



**CADENCE**  
Bank

Second Quarter 2023  
Financial Results

*Presented July 25, 2023*

# Second Quarter 2023 Financial Highlights



|                             |  |
|-----------------------------|--|
| <b>Earnings Highlights</b>  | <ul style="list-style-type: none"> <li>● Net income available to common shareholders of \$111.7 million, or \$0.61 per diluted common share, and adjusted net income available to common shareholders<sup>(1)</sup> of \$116.9 million, or \$0.64 adjusted earnings per common share,<sup>(1)</sup> reflecting strong growth in lending and fee businesses and lower expenses, partially offset by the impact of higher deposit costs.</li> <li>● Return on average tangible common equity<sup>(1)</sup> was 16.1% and the adjusted return on average tangible common equity<sup>(1)</sup> was 16.8% for the quarter.</li> <li>● Adjusted pre-tax pre-provision net revenue<sup>(1)</sup> of \$168.8 million in 2Q23, or 1.38% of average assets.</li> </ul> |
| <b>Balance Sheet</b>        | <ul style="list-style-type: none"> <li>● Net organic loan growth of \$1.3 billion in 2Q23, or 16.3% annualized; YTD growth of \$2.2 billion, or 14.7% annualized.</li> <li>● Total deposits declined \$704.8 million during the quarter; YTD decline of \$254.9 million or 1.3% annualized.</li> <li>● Loan to deposit ratio was 84.1% and securities to total assets was 21.0%, reflecting strong balance sheet liquidity.</li> <li>● Short-term borrowings declined \$2.2 billion during the quarter to \$3.5 billion at June 30, 2023.</li> </ul>   |
| <b>Credit</b>               | <ul style="list-style-type: none"> <li>● Net charge-offs for the second quarter of 2023 were \$12.7 million, or 0.16% of average net loans and leases on an annualized basis, driven primarily by the charge down of one C&amp;I credit that was previously identified as impaired.</li> <li>● Allowance for credit losses was stable at 1.43% of net loans and leases at June 30, 2023.</li> <li>● Total non-performing assets as a percent of total assets were 0.34% at June 30, 2023, compared to 0.27% at June 30, 2022 and 0.33% at March 31, 2023.</li> </ul>   |
| <b>Revenue and Expenses</b> | <ul style="list-style-type: none"> <li>● Total revenue of \$465.8 million in 2Q23, down 2.9% compared to the prior quarter (excluding securities gains and losses) as net interest revenue was negatively impacted by higher funding costs, partially offset by meaningful growth in several noninterest revenue sources including record quarterly insurance revenue of \$45.6 million.</li> <li>● Adjusted noninterest expenses<sup>(1)</sup> was \$297.0 million, down \$8 million or 2.6% from the prior quarter; adjusted efficiency ratio<sup>(1)</sup> was 63.6% in 2Q23. Ongoing efficiency initiatives are projected to result in \$35 - \$40 million in annual cost saves.</li> </ul>  |
| <b>Capital</b>              | <ul style="list-style-type: none"> <li>● Total shareholders' equity was stable at \$4.5 billion, and \$5.6 billion excluding AOCI<sup>(1)</sup>.</li> <li>● Tier 1 capital ratio of 10.5% and total risk-based capital ratio of 12.7% estimated as of June 30, 2023.</li> <li>● No buyback of common stock during 2Q23. 2023 repurchase authorization is 10 million shares of common stock.</li> </ul>   |

<sup>(1)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

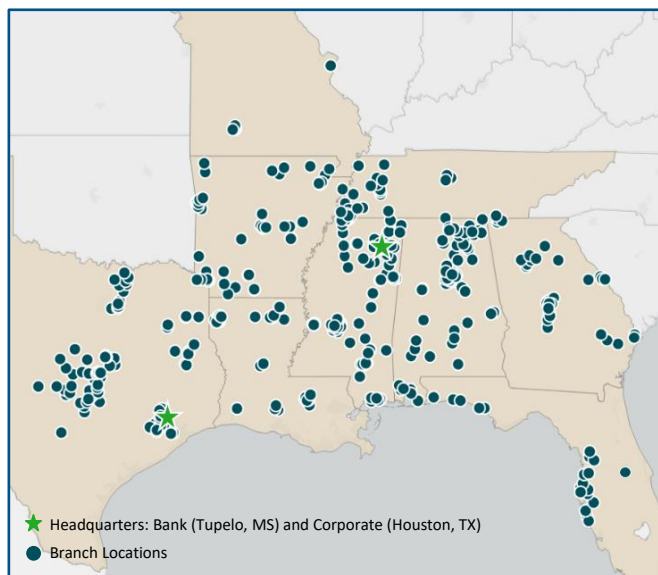
# Summary Financial Results

\$ in millions, unless otherwise indicated

|   | Three Months/Period Ended |          |          | % Change |          |
|---|---------------------------|----------|----------|----------|----------|
|   | 6/30/23                   | 3/31/23  | 6/30/22  | QoQ      | YoY      |
| Net interest revenue  | \$ 333.6                  | \$ 354.3 | \$ 324.8 | (5.8) %  | 2.7 %    |
| Provision for credit losses   | 15.0                      | 10.0     | 1.0      | 50.0     | NM       |
| Noninterest revenue   | 132.3                     | 74.1     | 125.2    | 78.6     | 5.6      |
| Noninterest expense   | 303.9                     | 319.3    | 285.9    | (4.8)    | 6.3      |
| Income before income taxes  | 147.0                     | 99.1     | 163.1    | 48.4     | (9.9)    |
| Income tax expense  | 32.9                      | 22.4     | 36.2     | 46.8     | (8.9)    |
| Net income  | \$ 114.0                  | \$ 76.6  | \$ 127.0 | 48.8 %   | (10.2) % |
| Less: Preferred dividends   | 2.4                       | 2.4      | 2.4      | -        | -        |
| Net income available to common shareholders                         | \$ 111.7                  | \$ 74.3  | \$ 124.6 | 50.4 %   | (10.4) % |
| Plus: Non-routine items, net of tax                                 | 5.2                       | 48.6     | 9.6      | (89.3)   | (45.7)   |
| Adjusted net income available to common shareholders <sup>(1)</sup> | \$ 116.9                  | \$ 124.4 | \$ 134.2 | (6.1) %  | (12.9) % |
| Diluted earnings per share  | \$ 0.61                   | \$ 0.40  | \$ 0.68  | 50.5 %   | (10.6) % |
| Adjusted earnings per share <sup>(1)</sup>                          | \$ 0.64                   | \$ 0.68  | \$ 0.73  | (6.4)    | (12.8)   |
| Return on average assets  | 0.93%                     | 0.64%    | 1.08%    | 45.9 %   | (13.7) % |
| Return on average common shareholders' equity                       | 10.24%                    | 7.12%    | 11.47%   | 43.9     | (10.7)   |
| Adjusted return on average assets <sup>(1)</sup>                    | 0.97%                     | 1.06%    | 1.16%    | (8.0) %  | (16.0) % |
| Adjusted return on average tangible common equity <sup>(1)</sup>    | 16.80%                    | 19.10%   | 19.50%   | (12.0)   | (13.8)   |
| Adjusted pre-tax pre-provision net revenue (PPNR) <sup>(1)</sup>    | \$ 168.8                  | \$ 174.6 | \$ 176.7 | (3.3) %  | (4.5) %  |
| Adjusted PPNR to total average assets <sup>(1)</sup>                | 1.38%                     | 1.46%    | 1.51%    | (5.5)    | (8.6)    |
| Tangible book value per share, including AOCI <sup>(1)</sup>        | \$ 15.01                  | \$ 14.99 | \$ 14.73 | 0.1 %    | 1.9 %    |
| Tangible book value per share, excluding AOCI <sup>(1)</sup>        | \$ 21.37                  | \$ 20.91 | \$ 19.87 | 2.2 %    | 7.6 %    |

<sup>(1)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

# Durable and Diverse Deposit Franchise



- > **350<sup>(1)</sup>** Full-Service Branches across 9 States
- < **\$22k** Average Consumer Account Balance
- < **\$132k** Average Commercial Account Balance
- ~ **98%<sup>(2)</sup>** Number of Deposit Accounts <\$250k
- ~ **75%** Dollar Amount FDIC Insured or Collateralized

| State        | Total Deposits (\$B) | % of Total  | Deposit Mkt. Share Rank <sup>(3)</sup> |
|--------------|----------------------|-------------|--|
| Texas        | \$ 12.6              | 33%         | 11                                     |
| Mississippi  | 9.4                  | 24%         | 3                                      |
| Alabama      | 4.4                  | 11%         | 6                                      |
| Georgia      | 3.7                  | 9%          | 13                                     |
| Tennessee    | 2.4                  | 6%          | 15                                     |
| Arkansas     | 2.0                  | 5%          | 8                                      |
| Florida      | 1.9                  | 5%          | 40                                     |
| Louisiana    | 1.8                  | 5%          | 12                                     |
| Missouri     | 0.5                  | 1%          | 69                                     |
| <b>Total</b> | <b>\$ 38.7</b>       | <b>100%</b> | <b>-</b>                               |

- Transformational merger closed in October 2021, combining two historic institutions. BancorpSouth with 147 years of history, and Cadence with 136 years of history.
- Established Texas and Southern markets provide stable, high-quality funding to complement middle market commercial growth.
- Total Deposit Mix (by dollar amount): 77% housed in Community Banking and 23% in Corporate Banking & Other.
- Approximately 982,000 unique customer deposit accounts: ~86% consumer and ~14% commercial and other.

<sup>(1)</sup> Reflects the announced branch optimization, which will target the closing of 35 branches in the third quarter of 2023.

<sup>(2)</sup> Deposits are insured up to at least \$250,000 per depositor, per FDIC-insured bank, per ownership category.

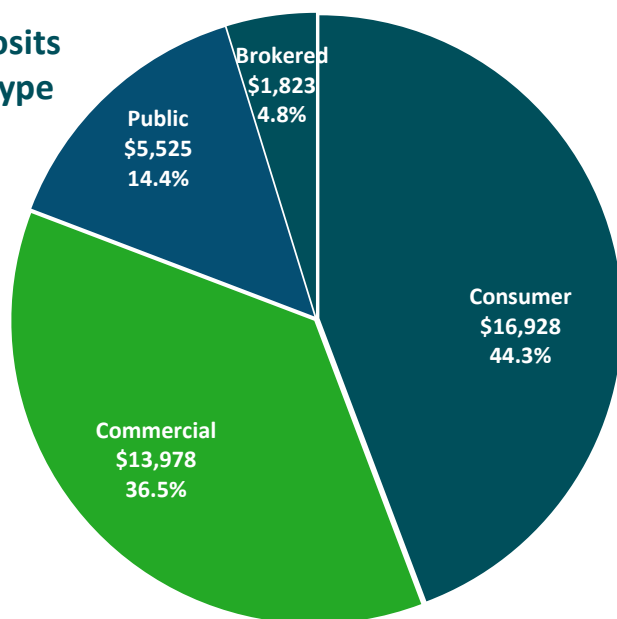
<sup>(3)</sup> Rank as of June 30, 2022, FDIC summary of deposit data.

# Strong Deposit Base

\$ in millions, unless otherwise indicated

|                             | As of 6/30/23 |            | As of 3/31/23 |            | As of 6/30/22 |            |
|-----------------------------|---------------|------------|---------------|------------|---------------|------------|
|                             | Balance       | % of Total | Balance       | % of Total | Balance       | % of Total |
| Noninterest Bearing Demand  | \$10,224      | 26.4%      | \$11,517      | 29.2%      | \$14,013      | 34.9%      |
| Interest Bearing Demand     | 18,089        | 46.7%      | 18,147        | 46.1%      | 19,033        | 47.4%      |
| Savings                     | 2,984         | 7.7%       | 3,227         | 8.2%       | 3,736         | 9.3%       |
| Other Time                  | 7,406         | 19.1%      | 6,516         | 16.5%      | 3,408         | 8.5%       |
| Total Deposits (period end) | \$38,702      | 100.0%     | \$39,406      | 100.0%     | \$40,189      | 100.0%     |
| Total Cost of Deposits      | 1.87%         |            | 1.28%         |            | 0.17%         |            |

## Deposits by Type



## HIGHLIGHTS

- Total deposits decreased \$704.8 million to \$38.7 billion as of June 30, 2023, with the decline primarily in corporate accounts activity. Our community bank reflected outflows of approximately \$130 million. Total brokered deposits were down slightly linked-quarter to \$1.8 billion.
- Noninterest bearing deposits were 26.4% of total deposits at June 30, 2023.
- The loan to deposit ratio was 84.1%, reflecting solid liquidity.
- Approximately 78% or \$30.6 billion of total deposits are housed in our Community Banking, which YTD have grown deposits \$347 million.
- As of 6/30/23, deposits are diverse with top commercial deposit sectors including finance and insurance at 6.1% of total deposits; real estate, rental and leasing at 5.8%; and construction at 3.7%.
- Long-standing customer relationships:
  - 40% of total deposits with 15+ year relationships
  - 12% are at 10-15 years
  - 20% are at 5-10 years.

# Diversified Loan Portfolio

\$ in millions, unless otherwise indicated

## HIGHLIGHTS

- Net loans and leases increased \$1.3 billion during the second quarter, or 4.1% , to \$32.6 billion. Consistent with prior quarters, the loan growth continues to be very diverse from both a loan category and geographic standpoint, including approximately \$557 million in C&I, \$268 million CRE and \$454 million in Residential Mortgages. 2Q23 C&I loan growth included a \$350 million, short-term accommodation related to a fully secured municipal client, which paid off after quarter end.
- Total line utilization increased slightly during the quarter, rising to 49.8% at June 30, 2023, compared to 48.1% at March 31, 2023.
- The loan portfolio mix remains well-balanced with commercial and industrial the largest segment at 43.0% of total loans, commercial real estate at 28.7% and consumer at 28.3% as of June 30, 2023.

## Period Ending Loans

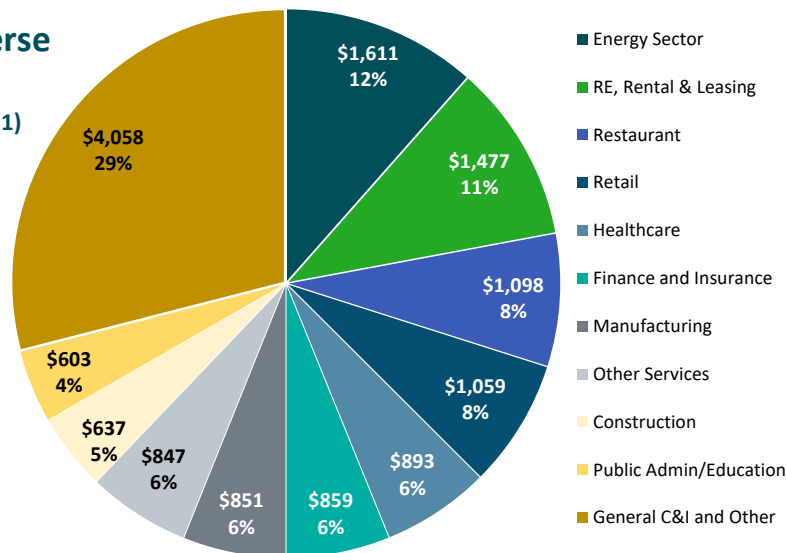
|  | As of 6/30/23   |               | As of 3/31/23   |               | As of 6/30/22   |               |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|  | Balance         | % of Total    | Balance         | % of Total    | Balance         | % of Total    |
| <b>Commercial and Industrial ("C&amp;I")</b> |                 |               |                 |               |                 |               |
| Non Real Estate                              | \$9,636         | 29.6%         | \$9,159         | 29.3%         | \$8,526         | 30.1%         |
| Owner Occupied                               | 4,358           | 13.4%         | 4,278           | 13.7%         | 3,851           | 13.6%         |
| Total C&I                                    | 13,994          | 43.0%         | 13,438          | 43.0%         | 12,378          | 43.6%         |
| <b>Commercial Real Estate ("CRE")</b>        |                 |               |                 |               |                 |               |
| Construction, Acquisition and Development    | 3,744           | 11.5%         | 3,703           | 11.8%         | 2,982           | 10.5%         |
| Income Producing                             | 5,596           | 17.2%         | 5,369           | 17.2%         | 5,054           | 17.8%         |
| Total CRE                                    | 9,340           | 28.7%         | 9,072           | 29.0%         | 8,036           | 28.3%         |
| <b>Consumer</b>                              |                 |               |                 |               |                 |               |
| Residential Mortgages                        | 8,990           | 27.6%         | 8,536           | 27.3%         | 7,663           | 27.0%         |
| Other consumer                               | 232             | 0.7%          | 237             | 0.8%          | 284             | 1.0%          |
| Total Consumer                               | 9,222           | 28.3%         | 8,773           | 28.0%         | 7,946           | 28.0%         |
| <b>Total Loans and Leases</b>                | <b>\$32,557</b> | <b>100.0%</b> | <b>\$31,283</b> | <b>100.0%</b> | <b>\$28,360</b> | <b>100.0%</b> |

# Commercial & Industrial (C&I)

\$ in millions, unless otherwise indicated

| C&I Industry Breakout  | 2Q23             | % of Total C&I | % of Total Loans | Δ vs. 1Q23    |           | Δ vs. 2Q22      |            |
|------------------------|------------------|----------------|------------------|---------------|-----------|-----------------|------------|
|                        |                  |                |                  | \$            | %         | \$              | %          |
| Energy Sector          | \$ 1,611         | 12%            | 5%               | \$ 40         | 3%        | \$ 177          | 12%        |
| RE, Rental & Leasing   | 1,477            | 11%            | 5%               | 58            | 4%        | 190             | 15%        |
| Restaurant             | 1,098            | 8%             | 3%               | (3)           | 0%        | 12              | 1%         |
| Retail                 | 1,059            | 8%             | 3%               | 6             | 1%        | 215             | 26%        |
| Healthcare             | 893              | 6%             | 3%               | (6)           | -1%       | 71              | 9%         |
| Finance and Insurance  | 859              | 6%             | 3%               | 16            | 2%        | (11)            | -1%        |
| Manufacturing          | 851              | 6%             | 3%               | 17            | 2%        | 77              | 10%        |
| Other Services         | 847              | 6%             | 3%               | 48            | 6%        | 77              | 10%        |
| Construction           | 637              | 5%             | 2%               | (16)          | -3%       | (57)            | -8%        |
| Public Admin/Education | 603              | 4%             | 2%               | (3)           | 0%        | 149             | 33%        |
| General C&I and Other  | 4,058            | 29%            | 12%              | 400           | 11%       | 716             | 21%        |
| <b>TOTAL</b>           | <b>\$ 13,994</b> | <b>100%</b>    | <b>43%</b>       | <b>\$ 557</b> | <b>4%</b> | <b>\$ 1,617</b> | <b>13%</b> |

## Diverse C&I Mix<sup>(1)</sup>



<sup>(1)</sup> Percentages represent the % of C&I loans.  
Note: Figures may not total due to rounding.

## HIGHLIGHTS

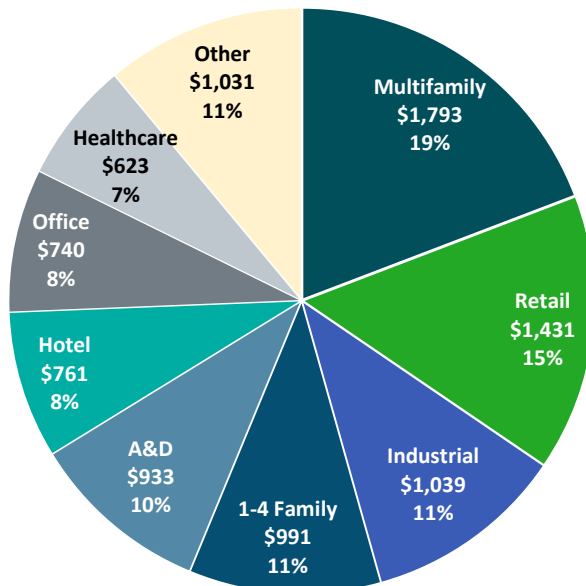
- C&I is the largest segment of the loan portfolio at 43.0% of total loans as of June 30, 2023, and increased 4.1% during the second quarter of 2023.
- The \$14.0 billion C&I portfolio includes 69% C&I Non-Real Estate and 31% C&I Owner-Occupied.
- Granular average loan balance of \$443 thousand for C&I Non-Real Estate and \$512 thousand for C&I Owner-Occupied.
- Texas represents our largest exposure by state, with 41% of C&I Non-Real Estate and 38% of C&I Owner-Occupied as of June 30, 2023.
- In the second quarter of 2023, total C&I charge-offs were \$13.6 million, which was partially offset by \$1.4 million in recoveries.
- C&I Non-Real Estate NPLs to total C&I Non-Real Estate loans of 0.75% at 6/30/23, vs. 0.40% at 6/30/22 and 0.72% at 3/31/23.
- C&I Owner-Occupied NPLs to total C&I Owner-Occupied loans were 0.17% at 6/30/23, compared to 0.25% at 6/30/22 and 0.21% at 3/31/23.
- Shared national credits represented 13.5% of total loans as of June 30, 2023, supporting our large-sized commercial customers and specialized industries.

# Commercial Real Estate (CRE)

\$ in millions, unless otherwise indicated

| CRE Industry Breakout     | 2Q23            | % of Total CRE | % of Total Loans | Δ vs. 1Q23    |           | Δ vs. 2Q22      |            |
|---------------------------|-----------------|----------------|------------------|---------------|-----------|-----------------|------------|
|                           |                 |                |                  | \$            | %         | \$              | %          |
| Multifamily               | \$ 1,793        | 19%            | 6%               | \$ 214        | 14%       | \$ 598          | 50%        |
| Retail                    | 1,431           | 15%            | 4%               | 110           | 8%        | 145             | 11%        |
| Industrial                | 1,039           | 11%            | 3%               | 15            | 1%        | 404             | 64%        |
| 1-4 Family                | 991             | 11%            | 3%               | (4)           | 0%        | 87              | 10%        |
| A&D                       | 933             | 10%            | 3%               | (9)           | -1%       | 20              | 2%         |
| Hotel                     | 761             | 8%             | 2%               | (5)           | -1%       | 6               | 1%         |
| Office                    | 740             | 8%             | 2%               | 45            | 6%        | (8)             | -1%        |
| Healthcare <sup>(1)</sup> | 623             | 7%             | 2%               | 22            | 4%        | 32              | 5%         |
| Other                     | 1,031           | 11%            | 3%               | (120)         | -10%      | 20              | 2%         |
| <b>TOTAL</b>              | <b>\$ 9,340</b> | <b>100%</b>    | <b>29%</b>       | <b>\$ 268</b> | <b>3%</b> | <b>\$ 1,304</b> | <b>16%</b> |

## Diverse CRE Mix <sup>(2)</sup>



<sup>(1)</sup> Healthcare includes doctor offices providing healthcare services, which totaled \$161.2 million as of June 30, 2023.

<sup>(2)</sup> Percentages represent the % of CRE loans.

## HIGHLIGHTS

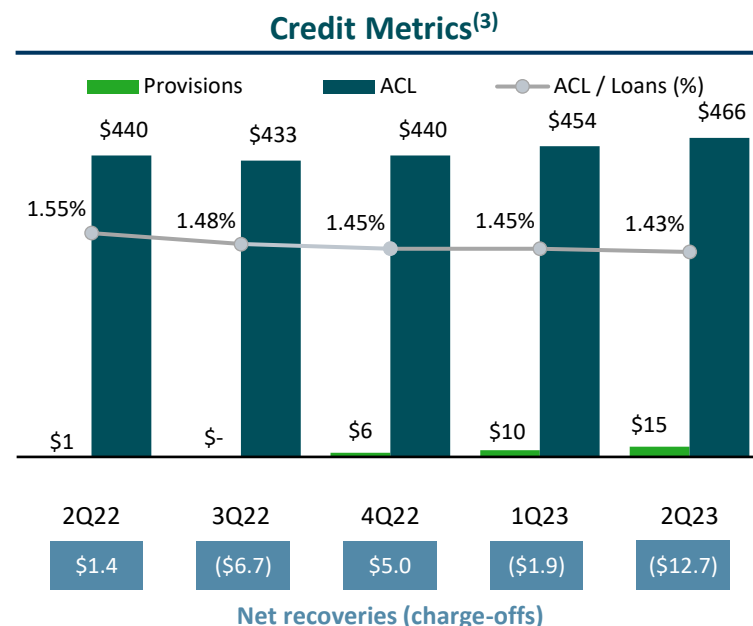
- CRE was 28.7% of total loans as of June 30, 2023, and increased 3.0% during the second quarter of 2023.
- The CRE portfolio is made up 60% or \$5.6 billion in Income Producing CRE, and 40% or \$3.7 billion of Construction, Acquisition and Development (CAD).
- The CRE portfolio is granular, with average loan balance of \$595 thousand for CAD and \$1.4 million for Income Producing CRE at June 30, 2023.
- Texas is our largest exposure by state with 50% of CAD and 36% of Income Producing CRE as of June 30, 2023.
- Weighted average LTV of total CRE was 58% at June 30, 2023.
- In the second quarter of 2023, total CRE charge-offs were \$0.1 million, more than offset by \$0.6 million in recoveries.
- CRE NPLs to total CRE loans of 0.25% at 6/30/23 compared to 0.14% at 6/30/22 and 0.26% at 3/31/23.
- The Office CRE loan segment was approximately 2.3% of total loans as of June 30, 2023, with a weighted average LTV ~51% and average loan size \$1.3 million.



# Credit Quality

\$ in millions, unless otherwise indicated

|  | Quarter Ending |         |          |         | 6/30/23      |
|--|----------------|---------|----------|---------|--------------|
|  | 6/30/22        | 9/30/22 | 12/31/22 | 3/31/23 |              |
| Non-accrual                            | \$89           | \$90    | \$99     | \$161   | <b>\$157</b> |
| 90+ days Past Due (Accruing)           | \$20           | \$12    | \$2      | \$5     | <b>\$4</b>   |
| Restructured (Accruing) <sup>(1)</sup> | \$7            | \$16    | \$9      | -       | -            |
| Non-performing Loans (NPLs)            | \$116          | \$118   | \$109    | \$166   | <b>\$162</b> |
| Non-performing Assets (NPAs)           | \$131          | \$126   | \$116    | \$171   | <b>\$165</b> |
| NPLs / Net Loans and Leases            | 0.41%          | 0.40%   | 0.36%    | 0.53%   | <b>0.50%</b> |
| NPAs / Total Assets                    | 0.27%          | 0.27%   | 0.24%    | 0.33%   | <b>0.34%</b> |
| Classified Loans <sup>(2)</sup>        | \$428          | \$480   | \$533    | \$712   | <b>\$618</b> |
| Classified Loans / Total Loans         | 1.51%          | 1.64%   | 1.76%    | 2.28%   | <b>1.90%</b> |



## HIGHLIGHTS

- Credit quality remains disciplined as the increase in the provision for credit losses supported continued loan growth. Total non-performing asset levels declined and net charge-offs for the quarter remain at low levels, despite the increase.
- Net charge-offs for the second quarter of 2023 were \$12.7 million, or 0.16% of average net loans and leases on an annualized basis, compared with net recoveries of \$1.4 million for the second quarter of 2022 and net charge-offs of \$1.9 million for the first quarter of 2023. The increase in net charge-offs during the second quarter of 2023 was driven primarily by the charge down of one C&I credit that was previously identified as impaired.
- The provision for credit losses for the second quarter of 2023 was \$15.0 million, which included a \$25.0 million provision expense to the ACL for the quarter and a \$10.0 million provision reversal for unfunded commitments.

<sup>(1)</sup> Effective 1/1/23, the TDR recognition and measurement guidance via the modified retrospective transition method was eliminated in the new accounting guidance (ASU 2022-02).

<sup>(2)</sup> In 2Q23, the risk rating classification of the Consumer portfolio was modified to reflect Uniform Retail Credit Classification guidance, and as a result, are not directly comparable to prior periods.

<sup>(3)</sup> ACL reflects funded loans and does not include reserve for unfunded commitments (classified as "Other liabilities"), with a June 30, 2023 balance of \$13.6 million.

# Nonaccrual Loans and Leases

*\$ in millions, unless otherwise indicated*

|   | Quarter Ended   |                |                 |                |                |
|---|-----------------|----------------|-----------------|----------------|----------------|
|   | <u>6/30/23</u>  | <u>3/31/23</u> | <u>12/31/22</u> | <u>9/30/22</u> | <u>6/30/22</u> |
| Non-real estate                             | \$ 72.6         | \$ 65.8        | \$ 23.9         | \$ 23.9        | \$ 34.2        |
| Owner occupied                              | 7.5             | 9.1            | 7.9             | 8.3            | 9.6            |
| <b>Total commercial and industrial</b>      | <b>80.1</b>     | 74.9           | 31.9            | 32.2           | 43.8           |
| Construction, acquisition and development   | 4.5             | 1.9            | 3.0             | 1.8            | 2.1            |
| Income producing                            | 19.2            | 20.6           | 7.3             | 8.6            | 8.8            |
| <b>Total commercial real estate</b>         | <b>23.7</b>     | 22.5           | 10.3            | 10.4           | 10.9           |
| Residential mortgages                       | 53.2            | 62.7           | 55.9            | 46.7           | 34.2           |
| Other consumer                              | 0.2             | 0.5            | 0.7             | 0.6            | 0.5            |
| <b>Total consumer</b>                       | <b>53.4</b>     | 63.3           | 56.6            | 47.3           | 34.7           |
| <b>Total nonaccrual loans</b>               | <b>\$ 157.2</b> | \$ 160.6       | \$ 98.7         | \$ 89.9        | \$ 89.4        |
| <b>Total nonaccrual loans / Total Loans</b> | <b>0.48%</b>    | 0.51%          | 0.33%           | 0.31%          | 0.32%          |

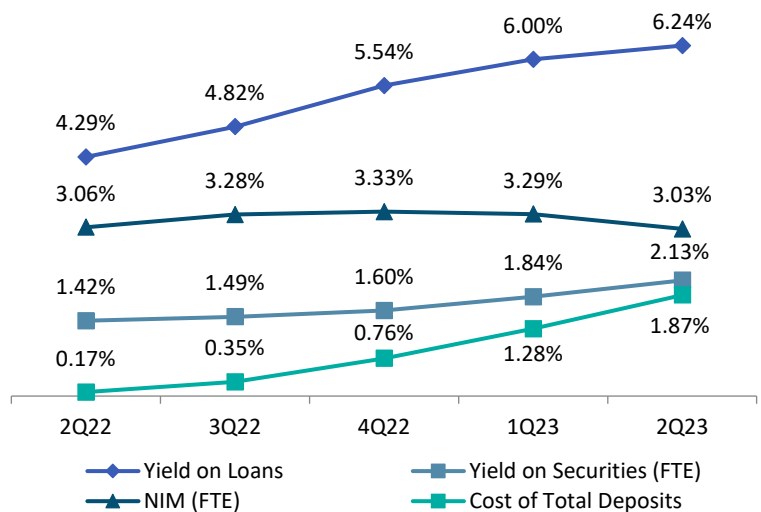
## HIGHLIGHTS

- Total nonaccrual loans and leases were \$157.2 million or 0.48% of total loans at June 30, 2023, compared to \$89.4 million or 0.32% at June 30, 2022, and \$160.6 million or 0.51% at March 31, 2023.
- Nonaccruals decreased \$3.4 million during the quarter, including a \$9.9 million reduction in consumer nonaccruals.
- Approximately \$49 million or 31% of total nonaccrual loans are government guaranteed loans (SBA and FHA) that we repurchased while working through the collection process. These have a longer resolution cycle, but a significant portion of these dollars (approximately 75%) are fully guaranteed from a loss perspective.

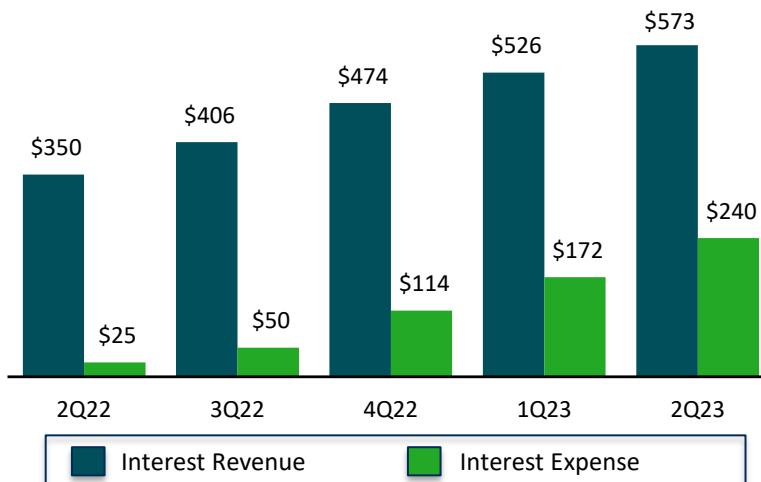
# Net Interest Revenue / Net Interest Margin

\$ in millions, unless otherwise indicated

**NIM, Yields & Costs**



**Interest Revenue & Interest Expense**



## HIGHLIGHTS

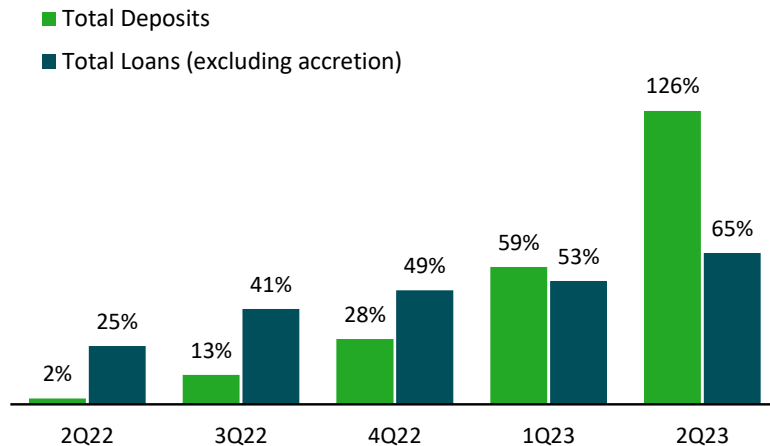
- Net interest margin was 3.03% for the second quarter of 2023, compared with 3.06% for the second quarter of 2022 and 3.29% for the first quarter of 2023.
- The decline in net interest revenue of \$20.7 million compared to the linked quarter was primarily driven by net interest margin pressure resulting from increased funding costs including a continued mix shift out of noninterest bearing into interest bearing deposits.
- Accretion revenue related to acquired loans and leases was \$5.2 million in 2Q23, down from \$10.0 million in 1Q23, which also added 4 bp to the net interest margin for 2Q23 compared with 9 bp in 1Q23.
- Yield on net loans, loans held for sale, and leases excluding accretion, was 6.18% for the second quarter of 2023, up 31 basis points from 5.87% for the first quarter of 2023, while yield on total interest earning assets was 5.21% for the second quarter of 2023, up 33 basis points from 4.88% for the first quarter of 2023.
- For the second quarter of 2023, the yield on total interest earning assets was 5.21% and total cost of interest bearing liabilities was 2.92%. Interest bearing liabilities to interest earning assets was 74.6% at June 30, 2023.

# Interest Rate Sensitivity

\$ in millions, unless otherwise indicated

Updated as of July 25, 2023

## Quarterly Loan & Deposit Betas



## Loan & Deposit Betas (vs. Fed Effective)

|                                 | 2Q22         | 3Q22         | 4Q22         | 1Q23         | 2Q23         |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Fed Effective (average)</b>  | <b>0.76%</b> | <b>2.19%</b> | <b>3.65%</b> | <b>4.52%</b> | <b>4.99%</b> |
| <b>Deposit Costs</b>            |              |              |              |              |              |
| Interest Bearing Deposits       | 0.26%        | 0.53%        | 1.17%        | 1.86%        | 2.58%        |
| Total Deposits                  | 0.17%        | 0.35%        | 0.76%        | 1.28%        | 1.87%        |
| <b>Quarterly Beta</b>           |              |              |              |              |              |
| Total Interest Bearing Deposits | 5%           | 19%          | 44%          | 80%          | 153%         |
| Total Deposits                  | 2%           | 13%          | 28%          | 59%          | 126%         |
| <b>Loan Yields</b>              |              |              |              |              |              |
| Loans (excluding accretion)     | 4.12%        | 4.70%        | 5.41%        | 5.87%        | 6.18%        |
| <b>Quarterly Beta</b>           |              |              |              |              |              |
| Loans (excluding accretion)     | 25%          | 41%          | 49%          | 53%          | 65%          |

## HIGHLIGHTS

- The balance sheet is modestly asset sensitive, with approximately 20% of loan rate structures floating (repricing within 30 days), 53% of loans with variable repricing dates and 27% fixed as of June 30, 2023.
- Inclusive of fixed rate loans, approximately 48% of total loans, or \$15.8 billion, are scheduled to reprice in the next twelve months, of which \$13.8 billion, or approximately 42% of the portfolio, are repricing within the next three months. See slide 13 for additional repricing characteristics.
- Net interest income in a +100 bp rate shock scenario modeled over a 12-month period increases 4.0%, up 2.0% in +50 bp, and declines 3.9% in -100 bp.<sup>(1)</sup>
- The cycle-to-date<sup>(2)</sup> beta on total loans excluding accretion (compared to the average Fed Funds effective rate) was 44%, up from the 41% cumulative beta through the prior quarter end.
- The cycle-to-date<sup>(2)</sup> total deposit beta was 35%, up from the 25% cumulative beta through the prior quarter end, reflective of the increased beta during the second quarter from pressure on funding costs and the impact of mix shift out of noninterest bearing into interest bearing deposits.

Note: Loan and deposit betas are calculated by dividing the change in yields and costs by change in the average Fed Funds Effective Target rate.

<sup>(1)</sup> Based on June 30, 2023, interest rate sensitivity modeling of instantaneous rate shock over 1-12 months.

<sup>(2)</sup> Cycle-to-date reflects changes since fourth quarter 2021 and incorporates the increases in the average Fed Funds effective rate.

# Loans & Securities – Repricing and Maturity

\$ in millions, unless otherwise indicated

## Total Loans and Leases (net of unearned income)<sup>(1)</sup>

| (At June 30, 2023)      | Repricing Term   |                 |                 |                 |                 |               |                 | Total            | Rate Structure  |                  |                 |
|-------------------------|------------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|------------------|-----------------|------------------|-----------------|
|                         | 3 mos or less    | 3-12 mos        | 1-3 Years       | 3-5 Years       | 5-10 Years      | 10-15 Years   | Over 15 Years   |                  | Floating Rate   | Variable Rate    | Fixed Rate      |
| Non-real estate         | \$ 7,417         | \$ 373          | \$ 518          | \$ 594          | \$ 320          | \$ 23         | \$ 391          | \$ 9,636         | \$ 3,196        | \$ 4,762         | \$ 1,679        |
| Owner occupied          | 927              | 323             | 633             | 761             | 1,019           | 673           | 22              | 4,358            | 448             | 2,129            | 1,781           |
| Commercial & industrial | 8,344            | 697             | 1,151           | 1,356           | 1,339           | 696           | 412             | 13,994           | 3,644           | 6,891            | 3,460           |
| Construction, A&D       | 2,190            | 354             | 322             | 506             | 85              | 25            | 262             | 3,744            | 1,082           | 1,976            | 686             |
| Income producing        | 1,953            | 462             | 1,133           | 1,361           | 583             | 87            | 17              | 5,596            | 740             | 3,734            | 1,123           |
| Commercial real estate  | 4,143            | 816             | 1,455           | 1,867           | 668             | 112           | 279             | 9,340            | 1,822           | 5,710            | 1,809           |
| Residential mortgages   | 1,184            | 490             | 807             | 1,182           | 2,107           | 182           | 3,038           | 8,990            | 984             | 4,453            | 3,553           |
| Other consumer          | 136              | 8               | 42              | 42              | 5               | 0             | 0               | 232              | 126             | 9                | 98              |
| <b>Total</b>            | <b>\$ 13,806</b> | <b>\$ 2,010</b> | <b>\$ 3,457</b> | <b>\$ 4,446</b> | <b>\$ 4,118</b> | <b>\$ 990</b> | <b>\$ 3,730</b> | <b>\$ 32,557</b> | <b>\$ 6,575</b> | <b>\$ 17,063</b> | <b>\$ 8,919</b> |
| % of Total              | 42%              | 6%              | 11%             | 14%             | 13%             | 3%            | 11%             | 100%             | 20%             | 53%              | 27%             |
| Weighted Average Rate   | 8.00%            | 5.76%           | 4.68%           | 4.93%           | 4.25%           | 4.14%         | 3.78%           | 6.02%            | 8.35%           | 6.03%            | 4.29%           |

## Available-for-Sale Securities<sup>(2)</sup>

| (At June 30, 2023) | Maturity & Projected Cash Flow Distribution |              |              |               |               | Total     |
|--------------------|---|--------------|--------------|---------------|---------------|-----------|
|                    | 1 Year or less                              | 1 to 3 Years | 3 to 5 Years | 5 to 10 Years | Over 10 Years |           |
| Amortized Cost     | \$ 1,360                                    | \$ 2,170     | \$ 3,159     | \$ 3,180      | \$ 1,656      | \$ 11,526 |
| % of Total         | 12%   | 19%          | 27%          | 28%           | 14%           | 100%      |

<sup>(1)</sup> Based on maturity date for fixed rate loans.

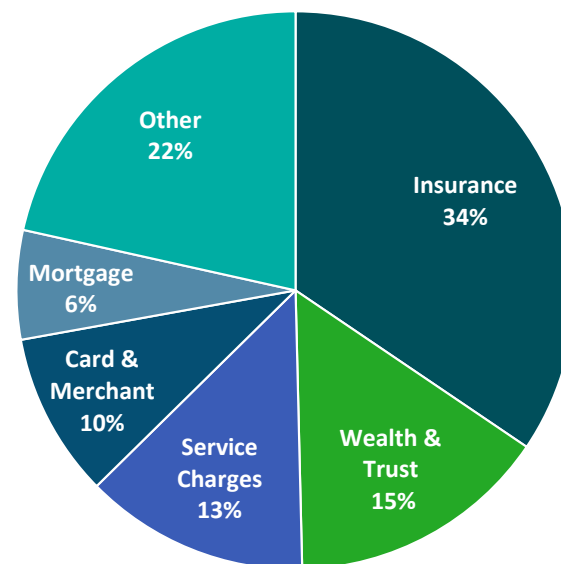
<sup>(2)</sup> The amortized cost and estimated fair value of available-for-sale securities at June 30, 2023 by contractual maturity are shown. Actual maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

# Noninterest Revenue

\$ in millions, unless otherwise indicated

|                                  | Three Months Ended |                 |                 | % Change      |              |
|----------------------------------|--------------------|-----------------|-----------------|---------------|--------------|
|                                  | 6/30/23            | 3/31/23         | 6/30/22         | QoQ           | YoY          |
| Insurance commissions            | \$ 45.6            | \$ 39.6         | \$ 40.0         | 15.1 %        | 14.0 %       |
| Service charges                  | 17.2               | 16.5            | 18.3            | 4.4           | (5.9)        |
| Card and merchant                | 12.6               | 11.9            | 16.6            | 6.5           | (24.0)       |
| Trust                            | 10.1               | 10.6            | 9.1             | (4.4)         | 10.5         |
| Brokerage                        | 10.0               | 8.8             | 10.3            | 13.3          | (3.6)        |
| Mortgage banking                 | 6.8                | 8.4             | 6.8             | (19.2)        | 0.3          |
| MSR/MSR market adjustment        | 1.6                | (2.3)           | 4.7             | NM            | (66.3)       |
| BOLI                             | 3.8                | 3.6             | 3.3             | 4.5           | 16.0         |
| Other                            | 24.6               | 28.3            | 14.7            | (13.2)        | 67.0         |
| <b>Subtotal</b>                  | <b>\$ 132.2</b>    | <b>\$ 125.3</b> | <b>\$ 123.8</b> | <b>5.5 %</b>  | <b>6.8 %</b> |
| Security gains (losses), net     | 0.1                | (51.3)          | 1.4             | NM            | (95.2)       |
| <b>Total Noninterest Revenue</b> | <b>\$ 132.3</b>    | <b>\$ 74.1</b>  | <b>\$ 125.2</b> | <b>78.6 %</b> | <b>5.6 %</b> |
| <i>% of Total Revenue</i>        | <b>28.4%</b>       | 17.3%           | 27.8%           |               |              |

## 2Q23 Noninterest Revenue Composition



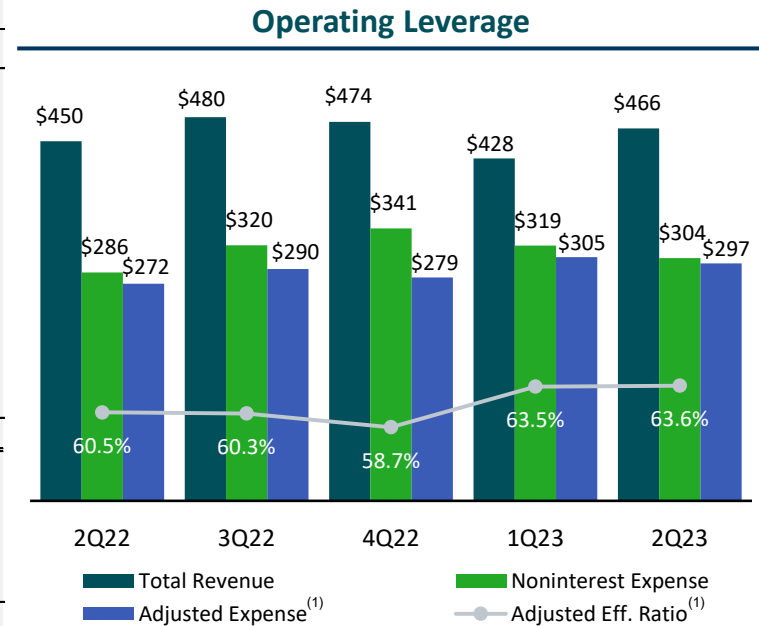
## HIGHLIGHTS

- Noninterest revenue was \$132.3 million for the second quarter of 2023, compared with \$125.2 million for the second quarter of 2022 and \$74.1 million for the first quarter of 2022. Excluding security gains (losses), noninterest revenue increased \$6.9 million from the first quarter of 2023 revenue driven by increases in insurance commission, card fees, and mortgage banking revenue, partially offset by lower other noninterest revenue.
- Insurance commission revenue continues to be strong at \$45.6 million for the second quarter of 2023, compared with \$40.0 million for the second quarter of 2022 and \$39.6 million for the first quarter of 2023. The linked quarter increase of \$6.0 million was primarily in property and casualty commissions and was driven by successful client acquisition efforts as well as continued upward pressure on policy rates.
- Total assets under management was \$22.2 billion as of June 30, 2023.

# Noninterest Expense

\$ in millions, unless otherwise indicated

|   | Three Months Ended |                 |                 | % Change       |              |
|---|--------------------|-----------------|-----------------|----------------|--------------|
|   | 6/30/23            | 3/31/23         | 6/30/22         | QoQ            | YoY          |
| Salaries and employee benefits                    | \$ 190.9           | \$ 195.7        | \$ 182.1        | (2.5) %        | 4.8 %        |
| Occupancy and equipment                           | 29.6               | 29.1            | 30.1            | 1.6            | (1.8)        |
| Data processing and software                      | 28.1               | 31.9            | 29.1            | (11.9)         | (3.5)        |
| Deposit insurance assessments                     | 7.7                | 8.4             | 4.9             | (7.8)          | 55.8         |
| Amortization of intangibles                       | 6.6                | 5.0             | 3.0             | 32.4           | 117.8        |
| Advertising and public relations                  | 5.7                | 4.3             | 4.4             | 31.8           | 29.2         |
| Professional and consulting                       | 5.5                | 4.4             | 3.8             | 24.9           | 46.4         |
| Travel and entertainment                          | 3.9                | 3.5             | 3.4             | 11.1           | 14.2         |
| Legal   | 1.9                | 1.5             | 1.5             | 28.0           | 30.4         |
| Telecommunications                                | 1.5                | 1.7             | 2.0             | (10.3)         | (22.3)       |
| Other   | 22.5               | 33.8            | 21.6            | (33.5)         | 4.2          |
| <b>Total</b>                                      | <b>\$ 303.9</b>    | <b>\$ 319.3</b> | <b>\$ 285.9</b> | <b>(4.8) %</b> | <b>6.3 %</b> |
| Merger expense <sup>(2)</sup>                     | 0.1                | 5.1             | 7.3             | (97.3)         | (98.1)       |
| Incremental merger related expense <sup>(2)</sup> | 1.7                | 9.0             | 6.1             | (81.4)         | (72.4)       |
| Gain on extinguishment of debt                    | (1.1)              | -               | -               | NM             | NM           |
| Branch closing & other expense                    | 6.2                | 0.2             | 0.7             | NM             | NM           |
| <b>Total adjusted expense<sup>(1)</sup></b>       | <b>\$ 297.0</b>    | <b>\$ 305.0</b> | <b>\$ 271.8</b> | <b>(2.6) %</b> | <b>9.2 %</b> |



## HIGHLIGHTS

- Noninterest expense for the second quarter of 2023 was \$303.9 million, compared with \$285.9 million for the second quarter of 2022 and \$319.3 million for the first quarter of 2023. Salaries and benefits expense declined \$4.8 million compared to the first quarter of 2023 due to a number of factors including lower payroll tax expense and retirement plan expense. Data processing and software expense declined \$3.8 million compared to the first quarter of 2023 related to vendor service terminations and contract adjustments. Branch closing and other restructuring expenses of \$6.2 million reported in second quarter of 2023, primarily associated with the 35 locations to be closed or consolidated during mid 2023.
- Adjusted noninterest expense<sup>(1)</sup> for the second quarter of 2023 excludes \$1.8 million in total merger related expenses, \$6.2 million in branch closure and other non-routine costs, and a \$1.1 million debt extinguishment gain from our repurchase of \$12 million of our sub-debt at a discount during the quarter.

<sup>(1)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.

<sup>(2)</sup> Merger expenses are costs to complete the merger with no future benefit. Incremental merger related expenses to complete the merger are expected to provide a future benefit.

# Adjusted Noninterest Expense<sup>(1)</sup>

\$ in millions, unless otherwise indicated

|                                   | Second Quarter 2023 |                 |                         | First Quarter 2023 |                  |                         | 2Q23 vs. 1Q23    |                         |
|-----------------------------------|---------------------|-----------------|-------------------------|--------------------|------------------|-------------------------|------------------|-------------------------|
|                                   | NIE                 | Adj.            | Adj. NIE <sup>(1)</sup> | NIE                | Adj.             | Adj. NIE <sup>(1)</sup> | NIE              | Adj. NIE <sup>(1)</sup> |
| <b>Noninterest Expense (NIE):</b> |                     |                 |                         |                    |                  |                         |                  |                         |
| Salaries and employee benefits    | \$ 190.9            | \$ (6.5)        | \$ 184.4                | \$ 195.7           | \$ (6.5)         | \$ 189.2                | \$ (4.8)         | \$ (4.8)                |
| Occupancy and equipment           | 29.6                | (0.1)           | 29.5                    | 29.1               | (0.0)            | 29.1                    | 0.5              | 0.4                     |
| Data processing and software      | 28.1                | (0.5)           | 27.6                    | 31.9               | (0.4)            | 31.4                    | (3.8)            | (3.9)                   |
| Deposit insurance assessments     | 7.7                 | -               | 7.7                     | 8.4                | -                | 8.4                     | (0.7)            | (0.7)                   |
| Amortization of intangibles       | 6.6                 | -               | 6.6                     | 5.0                | -                | 5.0                     | 1.6              | 1.6                     |
| Advertising and public relations  | 5.7                 | -               | 5.7                     | 4.3                | -                | 4.3                     | 1.4              | 1.4                     |
| Professional and consulting       | 5.5                 | -               | 5.5                     | 4.4                | -                | 4.4                     |                  |                         |
| Travel and entertainment          | 3.9                 | -               | 3.9                     | 3.5                | -                | 3.5                     | 0.4              | 0.4                     |
| Merger expense                    | 0.1                 | (0.1)           | -                       | 5.1                | (5.1)            | -                       | (4.9)            | -                       |
| Other miscellaneous expense       | 25.8                | 0.3             | 26.1                    | 31.9               | (2.2)            | 29.7                    | (6.1)            | (3.6)                   |
| <b>TOTAL</b>                      | <b>\$ 303.9</b>     | <b>\$ (6.9)</b> | <b>\$ 297.0</b>         | <b>\$ 319.3</b>    | <b>\$ (14.2)</b> | <b>\$ 305.0</b>         | <b>\$ (15.4)</b> | <b>\$ (8.0)</b>         |

## HIGHLIGHTS

- Adjusted noninterest expense<sup>(1)</sup> for the second quarter of 2023 was \$297.0 million, compared with \$271.8 million for the second quarter of 2022 and \$305.0 million for the first quarter of 2023.
- The decline in adjusted noninterest expense<sup>(1)</sup> compared to the linked quarter was driven primarily by a declines in salaries and employee benefits expense as well as data processing and software expense, partially offset by an increase in amortization of intangibles.
- The adjusted efficiency ratio<sup>(1)</sup> was 63.6% for the second quarter of 2023 compared to 63.5% for the first quarter of 2023.

<sup>(1)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Measures and Ratio Reconciliation" in the appendix.



# Continued Execution on Efficiency

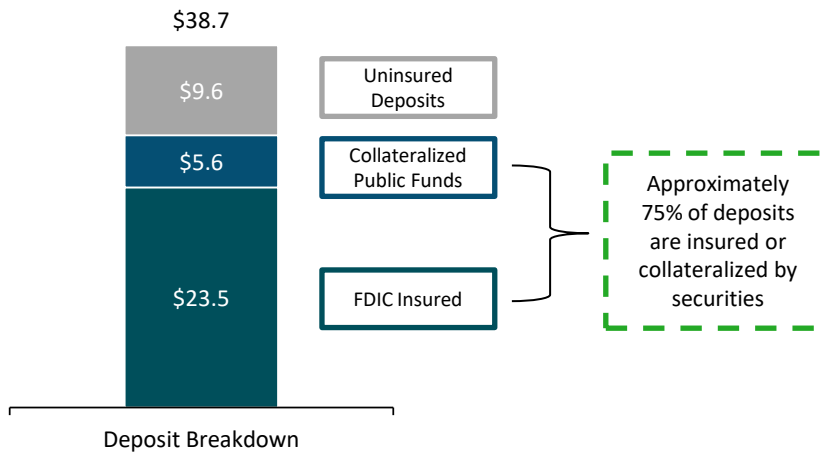
**Efficiency initiatives in process expected to collectively reduce noninterest expense by approximately \$35 to \$40 million annually. Key efficiency initiatives include:**

- **Branch optimization** – reduction of 35 branches (~9%) in markets with a higher branch concentration and/or lower-performing branches. Closures / consolidations slated for early third quarter 2023.
- This branch reduction is in addition to the October 2022 closure and consolidation of 17 branches. Strong customer account retention was achieved despite physical closures while minimizing customer and community impact.
- Branch optimization creates a stronger and more efficient branch network by aggregating customers to other near-by branch locations and through continued migration to remote banking and digital channels.
- While branches remain an integral part of our customer experience, constantly evolving innovation in banking has provided customers with more choices and convenient ways to access our banking services – in person, ATM / ITM, online, mobile, and by telephone. Focus remains on elevating the customer experience through relationship banking, expanded products, services and technology.
- **Early retirements and other targeted personnel efficiencies** to occur throughout the remainder of 2023.
- One-time costs associated with these initiatives included \$6.2 million in the second quarter of 2023 and are expected to include \$10 to \$12 million over the remainder of 2023, with the majority in the third quarter.

# Robust Liquidity and Capital Base

\$ in billions

## Stable Deposit Base



## Substantial Contingent Liquidity

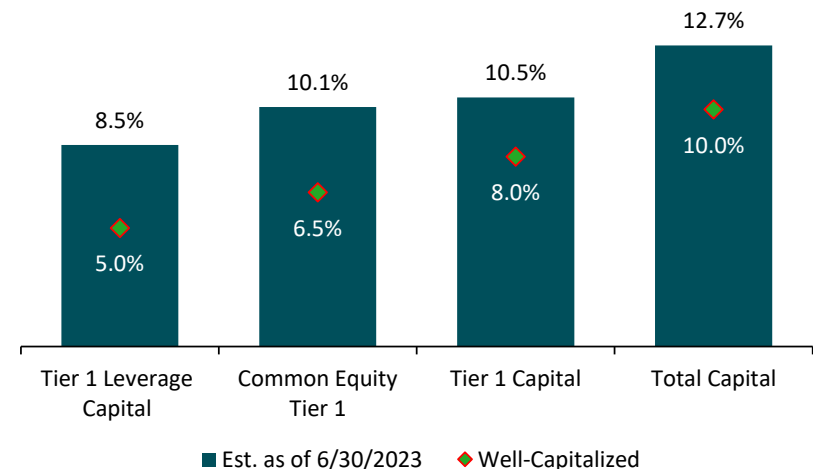
| Source   | Approximate amounts as of 6/30/2023 |
|--|-------------------------------------|
| Balance Sheet Cash                                   | \$1.7                               |
| Unpledged Securities <sup>(1)</sup>                  | \$2.6                               |
| <b>Total Secured Line Availability<sup>(2)</sup></b> | <b>\$10.2</b>                       |
| Unsecured Fed Funds Line Availability                | \$1.7                               |
| <b>Total Daily Contingent Availability</b>           | <b>\$16.2</b>                       |

## Conservative Securities Portfolio

|                              | 2Q23   | 1Q23   | 4Q22   | 3Q22   | 2Q22   |
|------------------------------|--------|--------|--------|--------|--------|
| Investment Securities (\$Bn) | \$10.3 | \$10.9 | \$11.9 | \$12.4 | \$13.5 |
| Securities/ Assets (%)       | 21.0%  | 21.0%  | 24.5%  | 26.1%  | 28.2%  |

- 100% of securities are, and have historically been, classified as available for sale ("AFS") and carried at market value on the balance sheet.
- Securities runoff is used to fund loan growth. Minimal duration risk with an effective duration just over 4 years.

## Strong Capital Ratios (%)



<sup>(1)</sup> Unpledged Securities includes unpledged securities held at the Federal Reserve and other safekeeping providers.

<sup>(2)</sup> Total Secured Line Availability includes both FHLB and Federal Reserve availability (including the Bank Term Funding Program).

# Capital Strength

## Cadence Bank

|   | 6/30/23        | 3/31/23 | 12/31/22 | 9/30/22 | 6/30/22 |
|---|----------------|---------|----------|---------|---------|
| Total Regulatory Capital (\$ million) <sup>(1)</sup>      | <b>5,011</b>   | 4,933   | 4,862    | 4,785   | 4,684   |
| Total Risk-Weighted Assets (\$ million) <sup>(1)</sup>    | <b>39,405</b>  | 38,579  | 37,964   | 37,271  | 36,062  |
| Leverage Ratio (%) <sup>(1)</sup>                         | <b>8.5</b>     | 8.4     | 8.4      | 8.4     | 8.4     |
| Common Equity Tier 1 Capital Ratio (%) <sup>(1)</sup>     | <b>10.1</b>    | 10.1    | 10.2     | 10.3    | 10.3    |
| Tier 1 Ratio (%) <sup>(1)</sup>                           | <b>10.5</b>    | 10.6    | 10.7     | 10.7    | 10.8    |
| Total Capital Ratio (%) <sup>(1)</sup>                    | <b>12.7</b>    | 12.8    | 12.8     | 12.8    | 13.0    |
| Total Shareholders' Equity (\$B)                          | <b>4.5</b>     | 4.5     | 4.3      | 4.2     | 4.4     |
| Tangible Common Shareholders' Equity (\$B) <sup>(2)</sup> | <b>2.7</b>     | 2.7     | 2.6      | 2.4     | 2.7     |
| Total shareholders' equity, ex. AOCI <sup>(2)</sup>       | <b>5.6</b>     | 5.6     | 5.5      | 5.5     | 5.4     |
| Common shareholders' equity, ex. AOCI <sup>(2)</sup>      | <b>5.5</b>     | 5.4     | 5.4      | 5.3     | 5.2     |
| Total Shares Outstanding (millions)                       | <b>182.7</b>   | 182.7   | 182.4    | 182.4   | 182.5   |
| Book Value Per Share                                      | <b>\$23.65</b> | \$23.67 | \$22.72  | \$21.92 | \$23.41 |
| Tangible Book Value Per Share <sup>(2)</sup>              | <b>\$15.01</b> | \$14.99 | \$13.99  | \$13.25 | \$14.73 |
| Tangible Book Value Per Share, ex. AOCI <sup>(2)</sup>    | <b>\$21.37</b> | \$20.91 | \$20.69  | \$20.36 | \$19.87 |
| Cash Dividends Per Share                                  | <b>\$0.235</b> | \$0.235 | \$0.220  | \$0.220 | \$0.220 |

## HIGHLIGHTS

- Regulatory capital ratios remain solid including a Total Capital Ratio of 12.7% and Tier 1 Ratio of 10.5% currently estimated as of June 30, 2023.
- Tangible book value per share was steady at \$15.01; and excluding AOCI, increased 2.2% during the quarter to \$21.37. AOCI declined \$81.2 million during the quarter to (\$1.2) billion at June 30, 2023.
- Quarterly cash dividend of \$0.235 per common share.
- No shares were repurchased in 2Q23. The 2023 share repurchase authorization is 10 million shares of common stock.

<sup>(1)</sup> Preliminary estimates for 6/30/23.

<sup>(2)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Reconciliation" in the appendix.



# Appendix

# Summary Balance Sheet – Period End

*\$ in millions, unless otherwise indicated*

|  | 6/30/23           | 3/31/23           | 12/31/22          | 9/30/22           | 6/30/22           |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Assets</b>                                |                   |                   |                   |                   |                   |
| Cash and Due from Banks                      | \$722.6           | \$660.4           | \$756.9           | \$694.0           | \$770.3           |
| Deposits with Other Banks & Fed Funds        | 1,008.0           | 4,452.0           | 1,241.2           | 895.6             | 1,069.4           |
| Available-for-sale securities, at fair value | 10,254.6          | 10,877.9          | 11,944.1          | 12,441.9          | 13,450.6          |
| Loans  | 32,556.7          | 31,282.6          | 30,349.3          | 29,296.5          | 28,360.5          |
| Loans Held for Sale                          | 193.2             | 196.1             | 187.9             | 198.4             | 213.5             |
| Allowance for Credit Losses                  | (466.0)           | (453.7)           | (440.3)           | (433.4)           | (440.1)           |
| Goodwill & Other Intangibles                 | 1,578.4           | 1,585.0           | 1,591.6           | 1,582.5           | 1,582.6           |
| Other Assets                                 | 2,991.1           | 2,185.3           | 3,022.8           | 3,024.2           | 2,741.0           |
| <b>Total Assets</b>                          | <b>\$48,838.7</b> | <b>\$51,693.1</b> | <b>\$48,653.4</b> | <b>\$47,699.7</b> | <b>\$47,747.7</b> |
| <b>Liabilities</b>                           |                   |                   |                   |                   |                   |
| Total Deposits                               | \$38,701.7        | \$39,406.5        | \$38,956.6        | \$39,003.9        | \$40,189.1        |
| Fed Funds and short-term borrowings          | 3,500.2           | 5,700.2           | 3,300.2           | 2,495.0           | 1,200.0           |
| Subordinated & Long-term debt                | 449.7             | 462.1             | 462.6             | 463.3             | 465.1             |
| Other Liabilities                            | 1,701.2           | 1,633.9           | 1,622.6           | 1,570.5           | 1,455.6           |
| <b>Total Liabilities</b>                     | <b>\$44,352.8</b> | <b>\$47,202.7</b> | <b>\$44,342.0</b> | <b>\$43,532.7</b> | <b>\$43,309.8</b> |
| <b>Total Shareholders' Equity</b>            | <b>\$4,485.9</b>  | <b>\$4,490.4</b>  | <b>\$4,311.4</b>  | <b>\$4,166.9</b>  | <b>\$4,437.9</b>  |
| <b>Liabilities and Shareholders' Equity</b>  | <b>\$48,838.7</b> | <b>\$51,693.1</b> | <b>\$48,653.4</b> | <b>\$47,699.7</b> | <b>\$47,747.7</b> |

Note: Figures may not total due to rounding.

# Summary Income Statement

\$ in millions, unless otherwise indicated

|   | Quarter Ended  |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 6/30/23        | 3/31/23        | 12/31/22       | 9/30/22        | 6/30/22        |
| Interest Revenue  | \$573.4        | \$526.1        | \$473.5        | \$405.6        | \$349.6        |
| Interest Expense  | 239.9          | 171.9          | 114.2          | 50.2           | 24.8           |
| Net Interest Revenue                                      | 333.6          | 354.3          | 359.4          | 355.4          | 324.8          |
| Noninterest Income  | 132.3          | 74.1           | 114.9          | 124.5          | 125.2          |
| <b>Total Revenue</b>                                      | <b>\$465.8</b> | <b>\$428.3</b> | <b>\$474.2</b> | <b>\$479.8</b> | <b>\$450.0</b> |
| Noninterest Expense                                       | 303.9          | 319.3          | 340.7          | 319.7          | 285.9          |
| Provision for Credit Losses                               | 15.0           | 10.0           | 6.0            | -              | 1.0            |
| <b>Pre-Tax Income</b>                                     | <b>\$147.0</b> | <b>\$99.1</b>  | <b>\$127.6</b> | <b>\$160.1</b> | <b>\$163.1</b> |
| Income Tax Expense  | 32.9           | 22.4           | 29.6           | 36.7           | 36.2           |
| <b>Net Income</b>   | <b>\$114.0</b> | <b>\$76.6</b>  | <b>\$97.9</b>  | <b>\$123.4</b> | <b>\$127.0</b> |
| Less: Preferred dividends                                 | 2.4            | 2.4            | 2.4            | 2.4            | 2.4            |
| <b>Net Income Available to Common</b>                     | <b>\$111.7</b> | <b>\$74.3</b>  | <b>\$95.6</b>  | <b>\$121.0</b> | <b>\$124.6</b> |
| Pre-Tax Pre-Provision Net Revenue <sup>(1)</sup>          | \$162.0        | \$109.1        | \$133.6        | \$160.1        | \$164.1        |
| Adjusted Pre-Tax Pre-Provision Net Revenue <sup>(1)</sup> | \$168.8        | \$174.6        | \$195.5        | \$189.8        | \$176.7        |

<sup>(1)</sup> Considered a non-GAAP financial measure. See "Non-GAAP Measures and Ratio Reconciliation" in the appendix.  
 Note: Figures may not total due to rounding.

# Net Interest Income Dynamics

\$ in millions, unless otherwise indicated

|   | Second Quarter 2023 |              |                        |              | First Quarter 2023 |              |                        |              | QoQ Compare   |               |
|---|---------------------|--------------|------------------------|--------------|--------------------|--------------|------------------------|--------------|---------------|---------------|
|   | Average Balance     | Yield / Cost | Contribution to NIM \$ | %            | Average Balance    | Yield / Cost | Contribution to NIM \$ | %            | Yield / Cost  | Margin Impact |
| Loans & Leases, ex. accretion (TE)        | \$ 31,901           | 6.17%        | \$ 491.5               | 4.46%        | \$ 30,892          | 5.87%        | \$ 447.5               | 4.14%        | 0.31%         | 0.32%         |
| Accretion Income on Acquired Loans        |                     | 0.07%        | 5.2                    | 0.05%        |                    | 0.13%        | 10.0                   | 0.09%        | -0.07%        | -0.05%        |
| Loans Held For Sale                       | 67                  | 5.75%        | 1.0                    | 0.01%        | 47                 | 5.22%        | 0.6                    | 0.01%        | 0.53%         | 0.00%         |
| <b>Total Loans</b>                        | <b>\$ 31,968</b>    | <b>6.24%</b> | <b>\$ 497.6</b>        | <b>4.51%</b> | <b>\$ 30,939</b>   | <b>6.00%</b> | <b>\$ 458.1</b>        | <b>4.24%</b> | <b>0.24%</b>  | <b>0.27%</b>  |
| <i>Total Loans, ex. accretion</i>         | <i>\$ 31,968</i>    | <i>6.18%</i> | <i>\$ 492.4</i>        | <i>4.47%</i> | <i>\$ 30,939</i>   | <i>5.87%</i> | <i>\$ 448.1</i>        | <i>4.15%</i> | <i>0.31%</i>  | <i>0.32%</i>  |
| Total Investment Securities (TE)          | 10,656              | 2.13%        | 56.6                   | 0.51%        | 11,354             | 1.84%        | 51.6                   | 0.48%        | 0.29%         | 0.04%         |
| Other Investments                         | 1,608               | 5.05%        | 20.2                   | 0.18%        | 1,527              | 4.64%        | 17.5                   | 0.16%        | 0.41%         | 0.02%         |
| <b>Total Interest-Earning Assets (TE)</b> | <b>\$ 44,232</b>    | <b>5.21%</b> | <b>\$ 574.5</b>        | <b>5.21%</b> | <b>\$ 43,820</b>   | <b>4.88%</b> | <b>\$ 527.2</b>        | <b>4.88%</b> | <b>0.33%</b>  | <b>0.33%</b>  |
| Demand Deposits                           | \$ 17,998           | 2.49%        | \$ 111.9               | 1.01%        | \$ 19,009          | 2.03%        | \$ 95.3                | 0.88%        | -0.46%        | -0.13%        |
| Savings Deposits                          | 3,088               | 0.51%        | 3.9                    | 0.04%        | 3,363              | 0.37%        | 3.1                    | 0.03%        | -0.14%        | -0.01%        |
| Time Deposits                             | 7,124               | 3.70%        | 65.7                   | 0.60%        | 4,328              | 2.26%        | 24.1                   | 0.22%        | -1.44%        | -0.37%        |
| CD Mark Accretion                         |                     | -0.01%       | (0.2)                  | 0.00%        |                    | -0.02%       | (0.2)                  | 0.00%        | -0.01%        | 0.00%         |
| <b>Total Time Deposits</b>                | <b>7,124</b>        | <b>3.69%</b> | <b>65.5</b>            | <b>0.59%</b> | <b>4,328</b>       | <b>2.24%</b> | <b>23.9</b>            | <b>0.22%</b> | <b>-1.44%</b> | <b>-0.37%</b> |
| <b>Total Interest-Bearing Deposits</b>    | <b>28,210</b>       | <b>2.58%</b> | <b>181.4</b>           | <b>1.64%</b> | <b>26,701</b>      | <b>1.86%</b> | <b>122.3</b>           | <b>1.13%</b> | <b>-0.72%</b> | <b>-0.51%</b> |
| Non Interest Demand Deposits              | 10,725              |              |                        |              | 12,203             |              |                        |              |               |               |
| <b>Total Deposits</b>                     | <b>\$ 38,935</b>    | <b>1.87%</b> | <b>\$ 181.4</b>        | <b>1.64%</b> | <b>\$ 38,904</b>   | <b>1.28%</b> | <b>\$ 122.3</b>        | <b>1.13%</b> | <b>-0.59%</b> | <b>-0.51%</b> |
| <i>Total Deposits, ex. accretion</i>      | <i>\$ 38,935</i>    | <i>1.87%</i> | <i>\$ 181.6</i>        | <i>1.65%</i> | <i>\$ 38,904</i>   | <i>1.28%</i> | <i>\$ 122.5</i>        | <i>1.13%</i> | <i>-0.59%</i> | <i>-0.51%</i> |
| Short-Term Borrowings                     | 4,316               | 4.99%        | 53.7                   | 0.49%        | 4,054              | 4.47%        | 44.7                   | 0.41%        | -0.52%        | -0.07%        |
| Long-Term Borrowings                      | 456                 | 4.23%        | 4.8                    | 0.04%        | 463                | 4.27%        | 4.9                    | 0.05%        | 0.04%         | 0.00%         |
| <b>Total Interest-Bearing Liabilities</b> | <b>\$ 32,982</b>    | <b>2.92%</b> | <b>\$ 239.9</b>        | <b>2.18%</b> | <b>\$ 31,218</b>   | <b>2.23%</b> | <b>\$ 171.9</b>        | <b>1.59%</b> | <b>-0.68%</b> | <b>-0.58%</b> |
| Non Interest Demand Deposits              | 10,725              |              |                        |              | 12,203             |              |                        |              |               |               |
| <b>Total Cost of Funds</b>                | <b>43,707</b>       | <b>2.20%</b> | <b>239.9</b>           | <b>2.18%</b> | <b>43,422</b>      | <b>1.61%</b> | <b>171.9</b>           | <b>1.59%</b> | <b>-0.60%</b> | <b>-0.58%</b> |
| <b>Net Interest Margin (TE)</b>           |                     |              | <b>\$ 334.6</b>        | <b>3.03%</b> |                    |              | <b>\$ 355.3</b>        | <b>3.29%</b> |               | <b>-0.25%</b> |

Note: Figures may not total due to rounding.

# Mortgage and Insurance Revenue

\$ in millions, unless otherwise indicated

## Mortgage Lending Revenue

|  | Quarter Ended |          |          |          |          |
|--|---------------|----------|----------|----------|----------|
|  | 6/30/23       | 3/31/23  | 12/31/22 | 9/30/22  | 6/30/22  |
| Origination Revenue                            | \$ 3.5        | \$ 3.3   | \$ 1.8   | \$ 1.9   | \$ 4.0   |
| Servicing Revenue                              | 5.9           | 6.1      | 5.9      | 5.9      | 6.0      |
| MSR Payoffs/Paydowns                           | (2.6)         | (1.1)    | (2.3)    | (3.1)    | (3.3)    |
| Mortgage Production and Servicing Revenue      | 6.8           | 8.4      | 5.4      | 4.7      | 6.8      |
| Mortgage Servicing Rights Valuation Adjustment | 1.6           | (2.3)    | (2.8)    | 4.3      | 4.7      |
| Total Mortgage Banking Revenue                 | \$ 8.4        | \$ 6.1   | \$ 2.6   | \$ 9.1   | \$ 11.4  |
| Production Volume                              | \$ 848.9      | \$ 454.2 | \$ 554.5 | \$ 769.9 | \$ 913.0 |
| Purchase Money Production                      | 783.9         | 401.4    | 475.0    | 661.0    | 776.0    |
| Mortgage Loans Sold                            | 149.6         | 115.1    | 163.9    | 285.6    | 361.1    |
| Margin on Loans Sold                           | 2.34%         | 2.91%    | 1.09%    | 0.67%    | 1.12%    |
| Current Pipeline                               | \$ 220.4      | \$ 115.6 | \$ 85.4  | \$ 166.0 | \$ 253.0 |
| Mortgage Originators                           | 201           | 206      | 207      | 210      | 206      |
| <b>Insurance Commission Revenue</b>            |               |          |          |          |          |
| Property and Casualty Commissions              | \$ 34.3       | \$ 28.2  | \$ 24.7  | \$ 30.0  | \$ 29.2  |
| Life and Health Commissions                    | 7.8           | 8.0      | 7.2      | 7.3      | 7.9      |
| Risk Management Income                         | 0.7           | 0.7      | 0.9      | 0.7      | 0.7      |
| Other  | 2.8           | 2.7      | 2.0      | 1.9      | 2.2      |
| Total Insurance Commissions                    | \$ 45.6       | \$ 39.6  | \$ 34.7  | \$ 39.9  | \$ 40.0  |



# Loan Portfolio by Credit Grades

\$ in millions, unless otherwise indicated

|  | Pass             | Special<br>Mention | Substandard   | Impaired     | Purchased<br>Credit<br>Deteriorated<br>(Loss) | Total            |
|--|------------------|--------------------|---------------|--------------|---|------------------|
| <b>June 30, 2023</b>                           |                  |                    |               |              |   |                  |
| Non-real estate                                | \$ 9,127         | \$ 161             | \$ 311        | \$ 34        | \$ 4  | \$ 9,636         |
| Owner occupied                                 | 4,277            | 30                 | 48            | 2            | 2   | 4,358            |
| <b>Total commercial and industrial</b>         | <b>13,403</b>    | <b>191</b>         | <b>359</b>    | <b>36</b>    | <b>6</b>                                      | <b>13,994</b>    |
| Construction, acquisition and development      | 3,711            | 20                 | 12            | —            | —   | 3,744            |
| Income producing                               | 5,390            | 63                 | 113           | 11           | 19  | 5,596            |
| <b>Total commercial real estate</b>            | <b>9,102</b>     | <b>84</b>          | <b>125</b>    | <b>11</b>    | <b>19</b>                                     | <b>9,340</b>     |
| Residential mortgages                          | 8,927            | —                  | 59            | 1            | 2   | 8,990            |
| Other consumer                                 | 232              | —                  | 0             | —            | —   | 232              |
| <b>Total consumer</b>                          | <b>9,159</b>     | <b>—</b>           | <b>60</b>     | <b>1</b>     | <b>2</b>                                      | <b>9,222</b>     |
| <b>Total loans and leases, net of unearned</b> | <b>\$ 31,665</b> | <b>\$ 274</b>      | <b>\$ 544</b> | <b>\$ 48</b> | <b>\$ 26</b>                                  | <b>\$ 32,557</b> |
| <b>March 31, 2023</b>                          |                  |                    |               |              |   |                  |
| Non-real estate                                | \$ 8,745         | \$ 107             | \$ 280        | \$ 23        | \$ 4  | \$ 9,159         |
| Owner occupied                                 | 4,201            | 12                 | 60            | 4            | 2   | 4,278            |
| <b>Total commercial and industrial</b>         | <b>12,946</b>    | <b>119</b>         | <b>340</b>    | <b>27</b>    | <b>6</b>                                      | <b>13,438</b>    |
| Construction, acquisition and development      | 3,657            | 27                 | 19            | —            | —   | 3,703            |
| Income producing                               | 5,191            | 37                 | 117           | 5            | 19  | 5,369            |
| <b>Total commercial real estate</b>            | <b>8,848</b>     | <b>64</b>          | <b>136</b>    | <b>5</b>     | <b>19</b>                                     | <b>9,072</b>     |
| Residential mortgages                          | 8,361            | —                  | 173           | —            | 2   | 8,536            |
| Other consumer                                 | 233              | —                  | 4             | —            | —   | 237              |
| <b>Total consumer</b>                          | <b>8,594</b>     | <b>—</b>           | <b>178</b>    | <b>—</b>     | <b>2</b>                                      | <b>8,773</b>     |
| <b>Total loans and leases, net of unearned</b> | <b>\$ 30,388</b> | <b>\$ 183</b>      | <b>\$ 654</b> | <b>\$ 33</b> | <b>\$ 26</b>                                  | <b>\$ 31,283</b> |

# Allowance for Credit Losses

\$ in thousands

|  | Quarter Ended |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 6/30/23       | 3/31/23       | 12/31/22      | 9/30/22       | 6/30/22       |
| <b>Allowance for Credit Losses</b>                             |               |               |               |               |               |
| Balance, beginning of period                                   | \$ 454        | \$ 440        | \$ 433        | \$ 440        | \$ 439        |
| Commercial and industrial                                      | (14)          | (3)           | (2)           | (12)          | (2)           |
| Commercial real estate   | (0)           | (2)           | (0)           | (1)           | (0)           |
| Consumer   | (2)           | (2)           | (3)           | (3)           | (2)           |
| <b>Total loans charged-off</b>                                 | <b>(16)</b>   | <b>(7)</b>    | <b>(5)</b>    | <b>(15)</b>   | <b>(4)</b>    |
| Commercial and industrial                                      | 1             | 3             | 6             | 4             | 3             |
| Commercial real estate   | 1             | 1             | 3             | 4             | 1             |
| Consumer   | 1             | 1             | 1             | 1             | 1             |
| <b>Total recoveries</b>  | <b>3</b>      | <b>5</b>      | <b>10</b>     | <b>9</b>      | <b>6</b>      |
| <b>Net recoveries (charge-offs)</b>                            | <b>(13)</b>   | <b>(2)</b>    | <b>5</b>      | <b>(7)</b>    | <b>1</b>      |
| Adoption of new ASU related to modified loans <sup>(1)</sup>   | —             | 0             | —             | —             | —             |
| Provision for credit losses                                    | 25            | 15            | 2             | —             | —             |
| <b>Balance, end of period</b>                                  | <b>\$ 466</b> | <b>\$ 454</b> | <b>\$ 440</b> | <b>\$ 433</b> | <b>\$ 440</b> |
| <b>Reserve for Unfunded Commitments<sup>(2)</sup></b>          |               |               |               |               |               |
| Balance, beginning of period                                   | \$ 24         | \$ 29         | \$ 25         | \$ 25         | \$ 24         |
| (Release) provision for credit losses for unfunded commitments | (10)          | (5)           | 4             | 0             | 1             |
| Balance, end of period   | <b>\$ 14</b>  | <b>\$ 24</b>  | <b>\$ 29</b>  | <b>\$ 25</b>  | <b>\$ 25</b>  |

<sup>(1)</sup> Effective 1/1/23, the TDR recognition and measurement guidance via the modified retrospective transition method was eliminated in the new accounting guidance (ASU 2022-02).

<sup>(2)</sup> The Reserve for Unfunded Commitments is classified in other liabilities on the consolidated balance sheets.

# Non-GAAP Reconciliation

\$ in millions, unless otherwise indicated

|  | Quarter Ended |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
|  | 6/30/23       | 3/31/23       | 12/31/22      | 9/30/22       | 6/30/22       |
| Net Income   | \$ 114        | \$ 77         | \$ 98         | \$ 123        | \$ 127        |
| Plus: Merger Expense <sup>(1)</sup>                      | 0             | 5             | 20            | 20            | 7             |
| Incremental Merger Related Expense <sup>(1)</sup>        | 2             | 9             | 33            | 7             | 6             |
| Gain on extinguishment of debt                           | (1)           | -             | -             | -             | -             |
| Branch Closing & Other Expense                           | 6             | 0             | 2             | 0             | 1             |
| Pension Settlement Expense                               | -             | -             | 6             | 3             | -             |
| Less: Security Gains (Losses)                            | 0             | (51)          | (1)           | (0)           | 1             |
| Tax Adjustment   | 2             | 15            | 15            | 7             | 3             |
| Adjusted Net Income                                      | \$ 119        | \$ 127        | \$ 145        | \$ 146        | \$ 137        |
| Less: Preferred Dividends                                | 2             | 2             | 2             | 2             | 2             |
| <b>Adjusted net income avail. to common shareholders</b> | <b>\$ 117</b> | <b>\$ 124</b> | <b>\$ 143</b> | <b>\$ 144</b> | <b>\$ 134</b> |
| Net Income   | \$ 114        | \$ 77         | \$ 98         | \$ 123        | \$ 127        |
| Plus: Provision for Credit Losses                        | 15            | 10            | 6             | -             | 1             |
| Income Tax Expense                                       | 33            | 22            | 30            | 37            | 36            |
| <b>Pre-tax Pre-provision Net Revenue</b>                 | <b>\$ 162</b> | <b>\$ 109</b> | <b>\$ 134</b> | <b>\$ 160</b> | <b>\$ 164</b> |
| Net Income   | 114           | \$ 77         | \$ 98         | \$ 123        | \$ 127        |
| Plus: Provision for Credit Losses                        | 15            | 10            | 6             | -             | 1             |
| Merger Expense <sup>(1)</sup>                            | 0             | 5             | 20            | 20            | 7             |
| Incremental Merger Related Expense <sup>(1)</sup>        | 2             | 9             | 33            | 7             | 6             |
| Gain on extinguishment of debt                           | (1)           | -             | -             | -             | -             |
| Branch Closing & Other Expense                           | 6             | 0             | 2             | 0             | 1             |
| Pension Settlement Expense                               | -             | -             | 6             | 3             | -             |
| Income Tax Expense                                       | 33            | 22            | 30            | 37            | 36            |
| Less: Security Gains (Losses)                            | 0             | (51)          | (1)           | (0)           | 1             |
| <b>Adjusted Pre-tax Pre-provision Net Revenue</b>        | <b>\$ 169</b> | <b>\$ 175</b> | <b>\$ 196</b> | <b>\$ 190</b> | <b>\$ 177</b> |
| Total Noninterest Expense                                | \$ 304        | \$ 319        | \$ 341        | \$ 320        | \$ 286        |
| Less: Merger Expense <sup>(1)</sup>                      | 0             | 5             | 20            | 20            | 7             |
| Incremental Merger Related Expense <sup>(1)</sup>        | 2             | 9             | 33            | 7             | 6             |
| Gain on extinguishment of debt                           | (1)           | -             | -             | -             | -             |
| Branch Closing & Other Expense                           | 6             | 0             | 2             | 0             | 1             |
| Pension Settlement Expense                               | -             | -             | 6             | 3             | -             |
| <b>Total Adjusted Expense</b>                            | <b>\$ 297</b> | <b>\$ 305</b> | <b>\$ 279</b> | <b>\$ 290</b> | <b>\$ 272</b> |

<sup>(1)</sup> Merger expenses represent costs to complete the merger with no future benefit, while incremental merger related expenses represent costs to complete the merger for which the entity receives a future benefit.

# Non-GAAP Reconciliation, continued

\$ in millions, unless otherwise indicated

|   | Quarter Ended    |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | 6/30/23          | 3/31/23          | 12/31/22         | 9/30/22          | 6/30/22          |
| Total Assets  | \$ 48,839        | \$ 51,693        | \$ 48,653        | \$ 47,700        | \$ 47,748        |
| Less: Goodwill  | 1,459            | 1,459            | 1,459            | 1,450            | 1,444            |
| Other Identifiable Intangible Assets                            | 119              | 126              | 133              | 133              | 138              |
| Total tangible assets   | \$ 47,260        | \$ 50,108        | \$ 47,062        | \$ 46,117        | \$ 46,165        |
| Less: Accumulated other comprehensive loss                      | (1,163)          | (1,082)          | (1,223)          | (1,298)          | (936)            |
| <b>Total tangible assets, excluding AOCI</b>                    | <b>\$ 48,423</b> | <b>\$ 51,190</b> | <b>\$ 48,284</b> | <b>\$ 47,415</b> | <b>\$ 47,101</b> |
| Total Shareholders' Equity                                      | \$ 4,486         | \$ 4,490         | \$ 4,311         | \$ 4,167         | \$ 4,438         |
| Less: Accumulated other comprehensive loss                      | (1,163)          | (1,082)          | (1,223)          | (1,298)          | (936)            |
| <b>Total shareholders' equity, ex. AOCI</b>                     | <b>\$ 5,649</b>  | <b>\$ 5,572</b>  | <b>\$ 5,534</b>  | <b>\$ 5,465</b>  | <b>\$ 5,374</b>  |
| Total Shareholders' Equity                                      | \$ 4,486         | \$ 4,490         | \$ 4,311         | \$ 4,167         | \$ 4,438         |
| Less: Preferred Stock   | 167              | 167              | 167              | 167              | 167              |
| Less: Accumulated other comprehensive loss                      | (1,163)          | (1,082)          | (1,223)          | (1,298)          | (936)            |
| <b>Total common shareholders' equity, ex. AOCI</b>              | <b>\$ 5,482</b>  | <b>\$ 5,405</b>  | <b>\$ 5,367</b>  | <b>\$ 5,298</b>  | <b>\$ 5,207</b>  |
| Total Shareholders' Equity <sup>(1)</sup>                       | \$ 4,539         | \$ 4,396         | \$ 4,216         | \$ 4,507         | \$ 4,523         |
| Less: Goodwill <sup>(1)</sup>                                   | 1,459            | 1,459            | 1,457            | 1,444            | 1,407            |
| Other Identifiable Intangible Assets <sup>(1)</sup>             | 123              | 129              | 132              | 136              | 189              |
| Preferred Stock <sup>(1)</sup>                                  | 167              | 167              | 167              | 167              | 167              |
| <b>Total Tangible Common Shareholders' Equity<sup>(1)</sup></b> | <b>\$ 2,790</b>  | <b>\$ 2,641</b>  | <b>\$ 2,459</b>  | <b>\$ 2,759</b>  | <b>\$ 2,760</b>  |
| Total Shareholders' Equity                                      | \$ 4,486         | \$ 4,490         | \$ 4,311         | \$ 4,167         | \$ 4,438         |
| Less: Goodwill  | 1,459            | 1,459            | 1,459            | 1,450            | 1,444            |
| Other identifiable Intangible Assets                            | 119              | 126              | 133              | 133              | 138              |
| Preferred Stock   | 167              | 167              | 167              | 167              | 167              |
| Total Tangible Common Shareholders' Equity                      | \$ 2,740         | \$ 2,738         | \$ 2,553         | \$ 2,417         | \$ 2,688         |
| Less: Accumulated other comprehensive loss                      | (1,163)          | (1,082)          | (1,223)          | (1,298)          | (936)            |
| <b>Total tangible common shareholders' equity, ex. AOCI</b>     | <b>\$ 3,904</b>  | <b>\$ 3,820</b>  | <b>\$ 3,775</b>  | <b>\$ 3,715</b>  | <b>\$ 3,625</b>  |
| Total Average Assets  | \$ 49,067        | \$ 48,652        | \$ 47,790        | \$ 47,596        | \$ 47,065        |
| Total Shares of Common Stock Outstanding (millions)             | 182.6            | 182.7            | 182.4            | 182.4            | 182.5            |
| Average Diluted Shares Outstanding (millions)                   | 183.6            | 183.9            | 183.8            | 183.3            | 183.7            |

<sup>(1)</sup> Average balances.

# Non-GAAP Reconciliation, continued

|  | Quarter Ended   |          |          |          |          |
|--|-----------------|----------|----------|----------|----------|
|  | 6/30/23         | 3/31/23  | 12/31/22 | 9/30/22  | 6/30/22  |
| Tangible Common Shareholders' Equity to Tangible Assets <sup>(1)</sup>                 | <b>5.80%</b>    | 5.46%    | 5.42%    | 5.24%    | 5.82%    |
| Tangible Common Shareholders' Equity to Tangible Assets, excluding AOCI <sup>(2)</sup> | <b>8.06%</b>    | 7.46%    | 7.82%    | 7.84%    | 7.70%    |
| Return on Average Tangible Common Equity <sup>(3)</sup>                                | <b>16.05%</b>   | 11.40%   | 15.42%   | 17.40%   | 18.11%   |
| Adjusted Return on Average Tangible Common Equity <sup>(4)</sup>                       | <b>16.80%</b>   | 19.10%   | 23.04%   | 20.66%   | 19.50%   |
| Adjusted Return on Average Assets <sup>(5)</sup>                                       | <b>0.97%</b>    | 1.06%    | 1.21%    | 1.22%    | 1.16%    |
| Adjusted Return on Average Common Shareholders' Equity <sup>(6)</sup>                  | <b>10.72%</b>   | 11.93%   | 14.00%   | 13.13%   | 12.36%   |
| Pre-tax Pre-provision Net Revenue to Total Average Assets <sup>(7)</sup>               | <b>1.32%</b>    | 0.91%    | 1.11%    | 1.33%    | 1.40%    |
| Adjusted Pre-tax Pre-provision Net Revenue to Total Average Assets <sup>(8)</sup>      | <b>1.38%</b>    | 1.46%    | 1.62%    | 1.58%    | 1.51%    |
| Tangible Book Value per Common Share <sup>(9)</sup>                                    | <b>\$ 15.01</b> | \$ 14.99 | \$ 13.99 | \$ 13.25 | \$ 14.73 |
| Tangible Book Value per Common Share, excluding AOCI <sup>(10)</sup>                   | <b>\$ 21.37</b> | \$ 20.91 | \$ 20.69 | \$ 20.36 | \$ 19.87 |
| Adjusted Earnings per Common Share <sup>(11)</sup>                                     | <b>\$ 0.64</b>  | \$ 0.68  | \$ 0.78  | \$ 0.78  | \$ 0.73  |
| Adjusted Dividend Payout Ratio <sup>(12)</sup>   | <b>36.72%</b>   | 34.56%   | 28.21%   | 28.21%   | 30.14%   |

\* See slide 29 for a more detailed explanation of these calculations.

# Non-GAAP Reconciliation, continued

## Definitions of Non-GAAP Measures:

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

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

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

# Forward-Looking Statements

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*Certain statements made in this presentation 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 safe harbor under the Private Securities Litigation Reform Act of 1995 as well as the “bespeaks caution” doctrine. The Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this news release, but 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. The forward-looking statements in this presentation should be read in conjunction with risk disclosures in the Company’s periodic and current reports filed with the FDIC, including explicitly, the risk factors in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, in the Company’s Quarterly Reports on Form 10-Q, and in the Company’s Current Reports on Form 8-K, which may be found at <https://ir.cadencebank.com/home>. The forward-looking statements speak only as of the date of this news release, and the Company expressly disclaims any obligation to publicly update or review any forward-looking statement, except as required by applicable law.*



Cadence Bank's common stock is listed on the New York Stock Exchange under the symbol CADE and its Series A Preferred Stock is listed under the symbol CADE-PrA. Additional information can be found at <https://ir.cadencebank.com>.\*

As a reminder, all of the Company's Securities Exchange Act filings are made with the Federal Deposit Insurance Corporation and can be found at <https://efr.fdic.gov/fcxweb/efr/index.html>.

## INVESTOR INQUIRIES:

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\*References to Cadence Bank's website does not constitute incorporation by reference of the information contained on the website and is not, and should not be, deemed part of this presentation.

