



March 2021

*Corporate* **SOCIAL  
RESPONSIBILITY  
STATEMENT**

# TABLE of CONTENTS

STARTING WITH A STRONG CORPORATE CULTURE .....	3
CORPORATE GOVERNANCE: SETTING THE STANDARD .....	3
A MULTIDIMENSIONAL RESPONSE TO COVID-19 .....	4
Serving Our Customers .....	5
Paycheck Protection Program .....	5
Loan Deferrals .....	5
Digital Innovations .....	5
Making the Human Connection .....	6
Serving Our Associates .....	7
Ensuring Health and Safety .....	7
Providing Peace of Mind .....	7
Emphasizing Communications and Transparency .....	8
EXPANDING OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION .....	9
Creating the Infrastructure for Change .....	9
Moving Forward on Three Fronts .....	10
Visible Value .....	10
Thriving Talent .....	10
Embrace We .....	11
DOING RIGHT BY THE ENVIRONMENT .....	11
A REWARDING PLACE TO BUILD A CAREER .....	12
Taking Care of Teammates .....	12
Encouraging Associates to Build Their Career at Cadence .....	12
CREATING OPPORTUNITIES FOR INDIVIDUALS, SMALL BUSINESSES AND COMMUNITIES .....	13
Community Benefits Plan .....	13
Low-Cost Checking .....	14
Homeownership Programs .....	14
Small Business Loans .....	15
Partnerships with Community Organizations .....	15
Community Service .....	17
SAFEGUARDING INFORMATION .....	17
Cybersecurity .....	18
Business Continuity .....	18
SASB STATEMENT .....	19



## STARTING *with a* STRONG CORPORATE CULTURE

Founded in 2010, Cadence Bancorporation has successfully expanded its footprint throughout the Southeast and Texas. As of December 31, 2020, we had \$18.7 billion in assets, more than 1,800 employees, and 98 branches and loan production offices. Our vision is “to be one of the top performing banks in the nation.”

At Cadence, we measure our performance by financial metrics such as adjusted net income, earnings per share and capital ratios. But as our mission statement — “to deliver a better banking experience for every client” — reveals, financial success is not an end in itself. Rather, Cadence is founded on the belief that we will best meet our goals by prioritizing the well-being of the individuals, businesses and communities we serve.

Our four core values, the foundation of our corporate culture, are a direct expression of an organization that views itself as a force for good in society. Our value, “Do Right,” is an embodiment of the Golden Rule, while “Embrace We” connects directly with the ideals of diversity, equity and

inclusion. “Own It” is an assertion that accountability — both individually and as a company — is part of our DNA, while “Fresh Thinking Welcome Here” expresses our belief that through creativity and innovation we can always do more to serve our customers.

This Corporate Social Responsibility (CSR) Statement focuses on the ways that Cadence, as an institution, and Cadence employees, acting individually and collaboratively, translate these values into action. It also highlights our conviction that delivering “a better banking experience” entails more than offering financial products and services, though these are the fundamental way we make a difference. It means we recognize there are many ways we can “do right” in supporting our associates, our clients and our communities.

While we are equally committed to the three areas of corporate responsibility—environment, social, and governance (ESG)—the unprecedented events of the past year, both the pandemic and cries for social justice, demanded extraordinary consideration of people and relationships. In a year unlike any other, our efforts and our progress affirmatively reflect our commitment to “doing right.”

## CORPORATE GOVERNANCE: *setting the* STANDARD

The commitment by our board of directors to our vision, mission and values signals their importance to the entire organization. Our values shape the board’s composition as well as the policies it formulates. The board has made strides to increase its diversity and maintain its independence. Eight of the nine board members are independent, three are women, and two of those three are African American. They range in age from 46 to 77.

In 2020, Cadence was named a 2020 Winning “W” company by the Women on Boards advocacy campaign for having women form at least 20% of its board of directors. We were cited as a “shining example of enlightened business leadership.”

The board has also put in place a number of measures that strengthen accountability, enhance transparency, and reaffirm our commitment to ethical conduct, equity and social justice. Over the last two years, the board has

systematically re-examined Cadence’s governance structure, and established the following:

- [Insider Trading and Information Policy \(2019\)](#)
- [Human Rights Statement \(2019\)](#)
- [Vendor Code of Conduct \(2019\)](#)
- [Whistleblower Policy \(2020\)](#)
- [CADE Stock Ownership Guidelines \(2020\)](#)
- [Declassification of the Board \(2020\)](#)
- [Elimination of Supermajority Voting \(2020\)](#)
- [Director Resignation Policy \(2020\)](#)

Additionally, a [Business Code of Conduct and Ethics](#) guides our way of doing business. We also offer the board Office of the Comptroller of the Currency director’s training, Bank Secrecy Act training and other portfolio industry-specific training on an annual basis.

# A MULTIDIMENSIONAL *response to* COVID-19

In March 2020, the COVID-19 pandemic spread rapidly across the United States, decimating the economy and altering the way people live, work and interact with each other. Workers were sent home, businesses shuttered, and social distancing became the norm. Because of the preparation, programs and products Cadence already had in place, we were able to respond quickly to support those individuals, businesses and communities that needed a lifeline to carry them through the crisis.

It was thanks to our existing business continuity plans that we were able to transition more than half our employees to remote work in just days. At the same time, we leveraged our existing investments in technology to give our customers more ways to interact with us when social distancing limited their ability to make in-person transactions.

Our values provided the catalyst for this quick response. We “did right” by looking for opportunities to help. We “embraced we” by collaborating across our organization and joining forces with community groups. We “owned it” by taking the responsibility for acting boldly. And we embraced “fresh thinking” by devising the new financial products and processes required to help people, businesses and communities through this national emergency.

## Serving Our Customers

### Paycheck Protection Program

With the passage of the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27, 2020, it became the responsibility of our nation’s banks, working with the Small Business Administration (SBA), to keep the small businesses that are the lifeblood of the economy afloat. Cadence more than met the challenge. In less than two weeks, we mobilized almost 25% of our workforce, more than 400 employees, for this effort. Working nights and weekends through two rounds of funding, we secured \$1.1 billion in loans for approximately 4,350 customers. We are currently helping many of these same customers apply for PPP loan forgiveness. Nearly two-thirds of these loans were for \$150,000 or less, ensuring funding to the most at-risk businesses and helping boost local economies.

### Loan Deferrals

With the approval of our regulators, we granted \$1.9 billion in loan deferrals to retail, mortgage and commercial customers in the first round, helping them through the early days of the pandemic. We also carefully evaluated and initiated second-round requests as necessary. Additionally, we waived overdraft fees for our retail customers, suspended charge-offs of overdrawn accounts, and, on request, provided 90-day deferrals on small business and consumer loans and lines of credit.

### Digital Innovations

Our plan in 2020 was to introduce a series of digital options for our retail and commercial customers, many of which proved particularly valuable amid the pandemic. For instance, we added Zelle®, the standard for person-to-person payments, to our suite of retail digital services.

Our digital innovations for commercial customers also proved to be pandemic ready. In 2020, we introduced a new, more comprehensive digital payments module for our clients. Through the module, clients gain an integrated view of their online payment activity and can readily initiate, transfer, manage and monitor their ACH and wire payments. In addition, the module allows them to initiate and approve payments using their mobile devices.

We also launched Electronic Invoice Presentment and Payment (EIPP), an introduction that was particularly timely. EIPP enables commercial customers to present invoices to their clients and trading partners electronically through a secure web portal. Their clients can pay electronically via ACH or credit card through the portal or by mail, making EIPP a great alternative to traditional lockbox. Because electronic bills arrive instantaneously, EIPP shortens payment collection time, improving cash flow.

During the pandemic, we helped our customers apply EIPP to novel uses. For example, to support a large public health system serving low-income patients, Houston-area donors responded with an outpouring of checks. The health system needed to provide its donors with a safe electronic alternative to traditional banking for their contributions that it could more easily manage. In just two weeks, Cadence created an EIPP donation portal, shifting the flow of funds from paper to electronic formats. We also created a second EIPP portal to enable health system employees working remotely to make their health insurance payments online.

In addition, we designed an EIPP portal to make it easier for work-at-home employees of a Texas county to better track and accept monthly payments it received from participants in its emergency loan program for local businesses. Borrowers can now simply sign into the portal and make their payments electronically.

### Making the Human Connection

Cadence also offered a number of solutions this year that helped our retail customers overcome the limitations of social distancing. As the next stage in the rollout of our Cadence Direct retail digital banking business, we introduced live digital client advisors (DCAs). The DCA option gives customers the ability to interact with a knowledgeable associate by text, email, phone or video conference. DCAs can help customers set up new accounts, apply for a loan and

more. In the midst of a pandemic, this new service gained instant acceptance.

Customers could make a similar connection from their vehicles using our Cadence Live Teller Interactive Teller Machines (ITMs). They provide a video connection to a teller in our Operations Center, who is available 12 hours a day during the week and four hours on Saturday morning. When the year began, ITMs could be found at 13 locations. After the pandemic struck, ITM usage grew fourfold. Already, Cadence has begun to expand its network of ITMs to 59 by year-end 2021, increasing our coverage to approximately half of our branches.

There are situations, however, where customers would prefer a face-to-face conversation with a banker. In this case, the pandemic inspired another digital innovation — online appointment setting — a service we will retain going forward. Customers can now request an appointment at a branch through our Cadence mobile banking app and from our online banking site. The service is also open to noncustomers, who can make their request through cadencebank.com. By the end of the year, we had accommodated more than 1,200 appointment requests.

## Serving Our Associates

### Ensuring Health and Safety

At Cadence, we knew that any initiative we undertook to help our customers better navigate the pandemic would depend on the knowledge, dedication and resourcefulness of each of our associates. If we were to “do right” by our customers, we had simultaneously to “do right” by our employees to protect them amid the pandemic. The steps we took to safeguard their health and well-being were also motivated by the deep regard and respect we have for each other at Cadence, which is expressed by our commitment to “Embrace we.”

Shifting the bulk of our 1,800 associates to working from home at the start of the pandemic was our first concern. By March 20, 2020, more than 50% were working remotely and doing so efficiently. Our employees were able to make a virtually seamless transition from office to home thanks to the systems and infrastructure already in place as part of our business continuity plans.

However, not all employees could accomplish their responsibilities from home. For them, we published extensive healthy workplace guidelines based on the latest updates from the Centers for Disease Control. For instance, although we limited most customer access to our branches to drive-thru, we installed protective acrylic screens, provided face masks, enforced mask-wearing and social distancing, and implemented enhanced cleaning so that our bankers could safely interact with each other as well as customers who requested in-person appointments.

Our Human Resources department implemented a comprehensive program that included self-reporting, exposure tracking, testing and recovery—to ensure that our

associates—whether working in the branches, back office or remotely—were as safe as possible.

### Providing Peace of Mind

We recognized that even the most carefully designed precautions, while dramatically reducing risk of infection, could not eliminate the risk completely. In response, we created a COVID-19 emergency paid sick leave policy, providing up to 80 hours of additional emergency paid sick time for associates that could be used for COVID-19-related illness, quarantine, childcare or senior care.

Whether associates were working from home or from a branch or office, living through the pandemic posed its own challenges. Fortunately, we had recently made a number of upgrades to our benefits plan that reinforced our associates’ resiliency. Our improved behavioral assistance program was crucial in helping employees manage the stresses of balancing home, school and work. They could also take advantage of our new program to help employees with Type 2 diabetes gain better control of their blood sugar levels. Finally, we introduced telemedicine consultations, enabling employees and their families to secure routine healthcare without leaving home.

In addition, we amended our 401(k) plan to allow distributions and loan deferrals through December 31, 2020. Our goal was to give employees the latitude to address COVID-19-related financial hardships their households were experiencing, caused by such issues as loss of household income, layoffs and childcare expenses.

Overall, the hallmark of our approach has been flexibility. Our human resources team has worked closely with management to understand individual situations and find solutions, such as non-traditional work hours, that would enable associates to address both their personal commitments—for instance, helping with home schooling, senior care or care of an ill family member—while fulfilling their professional responsibilities.

### Emphasizing Communications and Transparency

Before the pandemic, Cadence had made use of videoconferencing and in-house communication channels to bridge the physical distance among associates in our six-state footprint. After the pandemic, we increased the frequency of our all-hands webinars to ensure our employees were connected and informed. Repurposing software created for our exit surveys, we repeatedly polled associates on such issues as whether they felt adequately supported working at home, whether workplace health guidelines were being followed and when they would feel comfortable returning to the office. We also developed training for managers on leading a distributed team and formulated an official work-from-home policy, articulating expectations and responsibilities.

Beyond this, we surveyed our associates regarding our benefits programs in response to feedback we received through our employee satisfaction and engagement survey

in 2019 and used this feedback to inform some of the enhancements we made to our benefits programs in 2020. In 2021, we will begin monthly employee satisfaction and engagement surveys to regularly monitor the pulse across the organization.

As a group, members of the executive and senior leadership teams also communicated more frequently with each other

and with the board of directors. During the first months of the crisis, executive leadership sent a communication to our board of directors on a weekly basis. This was another instance of "Embracing we." We understood that the more perspectives and insights we applied to the issue, the more likely we would be to successfully meet the challenges posed by the pandemic.

## EXPANDING *our commitment to* DIVERSITY, EQUITY *and* INCLUSION

### Cadence's commitment to diversity, equity and inclusion (DEI) is longstanding.

Our mission for DEI is powered by our core values of "embrace we," "do right," "own it" and "fresh thinking welcome here." Through these values, we consciously foster a diverse, equitable and inclusive workforce with a shared commitment to collaborative innovation, sustainable growth and positive progress for our associates, clients, communities, shareholders and vendors. As a company conducting business across six states, we have a large and diverse customer base.

Cadence has an established DEI policy, found in the Cadence Associate Handbook, as a way of infusing these principles throughout the organization. The policy captures Cadence's aspirations: "Being an inclusive workplace, where differences are valued, encouraged and respected, allows us to better understand and serve our customers and the communities we serve. And it allows our associates to express their unique gifts and talents." This expectation of inclusivity extends to our vendors as well.

We were in the process of establishing a DEI Advisory Council when the shocking deaths of George Floyd, Breonna Taylor and others brought the outcry for racial and social justice to the forefront. These events made it clear that we have an obligation to look harder internally and externally to "own it" and act boldly, in the words of the DEI policy, and to create "an environment where dynamic ideas can flourish."

### Creating the Infrastructure for Change

As part of the DEI framework established in 2019, we accelerated our progress by formally establishing a DEI Advisory Council, composed of 50 associate volunteers, and creating the position of chief diversity officer. Veteran banker Myra Caldwell, an executive in the bank's treasury management and deposit operations department, accepted this challenge and is leading our DEI efforts.

With Caldwell at the helm, the Diversity Office has proactively developed the vision and mission for our DEI program with a focus on our current and future employees, vendor relationships, and by working with local leaders and community organizations that seek to bring attention to social justice, human rights, civil rights, equity and inclusion. To provide a framework for change, she has embarked on a thorough stakeholder and organizational assessment which will form the basis of a comprehensive DEI strategic plan that Cadence will announce in 2021. This year, Cadence also instituted an Allyship training seminar for the senior leadership team and the DEI Advisory Council. Comprehensive DEI training will be offered to the full organization in 2021.

### Moving Forward on Three Fronts

Members of the DEI Advisory Council have focused on the following three established pillars of the Cadence DEI program, prioritizing activities where Cadence can make an immediate difference.

#### Visible Value

The Visible Value Subcommittee is exploring ways Cadence can further economic and social justice efforts that strengthen historically marginalized communities. As part of this effort, it has developed a more inclusive list of organizations in our footprint for support. At its recommendation, Cadence donated \$20,000 to the Alabama-based Equal Justice Initiative to further its work of redressing the destructive economic impact of over-policing and mass incarceration. Cadence also made a \$50,000 contribution to the Houston Area Urban League to help fund its Center for Social Justice and Education. The center's mission is to address racial inequities, provide injustice-related civic engagement education and civil rights navigation. We also have a multi-year pledge to the Greater Houston Hispanic Chamber of Commerce Foundation, which promotes the economic and civic interests of the Hispanic business community through business education. In 2020, our chairman and CEO Paul Murphy was named as this organization's first non-Hispanic board chairman.

The subcommittee determined that Cadence could do more to expand its base of minority-owned vendors as a way of contributing to economic growth in minority communities and in the Southeast at large. It developed a new process for identifying and vetting minority-owned businesses and recommended that Cadence double its spending with these vendors by the end of 2021. To oversee this effort, Cadence hired a director of supplier diversity who is responsible for the design, development and implementation of enterprise-wide strategies which result in a supplier base that mirrors our customer base and promotes procurement activity with diverse suppliers, such as businesses owned by minorities, women, disabled people, veterans and LGBTQ+ individuals.

Our vendor relationships are governed by our [Vendor Code of Conduct](#), which sets forth our expectations for vendors to share and embrace our commitment to ethical business practices and regulatory compliance.

#### Thriving Talent

It is critical to Cadence that our employees reflect the diversity of the communities we serve. We have made some progress, but more can be done. As of December 31, 2020, 65% of our workforce was composed of women and 31% of our workforce was composed of people of color. Our executive officers include three women (representing 30% of Section 16 executive officers). In our most senior management group, 26% are either women or people of color.

The second council group, the Thriving Talent Subcommittee, is concentrating on steps Cadence can take to recruit, retain, cultivate and sustain a more representative workforce.

Thanks to its efforts, Cadence has added DEI-related questions to our exit interviews and built closer relationships with historically Black colleges and universities (HBCUs) in our footprint, expanding our pipeline of diverse talent. At the same time, we are gathering data needed to evaluate the effectiveness of our efforts. We also maintain a confidential ethics hotline administered by a third party.

The Thriving Talent Subcommittee also reached out to the benefits team to investigate ways Cadence could improve its leave policies to better support women in the workforce. After examining competitive data, Cadence issued a new extended sick leave policy that, among other features, provides up to eight weeks of paid leave.

#### Embrace We

At Cadence, we have made progress embedding the principles of diversity, equity and inclusion in our culture. One sign of this was the first company-wide observance of the Juneteenth holiday, where all associates were given a half day off with pay in addition to recognizing other cultural events and holidays.

Additionally, the Embrace We Subcommittee launched a comprehensive DEI intranet site designed to help associates gain a more nuanced understanding of DEI. The site includes an eclectic variety of resources, including books, movies and documentaries, research reports, and TED talks. The subcommittee has also taken steps to explore a DEI curriculum for Cadence's company-wide learning management system and is helping the company launch a series of employee resource groups and a storytelling initiative in 2021.

# DOING RIGHT *by the* ENVIRONMENT

We recognize the climate is changing rapidly and acknowledge the possible impacts that climate change has on the economy and the environment. Therefore, we must do our part by taking responsibility and continue to address climate change in order to reduce the negative impact we may have on the environment. We are committed to continuing to reduce our carbon footprint, conserve resources and implement an environmental policy in 2021 with the help of our Corporate Facilities Management department.

If we are to “do right” by future generations, we need to do our best to ensure we protect our environment. Cadence takes this responsibility with utmost seriousness. For instance, Cadence strives to foster a paperless environment at work and provides online banking platforms to both consumer and commercial clients.

We also seek to better manage our use of energy. Of the buildings we use and occupy, 10% are LEED-certified,

including our Houston and Atlanta headquarters. To reduce energy usage even further, we have turned to LED lighting and signage, photocells for exterior lighting and signage, and occupancy sensors. We also participate in formal recycling programs when made available by our landlords and otherwise shred and recycle the paper we do use with an outside vendor.

One of the lessons that many businesses have learned from the pandemic is that, thanks to tools like virtual private networks and videoconferencing, they can continue to operate productively and serve their customers while a large percentage of their staff works from home. Going forward, Cadence will be refining its work-from-home policies and reconsidering its need for office space and associate travel. These measures are likely to further reduce its carbon footprint.

# A REWARDING PLACE *to* BUILD A CAREER

We recognize that our most valuable asset is our people. Accordingly, each day we strive to create an environment that makes Cadence a great place to work. This is an important way we “embrace we.”

## Taking Care of Teammates

We strive to provide a competitive benefits package that promotes a healthy lifestyle and work-life balance, embraces diversity, equity and inclusion, and creates a path to a prosperous financial future. We support our employees’ and their families’ health by offering full medical, dental and vision insurance for employees and their families, life insurance and long-term disability plans, and health and dependent care flexible spending accounts. Cadence also offers its associates paid vacation leave, sick days and 10 paid holidays. As noted earlier, even amid the pandemic, we expanded these benefits, adding telemedicine services, new paid short-term leave and a Type 2 diabetes management program.

We make available a variety of resources and services to help our employees prepare for retirement. This includes a 401(k)

plan with a wide variety of investment options and a company match. We also provide an employee stock purchase plan, which offers our associates the opportunity to purchase shares of Cadence common stock at a discount using after-tax payroll deductions.

## Encouraging Associates to Build Their Career at Cadence

The key to Cadence Bank’s future is its ability to assemble a stable group of talented associates, associates who live the Cadence values and who strive for customer satisfaction. This is the best way we know to create a dynamic organization that is constantly evolving to deliver ever-higher standards of products and services, while providing the long-term relationships that customers value. We want our associates to build their career with us.

Therefore, we have placed a priority on improving our recruiting practices and hiring decisions. To build a more talented and diverse organization, we are utilizing social media, attending local job fairs and connecting to educational institutions across the United States to find diverse, motivated and qualified employees. These efforts have allowed us to fill 316 positions in 2020. To ensure

equity in hiring and promotion, we review each job position to determine the proper level and job accountabilities. This review is an essential first step to creating a uniform and appropriate system of employee roles that will ensure each employee’s compensation is comparable to internal and external peers.

Once associates are part of the Cadence team, we are committed to their professional development. Doing so increases our capacity to draw our future managers and leaders from within our organization.

Our training starts with an on-boarding program that focuses on safety, responsibility, ethical conduct and inclusive teamwork. We follow up with an extensive range of career

development opportunities, which tap the power of our new intelligent learning platform. In 2020, we began offering digital skills content to select lines of business to enhance their digital capabilities and improve productivity and collaboration.

In 2020, we also introduced the Cadence Leadership Development Program, based on a three-part curriculum using the MIT Sloan Management Review model. With input from sponsors across the organization, we selected our first cohort of 100 promising young managers for this 12-month program, which launched in mid-summer. We are already making preparations to welcome our second class. Our goal is to ensure that Cadence has the skilled leaders it needs to sustain its growth far into the future.

# CREATING OPPORTUNITIES *for* INDIVIDUALS, SMALL BUSINESSES *and* COMMUNITIES

At Cadence, we understand that as a financial institution, we benefit when all individuals and businesses in a community flourish, and that investing in community organizations is a highly effective way to improve the prospects of these individuals and businesses.

At the same time, we are motivated by our desire to “do right,” to redress inequities and create opportunities where there were few before. That is why our willingness to “welcome fresh thinking” is so important. We encourage innovation internally and seek ways to collaborate with innovators in the communities we serve. We are proud to have received a satisfactory CRA rating for the period January 2015 to December 2018.

## Community Benefits Plan

In 2019, Cadence Bank unveiled its Community Benefits Plan, which it had developed with input from member organizations of the National Community Reinvestment Coalition and scores of other stakeholders. As part of this plan, Cadence Bank committed to lend or invest more than \$2.5 billion in traditionally underserved communities in our six-state footprint over a five-year period. This pledge represented, at the time, 16% of our total assets.

We are allocating these funds to three principal areas: \$1.1 billion for residential mortgage loans, \$686 million for small business loans, and \$706 million for community development loans and investments as well as grants and donations to charitable organizations serving a community development purpose.

In 2020, we are proud to report that we have exceeded our annual targets in all areas. We made \$133.5 million in affordable home loans and \$721.9 million in credit extended to small businesses (including our PPP loans as well as our small business lending to low- to -moderate-income census tracts and/or loans to businesses with annual revenues below \$1 million). In addition, we made \$165.3 million in community development investments and \$55.4 million in community development loans.

Much credit for our success goes to our newly formed CRA Advisory Board, composed of veteran community leaders from business, government and nonprofits. It met twice in 2020. The board’s insight and guidance has increased the effectiveness and impact of the bank’s CRA efforts.

## Low-Cost Checking

According to the Federal Deposit Insurance Corporation’s most recent survey, approximately 7.1 million households in the United States were unbanked. Unbanked rates were higher among lower-income, less-educated and minority households. Being unbanked makes it harder to save for unexpected expenses or emergencies, obtain credit, and build a down payment for a house.

To address this issue, Cadence Bank offers a low-cost eChecking program approved by the Cities for Financial Empowerment Fund BankOn National Account Standards, which promotes first-generation banking access programs. For no additional fee, the account includes many checking account services such as environmentally friendly mobile banking.

## Homeownership Programs

At Cadence, we believe that homeownership is a powerful way to ensure that individuals have a stake in the future of their communities. We designed the Cadence Affordable Home Loan Program to make it easier for borrowers with properties in low- to moderate-income areas and/or borrowers within qualifying income limits to secure a loan and make regular payments. Homebuyers can finance up to 100% of the value of the property with an Affordable Home Loan. There is no origination fee and closing costs are reduced. To help borrowers better manage their mortgage expenses, these loans are available only with a predictable competitive fixed rate. In addition, because borrowers do not have to purchase private mortgage insurance, they save on their monthly mortgage payment. Borrowers must meet minimum credit requirements and complete a homebuyer education course.

## Small Business Loans

Cadence has a number of loan programs that target small businesses. In 2017, Cadence introduced a Quick Decision Small Business Loan that has proved particularly advantageous for small businesses. Cadence is also a Preferred Small Business Administration (SBA) lender, allowing us to process transactions more quickly. As of December 31, 2020, we ranked 10th nationwide by number of loans and 15th by loan dollars.

We have extended our reach to companies with revenues above \$1 million by investing in small business investment companies. For instance, in 2019, we provided funds to a woman-owned fund that focuses on providing capital to small women- and minority-owned companies in healthcare, business services, education, software and niche manufacturing.

Our commitment to small businesses in undeserved areas was recognized in 2020 when the Houston Minority Business Development Agency named Cadence as its Corporate Advocate of the Year. We also were honored when Alan Thomes, SVP, Managing Director of SBA Banking, was invited to an exclusive round table meeting with Jovita Carranza, the 26th Administrator of the U.S. Small Business Administration. As a representative of the only bank present, Thomes spoke about the bank's PPP experience and was joined by one of our PPP clients who provided a customer perspective.

Additionally, Greenwich Associates, the leading global provider of data, analytics and insight for financial services, presented Cadence with a Greenwich Excellence Award for Overall Satisfaction in Small Business Banking in the South in 2020. Among the more than 600 banks evaluated by Greenwich, only 36 earned a Greenwich Excellence Award.

## Partnerships with Community Organizations

Much of our success to date in reaching undeserved communities is due to the partnerships we have created with

respected local organizations. These groups help us establish our credibility and introduce us to potential homeowners and small businesses that might benefit from our services. Members of our CRA Advisory Council have played an important role in helping us make these connections.

In Houston, for instance, we presented our products to the Houston Black Real Estate Association, which was so impressed it urged its members to recommend them to their clients. Our bankers also participated in a first-time homebuyer's workshop hosted by the Houston Chapter of the National Association for the Advancement of Colored People (NAACP), giving them the opportunity to describe our Community Reinvestment Act (CRA) mortgage product as well as the services we offer that assist borrowers in securing a loan.

We also gain visibility in these communities by contributing expertise and funding to expand our nonprofit partners' capacity to serve more people or build new programs. We support programs that increase the availability of affordable housing, services and economic opportunity for low- and moderate-income persons or to help stabilize and improve conditions in distressed communities.

We understand that essential financial information — for instance, how to establish credit, open a bank account or qualify for a loan — can change the course of someone's life. We offer financial literacy programs based on the FDIC Money Smart program. In Florida, we supported workforce education and financial literacy classes for inmates offered by Project 180. These programs are instrumental in helping former prisoners gain the skills and information needed to successfully re-enter society. We also provided funds to Solita's House, which enabled this nonprofit serving low- and moderate-income residents in Tampa and St. Petersburg to expand its financial crisis counseling services.

We made donations to organizations that work to extend access to homeownership. In Georgia, we supported the Atlanta Police Foundation, making it possible for officers to purchase homes in the communities they serve. In Tennessee, we invested \$150,000 in United Housing, Inc., a nonprofit that will lend homebuyers up to \$5,000 to help cover their down payment and closing costs when they take out a mortgage with Cadence.

We work with community groups that provide microloans which can have an outsized impact on small businesses and homeowners. In Alabama, for instance, we collaborated with BhamStrong, a public-private partnership that strengthens small businesses through its BhamStrong loan program and by connecting them to technical assistance to secure federal aid.

In addition, we partner with government agencies. Cadence's contribution to the Columbus Mississippi Housing Authority enabled it to modernize its computer labs so that young residents could attend school remotely.

We also are taking part in the Houston Complete Communities Initiative, Mayor Sylvester Turner's collaborative effort to address needs and improve access to services for residents and businesses in Houston's most under-resourced neighborhoods, thereby creating a more equitable and prosperous city for all Houstonians.

## Community Service

Our determination to strengthen communities — an idea expressed in our core values as "do right" — is a deeply ingrained part of our culture that can be found at every level of our organization.

Eighty percent of our senior executives hold leadership positions in charitable organizations in their communities, and over 30% lead civic organizations. Their influence can be felt across our footprint. A broad spectrum of local organizations as varied as AIDS Alabama, Big Brothers Big Sisters, Girl Scouts, Lemonade Day, HomeAid Atlanta and the Augusta Sports Council, among others, benefit from their experience and guidance.

Cadence associates at every level of the company are generous with their time and skill. A significant portion of the 11,547 hours they volunteered in 2020 was devoted to financial literacy programs for youth, elderly and low-income individuals. For instance, after serving for 12 years on the selection committee for the Macon Area Habitat for Humanity, one of our local branch managers created a follow-up program for new homeowners to help them better manage their finances — and keep their homes. Cadence associates also volunteer for the Lemonade Day initiative, which exposes children to the fun and the fundamentals of launching a business. They are also enthusiastic participants in United Way programs in Alabama, Texas, Georgia and Mississippi.

When disaster hits, we respond. In Houston, one of our investment analysts is a regular volunteer with SBP, a non-profit organization that rebuilds homes of Houston-area residents displaced by hurricanes. We also care for our own. When Hurricane Harvey devastated Houston, Cadence created an associate-led relief fund through the Greater Houston Community Foundation to provide immediate assistance to associates in need.



# SAFEGUARDING *information*

The digital revolution has transformed the banking industry, providing levels of efficiency, control and convenience — for bankers and customers alike — that were unimaginable a few short decades ago. But as more and more information has moved to centralized digital systems, their vulnerability has increased as has the damage that intruders can do.

Cadence has made a priority of devoting resources and expertise to safeguarding this information. We have over 100 employees in our information technology and information security groups, and, in 2020, we spent \$70 million on technology and operations.

Our information security model is straightforward. We maintain the Three-Lines of Defense model that is widely accepted for effective risk management:

- 1st Line – Every Cadence Associate
- 2nd Line – Enterprise Risk Management
- 3rd Line – Internal Audit

Our IT Governance and Risk organization is responsible for testing and assessing security and resiliency controls to identify and remediate current and emerging vulnerabilities. All technology activities are monitored and governed by our IT Governance and Risk organization. The IT Governance and Risk organization assesses and tests security, resiliency, process and privacy controls to identify and remediate current and emerging threats to the infrastructure and customer base. Cadence associates are trained on information security principles, internal controls and acceptable use of all technology throughout each calendar year.

Annually Cadence Internal Audit engages a third party to perform external and internal network-based penetration

testing. The project focuses on evaluating controls that directly correlate to threats and risks that may compromise the confidentiality, integrity and availability of proprietary information that resides on the Cadence internal network.

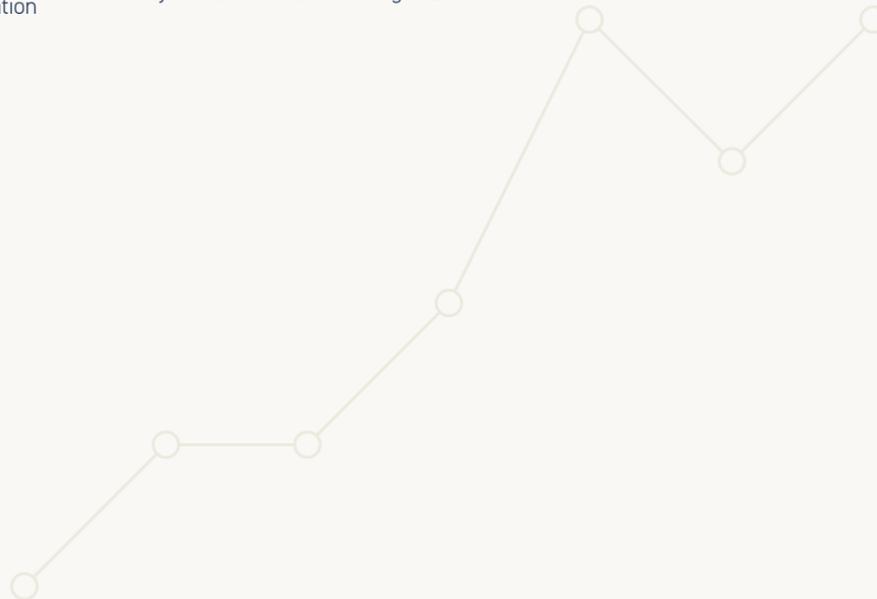
The Risk Management Committee of the Board of Directors also periodically reviews and approves reports of the company's information security and business continuity programs, which includes an assessment of efforts to manage cybersecurity risks.

## Cybersecurity

Cadence employs security by design principles in all strategic initiatives to ensure the organization's digital assets are protected against these ever-evolving threats. This information security program is aligned with our technology roadmap to ensure investments to the program and controls conform to the overall objectives and organizational risk-tolerance. Using industry frameworks and methodologies, we evaluate controls for risk and effectiveness on a regular basis as well as to drive investment decisions.

## Business Continuity

The Business Continuity program oversees a continuous cycle of evaluations, reviews and exercises designed to reduce risk to an acceptable level. We exercise our recovery plans on a yearly basis, assess them for effectiveness and make continuous improvements. We have put response plans in place for events that could significantly disrupt business. Business Continuity also maintains a comprehensive crisis management strategy that encompasses natural disasters, technology failures, cybersecurity and other incidents that carry elevated risks to the organization.



# Sustainability Accounting Standards Board for Commercial Banks Statement

Topic	SASB Code	Metric	Direct Response or Link
Data Security	FN-CB-230a.1	1) Number of data breaches 2) percentage involving personally identifiable information (PII) 3) number of account holders affected	None.
	FN-CB-230a.2	Description of approach to identifying and addressing data security risks	The Safe Guarding Information Section of our 2020 CSR Report (pages 17-18); the Risk Factors section of our 2020 10-K (pages 28-29); and Confidentiality section of our Code of Business Conduct and Ethics (page 8).
Financial Inclusion & Capacity Building	FN-CB-240a.1	1) Number and 2) amount of loans outstanding qualified to programs designed to promote small business and community development	<b>Small Business:</b> (1) 6,116 (2) \$350,627,428.85* <b>Community Development:</b> (1) (2) \$55,400,000
	FN- CB-240a.2	1) Number and 2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	<b>Small Business:</b> (1) 67 (2) \$7,654,869.52* <b>Community Development:</b> (1) 95 (2) \$14,721,463.93*
	FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked, underbanked or undeserved customers	E-Checking: 69 accounts, \$30,915 in deposits.
	FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or undeserved customers	965
Incorporation of ESG factors in Credit Analysis	FN-CB-410-a.1	Commercial and industrial credit exposure, by industry	The Risk Factors section of our 2020 10-K (pages 18-36)
	FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Not disclosed.

(1)\*Sum of reported amortized cost commitment.





# Sustainability Accounting Standards Board for Commercial Banks Statement(cont.)

Topic	SASB Code	Metric	Direct Response or Link
Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	None.
	FN-CB-510a.2	Description of whistle-blower policies and procedures	The Raising Issues and Reporting Violations section of our Code of Business Conduct and Ethics (pages 3-4).
Systemic Risk Management	FB-CB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	N/A.
	FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long term corporate strategy and other business activities	The Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2020 10-K (page 47).
Activity Metrics	FN-CB-000.A	1) Number and 2) value of checking and savings accounts by segment: a) personal and b) small business	<b>Personal:</b> Checking- (1) 87,268, (2) \$973,156,395; Savings- (1) 27,598, (2) 257,509,605; <b>Small Business**:</b> Checking- (1) 17,797, (2) \$848,530,166.80; Savings- (1) 1,153, (2) \$56,757,894.22
	FN-CB-000.B	1) Number and 2) value of loans by segment: a) personal, b) small business and c) corporate	<b>Personal:</b> (1) 22,390 (2) \$2,891,562,314.06* <b>Small Business:</b> (1) 6,116 (2) \$350,627,428.85* <b>Corporate:</b> (1) 12,290 (2) \$14,105,343,309.06*

(1\*Sum of reported amortized cost commitment.