

## CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, unaudited)

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
<b>Assets</b>		
Cash and due from banks	\$ 395,364	\$ 362,048
Overnight investments	7,871,382	4,347,336
Investment in marketable equity securities (cost of \$84,297 at June 30, 2021 and \$84,837 at December 31, 2020)	118,540	91,680
Investment securities available for sale (cost of \$7,335,745 at June 30, 2021 and \$6,911,965 at December 31, 2020)	7,381,083	7,014,243
Investment securities held to maturity (fair value of \$3,377,085 at June 30, 2021 and \$2,838,499 at December 31, 2020)	3,394,604	2,816,982
Loans held for sale	107,768	124,837
Loans and leases	32,689,652	32,791,975
Allowance for credit losses	(189,094)	(224,314)
Net loans and leases	32,500,558	32,567,661
Premises and equipment	1,237,860	1,251,283
Other real estate owned	43,685	50,890
Income earned not collected	133,043	145,694
Goodwill	350,298	350,298
Other intangible assets	47,439	50,775
Other assets	1,593,694	783,953
<b>Total assets</b>	<b>\$ 55,175,318</b>	<b>\$ 49,957,680</b>
<b>Liabilities</b>		
Deposits:		
Noninterest-bearing	\$ 20,974,111	\$ 18,014,029
Interest-bearing	27,436,485	25,417,580
Total deposits	48,410,596	43,431,609
Securities sold under customer repurchase agreements	692,604	641,487
Federal Home Loan Bank borrowings	646,667	655,175
Subordinated debt	497,290	504,518
Other borrowings	80,531	88,470
FDIC shared-loss payable	—	15,601
Other liabilities	371,140	391,552
<b>Total liabilities</b>	<b>50,698,828</b>	<b>45,728,412</b>
<b>Shareholders' equity</b>		
Common stock:		
Class A - \$1 par value (16,000,000 shares authorized; 8,811,220 shares issued and outstanding at June 30, 2021 and December 31, 2020)	8,811	8,811
Class B - \$1 par value (2,000,000 shares authorized; 1,005,185 shares issued and outstanding at June 30, 2021 and December 31, 2020)	1,005	1,005
Preferred stock - \$0.01 par value (10,000,000 shares authorized; 345,000 shares issued and outstanding at June 30, 2021 and December 31, 2020; \$1,000 per share liquidity preference)	339,937	339,937
Retained earnings	4,148,857	3,867,252
Accumulated other comprehensive (loss) income	(22,120)	12,263
<b>Total shareholders' equity</b>	<b>4,476,490</b>	<b>4,229,268</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 55,175,318</b>	<b>\$ 49,957,680</b>

## CONSOLIDATED STATEMENTS OF INCOME

	Three months ended			Six months ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Dollars in thousands, except per share data, unaudited)					
<b>Interest income</b>					
Loans and leases	\$ 324,288	\$ 323,023	\$ 326,099	\$ 647,311	\$ 651,647
Investment securities interest and dividend	35,432	30,852	36,605	66,284	76,098
Overnight investments	2,105	1,448	553	3,553	5,071
<b>Total interest income</b>	<u>361,825</u>	<u>355,323</u>	<u>363,257</u>	<u>717,148</u>	<u>732,816</u>
<b>Interest expense</b>					
Deposits	8,542	8,793	17,916	17,335	42,110
Securities sold under customer repurchase	356	338	399	694	841
Federal Home Loan Bank borrowings	2,099	2,087	2,472	4,186	5,456
Subordinated debt	4,181	4,188	4,677	8,369	7,432
Other borrowings	254	265	399	519	1,183
<b>Total interest expense</b>	<u>15,432</u>	<u>15,671</u>	<u>25,863</u>	<u>31,103</u>	<u>57,022</u>
<b>Net interest income</b>	<u>346,393</u>	<u>339,652</u>	<u>337,394</u>	<u>686,045</u>	<u>675,794</u>
Provision (credit) for credit losses	(19,603)	(10,974)	20,552	(30,577)	48,907
<b>Net interest income after provision for credit losses</b>	<u>365,996</u>	<u>350,626</u>	<u>316,842</u>	<u>716,622</u>	<u>626,887</u>
<b>Noninterest income</b>					
Wealth management services	31,753	32,198	22,371	63,951	48,783
Service charges on deposit accounts	21,883	21,536	17,522	43,419	43,935
Cardholder services, net	22,471	19,960	17,587	42,431	35,747
Mortgage income	5,929	12,991	9,811	18,920	15,035
Merchant services, net	8,532	8,917	5,363	17,449	11,251
Other service charges and fees	8,959	8,489	7,145	17,448	14,937
Insurance commissions	3,704	3,998	3,189	7,702	6,877
ATM income	1,571	1,482	1,395	3,053	2,817
Marketable equity securities gains, net	11,654	16,011	64,570	27,665	13,162
Realized gains on investment securities available for sale, net	15,830	9,207	13,752	25,037	33,547
Other	1,864	1,860	2,697	3,724	3,322
<b>Total noninterest income</b>	<u>134,150</u>	<u>136,649</u>	<u>165,402</u>	<u>270,799</u>	<u>229,413</u>
<b>Noninterest expense</b>					
Salaries and wages	153,643	147,830	146,633	301,473	291,888
Employee benefits	35,298	35,725	30,364	71,023	68,875
Occupancy expense	28,439	29,743	29,556	58,182	57,036
Equipment expense	28,902	29,803	28,774	58,705	56,624
Processing fees paid to third parties	14,427	13,673	10,186	28,100	20,558
FDIC insurance expense	3,382	3,218	3,731	6,600	7,197
Collection and foreclosure-related expenses	173	2,198	3,949	2,371	8,003
Merger-related expenses	5,769	6,819	4,369	12,588	8,601
Other	31,545	26,917	34,117	58,462	72,868
<b>Total noninterest expense</b>	<u>301,578</u>	<u>295,926</u>	<u>291,679</u>	<u>597,504</u>	<u>591,650</u>
Income before income taxes	198,568	191,349	190,565	389,917	264,650
Income taxes	45,780	44,033	36,779	89,813	53,695
<b>Net income</b>	<u>\$ 152,788</u>	<u>\$ 147,316</u>	<u>\$ 153,786</u>	<u>\$ 300,104</u>	<u>\$ 210,955</u>
Preferred stock dividends	4,636	4,636	4,790	9,272	4,790
<b>Net income available to common shareholders</b>	<u>\$ 148,152</u>	<u>\$ 142,680</u>	<u>\$ 148,996</u>	<u>\$ 290,832</u>	<u>\$ 206,165</u>
Weighted average common shares outstanding	9,816,405	9,816,405	10,105,520	9,816,405	10,289,320
Earnings per common share	\$ 15.09	\$ 14.53	\$ 14.74	\$ 29.63	\$ 20.04
Dividends declared per common share	0.47	0.47	0.40	0.94	0.80

## SELECTED QUARTERLY RATIOS

	Three months ended		
	June 30, 2021	March 31, 2021	June 30, 2020
<b>SELECTED RATIOS</b>			
Book value per share at period-end	\$ 421.39	\$ 405.59	\$ 367.57
Annualized return on average assets	1.13 %	1.16 %	1.36 %
Annualized return on average equity	14.64	14.70	16.43
Total risk-based capital ratio	14.2	14.1	13.6
Tier 1 risk-based capital ratio	12.1	12.0	11.4
Common equity Tier 1 ratio	11.1	11.0	10.3
Tier 1 leverage capital ratio	7.7	7.8	8.1

## ALLOWANCE FOR CREDIT LOSSES AND ASSET QUALITY DISCLOSURES

	Three months ended		
	June 30, 2021	March 31, 2021	June 30, 2020
(Dollars in thousands, unaudited)			
<b>ALLOWANCE FOR CREDIT LOSSES <sup>(1)</sup></b>			
ACL at beginning of period	\$ 210,651	\$ 224,314	\$ 209,259
Provision for credit losses	(19,603)	(10,974)	20,552
Net charge-offs of loans and leases:			
Charge-offs	(7,528)	(8,563)	(12,064)
Recoveries	5,574	5,874	4,703
Net charge-offs of loans and leases	(1,954)	(2,689)	(7,361)
ACL at end of period	\$ 189,094	\$ 210,651	\$ 222,450
ACL at end of period allocated to:			
PCD	\$ 18,740	\$ 22,935	\$ 26,928
Non-PCD	170,354	187,716	195,522
ACL at end of period	\$ 189,094	\$ 210,651	\$ 222,450
Reserve for unfunded commitments	\$ 11,103	\$ 11,571	\$ 13,685
<b>SELECTED LOAN DATA</b>			
Average loans and leases:			
PCD	\$ 414,183	\$ 454,521	\$ 546,998
Non-PCD	32,628,109	32,515,793	30,992,001
Loans and leases at period-end:			
PCD	396,506	432,773	530,651
Non-PCD	32,293,146	32,748,078	31,887,774
<b>RISK ELEMENTS</b>			
Nonaccrual loans and leases	\$ 187,464	\$ 194,534	\$ 197,791
Other real estate owned	43,685	48,512	53,850
Total nonperforming assets	\$ 231,149	\$ 243,046	\$ 251,641
Accruing loans and leases 90 days or more past due	\$ 3,776	\$ 7,377	\$ 3,796
<b>RATIOS</b>			
Net charge-offs (annualized) to average loans and leases	0.02 %	0.03 %	0.09 %
ACL to total loans and leases <sup>(2)</sup> :			
PCD	4.73	5.30	5.07
Non-PCD	0.53	0.57	0.61
Total	0.58	0.63	0.69
Ratio of total nonperforming assets to total loans, leases and other real estate owned	0.71	0.73	0.77

<sup>(1)</sup> BancShares recorded no ACL on investment securities as of June 30, 2021, December 31, 2020, or June 30, 2020.

<sup>(2)</sup> Loans originated in relation to the SBA-PPP do not have a recorded ACL. As of June 30, 2021, the ratio of ACL to total Non-PCD loans excluding SBA-PPP loans was 0.56% while the ratio of ACL to total loans excluding SBA-PPP loans was 0.61%. As of December 31, 2020, the ratio of ACL to total Non-PCD loans excluding SBA-PPP loans was 0.67% while the ratio of ACL to total loans excluding SBA-PPP loans was 0.74%.

## AVERAGE BALANCE SHEETS AND NET INTEREST MARGIN

	Three months ended								
	June 30, 2021			March 31, 2021			June 30, 2020		
	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>
(Dollars in thousands, unaudited)									
<b>INTEREST-EARNING ASSETS</b>									
Loans and leases <sup>(1)</sup>	\$ 33,166,049	\$324,891	3.89 %	\$33,086,656	\$323,602	3.92 %	\$31,635,958	\$326,618	4.10 %
Investment securities:									
U.S. Treasury	—	—	—	383,300	171	0.18	206,575	679	1.32
Government agency	839,614	1,966	0.94	791,293	1,900	0.96	657,405	1,428	0.87
Mortgage-backed securities	8,968,779	25,273	1.13	7,882,679	20,607	1.05	7,555,947	28,532	1.51
Corporate bonds	612,516	7,806	5.10	602,883	7,742	5.14	299,250	3,782	5.06
Other investments	113,439	426	1.51	97,495	472	1.96	209,290	2,236	4.30
Total investment securities	10,534,348	35,471	1.35	9,757,650	30,892	1.27	8,928,467	36,657	1.64
Overnight investments	7,819,287	2,105	0.11	5,870,973	1,448	0.10	2,231,356	553	0.10
Total interest-earning assets	\$ 51,519,684	\$362,467	2.80	\$48,715,279	\$355,942	2.93	\$42,795,781	\$363,828	3.38
Cash and due from banks	364,303			333,069			404,517		
Premises and equipment	1,242,700			1,251,542			1,260,566		
Allowance for credit losses	(211,913)			(224,009)			(209,973)		
Other real estate owned	46,074			48,590			55,554		
Other assets	1,438,483			1,285,163			1,247,057		
Total assets	<u>\$ 54,399,331</u>			<u>\$51,409,634</u>			<u>\$45,553,502</u>		
<b>INTEREST-BEARING LIABILITIES</b>									
Interest-bearing deposits:									
Checking with interest	\$ 10,952,753	\$ 1,504	0.06 %	\$ 10,746,225	\$ 1,409	0.05 %	\$ 8,562,145	\$ 1,310	0.06 %
Savings	3,796,686	326	0.03	3,461,780	299	0.04	2,846,557	312	0.04
Money market accounts	9,581,775	2,634	0.11	9,008,391	2,508	0.11	7,618,883	6,519	0.34
Time deposits	2,672,900	4,078	0.61	2,805,317	4,577	0.66	3,398,979	9,775	1.16
Total interest-bearing deposits	27,004,114	8,542	0.13	26,021,713	8,793	0.14	22,426,564	17,916	0.32
Securities sold under customer repurchase agreements	677,451	356	0.21	641,236	338	0.21	659,244	399	0.24
Other short-term borrowings	—	—	—	—	—	—	45,549	248	2.16
Long-term borrowings	1,227,755	6,534	2.12	1,235,576	6,540	2.12	1,275,928	7,300	2.26
Total interest-bearing liabilities	28,909,320	\$ 15,432	0.21	27,898,525	\$ 15,671	0.23	24,407,285	\$ 25,863	0.42
Demand deposits	20,746,989			18,836,485			16,719,851		
Other liabilities	344,849			399,420			438,141		
Shareholders' equity	4,398,173			4,275,204			3,988,225		
Total liabilities and shareholders' equity	<u>\$ 54,399,331</u>			<u>\$51,409,634</u>			<u>\$45,553,502</u>		
Interest rate spread			<u>2.59 %</u>			<u>2.70 %</u>			<u>2.96 %</u>
Net interest income and net yield on interest-earning assets		<u>\$347,035</u>	<u>2.68 %</u>		<u>\$340,271</u>	<u>2.80 %</u>		<u>\$337,965</u>	<u>3.14 %</u>

<sup>(1)</sup> Loans and leases include PCD and non-PCD loans, nonaccrual loans and loans held for sale.

<sup>(2)</sup> Yields related to loans, leases and securities exempt from both federal and state income taxes, federal income taxes only, or state income taxes only are stated on a taxable-equivalent basis assuming statutory federal income tax rates of 21.0% for all periods presented, as well as state income tax rates of 3.3% for the three months ended June 30, 2021 and March 31, 2021, and 3.4% for the three months ended June 30, 2020. The taxable-equivalent adjustment was \$642 thousand, \$619 thousand, and \$571 thousand for the three months ended June 30, 2021, March 31, 2021, and June 30, 2020, respectively.