe benefit program, policy, arrangement or insurer permits post-employment participation applicable to similarly-situated executives, Executive shall continue to participate for the lesser of the period permitted by such program, policy, arrangement or insurer or a period of 24 months following termination of service at the cost of the Bank.

(5) Unless specified otherwise in a subsequent agreement, immediate vesting of all equity incentive awards, provided that satisfaction of performance conditions of performance-based units shall be determined according to the underlying award agreement.

(b) *Adjustments.* Notwithstanding anything herein to the contrary, the amounts and the timing of payments under Section 3.1(a) shall be adjusted in accordance with Section 3.2.

(c) *Time for Payment; Interest.* The cash amounts payable under this Section 3.1 shall be paid to Executive in a single lump sum within ten business days following the date of termination of employment except as may be required by Section 3.2(b). The Bank's obligation to pay to Executive any amounts under this Section 3.1 will bear interest at the lesser of (i) 10% or (ii) the maximum rate allowed by law until paid by the Bank, and all accrued and unpaid interest will bear interest at the same rate, all of which interest will be compounded annually.

(d) *Troubled Institution Limitations.* All payments and benefits hereunder are subject to the limitations on golden parachute and indemnification payments that may apply pursuant to 12 U.S.C. § 1828(k) and FDIC Regulation at 12 C.F.R. Part 359 or any other applicable law, including any law or regulation adopted in the future, that may prohibit payments under this Agreement. If certain circumstances occur that would limit payments hereunder, this limitation shall be applied by reducing the payments and benefits that exceed legal limitation unless consent to such payments is obtained pursuant to such regulations.

**Section 3.2 Limitation of Payments.**

(a) *Golden Parachute.* Notwithstanding anything in this Agreement to the contrary, if Executive is a “disqualified individual” (as defined in section 280G(c) of the Code) and the benefits and payments provided for in this Agreement, together with any other payments or vesting of equity awards which Executive has the right to receive on account of a “change in control” (defined for this purpose in section 280G of the Code) would in the aggregate result in a “parachute payment” (as defined in section 280G(b)(2) of the Code) to Executive, the amount of such change in control payments shall be reduced by the Bank so that the aggregate of payments to Executive is the maximum change in control payment that does not constitute a parachute payment (such amount referred to herein as the “Safe Harbor Payment”); *provided, however,* such reduction shall not be applied if the net payment to Executive (after considering the effect of applicable excise taxes under section 4999 of the Code) is greater than the Safe Harbor Payment. If, as a result of the above calculations, payments or benefits are to be reduced to the Safe Harbor Payment, the reduction shall be applied in the following order: (i) cash severance pay that is exempt from section 409A, (ii) any other cash severance pay, (iii) continued health care benefits, (iv) any restricted stock, (v) any equity awards other than restricted stock and stock options, and (vi) stock options. Unless the Bank and Executive otherwise agree in writing, any determination required under this Section shall be made by an independent advisor designated by the Bank and reasonably acceptable to Executive (the “Independent Advisor”), whose determination shall be conclusive and binding upon Executive and the Bank for all purposes. For purposes of making the calculations required under this Section, the Independent

Advisor may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of sections 280G and 4999 of the Code; provided that the Independent Advisor shall assume that Executive pays all taxes at the highest marginal rate in the absence of clear evidence to the contrary. The Bank and Executive shall furnish to the Independent Advisor such information and documents as the Independent Advisor may reasonably request in order to make a determination under this Section. The Bank shall bear all costs that the Independent Advisor may incur in connection with any calculations contemplated by this Section.

(b) *Section 409A.*

(1) To the extent payments or benefits under this Agreement are subject to Code Section 409A, this Agreement shall be interpreted to comply with such provisions. A payment of any amount or benefit paid to Executive that is subject to Section 409A of the Code and payable on account of termination of employment shall not be made unless such termination is also a "separation from service" within the meaning of section 409A of the Code and the regulations promulgated thereunder. For purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "resignation" or like terms shall mean "separation from service" within the meaning of section 409A of the Code. Notwithstanding anything to the contrary in this Agreement or otherwise, if at the time of Executive's "separation from service" Executive is a "specified employee" (as defined under section 409A of the Code), payments of "deferred compensation" (as defined under section 409A of the Code) that Executive would otherwise be entitled to receive during the six month period following the separation from service, whether paid under this Agreement or otherwise, will instead be accumulated and paid in a lump sum on the earlier of (i) the first day of the seventh month after the date of the separation from service, or (ii) the date of Executive's death. This paragraph shall apply only to the extent required to avoid Executive's incurrence of any additional tax or interest under section 409A of the Code.

(2) Nothing in this Agreement shall be construed to obligate the Bank to make an impermissible acceleration or deferral of payments under section 409A of the Code or any regulations or Treasury guidance promulgated thereunder. To the extent that payments hereunder would constitute an impermissible acceleration or deferral, payments shall be made in accordance with the terms of the applicable plan, program, arrangement or policy or at the time permitted under section 409A of the Code.

## ARTICLE IV.
## RESTRICTIVE COVENANTS

**Section 4.1 Non-solicitation.**

(a) Beginning on the Effective Date and for a period of one year after the date of termination of Executive's employment with the Bank or any of its Affiliates (the "Termination Date"), Executive will not, directly or indirectly, for himself/herself or for another, in any manner whatsoever, procure, solicit, accept or aid another in the procurement, solicitation or acceptance of financial services business (including without limitation, solicitation of banking or securities products and services), and other related products marketed by the Bank or its Affiliates, or make inquiries about any of those products from or to any person, firm, corporation or association which was at the Termination Date either doing business with the Bank or any of its Affiliates, in the Territory (as hereinafter defined), or being actively solicited by the Bank or any of its Affiliates during the 12 months prior to the Termination Date and Executive directly or indirectly interacted with, serviced, or solicited such account or customer.

(b) Beginning on the Effective Date and for a period of one year after the Termination Date, Executive will not induce, attempt to induce, solicit, encourage, or discuss employment with any other employee of the Bank or any of its Affiliates to terminate his or her employment with the Bank or its Affiliate, provided that if Executive's place of employment immediately prior to the Termination Date is in Alabama, the restrictions contained in this paragraph shall be limited to an employee who holds a position uniquely essential to the management, organization, or service of the Bank. Executive also agrees not to disclose the identity of any other employee of the Bank or an Affiliate to any other Competing Business (as hereinafter defined) for purposes of recruiting or hiring away such employee. Executive agrees not to hire any prospective employee for a Competing Business if Executive knows or should have known that such person works for the Bank or its Affiliate as of the Termination Date or during the six months prior to the Termination Date.

(c) Executive shall not, during the non-solicitation periods described in Sections 4.1(a) and 4.1(b) above, use or disclose to any other person the names of the Bank's or any of its Affiliates' customers, clients and the nature of their business with the Bank or its Affiliates.

(d) "Competing Business" shall mean any business which has engaged or engages in activities in any county or parish in any state in which the Bank or any Affiliate has an office or in any county or parish in any state where Executive, at the

Termination Date or for 12 months prior to the Termination Date, performed services for the Bank or any Affiliate or drew customers (hereinafter, the "Territory") constituting or relating to the establishment, ownership, management or operation of a bank or financial services business or other related business (including without limitation, solicitation of banking or securities products and services) that competes with any business then being operated by the Bank, provided that the Bank was operating or had taken material steps toward becoming actively engaged in such business during the Employment Period.

**Section 4.2 Confidential Information.**

(a) Executive hereby covenants and agrees with the Bank that, beginning with the Effective Date and lasting in perpetuity, Executive will not disclose at any time or improperly use any Confidential Information (as defined below), including, but not limited to, any confidential or secret information concerning (A) the business, affairs or operations of the Bank or its Affiliates, or (B) any marketing, sales, operations, advertising or other concepts or plans of the Bank or its Affiliates. Executive shall, both during and after Executive's employment with the Bank, protect and maintain the confidential and/or proprietary character of all Confidential Information. Executive shall not, during or after termination of Executive's employment, directly or indirectly, use (for Executive or another) or disclose any Confidential Information, for so long as it shall remain proprietary or protectable as confidential, except as may be necessary for the performance of Executive's duties under this Agreement. In the event such Confidential Information becomes publicly-known as a result of Executive's improper use or disclosure, all prohibitions and restrictions on Executive's conduct contained in this paragraph shall continue in force. In the event Executive is required by law to disclose such Confidential Information, Executive shall, to the extent legally permitted, provide written notice to the Bank within two business days of becoming aware of such requirement.

(b) As used herein, "Confidential Information" means all technical and business information (including agreements with third parties, product design, financial statements and related books and records, marketing plans, operations plans and structure, compensation arrangements, personnel records, customer lists and records, arrangements with customers and suppliers, manuals and reports) of the Bank and its Affiliates which is of a confidential and/or proprietary character and which is either developed by Executive (alone or with others) or to which Executive has had access during Executive's employment.

(c) Executive specifically acknowledges that the restrictions of Sections 4.1 and 4.2 as to time and manner of non-solicitation and non-disclosure or use of Confidential Information are reasonable and necessary to protect the legitimate business interests of Cadence.

(d) In accordance with the Defend Trade Secrets Act, Executive will not be held liable under any federal or state trade secret law for the disclosure of Confidential Information made in confidence to a federal, state, or local governmental official or to an attorney, each solely for the purpose of reporting or investigating a suspected violation of law. Further, nothing contained herein shall prohibit Executive from exercising any legally-protected whistleblower rights or participating in any government investigation.

**Section 4.3 Remedies, Modification and Severability**. Executive and Cadence agree that Executive's breach of Sections 4.1 and 4.2 of this Agreement will result in irreparable harm to the Bank, that no adequate remedy at law is available, and that the Bank shall be entitled to injunctive relief; *provided, however,* nothing herein shall prevent the Bank from pursuing any other remedies at law or at equity available to it. Should a court of competent jurisdiction declare any of the covenants set forth in Sections 4.1 or 4.2 unenforceable, the court shall be empowered to modify or reform such covenants so as to provide relief reasonably necessary to protect the interests of the Bank and to award injunctive relief, or damages, or both, to which the Bank may be entitled. If any provision of this Agreement is declared by a court of last resort to be invalid, Bank and Executive agree that such declaration shall not affect the validity of the other provisions of this Agreement. If any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the construction which renders it valid.

**Section 4.4 Mutual Non-Disparagement.** Executive agrees that Executive will not intentionally make any disparaging or detrimental public comments about Cadence, any of its officers, directors, employees, Affiliates or agents nor will Executive authorize, encourage or participate with anyone on Executive's behalf to make such statements. In consideration of the foregoing, Cadence shall instruct its directors and senior officers to refrain from intentionally making any disparaging or detrimental public comments about Executive. Nothing in this Section shall preclude either party from fulfilling any duty or obligation that he, she or it may have at law, from responding to any subpoena or official inquiry from any court or government agency, including providing truthful testimony, documents subpoenaed or requested or otherwise cooperating in good faith with any proceeding or investigation, or, in the case of Executive, from taking any reasonable actions to enforce Executive's rights under this Agreement.

**Section 4.5 Acknowledgement.** For purposes of the restrictive covenants contained in this Agreement, Executive acknowledges that he or she has been provided with significant benefit, including, but not limited to confidential information, trade secrets, plans, and strategies of the Bank.

## ARTICLE V.
## GENERAL TERMS

**Section 5.1 Notices.** Any notice under this Agreement must be in writing and may be given by certified or registered mail, postage prepaid, addressed to the party or parties to be notified with return receipt requested, or by delivering the notice in person, to the relevant address set forth below, or to such other address as the recipient of such notice or communication has specified in writing to the other party hereto in accordance with this Section:

If to Cadence:

Chief Legal Officer
1333 West Loop South, 18th Floor
Attn: Shanna Kuzdzal
Houston, TX 77027

Notice to Executive may be to the then-current address of Executive on the records of Cadence.

**Section 5.2 Withholding; No Offset.** All payments required to be made by the Bank under this Agreement to Executive will be subject to the withholding of such amounts, if any, relating to federal, state and local taxes as may be required by law. No payment under this Agreement will be subject to offset or reduction attributable to any amount Executive may owe to Cadence or any other person, except as required by law.

**Section 5.3 Entire Agreement.** This Agreement constitutes the complete and entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties. The parties have executed this Agreement based upon the express terms and provisions set forth herein and have not relied on any communications or representations, oral or written, which are not set forth in this Agreement.

**Section 5.4 Amendment.** This Agreement may be amended in writing at any time by Cadence, provided that the Executive's written consent is required for any amendment that would diminish the benefits provided hereunder to Executive, except as may be necessary to maintain compliance with applicable provisions of the Code.

**Section 5.5 Choice of Law.** This Agreement and the performance hereof will be construed and governed in accordance with the internal laws of the State of Mississippi, without regard to its choice of law principles, except to the extent that federal law controls or preempts state law.

**Section 5.6 Successors and Assigns.** The obligations, duties and responsibilities of Executive under this Agreement are personal and shall not be assignable. In the event of Executive's death or disability, this Agreement shall be enforceable by Executive's estate, executors or legal representatives. Cadence shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect, by purchase, merger, consolidation, reorganization, or otherwise) to all or substantially all of the business or assets of the Bank to expressly assume and agree to perform, by a written agreement in form and substance satisfactory to Executive, all of the obligations of Cadence under this Agreement. As used in this Agreement, the terms "Bank" and "Cadence" shall mean the Bank and Cadence as defined herein and any successor to their respective business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, written agreement, or otherwise.

**Section 5.7 Waiver of Provisions.** Any waiver of any terms and conditions hereof must be in writing and signed by the parties hereto. The waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other terms and conditions hereof.

**Section 5.8 Severability.** The provisions of this Agreement and the benefits and amounts payable hereunder shall be deemed severable, and if any portion shall be held invalid, illegal or enforceable for any reason, the remainder of this Agreement and/or benefit or payment shall be effective and binding upon the parties.

**Section 5.9** **Attorneys' Fees.** In the event Cadence or Executive breaches any term or provision of this Agreement and the other party employs an attorney or attorneys to enforce the terms of this Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce this Agreement.

**Section 5.10** **Counterparts.** This Agreement may be executed in multiple counterparts, each of which will be deemed an original, and all of which together will constitute one and the same instrument.

**IN WITNESS WHEREOF**, Bank and Executive have caused this Agreement to be executed on the day and year indicated below to be effective as described above.

**EXECUTIVE**

/s/ Ty Lambert
By: ______________________________
Ty Lambert
Date: 2/20/2024

**CADENCE BANK**

/s/ James D. Rollins, III
By: ______________________________
James D. Rollins, III
Chief Executive Officer
Date: 2/22/2024

**EXHIBIT 31.1**

**CADENCE BANK**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James D. Rollins III, certify that:

1. I have reviewed this quarterly report on Form 10-Q ("this report") of Cadence Bank;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2024

/s/ James D. Rollins III
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James D. Rollins III
Chief Executive Officer

**EXHIBIT 31.2**

**CADENCE BANK**

**CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Valerie C. Toalson, certify that:

1. I have reviewed this quarterly report on Form 10-Q (“this report”) of Cadence Bank;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant’s Board of Directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2024

/s/ Valerie C. Toalson
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Valerie C. Toalson
Senior Executive Vice President and Chief Financial Officer (Principal Accounting Officer)

**EXHIBIT 32.1**

**CADENCE BANK**

**CERTIFICATION PURSUANT TO**

**18 U.S.C. SECTION 1350,**

**AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this quarterly report on Form 10-Q of Cadence Bank (the "Company"), for the quarter ended March 31, 2024, as filed with the Federal Deposit Insurance Corporation on the date hereof (the "Report"), I, James D. Rollins III, Chief Executive Officer of the Company, certify in my capacity as an executive officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 10, 2024

/s/ James D. Rollins III
James D. Rollins III
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Federal Deposit Insurance Corporation or its staff upon request.

**EXHIBIT 32.2**

# CADENCE BANK

## CERTIFICATION PURSUANT TO

## 18 U.S.C. SECTION 1350,

## AS ADOPTED PURSUANT TO

## SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this quarterly report on Form 10-Q of Cadence Bank (the "Company"), for the quarter ended March 31, 2024, as filed with the Federal Deposit Insurance Corporation on the date hereof (the "Report"), I, Valerie C. Toalson, Chief Financial Officer of the Company, certify in my capacity as an executive officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 10, 2024

/s/ Valerie C. Toalson
Valerie C. Toalson
Senior Executive Vice President and Chief Financial Officer (Principal Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Federal Deposit Insurance Corporation or its staff upon request.