



## Financial Highlights

We ended 2020 on a positive note, with a fourth quarter EPS of \$1.17, despite reporting a \$0.54 loss for the year. This loss is due, in part, to COVID-19 and its impact on the economy beginning in mid-March 2020. In the first quarter, we began building a reserve for potential credit losses. In total, we added almost \$443 million to the allowance for credit losses in 2020, largely related to borrowers financially impacted by COVID-19. At the same time, we undertook balance sheet de-risking efforts that we believed would allow us to operate in extreme economic uncertainty. With additional instability of oil prices as people stayed at home and non-essential travel came to a halt, we decided to divest almost \$500 million of our energy loan portfolio. We took an additional \$160 million in provision related to this sale; and fortunately, we had a solid capital position that allowed us to divest the loans. Finally, in June 2020, we bolstered our capital position by issuing approximately \$175 million in new subordinated debt. These events were key to our de-risking efforts and positioned us to return to solid profitability in the second half of the year.

## To Our Shareholders:

For Hancock Whitney and the world, 2020 began with optimism which gave way to the uncertainty of a global pandemic economy. We remember the year, however, for our innovative, creative teams finding ways to be available for the people and communities depending on us. The ideals at the heart of who we are remained unchanged, once again sustaining and steering us through threatening waters toward a brighter horizon in 2021.

In 2020 we confronted the coronavirus (COVID-19) pandemic and resulting broad economic impact, executed a meaningful bulk loan sale, and rendered assistance to impacted markets in a very busy hurricane season. I am pleased to report fourth quarter 2020 results that were a strong finish to such an unprecedented and challenging year.

Our strong finish occurred in large part because of the unwavering teamwork, commitment to service, and strength under pressure of our 4,000-member team. Ensuring we kept our “last-to-close-first-to-open” commitment, our constant core values helped us maintain the strength and stability our shareholders expect; and much like after Hurricane Katrina, the key to our success was our associates’ resilience and spirit.

When looking at results outside of these de-risking efforts, we turn to pre-provision net revenue, or PPNR. This metric is defined as net interest income (interest income from loans and securities less interest expense from deposits and borrowings) plus fees minus expenses. It does not factor in provision expense for credit losses or taxes—both of which were atypical in 2020. For the year, operating PPNR (excluding 2019 merger costs) was up just over \$3 million, or almost 1%, compared to 2019. Despite two dramatically different operating environments, we achieved the same level of net pre-tax, pre-provision revenue year-over-year.

During 2020 we participated in the Small Business Association’s (SBA) Paycheck Protection Program (PPP), issuing \$2.4 billion in more than 13,000 PPP loans to clients. Growth in loans and deposits both reflected the impact of the funding in the third quarter. We are participating in the new/extended CARES Act in 2021.



**Beacons of Service.** Hancock Whitney's logo now lights up the New Orleans skyline on the 51-story Hancock Whitney Center regional headquarters (left), the tallest building in Louisiana, while the badge shines bright atop Hancock Whitney Plaza corporate headquarters (right), the tallest building in downtown Gulfport.

The third and fourth quarters saw a continuous rebuilding of the capital we spent in the first half of the year. At December 31, 2020, the Tangible Common Equity ratio (TCE) rose to 7.64% after falling to 7.33% at June 30, 2020. What I am most proud of is that, through all of the turmoil in 2020, we maintained our quarterly dividend at the same level and intend to continue paying our quarterly dividend at current levels, with board concurrence and in consultation with our examiners.

We hoped that these results and a return to profitability, coupled with the de-risking strategy, would lead to improved returns for our shareholders—and it did. Our performance, combined with an improving stock market that rallied from good news about vaccines and the presidential election decided, resulted in Hancock Whitney's stock price closing at \$34.02 on December 31, 2020, more than double compared to its 2020 low of \$15.40 on March 23.

## Expanding Leadership

The challenges of 2020 did not stop us from welcoming new leaders to the company or promoting from within to support the company with its goals and initiatives.



### Suzette Kent

In 2020 the Hancock Whitney Board of Directors voted to increase the board from 13 to 14 members and welcomed Suzette Kent. Ms. Kent is a global business transformation executive who most recently served as the Federal Chief Information Officer for the United States government—the first woman to serve in that role. A Louisiana native and Louisiana State University graduate, Ms. Kent has received numerous awards throughout her career and is a frequent and sought-after speaker. Her career spanned assignments from the Gulf South region to national and global responsibilities. Upon retiring as the nation's CIO, she settled in Frisco (Dallas), Texas.



### Tamara Wyre

In 2019 we introduced the Hancock Whitney Diversity Council, which comprises associates from throughout the organization who foster best practices for an inclusive corporate culture committed to serve diverse communities across the Gulf South. This year Tamara Wyre was appointed Senior Vice President and Director of Diversity, Equity, and Inclusion to further expand Hancock Whitney's commitment to an inclusive workplace. Tamara earned a Bachelor of Science degree in accounting from Hampton University, Hampton, Virginia, and a Master of Business Administration from Tulane University's prestigious A.B. Freeman School of Business. She also holds a Certified Investment Analyst (CIMA®) certification from the University of California, Berkeley. She graduated from St. Mary's Dominican High School in New Orleans. We look forward to Tamara's more than 20 years of success in investment management, risk management, associate development, strategic planning, and community relations further energizing a corporate culture respecting and reflecting the rich diversity of the communities we serve.

## Expanded CAPCO

We announced this year that five of the organization's executive vice presidents and chief officers were named to the company's Capital Committee (CAPCO). CAPCO is the senior-most internal management forum responsible for the organization's strategic vision, design, and governance. Chief Banking Officer Chip Knight, Chief Risk Officer Mike Otero, General Counsel and Corporate Secretary Joy Lambert Phillips, Chief Human Resources Officer Rudi Wetzel, and Chief Credit Officer Chris Ziluca join other CAPCO members Chief Operating Officer Shane Loper, Chief Financial Officer Mike Achary, Hancock Whitney Bank President Joe Exnicios, and me as President and CEO of the company.



**Mike Otero**



**Rudi Wetzel**

Through interaction with the board of directors, CAPCO makes decisions and recommendations to the board about risks and opportunities related to the company's capital, liquidity, risk appetite, strategy, and ongoing growth.



**Taking Care of Business.** To maintain social distancing and health safety precautions in the middle of a pandemic, Hancock Whitney's executive management (left) and board of directors (right) found new ways to connect for company business, including Zoom meetings that have become commonplace in the corporate arena and at homes around the world.

## Committed to Service amid COVID-19

As we witnessed the onset of a worldwide coronavirus emergency impacting lives and livelihoods, Hancock Whitney proactively developed protocols to keep clients safe while continuing to meet their financial needs. Our company adopted Centers for Disease Control (CDC) recommendations, kept drive-throughs open, and encouraged bank by appointment. We also brought essential financial services to clients' doorsteps and desktops with socially-distanced deliveries, our mobile banking app, and online banking. Nearly all financial center locations reopened to lobby traffic, behind plexiglass and under social distancing guidelines, after Memorial Day.

As the pandemic escalated, our company engaged with local restaurants and caterers across our footprint to provide more than 8,000 meals to healthcare teams caring for coronavirus patients. Those partnerships helped hometown businesses retain hundreds of employees who might otherwise be jobless and recognized the selfless frontline efforts of countless "Healthcare Heroes."



**Last to Close, First to Open, There to Help.** Hancock Whitney responded to the many hurricanes impacting our footprint in summer and fall 2020, handing out more than 36,000 meals and more than 500,000 pounds of ice and helping communities begin recovery.

Hancock Whitney also immediately committed more than \$2.5 million to COVID-19 community relief efforts throughout the Gulf South. That investment included \$1 million to help stock local food pantries; \$600,000 for supplies to protect people in hard-hit low-to-moderate income communities and first responders; \$750,000 for housing services such as legal aid for disadvantaged individuals fighting wrongful evictions; and \$100,000 for the Hancock Whitney Associate Assistance Fund (HWAAF)—in addition to \$400,000 in contributions from board members, executives, and associates—to help associates affected by the coronavirus.

When the federal government announced plans for a loan program to help businesses make ends meet during state and community mandated shutdowns, our associates moved quickly to design online portals and application processes to expedite the SBA PPP payments. By the time SBA announced guidelines for a phase-one loan forgiveness program and a second round of PPP loans, our company was well prepared to help guide clients through those application processes so critical to the survival of those businesses and their employees. During the first two rounds of original PPP funding, Hancock Whitney originated \$2.4 billion to help more than 13,000 businesses keep doors open and people employed.

For the third year in a row, Hancock Whitney, in partnership with the Greater New Orleans Foundation, awarded a total of \$200,000 to 12 eligible organizations currently supporting small businesses through technical assistance and entrepreneurship training. The competitive grants are part of our Community Reinvestment Act (CRA) program and help nonprofits assist small businesses—including minority-owned businesses—manage the unexpected financial consequences COVID-19 created in our communities.

Hancock Whitney currently supports non-profit organizations serving 30 Metropolitan Statistical Areas (MSAs) and non-MSAs in the bank's five-state footprint.



**Investing in our Communities.** Hancock Whitney values the communities in which we live and work. Our sponsorships and corporate volunteerism efforts are critical to the essence of who we are and the communities we serve.

## Weathering the Storms

Storms are not unusual for the Gulf Coast, but summer and fall 2020 proved an Atlantic hurricane season for the history books. A record-breaking 30 tropical storms formed, forcing forecasters to move midway through the Greek alphabet for names. Four of those storms caused billions of dollars in damages across communities Hancock Whitney calls home.

Category 4 Hurricane Laura, the fifth strongest hurricane on record to make continental U.S. landfall, devastated Southwest Louisiana communities such as Lake Charles in late August. On September 16, Hurricane Sally wrought havoc on southern Alabama and the western Florida Panhandle. Less than a month later, Category 2 Hurricane Delta struck just 12 miles east of Laura's landfall. Late-forming Hurricane Zeta left a widespread path of tornado-like destruction and flooding across South Louisiana, South Mississippi, and Central Alabama.

Within hours of each storm's landfall, Hancock Whitney associates sprang into client and community service mode, creating makeshift teller lines, opening financial centers with generators and flashlights, bringing in the Hancock Whitney mobile banking unit designed for disaster relief services, and extending weekday and weekend business hours. Hundreds of associates from across the company handed out a total of more than 36,000 meals prepared by local eateries and more than 500,000 pounds of ice to help people tackling the tasks of rebuilding and recovery with no power and in a pandemic. The company also offered special disaster relief assistance to clients affected by storms.

## New Twist to Teamwork

Unwavering teamwork among 4,000 associates in five states beget new means and methods to make banking as easy and safe as possible. To mitigate the spread of COVID-19 in our corporate and regional headquarters and operations centers, many associates temporarily transitioned to remote work locations.

For client-facing associates and associates reporting to company locations, wearing protective masks and social distancing became routine requirements. By August more than 80 percent of associates returned to their offices, still social distancing and often on alternating schedules, to enhance productivity, help clients with first-round PPP forgiveness applications, and move forward with the second-round PPP loans.



***The New Normal.*** Hancock Whitney distributed thousands of protective masks to community agencies helping more vulnerable populations during the pandemic. Associates in financial centers across the footprint distributed face masks to clients while wearing masks themselves, socially distancing, and adjusting to service areas retrofitted with protective shields.

## Moving Together toward Better Days

During the darkest days of 2020, our associates' resolve to serve our clients and communities radiated across our company. That kind of commitment is not new to Hancock Whitney; it has been our standard operating procedure since we opened our doors.

We also strive to sustain the highest standards of environmental sustainability, social and community stewardship, and corporate governance accountability and highlight those efforts each year in our Environmental, Social Responsibility, and Governance Report available at [hancockwhitney.com/environmental-social-responsibility-and-governance](http://hancockwhitney.com/environmental-social-responsibility-and-governance).

As opportunities for vaccinations against COVID-19 and its variants become more readily available to everyone, we hope for gradual, safe transitions across America and the world to a semblance of the way things were before the pandemic. How we move forward may be new and different, perhaps in some ways better. Regardless, the core values forming the cornerstone of our organization will stand steadfast as we work together with people and businesses we serve to see that our communities and our company—your Hancock Whitney—carry on and stay strong as the future evolves.

Our board of directors, executive teams, and associates thank you for your continued confidence in Hancock Whitney.

With gratitude,

**John M. Hairston**  
President & CEO