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DELTA REPORT

10-Q

TRMK - TRUSTMARK CORP

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 2446

█ **CHANGES** 582

█ **DELETIONS** 1147

█ **ADDITIONS** 717

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended **March 31, June 30, 2024**

or

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

For the transition period from **to**

Commission file number **000-03683**



Trustmark Corporation

(Exact name of registrant as specified in its charter)

Mississippi

(State or other jurisdiction of
incorporation or organization)

64-0471500

(I.R.S. Employer
Identification No.)

248 East Capitol Street, Jackson, Mississippi

(Address of principal executive offices)

39201

(Zip Code)

(601) 208-5111

(Registrant's telephone number, including area code)

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

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Common Stock, no par value

TRMK

Nasdaq Global Select Market

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of **April 30, 2024** **July 31, 2024**, there were **61,201,825** **61,206,606** shares outstanding of the registrant's common stock (no par value).

Forward-Looking Statements

Certain statements contained in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements by words such as "may," "hope," "will," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "project," "potential," "seek," "continue," "could," "would," "future" or the negative of those terms or other words of similar meaning. You should read statements that contain these words carefully because they discuss our future expectations or state other "forward-looking" information. These forward-looking statements include, but are not limited to, statements relating to anticipated future operating and financial performance measures, including net interest margin, credit quality, business initiatives, growth opportunities and growth rates, among other things, and encompass any estimate, prediction, expectation, projection, opinion, anticipation, outlook or statement of belief included therein as well as the management assumptions underlying these forward-looking statements. You should be aware that the occurrence of the events described under the caption "Risk Factors" in Trustmark's filings with the Securities and Exchange Commission (SEC) could have an adverse effect on our business, results of operations and financial condition. Should one or more of these risks materialize, or should any such underlying assumptions prove to be significantly different, actual results may vary significantly from those anticipated, estimated, projected or expected.

Risks that could cause actual results to differ materially from current expectations of Management include, but are not limited to, actions by the Board of Governors of the Federal Reserve System (FRB) that impact the level of market interest rates, local, state, national and international economic and market conditions, conditions in the housing and real estate markets in the regions in which Trustmark operates and the extent and duration of the current volatility in the credit and financial markets, changes in the level of nonperforming assets and charge-offs, an increase in unemployment levels and slowdowns in economic growth, changes in our ability to measure the fair value of assets in our portfolio, material changes in the level and/or volatility of market interest rates, the impacts related to or resulting from bank failures and other economic and industry volatility, including potential increased regulatory requirements, the demand for the products and services we offer, potential unexpected adverse outcomes in pending litigation matters, our ability to attract and retain noninterest-bearing deposits and other low-cost funds, competition in loan and deposit pricing, as well as the entry of new competitors into our markets through de novo expansion and acquisitions, economic conditions, changes in accounting standards and practices, including changes in the interpretation of existing standards, that affect our consolidated financial statements, changes in consumer spending, borrowings and savings habits, technological changes, changes in the financial performance or condition of our borrowers, greater than expected costs or difficulties related to the integration of acquisitions or new products and lines of business, cyber-attacks and other breaches which could affect our information system security, natural disasters, environmental disasters, pandemics or other health crises, acts of war or terrorism, and other risks described in our filings with the SEC.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Except as required by law, we undertake no obligation to update or revise any of this information, whether as the result of new information, future events or developments or otherwise.

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PART I. FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

Trustmark Corporation and Subsidiaries

Consolidated Balance Sheets

(\$ in thousands)

	(Unaudited)		(Unaudited)	
	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Assets				
Cash and due from banks	\$ 606,261	\$ 975,543	\$ 822,141	\$ 975,343
Securities available for sale, at fair value (amortized cost: \$1,900,980 - 2024 \$1,959,007-2023; allowance for credit losses (ACL): \$0)	1,702,299	1,762,878		

Securities held to maturity, net of ACL of \$0 (fair value: \$1,333,014 - 2024; \$1,355,504-2023)	1,415,025	1,426,279		
Securities available for sale, at fair value (amortized cost: \$1,643,310 - 2024 \$1,959,007-2023; allowance for credit losses (ACL): \$0)	1,621,659	1,762,878		
Securities held to maturity, net of ACL of \$0 (fair value: \$1,293,131 - 2024; \$1,355,504-2023)	1,380,487	1,426,279		
Loans held for sale (LHFS)	172,937	184,812	185,698	184,812
Loans held for investment (LHFI)	13,057,943	12,950,524	13,155,418	12,950,524
Less ACL, LHFI	142,998	139,367	154,685	139,367
Net LHFI	12,914,945	12,811,157	13,000,733	12,811,157
Premises and equipment, net	232,924	232,537	232,681	232,229
Mortgage servicing rights (MSR)	138,044	131,870	136,658	131,870
Goodwill	384,237	384,237	334,605	334,605
Identifiable intangible assets, net	2,845	2,965	181	236
Other real estate, net	7,620	6,867	6,586	6,867
Operating lease right-of-use assets	36,659	38,142	36,925	35,711
Other assets	762,816	764,902	694,133	752,568
Assets of discontinued operations	—	67,634		
Total Assets	\$ 18,376,612	\$ 18,722,189	\$ 18,452,487	\$ 18,722,189
Liabilities				
Deposits:				
Noninterest-bearing	\$ 3,039,652	\$ 3,197,620	\$ 3,153,506	\$ 3,197,620
Interest-bearing	12,298,905	12,372,143	12,309,382	12,372,143
Total deposits	15,338,557	15,569,763	15,462,888	15,569,763
Federal funds purchased and securities sold under repurchase agreements	393,215	405,745	314,121	405,745
Other borrowings	482,027	483,230	336,687	483,230
Subordinated notes	123,537	123,482	123,592	123,482
Junior subordinated debt securities	61,856	61,856	61,856	61,856
ACL on off-balance sheet credit exposures	33,865	34,057	30,265	34,057
Operating lease liabilities	40,185	41,584	40,517	39,097
Other liabilities	220,771	340,625	203,420	331,085
Liabilities of discontinued operations	—	12,027		
Total Liabilities	16,694,013	17,060,342	16,573,346	17,060,342
Shareholders' Equity				
Common stock, no par value:				
Authorized: 250,000,000 shares				
Issued and outstanding: 61,178,366 shares - 2024; 61,071,173 shares - 2023	12,747	12,725		
Authorized: 250,000,000 shares				
Issued and outstanding: 61,205,969 shares - 2024; 61,071,173 shares - 2023	12,753	12,725		
Capital surplus	160,521	159,688	161,834	159,688
Retained earnings	1,736,485	1,709,157	1,796,111	1,709,157
Accumulated other comprehensive income (loss), net of tax	(227,154)	(219,723)	(91,557)	(219,723)
Total Shareholders' Equity	1,682,599	1,661,847	1,879,141	1,661,847
Total Liabilities and Shareholders' Equity	\$ 18,376,612	\$ 18,722,189	\$ 18,452,487	\$ 18,722,189

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries
Consolidated Statements of Income (Loss)
(\$ in thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Interest Income						
Interest and fees on LHFS & LHF	\$ 206,092	\$ 175,509	\$ 213,095	\$ 189,573	\$ 419,187	\$ 365,082
Interest on securities:						
Taxable	15,634	16,761	17,929	16,779	33,563	33,540
Tax exempt	3	73	1	54	4	127
Interest on federal funds sold and securities purchased under reverse repurchase agreements	1	30	2	45	3	75
Other interest income	8,110	6,527	8,124	12,077	16,234	18,604
Total Interest Income	229,840	198,900	239,151	218,528	468,991	417,428
Interest Expense						
Interest on deposits	83,716	40,898	83,681	54,409	167,397	95,307
Interest on federal funds purchased and securities sold under repurchase agreements	5,591	4,832	5,663	4,865	11,254	9,697
Other interest expense	7,703	15,575	8,778	19,350	16,481	34,925
Total Interest Expense	97,010	61,305	98,122	78,624	195,132	139,929
Net Interest Income	132,830	137,595	141,029	139,904	273,859	277,499
Provision for credit losses (PCL), LHF	7,708	3,244	14,696	8,211	22,404	11,455
PCL, off-balance sheet credit exposures	(192)	(2,242)	(3,600)	245	(3,792)	(1,997)
PCL, LHF sale of 1-4 family mortgage loans	8,633	—	8,633	—		
Net Interest Income After PCL	125,314	136,593	121,300	131,448	246,614	268,041
Noninterest Income						
Noninterest Income (Loss)						
Service charges on deposit accounts	10,958	10,336	10,924	10,695	21,882	21,031
Bank card and other fees	7,428	7,803	9,225	8,917	16,653	16,720
Mortgage banking, net	8,915	7,639	4,204	6,600	13,119	14,239
Insurance commissions	15,464	14,305				
Wealth management	8,952	8,780	9,692	8,882	18,644	17,662
Other, net	3,632	2,514	7,461	2,735	10,563	5,255
Total Noninterest Income	55,349	51,377				
Security gains (losses), net	(182,792)	—	(182,792)	—		
Total Noninterest Income (Loss)	(141,286)	37,829	(101,931)	74,907		
Noninterest Expense						
Salaries and employee benefits	75,458	74,056	64,838	66,799	130,325	131,571
Services and fees	24,839	25,426	24,743	27,821	49,174	52,855
Net occupancy - premises	7,496	7,629	7,265	6,897	14,535	14,212
Equipment expense	6,385	6,405	6,241	6,337	12,566	12,632
Other expense	16,968	14,811	15,239	13,767	31,390	27,940
Total Noninterest Expense	131,146	128,327	118,326	121,621	237,990	239,210

Income Before Income Taxes	49,517	59,643			
Income taxes	7,982	9,343			
Income (Loss) From Continuing Operations Before Income Taxes	(138,312)	47,656	(93,307)	103,738	
Income taxes from continuing operations	(37,707)	6,452	(30,875)	14,889	
Income (Loss) From Continuing Operations	(100,605)	41,204	(62,432)	88,849	
Income from discontinued operations before income taxes	232,640	5,127	237,152	8,688	
Income taxes from discontinued operations	58,203	1,294	59,353	2,200	
Income From Discontinued Operations	174,437	3,833	177,799	6,488	
Net Income	\$ 41,535	\$ 50,300	\$ 73,832	\$ 45,037	\$ 115,367
Earnings Per Share					
Basic	\$ 0.68	\$ 0.82			
Diluted	\$ 0.68	\$ 0.82			
Earnings (Loss) Per Share (EPS)					
Basic EPS from continuing operations	\$ (1.64)	\$ 0.67	\$ (1.02)	\$ 1.46	
Basic EPS from discontinued operations	2.85	0.06	2.91	0.11	
Basic EPS (1)	1.21	0.74	1.89	1.56	
Diluted EPS from continuing operations	\$ (1.64)	\$ 0.67	\$ (1.02)	\$ 1.45	
Diluted EPS from discontinued operations	2.84	0.06	2.90	0.11	
Diluted EPS (1)	1.20	0.74	1.88	1.56	

(1) Due to rounding, earnings (loss) per share from continuing operations and discontinued operations may not sum to earnings per share from net income.

See notes to consolidated financial statements.

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Trustmark Corporation and Subsidiaries						
Consolidated Statements of Comprehensive Income (Loss)						
(\$ in thousands)						
(Unaudited)						
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023		Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	
Net income per consolidated statements of income	\$ 41,535	\$ 50,300				
Net income per consolidated statements of income (loss)	\$ 73,832	\$ 45,037		\$ 115,367	\$ 95,337	
Other comprehensive income (loss), net of tax:						
Net unrealized gains (losses) on available for sale securities and transferred securities:						
Net unrealized holding gains (losses) arising during the period	(1,914)	23,130		(4,321)	(14,723)	(6,235)
Reclassification adjustment for net (gains) losses realized in net income	137,094	—		137,094	—	
Change in net unrealized holding loss on securities transferred to held to maturity	2,746	2,894		2,753	2,955	5,499
Pension and other postretirement benefit plans:						

Reclassification adjustments for changes realized in net income:							
Net change in prior service costs	21	21	20	20	41	41	
Recognized net loss due to lump sum settlement	—	19	(10)	—	(10)	19	
Change in net actuarial loss	71	58	64	52	135	110	
Derivatives:							
Change in the accumulated gain (loss) on effective cash flow hedge derivatives	(11,970)	4,702	(3,655)	(14,625)	(15,625)	(9,923)	
Reclassification adjustment for (gain) loss realized in net income	3,615	2,198	3,652	2,998	7,267	5,196	
Other comprehensive income (loss), net of tax	(7,431)	33,022	135,597	(23,323)	128,166	9,699	
Comprehensive income (loss)	\$ 34,104	\$ 83,322	\$ 209,429	\$ 21,714	\$ 243,533	\$ 105,036	

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
(\$ in thousands, except per share data)
(Uaudited)

	Accumulated						Accumulated					
	Common Stock			Other			Common Stock			Other		
	Shares		Capital	Retained	Comprehensive		Shares		Capital	Retained	Comprehensive	
	Outstanding	Amount	Surplus	Earnings	(Loss)	Total	Outstanding	Amount	Surplus	Earnings	(Loss)	Total
Balance, January 1, 2024	61,071,173	\$ 12,725	\$ 159,688	\$ 1,709,157	\$ (219,723)	\$ 1,661,847	61,071,173	\$ 12,725	\$ 159,688	\$ 1,709,157	\$ (219,723)	\$ 1,661,847
Net income per consolidated statements of income	—	—	—	41,535	—	41,535	—	—	—	41,535	—	41,535
Other comprehensive income (loss), net of tax	—	—	—	—	(7,431)	(7,431)	—	—	—	—	(7,431)	(7,431)
Common stock dividends paid (\$0.23 per share)	—	—	—	(14,207)	—	(14,207)	—	—	—	(14,207)	—	(14,207)
Shares withheld to pay taxes, long-term incentive plan	107,193	22	(1,405)	—	—	(1,383)	107,193	22	(1,405)	—	—	(1,383)
Compensation expense, long-term incentive plan	—	—	2,238	—	—	2,238	—	—	2,238	—	—	2,238
Balance, March 31, 2024	61,178,366	\$ 12,747	\$ 160,521	\$ 1,736,485	\$ (227,154)	\$ 1,682,599	61,178,366	12,747	160,521	1,736,485	(227,154)	1,682,599
Net income per consolidated statements of income	—	—	—	73,832	—	73,832						
Other comprehensive income (loss), net of tax	—	—	—	—	135,597	135,597						

Common stock dividends paid						
(\$0.23 per share)	—	—	—	(14,206)	—	(14,206)
Shares withheld to pay taxes, long-term						
incentive plan	27,603	6	(65)	—	—	(59)
Compensation expense, long-term						
incentive plan	—	—	1,378	—	—	1,378
Balance, June 30, 2024	61,205,969	\$ 12,753	\$ 161,834	\$ 1,796,111	\$ (91,557)	\$ 1,879,141

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity (continued)
(\$ in thousands, except per share data)
(Uaudited)

	Accumulated						Accumulated					
	Other				Common Stock				Other			
	Common Stock		Comprehensive		Common Stock		Comprehensive		Common Stock		Comprehensive	
	Shares	Capital	Retained	Income	Shares	Capital	Retained	Income	Shares	Capital	Retained	Income
	Outstanding	Amount	Surplus	Earnings	(Loss)	Total			Outstanding	Amount	Surplus	Earnings
Balance, January 1, 2023	60,977,686	\$ 12,705	\$ 154,645	\$ 1,600,321	\$ (275,403)	\$ 1,492,268			60,977,686	\$ 12,705	\$ 154,645	\$ 1,600,321
Net income per consolidated statements of income	—	—	—	50,300	—	50,300			—	—	—	50,300
Other comprehensive income (loss), net of tax	—	—	—	—	33,022	33,022			—	—	—	33,022
Common stock dividends paid (\$0.23 per share)	—	—	—	(14,158)	—	(14,158)			—	—	—	(14,158)
Shares withheld to pay taxes, long-term incentive plan	70,830	15	(1,063)	—	—	(1,048)			70,830	15	(1,063)	—
Compensation expense, long-term incentive plan	—	—	1,715	—	—	1,715			—	—	1,715	—
Balance, March 31, 2023	61,048,516	\$ 12,720	\$ 155,297	\$ 1,636,463	\$ (242,381)	\$ 1,562,099			61,048,516	\$ 12,720	\$ 155,297	\$ 1,636,463
Net income per consolidated statements of income	—	—	—	45,037	—	45,037			—	—	—	45,037
Other comprehensive income (loss), net of tax	—	—	—	—	(23,323)	(23,323)			—	—	—	(23,323)
Common stock dividends paid (\$0.23 per share)	—	—	—	(14,161)	—	(14,161)			—	—	—	(14,161)

Shares withheld to pay taxes, long-term incentive plan	20,520	4	(26)	—	—	(22)
Compensation expense, long- term incentive plan	—	—	1,563	—	—	1,563
Balance, June 30, 2023	61,069,036	\$ 12,724	\$ 156,834	\$ 1,667,339	\$ (265,704)	\$ 1,571,193

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries Consolidated Statements of Cash Flows					
(\$ in thousands)					
(Unaudited)					
		Three Months Ended March 31,		Six Months Ended June 30,	
		2024	2023	2024	2023
Operating Activities					
Net income per consolidated statements of income		\$ 41,535	\$ 50,300		
Net income per consolidated statements of income (loss)		\$ 115,367	\$ 95,337		
Adjustments to reconcile net income to net cash provided by operating activities:					
PCL		7,516	1,002	27,245	9,458
Depreciation and amortization		8,563	7,666	18,687	16,448
Net amortization of securities		1,373	1,812	1,379	3,331
Securities (gains) losses, net		182,792	—		
Gains on sales of loans, net		(5,010)	(2,573)	(10,160)	(6,749)
Gain on disposition of business		(228,272)	—		
Compensation expense, long-term incentive plan		2,238	1,715	3,616	3,278
Deferred income tax provision		28,490	335	24,600	(380)
Proceeds from sales of loans held for sale		263,634	216,327	565,928	556,031
Purchases and originations of loans held for sale		(247,476)	(269,863)	(552,255)	(613,829)
Originations of mortgage servicing rights		(2,977)	(2,646)	(6,664)	(6,602)
Earnings on bank-owned life insurance		(1,420)	(1,263)	(1,210)	(2,531)
Net change in other assets		(21,036)	303	(19,580)	(7,525)
Net change in other liabilities		(127,283)	7,390	(130,212)	8,848
Other operating activities, net		(6,690)	(7,946)	(33,095)	(28,779)
Net cash from operating activities		(58,543)	2,559	(41,834)	26,336
Investing Activities					
Proceeds from maturities, prepayments and calls of securities held to maturity		24,000	23,930	63,771	52,451
Proceeds from maturities, prepayments and calls of securities available for sale		56,706	69,054	135,708	160,240
Proceeds from sales of securities available for sale		1,378,272	—		
Purchases of securities held to maturity		(9,136)	—	(10,644)	(8,967)
Purchases of securities available for sale		(1,382,457)	—		
Net proceeds from bank-owned life insurance		(27)	(27)		

Net change in federal funds sold and securities purchased under reverse repurchase agreements	—	4,000	—	4,000
Net change in member bank stock	(743)	(27,026)	6,868	(20,248)
Net change in LHF1	(114,096)	(295,239)	(274,150)	(412,869)
Proceeds from sale of 1-4 family mortgage loans	43,935	—		
Purchases of premises and equipment	(5,050)	(17,095)	(11,273)	(25,594)
Proceeds from sales of premises and equipment	—	1,229	2,218	1,815
Proceeds from sales of other real estate	902	465	3,733	1,154
Purchases of software	(2,044)	(2,716)	(2,913)	(4,955)
Investments in tax credit and other partnerships	(1,848)	(5,912)	(7,334)	(9,237)
Proceeds from disposition of business, net	321,345	—		
Other, net	200	—		
Net cash from investing activities	(51,309)	(249,310)	267,252	(262,237)
Financing Activities				
Net change in deposits	(231,206)	346,013	(106,875)	476,252
Net change in federal funds purchased and securities sold under repurchase agreements	(12,530)	28,649	(91,624)	(138,152)
Net change in short-term borrowings	—	449,999	(150,001)	25,000
Payments on long-term FHLB advances	(5)	(5)	(58)	(10)
Payments under finance lease obligations	(99)	(342)	(207)	(535)
Common stock dividends	(14,207)	(14,158)	(28,413)	(28,319)
Shares withheld to pay taxes, long-term incentive plan	(1,383)	(1,048)	(1,442)	(1,070)
Net cash from financing activities	(259,430)	809,108	(378,620)	333,166
Net change in cash and cash equivalents	(369,282)	562,357	(153,202)	97,265
Cash and cash equivalents at beginning of period	975,543	734,787	975,343	734,587
Cash and cash equivalents at end of period	\$ 606,261	\$ 1,297,144	\$ 822,141	\$ 831,852

See notes to consolidated financial statements.

Trustmark Corporation and Subsidiaries
Notes to Consolidated Financial Statements
(Unaudited)

Note 1 – Business, Basis of Financial Statement Presentation and Principles of Consolidation

Trustmark Corporation (Trustmark) is a bank holding company headquartered in Jackson, Mississippi. Through its subsidiaries, Trustmark operates as a financial services organization providing banking and financial solutions to corporate institutions and individual customers through offices in Alabama (includes the Georgia Loan Production Office), Florida, Mississippi, Tennessee and Texas.

The consolidated financial statements include the accounts of Trustmark and all other entities in which Trustmark has a controlling financial interest. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the consolidated financial statements, and notes thereto, included in Trustmark's Annual Report on Form 10-K for its fiscal year ended December 31, 2023 (2023 Annual Report).

Operating results for the interim periods disclosed herein are not necessarily indicative of the results that may be expected for a full year or any future period. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for the fair presentation of these consolidated financial statements have been included. The preparation of financial statements in conformity with these accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and income and expense during the reporting periods and the related disclosures. Although Management's estimates contemplate current conditions and how they are expected to change in the future, it is reasonably possible that in 2024 actual conditions could vary from those anticipated, which could affect Trustmark's financial condition and results of operations. Actual results could differ from those estimates.

Subsequent Events

Note 2 - Discontinued Operations

On April 23, 2024 May 31, 2024, Trustmark National Bank (TNB) announced that it had entered into a definitive agreement to sell TNB completed the sale of its wholly owned subsidiary, Fisher Brown Bottrell Insurance, Inc. (FBBI) to Marsh & McLennan Agency LLC (MMA) for approximately \$345.0 336.9 million in cash. The transaction resulted in a pre-tax net gain of \$228.3 million. The gain, along with FBBI's historical financial results for periods prior to the sale, is reflected in Trustmark's consolidated financial statements as discontinued operations. The assets and liabilities of FBBI among have been presented as "Assets of discontinued operations" and "Liabilities of discontinued operations" on the five largest bank-affiliated insurance brokerages consolidated balance sheet at December 31, 2023. FBBI's operating results have been presented as "Discontinued operations" within the accompanying consolidated statements of income (loss) and prior period amounts have been reclassified to conform with the current period presentation. Cash flows from both continuing and discontinued operations are included in the nation Consolidated Statements of Cash Flows.

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The following table summarizes financial information related to FBBI which has been segregated from continuing operations and one of reported as discontinued operations for the largest agencies periods presented (\$ in the Southeast, is expected to allow Trustmark to capitalize on the strong valuation premiums in the insurance brokerage sector. thousands): The \$345.0

million transaction value represents approximately 5.9 times FBBI's 2023 revenue and 28.0 times net income. The estimated after-tax proceeds of \$228.0 million are expected to be used to reposition Trustmark's balance sheet to increase earnings, elevate profitability and enhance capital. TNB anticipates that the transaction, which is subject to standard closing conditions and regulatory approval, will close by the end of the second quarter of 2024. Upon consummation of this transaction, Trustmark will no longer engage in insurance brokerage activity and will no longer report an Insurance Segment in its periodic and other reports as filed with the SEC.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Noninterest income:				
Insurance commissions	\$ 12,264	\$ 14,764	\$ 27,728	\$ 29,069
Gain on sale of discontinued operations, net	228,272	—	228,272	—
Other, net	(3)	960	527	954
Total noninterest income	240,533	15,724	256,527	30,023
Noninterest expense:				
Salaries and employee benefits	6,292	9,142	16,263	18,426
Services and fees	296	443	704	835
Net occupancy - premises	43	211	269	525
Equipment expense	33	67	93	177
Other expense	1,229	734	2,046	1,372
Total noninterest expense	7,893	10,597	19,375	21,335
Income from discontinued operations before income taxes	232,640	5,127	237,152	8,688
Income taxes from discontinued operations	58,203	1,294	59,353	2,200
Income from discontinued operations	\$ 174,437	\$ 3,833	\$ 177,799	\$ 6,488

The assets and liabilities of discontinued operations on the consolidated balance sheet at December 31, 2023 were as follows (\$ in thousands):

	December 31, 2023	
Carrying amounts of assets included as part of discontinued operations:		
Cash and due from banks	\$	200
Premises and equipment, net		308
Goodwill		49,633
Identifiable intangible assets, net		2,729
Operating lease right-of-use assets		2,431
Other assets		12,333
Assets of discontinued operations	\$	<u>67,634</u>
Carrying amounts of liabilities included as part of discontinued operations:		
Operating lease liabilities	\$	2,487
Other liabilities		9,540
Liabilities of discontinued operations	\$	<u>12,027</u>

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Note 23 – Securities Available for Sale and Held to Maturity

The following tables are a summary of the amortized cost and estimated fair value of securities available for sale and held to maturity at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	Securities Available for Sale				Securities Held to Maturity				Securities Available for Sale	Securities Held to Maturity
	Amortized Cost	Gross Gains	Gross Losses	Estimated Fair Value	Amortized Cost	Gross Gains	Gross Losses	Estimated Fair Value		
		Unrealized Gains	Unrealized Losses	Value		Unrealized Gains	Unrealized Losses	Value		
March 31, 2024										
June 30, 2024										
U.S. Treasury securities	\$ 396,289	\$ —	\$ (23,865)	\$ 372,424	\$ 29,261	\$ —	\$ (515)	\$ 28,746	\$ 173,201	\$ —
U.S. Government agency obligations	6,017	—	(423)	5,594	—	—	—	—	—	—
Obligations of states and political subdivisions	—	—	—	—	340	—	—	340	—	—
Mortgage-backed securities										

Residential mortgage pass- through securities														
Guaranteed by GNMA	25,343	6	(3,117)	22,232	18,387	—	(750)	17,637	26,415	4	(2,930)	23,489	17,998	1
Issued by FNMA and FHLMC	1,293,149	22	(163,650)	1,129,521	461,457	46	(21,935)	439,568	1,081,088	1,914	(22,133)	1,060,869	449,781	35
Other residential mortgage- backed securities														
Issued or guaranteed by FNMA, FHLMC or GNMA	85,317	—	(6,218)	79,099	146,447	—	(10,731)	135,716	—	—	—	—	138,951	1
Commercial mortgage- backed securities														
Issued or guaranteed by FNMA, FHLMC or GNMA	94,865	—	(1,436)	93,429	759,133	13	(48,139)	711,007	362,606	2,653	(913)	364,346	744,302	13
Total	\$ 1,900,980	\$ 28	\$ (198,709)	\$ 1,702,299	\$ 1,415,025	\$ 59	\$ (82,070)	\$ 1,333,014	\$ 1,643,310	\$ 4,571	\$ (26,222)	\$ 1,621,659	\$ 1,380,487	\$ 50

	Securities Available for Sale						Securities Held to Maturity					
	Amortized		Gross	Unrealized		Estimated	Amortized		Gross	Unrealized		Estimated
December 31, 2023	Cost	Gains		Losses		Fair	Cost	Gains		Losses		Fair
U.S. Treasury Securities	\$ 396,179	\$ —	\$ (23,811)	\$ 372,368	\$ 29,068	\$ —	\$ —	\$ —	\$ (26)	\$ —	\$ 29,042	
U.S. Government agency obligations	6,207	1	(416)	5,792	—	—	—	—	—	—	—	
Obligations of states and political subdivisions	—	—	—	—	340	—	—	—	—	—	340	
Mortgage-backed securities												
Residential mortgage pass- through securities												
Guaranteed by GNMA	25,744	4	(2,613)	23,135	13,005	—	(497)	—	12,508			
Issued by FNMA and FHLMC	1,338,256	32	(161,490)	1,176,798	469,593	—	(18,205)	—	451,388			
Other residential mortgage- backed securities												
Issued or guaranteed by FNMA, FHLMC or GNMA	92,076	—	(6,002)	86,074	154,466	—	(10,113)	—	144,353			

Commercial mortgage-backed
securities

Issued or guaranteed by

FNMA, FHLMC or

GNMA	100,545	—	(1,834)	98,711	759,807	51	(41,985)	717,873
Total	\$ 1,959,007	\$ 37	\$ (196,166)	\$ 1,762,878	\$ 1,426,279	\$ 51	\$ (70,826)	\$ 1,355,504

During 2022, Trustmark reclassified a total of \$766.0 million of securities available for sale to securities held to maturity. At the date of these transfers, the net unrealized holding loss on the available for sale securities totaled approximately \$91.9 million (\$68.9 million, net of tax).

The securities were transferred at fair value, which became the cost basis for the securities held to maturity. The net unrealized holding loss will be amortized over the remaining life of the securities as a yield adjustment in a manner consistent with the amortization or

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accretion of the original purchase premium or discount on the associated security. There were no gains or losses recognized as a result of these transfers. At **March 31, 2024** **June 30, 2024**, the net unamortized, unrealized loss on transferred securities included in accumulated other comprehensive income (loss) in the accompanying balance sheet totaled **\$54.8** **52.1** million compared to \$57.6 million at December 31, 2023.

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ACL on Securities

Securities Available for Sale

Quarterly, Trustmark evaluates if any security has a fair value less than its amortized cost. Once these securities are identified, in order to determine whether a decline in fair value resulted from a credit loss or other factors, Trustmark performs further analysis. If Trustmark determines that a credit loss exists, the credit portion of the allowance is measured using a discounted cash flow (DCF) analysis using the effective interest rate as of the security's purchase date. The amount of credit loss recorded by Trustmark is limited to the amount by which the amortized cost exceeds the fair value. The DCF analysis utilizes contractual maturities, as well as third-party credit ratings and cumulative default rates published annually by Moody's Investor Service (Moody's).

At both **March 31, 2024** **June 30, 2024** and December 31, 2023, the results of the analysis did not identify any securities that warranted DCF analysis, and no credit loss was recognized on any of the securities available for sale.

Accrued interest receivable is excluded from the estimate of credit losses for securities available for sale. At both **March 31, 2024** and **December 31, 2023** **June 30, 2024**, accrued interest receivable totaled **\$3.7** **4.1** million for securities available for sale compared to \$3.7 million December 31, 2023 and was reported in other assets on the accompanying consolidated balance sheet.

Securities Held to Maturity

At both **March 31, 2024** and **December 31, 2023** **June 30, 2024**, Trustmark identified no securities held to maturity with the potential for credit loss exposure, for Trustmark's securities held compared to maturity was \$340 thousand and at December 31, 2023, which consisted of municipal securities. After applying appropriate probability of default (PD) and loss given default (LGD) assumptions, analysis, the total amount of current expected credit losses was deemed immaterial. Therefore, no zero at **June 30, 2024** and immaterial at December 31, 2023. No reserve was recorded either at **March 31, 2024** **June 30, 2024** and December 31, 2023.

Accrued interest receivable is excluded from the estimate of credit losses for securities held to maturity. At **March 31, 2024** **June 30, 2024**, accrued interest receivable totaled **\$2.7** **2.5** million for securities held to maturity compared to \$2.6 million at December 31, 2023 and was reported in other assets on the accompanying consolidated balance sheet.

At both **March 31, 2024** **June 30, 2024** and December 31, 2023, Trustmark had no securities held to maturity that were past due 30 days or more as to principal or interest payments. Trustmark had no securities held to maturity classified as nonaccrual at **March 31, 2024** **June 30, 2024** and December 31, 2023.

Trustmark monitors the credit quality of securities held to maturity on a monthly basis through credit ratings. The following table presents the amortized cost of Trustmark's securities held to maturity by credit rating, as determined by Moody's, at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Aaa	\$ 1,414,685	\$ 1,425,939	\$ 1,380,487	\$ 1,425,939
Not Rated (1)	340	340	—	340
Total	\$ 1,415,025	\$ 1,426,279	\$ 1,380,487	\$ 1,426,279

(1) Not rated securities primarily consist of Mississippi municipal general obligations.

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The tables below include securities with gross unrealized losses for which an allowance for credit losses has not been recorded segregated by length of impairment at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	Less than 12 Months						Less than 12 Months					
	Gross		Gross		Gross		Months		12 Months or More		Total	
	Estimated	Unrealized	Estimated	Unrealized	Estimated	Unrealized	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
March 31, 2024												
U.S. Treasury securities	\$ 28,746	\$ (515)	\$ 372,424	\$ (23,865)	\$ 401,170	\$ (24,380)	\$ 172,955	\$ (246)	\$ 28,804	\$ (650)	\$ 201,759	\$ (896)
U.S. Government agency obligations	—	—	5,594	(423)	5,594	(423)	—	—	—	—	—	—
Mortgage-backed securities												
Residential mortgage pass-through securities												
Guaranteed by GNMA	14,632	(343)	24,950	(3,524)	39,582	(3,867)	15,142	(339)	25,205	(3,458)	40,347	(3,797)
Issued by FNMA and FHLMC	303,034	(5,957)	1,259,726	(179,628)	1,562,760	(185,585)	645,501	(2,664)	542,530	(45,177)	1,188,031	(47,841)
Other residential mortgage-backed securities												
Issued or guaranteed by FNMA, FHLMC or GNMA	—	—	214,805	(16,949)	214,805	(16,949)	—	—	128,759	(10,193)	128,759	(10,193)
Commercial mortgage-backed securities												
Issued or guaranteed by FNMA, FHLMC or GNMA	1,616	(55)	800,447	(49,520)	802,063	(49,575)	—	—	777,466	(50,901)	777,466	(50,901)
Total	\$ 348,028	\$ (6,870)	\$ 2,677,946	\$ (273,909)	\$ 3,025,974	\$ (280,779)	\$ 833,598	\$ (3,249)	\$ 1,502,764	\$ (110,379)	\$ 2,336,362	\$ (113,628)
December 31, 2023												
U.S. Treasury Securities	\$ 29,042	\$ (26)	\$ 372,368	\$ (23,811)	\$ 401,410	\$ (23,837)	\$ 29,042	\$ (26)	\$ 372,368	\$ (23,811)	\$ 401,410	\$ (23,837)
U.S. Government agency obligations	—	—	5,791	(416)	5,791	(416)	—	—	5,791	(416)	5,791	(416)
Mortgage-backed securities												
Residential mortgage pass-through securities												

Guaranteed by GNMA	9,381	(172)	25,967	(2,938)	35,348	(3,110)	9,381	(172)	25,967	(2,938)	35,348	(3,110)
Issued by FNMA and FHLMC	309,466	(3,274)	1,311,865	(176,421)	1,621,331	(179,695)	309,466	(3,274)	1,311,865	(176,421)	1,621,331	(179,695)
Other residential mortgage-backed securities												
Issued or guaranteed by FNMA, FHLMC or GNMA	—	—	230,368	(16,115)	230,368	(16,115)	—	—	230,368	(16,115)	230,368	(16,115)
Commercial mortgage-backed securities												
Issued or guaranteed by FNMA, FHLMC or GNMA	1,656	(13)	812,520	(43,806)	814,176	(43,819)	1,656	(13)	812,520	(43,806)	814,176	(43,819)
Total	\$ 349,545	\$ (3,485)	\$ 2,758,879	\$ (263,507)	\$ 3,108,424	\$ (266,992)	\$ 349,545	\$ (3,485)	\$ 2,758,879	\$ (263,507)	\$ 3,108,424	\$ (266,992)

The unrealized losses shown above are due to increases in market rates over the yields available at the time of purchase of the underlying securities and not credit quality. Trustmark does not intend to sell these securities and it is more likely than not that Trustmark will not be required to sell the investments before recovery of their amortized cost bases, which may be at maturity.

Securities Security Gains and Losses

During the three months ended March 31, 2024 and 2023, there were no gross realized gains or losses as a result of calls and dispositions of securities. Realized gains and losses are determined using the specific identification method and are included in noninterest income (loss) as securities security gains (losses), net. For the periods presented, gross realized losses as a result of calls and dispositions of securities, as well as any associated proceeds, are shown below (\$ in thousands). There were no gross realized gains during the periods presented.

	Available for Sale	Three Months Ended June 30,		Six Months Ended June 30,	
		2024	2023	2024	2023
Proceeds from calls and sales of securities		\$ 1,378,272	\$ —	\$ 1,378,272	\$ —
Gross realized (losses)		(182,792)	—	(182,792)	—

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During the second quarter of 2024, Trustmark restructured its investment securities portfolio by selling \$1.561 billion of available for sale securities with an average yield of 1.36%, which generated a loss of \$182.8 million (\$137.1 million, net of taxes) and was recorded to noninterest income (loss) in security gains (losses), net. Proceeds from the sale were used to purchase \$1.378 billion of available for sale securities with an average yield of 4.85%.

Securities Pledged

Securities with a carrying value of \$2,291.276 billion and \$2.321 billion at March 31, 2024 June 30, 2024 and December 31, 2023, respectively, were pledged to collateralize public deposits and securities sold under repurchase agreements and for other purposes as permitted by law. At both March 31, 2024 June 30, 2024 and December 31, 2023, none of these securities were pledged under the Federal Reserve Discount Window program to provide additional contingency funding capacity.

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Contractual Maturities

The amortized cost and estimated fair value of securities available for sale and held to maturity at March 31, 2024 June 30, 2024, by contractual maturity, are shown below (\$ in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Securities				Securities				Securities				Securities			
	Available for Sale		Held to Maturity		Available for Sale		Held to Maturity		Available for Sale		Held to Maturity		Available for Sale		Held to Maturity	
	Amortized	Estimated	Amortized	Estimated	Amortized	Estimated	Cost	Fair Value	Amortized	Estimated	Cost	Fair Value	Amortized	Estimated	Cost	Fair Value
Due in one year or less	\$ 99,995	\$ 98,050	\$ 340	\$ 340	\$ 39,770	\$ 39,748	\$ —	\$ —								
Due after one year through five years	296,508	274,584	29,261	28,746	83,002	82,927	29,455	28,805								
Due after five years through ten years	2,236	2,021	—	—	50,429	50,280	—	—								
Due after ten years	3,567	3,363	—	—												
	402,306	378,018	29,601	29,086	173,201	172,955	29,455	28,805								
Mortgage-backed securities	1,498,674	1,324,281	1,385,424	1,303,928	1,470,109	1,448,704	1,351,032	1,264,326								
Total	\$ 1,900,980	\$ 1,702,299	\$ 1,415,025	\$ 1,333,014	\$ 1,643,310	\$ 1,621,659	\$ 1,380,487	\$ 1,293,131								

Note 34 – LHFI and ACL, LHFI

At **March 31, 2024** **June 30, 2024** and December 31, 2023, LHFI consisted of the following (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Loans secured by real estate:				
Construction, land development and other land	\$ 617,008	\$ 642,886	\$ 616,528	\$ 642,886
Other secured by 1-4 family residential properties	625,387	622,397	642,765	622,397
Secured by nonfarm, nonresidential properties	3,543,235	3,489,434	3,598,647	3,489,434
Other real estate secured	1,384,610	1,312,551	1,344,968	1,312,551
Other loans secured by real estate:				
Other construction	922,453	867,793	1,022,444	867,793
Secured by 1-4 family residential properties	2,266,094	2,282,318	2,235,530	2,282,318
Commercial and industrial loans	1,922,711	1,922,910	1,880,607	1,922,910
Consumer loans	159,340	165,734	156,709	165,734
State and other political subdivision loans	1,052,844	1,088,466	1,053,015	1,088,466
Other commercial loans and leases	564,261	556,035	604,205	556,035
LHFI	13,057,943	12,950,524	13,155,418	12,950,524
Less ACL	142,998	139,367	154,685	139,367
Net LHFI	\$ 12,914,945	\$ 12,811,157	\$ 13,000,733	\$ 12,811,157

Accrued interest receivable is not included in the amortized cost basis of Trustmark's LHFI. At **March 31, 2024** **June 30, 2024** and December 31, 2023, accrued interest receivable for LHFI totaled **\$70.3** **70.6** million and \$71.0 million, respectively, with no related ACL and was reported in other assets on the accompanying consolidated balance sheet.

Loan Concentrations

Trustmark does not have any loan concentrations other than those reflected in the preceding table, which exceed 10% of total LHFI. At **March 31, 2024** **June 30, 2024**, Trustmark's geographic loan distribution was concentrated primarily in its five key market regions: Alabama, Florida, Mississippi, Tennessee and Texas. Accordingly, the ultimate collectability of a substantial portion of these loans is susceptible to changes in market conditions in these areas.

Nonaccrual and Past Due LHFI

No material interest income was recognized in the income statement on nonaccrual LHFI for each of the periods ended **March 31, 2024** **June 30, 2024** and 2023.

The following tables provide the amortized cost basis of loans on nonaccrual status and loans past due 90 days or more still accruing interest at **March 31, 2024**, **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024			June 30, 2024		
	Nonaccrual With No ACL	Total Nonaccrual	Loans Past Due 90 Days or More Still Accruing	Nonaccrual With No ACL	Total Nonaccrual	Loans Past Due 90 Days or More Still Accruing
Loans secured by real estate:						
Construction, land development and other land	\$ 991	\$ 1,809	\$ —	\$ —	\$ 226	\$ —
Other secured by 1-4 family residential properties	923	6,843	919	907	7,167	326
Secured by nonfarm, nonresidential properties	917	3,049	—	9,730	11,547	—
Other real estate secured	—	134	—	—	120	—
Other loans secured by real estate:						
Other construction	—	13,098	—	—	60	—
Secured by 1-4 family residential properties	4,291	48,877	3,792	1,019	6,946	4,635
Commercial and industrial loans	36	23,089	49	33	16,874	39
Consumer loans	—	238	483	—	326	413
Other commercial loans and leases	—	1,214	—	—	1,026	—
Total	\$ 7,158	\$ 98,351	\$ 5,243	\$ 11,689	\$ 44,292	\$ 5,413

	December 31, 2023			
	Nonaccrual With No ACL		Loans Past Due 90 Days or More Still Accruing	
			Total Nonaccrual	
Loans secured by real estate:				
Construction, land development and other land	\$ 2,020	\$ 2,642	\$ —	—
Other secured by 1-4 family residential properties	946	6,518	—	1,238
Secured by nonfarm, nonresidential properties	20,812	23,061	—	54
Other real estate secured	—	158	—	106
Other loans secured by real estate:				
Other construction	—	62	—	—
Secured by 1-4 family residential properties	3,235	43,815	—	3,740
Commercial and industrial loans	79	22,303	—	24
Consumer loans	—	243	—	628
Other commercial loans and leases	—	1,206	—	—
Total	\$ 27,092	\$ 100,008	\$ 5,790	

The following tables provide an aging analysis of the amortized cost basis of past due LHF (including nonaccrual LHF) at **March 31, 2024**, **June 30, 2024** and December 31, 2023 (\$ in thousands):

March 31, 2024	June 30, 2024
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	Past Due						Past Due					
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans		Total LHFI	
	Days	Days	Days	Days	or More	Due	Days	Days	or More	Due	Days	Total LHFI
Loans secured by real estate:												
Construction, land development and other land	\$ 354	\$ 590	\$ 1,011	\$ 1,955	\$ 615,053	\$ 617,008	\$ 228	\$ —	\$ —	\$ 228	\$ 616,300	\$ 616,528
Other secured by 1-4 family residential properties	6,147	1,554	2,575	10,276	615,111	625,387	6,395	1,516	3,489	11,400	631,365	642,765
Secured by nonfarm, nonresidential properties	695	711	892	2,298	3,540,937	3,543,235	1,275	—	1,028	2,303	3,596,344	3,598,647
Other real estate secured	—	—	—	—	1,384,610	1,384,610	115	—	—	115	1,344,853	1,344,968
Other loans secured by real estate:												
Other construction	—	13,038	—	13,038	909,415	922,453	—	—	—	—	1,022,444	1,022,444
Secured by 1-4 family residential properties	14,706	7,246	25,361	47,313	2,218,781	2,266,094	15,844	7,282	7,201	30,327	2,205,203	2,235,530
Commercial and industrial loans	12,207	446	19,018	31,671	1,891,040	1,922,711	4,006	750	15,188	19,944	1,860,663	1,880,607
Consumer loans	1,616	548	512	2,676	156,664	159,340	1,406	573	438	2,417	154,292	156,709
State and other political subdivision loans	972	—	—	972	1,051,872	1,052,844	7	—	—	7	1,053,008	1,053,015
Other commercial loans and leases	1,522	116	37	1,675	562,586	564,261	66	11	—	77	604,128	604,205
Total	\$ 38,219	\$ 24,249	\$ 49,406	\$ 111,874	\$ 12,946,069	\$ 13,057,943	\$ 29,342	\$ 10,132	\$ 27,344	\$ 66,818	\$ 13,088,600	\$ 13,155,418

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	December 31, 2023									
	Past Due									
	30-59 Days	60-89 Days	90 Days or More	Total Past Due	Current Loans	Total LHFI				
Loans secured by real estate:										
Construction, land development and other land	\$ 93	\$ 507	\$ 2,362	\$ 2,962	\$ 639,924	\$ 642,886				
Other secured by 1-4 family residential properties	4,493	1,687	2,716	8,896	613,501	622,397				
Secured by nonfarm, nonresidential properties	1,531	1,063	727	3,321	3,486,113	3,489,434				
Other real estate secured	126	—	207	333	1,312,218	1,312,551				
Other loans secured by real estate:										
Other construction	62	—	—	62	867,731	867,793				
Secured by 1-4 family residential properties	19,298	9,327	22,164	50,789	2,231,529	2,282,318				
Commercial and industrial loans	11,881	484	499	12,864	1,910,046	1,922,910				
Consumer loans	2,112	772	647	3,531	162,203	165,734				

State and other political subdivision loans	152	—	—	152	1,088,314	1,088,466
Other commercial loans and leases	1,247	58	—	1,305	554,730	556,035
Total	\$ 40,995	\$ 13,898	\$ 29,322	\$ 84,215	\$ 12,866,309	\$ 12,950,524

Modified LHFI

Occasionally, Trustmark modifies loans for borrowers experiencing financial difficulties by providing payment concessions, interest-only payments for an extended period of time, maturity extensions or interest rate reductions. Other concessions may arise from court proceedings or may be imposed by law. In some cases, Trustmark provides multiple types of concessions on one loan.

The following tables present the amortized cost of LHFI at the end of each of the periods presented of loans modified to borrowers experiencing financial difficulty disaggregated by class of loan and type of modification (\$ in thousands). The percentage of the amortized cost basis of LHFI that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of LHFI is also presented below:

Three Months Ended March 31, 2024		
	Term Extension	% of Total Class of Loan
Loans secured by real estate:		
Other secured by 1-4 family residential properties	\$ 1,461	0.23%
Other loans secured by real estate:		
Secured by 1-4 family residential properties	813	0.04%
Total	\$ 2,274	0.02%
Three Months Ended March 31, 2023		
	Term Extension	% of Total Class of Loan
Loans secured by real estate:		
Secured by nonfarm, nonresidential properties	384	0.01%
Other loans secured by real estate:		
Secured by 1-4 family residential properties	492	0.02%
Total	\$ 876	0.01%

Three Months Ended June 30, 2024		
	Term Extension	% of Total Class of Loan
Loans secured by real estate:		
Other secured by 1-4 family residential properties	493	0.08%
Total	\$ 493	0.00%

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Three Months Ended June 30, 2023						
	Payment Concession	Term Extension	Total	% of Total Class of Loan		
Loans secured by real estate:						
Other secured by 1-4 family residential properties	\$ —	\$ 401	\$ 401	\$ 401	0.07%	
Other loans secured by real estate:						
Secured by 1-4 family residential properties	—	276	276	276	0.01%	
Commercial and industrial loans	255	—	255	255	0.01%	
Consumer loans	—	42	42	42	0.03%	

Other commercial loans and leases	117	31	148	0.03%
Total	\$ 372	\$ 750	\$ 1,122	0.01%
Six Months Ended June 30, 2024				
Term Extension		% of Total Class of Loan		
Loans secured by real estate:				
Other secured by 1-4 family residential properties		\$ 1,891		0.29%
Total		\$ 1,891		0.01%
Six Months Ended June 30, 2023				
Payment Concession		Term Extension	Total	% of Total Class of Loan
Loans secured by real estate:				
Other secured by 1-4 family residential properties	\$ —	\$ 401	\$ 401	0.07%
Secured by nonfarm, nonresidential properties	—	384	384	0.01%
Other loans secured by real estate:				
Secured by 1-4 family residential properties	—	768	768	0.03%
Commercial and industrial loans	255	—	255	0.01%
Consumer loans	—	42	42	0.03%
Other commercial loans and leases	117	31	148	0.03%
Total	\$ 372	\$ 1,626	\$ 1,998	0.02%

The following tables detail the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty for the periods presented:

	Three Months Ended March 31, 2024	June 30, 2024
Financial Effect		
Term Extension		

Loans secured by real estate:

Other secured by 1-4 family residential properties

Modified one loan two loans and multiple lines of credit to amortize over 24 month terms, terms

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	Three Months Ended June 30, 2023	
Financial Effect		
	Payment Concessions	Term Extension
Term Extension		
Loans secured by real estate:		
Other secured by 1-4 family residential properties		Modified lines of credit to amortize over a twenty-four month term
Other loans secured by real estate:		
Secured by 1-4 family residential properties		Extended the amortization periods on six loans with term adjusted by a weighted-average of 2.99 2.3 years, years
Commercial and industrial loans	Six month payment deferrals	
Consumer loans		Bankruptcies extended amortization with term adjusted by weighted average 1.3 years reducing borrower payment
Other commercial loans and leases	Six month payment deferrals	One loan renewed and extended maturity by seven months

Three Six Months Ended March 31, 2023 June 30, 2024				
Financial Effect				
Term Extension				
Loans secured by real estate:				
Other secured by 1-4 family residential properties	Modified three loans and lines of credit to amortize over 24 month terms.			
Six Months Ended June 30, 2023				
Financial Effect				
Payment Concessions		Term Extension		
Loans secured by real estate:				
Other secured by 1-4 family residential properties	Modified lines of credit to amortize over a twenty-four month term			
Secured by nonfarm, nonresidential properties	R One loan renewed and extended amortization period and lowered the monthly payment e amount for the borrower, maturity by six months w e d w i h a n			
Other loans secured by real estate:				
Secured by 1-4 family residential properties	Extended the amortization periods on four loans with term adjusted by a weighted-average of 141.8 years			
Commercial and industrial loans	Six month payment deferrals			
Consumer loans	Bankruptcies extended amortization with term adjusted by weighted average 1.3 years which reduced the aggregate monthly reducing borrower payment amounts for the borrowers.			
Other commercial loans and leases	Six month payment deferrals			
	One loan renewed and extended maturity by seven months			

Trustmark had no unused commitments on modified loans to borrowers experiencing financial difficulty at March 31, 2024 June 30, 2024.

During the three six months ended March 31, 2024 June 30, 2024 and 2023, payment defaults of LHFIs that were modified within the twelve months prior to that default to borrowers experiencing financial difficulty were immaterial.

Trustmark has utilized loans 90 days or more past due to define payment default in determining modified loans that have subsequently defaulted. If Trustmark determines that a modified loan (or a portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is charged off against the ACL, LHFIs.

Trustmark closely monitors the performance of loans that are modified to borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts. The following tables provide details of the performance of such LHFIs that have been modified during the periods presented (\$ in thousands):

Three Months Ended March 31, 2024										
	Past Due									
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans	
	\$	—	\$	—	\$	—	\$	—	\$	\$
Loans secured by real estate:										
Other secured by 1-4 family residential properties	\$	—	\$	—	\$	—	\$	—	\$	\$
Other loans secured by real estate:										
Secured by 1-4 family residential properties	—	—	—	—	—	—	—	—	813	813
Total	\$	—	\$	—	\$	—	\$	—	\$	\$
	2,274		2,274		2,274		2,274		2,274	2,274

Three Months Ended June 30, 2024										
	Past Due									
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans	
	\$	—	\$	—	\$	—	\$	—	\$	\$
Loans secured by real estate:										
Other secured by 1-4 family residential properties	\$	—	\$	—	\$	—	\$	—	\$	\$
	493		493		493		493		493	493

Three Months Ended June 30, 2023										
	Past Due									
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans	
	\$	38	\$	19	\$	—	\$	57	\$	\$
Loans secured by real estate:										
Other secured by 1-4 family residential properties	\$	38	\$	19	\$	—	\$	57	\$	\$
	344		344		344		344	401	401	401
Other loans secured by real estate:										
Secured by 1-4 family residential properties	—	—	—	—	—	—	—	—	276	276
Commercial and industrial loans	—	—	—	—	—	—	—	—	255	255
Consumer loans	22	—	—	—	—	22	—	22	20	42
Other commercial loans and leases	—	—	—	—	—	—	—	—	148	148
Total	\$	60	\$	19	\$	—	\$	79	\$	\$
	1,043		1,043		1,043		1,043	1,122	1,122	1,122
Six Months Ended June 30, 2024										

Past Due										
	90 Days or More									
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans	
	\$	38	\$	19	\$	—	\$	57	\$	\$
Loans secured by real estate:										
Other secured by 1-4 family residential properties	\$	540	\$	—	\$	—	\$	540	\$	\$
	1,351		1,351		1,351		1,351	1,891	1,891	1,891
Six Months Ended June 30, 2023										
Past Due										
	30-59 Days		60-89 Days		90 Days or More		Total Past Due		Current Loans	
	\$	38	\$	19	\$	—	\$	57	\$	\$
	344		344		344		344	401	401	401
Loans secured by real estate:										
Secured by nonfarm, nonresidential properties	—	—	—	—	—	—	—	—	384	384
Other loans secured by real estate:										
Secured by 1-4 family residential properties	—	—	—	—	—	—	—	—	768	768
Commercial and industrial loans	—	—	—	—	—	—	—	—	255	255

Consumer loans	22	—	—	22	20	42
Other commercial loans and leases	—	—	—	—	148	148
Total	\$ 60	\$ 19	\$ —	\$ 79	\$ 1,919	\$ 1,998

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	Three Months Ended March 31, 2023					
	Past Due					
	30-59 Days	60-89 Days	90 Days or More	Total Past Due	Current Loans	Total
Loans secured by real estate:						
Secured by nonfarm, nonresidential properties	\$ —	\$ —	\$ —	\$ —	\$ 384	\$ 384
Other loans secured by real estate:						
Secured by 1-4 family residential properties	—	—	—	—	492	492
Total	\$ —	\$ —	\$ —	\$ —	\$ 876	\$ 876

Collateral-Dependent Loans

The following tables present the amortized cost basis of collateral-dependent loans by class of loans and collateral type as of **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024				June 30, 2024			
	Real Estate	Vehicles	Miscellaneous	Total	Real Estate	Vehicles	Miscellaneous	Total
Loans secured by real estate:								
Construction, land development and other land	\$ 1,539	\$ —	\$ —	\$ 1,539				
Other secured by 1-4 family residential properties	923	—	—	923	\$ 907	\$ —	\$ —	\$ 907
Secured by nonfarm, nonresidential properties	917	—	—	917	9,730	—	—	9,730
Other loans secured by real estate:								
Other construction	13,038	—	—	13,038				
Secured by 1-4 family residential properties	4,291	—	—	4,291	1,019	—	—	1,019
Commercial and industrial loans	20	36	21,154	21,210	5	33	14,774	14,812
Other commercial loans and leases	—	—	1,022	1,022	—	—	887	887
Total	\$ 20,728	\$ 36	\$ 22,176	\$ 42,940	\$ 11,661	\$ 33	\$ 15,661	\$ 27,355

	December 31, 2023			
	Real Estate	Vehicles	Miscellaneous	Total
Loans secured by real estate:				
Construction, land development and other land	\$ 2,020	\$ —	\$ —	\$ 2,020
Other secured by 1-4 family residential properties	946	—	—	946
Secured by nonfarm, nonresidential properties	20,812	—	—	20,812

Other loans secured by real estate:

Secured by 1-4 family residential properties	3,235	—	—	3,235
Commercial and industrial loans	38	41	21,023	21,102
Other commercial loans and leases	—	—	967	967
Total	\$ 27,051	\$ 41	\$ 21,990	\$ 49,082

A loan is collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the sale of the collateral. The following provides a qualitative description by class of loan of the collateral that secures Trustmark's collateral-dependent LHFIs:

- Loans secured by real estate – Loans within these loan classes are secured by liens on real estate properties. There have been no significant changes to the collateral that secures these financial assets during the period.
- Other loans secured by real estate – Loans within these loan classes are secured by liens on real estate properties. There have been no significant changes to the collateral that secures these financial assets during the period.

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- Commercial and industrial loans – Loans within this loan class are primarily secured by inventory, accounts receivables, equipment and other non-real estate collateral. During the quarter, one relationship had a slight decrease in collateral value that secures the credit. There have been no other significant changes to the collateral that secures these financial assets during the period.
- State and other political subdivision loans – Loans within this loan class are secured by liens on real estate properties or other non-real estate collateral. There have been significant changes to the collateral that secures these financial assets during the period.
- Other commercial loans – Loans within this loan class are secured by non-real estate collateral. There have been no significant changes to the collateral that secures these financial assets during the period.

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Credit Quality Indicators

Trustmark's LHFIs portfolio credit quality indicators focus on six key quality ratios that are compared against bank tolerances. The loan indicators are total classified outstanding, total criticized outstanding, nonperforming loans, nonperforming assets, delinquencies and net loan losses. Due to the homogeneous nature of consumer loans, Trustmark does not assign a formal internal risk rating to each credit and therefore the criticized and classified measures are primarily composed of commercial loans.

In addition to monitoring portfolio credit quality indicators, Trustmark also measures how effectively the lending process is being managed and risks are being identified. As part of an ongoing monitoring process, Trustmark grades the commercial portfolio segment as it relates to credit file completion and financial statement exceptions, underwriting, collateral documentation and compliance with law as shown below:

- Credit File Completeness and Financial Statement Exceptions – evaluates the quality and condition of credit files in terms of content and completeness and focuses efforts to obtain and document sufficient information to determine the quality and status of credits. Also included is an evaluation of the systems/procedures used to ensure compliance with policy.
- Underwriting – evaluates whether credits are adequately analyzed, appropriately structured and properly approved within loan policy requirements. A properly approved credit is approved by an adequate authority in a timely manner with all conditions of approval fulfilled. Total policy exceptions measure the level of underwriting and policy exceptions within a portfolio segment.
- Collateral Documentation – focuses on the adequacy of documentation to perfect Trustmark's collateral position and substantiate collateral value. Collateral exceptions measure the level of documentation exceptions within a portfolio segment. Collateral exceptions occur when certain collateral documentation is either not present or current.
- Compliance with Law – focuses on underwriting, documentation, approval and reporting in compliance with banking laws and regulations. Primary emphasis is directed to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Regulation O requirements and regulations governing appraisals.

Commercial Credits

Trustmark has established a loan grading system that consists of ten individual credit risk grades (risk ratings) that encompass a range from loans where the expectation of loss is negligible to loans where loss has been established. The model is based on the risk of default for an individual credit and establishes certain criteria to delineate the level of risk.

across the ten unique credit risk grades. Credit risk grade definitions are as follows:

- Risk Rate (RR) 1 through RR 6 – Grades one through six represent groups of loans that are not subject to criticism as defined in regulatory guidance. Loans in these exhibit characteristics that represent low to moderate risk measured by using a variety of credit risk criteria such as cash flow coverage, debt service coverage, b sheet leverage, liquidity, management experience, industry position, prevailing economic conditions, support from secondary sources of repayment and other credit that may be relevant to a specific loan. In general, these loans are supported by properly margined collateral and guarantees of principal parties.
- Other Assets Especially Mentioned (Special Mention) (RR 7) – a loan that has a potential weakness that if not corrected will lead to a more severe rating. This rating credits that are currently protected but potentially weak because of an adverse feature or condition that if not corrected will lead to a further downgrade.
- Substandard (RR 8) – a loan that has at least one identified weakness that is well defined. This rating is for credits where the primary sources of repayment are not viable at the time of evaluation or where either the capital or collateral is not adequate to support the loan and the secondary means of repayment do not provide a sufficient support to offset the identified weakness. Loss potential exists in the aggregate amount of substandard loans but does not necessarily exist in individual loans.

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- Doubtful (RR 9) – a loan with an identified weakness that does not have a valid secondary source of repayment. Generally, these credits have an impaired primary source of repayment and secondary sources are not sufficient to prevent a loss in the credit. The exact amount of the loss has not been determined at this time.
- Loss (RR 10) – a loan or a portion of a loan that is deemed to be uncollectible.

By definition, credit risk grades special mention (RR 7), substandard (RR 8), doubtful (RR 9) and loss (RR 10) are criticized loans while substandard (RR 8), doubtful (RR 9) and loss (RR 10) are classified loans. These definitions are standardized by the bank regulatory agencies and are generally equally applied to each individual lending institution. The remaining credit risk grades are considered pass credits and are solely defined by Trustmark.

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To enhance this process, Trustmark has determined that certain loans will be individually assessed, and a formal analysis will be performed and based upon the analysis the loan will be written down to the net realizable value. Trustmark will individually assess and remove loans from the pool in the following circumstances:

- Commercial nonaccrual loans with total exposure of \$500 thousand (excluding those portions of the debt that are government guaranteed or are secured by Trustmark deposits or marketable securities) or more.
- Any loan that is believed to not share similar risk characteristics with the rest of the pool will be individually assessed. Otherwise, the loan will be left within the pool based on the results of the assessment.
- Commercial accruing loans deemed to be a modified loan to a borrower experiencing financial difficulty with total exposure of \$500 thousand (excluding those portions of the debt that are government guaranteed or are secured by Trustmark deposits or marketable securities) or more. If the loan is believed to not share similar risk characteristics with the rest of the loan pool, the loan will be individually assessed. Otherwise, the loan will be left within the pool and monitored on an ongoing basis.

Each loan officer assesses the appropriateness of the internal risk rating assigned to their credits on an ongoing basis. Trustmark's Asset Review area conducts independent credit quality reviews of the majority of Trustmark's commercial loan portfolio both on the underlying credit quality of each individual loan class as well as the adherence to Trustmark's loan policy and the loan administration process.

In addition to the ongoing internal risk rate monitoring described above, Trustmark's Credit Quality Review Committee meets monthly and performs a review of all loans of \$100 thousand or more that are either delinquent 30 days or more or on nonaccrual. This review includes recommendations regarding risk ratings, accrual status, charge-offs and appropriate servicing officer as well as evaluation of problem credits for determination of modified status. Quarterly, the Credit Quality Review Committee reviews and modifies continuous action plans for all credits risk rated seven or worse for relationships of \$100 thousand or more.

In addition, periodic reviews of significant development, construction, multi-family, nonowner-occupied and other commercial credits are performed. These reviews assess each particular project with respect to location, project valuations, progress of completion, leasing status, current financial information, rents, operating expenses, cash flow, adherence to budget and projections and other information that is pertinent to the particular type of credit as applicable. Summary results are reviewed by Senior and Regional Credit Officers in addition to the Chief Credit Officer with a determination made as to the appropriateness of existing risk ratings and accrual status.

Consumer Credits

The Retail Credit Review Committee, Management Credit Policy Committee and the Enterprise Risk Committee review the volume and percentage of consumer loan delinquencies and losses to monitor the overall quality of the consumer portfolio.

Trustmark monitors the levels and severity of past due consumer LHFI on a daily basis through its collection activities. A detailed assessment of consumer LHFI delinquencies is performed monthly at both a product and market level.

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The tables below present the amortized cost basis of loans by credit quality indicator and class of loans based on analyses performed at **March 31, 2024** **June 30, 2024** and **December 31, 2023** (\$ in thousands):

	Term Loans by Origination Year							Term Loans by Origination Year									
							Revolving							Revolving			
	2024	2023	2022	2021	2020	Prior	Loans	Total	2024	2023	2022	2021	2020	Prior	Loans	Total	
As of March 31, 2024																	
Commercial LHFI																	
As of June 30, 2024																	
Commercial LHFI																	
Loans secured by real estate: Construction, land development and other land: Pass - RR 1 through RR 6																	
	\$ 98,031	\$ 268,068	\$ 77,825	\$ 30,055	\$ 10,227	\$ 3,425	\$ 49,281	\$ 536,912	\$ 215,236	\$ 180,580	\$ 60,100	\$ 27,134	\$ 9,879	\$ 2,989	\$ 49,901	\$ 545,819	
	—	—	—	354	—	—	—	354	—	—	—	349	—	—	—	349	
	Special Mention - RR 7	—	—	—	—	—	—	—	—	—	—	349	—	—	—	349	
	Substandard - RR 8	—	265	265	1,239	18	19	—	1,806	—	72	110	—	18	—	170	370
	Doubtful - RR 9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	Total	98,031	268,333	78,090	31,648	10,245	3,444	49,281	539,072	215,236	180,652	60,210	27,483	9,897	2,989	50,071	546,538
	Current period gross charge-offs	—	—	—	—	—	(24)	—	(24)	—	—	—	—	—	(24)	—	(24)
	Other secured by 1-4 family residential properties:	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Pass - RR 1 through RR 6 Special Mention - RR 7																	
	\$ 6,379	\$ 32,381	\$ 28,573	\$ 25,941	\$ 13,447	\$ 9,086	\$ 7,889	\$ 123,696	\$ 12,075	\$ 28,956	\$ 27,475	\$ 26,442	\$ 12,824	\$ 7,928	\$ 8,379	\$ 124,079	
	28	—	53	44	8	—	—	133	27	406	51	40	—	—	—	524	
	Substandard - RR 8	59	165	646	155	21	364	34	1,444	59	194	627	153	—	287	32	1,352
	Doubtful - RR 9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

Total	6,466	32,546	29,272	26,140	13,476	9,450	7,923	125,273	12,161	29,556	28,153	26,635	12,824	8,215	8,411	125,955
Current period gross charge-offs	—	—	—	—	—	(12)	—	(12)	—	—	—	—	—	(12)	—	(12)
Secured by nonfarm, nonresidential properties:																
Pass - RR 1 through RR 6	\$ 167,040	\$ 492,579	\$ 944,333	\$ 505,580	\$ 574,763	\$ 616,719	\$ 132,679	\$ 3,433,693	\$ 306,701	\$ 413,086	\$ 926,322	\$ 486,858	\$ 540,635	\$ 510,001	\$ 110,669	\$ 3,294,272
Special Mention - RR 7	—	4,260	19,546	—	133	24,979	—	48,918	—	—	97,410	—	18,175	19,658	—	135,243
Substandard - RR 8	4,794	1,521	1,800	27,323	10,711	13,266	1,129	60,544	25,362	8,463	34,845	30,695	10,529	59,210	—	169,104
Doubtful - RR 9	18	—	—	—	—	57	—	75	15	—	—	—	—	9	—	24
Total	171,852	498,360	965,679	532,903	585,607	655,021	133,808	3,543,230	332,078	421,549	1,058,577	517,553	569,339	588,878	110,669	3,598,643
Current period gross charge-offs	—	—	—	(2,412)	—	(16)	—	(2,428)	—	—	—	(2,412)	—	(16)	—	(2,428)
Other real estate secured:																
Pass - RR 1 through RR 6	\$ 116,981	\$ 114,564	\$ 539,374	\$ 309,788	\$ 209,292	\$ 46,190	\$ 8,758	\$ 1,344,947	\$ 127,057	\$ 99,579	\$ 550,833	\$ 272,166	\$ 160,386	\$ 45,345	\$ 8,636	\$ 1,264,002
Special Mention - RR 7	—	—	—	64	—	35,876	—	35,940	—	—	—	39,658	—	—	—	39,658
Substandard - RR 8	99	—	3,028	—	268	31	—	3,426	98	14,651	669	64	262	25,408	—	41,152
Doubtful - RR 9	—	45	—	—	—	—	—	45	43	—	—	—	—	—	—	43
Total	117,080	114,609	542,402	309,852	209,560	82,097	8,758	1,384,358	127,198	114,230	551,502	311,888	160,648	70,753	8,636	1,344,855
Current period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

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	Term Loans by Origination Year							Term Loans by Origination Year						
	2024	2023	2022	2021	2020	Prior	Loans	Total	2024	2023	2022	2021	2020	Prior
As of March 31, 2024														
Commercial LHF1														

As of June 30, 2024		Commercial LHF1												
Other loans secured by real estate: Other construction: Pass - RR 1 through RR 6														
Special Mention - RR 7														
Substandard - RR 8														
Doubtful - RR 9														
Total		40,424	208,241	507,277	149,994	16,177	—	340	909,355	\$ 53,110	\$ 331,222	\$ 439,448	\$ 122,229	\$ —
Current period gross charge-offs		—	—	—	—	—	—	—	—	—	—	25,290	15,082	—
Commercial and industrial loans: Pass - RR 1 through RR 6		\$ 188,609	\$ 459,063	\$ 323,119	\$ 124,545	\$ 58,584	\$ 70,060	\$ 538,649	\$ 1,762,629	\$ 293,438	\$ 408,202	\$ 289,668	\$ 113,913	\$ 52,701
Special Mention - RR 7		—	12,270	22,693	2,136	554	1,323	20,264	59,240	1,731	11,512	30,655	1,310	189
Substandard - RR 8		2,240	4,831	47,455	13,725	11,842	350	19,884	100,327	4,344	1,602	49,199	12,833	10,970
Doubtful - RR 9		—	—	336	155	—	23	1	515	327	9	159	145	—
Total		190,849	476,164	393,603	140,561	70,980	71,756	578,798	1,922,711	299,840	421,325	369,681	128,201	63,860
Current period gross charge-offs		—	(3)	(225)	(294)	(8)	(54)	—	(584)	—	(3)	(317)	(370)	(8)
State and other political subdivision loans: Pass - RR 1 through RR 6		\$ 16,902	\$ 122,135	\$ 243,470	\$ 168,190	\$ 96,337	\$ 401,066	\$ 4,744	\$ 1,052,844	\$ 36,151	\$ 125,577	\$ 246,825	\$ 161,360	\$ 90,875
Special Mention - RR 7		—	—	—	—	—	—	—	—	—	—	—	—	—
Substandard - RR 8		—	—	—	—	—	—	—	—	—	—	—	—	—
Doubtful - RR 9		—	—	—	—	—	—	—	—	—	—	—	—	—
Total		16,902	122,135	243,470	168,190	96,337	401,066	4,744	1,052,844	36,151	125,577	246,825	161,360	90,875
Current period gross charge-offs		—	—	—	—	—	—	—	—	—	—	—	—	—
Other commercial loans and leases:														

Pass - RR 1																			
through RR 6	\$ 44,336 \$ 193,567 \$ 23,760 \$ 26,671 \$ 18,877 \$ 40,003 \$ 214,044 \$ 561,258										\$ 104,879 \$ 185,138 \$ 17,709 \$ 24,899 \$ 17,886 \$ 38,984 \$ 212,3								
Special																			
Mention - RR 7	— — — 120 193 — — 313										— — — — — 180 —								
Substandard -																			
RR 8	992 90 123 25 — — 1,460 2,690										968 55 124 112 — — 9								
Doubtful - RR 9	— — — — — — — — —																		
Total	45,328 193,657 23,883 26,816 19,070 40,003 215,504 564,261										105,847 185,193 17,833 25,011 18,066 38,984 213,2								
Current period gross																			
charge-offs	— — (28) — — (25) — (53)										— — (28) — — (25)								
Total commercial																			
LHFI	\$ 686,932 \$ 1,914,045 \$ 2,783,676 \$ 1,386,104 \$ 1,021,452 \$ 1,262,837 \$ 999,156 \$ 10,054,202										\$ 1,181,681 \$ 1,809,304 \$ 2,797,519 \$ 1,335,442 \$ 942,971 \$ 1,165,901 \$ 943,4								
Total commercial																			
LHFI gross																			
charge-offs	\$ — \$ (3) \$ (253) \$ (2,706) \$ (8) \$ (131) \$ — \$ (3,101) \$ — \$ (3) \$ (2,839) \$ (2,782) \$ (8) \$ (154) \$																		

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	Term Loans by Origination Year						Term Loans by Origination Year									
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total
As of March 31, 2024	Consumer LHFI															
As of June 30, 2024	Consumer LHFI															
Loans secured by real estate:																
Construction, land development and other land:																
Current	\$ 4,808	\$ 46,918	\$ 15,604	\$ 5,300	\$ 1,165	\$ 2,497	\$ 1,562	\$ 77,854	\$ 12,399	\$ 39,898	\$ 7,752	\$ 4,045	\$ 1,115	\$ 2,300	\$ 2,409	\$ 69,918
Past due 30-89 days	—	34	—	—	—	39	—	73	—	25	—	3	—	12	—	40
Past due 90 days or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nonaccrual	—	—	—	6	—	3	—	9	—	—	—	5	—	27	—	32
Total	4,808	46,952	15,604	5,306	1,165	2,539	1,562	77,936	12,399	39,923	7,752	4,053	1,115	2,339	2,409	69,990
Current period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other secured by 1-4 family residential properties:																
Current	\$ 8,491	\$ 24,784	\$ 10,059	\$ 5,482	\$ 4,202	\$ 10,754	\$ 424,148	\$ 487,920	\$ 17,683	\$ 22,415	\$ 8,508	\$ 5,436	\$ 3,978	\$ 10,221	\$ 435,337	\$ 503,578
Past due 30-89 days	—	30	254	169	60	286	4,451	5,250	1,149	34	63	100	54	342	4,749	6,491
Past due 90 days or more	—	—	5	—	100	48	684	837	—	—	—	—	—	65	261	326
Nonaccrual	—	7	87	46	10	586	5,371	6,107	—	12	101	44	109	486	5,663	6,415
Total	8,491	24,821	10,405	5,697	4,372	11,674	434,654	500,114	18,832	22,461	8,672	5,580	4,141	11,114	446,010	516,810

Current period gross charge-offs	—	—	(5)	—	—	—	(59)	(64)	—	(49)	(42)	(40)	(9)	(28)	—	(168)
Secured by nonfarm, nonresidential properties:																
Current																
Past due 30-89 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Past due 90 days or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Nonaccrual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	—	—	—	5	—	—	—	5	—	—	—	4	—	—	4	
Current period gross charge-offs																
Other real estate secured:																
Current	\$ 131	\$ —	\$ —	\$ 75	\$ 46	\$	—	\$ 252	\$ —	\$ —	\$ —	\$ 73	\$ 40	\$	\$ 113	
Past due 30-89 days	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Past due 90 days or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Nonaccrual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	131	—	—	75	46	—	—	252	—	—	—	73	40	—	113	
Current period gross charge-offs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

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	Term Loans by Origination Year							Term Loans by Origination Year							Re	
	Consumer LHF						Rev	Loans	Total	Consumer LHF						
	2024	2023	2022	2021	2020	Prior				2024	2023	2022	2021	2020	Prior	
As of March 31, 2024																
As of June 30, 2024																
Other loans secured by real estate:																
Secured by 1-4 family residential properties																
Current	\$ 33,184	\$ 249,825	\$ 871,791	\$ 506,872	\$ 178,382	\$ 355,532	\$ —	\$ 2,195,586	\$ 104,531	\$ 242,772	\$ 846,347	\$ 492,916	\$ 171,148	\$ 343,828	\$ —	
Past due 30-89 days	—	2,410	9,575	2,777	830	2,246	—	17,838	—	4,227	13,089	2,706	1,334	1,052		
Past due 90 days or more	—	527	1,175	1,052	127	911	—	3,792	—	764	2,690	559	209	413		
Nonaccrual	—	1,765	17,942	12,782	6,080	10,309	—	48,878	—	260	2,476	1,016	651	2,542		
Total	33,184	254,527	900,483	523,483	185,419	368,998	—	2,266,094	104,531	248,023	864,602	497,197	173,342	347,835		

Current period gross charge-offs	—	(59)	(315)	(29)	—	(8)	—	(411)	(33)	(89)	(8,948)	(29)	—	(92)
Consumer loans:														
Current	\$ 20,996	\$ 43,982	\$ 26,201	\$ 8,570	\$ 2,098	\$ 840	\$ 53,867	\$ 156,554	\$ 36,051	\$ 35,373	\$ 20,688	\$ 6,690	\$ 1,738	\$ 418
Past due 30-89 days	348	518	288	122	1	5	784	2,066	463	349	170	37	—	21
Past due 90 days or more	19	58	66	4	8	—	328	483	3	46	29	32	—	—
Nonaccrual	—	64	56	77	19	—	21	237	13	47	125	76	26	—
Total	21,363	44,622	26,611	8,773	2,126	845	55,000	159,340	36,530	35,815	21,012	6,835	1,764	439
Current period gross charge-offs														
Current period gross charge-offs	(1,544)	(282)	(122)	(20)	(27)	—	(753)	(2,748)	(2,840)	(495)	(189)	(58)	(35)	—
Total consumer LHF1	\$ 67,977	\$ 370,922	\$ 953,103	\$ 543,264	\$ 193,157	\$ 384,102	\$ 491,216	\$ 3,003,741	\$ 172,292	\$ 346,222	\$ 902,038	\$ 513,669	\$ 180,435	\$ 361,767
Total consumer LHF1 gross charge-offs	\$ (1,544)	\$ (341)	\$ (442)	\$ (49)	\$ (27)	\$ (8)	\$ (812)	\$ (3,223)	\$ (2,873)	\$ (633)	\$ (9,179)	\$ (127)	\$ (44)	\$ (120)
Total LHF1	\$ 754,909	\$ 2,284,967	\$ 3,736,779	\$ 1,929,368	\$ 1,214,609	\$ 1,646,939	\$ 1,490,372	\$ 13,057,943	\$ 1,353,973	\$ 2,155,526	\$ 3,699,557	\$ 1,849,111	\$ 1,123,406	\$ 1,527,668
Total current period gross charge-offs	\$ (1,544)	\$ (344)	\$ (695)	\$ (2,755)	\$ (35)	\$ (139)	\$ (812)	\$ (6,324)	\$ (2,873)	\$ (636)	\$ (12,018)	\$ (2,909)	\$ (52)	\$ (274)

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	Term Loans by Origination Year						Commercial LHF1	Prior	Revolving Loans	Total				
	2023	2022	2021	2020	2019	2018								
As of December 31, 2023														
Loans secured by real estate:														
Construction, land development and other land:														
Pass - RR 1 through RR 6	\$ 359,813	\$ 98,742	\$ 35,095	\$ 10,591	\$ 2,036	\$ 1,961	\$ 52,351	\$ 560,589						
Special Mention - RR 7	—	—	360	—	—	—	—	—	360					
Substandard - RR 8	606	336	1,512	19	—	21	—	—	2,494					

Doubtful - RR 9	—	—	—	—	—	—	24	—	—	24
Total	360,419	99,078	36,967	10,610	2,036	2,006	52,351	563,467		
Current period gross charge-offs	—	(4)	(10)	—	(228)	—	—	—	(242)	
Other secured by 1-4 family residential properties:										
Pass - RR 1 through RR 6	\$ 33,072	\$ 30,760	\$ 29,159	\$ 14,309	\$ 8,084	\$ 2,822	\$ 10,077	\$ 128,283		
Special Mention - RR 7	—	82	48	10	—	—	—	—	140	
Substandard - RR 8	220	625	157	22	80	306	98	1,508		
Doubtful - RR 9	—	—	—	—	—	—	—	—	—	
Total	33,292	31,467	29,364	14,341	8,164	3,128	10,175	129,931		
Current period gross charge-offs	—	—	(24)	—	—	(6)	—	—	(30)	
Secured by nonfarm, nonresidential properties:										
Pass - RR 1 through RR 6	\$ 501,327	\$ 919,519	\$ 526,412	\$ 596,240	\$ 323,687	\$ 369,250	\$ 129,142	\$ 3,365,577		
Special Mention - RR 7	4,271	14,930	—	138	23,966	—	—	—	43,305	
Substandard - RR 8	6,332	1,964	47,491	10,809	8,614	5,200	48	80,458		
Doubtful - RR 9	21	—	—	—	53	13	—	—	87	
Total	511,951	936,413	573,903	607,187	356,320	374,463	129,190	3,489,427		
Current period gross charge-offs	—	(39)	(82)	—	(19)	(138)	—	—	(278)	
Other real estate secured:										
Pass - RR 1 through RR 6	\$ 194,141	\$ 447,200	\$ 332,818	\$ 209,757	\$ 56,024	\$ 11,080	\$ 8,880	\$ 1,259,900		
Special Mention - RR 7	126	2,076	—	—	35,881	—	—	—	38,083	
Substandard - RR 8	—	14,064	—	290	—	39	—	—	14,393	
Doubtful - RR 9	42	—	—	—	—	—	—	—	42	
Total	194,309	463,340	332,818	210,047	91,905	11,119	8,880	1,312,418		
Current period gross charge-offs	—	—	—	—	—	—	—	—	—	

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	Term Loans by Origination Year							Prior	Revolving Loans	Total			
	2023	2022	2021	2020	2019	Commercial LHF							
As of December 31, 2023													
Other loans secured by real estate:													
Other construction													
Pass - RR 1 through RR 6	\$ 179,676	\$ 518,062	\$ 149,883	\$ 14,062	\$ —	\$ 6	\$ 6,042	\$ 867,731					
Special Mention - RR 7	—	—	—	—	—	—	—	—	—				
Substandard - RR 8	62	—	—	—	—	—	—	—	62				
Doubtful - RR 9	—	—	—	—	—	—	—	—	—				

Total	179,738	518,062	149,883	14,062	—	6	6,042	867,793
Current period gross charge-offs	(61)	—	(3,392)	—	—	—	—	(3,453)
Commercial and industrial								
loans:								
Pass - RR 1 through RR 6	\$ 497,730	\$ 474,737	\$ 158,659	\$ 80,646	\$ 31,876	\$ 44,972	\$ 537,527	\$ 1,826,147
Special Mention - RR 7	12,570	10,141	3,149	1,381	110	—	126	27,477
Substandard - RR 8	4,797	16,872	13,909	11,958	40	80	21,528	69,184
Doubtful - RR 9	6	58	1	—	—	25	12	102
Total	515,103	501,808	175,718	93,985	32,026	45,077	559,193	1,922,910
Current period gross charge-offs	(42)	(1,071)	(700)	(138)	(95)	(108)	(7)	(2,161)
State and other political subdivision loans:								
Pass - RR 1 through RR 6	\$ 152,157	\$ 247,034	\$ 174,812	\$ 99,786	\$ 32,118	\$ 377,225	\$ 5,334	\$ 1,088,466
Special Mention - RR 7	—	—	—	—	—	—	—	—
Substandard - RR 8	—	—	—	—	—	—	—	—
Doubtful - RR 9	—	—	—	—	—	—	—	—
Total	152,157	247,034	174,812	99,786	32,118	377,225	5,334	1,088,466
Current period gross charge-offs	—	—	—	—	—	—	—	—
Other commercial loans and leases:								
Pass - RR 1 through RR 6	\$ 211,402	\$ 48,947	\$ 30,071	\$ 21,377	\$ 32,837	\$ 8,468	\$ 201,339	\$ 554,441
Special Mention - RR 7	—	—	—	208	—	—	20	228
Substandard - RR 8	106	211	42	—	—	—	987	1,346
Doubtful - RR 9	—	—	—	—	—	20	—	20
Total	211,508	49,158	30,113	21,585	32,837	8,488	202,346	556,035
Current period gross charge-offs	(40)	(248)	—	(26)	—	—	—	(314)
Total commercial								
LHFI	\$ 2,158,477	\$ 2,846,360	\$ 1,503,578	\$ 1,071,603	\$ 555,406	\$ 821,512	\$ 973,511	\$ 9,930,447
Total commercial LHFI gross charge-offs	\$ (143)	\$ (1,362)	\$ (4,208)	\$ (164)	\$ (342)	\$ (252)	\$ (7)	\$ (6,478)

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Term Loans by Origination Year								
2023	2022	2021	2020	2019	Prior	Revolving Loans	Total	
As of December 31, 2023								
Loans secured by real estate:								

Construction, land													
development and other													
land:													
Current	\$	44,912	\$	23,110	\$	5,973	\$	1,203	\$	1,082	\$	1,864	\$
Past due 30-89 days		—		250		—		—		30		191	
Past due 90 days or more		—		—		—		—		—		—	
Nonaccrual		—		—		148		—		—		3	
Total		44,912		23,360		6,121		1,203		1,112		2,058	
Current period gross													
charge-offs		—		—		—		—		—		—	
Other secured by 1-4 family													
residential properties:													
Current	\$	29,636	\$	11,366	\$	5,733	\$	4,471	\$	4,313	\$	7,674	\$
Past due 30-89 days		225		68		74		4		51		220	
Past due 90 days or more		—		264		—		—		—		41	
Nonaccrual		8		76		48		8		—		616	
Total		29,869		11,774		5,855		4,483		4,364		8,551	
Current period gross													
charge-offs		—		(100)		(9)		(2)		(10)		(22)	
Secured by nonfarm,													
nonresidential properties:													
Current	\$	—	\$	—	\$	7	\$	—	\$	—	\$	—	\$
Past due 30-89 days		—		—		—		—		—		—	
Past due 90 days or more		—		—		—		—		—		—	
Nonaccrual		—		—		—		—		—		—	
Total		—		—		7		—		—		—	
Current period gross													
charge-offs		—		—		—		—		—		—	
Other real estate secured:													
Current	\$	—	\$	—	\$	—	\$	78	\$	—	\$	55	\$
Past due 30-89 days		—		—		—		—		—		—	
Past due 90 days or more		—		—		—		—		—		—	
Nonaccrual		—		—		—		—		—		—	
Total		—		—		—		78		—		55	
Current period gross													
charge-offs		—		—		—		—		—		—	

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	Term Loans by Origination Year						Prior	Revolving Loans	Total			
	2023	2022	2021	2020	2019							
As of December 31, 2023												
Consumer LHF												

Other loans secured by real estate:													
Secured by 1-4 family residential properties													
Current	\$ 258,800	\$ 878,893	\$ 516,324	\$ 180,272	\$ 98,552	\$ 277,664	\$ —	\$ —	\$ 2,210,505				
Past due 30-89 days	3,370	11,293	5,513	2,121	298	1,664	—	—	24,259				
Past due 90 days or more	376	1,219	1,208	682	—	255	—	—	3,740				
Nonaccrual	678	15,586	11,452	4,884	1,848	9,366	—	—	43,814				
Total	263,224	906,991	534,497	187,959	100,698	288,949	—	—	2,282,318				
Current period gross charge-offs	(64)	(930)	(217)	(104)	—	(142)	—	—	(1,457)				
Consumer loans:													
Current	\$ 59,496	\$ 32,767	\$ 10,698	\$ 2,604	\$ 917	\$ 294	\$ 55,321	\$ 162,097					
Past due 30-89 days	1,274	475	134	34	5	5	839	2,766					
Past due 90 days or more	64	44	3	1	—	—	516	628					
Nonaccrual	44	65	84	26	—	—	24	243					
Total	60,878	33,351	10,919	2,665	922	299	56,700	165,734					
Current period gross charge-offs	(6,138)	(559)	(167)	(43)	(1)	(1)	(2,381)	(9,290)					
Total consumer LHFI	\$ 398,883	\$ 975,476	\$ 557,399	\$ 196,388	\$ 107,096	\$ 299,912	\$ 484,923	\$ 3,020,077					
Total consumer LHFI gross charge-offs	\$ (6,202)	\$ (1,589)	\$ (393)	\$ (149)	\$ (11)	\$ (165)	\$ (2,528)	\$ (11,037)					
Total LHFI	\$ 2,557,360	\$ 3,821,836	\$ 2,060,977	\$ 1,267,991	\$ 662,502	\$ 1,121,424	\$ 1,458,434	\$ 12,950,524					
Total current period gross charge-offs	\$ (6,345)	\$ (2,951)	\$ (4,601)	\$ (313)	\$ (353)	\$ (417)	\$ (2,535)	\$ (17,515)					

Past Due LHFS

LHFS past due 90 days or more totaled \$56.5 million and \$51.2 million at **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively. LHFS past due 90 days or more are serviced loans eligible for repurchase, which are fully guaranteed by the Government National Mortgage Association (GNMA). GNMA optional repurchase programs allow financial institutions to buy back individual delinquent mortgage loans that meet certain criteria from the securitized loan pool for which the institution provides servicing. At the servicer's option and without GNMA's prior authorization, the servicer may repurchase such a delinquent loan for an amount equal to 100% of the remaining principal balance of the loan. This buy-back option is considered a conditional option until the delinquency criteria are met, at which time the option becomes unconditional. When Trustmark is deemed to have regained effective control over these loans under the unconditional buy-back option, the loans can no longer be reported as sold and must be brought back onto the balance sheet as loans held for sale, regardless of whether Trustmark intends to exercise the buy-back option. These loans are reported as held for sale with the offsetting liability being reported as short-term borrowings.

Trustmark did not exercise its buy-back option on any delinquent loans serviced for GNMA during the first **three** **six** months of 2024 or 2023.

ACL on LHFI

Trustmark's ACL methodology for LHFI is based upon guidance within the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 326-20 as well as applicable regulatory guidance. The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Credit quality within the LHFI portfolio is continuously monitored by Management and is reflected within the ACL for LHFI. The ACL is an estimate of expected losses inherent within Trustmark's existing LHFI portfolio. The ACL for LHFI is adjusted through the PCL, LHFI and reduced by the charge off of loan amounts, net of recoveries.

The methodology for estimating the amount of expected credit losses reported in the ACL has two basic components: a collective, or pooled, component for estimated expected credit losses for pools of loans that share similar risk characteristics, and an asset-specific

component involving individual loans that do not share risk characteristics with other loans and the measurement of expected credit

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losses for such individual loans. In estimating the ACL for the collective component, loans are segregated into loan pools based on loan product types and similar risk characteristics.

The loans secured by real estate and other loans secured by real estate portfolio segments include loans for both commercial and residential properties. The underwriting process for these loans includes analysis of the financial position and strength of both the borrower and guarantor, experience with similar projects in the past, market demand and prospects for successful completion of the proposed project within the established budget and schedule, values of underlying collateral, availability of permanent financing, maximum loan-to-value ratios, minimum equity requirements, acceptable amortization periods and minimum debt service coverage requirements, based on property type. The borrower's financial strength and capacity to repay their obligations remain the primary focus of underwriting. Financial strength is evaluated based upon analytical tools that consider historical and projected cash flows and performance in addition to analysis of the proposed project for income-producing properties. Additional support offered by guarantors is also considered. Ultimate repayment of these loans is sensitive to interest rate changes, general economic conditions, liquidity and availability of long-term financing.

The commercial and industrial LHF portfolio segment includes loans within Trustmark's geographic markets made to many types of businesses for various purposes, such as short-term working capital loans that are usually secured by accounts receivable and inventory and term financing for equipment and fixed asset purchases that are secured by those assets. Trustmark's credit underwriting process for commercial and industrial loans includes analysis of historical and projected cash flows and performance, evaluation of financial strength of both borrowers and guarantors as reflected in current and detailed financial information and evaluation of underlying collateral to support the credit.

The consumer LHF portfolio segment is comprised of loans that are centrally underwritten based on the borrower's credit bureau score as well as an evaluation of the borrower's repayment capacity, credit, and collateral. Property appraisals are obtained to assist in evaluating collateral. Loan-to-value and debt-to-income ratios, loan amount, and lien position are also considered in assessing whether to originate a loan. These borrowers are particularly susceptible to downturns in economic trends such as conditions that negatively affect housing prices and demand and levels of unemployment.

The state and other political subdivision LHF and the other commercial LHF and leases portfolio segments primarily consist of loans to non-depository financial institutions, such as mortgage companies, finance companies and other financial intermediaries, loans to state and political subdivisions, and loans to non-profit and charitable organizations. These loans are underwritten based on the specific nature or purpose of the loan and underlying collateral with special consideration given to the specific source of repayment for the loan. The lease segment primarily consists of commercial equipment finance leases. Trustmark's credit underwriting process for equipment finance leases includes analysis of historical and projected cash flows and performance, evaluation of financial strength of both borrowers and guarantors as reflected in current and detailed financial information and evaluation of underlying collateral to support the credit.

During the first quarter of 2024 as part of Trustmark's ongoing model monitoring procedures the annual loss driver analysis was performed. The analysis resulted in changes in the loss drivers for all discounted cash-flow models along with changes in the loss drivers for the equipment and finance loans and leases model. These changes were a result of updating Trustmark's peer group and incorporating data through 2022 which led to more intuitive loss drivers. All models were validated by a third party before implementation.

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The following table provides a description of each of Trustmark's portfolio segments, loan classes, loan pools and the ACL methodology and loss drivers at **March 31, 2024** **June 30, 2024:**

Portfolio Segment	Loan Class	Loan Pool	Methodology	Loss Drivers
Loans secured by real estate	Construction, land development and other land	1-4 family residential construction	DCF	National HPI, National Unemployment

	Lots and development	DCF	National HPI, National Unemployment
	Unimproved land	DCF	National HPI, National Unemployment
	All other consumer	DCF	National HPI, National Unemployment
Other secured by 1-4 family residential properties	Consumer 1-4 family - 1st liens	DCF	National HPI, National Unemployment
	All other consumer	DCF	National HPI, National Unemployment
	Nonresidential owner-occupied	DCF	Southern Unemployment, National CRE Price Index
Secured by nonfarm, nonresidential properties	Nonowner-occupied - hotel/motel	DCF	National CRE Price Index, Southern Unemployment
	Nonowner-occupied - office	DCF	National CRE Price Index, Southern Unemployment
	Nonowner-occupied- Retail	DCF	National CRE Price Index, Southern Unemployment
	Nonowner-occupied - senior living/nursing homes	DCF	National CRE Price Index, Southern Unemployment
	Nonowner-occupied - all other	DCF	National CRE Price Index, Southern Unemployment
	Nonresidential owner-occupied	DCF	Southern Unemployment, National CRE Price Index
Other real estate secured	Nonresidential nonowner -occupied - apartments	DCF	National CRE Price Index, Southern Unemployment
	Nonresidential owner-occupied	DCF	Southern Unemployment, National CRE Price Index
	Nonowner-occupied - all other	DCF	National CRE Price Index, Southern Unemployment
Other loans secured by real estate	Other construction	Other construction	DCF
	Secured by 1-4 family residential properties	Trustmark mortgage	WARM
			Southern Unemployment

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Portfolio Segment	Loan Class	Loan Pool	Methodology	Loss Drivers
Commercial and industrial loans	Commercial and industrial loans	Commercial and industrial - non-working capital	DCF	Trustmark historical data

		Commercial and industrial - working capital	DCF	Trustmark historical data
		Equipment finance loans	WARM	Southern Unemployment, National GDP
		Credit cards	WARM	Trustmark call report data
Consumer loans	Consumer loans	Credit cards	WARM	Trustmark call report data
		Overdrafts	Loss Rate	Trustmark historical data
		All other consumer	DCF	National HPI, National Unemployment
State and other political subdivision loans	State and other political subdivision loans	Obligations of state and political subdivisions	DCF	Moody's Bond Default Study
Other commercial loans and leases	Other commercial loans and leases	Other loans	DCF	BBB 7-10 US CBI, Southern Unemployment
		Commercial and industrial - non-working capital	DCF	Trustmark historical data
		Commercial and industrial - working capital	DCF	Trustmark historical data
		Equipment finance leases	WARM	Southern Unemployment, National GDP

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The following table provides a description of each of Trustmark's portfolio segments, loan classes, loan pools and the ACL methodology and loss drivers at December 31, 2023:

Portfolio Segment	Loan Class	Loan Pool	Methodology	Loss Drivers
Loans secured by real estate	Construction, land development and other land	1-4 family residential construction	DCF	Prime Rate, National GDP
		Lots and development	DCF	Prime Rate, Southern Unemployment
		Unimproved land	DCF	Prime Rate, Southern Unemployment
		All other consumer	DCF	Southern Unemployment
Other secured by 1-4 family residential properties	Other secured by 1-4 family residential properties	Consumer 1-4 family - 1st liens	DCF	Prime Rate, Southern Unemployment
		All other consumer	DCF	Southern Unemployment
		Nonresidential owner-occupied	DCF	Southern Unemployment, National GDP
	Secured by nonfarm, nonresidential properties	Nonowner-occupied - hotel/motel	DCF	Southern Vacancy Rate, Southern Unemployment
		Nonowner-occupied - office	DCF	Southern Vacancy Rate, Southern Unemployment
		Nonowner-occupied- Retail	DCF	Southern Vacancy Rate, Southern Unemployment

		Nonowner-occupied - senior living/nursing homes	DCF	Southern Vacancy Rate, Southern Unemployment
		Nonowner-occupied - all other	DCF	Southern Vacancy Rate, Southern Unemployment
		Nonresidential owner-occupied	DCF	Southern Unemployment, National GDP
	Other real estate secured	Nonresidential nonowner -occupied - apartments	DCF	Southern Vacancy Rate, Southern Unemployment
		Nonresidential owner-occupied	DCF	Southern Unemployment, National GDP
		Nonowner-occupied - all other	DCF	Southern Vacancy Rate, Southern Unemployment
Other loans secured by real estate	Other construction	Other construction	DCF	Prime Rate, National Unemployment
	Secured by 1-4 family residential properties	Trademark mortgage	WARM	Southern Unemployment
Commercial and industrial loans	Commercial and industrial loans	Commercial and industrial - non-working capital	DCF	Trademark historical data
		Commercial and industrial - working capital	DCF	Trademark historical data
		Equipment finance loans	WARM	Southern Unemployment, Southern GDP
		Credit cards	WARM	Trademark call report data
Consumer loans	Consumer loans	Credit cards	WARM	Trademark call report data
		Overdrafts	Loss Rate	Trademark historical data
		All other consumer	DCF	Southern Unemployment
State and other political subdivision loans	State and other political subdivision loans	Obligations of state and political subdivisions	DCF	Moody's Bond Default Study
Other commercial loans and leases	Other commercial loans and leases	Other loans	DCF	Prime Rate, Southern Unemployment
		Commercial and industrial - non-working capital	DCF	Trademark historical data
		Commercial and industrial - working capital	DCF	Trademark historical data
		Equipment finance leases	WARM	Southern Unemployment, Southern GDP

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In general, Trustmark utilizes a DCF method to estimate the quantitative portion of the ACL for loan pools. The DCF model consists of two key components, a loss driver analysis (LDA) and a cash flow analysis. For loan pools utilizing the DCF methodology, multiple assumptions are in place, depending on the loan pool. A reasonable and supportable forecast is utilized for each loan pool by developing a LDA for each loan class. The LDA uses charge off data from Federal Financial Institutions Examination Council (FFIEC) reports to construct a periodic default rate (PDR). The PDR is decomposed into a PD. Regressions are run using the data for various macroeconomic variables in order to determine which ones correlate to Trustmark's losses. These variables are then incorporated into the application to calculate a quarterly PD using a third-party baseline forecast. In addition to the PD, a LGD is derived using a method referred to as Frye Jacobs. The Frye Jacobs method is a mathematical formula that traces the relationship between LGD and PD over time

and projects the LGD based on the levels of PD forecasts. This model approach is applicable to all pools within the construction, land development and other land, other secured by 1-4 family residential properties, secured by nonfarm, nonresidential properties and other real estate secured loan classes as well as consumer loans and other commercial loans.

During 2022, Management elected to incorporate a methodology change related to the other construction pool. Components of this change include management utilizing an alternative LDA to support the PD and LGD assumptions necessary to apply a DCF methodology to the other construction pool. Fundamentally, this approach utilizes publicly reported default balances and leverages a generalized linear model (GLM) framework to estimate PD. Taken together, these differences allow for results to be scaled to be specific and directly applicable to the other construction segment. LGD is assumed to be a through-the-cycle constant based on the actual performance of Trustmark's other construction segment. These assumptions are then input into the DCF model and used in conjunction with prepayment data to calculate the cash flows at the individual loan level. Previously, the other construction pool used the weighted average remaining maturity (WARM) method. Management believes this change is commensurate with the level of risk in the pool.

For the commercial and industrial loans related pools, Trustmark uses its own PD and LGD data, instead of the macroeconomic variables and the Frye Jacobs method described above, to calculate the PD and LGD as there were no defensible macroeconomic variables that correlated to Trustmark's losses. Trustmark utilizes a third-party Bond Default Study to derive the PD and LGD for the obligations of state and political subdivisions pool. Due to the lack of losses within this pool, no defensible macroeconomic factors were identified to correlate.

The PD and LGD measures are used in conjunction with prepayment data as inputs into the DCF model to calculate the cash flows at the individual loan level. Contractual cash flows based on loan terms are adjusted for PD, LGD and prepayments to derive loss cash flows. These loss cash flows are discounted by the loan's coupon rate to arrive at the discounted cash flow based quantitative loss. The prepayment studies are updated quarterly by a third-party for each applicable pool.

An alternate method of estimating the ACL is used for certain loan pools due to specific characteristics of these loans. For the non-DCF pools, specifically, those using the WARM method, the remaining life is incorporated into the ACL quantitative calculation.

During the second quarter of 2024, Trustmark executed a sale on a portfolio of 1-4 family mortgage loans that were at least three payments delinquent and/or nonaccrual at the time of selection. As a result of this sale, a credit mark was established for a sub-pool of the loans in the sale. Due to the lack of historical experience and the use of industry data for this sub-pool, management elected to use the credit mark for reserving purposes on a go forward basis for this sub-pool that meets the same credit criteria of being three payments delinquent and/or nonaccrual. All loans of the sub-pool that meet the above credit criteria will be removed from the 1-4 family residential properties pool and placed into a separate pool with the credit mark reserve applied to the total balance.

Trustmark determined that reasonable and supportable forecasts could be made for a twelve-month period for all of its loan pools. To the extent the lives of the loans in the LHF portfolio extend beyond this forecast period, Trustmark uses a reversion period of four quarters and reverts to the historical mean on a straight-line basis over the remaining life of the loans. The econometric models currently in production reflect segment or pool level sensitivities of PD to changes in macroeconomic variables. By measuring the relationship between defaults and changes in the economy, the quantitative reserve incorporates reasonable and supportable forecasts of future conditions that will affect the value of Trustmark's assets, as required by FASB ASC Topic 326. Under stable forecasts, these linear regressions will reasonably predict a pool's PD. However, due to the COVID-19 pandemic, the macroeconomic variables used for reasonable and supportable forecasting changed rapidly. At the macroeconomic levels experienced during the COVID-19 pandemic, it was not clear that the models in production would produce reasonably representative results since the models were originally estimated using data beginning in 2004 through 2019. During this period, a traditional, albeit severe, economic recession occurred. Thus, econometric models are sensitive to similar future levels of PD.

In order to prevent the econometric models from extrapolating beyond reasonable boundaries of their input variables, Trustmark chose to establish an upper and lower limit process when applying the periodic forecasts. In this way, Management will not rely upon unobserved and untested relationships in the setting of the quantitative reserve. This approach applies to all input variables, including: Southern Unemployment, National Unemployment, National Gross Domestic Product (GDP), National Home Price Index (HPI),

National Commercial Real Estate (CRE) Price Index and the BBB 7-10 Year US Corporate Bond Index (CBI). The upper and lower limits are based on the distribution of the macroeconomic variable by selecting extreme percentiles at the upper and lower limits of the distribution, the 1st and 99th percentiles, respectively. These upper and lower limits are then used to calculate the PD for the forecast time period in which the forecasted values are outside of the upper and lower limit range. Due to multiple periods having a PD or LGD at or near zero as a result of the improving macroeconomic forecasts, Management implemented PD and LGD floors to account for the risk associated with each portfolio. The PD and LGD floors are based on Trustmark's historical loss experience and applied at a portfolio level.

Qualitative factors used in the ACL methodology include the following:

- Lending policies and procedures
- Economic conditions and concentrations of credit
- Nature and volume of the portfolio
- Performance trends
- External factors

While all these factors are incorporated into the overall methodology, only three are currently considered active at **March 31, 2024** **June 30, 2024**: (i) economic conditions and concentrations of credit, (ii) nature and volume of the portfolio and (iii) performance trends.

Two of Trustmark's largest loan classes are the loans secured by nonfarm, nonresidential properties and the loans secured by other real estate. Trustmark elected to create a qualitative factor specifically for these loan classes which addresses changes in the economic conditions of metropolitan areas and applies additional pool level reserves. This qualitative factor is based on third-party market data and forecast trends and is updated quarterly as information is available, by market and by loan pool.

Trustmark's current quantitative methodologies do not completely incorporate changes in credit quality. As a result, Trustmark utilizes the performance trends qualitative factor. This factor is based on migration analyses, that allocates additional ACL to non-pass/delinquent loans within each pool. In this way, Management believes the ACL will directly reflect changes in risk, based on the performance of the loans within a pool, whether declining or improving.

The performance trends qualitative factor is estimated by properly segmenting loan pools into risk levels by risk rating for commercial credits and delinquency status for consumer credits. A migration analysis is then performed quarterly using a third-party software and the results for each risk level are compiled to calculate the historical PD average for each loan portfolio based on risk levels. This average historical PD rate is updated annually. For the mortgage portfolio, Trustmark uses an internal report to incorporate a roll rate method for the calculation of the PD rate. In addition to the PD rate for each portfolio, Management incorporates the quantitative rate and the k value derived from the Frye-Jacobs method to calculate a loss estimate that includes both PD and LGD. The quantitative rate is used to eliminate any additional reserve that the quantitative reserve already includes. Finally, the loss estimate rate is then applied to the total balances for each risk level for each portfolio to calculate a qualitative reserve.

During 2022, Management elected to activate the nature and volume of the portfolio qualitative factor as a result of a sub-pool of the secured by 1-4 family residential properties growing to a significant size along with the underlying nature being different as well. The nature and volume of the portfolio qualitative factor utilizes a WARM methodology that uses industry data for the assumptions to support the qualitative adjustment. The industry data is used to compile a PD based on credit score ranges along with using the industry data to compile an LGD. The sub-pool of credits is then aggregated into the appropriate credit score bands in which a weighted average loss rate is calculated based on the PD and LGD for each credit score range. This weighted average loss rate is then applied to the expected balance for the sub-segment of credits. This total is then used as the qualitative reserve adjustment.

The external factors qualitative factor is Management's best judgment on the loan or pool level impact of all factors that affect the portfolio that are not accounted for using any other part of the ACL methodology (e.g., natural disasters, changes in legislation, impacts due to technology and pandemics). Trustmark's External Factor – Pandemic ensures reserve adequacy for collectively evaluated loans most likely to be impacted by the unique economic and behavioral conditions created by the COVID-19 pandemic. Additional qualitative reserves are derived based on two principles. The first is the disconnect of economic factors to Trustmark's modeled PD (derived from the econometric models underpinning the quantitative pooled reserves). During the pandemic, extraordinary measures by the federal government were made available to consumers and businesses, including COVID-19 loan payment concessions, direct transfer payments to households, tax deferrals, and reduced interest rates, among others. These government interventions may have extended the lag between economic conditions and default, relative to what was captured in the model development data. Because Trustmark's econometric PD models rely on the observed relationship from the economic downturn from 2007 to 2009 in both timing and severity, Management did not expect the models to reflect these conditions. For example, while the models would predict

contemporaneous unemployment peaks and loan defaults, this might not have occurred when borrowers could request payment deferrals. Thus, for the affected population, economic conditions were not fully considered as a part of Trustmark's quantitative reserve. The second principle is the change in risk that is identified by rating changes. As a part of Trustmark's credit review process, loans in the affected population were given more frequent screening to ensure accurate ratings were maintained through this dynamic period. Trustmark's quantitative reserve did not directly address changes in ratings, thus a migration qualitative factor was designed to work in concert with the quantitative reserve.

As discussed above, the disconnect of economic factors means that changes in rating caused by deteriorating and weak economic conditions as a result of the pandemic were not being captured in the quantitative reserve. During 2020, due to unforeseen pandemic conditions that varied from Management's expectations, additional reserves were further dimensioned in order to appropriately reflect the risk within the portfolio related to the COVID-19 pandemic. In an effort to ensure the External Factor-Pandemic qualitative factor was reasonable and supportable, historical Trustmark loss data was leveraged to construct a framework that was quantitative in nature. To dimension the additional reserve, Management used the sensitivity of the quantitative commercial loan reserve to changes in macroeconomic conditions to apply to loans rated acceptable or better (RR 1-4). In addition, to account for the known changes in risk, a weighted average of the commercial loan portfolio loss rate, derived from the performance trends qualitative factor, was used to dimension additional reserves for downgraded credits. Loans rated acceptable with risk (RR 5) or watch (RR 6) received the additional reserves based on the average of the macroeconomic conditions and weighted-average of the commercial loan portfolio loss rate while the loans rated special mention (RR 7) and substandard (RR 8) received additional reserves based on the weighted-average described above. During 2022, Management noted that all pass rated loans (RR 5 & RR 6) related to the External Factor-Pandemic qualitative factor either did not experience significant stress related to the pandemic or had since recovered and did not expect future stresses attributed to the pandemic that could affect these loans. As a result, Management decided to accelerate the release of the additional pandemic reserves on all pass rated loans as a result of pandemic conditions resolving. During the fourth quarter of 2023, Management decided to resolve the External Factor-Pandemic qualitative factor as a result of the remaining loan balances that were identified as COVID affected loans being immaterial from both a reserve and balance perspective. The remaining loans were incorporated back into the performance qualitative factor as a result of this resolution. Further, due to this resolution there is no longer any active External Factor as of December 31, 2023.

The following tables disaggregate the ACL and the amortized cost basis of the loans by the measurement methodology used at **March 31, 2024** June 30, 2024 and December 31, 2023 (\$ in thousands):

	March 31, 2024												June 30, 2024													
	ACL						LHFI						ACL						LHFI							
	Individually			Individually			Individually			Individually			Individually			Individually			Individually			Individually				
	Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively		Evaluated for Credit	Collectively			
	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total	Loss	Credit Loss	Total		
Loans secured by real estate:																										
Construction, land development and other land	\$ 12	\$ 5,731	\$ 5,743	\$ 1,539		615,469	\$ 617,008	\$ —	\$ 5,101	\$ 5,101	\$ —		616,528	\$ 616,528												
Other secured by 1-4 family residential properties	—	10,554	10,554	923		624,464	625,387	—	10,373	10,373	907		641,858	642,765												
Secured by nonfarm, nonresidential properties	—	33,292	33,292	917		3,542,318	3,543,235	—	41,136	41,136	9,730		3,588,917	3,598,647												
Other real estate secured	—	9,251	9,251	—		1,384,610	1,384,610	—	12,037	12,037	—		1,344,968	1,344,968												
Other loans secured by real estate:																										
Other construction	626	11,439	12,065	13,038		909,415	922,453	—	13,897	13,897	—		1,022,444	1,022,444												
Secured by 1-4 family residential properties	—	31,946	31,946	4,291		2,261,803	2,266,094	—	30,647	30,647	1,019		2,234,511	2,235,530												
Commercial and industrial loans	10,960	16,970	27,930	21,210		1,901,501	1,922,711	11,491	17,244	28,735	14,812		1,865,795	1,880,607												

Consumer loans	—	5,523	5,523	—	159,340	159,340	—	5,645	5,645	—	156,709	156,709
State and other political subdivision loans	—	638	638	—	1,052,844	1,052,844	—	625	625	—	1,053,015	1,053,015
Other commercial loans and leases	1,022	5,034	6,056	1,022	563,239	564,261	887	5,602	6,489	887	603,318	604,205
Total	\$ 12,620	\$ 130,378	\$ 142,998	\$ 42,940	\$ 13,015,003	\$ 13,057,943	\$ 12,378	\$ 142,307	\$ 154,685	\$ 27,355	\$ 13,128,063	\$ 13,155,418

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	December 31, 2023											
	ACL						LHFI					
	Individually Evaluated for Credit Loss	Collectively Evaluated for Credit Loss	Total	Individually Evaluated for Credit Loss	Collectively Evaluated for Credit Loss	Total	Individually Evaluated for Credit Loss	Collectively Evaluated for Credit Loss	Total	Individually Evaluated for Credit Loss	Collectively Evaluated for Credit Loss	Total
Loans secured by real estate:												
Construction, land development and other land	\$ —	\$ 17,192	\$ 17,192	\$ 2,020	\$ 640,866	\$ 642,886	\$ —	\$ 621,451	\$ 622,397	\$ —	\$ 3,468,622	\$ 3,489,434
Other secured by 1-4 family residential properties	—	12,942	12,942	946	—	—	—	—	—	—	—	—
Secured by nonfarm, nonresidential properties	—	24,043	24,043	20,812	—	—	—	—	—	—	—	—
Other real estate secured	—	4,488	4,488	—	1,312,551	1,312,551	—	—	—	—	—	—
Other loans secured by real estate:												
Other construction	—	5,758	5,758	—	867,793	867,793	—	—	—	—	—	—
Secured by 1-4 family residential properties	—	34,794	34,794	3,235	2,279,083	2,282,318	—	—	—	—	—	—
Commercial and industrial loans	11,436	15,202	26,638	21,102	1,901,808	1,922,910	—	—	—	—	—	—
Consumer loans	—	5,794	5,794	—	165,734	165,734	—	—	—	—	—	—
State and other political subdivision loans	—	646	646	—	1,088,466	1,088,466	—	—	—	—	—	—
Other commercial loans and leases	967	6,105	7,072	967	555,068	556,035	—	—	—	—	—	—
Total	\$ 12,403	\$ 126,964	\$ 139,367	\$ 49,082	\$ 12,901,442	\$ 12,950,524	—	—	—	—	—	—

Changes in the ACL, LHFI were as follows for the periods presented (\$ in thousands):

	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023		2024		2023	
	\$ 139,367	\$ 120,214	\$ 142,998	\$ 122,239	\$ 139,367	\$ 120,214	\$ 142,998	\$ 122,239	\$ 139,367	\$ 120,214	\$ 154,685	\$ 129,298
Balance at beginning of period												
Loans charged-off, sale of 1-4 family mortgage loans	(8,633)	—	(8,633)	—	(8,633)	—	(8,633)	—	(8,633)	—	(5,769)	—
Loans charged-off	(6,324)	(2,996)	(5,120)	(2,773)	(11,444)	(5,769)	(11,444)	(5,769)	(11,444)	(5,769)	(15,719)	(2,371)
Recoveries	2,247	1,777	2,111	1,621	4,358	3,398	4,358	3,398	4,358	3,398	(15,719)	(2,371)
Net (charge-offs) recoveries	(4,077)	(1,219)	(11,642)	(1,152)	(15,719)	(2,371)	(15,719)	(2,371)	(15,719)	(2,371)	(15,719)	(2,371)
PCL, LHFI	7,708	3,244	14,696	8,211	22,404	11,455	22,404	11,455	22,404	11,455	154,685	129,298
PCL, LHFI sale of 1-4 family mortgage loans	8,633	—	8,633	—	—	—	—	—	—	—	—	—
Balance at end of period	\$ 142,998	\$ 122,239	\$ 154,685	\$ 129,298	\$ 154,685	\$ 129,298	\$ 154,685	\$ 129,298	\$ 154,685	\$ 129,298	—	—

The following tables detail changes in the ACL, LHFI by loan class for the periods presented (\$ in thousands):

	Three Months Ended March 31, 2024					Three Months Ended June 30, 2024						
	Balance at Beginning of Period	Charge-offs			PCL	End of Period	Balance at Beginning of Period	Charge-offs			PCL	End of Period
		Recoveries	Period	Recoveries				Period	Period			
Loans secured by real estate:												
Construction, land development and other land	\$ 17,192	\$ (24)	\$ 1	\$ (11,426)	\$ 5,743	\$ 5,743	\$ —	\$ 7	\$ (649)	\$ 5,101		
Other secured by 1-4 family residential properties	12,942	(76)	450	(2,762)	10,554	10,554	(104)	63	(140)	10,373		
Secured by nonfarm, nonresidential properties	24,043	(2,428)	9	11,668	33,292	33,292	—	17	7,827	41,136		
Other real estate secured	4,488	—	—	4,763	9,251	9,251	—	—	2,786	12,037		
Other loans secured by real estate:												
Other construction	5,758	—	17	6,290	12,065	12,065	(2,494)	255	4,071	13,897		
Secured by 1-4 family residential properties	34,794	(411)	38	(2,475)	31,946	31,946	(8,780)	27	7,454	30,647		
Commercial and industrial loans	26,638	(584)	198	1,678	27,930	27,930	(191)	272	724	28,735		
Consumer loans	5,794	(2,748)	1,505	972	5,523	5,523	(2,184)	1,447	859	5,645		
State and other political subdivision loans	646	—	—	(8)	638	638	—	—	(13)	625		
Other commercial loans and leases	7,072	(53)	29	(992)	6,056	6,056	—	23	410	6,489		
Total	\$ 139,367	\$ (6,324)	\$ 2,247	\$ 7,708	\$ 142,998	\$ 142,998	\$ (13,753)	\$ 2,111	\$ 23,329	\$ 154,685		

The PCL, LHFI for the secured by nonfarm, nonresidential properties, the secured by 1-4 family residential properties, other construction, and other real estate secured portfolios for the three months ended **March 31, 2024** **June 30, 2024** was primarily due to net adjustments to the qualitative factors due to credit migration coupled with loan growth.

The negative PCL, LHFI for the construction, land development and other land and the other secured by 1-4 family residential properties portfolios for the three months ended **June 30, 2024** was primarily due to changes in the macroeconomic forecast.

	Three Months Ended June 30, 2023					
	Balance at Beginning of Period	Charge-offs			PCL	End of Period
		Recoveries	Period	Recoveries		
Loans secured by real estate:						
Construction, land development and other land	\$ 13,260	\$ —	\$ 64	\$ 2,019	\$ 15,343	
Other secured by 1-4 family residential properties	11,918	(86)	75	266	12,173	
Secured by nonfarm, nonresidential properties	18,640	(58)	10	1,784	20,376	
Other real estate secured	2,362	—	2	1,117	3,481	
Other loans secured by real estate:						
Other construction	14,470	—	18	(111)	14,377	
Secured by 1-4 family residential properties	26,156	(161)	14	2,546	28,555	
Commercial and industrial loans	23,462	(456)	217	(53)	23,170	
Consumer loans	5,532	(1,989)	1,221	776	5,540	
State and other political subdivision loans	729	—	—	(53)	676	
Other commercial loans and leases	5,710	(23)	—	(80)	5,607	
Total	\$ 122,239	\$ (2,773)	\$ 1,621	\$ 8,211	\$ 129,298	

The increases in the PCL, LHFI for the three months ended June 30, 2023 were primarily attributable to extended maturities on the secured by 1-4 family residential properties portfolio resulting from lower prepayment speeds, the weakening macroeconomic forecasts and loan growth.

	Six Months Ended June 30, 2024						Balance at End of Period
	Balance at Beginning of Period		Charge-offs	Recoveries	PCL		
Loans secured by real estate:							
Construction, land development and other land	\$ 17,192	\$ (24)	\$ 8	\$ (12,075)	\$ 5,101		
Other secured by 1-4 family residential properties	12,942	(180)	513	(2,902)	10,373		
Secured by nonfarm, nonresidential properties	24,043	(2,428)	26	19,495	41,136		
Other real estate secured	4,488	—	—	7,549	12,037		
Other loans secured by real estate:							
Other construction	5,758	(2,494)	272	10,361	13,897		
Secured by 1-4 family residential properties	34,794	(9,191)	65	4,979	30,647		
Commercial and industrial loans	26,638	(775)	470	2,402	28,735		
Consumer loans	5,794	(4,932)	2,952	1,831	5,645		
State and other political subdivision loans	646	—	—	(21)	625		
Other commercial loans and leases	7,072	(53)	52	(582)	6,489		
Total	\$ 139,367	\$ (20,077)	\$ 4,358	\$ 31,037	\$ 154,685		

The PCL, LHFI for the secured by nonfarm, nonresidential properties, other construction and other real estate secured portfolios for the six months ended June 30, 2024 was primarily due to changes in the macroeconomic forecast associated with these specific loss driver models as a result of the loss driver update, coupled with loan growth. The PCL, LHFI for the other construction portfolio for the three months ended March 31, 2024 was also primarily due to changes in the macroeconomic forecast associated with this specific loss driver model as a result of the loss driver update coupled with loan growth and net adjustments to the qualitative factors due to credit migration, migration and loan growth. The PCL,

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LHFI for the secured by 1-4 family residential properties portfolio for the six months ended June 30, 2024 was primarily due to adjustments to the Nature and Volume of Portfolio qualitative factor, coupled with implementing the credit mark reserve as a result of the mortgage loan sale. The PCL, LHFI for the commercial and industrial portfolio for the three six months ended March 31, 2024 June 30, 2024 was primarily due to net adjustments to the qualitative factors due to credit migration.

The negative PCL, LHFI for the construction, land development and other land, other secured by 1-4 family residential properties, and other commercial loans and leases portfolios for the three six months ended March 31, 2024 June 30, 2024 was primarily due to changes in the macroeconomic forecast associated with these specific loss driver models as a result of the loss driver update for these loan portfolios. The negative PCL, LHFI for the secured by 1-4 family residential properties portfolio for the three months ended March 31, 2024 was primarily due to adjustments to the Nature and Volume of Portfolio qualitative factor.

	Three Months Ended March 31, 2023						Balance at End of Period
	Balance at Beginning of Period		Charge-offs	Recoveries	PCL		
Loans secured by real estate:							
Construction, land development and other land	\$ 12,828	\$ (14)	\$ 8	\$ 438	\$ 13,260		
Other secured by 1-4 family residential properties	12,374	(34)	47	(469)	11,918		
Secured by nonfarm, nonresidential properties	19,488	(28)	96	(916)	18,640		
Other real estate secured	4,743	—	3	(2,384)	2,362		
Other loans secured by real estate:							
Other construction	15,132	—	30	(692)	14,470		
Secured by 1-4 family residential properties	21,185	(294)	6	5,259	26,156		
Commercial and industrial loans	23,140	(471)	270	523	23,462		
Consumer loans	5,792	(2,155)	1,317	578	5,532		

State and other political subdivision loans	885	—	—	(156)	729
Other commercial loans and leases	4,647	—	—	1,063	5,710
Total	\$ 120,214	\$ (2,996)	\$ 1,777	\$ 3,244	\$ 122,239

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	Six Months Ended June 30, 2023						Balance at End of Period	
	Balance at Beginning of Period		Charge-offs		Recoveries			
Loans secured by real estate:								
Construction, land development and other land	\$ 12,828	\$ (14)	\$ 72	\$ 2,457	\$ 15,343			
Other secured by 1-4 family residential properties	12,374	(120)	122	(203)	12,173			
Secured by nonfarm, nonresidential properties	19,488	(86)	106	868	20,376			
Other real estate secured	4,743	—	5	(1,267)	3,481			
Other loans secured by real estate:								
Other construction	15,132	—	48	(803)	14,377			
Secured by 1-4 family residential properties	21,185	(455)	20	7,805	28,555			
Commercial and industrial loans	23,140	(927)	487	470	23,170			
Consumer loans	5,792	(4,144)	2,538	1,354	5,540			
State and other political subdivision loans	885	—	—	(209)	676			
Other commercial loans and leases	4,647	(23)	—	983	5,607			
Total	\$ 120,214	\$ (5,769)	\$ 3,398	\$ 11,455	\$ 129,298			

The increases in the PCL, LHF for the **three** six months ended **March 31, 2023** June 30, 2023 were primarily attributable to loan growth and the **Nature** **nature** and **Volume** **volume** of **Portfolio** **portfolio** qualitative factor.

The PCL, LHF for the **secured by nonfarm, nonresidential properties** **other construction** portfolio and the other real estate secured portfolio decreased **\$3,321** million during the **three** six months ended **March 31, 2023** June 30, 2023 primarily due to improvements in the macroeconomic forecast variables used in the ACL modeling, such as National and Southern Unemployment, National GDP, Prime Rate, and Southern Vacancy Rate and the PD and LGD floors.

Note 45 – Mortgage Banking

MSR

The activity in the MSR is detailed in the table below for the periods presented (\$ in thousands):

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024		2023	2024		2023
	\$	131,870	\$ 129,677	\$	131,870	\$ 129,677
Balance at beginning of period						
Origination of servicing assets		2,977	2,646		6,664	6,602
Change in fair value:						
Due to market changes		5,123	(3,972)		3,497	1,926
Due to run-off		(1,926)	(1,145)		(5,373)	(3,855)
Balance at end of period	\$	138,044	\$ 127,206	\$	136,658	\$ 134,350

Trustmark determines the fair value of the MSR using a valuation model administered by a third party that calculates the present value of estimated future net servicing income. Trustmark considers the conditional prepayment rate (CPR), which is an estimated loan prepayment rate that uses historical prepayment rates for previous loans similar to the loans being evaluated, the float rate, which is the interest rate earned on escrow balances, and the discount rate as some of the primary assumptions used in determining the fair value of the MSR. An increase in either the CPR or discount rate assumption will result in a decrease in the fair value of the MSR, while a decrease in either assumption will result in an increase in the fair value of the MSR. An increase in the float rate will result in an increase in the fair value of the MSR, while a decrease in the float rate will result in a decrease in

the fair value of the MSR. At both March 31, 2024 and 2023, June 30, 2024, the fair value of the MSR included an assumed average prepayment speed of 8 CPR and an average discount rate of 10.72% compared to an assumed average prepayment speed of 8 CPR and an average discount rate of 10.08% at June 30, 2023.

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Mortgage Loans Serviced/Sold

During the first three six months of 2024 and 2023, Trustmark sold \$258.3 555.1 million and \$213.8 549.3 million, respectively, of residential mortgage loans. Gains on these sales were recorded as noninterest income in mortgage banking, net and totaled \$5.0 10.2 million for the first three six months of 2024 compared to \$3.8 7.7 million for the first three six months of 2023.

The table below details the mortgage loans sold and serviced for others at March 31, 2024 June 30, 2024 and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Federal National Mortgage Association	\$ 4,831,183	\$ 4,826,028	\$ 4,832,690	\$ 4,826,028
Government National Mortgage Association	3,557,236	3,510,983	3,608,146	3,510,983
Federal Home Loan Mortgage Corporation	137,725	112,352	161,375	112,352
Other	27,090	28,012	25,565	28,012
Total mortgage loans sold and serviced for others	\$ 8,553,234	\$ 8,477,375	\$ 8,627,776	\$ 8,477,375

Trustmark is subject to losses in its loan servicing portfolio due to loan foreclosures. Trustmark has obligations to either repurchase the outstanding principal balance of a loan or make the purchaser whole for the economic benefits of a loan if it is determined that the loan sold was in violation of representations or warranties made by Trustmark at the time of the sale, herein referred to as mortgage loan servicing putback expenses. Such representations and warranties typically include those made regarding loans that had missing or insufficient file documentation, loans that do not meet investor guidelines, loans in which the appraisal does not support the value and/or loans obtained through fraud by the borrowers or other third parties. Generally, putback requests may be made until the loan is paid in full. However, mortgage loans delivered to Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) on or after January 1, 2013 are subject to the Representations and Warranties Framework, which provides certain instances in which FNMA and FHLMC will not exercise their remedies, including a putback request, for breaches of certain selling representations and warranties, such as payment history and quality control review.

When a putback request is received, Trustmark evaluates the request and takes appropriate actions based on the nature of the request. Trustmark is required by FNMA and FHLMC to provide a response to putback requests within 60 days of the date of receipt. The total mortgage loan servicing putback expenses are included in other expense. At both March 31, 2024 June 30, 2024 and 2023, Trustmark had a reserve for mortgage loan servicing putback expenses of \$500 thousand.

There is inherent uncertainty in reasonably estimating the requirement for reserves against potential future mortgage loan servicing putback expenses. Future putback expenses are dependent on many subjective factors, including the review procedures of the purchasers and the potential refinance activity on loans sold with servicing released and the subsequent consequences under the representations and warranties. Trustmark believes that it has appropriately reserved for potential mortgage loan servicing putback requests.

Note 56 – Other Real Estate

At March 31, 2024 June 30, 2024, Trustmark's geographic other real estate distribution was primarily concentrated in its Alabama, Mississippi and Texas market regions. The ultimate recovery of a substantial portion of the carrying amount of other real estate is susceptible to changes in market conditions in this area.

For the periods presented, changes and gains (losses), net on other real estate were as follows (\$ in thousands):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Balance at beginning of period	\$ 6,867	\$ 1,986	\$ 6,867	\$ 1,986
Additions	2,228	300	4,128	570
Disposals	(957)	(542)	(4,695)	(1,266)
(Write-downs) recoveries	(518)	(60)	286	(153)
Balance at end of period	\$ 7,620	\$ 1,684	\$ 6,586	\$ 1,137

Gains (losses), net on the sale of other real estate included in other real estate expense

\$ (55)	\$ (77)	\$ (962)	\$ (112)
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At **March 31, 2024** **June 30, 2024** and December 31, 2023, other real estate by type of property consisted of the following (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Construction, land development and other land properties	\$ 154	\$ —	\$ 1,891	\$ 1,977
1-4 family residential properties	\$ 3,619	\$ 1,977	\$ 1,891	\$ 1,977
Nonfarm, nonresidential properties	3,946	4,835	4,541	4,835
Other real estate properties	55	55	—	55
Total other real estate	\$ 7,620	\$ 6,867	\$ 6,586	\$ 6,867

At **March 31, 2024** **June 30, 2024** and December 31, 2023, other real estate by geographic location consisted of the following (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Alabama	\$ 1,050	\$ 1,397	\$ 485	\$ 1,397
Florida	71	—	—	—
Mississippi (1)	2,870	1,242	1,787	1,242
Tennessee (2)	86	—	86	—
Texas	3,543	4,228	4,228	4,228
Total other real estate	\$ 7,620	\$ 6,867	\$ 6,586	\$ 6,867

(1) Mississippi includes Central and Southern Mississippi Regions.

(2) Tennessee includes Memphis, Tennessee and Northern Mississippi Regions.

At **March 31, 2024** **June 30, 2024**, the balance of other real estate included \$3.6 **1.9** million of foreclosed residential real estate properties recorded as a result of obtaining physical possession of the property compared to \$2.0 million at December 31, 2023. At **March 31, 2024** **June 30, 2024** and December 31, 2023, the recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process was \$9.8 **2.0** million and \$6.4 million, respectively.

Note 67 – Leases

Lessor Arrangements

Trustmark leases certain types of machinery and equipment to its customers through sales-type and direct financing leases as part of its equipment financing portfolio. These leases generally have remaining lease terms of **two** **three** to nine years, some of which include renewal options and/or options for the lessee to purchase the leased property near or at the end of the lease term. Trustmark recognized interest income from its sales-type and direct financing leases of \$2.4 **3.0** million and \$5.4 million for the three and six months ended **March 31, 2024**, **June 30, 2024**, respectively. Trustmark does not have any significant operating leases in which it is the lessor.

The table below summarizes the components of Trustmark's net investment in its sales-type and direct financing leases for the periods presented (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Leases receivable	\$ 202,112	\$ 161,319	\$ 258,403	\$ 161,319
Unearned income	(35,463)	(29,011)	(44,744)	(29,011)
Initial direct costs	1,737	1,326	2,223	1,326
Unguaranteed lease residual	5,577	4,101	7,997	4,101
Total net investment	\$ 173,963	\$ 137,735	\$ 223,879	\$ 137,735

The table below details the minimum future lease payments for Trustmark's leases receivable at **March 31, 2024** **June 30, 2024** (\$ in thousands):

March 31, 2024	June 30, 2024
----------------	---------------

2024 (excluding the three months ended March 31, 2024)	\$ 24,711
2024 (excluding the six months ended June 30, 2024)	\$ 22,018
2025	33,074
2026	31,972
2027	44,528
2028	28,216
Thereafter	39,611
Lease receivable	\$ 202,112
	\$ 258,403

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Lessee Arrangements

For Trustmark's lessee arrangements, the leases of FBBI are included in discontinued operations, and as a result, have been excluded from the amounts below. Prior period amounts have been reclassified. The following table details the components of net lease cost for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Finance leases:						
Amortization of right-of-use assets	\$ 113	\$ 357	\$ 113	\$ 203	\$ 226	\$ 560
Interest on lease liabilities	38	42	38	41	76	83
Operating lease cost	1,294	1,285	1,232	1,178	2,412	2,308
Short-term lease cost	21	89	55	56	113	130
Variable lease cost	215	255	205	210	404	447
Sublease income	(3)	(3)	(2)	(3)	(5)	(6)
Net lease cost	\$ 1,678	\$ 2,025	\$ 1,641	\$ 1,685	\$ 3,226	\$ 3,522

The following table details the cash payments included in the measurement of lease liabilities during the periods presented (\$ in thousands):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Finance leases:				
Operating cash flows included in operating activities	\$ 38	\$ 42	\$ 76	\$ 83
Financing cash flows included in payments under finance lease obligations	99	342	207	535
Operating leases:				
Operating cash flows (fixed payments) included in other operating activities, net	1,212	1,242	2,254	2,188
Operating cash flows (liability reduction) included in other operating activities, net	865	944	1,593	1,625

The following table details balance sheet information, as well as weighted-average lease terms and discount rates, related to leases at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Finance lease right-of-use assets, net of accumulated depreciation	\$ 3,638	\$ 3,751	\$ 3,525	\$ 3,751
Finance lease liabilities	4,234	4,334	4,127	4,334
Operating lease right-of-use assets	36,659	38,142	36,925	35,711
Operating lease liabilities	40,185	41,584	40,517	39,097
Weighted-average lease term:				
Finance leases	8.09 years	8.34 years	7.84 years	8.34 years

Operating leases	10.00 years	10.13 years	9.72 years	10.28 years
Weighted-average discount rate:				
Finance leases	3.61 %	3.61 %	3.61 %	3.61 %
Operating leases	3.64 %	3.64 %	3.71 %	3.67 %

At **March 31, 2024** **June 30, 2024**, future minimum rental commitments under finance and operating leases were as follows (\$ in thousands):

	Finance Leases	Operating Leases	Finance Leases	Operating Leases
2024 (excluding the three months ended March 31, 2024)	\$ 435	\$ 3,718		
2024 (excluding the six months ended June 30, 2024)	\$ 290	\$ 2,574		
2025	584	4,998	584	5,242
2026	589	4,846	589	5,144
2027	594	4,900	594	5,202
2028	599	4,749	599	4,831
Thereafter	2,086	25,452	2,086	25,922
Total minimum lease payments	4,887	48,663	4,742	48,915
Less imputed interest	(653)	(8,478)	(615)	(8,398)
Lease liabilities	\$ 4,234	\$ 40,185	\$ 4,127	\$ 40,517

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Note 78 – Deposits

At **March 31, 2024** **June 30, 2024** and December 31, 2023, deposits consisted of the following (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Noninterest-bearing demand	\$ 3,039,652	\$ 3,197,620	\$ 3,153,506	\$ 3,197,620
Interest-bearing demand	5,226,089	4,947,626	5,358,136	4,947,626
Savings	3,750,392	4,047,853	3,538,317	4,047,853
Time	3,322,424	3,376,664	3,412,929	3,376,664
Total	\$ 15,338,557	\$ 15,569,763	\$ 15,462,888	\$ 15,569,763

Note 89 – Securities Sold Under Repurchase Agreements

Trustmark utilizes securities sold under repurchase agreements as a source of borrowing in connection with overnight repurchase agreements offered to commercial deposit customers by using its unencumbered investment securities as collateral. Trustmark accounts for its securities sold under repurchase agreements as secured borrowings in accordance with FASB ASC Subtopic 860-30, "Transfers and Servicing – Secured Borrowing and Collateral." Securities sold under repurchase agreements are stated at the amount of cash received in connection with the transaction. Trustmark monitors collateral levels on a continual basis and may be required to provide additional collateral based on the fair value of the underlying securities. Securities sold under repurchase agreements were secured by securities with a carrying amount of \$59.4 **37.1** million and \$61.6 million at **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively. Trustmark's repurchase agreements are transacted under master repurchase agreements that give Trustmark, in the event of default by the counterparty, the right of offset with the same counterparty. At both **March 31, 2024** **June 30, 2024** and December 31, 2023, all repurchase agreements were short-term and consisted primarily of sweep repurchase arrangements, under which excess deposits are "swept" into overnight repurchase agreements with Trustmark. The following table presents the securities sold under repurchase agreements by collateral pledged at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Mortgage-backed securities				

Residential mortgage pass-through securities								
Issued by FNMA and FHLMC	\$	39,437	\$	28,600	\$	5,718	\$	28,600
Other residential mortgage-backed securities								
Issued or guaranteed by FNMA, FHLMC or GNMA		285		526		5,838		526
Commercial mortgage-backed securities								
Issued or guaranteed by FNMA, FHLMC or GNMA		8,579		—				
Total securities sold under repurchase agreements	\$	39,722	\$	29,126	\$	20,135	\$	29,126

Note 9.10 – Revenue from Contracts with Customers

Trustmark accounts for revenue from contracts with customers in accordance with FASB ASC Topic 606, "Revenue from Contracts with Customers," which provides that revenue be recognized in a manner that depicts the transfer of goods or services to a customer in an amount that reflects the consideration Trustmark expects to be entitled to in exchange for those goods or services. Revenue from contracts with customers is recognized either over time in a manner that depicts Trustmark's performance, or at a point in time when control of the goods or services are transferred to the customer. Trustmark's noninterest income (loss), excluding all of mortgage banking, net and **securities** security gains (losses), net and portions of bank card and other fees and other income, are considered within the scope of FASB ASC Topic 606. Gains or losses on the sale of other real estate, which are included in Trustmark's noninterest expense as other real estate expense, are also within the scope of FASB ASC Topic 606.

Trustmark records a gain or loss from the sale of other real estate when control of the property transfers to the buyer. Trustmark records the gain or loss from the sale of other real estate in noninterest expense as other, net. Other real estate sales for the three and six months ended **March 31, 2024** **June 30, 2024** resulted in a net loss of **\$5907 thousand** and **\$962 thousand**, respectively, compared to a net loss of **\$7834 thousand** and **\$112 thousand** for the three and six months ended **March 31, 2023** **June 30, 2023**, respectively.

The Insurance Segment is included in discontinued operations for all periods presented in the accompanying consolidated balance sheets and the consolidated statements of income (loss). See Note 2 - Discontinued Operations for additional information about discontinued operations.

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The following table presents noninterest income (loss) disaggregated by reportable operating segment and revenue stream for the periods presented (\$ in thousands):

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023			Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Not Topic			Not Topic			Not Topic			Not Topic		
	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total
General Banking Segment												
Service charges on deposit accounts	\$ 10,936	\$ —	\$ 10,936	\$ 10,315	\$ —	\$ 10,315	\$ 10,903	\$ —	\$ 10,903	\$ 10,673	\$ —	\$ 10,673
Bank card and other fees	7,192	200	7,392	7,643	149	7,792	8,428	758	9,186	8,036	868	8,904
Mortgage banking, net	—	8,915	8,915	—	7,639	7,639	—	4,204	4,204	—	6,600	6,600
Wealth management	189	—	189	233	—	233	174	—	174	215	—	215
Other, net	3,348	(382)	2,966	2,988	(608)	2,380	7,251	78	7,329	2,932	(329)	2,603
Total noninterest income	\$ 21,665	\$ 8,733	\$ 30,398	\$ 21,179	\$ 7,180	\$ 28,359						
Security gains (losses), net	—	(182,792)	(182,792)	—	—	—						
Total noninterest income (loss)	\$ 26,756	\$ (177,752)	\$ (150,996)	\$ 21,856	\$ 7,139	\$ 28,995						
Wealth Management Segment												
Service charges on deposit accounts	\$ 22	\$ —	\$ 22	\$ 21	\$ —	\$ 21	\$ 21	\$ —	\$ 21	\$ 22	\$ —	\$ 22
Bank card and other fees	36	—	36	11	—	11	39	—	39	13	—	13
Wealth management	8,763	—	8,763	8,547	—	8,547	9,518	—	9,518	8,667	—	8,667
Other, net	42	94	136	45	95	140	38	94	132	36	96	132
Total noninterest income	\$ 8,863	\$ 94	\$ 8,957	\$ 8,624	\$ 95	\$ 8,719	\$ 9,616	\$ 94	\$ 9,710	\$ 8,738	\$ 96	\$ 8,834

Insurance Segment													
Insurance commissions		\$ 15,464	\$ —	\$ 15,464	\$ 14,305	\$ —	\$ 14,305						
Other, net		530	—	530	(6)	—	(6)						
Total noninterest income		<u>\$ 15,994</u>	<u>\$ —</u>	<u>\$ 15,994</u>	<u>\$ 14,299</u>	<u>\$ —</u>	<u>\$ 14,299</u>						
Consolidated													
Service charges on deposit accounts		\$ 10,958	\$ —	\$ 10,958	\$ 10,336	\$ —	\$ 10,336	\$ 10,924	\$ —	\$ 10,924	\$ 10,695	\$ —	\$ 10,695
Bank card and other fees		7,228	200	7,428	7,654	149	7,803	8,467	758	9,225	8,049	868	8,917
Mortgage banking, net		—	8,915	8,915	—	7,639	7,639	—	4,204	4,204	—	6,600	6,600
Insurance commissions		15,464	—	15,464	14,305	—	14,305						
Wealth management		8,952	—	8,952	8,780	—	8,780	9,692	—	9,692	8,882	—	8,882
Other, net		3,920	(288)	3,632	3,027	(513)	2,514	7,289	172	7,461	2,968	(233)	2,735
Total noninterest income		<u>\$ 46,522</u>	<u>\$ 8,827</u>	<u>\$ 55,349</u>	<u>\$ 44,102</u>	<u>\$ 7,275</u>	<u>\$ 51,377</u>						
Security gains (losses), net		—	(182,792)	(182,792)	—	—	—						
Total noninterest income (loss)		<u>\$ 36,372</u>	<u>\$ (177,658)</u>	<u>\$ (141,286)</u>	<u>\$ 30,594</u>	<u>\$ 7,235</u>	<u>\$ 37,829</u>						

(1) Noninterest income (loss) not in scope for FASB ASC Topic 606 includes customer derivatives revenue and miscellaneous credit card fee income within bank card and other fees; mortgage banking, net; amortization of tax credits, ~~accretion~~ cash surrender value on various life insurance policies, earnings on Trustmark's non-qualified deferred compensation plans, other partnership investments and rental income within other, net; and security gains (losses), net.

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	Six Months Ended June 30, 2024						Six Months Ended June 30, 2023					
	Not Topic			Topic 606			Not Topic			Topic 606		
	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total	Topic 606	606 (1)	Total
General Banking Segment												
Service charges on deposit accounts	\$ 21,839	\$ —	\$ 21,839	\$ 20,988	\$ —	\$ 20,988	\$ 20,988	\$ —	\$ 20,988	\$ 20,988	\$ —	\$ 20,988
Bank card and other fees	15,620	958	16,578	15,679	1,017	16,696	15,679	1,017	16,696	15,679	1,017	16,696
Mortgage banking, net	—	13,119	13,119	—	14,239	14,239	—	14,239	14,239	—	14,239	14,239
Wealth management	363	—	363	448	—	448	448	—	448	448	—	448
Other, net	10,599	(304)	10,295	5,920	(937)	4,983	5,920	(937)	4,983	5,920	(937)	4,983
Security gains (losses), net	—	(182,792)	(182,792)	—	—	—	—	—	—	—	—	—
Total noninterest income (loss)	<u>\$ 48,421</u>	<u>\$ (169,019)</u>	<u>\$ (120,598)</u>	<u>\$ 43,035</u>	<u>\$ 14,319</u>	<u>\$ 57,354</u>	<u>\$ 43,035</u>	<u>\$ 14,319</u>	<u>\$ 57,354</u>	<u>\$ 43,035</u>	<u>\$ 14,319</u>	<u>\$ 57,354</u>
Wealth Management Segment												
Service charges on deposit accounts	\$ 43	\$ —	\$ 43	\$ 43	\$ —	\$ 43	\$ 43	\$ —	\$ 43	\$ 43	\$ —	\$ 43
Bank card and other fees	75	—	75	24	—	24	24	—	24	24	—	24
Wealth management	18,281	—	18,281	17,214	—	17,214	17,214	—	17,214	17,214	—	17,214
Other, net	80	188	268	81	191	272	81	191	272	81	191	272
Total noninterest income	<u>\$ 18,479</u>	<u>\$ 188</u>	<u>\$ 18,667</u>	<u>\$ 17,362</u>	<u>\$ 191</u>	<u>\$ 17,553</u>	<u>\$ 17,362</u>	<u>\$ 191</u>	<u>\$ 17,553</u>	<u>\$ 17,362</u>	<u>\$ 191</u>	<u>\$ 17,553</u>
Consolidated												
Service charges on deposit accounts	\$ 21,882	\$ —	\$ 21,882	\$ 21,031	\$ —	\$ 21,031	\$ 21,031	\$ —	\$ 21,031	\$ 21,031	\$ —	\$ 21,031
Bank card and other fees	15,695	958	16,653	15,703	1,017	16,720	15,703	1,017	16,720	15,703	1,017	16,720
Mortgage banking, net	—	13,119	13,119	—	14,239	14,239	—	14,239	14,239	—	14,239	14,239
Wealth management	18,644	—	18,644	17,662	—	17,662	17,662	—	17,662	17,662	—	17,662
Other, net	10,679	(116)	10,563	6,001	(746)	5,255	6,001	(746)	5,255	6,001	(746)	5,255

Security gains (losses), net	—	(182,792)	(182,792)	—	—	—
Total noninterest income (loss)	\$ 66,900	\$ (168,831)	\$ (101,931)	\$ 60,397	\$ 14,510	\$ 74,907

(1) Noninterest income (loss) not in scope for FASB ASC Topic 606 includes customer derivatives revenue and miscellaneous credit card fee income within bank card and other fees; mortgage banking, net; amortization of the FDIC indemnification asset, tax credits, cash surrender value on various life insurance policies, earnings on Trustmark's non-qualified deferred compensation plans, other partnership investments and rental income within other, net; and security gains (losses), net.

Note 10.11 – Defined Benefit and Other Postretirement Benefits

Qualified Pension Plan

Trustmark maintains a noncontributory tax-qualified defined benefit pension plan titled the Trustmark Corporation Pension Plan for Certain Employees of Acquired Financial Institutions (the Continuing Plan) to satisfy commitments made by Trustmark to associates covered through plans obtained in acquisitions.

The following table presents information regarding the net periodic benefit cost for the Continuing Plan for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023		2024	
	\$ 10	\$ 13	\$ 10	\$ 13	\$ 20	\$ 26
Service cost						
Interest cost	62	73	61	73	123	146
Expected return on plan assets	(24)	(26)	(24)	(27)	(48)	(53)
Recognized net loss due to lump sum settlements	—	25				
Recognized net (gain) loss due to lump sum settlements	(13)	—	(13)	25		
Net periodic benefit cost	\$ 48	\$ 85	\$ 34	\$ 59	\$ 82	\$ 144

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For the plan year ending December 31, 2024, Trustmark's minimum required contribution to the Continuing Plan is \$132 thousand; however, Management and the Board of Directors of Trustmark will monitor the Continuing Plan throughout 2024 to determine any additional funding requirements by the plan's measurement date, which is December 31.

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Supplemental Retirement Plans

Trustmark maintains a nonqualified supplemental retirement plan covering key executive officers and senior officers as well as directors who have elected to defer fees. The plan provides for retirement and/or death benefits based on a participant's covered salary or deferred fees. Although plan benefits may be paid from Trustmark's general assets, Trustmark has purchased life insurance contracts on the participants covered under the plan, which may be used to fund future benefit payments under the plan. The annual measurement date for the plan is December 31. As a result of mergers prior to 2014, Trustmark became the administrator of nonqualified supplemental retirement plans, for which the plan benefits were frozen prior to the merger date.

The following table presents information regarding the net periodic benefit cost for Trustmark's nonqualified supplemental retirement plans for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023		2024	
	\$ 11	\$ 17	\$ 11	\$ 17	\$ 22	\$ 34
Service cost						
Interest cost	477	520	459	498	936	1,018
Amortization of prior service cost	28	28	27	27	55	55
Recognized net actuarial loss	95	77	84	69	179	146
Net periodic benefit cost	\$ 611	\$ 642	\$ 581	\$ 611	\$ 1,192	\$ 1,253

Note 1112 – Stock and Incentive Compensation

Trustmark has granted restricted stock units subject to the provisions of the Stock and Incentive Compensation Plan (the Stock Plan). Current outstanding and future grants of restricted stock units are subject to the provisions of the Stock Plan, which is designed to provide flexibility to Trustmark regarding its ability to motivate, attract and retain the services of key associates and directors. The Stock Plan also allows Trustmark to grant nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units and performance units to key associates and directors.

Restricted Stock Grants

Performance Units

Trustmark's performance units vest over three years and are granted to Trustmark's executive and senior management teams. Performance units granted vest based on performance goals of return on average tangible equity and total shareholder return. Performance units are valued utilizing a Monte Carlo simulation model to estimate fair value of the units at the grant date. The Monte Carlo simulation was performed by an independent valuation consultant and requires the use of subjective modeling assumptions. These units are recognized using the straight-line method over the requisite service period. These units provide for achievement units if performance measures exceed 100%. The restricted stock agreement for these units provide for dividend privileges, but no voting rights.

Time-Based Units

Trustmark's time-based units granted to Trustmark's executive and senior management teams vest over three years. Trustmark's time-based units granted to members of Trustmark's Board of Directors vest over one year. Time-based units are valued utilizing the fair value of Trustmark's stock at the grant date. These units are recognized on the straight-line method over the requisite service period. The restricted stock agreement for these units provide for dividend privileges, but no voting rights.

The following table summarizes the Stock Plan activity for the period periods presented:

	Three Months Ended March 31, 2024		Three Months Ended June 30, 2024	
	Performance		Time-Vested	
	Units	Units	Units	Units
Nonvested units, beginning of period	174,214	358,252	209,169	391,550
Granted	89,928	139,226	—	20,920
Released from restriction	(54,973)	(103,594)	—	(29,672)
Forfeited	—	(2,334)	(1,124)	(6,776)
Nonvested units, end of period	209,169	391,550	208,045	376,022

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	Six Months Ended June 30, 2024	
	Performance	Time-Vested
	Units	Units
Nonvested units, beginning of period	174,214	358,252
Granted	89,928	160,146
Released from restriction	(54,973)	(133,266)
Forfeited	(1,124)	(9,110)
Nonvested units, end of period	208,045	376,022

The following table presents information regarding compensation expense for units under the Stock Plan for the periods presented (\$ in thousands):

Total compensation expense	\$ 2,238	\$ 1,715	\$ 1,378	\$ 1,563	\$ 3,616	\$ 3,278
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Note 12.13 – Contingencies

Lending Related

Trustmark makes commitments to extend credit and issues standby and commercial letters of credit (letters of credit) in the normal course of business in order to fulfill the financing needs of its customers. The carrying amount of commitments to extend credit and letters of credit approximates the fair value of such financial instruments.

Commitments to extend credit are agreements to lend money to customers pursuant to certain specified conditions. Commitments generally have fixed expiration dates or other termination clauses. Because many of these commitments are expected to expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The exposure to credit loss in the event of nonperformance by the other party to the commitments to extend credit is represented by the contract amount of those instruments. Trustmark applies the same credit policies and standards as it does in the lending process when making these commitments. The collateral obtained is based upon the nature of the transaction and the assessed creditworthiness of the borrower. At **March 31, 2024** **June 30, 2024** and 2023, Trustmark had unused commitments to extend credit of **\$4.792** **4.590** billion and **\$5.424** **5.120** billion, respectively.

Letters of credit are conditional commitments issued by Trustmark to insure the performance of a customer to a third-party. A financial standby letter of credit irrevocably obligates Trustmark to pay a third-party beneficiary when a customer fails to repay an outstanding loan or debt instrument. A performance standby letter of credit irrevocably obligates Trustmark to pay a third-party beneficiary when a customer fails to perform some contractual, nonfinancial obligation. When issuing letters of credit, Trustmark uses the same policies regarding credit risk and collateral, which are followed in the lending process. At **March 31, 2024** **June 30, 2024** and 2023, Trustmark's maximum exposure to credit loss in the event of nonperformance by the customer for letters of credit was **\$139.5** **126.6** million and **\$137.3** **142.7** million, respectively. These amounts consist primarily of commitments with maturities of less than three years, which have an immaterial carrying value. Trustmark holds collateral to support standby letters of credit when deemed necessary. As of **March 31, 2024** **June 30, 2024** and 2023, the fair value of collateral held was **\$33.1** **26.4** million and **\$31.3** **31.5** million, respectively.

ACL on Off-Balance Sheet Credit Exposures

Trustmark maintains a separate ACL on off-balance sheet credit exposures, including unfunded loan commitments and letters of credit, which is included on the accompanying consolidated balance sheet as of **March 31, 2024** **June 30, 2024** and December 31, 2023.

During the first quarter of 2024, Management decided to implement a performance trends qualitative factor for unfunded commitments. The same assumptions are applied in this calculation that the funded balances utilize with the addition of using the funding rates on the unfunded commitments. The performance trends qualitative factor reserve is then added to the other calculated reserve to get a total reserve for off-balance sheet credit exposures.

Changes in the ACL on off-balance sheet credit exposures were as follows for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023		2024	
	\$ 34,057	\$ 36,838	\$ 33,865	\$ 34,596	\$ 34,057	\$ 36,838
Balance at beginning of period						
PCL, off-balance sheet credit exposures	(192)	(2,242)	(3,600)	245	(3,792)	(1,997)
Balance at end of period	\$ 33,865	\$ 34,596	\$ 30,265	\$ 34,841	\$ 30,265	\$ 34,841

Adjustments to the ACL on off-balance sheet credit exposures are recorded to PCL, off-balance sheet credit exposures. The decrease in the ACL on off-balance sheet credit exposures for the three months ended **March 31, 2024** **June 30, 2024** was primarily due to the decrease in required reserves as a result of a decrease in unfunded commitments largely coupled with the decrease in the quantitative reserve rates due to changes in the macroeconomic factors. The decrease was partially offset by an increase in required reserves as a result of credit migration. The decrease in the ACL on off-balance sheet credit exposures for the six months ended June 30, 2024 was primarily due to the decrease in required reserves as a result of a decrease in unfunded commitments partially offset by an increase in required reserves as a result of implementing the performance trend qualitative reserve factor. The decrease increase in the ACL on off-balance sheet credit exposures for the three months ended **March 31, 2023** **June 30, 2023** was primarily due to decreases the weakening macroeconomic forecasts. The decrease in the total reserve rate used in the calculation for ACL on off-balance sheet credit

exposures ~~coupled with~~ for the six months ended June 30, 2023 was primarily due to decreases in unfunded balances for the construction, land development and other land portfolio and other construction loan ~~segments~~ portfolio.

No credit loss estimate is reported for off-balance sheet credit exposures that are unconditionally cancellable by Trustmark or for undrawn amounts under such arrangements that may be drawn prior to the cancellation of the arrangement.

Legal Proceedings

TNB and its subsidiaries are parties to lawsuits and other claims that arise in the ordinary course of business. Some of the lawsuits assert claims related to the lending, collection, servicing, investment, trust and other business activities, and some of the lawsuits allege substantial claims for damages.

In accordance with FASB ASC Subtopic 450-20, "Loss Contingencies," TNB will establish an accrued liability for any litigation matter if and when such matter presents loss contingencies that are both probable and reasonably estimable. At the present time, TNB believes, based on its evaluation and the advice of legal counsel, that a loss in any currently pending legal proceeding is not probable and a reasonable estimate cannot reasonably be made.

Note 13.14 – Earnings Per Share (EPS)

The following table reflects weighted-average shares used to calculate basic and diluted EPS for the periods presented (in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Basic shares	61,128	61,011	61,197	61,063	61,163	61,037
Dilutive shares	220	182	219	167	211	170
Diluted shares	61,348	61,193	61,416	61,230	61,374	61,207

Weighted-average antidilutive stock awards are excluded in determining diluted EPS. ~~There were no~~ The following table reflects weighted-average antidilutive stock awards for the ~~three months ended March 31, 2024 and 2023~~ periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Weighted-average antidilutive stock awards	—	100	—	64

Note 14.15 – Statements of Cash Flows

The following table reflects specific transaction amounts for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income taxes paid	\$ 19,545	\$ 26,023		
Interest expense paid on deposits and borrowings	\$ 98,327	\$ 54,823	201,499	130,666
Noncash transfers from loans to other real estate	2,228	300	4,128	570
Operating right-of-use assets resulting from lease liabilities	1,741	4,403		

Note 15.16 – Shareholders' Equity

Regulatory Capital

Trustmark and TNB are subject to minimum risk-based capital and leverage capital requirements, as described in the section captioned "Capital Adequacy" included in Part I, Item 1. – Business of Trustmark's 2023 Annual Report, which are administered by the federal bank regulatory agencies. These capital requirements, as defined by federal regulations, involve quantitative and qualitative measures of assets, liabilities and certain off-balance sheet instruments. Trustmark's and TNB's minimum risk-based capital requirements include a capital conservation buffer of 2.50%. Accumulated other comprehensive income (loss), net of tax, is not included in computing regulatory capital. Trustmark elected the five-year phase-in transition period (through December 31, 2024) related to adopting FASB ASU 2016-13 for regulatory capital purposes. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the financial statements of Trustmark and TNB and limit Trustmark's and TNB's ability to pay dividends. As of **March 31, 2024** **June 30, 2024**, Trustmark and TNB exceeded all applicable minimum capital standards. In addition, Trustmark and TNB met applicable regulatory guidelines to be considered well-capitalized at **March 31, 2024** **June 30, 2024**. To be categorized in this manner, Trustmark and TNB maintained, as applicable, minimum common equity Tier 1 risk-based capital, Tier 1 risk-based capital, total risk-based capital and Tier 1 leverage ratios as set forth in the accompanying table, and were not subject to any written agreement, order or capital directive, or prompt corrective action directive issued by their primary federal regulators to meet and maintain a specific capital level for any capital measures. There are no significant

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conditions or events that have occurred since **March 31, 2024** **June 30, 2024**, which Management believes have affected Trustmark's or TNB's present classification.

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The following table provides Trustmark's and TNB's actual regulatory capital amounts and ratios under regulatory capital standards in effect at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	Actual				Actual			
	Regulatory Capital		Minimum	To Be Well	Regulatory Capital		Minimum	To Be Well
	Amount	Ratio	Requirement	Capitalized	Amount	Ratio	Requirement	Capitalized
At March 31, 2024:								
At June 30, 2024:								
Common Equity Tier 1 Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,543,460	10.12 %	7.00 %	n/a	\$ 1,655,593	10.92 %	7.00 %	n/a
Trustmark National Bank	1,620,495	10.62 %	7.00 %	6.50 %	1,762,660	11.63 %	7.00 %	6.50 %
Tier 1 Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,603,460	10.51 %	8.50 %	n/a	\$ 1,715,593	11.31 %	8.50 %	n/a
Trustmark National Bank	1,620,495	10.62 %	8.50 %	8.00 %	1,762,660	11.63 %	8.50 %	8.00 %
Total Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,895,697	12.42 %	10.50 %	n/a	\$ 2,015,973	13.29 %	10.50 %	n/a
Trustmark National Bank	1,789,195	11.73 %	10.50 %	10.00 %	1,939,448	12.79 %	10.50 %	10.00 %
Tier 1 Leverage (to Average Assets)								
Trustmark Corporation	\$ 1,603,460	8.76 %	4.00 %	n/a	\$ 1,715,593	9.29 %	4.00 %	n/a
Trustmark National Bank	1,620,495	8.87 %	4.00 %	5.00 %	1,762,660	9.55 %	4.00 %	5.00 %
At December 31, 2023:								
Common Equity Tier 1 Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,521,665	10.04 %	7.00 %	n/a	\$ 1,521,665	10.04 %	7.00 %	n/a
Trustmark National Bank	1,602,327	10.58 %	7.00 %	6.50 %	1,602,327	10.58 %	7.00 %	6.50 %

Tier 1 Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,581,665	10.44 %	8.50 %	n/a	\$ 1,581,665	10.44 %	8.50 %	n/a
Trustmark National Bank	1,602,327	10.58 %	8.50 %	8.00 %	1,602,327	10.58 %	8.50 %	8.00 %
Total Capital (to Risk Weighted Assets)								
Trustmark Corporation	\$ 1,862,246	12.29 %	10.50 %	n/a	\$ 1,862,246	12.29 %	10.50 %	n/a
Trustmark National Bank	1,759,426	11.61 %	10.50 %	10.00 %	1,759,426	11.61 %	10.50 %	10.00 %
Tier 1 Leverage (to Average Assets)								
Trustmark Corporation	\$ 1,581,665	8.62 %	4.00 %	n/a	\$ 1,581,665	8.62 %	4.00 %	n/a
Trustmark National Bank	1,602,327	8.75 %	4.00 %	5.00 %	1,602,327	8.75 %	4.00 %	5.00 %

Stock Repurchase Program

On December 6, 2022, Trustmark's Board of Directors authorized a stock repurchase program effective January 1, 2023, under which \$50.0 million of Trustmark's outstanding shares could be acquired through December 31, 2023. No shares were repurchased under this stock repurchase program.

On December 5, 2023, Trustmark's Board of Directors authorized a stock repurchase program effective January 1, 2024, under which \$50.0 million of Trustmark's outstanding shares may be acquired through December 31, 2024. The repurchase program, which is subject to market conditions and management discretion, will be implemented through open market repurchases or privately negotiated transactions. No shares have been repurchased under this stock repurchase program.

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Other Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)

The following table presents the net change in the components of accumulated other comprehensive income (loss) and the related tax effects allocated to each component for the periods presented (\$ in thousands). The amortization of prior service cost, recognized net loss due to lump sum settlements and change in net actuarial loss are included in the computation of net periodic benefit cost (see Note 10 – Defined Benefit and Other Postretirement Benefits for additional details). Reclassification adjustments related to pension and other postretirement benefit plans are included in salaries and employee benefits and other expense in the accompanying consolidated statements of **income. income (loss)**. Reclassification adjustments related to the cash flow hedge derivatives are included in interest and fees on LHFS and LHFI in the accompanying consolidated statements of **income. income (loss)**.

	Three Months Ended March 31, 2024			Three Months Ended March 31, 2023			Three Months Ended June 30, 2024			Three Months Ended June 30, 2023		
	Tax			Tax			Tax			Tax		
	Before Tax Amount	(Expense) Benefit	Net of Tax Amount	Before Tax Amount	(Expense) Benefit	Net of Tax Amount	Before Tax Amount	(Expense) Benefit	Net of Tax Amount	Before Tax Amount	(Expense) Benefit	Net of Tax Amount
Securities available for sale and transferred securities:												
Net unrealized holding gains (losses) arising during the period	\$ (2,552)	\$ 638	\$ (1,914)	\$ 30,534	\$ (7,404)	\$ 23,130	\$ (5,761)	\$ 1,440	\$ (4,321)	\$ (19,633)	\$ 4,910	\$ (14,723)
Reclassification adjustment for net (gains) losses realized in net income	182,792	(45,698)	137,094	—	—	—						
Change in net unrealized holding loss on securities transferred to held to maturity	3,661	(915)	2,746	3,859	(965)	2,894	3,671	(918)	2,753	3,940	(985)	2,955

Total securities available for sale													
and transferred securities	1,109	(277)	832	34,393	(8,369)	26,024	180,702	(45,176)	135,526	(15,693)	3,925	(11,768)	
Pension and other postretirement benefit plans:													
Reclassification adjustments for changes													
realized in net income:													
Net change in prior service costs	28	(7)	21	28	(7)	21	27	(7)	20	27	(7)	20	
Recognized net loss due to lump sum settlements	—	—	—	25	(6)	19	(13)	3	(10)	—	—	—	
Change in net actuarial loss	95	(24)	71	77	(19)	58	84	(20)	64	69	(17)	52	
Total pension and other postretirement benefit plans	123	(31)	92	130	(32)	98	98	(24)	74	96	(24)	72	
Cash flow hedge derivatives:													
Change in accumulated gain (loss) on effective cash flow hedge derivatives	(15,960)	3,990	(11,970)	6,269	(1,567)	4,702	(4,873)	1,218	(3,655)	(19,500)	4,875	(14,625)	
Reclassification adjustment for (gain) loss realized in net income	4,820	(1,205)	3,615	2,931	(733)	2,198	4,869	(1,217)	3,652	3,997	(999)	2,998	
Total cash flow hedge derivatives	(11,140)	2,785	(8,355)	9,200	(2,300)	6,900	(4)	1	(3)	(15,503)	3,876	(11,627)	
Total other comprehensive income (loss)	\$ (9,908)	\$ 2,477	\$ (7,431)	\$ 43,723	\$ (10,701)	\$ 33,022	\$ 180,796	\$ (45,199)	\$ 135,597	\$ (31,100)	\$ 7,777	\$ (23,323)	

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	Six Months Ended June 30, 2024			Six Months Ended June 30, 2023		
	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
Securities available for sale and transferred securities:						
Net unrealized holding gains (losses) arising during the period	\$ (8,313)	\$ 2,078	\$ (6,235)	\$ 10,901	\$ (2,494)	\$ 8,407
Reclassification adjustment for net (gains) losses realized in net income	182,792	(45,698)	137,094	—	—	—
Change in net unrealized holding loss on securities transferred to held to maturity	7,332	(1,833)	5,499	7,799	(1,950)	5,849
Total securities available for sale and transferred securities	181,811	(45,453)	136,358	18,700	(4,444)	14,256
Pension and other postretirement benefit plans:						
Reclassification adjustments for changes realized in net income:						
Net change in prior service costs	55	(14)	41	55	(14)	41

Recognized net loss due to lump sum settlements	(13)	3	(10)	25	(6)	19
Change in net actuarial loss	179	(44)	135	146	(36)	110
Total pension and other postretirement benefit plans	221	(55)	166	226	(56)	170
Cash flow hedge derivatives:						
Change in accumulated gain (loss) on effective cash flow hedge derivatives	(20,833)	5,208	(15,625)	(13,231)	3,308	(9,923)
Reclassification adjustment for (gain) loss realized in net income	9,689	(2,422)	7,267	6,928	(1,732)	5,196
Total cash flow hedge derivatives	(11,144)	2,786	(8,358)	(6,303)	1,576	(4,727)
Total other comprehensive income (loss)	<u>\$ 170,888</u>	<u>\$ (42,722)</u>	<u>\$ 128,166</u>	<u>\$ 12,623</u>	<u>\$ (2,924)</u>	<u>\$ 9,699</u>

The following table presents the changes in the balances of each component of accumulated other comprehensive income (loss) for the periods presented (\$ in thousands). All amounts are presented net of tax.

	Securities			Securities		
	Available for Sale and Transferred Securities	Defined Benefit	Cash Flow Hedge	Available for Sale and Transferred Securities	Defined Benefit	Cash Flow Hedge
		Pension Items	Derivatives		Pension Items	Derivatives
Balance at January 1, 2024	\$ (204,670)	\$ (6,075)	\$ (8,978)	\$ (219,723)	\$ (204,670)	\$ (6,075)
Other comprehensive income (loss) before reclassification	832	—	(11,970)	(11,138)	(736)	—
Amounts reclassified from accumulated other comprehensive income (loss)	—	92	3,615	3,707	137,094	166
Net other comprehensive income (loss)	832	92	(8,355)	(7,431)	136,358	166
Balance at March 31, 2024	\$ (203,838)	\$ (5,983)	\$ (17,333)	\$ (227,154)		
Balance at June 30, 2024	\$ (68,312)	\$ (5,909)	\$ (17,336)	\$ (91,557)		
Balance at January 1, 2023	\$ (254,442)	\$ (5,792)	\$ (15,169)	\$ (275,403)	\$ (254,442)	\$ (5,792)
Other comprehensive income (loss) before reclassification	26,024	—	4,702	30,726	14,256	—
Amounts reclassified from accumulated other comprehensive income (loss)	—	98	2,198	2,296	—	170
Net other comprehensive income (loss)	26,024	98	6,900	33,022	14,256	170
Balance at March 31, 2023	\$ (228,418)	\$ (5,694)	\$ (8,269)	\$ (242,381)		
Balance at June 30, 2023	\$ (240,186)	\$ (5,622)	\$ (19,896)	\$ (265,704)		

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Note 1617 – Fair Value

Financial Instruments Measured at Fair Value

The methodologies Trustmark uses in determining the fair values are based primarily on the use of independent, market-based data to reflect a value that would be reasonably expected upon exchange of the position in an orderly transaction between market participants at the measurement date. The predominant portion of assets that are stated at fair value are of a nature that can be valued using prices or inputs that are readily observable through a variety of independent data providers. The providers selected by Trustmark for fair valuation data are widely recognized and accepted vendors whose evaluations support the pricing functions of financial institutions, investment and mutual funds, and portfolio managers. Trustmark has documented and evaluated the pricing methodologies used by the vendors and maintains internal processes that regularly test valuations for anomalies.

Trustmark utilizes an independent pricing service to advise it on the carrying value of the securities available for sale portfolio. As part of Trustmark's procedures, the price provided from the service is evaluated for reasonableness given market changes. When a questionable price exists, Trustmark investigates further to determine if the price is valid. If needed, other market participants may be utilized to determine the correct fair value. Trustmark has also reviewed and confirmed its determinations in thorough discussions with the pricing source regarding their methods of price discovery.

Mortgage loan commitments are valued based on the securities prices of similar collateral, term, rate and delivery for which the loan is eligible to deliver in place of the particular security. Trustmark acquires a broad array of mortgage security prices that are supplied by a market data vendor, which in turn accumulates prices from a broad list of securities dealers. Prices are processed through a mortgage pipeline management system that accumulates and segregates all loan commitment and forward-sale transactions according to the similarity of various characteristics (maturity, term, rate, and collateral). Prices are matched to those positions that are deemed to be an eligible substitute or offset (i.e., "deliverable") for a corresponding security observed in the marketplace.

Trustmark estimates fair value of the MSR through the use of prevailing market participant assumptions and market participant valuation processes. This valuation is periodically tested and validated against other third-party firm valuations.

Trustmark obtains the fair value of interest rate swaps from a third-party pricing service that uses an industry standard discounted cash flow methodology. In addition, credit valuation adjustments are incorporated in the fair values to account for potential nonperformance risk. In adjusting the fair value of its interest rate swap contracts for the effect of nonperformance risk, Trustmark has considered any applicable credit enhancements such as collateral postings, thresholds, mutual puts, and guarantees. In conjunction with the FASB's fair value measurement guidance, Trustmark made an accounting policy election to measure the credit risk of these derivative financial instruments, which are subject to master netting agreements, on a net basis by counterparty portfolio.

Trustmark has determined that the majority of the inputs used to value its interest rate swaps offered to qualified commercial borrowers fall within Level 2 of the fair value hierarchy, while the credit valuation adjustments associated with these derivatives utilize Level 3 inputs, such as estimates of current credit spreads. Trustmark has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its interest rate swaps and has determined that the credit valuation adjustment is not significant to the overall valuation of these derivatives. As a result, Trustmark classifies its interest rate swap valuations in Level 2 of the fair value hierarchy.

Trustmark also utilizes exchange-traded derivative instruments such as Treasury note futures contracts and option contracts to achieve a fair value return that offsets the changes in fair value of the MSR attributable to interest rates. Fair values of these derivative instruments are determined from quoted prices in active markets for identical assets therefore allowing them to be classified within Level 1 of the fair value hierarchy. In addition, Trustmark utilizes derivative instruments such as interest rate lock commitments in its mortgage banking area which lack observable inputs for valuation purposes resulting in their inclusion in Level 3 of the fair value hierarchy.

At this time, Trustmark presents no fair values that are derived through internal modeling. Should positions requiring fair valuation arise that are not relevant to existing methodologies, Trustmark will make every reasonable effort to obtain market participant assumptions, or independent evaluation.

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Financial Assets and Liabilities

The following tables summarize financial assets and financial liabilities measured at fair value on a recurring basis at **March 31, 2024** **June 30, 2024** and December 31, 2023, segregated by the level of valuation inputs within the fair value hierarchy utilized to measure fair value (\$ in thousands). There were no transfers between fair value levels for the **three** **six** months ended **March 31, 2024** **June 30, 2024** and the year ended December 31, 2023.

	March 31, 2024				June 30, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
U.S. Treasury securities	\$ 372,424	\$ 372,424	\$ —	\$ —	\$ 172,955	\$ 172,955	\$ —	\$ —
U.S. Government agency obligations	5,594	—	5,594	—				
Mortgage-backed securities	1,324,281	—	1,324,281	—	1,448,704	—	1,448,704	—
Securities available for sale	1,702,299	372,424	1,329,875	—	1,621,659	172,955	1,448,704	—
LHFS	172,937	—	172,937	—	185,698	—	185,698	—
MSR	138,044	—	—	138,044	136,658	—	—	136,658
Other assets - derivatives	16,953	1,152	14,644	1,157				
Other liabilities - derivatives	40,803	102	40,701	—				
Other assets	26,880	9,991	16,198	691				

Other liabilities	41,645	180	41,465	—
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	December 31, 2023				December 31, 2023			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$	\$	\$
U.S. Treasury securities	\$ 372,368	\$ 372,368	\$ —	\$ —	\$ 372,368	\$ 372,368	\$ —	\$ —
U.S. Government agency obligations	5,792	—	5,792	—	5,792	—	5,792	—
Mortgage-backed securities	1,384,718	—	1,384,718	—	1,384,718	—	1,384,718	—
Securities available for sale	1,762,878	372,368	1,390,510	—	1,762,878	372,368	1,390,510	—
LHFS	184,812	—	184,812	—	184,812	—	184,812	—
MSR	131,870	—	—	131,870	131,870	—	—	131,870
Other assets - derivatives	23,316	7,685	14,786	845	23,316	7,685	14,786	845
Other liabilities - derivatives	35,600	21	35,579	—	35,600	21	35,579	—

The changes in Level 3 assets measured at fair value on a recurring basis for the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023 are summarized as follows (\$ in thousands):

	Other Assets -		Other Assets -	
	MSR	Derivatives	MSR	Derivatives
Balance, January 1, 2024	\$ 131,870	\$ 845	\$ 131,870	\$ 845
Total net (loss) gain included in Mortgage banking, net (1)	3,197	1,047	(1,876)	1,556
Additions	2,977	—	6,664	—
Sales	—	(735)	—	(1,710)
Balance, March 31, 2024	\$ 138,044	\$ 1,157		
Balance, June 30, 2024	\$ 136,658	\$ 691		
The amount of total gains (losses) for the period included in earnings that are attributable to the change in unrealized gains or losses still held at March 31, 2024				
	\$ 5,123	\$ 927		
The amount of total gains (losses) for the period included in earnings that are attributable to the change in unrealized gains or losses still held at June 30, 2024				
	\$ 3,498	\$ 1,304		
Balance, January 1, 2023	\$ 129,677	\$ 157	\$ 129,677	\$ 157
Total net (loss) gain included in Mortgage banking, net (1)	(5,117)	1,288	(1,929)	1,553
Additions	2,646	—	6,602	—
Sales	—	(105)	—	(1,239)
Balance, March 31, 2023	\$ 127,206	\$ 1,340		
Balance, June 30, 2023	\$ 134,350	\$ 471		
The amount of total gains (losses) for the period included in earnings that are attributable to the change in unrealized gains or losses still held at March 31, 2023				
	\$ (3,972)	\$ 531		
The amount of total gains (losses) for the period included in earnings that are attributable to the change in unrealized gains or losses still held at June 30, 2023				
	\$ 1,926	\$ 514		

(1) Total net (loss) gain included in Mortgage banking, net relating to the MSR includes changes in fair value due to market changes and due to run-off.

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Trustmark may be required, from time to time, to measure certain assets at fair value on a nonrecurring basis in accordance with GAAP. Assets at **March 31, 2024** **June 30, 2024**, which have been measured at fair value on a nonrecurring basis, include collateral-dependent LHFI. A loan is collateral dependent when the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the sale of the collateral. The expected credit loss for collateral-dependent loans is measured as the difference between the amortized cost basis of the loan and the fair value of the collateral, adjusted for the estimated cost to sell. Fair value estimates for collateral-dependent loans are derived from appraised values based on the current market value or as is value of the collateral, normally from recently received and reviewed appraisals. Current appraisals are ordered on an annual basis based on the inspection date or more often if market conditions necessitate. Appraisals are obtained from state-certified appraisers and are based on certain assumptions, which may include construction or development status and the highest and best use of the property. These appraisals are reviewed by Trustmark's Appraisal Review Department to ensure they are acceptable, and values are adjusted down for costs associated with asset disposal. At **March 31, 2024** **June 30, 2024**, Trustmark had outstanding balances of **\$42.9** **\$27.4** million with a related ACL of **\$12.6** **\$12.4** million in collateral-dependent LHFI, compared to outstanding balances of \$49.1 million with a related ACL of \$12.4 million in collateral-dependent LHFI at December 31, 2023. The collateral-dependent LHFI are classified as Level 3 in the fair value hierarchy.

Nonfinancial Assets and Liabilities

Certain nonfinancial assets measured at fair value on a nonrecurring basis include foreclosed assets (upon initial recognition or subsequent impairment), nonfinancial assets and nonfinancial liabilities measured at fair value in the second step of a goodwill impairment test, and intangible assets and other nonfinancial long-lived assets measured at fair value for impairment assessment.

Other real estate includes assets that have been acquired in satisfaction of debt through foreclosure and is recorded at the fair value less cost to sell (estimated fair value) at the time of foreclosure. Fair value is based on independent appraisals and other relevant factors. In the determination of fair value subsequent to foreclosure, Management also considers other factors or recent developments, such as changes in market conditions from the time of valuation and anticipated sales values considering plans for disposition, which could result in an adjustment to lower the collateral value estimates indicated in the appraisals. Periodic revaluations are classified as Level 3 in the fair value hierarchy since assumptions are used that may not be observable in the market.

Foreclosed assets of **\$194** **\$361** thousand were remeasured during the first **three** **six** months of 2024, requiring write-downs of **\$24** **\$71** thousand to reach their current fair values compared to \$430 thousand of foreclosed assets that were remeasured during the first **three** **six** months of 2023, requiring write-downs of **\$20** **\$158** thousand.

Fair Value of Financial Instruments

FASB ASC Topic 825, "Financial Instruments," requires disclosure of the fair value of financial assets and financial liabilities, including those financial assets and financial liabilities that are not measured and reported at fair value on a recurring basis or non-recurring basis.

The carrying amounts and estimated fair values of financial instruments at **March 31, 2024** **June 30, 2024** and December 31, 2023, are as follows (\$ in thousands):

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
	Financial Assets:				Financial Liabilities:			
Level 2 Inputs:								
Cash and short-term investments	\$ 606,261	\$ 606,261	\$ 975,543	\$ 975,543	\$ 822,141	\$ 822,141	\$ 975,343	\$ 975,343
Securities held to maturity	1,415,025	1,333,014	1,426,279	1,355,504	1,380,487	1,293,131	1,426,279	1,355,504
Level 3 Inputs:								
Net LHFI	12,914,945	12,809,237	12,811,157	12,762,505	13,000,733	12,952,418	12,811,157	12,762,505
Financial Liabilities:								
Level 2 Inputs:								
Deposits	15,338,557	15,320,852	15,569,763	15,553,417	15,462,888	15,445,186	15,569,763	15,553,417
Federal funds purchased and securities sold under repurchase agreements	393,215	393,215	405,745	405,745	314,121	314,121	405,745	405,745
Other borrowings	482,027	482,024	483,230	483,226	336,687	336,687	483,230	483,226
Subordinated notes	123,537	110,625	123,482	108,125	123,592	112,500	123,482	108,125
Junior subordinated debt securities	61,856	47,011	61,856	48,856	61,856	47,629	61,856	48,856

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Fair Value Option

Trustmark has elected to account for its mortgage LHFS under the fair value option, with interest income on these mortgage LHFS reported in interest and fees on LHFS and LHFI. The fair value of the mortgage LHFS is determined using quoted prices for a similar asset, adjusted for specific attributes of that loan. The mortgage LHFS are actively managed and monitored and certain market risks of the loans may be mitigated through the use of derivatives. These derivative instruments are carried at fair value with changes in fair value recorded as noninterest income (loss) in mortgage banking, net. The changes in the fair value of LHFS are largely offset by changes in the fair value of the derivative instruments. For the three and six months ended March 31, 2024 June 30, 2024, a net loss losses of \$1.5164 thousand and \$1.6 million, was respectively, were recorded as noninterest income (loss) in mortgage banking, net for changes in the fair value of LHFS accounted for under the fair value option, compared to a net gain losses of \$9441.2 million and \$238 thousand for the three and six months ended March 31, 2023 June 30, 2023, respectively. Interest and fees on LHFS and LHFI for the three and six months ended March 31, 2024 June 30, 2024 included \$1.72.2 million and \$4.0 million, respectively, of interest earned on LHFS accounted for under the fair value option, compared to \$1.52.1 million and \$3.6 million for the three and six months ended March 31, 2023 June 30, 2023, respectively. Election of the fair value option allows Trustmark to reduce the accounting volatility that would otherwise result from the asymmetry created by accounting for the financial instruments at the lower of cost or fair value and the derivatives at fair value. The fair value option election does not apply to GNMA optional repurchase loans which do not meet the requirements under FASB ASC Topic 825 to be accounted for under the fair value option. GNMA optional repurchase loans totaled \$77.782.6 million and \$78.8 million at March 31, 2024 June 30, 2024 and December 31, 2023, respectively, and are included in LHFS on the accompanying consolidated balance sheets. For additional information regarding GNMA optional repurchase loans, please see the section captioned "Past Due LHFS" included in Note 3 – LHFI and ACL, LHFI.

The following table provides information about the fair value and the contractual principal outstanding of LHFS accounted for under the fair value option at March 31, 2024 June 30, 2024 and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Fair value of LHFS	\$ 95,197	\$ 105,974	\$ 103,137	\$ 105,974
LHFS contractual principal outstanding	93,598	102,994	101,690	102,994
Fair value less unpaid principal	\$ 1,599	\$ 2,980	\$ 1,447	\$ 2,980

Note 17 18 – Derivative Financial Instruments

Derivatives Designated as Hedging Instruments

During 2022, Trustmark initiated engages in a cash flow hedging program. Trustmark's objectives in initiating this hedging program were to add stability to interest income and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of fixed-rate amounts from a counterparty in exchange for Trustmark making variable-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate floor spreads designated as cash flow hedges involve the receipt of variable-rate amounts if interest rates fall below the purchased floor strike rate on the contract and payments of variable-rate amounts if interest rates fall below the sold floor strike rate on the contract. Trustmark uses such derivatives to hedge the variable cash flows associated with existing and anticipated variable-rate loan assets. At March 31, 2024 June 30, 2024, the aggregate notional value of Trustmark's interest rate swaps and floor spreads designated as cash flow hedges totaled \$1.2251.315 billion compared to \$1.125 billion at December 31, 2023.

Trustmark records any gains or losses on these cash flow hedges in accumulated other comprehensive income (loss). Gains and losses on derivatives representing hedge components excluded from the assessment of effectiveness are recognized over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with Trustmark's accounting policy election. The earnings recognition of excluded components included in interest and fees on LHFS and LHFI totaled \$85124 thousand and \$9209 thousand of amortization expense for the three and six months ended March 31, 2024 June 30, 2024, respectively, compared to \$13 thousand and 2023, respectively, \$22 thousand of amortization expense for the three and are included in interest and fees on LHFS and LHFI, six months ended June 30, 2023, respectively. As interest payments are received on Trustmark's variable-rate assets, amounts reported in accumulated other comprehensive income (loss) are reclassified into interest and fees on LHFS and LHFI in the accompanying consolidated statements of income (loss) during the same period. During the next twelve months, Trustmark estimates that \$15.515.6 million will be reclassified as a reduction to interest and fees on LHFS and LHFI. This amount could differ due to changes in interest rates, hedge de-designations or the addition of other hedges.

Derivatives not Designated as Hedging Instruments

Trustmark utilizes a portfolio of exchange-traded derivative instruments, such as Treasury note futures contracts and option contracts, to achieve a fair value return that economically hedges changes in the fair value of the MSR attributable to interest rates. These transactions are considered freestanding derivatives that do not otherwise qualify for hedge accounting. The total notional amount of these derivative instruments was \$301.0 million at **March 31, 2024** June 30, 2024 compared to \$285.0 million at December 31, 2023. Changes in the fair value of these exchange-traded derivative instruments are recorded as noninterest income (loss) in mortgage banking, net and are offset by changes in the fair value of the MSR. The impact of this strategy resulted in a net negative ineffectiveness of \$1.1 million and \$1.8 million for the three months ended **March 31, 2024** June 30, 2024 and 2023, respectively. For the six months ended June 30, 2024 and 2023, the impact was a net negative ineffectiveness of \$5.6 million and \$3.1 million, respectively.

As part of Trustmark's risk management strategy in the mortgage banking area, derivative instruments such as forward sales contracts are utilized. Trustmark's obligations under forward sales contracts consist of commitments to deliver mortgage loans, originated and/or purchased, in the secondary market at a future date. Changes in the fair value of these derivative instruments are recorded as noninterest income (loss) in mortgage banking, net and are offset by changes in the fair value of LHFS. Trustmark's off-balance sheet obligations under these derivative instruments totaled \$128.5 million at **March 31, 2024** June 30, 2024, with a negative positive valuation adjustment of \$208 thousand, compared to \$109.5 million, with a negative valuation adjustment of \$994 thousand, at December 31, 2023.

Trustmark also utilizes derivative instruments such as interest rate lock commitments in its mortgage banking area. Interest rate lock commitments are residential mortgage loan commitments with customers, which guarantee a specified interest rate for a specified time period. Changes in the fair value of these derivative instruments are recorded as noninterest income (loss) in mortgage banking, net and are offset by the changes in the fair value of forward sales contracts. Trustmark's off-balance sheet obligations under these derivative instruments totaled \$88.5 million at **March 31, 2024** June 30, 2024, with a positive valuation adjustment of \$1.2691 million, thousand, compared to \$61.9 million, with a positive valuation adjustment of \$845 thousand, at December 31, 2023.

Trustmark offers certain derivatives products directly to qualified commercial lending clients seeking to manage their interest rate risk. Trustmark economically hedges interest rate swap transactions executed with commercial lending clients by entering into offsetting interest rate swap transactions with institutional derivatives market participants. Derivatives transactions executed as part of this program are not designated as qualifying hedging relationships and are, therefore, carried at fair value with the change in fair value recorded as noninterest income (loss) in bank card and other fees. Because these derivatives have mirror-image contractual terms, in addition to collateral provisions which mitigate the impact of non-performance risk, the changes in fair value are expected to substantially offset. The offsetting interest rate swap transactions are either cleared through the Chicago Mercantile Exchange for clearable transactions or booked directly with institutional derivatives market participants for non-clearable transactions. The Chicago Mercantile Exchange rules legally characterize variation margin collateral payments made or received for centrally cleared interest rate swaps as settlements rather than collateral. As a result, centrally cleared interest rate swaps included in other assets and other liabilities are presented on a net basis in the accompanying consolidated balance sheets. At **March 31, 2024** June 30, 2024, Trustmark had interest rate swaps with an aggregate notional amount of \$1.470 billion related to this program, compared to \$1.500 billion at December 31, 2023.

Credit-risk-related Contingent Features

Trustmark has agreements with its financial institution counterparties that contain provisions where if Trustmark defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then Trustmark could also be declared in default on its derivatives obligations.

At **March 31, 2024** June 30, 2024, there was no termination value of interest rate swaps in a liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements compared to \$1.4 million at December 31, 2023. At **March 31, 2024** June 30, 2024 and December 31, 2023, Trustmark had posted collateral of \$40 thousand and \$2.0 million, respectively, against its obligations because of negotiated thresholds and minimum transfer amounts under these agreements. If Trustmark had breached any of these triggering provisions at **March 31, 2024** June 30, 2024, it could have been required to settle its obligations under the agreements at the termination value.

Credit risk participation agreements arise when Trustmark contracts with other financial institutions, as a guarantor or beneficiary, to share credit risk associated with certain interest rate swaps. These agreements provide for reimbursement of losses resulting from a third-party default on the underlying swap. At **March 31, 2024** June 30, 2024, Trustmark had entered into seven risk participation agreements as a beneficiary with aggregate notional amounts of \$44.9 million compared to six risk participation agreements as a beneficiary with an aggregate notional amount of \$40.1 million at December 31, 2023. At **March 31, 2024** and December 31, 2023 June 30, 2024, Trustmark had entered into thirty-seven risk participation agreements as a guarantor with aggregate notional amounts of \$304.9 million compared to thirty-five risk participation agreements as a guarantor with aggregate notional amounts of \$304.1 million and \$304.7 million respectively at December 31, 2023. The aggregate fair values of these risk participation agreements were immaterial at both **March 31, 2024** June 30, 2024 and December 31, 2023.

Tabular Disclosures

The following tables disclose the fair value of derivative instruments in Trustmark's consolidated balance sheets at **March 31, 2024** **June 30, 2024** and December 31, 2023 as well as the effect of these derivative instruments on Trustmark's results of operations for the periods presented (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Derivatives in hedging relationships:				
Interest rate contracts:				
Interest rate swaps included in other assets (1)	\$ 49	\$ 1,182	\$ 210	\$ 1,182
Interest rate floors included in other assets	1,591	1,689	2,092	1,689
Interest rate swaps included in other liabilities (1)	2,442	267	3,115	267
Derivatives not designated as hedging instruments:				
Interest rate contracts:				
Exchange traded purchased options included in other assets	\$ 17	\$ 180	\$ 23	\$ 180
OTC written options (rate locks) included in other assets	1,157	845	691	845
Futures contracts included in other assets	1,135	7,505	1,912	7,505
Interest rate swaps included in other assets (1)	13,000	11,910	13,891	11,910
Credit risk participation agreements included in other assets	4	5	5	5
Forward contracts included in other liabilities	208	994	(119)	994
Exchange traded written options included in other liabilities	102	21	180	21
Interest rate swaps included in other liabilities (1)	38,019	34,255	38,423	34,255
Credit risk participation agreements included in other liabilities	32	63	46	63

(1) In accordance with GAAP, the variation margin collateral payments made or received for interest rate swaps that are centrally cleared are legally characterized as settled. As a result, the centrally cleared interest rate swaps included in other assets and other liabilities are presented on a net basis in the accompanying consolidated balance sheets.

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Derivatives in hedging relationships:						
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) and recognized in interest and fees on LHFS & LHF1						
\$ (4,820)	\$ (2,931)	\$ (4,869)	\$ (3,997)	\$ (9,689)	\$ (6,928)	
Derivatives not designated as hedging instruments:						
Amount of gain (loss) recognized in mortgage banking, net	\$ (5,126)	\$ 2,455	\$ (3,007)	\$ (6,347)	\$ (8,133)	\$ (3,892)
Amount of gain (loss) recognized in bank card and other fees	(56)	(10)	51	200	(5)	190

The following table discloses the amount included in other comprehensive income (loss), net of tax, for derivative instruments designated as cash flow hedges for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Derivatives in cash flow hedging relationship						
Amount of gain (loss) recognized in other comprehensive income (loss), net of tax						
\$ (11,970)	\$ 4,702	\$ (3,655)	\$ (14,625)	\$ (15,625)	\$ (9,923)	

Trustmark's interest rate swap derivative instruments are subject to master netting agreements, and therefore, eligible for offsetting in the consolidated balance sheets. Trustmark has elected to not offset any derivative instruments in its consolidated balance sheets. Information about financial instruments that are eligible for offset in the consolidated balance sheets as of **March 31, 2024** **June 30, 2024** and December 31, 2023 is presented in the following tables (\$ in thousands):

Offsetting of Derivative Assets		Gross Amounts Not Offset in the Statement of Financial Position										Gross Amounts Not Offset in the Statement of Financial Position										
Assets		Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					
As of March 31, 2024																						
As of June 30, 2024																						
Derivatives		Gross	Net Amounts of	Gross Amounts Not Offset in the Statement of Financial Position					Gross	Net Amounts of	Gross Amounts Not Offset in the Statement of Financial Position					Gross	Net Amounts of	Gross Amounts Not Offset in the Statement of Financial Position				
		Amounts	Assets						Amounts	Assets						Amounts	Assets					
		Gross	Offset in the	presented in the Statement of Financial Position					Gross	Offset in the	presented in the Statement of Financial Position					Gross	Offset in the	presented in the Statement of Financial Position				
		Amounts of	Statement of	the Statement of Financial Position					Amounts of	Statement of	the Statement of Financial Position					Amounts of	Statement of	the Statement of Financial Position				
		Recognized	Financial	Financial Instruments					Financial	Collateral	Cash					Recognized	Financial	Financial Instruments				
		Assets	Position	Position					Instruments	Received	Collateral					Assets	Position	Position				
Derivatives		\$ 14,640	\$ —	\$ 14,640					\$ (3,746)	\$ (2,500)	\$ 8,394					\$ 16,193	\$ —	\$ 16,193				

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Offsetting of Derivative Liabilities		Gross Amounts Not Offset in the Statement of Financial Position										Gross Amounts Not Offset in the Statement of Financial Position										
Liabilities		Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					
As of March 31, 2024																						
As of June 30, 2024																						
Derivatives		Gross	Liabilities	Net Amounts of					Gross	Liabilities	Net Amounts of					Gross	Liabilities	Net Amounts of				
		Amounts	presented						Amounts	presented						Amounts	presented					
		Gross	Offset in the	in the Statement of Financial Position					Gross	Offset in the	in the Statement of Financial Position					Gross	Offset in the	in the Statement of Financial Position				
		Amounts of	Statement of	of					Amounts of	Statement of	Statement of Financial Position					Amounts of	Statement of	Statement of Financial Position				
		Recognized	Financial	Financial Instruments					Financial	Collateral	Cash					Recognized	Financial	Financial Instruments				
		Liabilities	Position	Position					Instruments	Posted	Amount					Liabilities	Position	Position				
Derivatives		\$ 40,461	\$ —	\$ 40,461					\$ (3,746)	\$ (40)	\$ 36,675					\$ 41,538	\$ —	\$ 41,538				

Offsetting of Derivative Assets		Gross Amounts Not Offset in the Statement of Financial Position										Gross Amounts Not Offset in the Statement of Financial Position										
Assets		Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					Gross Amounts Not Offset in the Statement of Financial Position					
As of December 31, 2023																						
As of June 30, 2024																						
Derivatives		Gross	Gross Amounts	Net Amounts of					Offset in the	Assets	Gross Amounts Not Offset in the Statement of Financial Position					Offset in the	Financial	Financial Instruments				
		Amounts of	Offset in the	Assets					the Statement of	Financial Position	Gross Amounts Not Offset in the Statement of Financial Position					the Statement of	Financial	Cash Collateral				
		Recognized	Financial	Financial Instruments					the Statement of	Financial Position	Gross Amounts Not Offset in the Statement of Financial Position					the Statement of	Financial	Received				
		Assets	Position	Position					Financial	Position	Financial Position					Financial	Position	Net Amount				
Derivatives		\$ 14,781	\$ —	\$ 14,781					\$ (4,339)	\$ —	\$ 14,781					\$ (4,339)	\$ —	\$ 10,442				

	Gross Amounts Not Offset in the Statement of Financial Position					
	Gross	Gross Amounts	Net Amounts of			
	Amounts of	Offset in the	Liabilities presented			
	Recognized	Statement of	in the Statement of		Financial	
Derivatives	Liabilities	Financial Position	Financial Position		Instruments	Posted
	\$ 34,522	\$ —	\$ 34,522		\$ (4,339)	\$ (2,040)
						\$ 28,143

Note 1819 – Segment Information

Trustmark's management reporting structure includes **three** **two** segments: General Banking and Wealth Management and Insurance Management. For a complete overview of Trustmark's operating segments, see Note 20 – Segment Information included in Part II. Item 8. – Financial Statements and Supplementary Data, of Trustmark's 2023 Annual Report.

The Insurance Segment is included in discontinued operations for all periods presented in the accompanying consolidated balance sheets and the consolidated statements of income (loss). See Note 2 - Discontinued Operations for additional information about discontinued operations.

The accounting policies of each reportable segment are the same as those of Trustmark except for its internal allocations. Noninterest expenses for back-office operations support are allocated to segments based on estimated uses of those services. Trustmark measures the net interest income of its business segments with a process that assigns cost of funds or earnings credit on a matched-term basis. This process, called "funds transfer pricing", charges an appropriate cost of funds to assets held by a business unit, or credits the business unit for potential earnings for carrying liabilities. The net of these charges and credits flows through to the General Banking Segment, which contains the management team responsible for determining TNB's funding and interest rate risk strategies.

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The following table discloses financial information by reportable segment for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
General Banking						
Net interest income	\$ 131,517	\$ 136,159	\$ 139,533	\$ 138,375	\$ 271,047	\$ 274,531
Provision for credit losses	7,348	934	19,732	8,435	27,080	9,369
Noninterest income	30,398	28,359				
Noninterest income (loss)	(150,996)	28,995	(120,598)	57,354		
Noninterest expense	111,708	109,590	110,005	113,660	221,678	223,215
Income before income taxes	42,859	53,994				
Income (loss) before income taxes	(141,200)	45,275	(98,309)	99,301		
Income taxes	6,309	7,924	(38,429)	5,855	(32,120)	13,779
General banking net income	\$ 36,550	\$ 46,070				
General banking net income (loss)	\$ (102,771)	\$ 39,420	\$ (66,189)	\$ 85,522		
Selected Financial Information						
Total assets	\$ 18,093,454	\$ 18,578,910	\$ 18,272,094	\$ 18,138,313	\$ 18,272,094	\$ 18,138,313
Depreciation and amortization	\$ 8,367	\$ 7,443	\$ 9,975	\$ 8,570	\$ 18,342	\$ 16,013
Wealth Management						
Net interest income	\$ 1,316	\$ 1,439	\$ 1,496	\$ 1,529	\$ 2,812	\$ 2,968
Provision for credit losses	168	68	(3)	21	165	89
Noninterest income	8,957	8,719	9,710	8,834	18,667	17,553

Noninterest expense	7,991	8,034	8,321	7,961	16,312	15,995
Income before income taxes	2,114	2,056	2,888	2,381	5,002	4,437
Income taxes	523	513	722	597	1,245	1,110
Wealth management net income	\$ 1,591	\$ 1,543	\$ 2,166	\$ 1,784	\$ 3,757	\$ 3,327
Selected Financial Information						
Total assets	\$ 178,165	\$ 207,414	\$ 180,393	\$ 206,556	\$ 180,393	\$ 206,556
Depreciation and amortization	\$ 62	\$ 69	\$ 64	\$ 67	\$ 126	\$ 136
Insurance						
Net interest income	\$ (3)	\$ (3)				
Noninterest income	15,994	14,299				
Noninterest expense	11,447	10,703				
Income before income taxes	4,544	3,593				
Income taxes	1,150	906				
Insurance net income	\$ 3,394	\$ 2,687				
Selected Financial Information						
Total assets	\$ 104,993	\$ 90,854				
Depreciation and amortization	\$ 134	\$ 154				
Consolidated						
Net interest income	\$ 132,830	\$ 137,595	\$ 141,029	\$ 139,904	\$ 273,859	\$ 277,499
Provision for credit losses	7,516	1,002	19,729	8,456	27,245	9,458
Noninterest income	55,349	51,377				
Noninterest income (loss)	(141,286)	37,829	(101,931)	74,907		
Noninterest expense	131,146	128,327	118,326	121,621	237,990	239,210
Income before income taxes	49,517	59,643				
Income (loss) from continuing operations before income taxes	(138,312)	47,656	(93,307)	103,738		
Income taxes	7,982	9,343	(37,707)	6,452	(30,875)	14,889
Consolidated net income	\$ 41,535	\$ 50,300				
Consolidated net income (loss) from continuing operations	\$ (100,605)	\$ 41,204	\$ (62,432)	\$ 88,849		
Selected Financial Information						
Total assets	\$ 18,376,612	\$ 18,877,178				
Depreciation and amortization	\$ 8,563	\$ 7,666				
Total assets from continuing operations	\$ 18,452,487	\$ 18,344,869	\$ 18,452,487	\$ 18,344,869		
Depreciation and amortization from continuing operations	\$ 10,039	\$ 8,637	\$ 18,468	\$ 16,149		

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Note 1920 – Accounting Policies Recently Adopted and Pending Accounting Pronouncements

Accounting Policies Recently Adopted

Except for the changes detailed below, Trustmark has consistently applied its accounting policies to all periods presented in the accompanying consolidated financial statements.

ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." Issued in November 2023, ASU 2023-07 is intended to improve disclosures about a public entity's reportable segments and address requests from investors and other allocators of capital for additional, more detailed information about a reportable segment's expenses. The amendments of ASU 2023-07 require a public entity to disclose, on an annual and interim basis, significant segment expenses that are regularly provided

to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss, and an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the significant expenses disclosed and each reported measure of segment profit or loss. ASU 2023-07 also requires a public entity to provide all annual disclosures about a reportable segment's profit or loss and assets currently required under FASB

ASC Topic 280 in interim periods. The amendments of ASU 2023-07 clarify that if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. However, at least one of the reported segment profit or loss measures (or the single reported measure if only one is disclosed) should be the measure that is most consistent with the measurement principles used in measuring the corresponding amounts in the public entity's consolidated financial statements. ASU 2023-07 requires a public entity to disclose the title and position of the CODM, together with an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. In addition, ASU 2023-07 requires that a public entity with a single reportable segment provide all the disclosures required by the amendments of ASU 2023-07 and all existing segment disclosures in FASB ASC Topic 280. The amendments of ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments in ASU 2023-07 should be applied retrospectively to all periods presented on the financial statements. Upon implementation, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. Trustmark has adopted the amendments of ASU 2023-07 related to annual disclosure requirements effective January 1, 2024, and will present any newly required annual disclosures in its Annual Report ~~on~~ Form 10-K for the year ending December 31, 2024. Trustmark intends to adopt the amendments of ASU 2023-07 related to interim disclosure requirements effective January 1, 2025, and will present any newly required interim disclosures beginning with its Quarterly Report on Form 10-Q for the period ending March 31, 2025. Adoption of ASU 2023-07 is not expected to have a material impact to Trustmark's consolidated financial statements or results of operations.

Pending Accounting Pronouncements

ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." Issued in December 2023, ASU 2023-09 is intended to improve the disclosures for income taxes to address requests from investors, lenders, creditors and other allocators of capital (collectively, "investors") that use the financial statements to make capital allocation decisions. During the FASB's 2021 agenda consultation process and other stakeholder outreach, investors highlighted that the current system of income tax disclosures does not provide enough information to understand the tax provision for an entity that operates in multiple jurisdictions. Investors currently rely on the rate reconciliation table and other disclosures, including total income taxes paid in the statement of cash flows, to evaluate income tax risks and opportunities. The amendments in ASU 2023-09 will require consistent categories and greater disaggregation of information in the rate reconciliation disclosure as well as disclosure of income taxes paid disaggregated by jurisdiction. The amendments of ASU 2023-09 are effective for annual periods beginning after December 15, 2024, and early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. Trustmark intends to adopt the amendments of ASU 2023-09 effective January 1, 2025, and will include the required disclosures in its Annual Report on Form 10-K for the year ending December 31, 2025. Trustmark is currently evaluating the changes to disclosures required by ASU 2023-09; however, adoption of ASU 2023-09 is not expected to have a material impact to Trustmark's consolidated financial statements or results of operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following provides a narrative discussion and analysis of Trustmark Corporation's (Trustmark) financial condition and results of operations. This discussion should be read in conjunction with the unaudited consolidated financial statements and the supplemental financial data included in Part I. Item 1. – Financial Statements of this report.

Description of Business

Trustmark, a Mississippi business corporation incorporated in 1968, is a bank holding company headquartered in Jackson, Mississippi. Trustmark's principal subsidiary is Trustmark National Bank (TNB), initially chartered by the State of Mississippi in 1889. At ~~March 31, 2024~~June 30, 2024, TNB had total assets of ~~\$18.374 billion~~\$18.450 billion, which represented approximately 99.99% of the consolidated assets of Trustmark.

Through TNB and its other subsidiaries, Trustmark operates as a financial services organization providing banking and other financial solutions through offices and 2,712 2,515 full-time equivalent associates (measured at **March 31, 2024** **June 30, 2024**) located in the states of Alabama (including the Georgia Loan Production Office (LPO), which are collectively referred to herein as Trustmark's Alabama market region), Florida (primarily in the northwest or "Panhandle" region of that state, which is referred to herein as Trustmark's Florida market), Mississippi, Tennessee (in the Memphis and Northern Mississippi regions, which are collectively referred to herein as Trustmark's Tennessee market), and Texas (primarily in Houston, which is referred to herein as Trustmark's Texas market). Trustmark's operations are managed along **three** **two** operating segments: General Banking Segment and **Wealth Management Segment** and **Insurance Segment**. See "Executive Overview" below for a description of TNB's plans to sell its wholly owned subsidiary **Fisher Brown Bottrell Insurance, Inc.**, which comprises the entirety of Trustmark's **Insurance Segment**. For a complete overview of Trustmark's business, see the section captioned "The Corporation" included in Part I. Item 1. – Business of Trustmark's Annual Report on Form 10-K for its fiscal year ended December 31, 2023 (2023 Annual Report).

Executive Overview

Trustmark completed the following significant non-routine transactions during the second quarter of 2024:

- On May 31, 2024, TNB closed the sale of its wholly owned subsidiary, Fisher Brown Bottrell Insurance, Inc., (FBBI) to Marsh & McLennan Agency LLC, consistent with terms as previously announced on April 23, 2024. Trustmark recognized a net gain on the sale of \$228.3 million (\$171.2 million, net of taxes) in income from discontinued operations. The operations of FBBI prior to the sale are included in income from discontinued operations for the current and prior periods.
- Trustmark restructured its investment securities portfolio by selling \$1.561 billion of available for sale securities with an average yield of 1.36%, which generated a \$182.8 million (\$137.1 million, net of taxes) and was recorded to noninterest income (loss) in security gains (losses), net. Trustmark also purchased \$1.378 billion of available for sale securities with an average yield of 4.85%.
- Trustmark sold a portfolio of 1-4 family mortgage loans that were at least three payments delinquent and/or nonaccrual at the time of selection totaling \$56.2 million, resulted in a loss of \$13.4 million (\$10.1 million, net of taxes). The portion of the loss related to credit totaled \$8.6 million (\$6.5 million, net of taxes) and was recorded to adjustments to charge-offs and the provision for credit losses (PCL). The noncredit-related portion of the loss totaled \$4.8 million (\$3.6 million, net of taxes) and was recorded to noninterest income (loss) in other, net.
- On April 8, 2024, Visa commenced an initial exchange offer expiring on May 3, 2024, for any and all outstanding shares of Visa Class B-1 common stock (Visa B-1 shares). Holders participating in the exchange offer would receive a combination of Visa Class B-2 common stock (Visa B-2 shares) and Visa Class C common stock (Visa C shares) in exchange for Visa B-1 shares that were validly tendered and accepted for exchange by Visa. TNB tendered its 38.7 thousand Visa B-1 shares, which were accepted by Visa. In exchange for each Visa B-1 share that was validly tendered and accepted for exchange by Visa, TNB received 50.0% of a newly issued Visa B-2 share and 50.0% of a newly issued Visa C shares equivalent in value to 50.0% of a Visa B-1 share. The Visa C shares that were received by TNB were recognized at fair value, which resulted in a gain of \$8.1 million (\$6.0 million, net of taxes) and was recorded to noninterest income (loss) in other, net during the second quarter of 2024. The Visa B-2 shares were recorded at their nominal carrying value.

In addition to these significant non-routine transactions, Trustmark's financial results for the three and six months ended **March 31, 2024** **June 30, 2024** reflected continued growth in loans held for investment (LHFI), solid credit quality and an increase in noninterest income, income and disciplined expense management. Trustmark's capital position remained solid, reflecting the consistent profitability of its diversified financial services businesses. Trustmark remains well-positioned and committed to meeting the banking and financial needs of its customers and the communities it serves, and remains focused on providing support, advice and solutions to meet its customers' unique needs. Trustmark is committed to managing the franchise for the long term, supporting investments to promote profitable revenue growth, realigning delivery channels to support changing customer preferences as well as reengineering and efficiency opportunities to enhance long-term shareholder value. Trustmark's Board of Directors declared a quarterly cash dividend of \$0.23 per share. The dividend is payable **June 15, 2024** **September 15, 2024**, to shareholders of record on **June 1, 2024** **September 1, 2024**.

On April 23, 2024, TNB announced that it had entered into a definitive agreement to sell its wholly owned subsidiary, Fisher Brown Bottrell Insurance, Inc., (FBBI) to Marsh & McLennan Agency LLC (MMA) for \$345.0 million in cash. The sale of FBBI, among the five largest bank-affiliated insurance brokerages in the nation and one of the largest agencies in the Southeast, is expected to allow Trustmark to capitalize on the strong valuation premiums in the insurance brokerage sector. The \$345.0 million transaction value represents approximately 5.9 times FBBI's 2023 revenue and 28.0 times net income. The estimated after-tax proceeds of \$228.0 million are expected to be used to reposition Trustmark's balance sheet to increase earnings, elevate profitability and enhance capital. TNB anticipates that the transaction, which is subject to standard closing conditions and regulatory approval, will close by the end of the second quarter of 2024. Upon consummation of this transaction, Trustmark will no longer engage in insurance brokerage activity and will no longer report an Insurance Segment in its periodic and other reports as filed with the SEC.

On April 8, 2024, Visa commenced an initial exchange offer expiring on May 3, 2024, for any and all outstanding shares of Visa Class B-1 common stock (Visa B-1 shares). Holders participating in the exchange offer would receive a combination of Visa Class B-2 common stock (Visa B-2 shares) and Visa Class C common stock (Visa C shares) in exchange for Visa B-1 shares that are validly tendered and accepted for exchange by Visa. TNB has tendered its 38.7 thousand Visa B-1 shares, and that tender is pending Visa's acceptance. In exchange for each Visa B-1 share that is validly tendered and accepted for exchange by Visa, TNB would receive 50.0% of a newly issued Visa B-2 share and 50.0% of a newly issued Visa C shares equivalent in value to 50.0% of a Visa B-1 share. Upon acceptance by Visa of TNB's tender, the Visa C shares received by TNB would be recognized at fair value, which is expected to result in a realized gain that may be recorded during the second quarter of 2024. The Visa B-2 shares would continue to be held at their nominal carrying value.

Recent Economic and Industry Developments

Economic activity improved slightly during the first quarter six months of 2024; however, economic concerns remain as a result of the cumulative weight of uncertainty regarding the potential economic impact of geopolitical developments, such as the conflicts in Ukraine and the Middle East, inflation, other economic and industry volatility, the 2024 election cycle in the United States, higher energy prices and broader price pressures. Doubts surrounding the near-term direction of global markets and the potential impact on the United States economy are expected to persist for the near term. While Trustmark's customer base is wholly domestic, international economic conditions affect domestic economic conditions, and thus may have an impact upon Trustmark's financial condition or results of operations.

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Market interest rates began to rise during 2022 after an extended period at historical lows. Starting in March 2022, the FRB began raising the target federal funds rate for the first time in three years and continued with multiple increases throughout 2022 and the first half of 2023. The FRB has maintained the target federal funds rate at a range of 5.25% to 5.50% since July 2023. In addition, the FRB increased the interest that it pays on reserves multiple times during 2022 and the first half of 2023 from 0.10% to 5.40% as of July 2023. The FRB has maintained the rate it pays on reserves at 5.40% since July 2023. As These higher interest rates have increased so have the competitive pressures on the deposit cost of funds. It is not possible to predict the pace and magnitude of changes in interest rates, or the impact rate changes will have on Trustmark's results of operations.

In the April July 2024 "Summary of Commentary on Current Economic Conditions by Federal Reserve District," the twelve Federal Reserve Districts' reports suggested that during the reporting period (covering the period from February 26, 2024 May 21, 2024 through April 8, 2024 July 8, 2024) economic

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activity expanded slightly, maintained a slight to modest growth. Reports by the twelve Federal Reserve Districts (Districts) noted the following during the reporting period:

- Consumer Household spending barely increased overall, but reports was little changed in most Districts. Auto sales varied across Districts; however, some Districts noted sales were quite mixed lower due in part to a cyberattack on dealerships and high interest rates. Travel and tourism grew steadily, in line with seasonal expectations. Agricultural conditions varied in tandem with sporadic droughts across the nation. Manufacturing activity varied widely across Districts, and spending categories. Several reports mentioned weakness ranging from brisk downturn to moderate growth. Retail restocking spurred slight growth in discretionary spending, as consumers' price sensitivity remained elevated. Auto spending was buoyed notably by transportation activity, while tight capacity in some Districts by improved inventories and dealer incentives. Tourism activity increased modestly, on average, but reports varied widely. Manufacturing activity declined slightly, ocean shipping led to a surge in spot rates.
- On average, contacts reported slight increases in nonfinancial services activity. Bank lending was roughly flat overall. Residential construction increased a little, Most Districts saw soft demand for consumer and business loans. Reports on average, and home sales strengthened in most Districts. In contrast, nonresidential construction flat, residential and commercial real estate leasing fell slightly, markets varied.
- Overall economic expectations Expectations for the coming future of the economy were for slower growth over the next six months was generally cautiously optimistic. due to uncertainty around the upcoming election, domestic policy, geopolitical conflict and inflation.
- Employment rose at a slight pace overall. Most Districts noted increases reported employment was flat or up slightly. Several Districts reported declines in employment in the manufacturing sector due to slowdowns in new orders. Skilled-worker availability remained a challenge across all Districts; however, several Districts reported significant improvement in labor supply conditions. Labor turnover was lower, which reduced demand to find new workers. Contacts in several Districts expect to be more selective in who they hire going forward and in the quality of job applicants; however, many Districts described persistent shortages of qualified applicants for certain positions, including machinists, trades workers, and hospitality workers. Several Districts reported improved retention of employees, and others pointed to staff reductions at some firms to backfill all open positions. Wages grew at a slight to moderate modest pace. Multiple Several Districts said that annual reported some slowing in wage growth rates recently returned due to their historical averages. On balance, contacts expected that labor demand increased worker availability and supply would remain relatively stable with modest further job gains and continued moderation of wage growth back to pre-pandemic levels. less competition for workers.
- On average, price increases were modest. Movements in raw materials prices were mixed. Contacts in several Districts reported sharp increases in insurance rates, for businesses and homeowners. Another frequent comment was that firms' ability to pass cost increases on to consumers had weakened considerably in recent months, resulting in smaller profit margins. Inflation also caused strain at nonprofit entities, resulting in service reductions in some cases. On balance, contacts expected that inflation would hold steady. Prices increased at a slow modest pace moving forward; overall. While consumer spending was generally reported as showing little to no change, all contacts in every District mentioned retailers discounting items or price-sensitive consumers only purchasing essentials, trading down in quality, buying fewer items or shopping around for the best deals. Input costs were beginning to stabilize; however, contacts in the Federal Reserve's Sixth District, Atlanta specifically noted products like copper and electrical supplies have seen a few Districts—mostly manufacturers—perceived upside risks to near-term inflation in both input prices and output prices. notable increase.

Reports by the Federal Reserve's Sixth District, Atlanta (which includes Trustmark's Alabama, Florida and Mississippi market regions), Eighth District, St. Louis (which includes Trustmark's Tennessee market region), and Eleventh District, Dallas (which includes Trustmark's Texas market region), noted similar findings for the reporting period as those

discussed above. The Federal Reserve's Sixth District also noted lending remained relatively flat, amid continued contraction in most consumer loan segments, with one notable exception being home equity lines of credit, which have steadily increased in originations high deposit and utilization and a minor increase in commercial real estate loan originations, including multifamily. The Federal Reserve's Sixth District also reported the allowance for loan and lease losses borrowing costs continued to increase weigh on bank earnings with some financial institutions selling securities in order to reinvest proceeds into higher-yielding assets, elevated interest rates adversely impacted bank customers as economic uncertainty drove banks businesses and consumers refinanced debt at higher rates and increased delinquencies were observed as credit conditions continued to adjust reserves, cash balances increased slightly, consistent with broader industry trends, large time deposits experienced continued growth but may be showing early signs of flattening and borrowings declined over the reporting period as banks paid down this more expensive source of funding. normalize. The Federal Reserve's Eleventh District also reported that loan volumes declined, credit standards continued to tighten, though at a slower pace, for all loan pricing continued types except for consumer loans, loan volumes grew at a faster pace as loan demand increased despite credit standards continuing to rise tighten, loan price increases moderated and loan nonperformance rose slightly, bankers anticipate credit tightening for commercial real estate loans to accelerate over the next three months. The Federal Reserve's Eleventh District also noted close to half of bankers reported an increase in deposits and slightly more expect deposits to rise in the near term, loan nonperformance continued to rise, particularly for consumer and commercial and industrial loans, and bankers' outlooks remained mixed with an expectation of as they expect an increase in loan demand six months from now in the near term but a deterioration in loan performance and overall business activity.

Financial Highlights

Trustmark reported net income of \$41.5 million \$73.8 million, or basic and diluted earnings per share (EPS) of \$0.68, \$1.21 and \$1.20, respectively, in the first second quarter of 2024, compared to \$50.3 million \$45.0 million, or basic and diluted EPS of \$0.82, \$0.74, in the first second quarter of 2023. Trustmark's reported performance during the quarter ended March 31, 2024 June 30, 2024 produced a return on average tangible equity of 12.98% 21.91%, a return on average assets of 0.89% 1.58%, an average equity to average assets ratio of 8.98% 9.20% and a dividend payout ratio of 33.82% 19.01%, compared to a return on average tangible equity of 18.03% 15.18%, a return on average assets of 1.10% 0.96%, an average equity to average assets ratio of 8.24% 8.42% and a dividend payout ratio of 28.05% 31.08% during the quarter ended March 31, 2023 June 30, 2023.

Trustmark reported net income of \$115.4 million, or basic and diluted EPS of \$1.89 and \$1.88, respectively, for the six months ended June 30, 2024, compared to \$95.3 million, or basic and diluted EPS of \$1.56 for the same time period in 2023. Trustmark's reported performance during the first six months of 2024 produced a return on average tangible equity of 17.56%, a return on average assets of 1.24%, an average equity to average assets ratio of 9.09% and a dividend payout ratio of 24.34%, compared to return on average tangible equity of 16.56%, a return on average assets of 1.03%, an average equity to average assets ratio of 8.33% and a dividend payout ratio of 29.49% for the first six months of 2023.

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Trustmark completed the sale of FBBI during the second quarter of 2024. As such, financial results for the three and six months ended June 30, 2024 consist of both continuing and discontinued operations. The discontinued operations include the financial results of FBBI prior to the sale as well as the net gain on the sale in the second quarter. Trustmark reported a net loss from continuing operations for the three and six months ended June 30, 2024 of \$100.6 million and \$62.4 million, respectively, compared to net income from continuing operations of \$41.2 million and \$88.8 million, respectively, for the same time periods in 2023. Trustmark's reported performance from continuing operations for the three and six month ended June 30, 2024 produced a return on average tangible equity of -29.05% and -9.18%, respectively, and a return on average assets of -2.16% and -0.67%, respectively, compared to a return on average tangible equity of 13.28% and 14.75%, respectively, and a return on average assets of 0.88% and 0.97%, respectively, for the same time periods in 2023. The net loss from continuing operations for the three and six months ended June 30, 2024 was principally due to the loss on the sale of available for sale securities during the second quarter of 2024.

Total revenue, which is defined as net interest income plus noninterest income (loss), for the three months ended March 31, 2024 June 30, 2024 was \$188.2 million, a negative \$257 thousand, a decrease of \$793 thousand, or 0.4%, when compared to the same time period in 2023. The decrease in total revenue for the three months ended March 31, 2024, \$178.0 million when compared to the same time period in 2023, was principally due to the result \$182.8 million loss on the sale of a decrease available for sale securities and the \$4.8 million noncredit-related loss on the sale of 1-4 family mortgage loans partially offset by the \$8.1 million fair value adjustment for the Visa C shares and an increase in net interest income largely offset by an increase in noninterest income.

Net interest income Total revenue for the three six months ended March 31, 2024 totaled \$132.8 million June 30, 2024 was \$171.9 million, a decrease of \$4.8 million \$180.5 million, or 3.5% 51.2%, when compared to the same time period in 2023, principally due to an increase the loss on the sale of available for sale securities, the noncredit-related loss on the sale of 1-4 family mortgage loans and a decrease in net interest on deposits income partially offset by the fair value adjustment for the Visa C shares.

Net interest income for the three and six months ended June 30, 2024 totaled \$141.0 million and \$273.9 million, respectively, an increase of \$1.1 million, or 0.8%, and a decrease of \$3.6 million, or 1.3%, respectively, when compared to the same time periods in 2023, principally attributable to an increase in interest and fees on loans held for sale (LHFS) and LHFI, an increase in interest on deposits and a decline in other interest expense. Interest income totaled \$229.8 million \$239.2 million and \$469.0 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, an increase of \$30.9 million \$20.6 million, or 15.6% 9.4%, and \$51.6 million, or 12.4%, respectively, when compared to

the same time period periods in 2023, principally due to an increase in interest and fees on LHFS and LHFI primarily as a result of the higher interest rate environment and loan growth. Interest expense totaled \$97.0 million \$98.1 million and \$195.1 million for the three and six months ended March 31, 2024 June 30, 2024, an increase of \$35.7 million \$19.5 million, or 58.2% 24.8%, and \$55.2 million, or 39.5%, respectively, when compared to the same time period periods in 2023. The increase in interest expense when the three and six months ended March 31, 2024 is June 30, 2024 are compared to the same time period periods in 2023 was principally due to an increase in interest on deposits primarily due to rising interest rates, increased competition for deposits and higher average balances, partially offset by a decrease in other interest expense primarily due to a decrease in short-term Federal Home Loan Bank (FHLB) advances.

Noninterest income (loss) for the three and six months ended March 31, 2024 June 30, 2024 totaled \$55.3 million a negative \$141.3 million and a negative \$101.9 million, an increase respectively, a decrease of \$4.0 million \$179.1 million and \$176.8 million, or 7.7%, respectively, when compared to the same time period periods in 2023, primarily due to increases the loss on the sale of the available for sale securities and a decline in mortgage banking, net, insurance commissions and partially offset by an increase in other, net. Mortgage banking, Other, net totaled \$8.9 million \$7.5 million and \$10.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, an increase of \$1.3 million \$4.7 million and \$5.3 million, or 16.7%, respectively, when compared to the same time period periods in 2023, principally due to an increase the \$8.1 million Visa C shares fair value adjustment as well as increases in cash management service fees and net gains on the gain sale of premises and equipment, partially offset by the \$4.8 million noncredit-related loss on sales the sale of loans, net. Insurance commissions 1-4 family mortgage loans. Mortgage banking, net totaled \$15.5 million \$4.2 million and \$13.1 million for the first quarter three and six months ended June 30, 2024, respectively, a decrease of 2024, an increase of \$1.2 million \$2.4 million, or 8.1% 36.3%, and \$1.1 million, or 7.9%, respectively, when compared to the same time period in 2023, principally due to increases in commercial property the net negative hedge ineffectiveness and casualty commissions. Other, net totaled \$3.6 million the run-off of the MSR, partially offset by an increase in the gain on sales of loans, net.

Noninterest expense for the first quarter three and six months ended June 30, 2024 totaled \$118.3 million and \$238.0 million, respectively, a decrease of 2024 \$3.3 million, or 2.7%, and \$1.2 million, or 0.5%, respectively, when compared to the same time periods in 2023. The decrease in noninterest expense for the three and six months ended June 30, 2024 was principally due to declines in services and fees and salaries and employee benefits partially offset by an increase in other expense. Services and fees for the three and six months ended June 30, 2024 totaled \$24.7 million and \$49.2 million, respectively, a decrease of \$1.1 million \$3.1 million, or 44.5% 11.1%, and \$3.7 million, or 7.0%, respectively, when compared to the same time periods in 2023, principally due to declines in outside services and fees, primarily related to other services and fees and legal expense, communication expense, primarily related to telephone expense, and advertising expense, partially offset by an increase in data processing expenses related to software. Salaries and employee benefits totaled \$64.8 million and \$130.3 million for the three and six months ended June 30, 2024, respectively, a decrease of \$2.0 million, or 2.9%, and \$1.2 million, or 0.9%, respectively. The decrease in salaries and employee benefits when the three months ended June 30, 2024 is compared to the same time period in 2023 principally due to increases in cash management service fees and other miscellaneous income.

Noninterest expense for the three months ended March 31, 2024 totaled \$131.1 million, an increase of \$2.8 million, or 2.2%, when compared to the same time period in 2023. The increase in noninterest expense for the three months ended March 31, 2024 was principally due to declines in commissions related to mortgage production, annual retail management incentive compensation and various other salaries expenses, partially offset by increases in other expense annual general incentive compensation and broker commissions. The decrease in salaries and employee benefits. Salaries and employee benefits totaled \$75.5 million for when the three six months ended March 31, 2024, an increase of \$1.4 million, or 1.9%, when June 30, 2024 is compared to the same time period in 2023 was principally due to declines in commission expense related to mortgage production, miscellaneous other salaries expenses, annual retail management incentive compensation and medical insurance expense, partially offset by increases in salaries expense, primarily due to general merit increases, partially offset by a decline broker commissions and annual general incentive compensation. Other expense

totaled \$15.2 million and \$31.4 million for the three and six months ended June 30, 2024, respectively, an increase of \$1.5 million, or 10.7%, and \$3.5 million, or 12.3%, respectively, when compared to the same time periods in medical insurance expense. Other 2023. The increase in other expense totaled \$17.0 million for when the three months ended March 31, 2024, an increase of \$2.2 million, or 14.6%, when June 30, 2024 is compared to the same time period in 2023 was principally due to an increase in FDIC assessment expense, primarily due to an increase in the assessment rate.

Trustmark's provision for credit rate, partially offset by declines in various other miscellaneous expenses, including sponsorships and contributions, operational losses (PCL) on LHFI for and franchise taxes. The increase in other expense when the three first six months ended March 31, 2024 totaled \$7.7 million, an increase of \$4.5 million when 2024 is compared to the same time period in 2023. The 2023 was principally due to increases in FDIC assessment expense and other real estate expense, primarily due to an increase in the net loss on the sale of other real estate properties, partially offset by declines in various other miscellaneous expenses, including stationery and supplies expense, sponsorships and contributions, travel and entertainment expense and franchise taxes.

Trustmark's total PCL on LHFI for the three and six months ended March 31, 2024 June 30, 2024 totaled \$23.3 million and \$31.0 million, respectively, and included a \$8.6 million PCL, LHFI sale of 1-4 family mortgage loans for the credit-related portion of the loss on the sale of the 1-4 family mortgage loans. The PCL, LHFI, excluding the PCL, LHFI sale of 1-4 family mortgage loans, totaled \$14.7 million and \$22.4 million for the three and six months ended June 30, 2024, respectively, compared to \$8.2 million and \$11.5 million, respectively, for the same time periods in 2023. The PCL on LHFI, excluding the PCL, LHFI 1-4 family mortgage loans, for the three and six months ended June 30, 2024 primarily

reflected an increase in required reserves as a result of net adjustments to the qualitative factors due to credit migrations and loan growth and net changes in the macroeconomic forecasts resulting from the annual forecast associated with specific loss driver analysis performed during the first quarter of 2024 partially offset by a decline in required reserves models as a result of updates to the qualitative reserve factors loss driver updates. The PCL on off-balance sheet credit exposures totaled a negative \$192 thousand \$3.6 million and a negative \$3.8 million for the three and six months ended March 31, 2024 June 30, 2024, a decrease in the negative provision of \$2.1 million, or 91.4%, when respectively, compared to \$245 thousand and a negative \$2.0 million, respectively, for the same time period periods in 2023. The negative release in PCL on off-balance sheet credit exposures for the three and six months ended March 31, 2024 June 30, 2024, primarily reflected a decrease in required reserves as a result of a decrease in unfunded commitments largely and changes in the total reserve rate, partially offset by an increase in required reserves as a result of implementing the performance trend qualitative reserve factor. Please see the section captioned "Provision for Credit Losses" for additional information regarding the PCL on LHF and off-balance sheet credit exposures.

At March 31, 2024 June 30, 2024, nonperforming assets totaled \$106.0 million \$50.9 million, a decrease of \$904 thousand, \$56.0 million, or 0.8% 52.4%, compared to December 31, 2023, reflecting a decrease declines in both nonaccrual LHF partially offset by an increase in and other real estate. Nonaccrual LHF totaled \$98.4 million \$44.3 million at March 31, 2024 June 30, 2024, a decrease of \$1.7 million \$55.7 million, or 1.7% 55.7%, relative to December 31, 2023, primarily as a result of the sale of 1-4 family mortgage loans during the second quarter of 2024 as well as the resolution of one large nonaccrual commercial credit in the Texas market region and a significant reduction of one large nonaccrual commercial credit in the Alabama market region, partially offset by one large commercial credit placed on nonaccrual in the Texas Alabama market region as well as an increase in mortgage nonaccruals. region. Other real estate, net totaled \$7.6 million \$6.6 million at March 31, 2024 June 30, 2024, an increase a decrease of \$753 \$281 thousand, or 11.0% 4.1%, when compared to December 31, 2023, principally due to properties sold in the Mississippi and Alabama market regions largely offset by properties foreclosed in the Mississippi market region partially offset by properties sold in the Alabama and Mississippi market regions as well as write-downs of properties in the Texas market region.

LHF totaled \$13.058 billion \$13.155 billion at March 31, 2024 June 30, 2024, an increase of \$107.4 million \$204.9 million, or 0.8% 1.6%, compared to December 31, 2023. The increase in LHF during the first three six months of 2024 was primarily due to net growth in LHF secured by real estate and other commercial loans and leases partially offset by a decline declines in commercial and industrial LHF and state and other political subdivision LHF. For additional information regarding changes in LHF and comparative balances by loan category, see the section captioned "LHF."

Management has continued its practice of maintaining excess funding capacity to provide Trustmark with adequate liquidity for its ongoing operations. In this regard, Trustmark benefits from its strong deposit base, its investment portfolio and its access to funding from a variety of external funding sources such as upstream federal funds lines, FHLB advances and brokered deposits. See the section captioned "Capital Resources and Liquidity" for further discussion of the components of Trustmark's excess funding capacity.

Total deposits were \$15.339 billion \$15.463 billion at March 31, 2024 June 30, 2024, a decrease of \$231.2 million \$106.9 million, or 1.5% 0.7%, compared to December 31, 2023. During the first three six months of 2024, noninterest-bearing deposits decreased \$158.0 million \$44.1 million, or 4.9% 1.4%, as a result of principally due to declines in all categories of commercial noninterest-bearing deposits reflecting customers migration into higher-yielding products. demand deposit accounts. Interest-bearing deposits decreased \$73.2 million \$62.8 million, or 0.6% 0.5%, during the first three six months of 2024, primarily due to declines in public and consumer interest checking accounts and consumer certificates of deposits (CDs), savings accounts, partially offset by growth in commercial interest checking accounts, business and consumer money market deposit accounts (MMDA) and all categories of certificates of deposits (CDs).

Federal funds purchased and securities sold under repurchase agreements totaled \$393.2 million \$314.1 million at March 31, 2024 June 30, 2024, a decrease of \$12.5 million \$91.6 million, or 3.1% 22.6%, compared to December 31, 2023, principally due to a decrease in upstream federal funds purchased. Other borrowings totaled \$482.0 million \$336.7 million at March 31, 2024 June 30, 2024, a decrease of \$1.2 million \$146.5 million, or 0.2% 30.3%, compared to December 31, 2023, principally due to a decline in GNMA loans eligible for repurchase, outstanding short-term FHLB advances with the FHLB of Dallas.

Recent Legislative and Regulatory Developments

Bank Merger Review

On March 21, 2024, the FDIC published proposed revisions to its Statement of Policy on Bank Merger Transactions that may change the way the FDIC reviews bank merger applications. While the Federal Reserve has not issued a similar proposal, Federal Reserve Vice Chair for Supervision Michael Barr has stated that the Federal Reserve is working

with the Department of Justice to update guidelines setting forth standards for the review of the competitive impact of a bank merger transaction. These pending regulatory revisions create uncertainty regarding the standards that the agencies may apply to their review of bank mergers and may make it more difficult and/or costly to obtain regulatory approval of a bank merger, or otherwise result in more burdensome conditions in approval orders than the agencies have previously imposed. Additionally, the agencies may begin to apply new standards in practice before they formally finalize any material changes to their merger policies. As a result, these new standards may limit banking organizations' ability to grow through an acquisition or make it more costly or less beneficial for them to do so.

the regulatory developments included in Trustmark's 2023 Annual Report. For additional information regarding legislation and regulation applicable to Trustmark, see the section captioned "Supervision and Regulation" included in Part I, Item 1. – Business of Trustmark's 2023 Annual Report.

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Selected Financial Data

The following tables present financial data derived from Trustmark's consolidated financial statements as of and for the periods presented (\$ in thousands, except per share data):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Consolidated Statements of Income						
Consolidated Statements of Income (Loss)						
Total interest income	\$ 229,840	\$ 198,900	\$ 239,151	\$ 218,528	\$ 468,991	\$ 417,428
Total interest expense	97,010	61,305	98,122	78,624	195,132	139,929
Net interest income	132,830	137,595	141,029	139,904	273,859	277,499
PCL, LHFI	7,708	3,244	14,696	8,211	22,404	11,455
PCL, LHFI sale of 1-4 family mortgage loans	8,633	—	8,633	—		
PCL, off-balance sheet credit exposures	(192)	(2,242)	(3,600)	245	(3,792)	(1,997)
Noninterest income	55,349	51,377				
Noninterest income (loss)	(141,286)	37,829	(101,931)	74,907		
Noninterest expense	131,146	128,327	118,326	121,621	237,990	239,210
Income before income taxes	49,517	59,643				
Income taxes	7,982	9,343				
Net Income	\$ 41,535	\$ 50,300				
Income (loss) from continuing operations before income taxes	(138,312)	47,656	(93,307)	103,738		
Income taxes from continuing operations	(37,707)	6,452	(30,875)	14,889		
Income (loss) from continuing operations	(100,605)	41,204	(62,432)	88,849		
Income from discontinued operations before income taxes	232,640	5,127	237,152	8,688		
Income taxes from discontinued operations	58,203	1,294	59,353	2,200		
Income from discontinued operations	174,437	3,833	177,799	6,488		
Net income	\$ 73,832	\$ 45,037	\$ 115,367	\$ 95,337		
Total Revenue (1)	\$ 188,179	\$ 188,972	\$ (257)	\$ 177,733	\$ 171,928	\$ 352,406
Per Share Data						
Basic EPS	\$ 0.68	\$ 0.82				
Diluted EPS	0.68	0.82				
Per Share Data (2)						
Basic earnings (loss) per share (EPS) from continuing operations	\$ (1.64)	\$ 0.67	\$ (1.02)	\$ 1.46		
Basic EPS from discontinued operations	\$ 2.85	\$ 0.06	\$ 2.91	\$ 0.11		
Basic EPS - total	\$ 1.21	\$ 0.74	\$ 1.89	\$ 1.56		

Diluted EPS from continuing operations	\$ (1.64)	\$ 0.67	\$ (1.02)	\$ 1.45
Diluted EPS from discontinued operations	\$ 2.84	\$ 0.06	\$ 2.90	\$ 0.11
Diluted EPS - total	\$ 1.20	\$ 0.74	\$ 1.88	\$ 1.56
 Cash dividends per share	 0.23	 0.23	 \$ 0.23	 \$ 0.46
 Performance Ratios	 9.96 %	 13.39 %	 17.19 %	 11.43 %
Return on average equity	9.96 %	13.39 %	17.19 %	11.43 %
Return on average equity from continuing operations	(23.42)%	10.46 %	(7.38)%	11.54 %
Return on average tangible equity	12.98 %	18.03 %	21.91 %	15.18 %
Return on average tangible equity from continuing operations	(29.05)%	13.28 %	(9.18)%	14.75 %
Return on average assets	0.89 %	1.10 %	1.58 %	0.96 %
Return on average assets from continuing operations	(2.16)%	0.88 %	(0.67)%	0.97 %
Average equity / average assets	8.98 %	8.24 %	9.20 %	8.42 %
Net interest margin (fully taxable equivalent)	3.21 %	3.39 %	3.38 %	3.33 %
Dividend payout ratio	33.82 %	28.05 %	19.01 %	31.08 %
Dividend payout ratio from continuing operations	(14.02)%	34.33 %	(45.10)%	31.51 %
 Credit Quality Ratios	 8.98 %	 8.24 %	 9.20 %	 8.42 %
Net charge-offs (recoveries) / average loans	0.12 %	0.04 %		
PCL, LHFI / average loans	0.24 %	0.10 %		
Net charge-offs (recoveries) (excl sale of 1-4 family mortgage loans) / average loans	0.09 %	0.04 %	0.11 %	0.04 %
PCL, LHFI (excl PCL, LHFI sale of 1-4 family mortgage loans) / average loans	0.44 %	0.26 %	0.34 %	0.18 %
Nonaccrual LHFI / (LHFI + LHFS)	0.74 %	0.57 %	0.33 %	0.59 %
Nonperforming assets / (LHFI + LHFS) plus other real estate	0.80 %	0.58 %	0.38 %	0.60 %
ACL, LHFI / LHFI	1.10 %	0.98 %	1.18 %	1.03 %

(1) Consistent with Trustmark's audited annual financial statements, total revenue is defined as net interest income plus noninterest income (loss).

(2) Due to rounding, EPS from continuing operations and discontinued operations may not sum to EPS from net income.

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	March 31,		June 30,	
	2024	2023	2024	2023
Consolidated Balance Sheets				
Total assets	\$ 18,376,612	\$ 18,877,178	\$ 18,452,487	\$ 18,422,626
Securities	3,117,324	3,458,500	3,002,146	3,330,548
Total loans (LHFI + LHFS)	13,230,880	12,673,121	13,341,116	12,795,061
Deposits	15,338,557	14,783,661	15,462,888	14,913,900
Total shareholders' equity	1,682,599	1,562,099	1,879,141	1,571,193
Stock Performance				
Market value - close	\$ 28.11	\$ 24.70	\$ 30.04	\$ 21.12
Book value	27.50	25.59	30.70	25.73
Tangible book value	21.18	19.24	25.23	20.24

Capital Ratios	31, 2024	31, 2023	30, 2024	30, 2023
Total equity / total assets	9.16 %	8.28 %	10.18 %	8.53 %
Tangible equity / tangible assets	7.20 %	6.35 %	8.52 %	6.83 %
Tangible equity / risk-weighted assets	8.49 %	7.94 %	10.18 %	8.26 %
Tier 1 leverage ratio	8.76 %	8.29 %	9.29 %	8.35 %
Common equity Tier 1 risk-based capital ratio	10.12 %	9.76 %	10.92 %	9.87 %
Tier 1 risk-based capital ratio	10.51 %	10.17 %	11.31 %	10.27 %
Total risk-based capital ratio	12.42 %	11.95 %	13.29 %	12.08 %

Non-GAAP Financial Measures

In addition to capital ratios defined by U.S. generally accepted accounting principles (GAAP) and banking regulators, Trustmark utilizes various tangible common equity measures when evaluating capital utilization and adequacy. Tangible common equity, as defined by Trustmark, represents common equity less goodwill and identifiable intangible assets. Trustmark's common equity Tier 1 capital includes common stock, capital surplus and retained earnings, and is reduced by goodwill and other intangible assets, net of associated net deferred tax liabilities as well as disallowed deferred tax assets and threshold deductions as applicable.

Trustmark believes these measures are important because they reflect the level of capital available to withstand unexpected market conditions. Additionally, presentation of these measures allows readers to compare certain aspects of Trustmark's capitalization to other organizations. These ratios differ from capital measures defined by banking regulators principally in that the numerator excludes shareholders' equity associated with preferred securities, the nature and extent of which varies across organizations. In Management's experience, many stock analysts use tangible common equity measures in conjunction with more traditional bank capital ratios to compare capital adequacy of banking organizations with significant amounts of goodwill or other intangible assets, typically stemming from the use of the purchase accounting method in accounting for mergers and acquisitions.

These calculations are intended to complement the capital ratios defined by GAAP and banking regulators. Because GAAP does not include these capital ratio measures, Trustmark believes there are no comparable GAAP financial measures to these tangible common equity ratios. Despite the importance of these measures to Trustmark, there are no standardized definitions for them and, as a result, Trustmark's calculation methods may not be comparable with those of other organizations. Also, there may be limits in the usefulness of these measures to investors. As a result, Trustmark encourages readers to consider its consolidated financial statements and the notes related thereto in their entirety and not to rely on any single financial measure.

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The following table reconciles Trustmark's calculation of these measures to amounts reported under GAAP for the periods presented (\$ in thousands, except per share data):

TANGIBLE EQUITY	Three Months Ended March 31,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	AVERAGE BALANCES							
Total shareholders' equity	\$ 1,676,521	\$ 1,523,828			\$ 1,727,489	\$ 1,580,291	\$ 1,702,005	\$ 1,552,215
Less: Goodwill	(384,237)	(384,237)			(334,605)	(334,605)	(334,605)	(334,605)
Identifiable intangible assets	(2,920)	(3,523)			(195)	(320)	(210)	(381)
Total average tangible equity	\$ 1,289,364	\$ 1,136,068			\$ 1,392,689	\$ 1,245,366	\$ 1,367,190	\$ 1,217,229
PERIOD END BALANCES								
Total shareholders' equity	\$ 1,682,599	\$ 1,562,099			\$ 1,879,141	\$ 1,571,193		
Less: Goodwill	(384,237)	(384,237)			(334,605)	(334,605)		
Identifiable intangible assets	(2,845)	(3,352)			(181)	(303)		
Total tangible equity	(a)	\$ 1,295,517	\$ 1,174,510	(a)	\$ 1,544,355	\$ 1,236,285		

TANGIBLE ASSETS					
Total assets		\$ 18,376,612	\$ 18,877,178	\$ 18,452,487	\$ 18,422,626
Less: Goodwill		(384,237)	(384,237)	(334,605)	(334,605)
Identifiable intangible assets		(2,845)	(3,352)	(181)	(303)
Total tangible assets	(b)	\$ 17,989,530	\$ 18,489,589	\$ 18,117,701	\$ 18,087,718
Risk-weighted assets	(c)	\$ 15,257,385	\$ 14,793,893	\$ 15,165,038	\$ 14,966,614
NET INCOME ADJUSTED FOR INTANGIBLE AMORTIZATION		NET INCOME ADJUSTED FOR INTANGIBLE AMORTIZATION		NET INCOME ADJUSTED FOR INTANGIBLE AMORTIZATION	
Net income		\$ 41,535	\$ 50,300		
Plus: Intangible amortization net of tax		90	216		
Net income adjusted for intangible amortization		\$ 41,625	\$ 50,516		
Net income (loss) from continuing operations		\$ (100,605)	\$ 41,204	\$ (62,432)	\$ 88,849
Plus: Intangible amortization net of tax from continuing operations		20	25	40	167
Net income (loss) from continuing operations adjusted for intangible amortization		\$ (100,585)	\$ 41,229	\$ (62,392)	\$ 89,016
Period end shares outstanding	(d)	61,178,366	61,048,516	(d)	61,205,969
					61,069,036
TANGIBLE EQUITY MEASUREMENTS					
Return on average tangible equity (1)		12.98 %	18.03 %		
Return on average tangible equity from continuing operations (1)		(29.05) %	13.28 %	-9.18 %	14.75 %
Tangible equity/tangible assets	(a)/(b)	7.20 %	6.35 %	(a)/(b)	8.52 %
Tangible equity/risk-weighted assets	(a)/(c)	8.49 %	7.94 %	(a)/(c)	10.18 %
Tangible book value	(a)/(d)*1,000	\$ 21.18	\$ 19.24	(a)/(d)*1,000	\$ 25.23
					\$ 20.24
COMMON EQUITY TIER 1 CAPITAL (CET1)					
Total shareholders' equity		\$ 1,682,599	\$ 1,562,099	\$ 1,879,141	\$ 1,571,193
CECL transitional adjustment		6,500	13,000	6,500	13,000
AOCL-related adjustments		227,154	242,381	91,557	265,704
CET1 adjustments and deductions:					
Goodwill net of associated deferred tax liabilities (DTLs)		(370,205)	(370,234)	(320,758)	(370,227)
Other adjustments and deductions for CET1 (2)		(2,588)	(3,275)	(847)	(2,915)
CET1 capital	(e)	1,543,460	1,443,971	(e)	1,655,593
Additional Tier 1 capital instruments					1,476,755
plus related surplus		60,000	60,000	60,000	60,000
Tier 1 Capital		\$ 1,603,460	\$ 1,503,971		
Tier 1 capital		\$ 1,715,593	\$ 1,536,755		
Common equity Tier 1 risk-based capital ratio	(e)/(c)	10.12 %	9.76 %		
Common equity tier 1 risk-based capital ratio	(e)/(c)	10.92 %	9.87 %		

(1) Calculated using annualized net income (loss) from continuing operations adjusted for intangible amortization divided by total average tangible equity.
 (2) Includes other intangible assets, net of DTLs, disallowed deferred tax assets and threshold deductions, as applicable.

Trustmark discloses certain non-GAAP financial measures, including net income adjusted for significant non-routine transactions, because Management uses these measures for business planning purposes, including to manage Trustmark's business against internal projected results of operations and to measure Trustmark's performance. Trustmark views these as measures of its core operating business, which exclude the impact of the items detailed below, as these items are generally not operational in nature. These non-GAAP financial measures also provide another basis for comparing period-to-period results as presented in the accompanying selected financial data table and the consolidated financial statements by excluding potential differences caused by non-operational and unusual or non-recurring items. Readers are cautioned that these adjustments are not permitted under GAAP. Trustmark encourages readers to consider its consolidated financial statements and the notes related thereto in their entirety, and not to rely on any single financial measure.

The following table presents adjustments to net income and selected financial ratios as reported in accordance with GAAP resulting from significant non-routine items occurring during the periods presented (\$ in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Income (loss) from continuing operations (GAAP)	\$ (100,605)	\$ 41,204	\$ (62,432)	\$ 88,849
Significant non-routine transactions (net of taxes):				
PCL, LHFI sale of 1-4 family mortgage loans	6,475	—	6,475	—
Loss on sale of 1-4 family mortgage loans	3,598	—	3,598	—
Visa C shares fair value adjustment	(6,042)	—	(6,042)	—
Security gains (losses), net	137,094	—	137,094	—
Net income adjusted for significant non-routine transactions (Non-GAAP)	\$ 40,520	\$ 41,204	\$ 78,693	\$ 88,849
Diluted EPS from adjusted continuing operations	\$ 0.66	\$ 0.67	\$ 1.28	\$ 1.45
Financial Ratios - Reported (GAAP)				
Return on average equity from continuing operations	-23.42 %	10.46 %	-7.38 %	11.54 %
Return on average tangible equity from continuing operations	-29.05 %	13.28 %	-9.18 %	14.75 %
Return on average assets from continuing operations	-2.16 %	0.88 %	-0.67 %	0.97 %
Financial Ratios - Adjusted (Non-GAAP)				
Return on average equity from adjusted continuing operations	9.06 %	10.46 %	9.11 %	11.54 %
Return on average tangible equity from adjusted continuing operations	11.14 %	13.28 %	11.29 %	14.75 %
Return on average assets from adjusted continuing operations	0.87 %	0.88 %	0.85 %	0.97 %

Results of Operations

Net Interest Income

Net interest income is the principal component of Trustmark's income stream and represents the difference, or spread, between interest and fee income generated from earning assets and the interest expense paid on deposits and borrowed funds. Fluctuations in interest rates, as well as volume and mix changes in earning assets and interest-bearing liabilities, can materially impact net interest income. The net interest margin is computed by dividing fully taxable equivalent (FTE) net interest income by average interest-earning assets and measures how effectively Trustmark utilizes its interest-earning assets in relationship to the interest cost of funding them. The accompanying yield/rate analysis table shows the average balances for all assets and liabilities of Trustmark and the interest income or expense associated with earning assets and interest-bearing liabilities. The yields and rates have been computed based upon interest income and expense adjusted to a FTE basis using the federal statutory corporate tax rate in effect for each of the periods shown. Loans on nonaccrual have been included in the average loan balances, and interest collected prior to these loans having been placed on nonaccrual has been included in interest income. Loan fees included in interest associated with the average LHFS and LHFI balances were immaterial.

Net interest income-FTE for the three months ended **March 31, 2024** decreased **\$4.9 million** **June 30, 2024**, increased **\$1.0 million**, or **3.5%** **0.7%**, when compared to the same time period in 2023 principally due to an increase in interest and fees on LHFS and LHFI-FTE and a decline in other interest expense, partially offset by an increase in interest on deposits. Net interest income-FTE for the six months ended June 30, 2024 decreased **\$3.8 million**, or **1.3%**, when compared with the same time period in 2023. The decrease in net interest income-FTE when the three months ended **March 31, 2024** is compared to the same time period in 2023 was principally due to an increase in interest on deposits partially offset by an increase in interest and fees on LHFS and LHFI-FTE and a decrease in other interest expense. The net interest margin-FTE for the three months ended **March 31, 2024** decreased **18** **June 30, 2024** increased **5** basis points to **3.21%** **3.38%** when compared to the same time period in 2023. The increase in the net interest margin for the three months ended June 30, 2024 when compared to the same time period in 2023, was principally due to increases in the yields on the LHFS and LHFI portfolios and the securities portfolio, primarily due to the restructuring of the available for sale securities portfolio during the second quarter of 2024, partially offset by an increase in the cost of interest-bearing deposits. The net interest margin-FTE for the six months ended June 30, 2024 decreased **7** basis points to **3.29%** when compared to the same time period in 2023. The decrease in the net interest margin for the **three** **six** months ended **March 31, 2024** **June 30, 2024** when compared to the same time period in 2023, was principally due to an increase in the cost of interest-bearing deposits partially offset by the increase in the yield on the LHFS and LHFI portfolios.

Average interest-earning assets for the three months ended **March 31, 2024** **June 30, 2024** was **\$17.088 billion** **\$17.189 billion** compared to **\$16.856 billion** **\$17.248 billion** for the same time period in 2023, a decline of **\$59.0 million**, or **0.3%**, principally due to a decline in average total securities and average other earning assets partially offset by an increase in average loans (LHFS and LHFI). Average interest-earning assets for the six months ended June 30, 2024 was **\$17.139 billion** compared to **\$17.058 billion** for the same time period in 2023, an increase of **\$231.3 million** **\$80.5 million**, or **1.4%**. The increase in average interest-earning assets for the three months ended **March 31, 2024** when compared to the same time period in 2023, was **0.5%**.

principally due to an increase in average loans (LHFS and LHFI) partially offset by a decline in average total securities and average other earning assets. Average loans (LHFS and LHFI) increased **\$639.4 million** **\$577.1 million**, or **5.1%** **4.5%**, and **\$607.7 million**, or **4.8%**, when the three and six months ended **March 31, 2024** is **June 30, 2024**, respectively, are compared to the same time period periods in 2023, principally due to an increase in the average balance of the LHFI portfolio of **\$603.6 million** **\$571.8 million**, or **4.9%**, **4.6%**, and **\$587.2 million**, or **4.7%**, respectively. The increase in the LHFI portfolio when the balances at **March 31, 2024** **June 30, 2024** are compared to **March 31, 2023** **June 30, 2023** was principally due to net growth in LHFI secured by real estate and other commercial loans and leases, partially offset by a decrease in state and other political subdivision LHFI leases. Average total securities declined **\$329.3 million** **\$322.5 million**, or **9.0%** **8.9%**, and **\$325.7 million**, or **8.9%**, when the three and six months ended **March 31, 2024** is **June 30, 2024** are compared to the same time period periods in 2023, principally due to available for sale securities sold net of available for sale securities purchased as part of the restructuring of the available for sale securities portfolio during the second quarter of 2024 as well as calls, maturities and pay-downs of the loans underlying GSE guaranteed securities. Average other earning assets decreased **\$76.5 million** **\$310.4 million**, or **11.8%** **34.4%**, and **\$198.7 million**, or **25.5%**, respectively, when the three and six months ended **March 31, 2024** is **June 30, 2024** are compared to the same time period periods in 2023, primarily due to decreases in reserves held at the FRBA and investments in FHLB stock.

Interest income-FTE for the three and six months ended **March 31, 2024** **June 30, 2024** totaled **\$233.2 million** **\$242.5 million** and **\$475.7 million**, respectively, an increase of **\$30.8 million** **\$20.5 million**, or **15.2%** **9.3%**, and **\$51.4 million**, or **12.1%**, respectively, while the yield on total earning assets increased to **5.49%** **5.67%** and **5.58%**, respectively, compared to **4.87%** **5.16%** and **5.02%**, respectively, for the same time period periods in 2023. The increase in interest income-FTE for the three and six months ended **March 31, 2024** **June 30, 2024** was primarily due to an increase in interest and fees on LHFS and LHFI-FTE. During the three and six months ended **March 31, 2024** **June 30, 2024**, interest and fees on LHFS and LHFI-FTE increased **\$30.5 million** **\$23.5 million**, or **17.0%** **12.2%**, and **\$53.9 million**, or **14.5%**, respectively, while the yield on LHFS and LHFI increased **61.46** basis points to **6.40%** **6.54%** and **53** basis points to **6.47%**, respectively, when compared to the same time period periods in 2023, primarily due to the higher interest rate environment as well as the increase in the average balance of LHFI.

Average interest-bearing liabilities for both the three and six months ended **March 31, 2024** **June 30, 2024** totaled **\$13.376 billion** **\$13.377 billion** compared to **\$12.585 billion** **\$13.047 billion** and **\$12.817 billion**, respectively, for the same time period periods in 2023, an increase of **\$791.5 million** **\$330.2 million**, or **6.3%** **2.5%**, and **\$559.6 million**, or **4.4%**, respectively. The increase in average interest-bearing liabilities when the three and six months ended **March 31, 2024** is **June 30, 2024** are compared to the same time period periods in 2023 was primarily the result of an increase in average interest-bearing deposits partially offset by a decline in average other borrowings. Average interest-bearing deposits for the three and six months ended **March 31, 2024** **June 30, 2024** increased **\$1.447 billion** **\$1.081 billion**, or **13.3%** **9.7%**, and **\$1.263 billion**, or **11.5%**, respectively, when compared to the same time period periods in 2023, reflecting growth in average time deposits and average interest-bearing demand deposits, partially offset by declines in average savings deposits. Average other borrowings for the three and six months ended **March 31, 2024** **June 30, 2024** decreased **\$647.2 million** **\$795.4 million**, or **49.9%** **52.5%**, and **\$721.9**

million, or 51.3%, respectively, when compared to the same time period periods in 2023, principally due to the decrease in outstanding short-term FHLB advances with the FHLB of Dallas as a result of changes in funding needs.

Interest expense for the three and six months ended **March 31, 2024** **June 30, 2024** totaled **\$97.0 million** **\$98.1 million** and **\$195.1 million**, respectively, an increase of **\$35.7 million** **\$19.5 million**, or **58.2%** **24.8%**, and **\$55.2 million**, or **39.5%**, respectively, when compared with the same time period periods in 2023, while the rate on total interest-bearing liabilities increased **94** **53** basis points to **2.92%** **2.95%** and **73** basis points to **2.93%**, respectively, principally due to an increase in interest on deposits partially offset by a decline in other interest expense. Interest on deposits for the three and six months ended **March 31, 2024** **June 30, 2024** increased **\$42.8 million** **\$29.3 million**, or **53.8%**, and **\$72.1 million**, or **75.6%**, respectively, while the rate on interest-bearing deposits increased **121** **79** basis points to **2.74%** **2.75%** and **100** basis points to **2.75%**, respectively, when compared to the same time period periods in 2023, primarily due to higher interest rates, reflecting the increased competitive pressures on deposits, and increases in average balances of time deposits and MMA accounts. Other interest expense for the three and six months ended **March 31, 2024** **June 30, 2024** decreased **\$7.9 million** **\$10.6 million**, or **50.5%** **54.6%**, and **\$18.4 million**, or **52.8%**, respectively, while the rate on other borrowings decreased **21** basis points to **4.78%** **4.91%** and **17** basis points to **4.84%**, respectively, when compared to **4.87%** for the same time period periods in 2023, primarily due to the decrease in outstanding short-term FHLB advances with the FHLB of Dallas.

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The following table provides the tax equivalent basis yield or rate for each component of the tax equivalent net interest margin for the periods presented (\$ in thousands):

	Three Months Ended June 30,												Three Months Ended March 31,												2024												2023															
	2024						2023						2024						2023						2024						2023																					
	Average Balance		Interest		Yield/Rate		Average Balance		Interest		Yield/Rate		Average Balance		Interest		Yield/Rate		Average Balance		Interest		Yield/Rate		Average Balance		Interest		Yield/Rate																							
	Balance		Interest		Rate		Balance		Interest		Rate		Balance		Interest		Rate		Balance		Interest		Rate		Balance		Interest		Rate																							
Assets																																																				
Interest-earning assets:																																																				
Federal funds sold and securities purchased under reverse repurchase																																																				
agreements	\$ 114	\$ 1	3.53%	\$ 2,379	\$ 30	5.11%	\$ 110	\$ 2	7.31%	\$ 3,275	\$ 45	5.51%																																								
Securities - taxable	3,346,095	15,634	1.88%	3,666,404	16,761	1.85%	3,287,473	17,929	2.19%	3,603,591	16,779	1.87%																																								
Securities - nontaxable	340	4	4.73%	9,321	92	4.00%	112	1	3.59%	6,514	69	4.25%																																								
Loans (LHFS and LHFI)	13,169,805	209,456	6.40%	12,530,449	178,967	5.79%	13,309,127	216,399	6.54%	12,732,057	192,941	6.08%																																								
Other earning assets	571,215	8,110	5.71%	647,760	6,527	4.09%	592,625	8,124	5.51%	903,027	12,077	5.36%																																								
Total interest-earning assets	17,087,569	233,205	5.49%	16,856,313	202,377	4.87%	17,189,447	242,455	5.67%	17,248,464	221,911	5.16%																																								
Other assets	1,730,521			1,762,449			1,740,307			1,648,583																																										
ACL, LHFI	(138,711)			(119,978)			(143,245)			(121,960)																																										
Total Assets	\$ 18,679,379			\$ 18,498,784																																																
Total assets	\$ 18,786,509			\$ 18,775,087																																																
Liabilities and Shareholders' Equity																																																				
Interest-bearing liabilities:																																																				
Interest-bearing deposits	\$ 12,299,407	83,716	2.74%	\$ 10,852,367	40,898	1.53%	\$ 12,222,381	83,681	2.75%	\$ 11,141,623	54,409	1.96%																																								
Federal funds purchased and securities sold under repurchase agreements	428,127	5,591	5.25%	436,535	4,832	4.49%	434,760	5,663	5.24%	389,834	4,865	5.01%																																								

Other borrowings	648,816	7,703	4.78%	1,295,980	15,575	4.87%	719,762	8,778	4.91%	1,515,203	19,350	5.12%
Total interest-bearing liabilities	13,376,350	97,010	2.92%	12,584,882	61,305	1.98%	13,376,903	98,122	2.95%	13,046,660	78,624	2.42%
Noninterest-bearing demand deposits	3,120,566			3,813,248			3,183,524			3,595,927		
Other liabilities	505,942			576,826			498,593			552,209		
Shareholders' equity	1,676,521			1,523,828			1,727,489			1,580,291		
Total Liabilities and Shareholders' Equity	\$ 18,679,379			\$ 18,498,784								
Total liabilities and shareholders' equity	\$ 18,786,509			\$ 18,775,087								
Net Interest Margin	136,195	3.21%		141,072	3.39%							
Net interest margin	144,333	3.38%		143,287	3.33%							
Less tax equivalent adjustment	3,365			3,477			3,304			3,383		
Net Interest Margin per Consolidated Statements of Income	\$ 132,830			\$ 137,595								
Net interest margin per consolidated statements of income (loss)	\$ 141,029			\$ 139,904								

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	Six Months Ended June 30,					
	2024			2023		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Interest-earning assets:						
Federal funds sold and securities purchased under reverse repurchase agreements	\$ 112	\$ 3	5.39%	\$ 2,829	\$ 75	5.35%
Securities - taxable	3,316,784	33,563	2.03%	3,634,824	33,540	1.86%
Securities - nontaxable	226	5	4.45%	7,910	161	4.10%
Loans (LHFS and LHFI)	13,239,466	425,855	6.47%	12,631,810	371,908	5.94%
Other earning assets	581,920	16,234	5.61%	780,657	18,604	4.81%
Total interest-earning assets	17,138,508	475,660	5.58%	17,058,030	424,288	5.02%
Other assets	1,735,414			1,700,643		
ACL, LHFI	(140,978)			(120,974)		
Total assets	\$ 18,732,944			\$ 18,637,699		
Liabilities and Shareholders' Equity						
Interest-bearing liabilities:						
Interest-bearing deposits	\$ 12,260,895	167,397	2.75%	\$ 10,997,795	95,307	1.75%

Federal funds purchased and securities sold under repurchase agreements	431,444	11,254	5.25 %	413,055	9,697	4.73 %
Other borrowings	684,290	16,481	4.84 %	1,406,197	34,925	5.01 %
Total interest-bearing liabilities	13,376,629	195,132	2.93 %	12,817,047	139,929	2.20 %
Noninterest-bearing demand deposits	3,152,045			3,703,987		
Other liabilities	502,265			564,450		
Shareholders' equity	1,702,005			1,552,215		
Total liabilities and shareholders' equity	\$ 18,732,944			\$ 18,637,699		
Net interest margin		280,528	3.29 %		284,359	3.36 %
Less tax equivalent adjustment		6,669			6,860	
Net interest margin per consolidated statements of income (loss)	\$ 273,859			\$ 277,499		

Provision for Credit Losses

The PCL, LHFI is the amount necessary to maintain the ACL for LHFI at the amount of expected credit losses inherent within the LHFI portfolio. The amount of PCL and the related ACL for LHFI are based on Trustmark's ACL methodology. The PCL, LHFI, excluding the PCL, LHFI sale of 1-4 family mortgage loans, totaled \$7.7 million \$14.7 million and \$22.4 million for the three and six months ended **March 31, 2024** June 30, 2024, respectively, compared to \$3.2 million \$8.2 million and \$11.5 million, respectively, for the same time period periods in 2023. The PCL on LHFI, excluding the PCL, LHFI sale of 1-4 family mortgage loans, for the three and six months ended **March 31, 2024** June 30, 2024 primarily reflected an increase in required reserves as a result of net adjustments to the qualitative factors due to credit migrations and loan growth and net changes in the macroeconomic forecasts resulting from the annual forecast associated with specific loss driver analysis performed during the first quarter of 2024 partially offset by a decline in required reserves models as a result of updates to the qualitative reserve factors, loss driver updates.

FASB ASC Topic 326 requires Trustmark to estimate expected credit losses for off-balance sheet credit exposures which are not unconditionally cancellable by Trustmark. Trustmark maintains a separate ACL for off-balance sheet credit exposures, including unfunded commitments and letters of credit. Adjustments to the ACL on off-balance sheet credit exposures are recorded to the PCL, off-balance sheet credit exposures. The PCL, off-balance sheet credit exposures totaled a negative \$192 thousand \$3.6 million and a negative \$3.8 million for the three and six months ended **March 31, 2024** June 30, 2024, respectively, compared to \$245 thousand and a negative \$2.2 million \$2.0 million, respectively, for the same time period periods in 2023. The negative release in PCL on off-balance sheet credit exposures for the three and six months ended **March 31, 2024** June 30, 2024, primarily reflected a decrease in required reserves as a result of a decrease in unfunded commitments largely and changes in the total reserve rate, partially offset by an increase in required reserves as a result of implementing the performance trend qualitative reserve factor.

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See the section captioned "Allowance for Credit Losses" for information regarding Trustmark's ACL methodology as well as further analysis of the PCL.

Noninterest Income (Loss)

Noninterest income represented 29.4% of total revenue for the three months ended March 31, 2024, compared to 27.2% for the three months ended March 31, 2023. The following table provides the comparative components of noninterest income (loss) for the periods presented (\$ in thousands):

	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Service charges on deposit accounts	\$ 10,958	\$ 10,336	\$ 622	6.0 %	\$ 10,924	\$ 10,695	\$ 229	2.1 %	\$ 21,882	\$ 21,031	\$ 851	4.0 %
Bank card and other fees	7,428	7,803	(375)	-4.8 %	9,225	8,917	308	3.5 %	16,653	16,720	(67)	-0.4 %
Mortgage banking, net	8,915	7,639	1,276	16.7 %	4,204	6,600	(2,396)	-36.3 %	13,119	14,239	(1,120)	-7.9 %

Insurance commissions	15,464	14,305	1,159	8.1 %								
Wealth management	8,952	8,780	172	2.0 %	9,692	8,882	810	9.1 %	18,644	17,662	982	5.6 %
Other, net	3,632	2,514	1,118	44.5 %	7,461	2,735	4,726	n/m	10,563	5,255	5,308	n/m
Total noninterest income	\$ 55,349	\$ 51,377	\$ 3,972	7.7 %								
Security gains (losses), net	(182,792)	—	(182,792)	n/m	(182,792)	—	(182,792)	n/m				
Total noninterest income	\$ (141,286)	\$ 37,829	\$ (179,115)	n/m	\$ (101,931)	\$ 74,907	\$ (176,838)	n/m				

n/m - percentage changes greater than +/- 100% are not considered meaningful

Changes in various components of noninterest income (loss) are discussed in further detail below. For analysis of Trustmark's insurance commissions and wealth management income, please see the section captioned "Results of Segment Operations."

Mortgage Banking, Net

The following table illustrates the components of mortgage banking, net included in noninterest income (loss) for the periods presented (\$ in thousands):

	Three Months Ended March 31,							
	2024		2023		\$ Change			
	\$	6,934	\$	6,785	\$	149		
Mortgage servicing income, net						2.2 %		
Change in fair value-MSR from runoff		(1,926)		(1,145)		(781)		
Gain on sales of loans, net		5,009		3,797		1,212		
Mortgage banking income before net hedge ineffectiveness	\$	10,017	\$	9,437	\$	580		
Change in fair value-MSR from market changes		5,123		(3,972)		9,095		
Change in fair value of derivatives		(6,225)		2,174		(8,399)		
Net hedge ineffectiveness		(1,102)		(1,798)		696		
Mortgage banking, net	\$	8,915	\$	7,639	\$	1,276		
Three Months Ended June 30,								
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Mortgage servicing income, net	\$ 6,993	\$ 6,764	\$ 229	3.4 %	\$ 13,927	\$ 13,549	\$ 378	2.8 %
Change in fair value-MSR from runoff	(3,447)	(2,710)	(737)	-27.2 %	(5,373)	(3,855)	(1,518)	-39.4 %
Gain on sales of loans, net	5,151	3,887	1,264	32.5 %	10,160	7,684	2,476	32.2 %
Mortgage banking income before net hedge ineffectiveness	8,697	7,941	756	9.5 %	18,714	17,378	1,336	7.7 %
Change in fair value-MSR from market changes	(1,626)	5,898	(7,524)	n/m	3,497	1,926	1,571	81.6 %
Change in fair value of derivatives	(2,867)	(7,239)	4,372	60.4 %	(9,092)	(5,065)	(4,027)	-79.5 %
Net hedge ineffectiveness	(4,493)	(1,341)	(3,152)	n/m	(5,595)	(3,139)	(2,456)	-78.2 %
Mortgage banking, net	\$ 4,204	\$ 6,600	\$ (2,396)	-36.3 %	\$ 13,119	\$ 14,239	\$ (1,120)	-7.9 %

n/m - percentage changes greater than +/- 100% are not considered meaningful

The **increase** **decreases** in mortgage banking, net for the three and six months ended **March 31, 2024** **June 30, 2024** when compared to the same time **period** **periods** in 2023 **was** **were** principally due to **increases** in the net negative hedge ineffectiveness and the run-off of the MSR, partially offset by an increase in the gain on sales of loans, net. Mortgage loan production for the three and six months ended **March 31, 2024** **June 30, 2024** was **\$274.0 million** **\$379.5 million** and **\$653.5 million**, respectively, a decrease of **\$87.1 million** **\$51.8 million**, or **24.1%** **12.0%**, and **\$138.9 million**, or **17.5%**, respectively, when compared to the same time **period** **periods** in 2023. Loans serviced for others totaled **\$8.553 billion** **\$8.628 billion** at **March 31, 2024** **June 30, 2024**, compared with **\$8.152 billion** **\$8.260 billion** at **March 31, 2023** **June 30, 2023**, an increase of **\$401.3 million** **\$367.7 million**, or **4.9%** **4.5%**.

Representing a significant component of mortgage banking income is the gain on sales of loans, net. The increase in the gain on sales of loans, net when the three months ended **March 31, 2024** **June 30, 2024** is compared to the same time period in 2023, was primarily the result of higher profit margins in secondary marketing activities. The increase in the gain on sales of loans, net when the six months ended **June 30, 2024** is compared to the same time period in 2023, was primarily the result of higher profit margins in secondary marketing activities and an increase in the volume of loans sold, partially offset by a decline in the mortgage fair value adjustment. Loan sales totaled **\$258.3 million** **\$296.8 million** and **\$555.1 million** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, a decrease of **\$38.7 million**, or 11.5%, and an increase of **\$44.5 million** **\$5.8 million**, or **20.8%** **1.1%**, respectively, when compared with the same time period periods in 2023.

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Other, Net

The following table illustrates the components of other, net included in noninterest income (loss) for the periods presented (\$ in thousands):

	Three Months Ended March 31,															
	2024		2023		\$ Change		% Change									
Partnership amortization for tax credit purposes	\$	(1,834)	\$	(1,961)	\$	127		6.5%								
Increase in life insurance cash surrender value		1,844		1,693		151		8.9%								
Other miscellaneous income		3,622		2,782		840		30.2%								
Total other, net	\$	3,632	\$	2,514	\$	1,118		44.5%								
Three Months Ended June 30,																
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change								
Partnership amortization for tax credit purposes	\$	(1,824)	\$	(2,019)	\$	195	9.7%	\$	(3,658)	\$	(3,980)	\$	322	8.1%		
Increase in life insurance cash surrender value		1,860		1,716		144	8.4%		3,704		3,409		295	8.7%		
Loss on sale of 1-4 family mortgage loans		(4,798)		—		(4,798)	n/m		(4,798)		—		(4,798)	n/m		
Visa C shares fair value adjustment		8,056		—		8,056	n/m		8,056		—		8,056	n/m		
Other miscellaneous income		4,167		3,038		1,129	37.2%		7,259		5,826		1,433	24.6%		
Total other, net	\$	7,461	\$	2,735	\$	4,726			n/m	\$	10,563	\$	5,255	\$	5,308	

n/m - percentage changes greater than +/- 100% are not considered meaningful

The **increase** **increases** in other, net for the **first** **three** and **six** **months** of **2024**, ended **June 30, 2024**, when compared to the same time period periods in 2023 **was** **were** principally due to the gain on the fair value adjustment for the Visa C shares as well as increases in cash management service fees and **other** **miscellaneous** **income**. net gains on the sale of premises and equipment partially offset by the noncredit-related loss on the sale of the 1-4 family mortgage loans.

Noninterest Expense

The following table illustrates the comparative components of noninterest expense for the periods presented (\$ in thousands):

	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,			
	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change	2024	2023	\$ Change	% Change
Salaries and employee benefits	\$ 75,458	\$ 74,056	\$ 1,402	1.9%	\$ 64,838	\$ 66,799	\$ (1,961)	-2.9%	\$ 130,325	\$ 131,571	\$ (1,246)	-0.9%
Services and fees	24,839	25,426	(587)	-2.3%	24,743	27,821	(3,078)	-11.1%	49,174	52,855	(3,681)	-7.0%
Net occupancy-premises	7,496	7,629	(133)	-1.7%	7,265	6,897	368	5.3%	14,535	14,212	323	2.3%
Equipment expense	6,385	6,405	(20)	-0.3%	6,241	6,337	(96)	-1.5%	12,566	12,632	(66)	-0.5%
Other expense	16,968	14,811	2,157	14.6%	15,239	13,767	1,472	10.7%	31,390	27,940	3,450	12.3%

Total noninterest expense	\$ 131,146	\$ 128,327	\$ 2,819	2.2%	\$ 118,326	\$ 121,621	\$ (3,295)	-2.7%	\$ 237,990	\$ 239,210	\$ (1,220)	-0.5%
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Changes in the various components of noninterest expense are discussed in further detail below. Management considers disciplined expense management a key area of focus in the support of improving shareholder value.

Salaries and Employee Benefits

The **increase** decrease in salaries and employee benefits when the three months ended **March 31, 2024** June 30, 2024 is compared to the same time period in 2023 was principally due to **declines in commissions related to mortgage production, annual retail management incentive compensation and various other salaries expenses, partially offset by increases in annual general incentive compensation and broker commissions.** The decrease in salaries and employee benefits when the six months ended June 30, 2024 is compared to the same time period in 2023 was principally due to **declines in commission expense related to mortgage production, miscellaneous other salaries expenses, annual retail management incentive compensation and medical insurance expense, partially offset by increases in salaries expense, primarily due to general merit increases, broker commissions and annual general incentive compensation.**

Services and Fees

The decreases in services and fees when the three and six months ended June 30, 2024 are compared to the same time periods in 2023 were principally due to **declines in outside services and fees, primarily related to other services and fees and legal expense, communication expense, primarily related to telephone expense, and advertising expense, partially offset by a decline an increase in medical insurance expense, data processing expense related to software.**

Other Expense

The following table illustrates the comparative components of other noninterest expense for the periods presented (\$ in thousands):

	Three Months Ended March 31,				Three Months Ended June 30,				Six Months Ended June 30,															
	2024		2023		\$ Change		% Change		2024		2023		\$ Change		% Change		2024		2023		\$ Change		% Change	
	\$	2,955	\$	2,538	\$	417	%	16.4 %	\$	2,880	\$	3,066	\$	(186)	%	-6.1 %	\$	5,835	\$	5,604	\$	231	%	4.1 %
Loan expense																								
Amortization of intangibles		120		288		(168)		-58.3 %		27		34		(7)		-20.6 %		55		223		(168)		-75.3 %
FDIC assessment expense		4,509		2,370		2,139		90.3 %		4,816		2,550		2,266		88.9 %		9,325		4,920		4,405		89.5 %
Other real estate expense, net		671		172		499		n/m		327		171		156		91.2 %		998		343		655		n/m
Other miscellaneous expense		8,713		9,443		(730)		-7.7 %		7,189		7,946		(757)		-9.5 %		15,177		16,850		(1,673)		-9.9 %
Total other expense	\$	16,968	\$	14,811	\$	2,157	%	14.6 %	\$	15,239	\$	13,767	\$	1,472	%	10.7 %	\$	31,390	\$	27,940	\$	3,450	%	12.3 %

n/m - percentage changes greater than +/- 100% are not considered meaningful

The increase in other expense when the three months ended **March 31, 2024** June 30, 2024 is compared to the same time period in 2023 was principally due to an increase in FDIC assessment expense, primarily due to an increase in the assessment **rate**, partially offset by declines in various other miscellaneous expenses, including sponsorships and contributions, operational losses and franchise taxes. The increase in other expense when the first six months of 2024 is compared to the same time period in 2023 was principally due to increases in FDIC assessment expense and other real estate expense, primarily due to an increase in the net loss on the sale of other real estate properties, partially offset by declines in various other miscellaneous expenses, including stationery and supplies expense, sponsorships and contributions, travel and entertainment expense and franchise taxes. The increase in FDIC assessment rate was principally due to increases in the overall assessment rate and the 2 basis point increase in the initial base assessment rate by the FDIC during the second quarter of 2023 as part of the FDIC's final rule to restore the DIF to required levels. During the three and six months ended June 30, 2024, Trustmark sold other real estate properties totaling \$3.7 million and \$4.7 million, respectively, generating net losses of \$907 thousand and \$962 thousand, respectively. During the second quarter of 2024, \$2.1 million of the other real estate properties sold were part of the sale of 1-4 family mortgage loans, which generated a net loss of \$781 thousand.

Results of Segment Operations

For a description of the methodologies used to measure financial performance and financial information by reportable segment, please see Note **1819** – Segment Information included in Part I. Item 1. – Financial Statements of this report. The Insurance Segment is included in discontinued operations for all periods presented in the accompanying consolidated balance sheets and the consolidated statements of income (loss). For additional information about discontinued operations, please see Note 2 - Discontinued Operations included in Part I. Item 1. – Financial Statements of this report. The following discusses changes in the results of operations of each reportable segment for the **three** six months ended **March 31, 2024** June 30, 2024 and 2023.

General Banking

Net interest income for the General Banking Segment decreased ~~\$4.6 million~~ \$3.5 million, or ~~3.4%~~ 1.3%, when the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024 is compared with the same time period in 2023. The decrease in net interest income was principally due to an increase in interest on deposits and a decline in other interest income related to interest earned on the balance held at the FRBA, partially offset by an increase in interest and fees on LHFS and LHFI and a decline in other interest expense, expense related to interest on FHLB advances. The PCL (LHFI and off-balance sheet credit exposures) for the General Banking Segment for the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024 totaled ~~\$7.3 million~~ \$27.1 million compared to a PCL of ~~\$934 thousand~~ \$9.4 million for the same period in 2023, an increase of ~~\$6.4 million~~ \$17.7 million. Excluding the \$8.6 million PCL, LHFI sale of 1-4 family mortgage loans, the PCL for the General Banking Segment totaled \$18.4 million for the first six months of 2024, an increase of \$9.1 million, or 96.9%. For more information on these net interest income and PCL items, please see the sections captioned "Financial Highlights" and "Results of Operations."

Noninterest income (loss) for the General Banking Segment increased \$2.0 million, or 7.2%, decreased \$178.0 million when the first ~~three~~ six months of 2024 is compared to the same time period in 2023, primarily due to the ~~increases~~ net loss on the sale of available for sale securities, the noncredit-related loss on the sale of 1-4 family mortgage loans and a ~~decrease~~ in mortgage banking, net, and cash management service fees, partially offset by the gain on the conversion of Visa Class B-1 shares to Visa Class C shares. Noninterest income for the General Banking Segment represented 18.8% of total revenue for this segment for the first three months of 2024 compared to 17.2% for the same time period in 2023. Noninterest income (loss) for the General Banking Segment includes service charges on deposit accounts; wealth management; bank card and other fees; mortgage banking, net; other, net and ~~securities~~ security gains (losses), net. For more information on these noninterest income items, please see the analysis included in the section captioned "Noninterest Income, Income (Loss)."

Noninterest expense for the General Banking Segment increased \$2.1 million decreased \$1.5 million, or ~~1.9%~~ 0.7%, when the first ~~three~~ six months of 2024 is compared with the same time period in 2023, principally due to ~~declines in outside services and fees, salaries and employee benefits, advertising expenses and communications expense, partially offset by increases in FDIC assessment expense and data processing charges related to software and FDIC assessment expense, partially offset by declines in outside services and fees, software~~. For more information on these noninterest expense items, please see the analysis included in the section captioned "Noninterest Expense."

Wealth Management

Net income for the Wealth Management Segment for the first ~~three~~ six months of 2024 increased ~~\$48~~ \$430 thousand, or ~~3.1%~~ 12.9%, when compared to the same time period in 2023, primarily due to an increase in noninterest income partially offset by an increase in noninterest expense and a decline in net interest income. Net interest income for the Wealth Management Segment decreased ~~\$123~~ \$156 thousand, or ~~8.5%~~ 5.3%, when the first ~~three~~ six months of 2024 is compared to the same time period in 2023, principally due to an increase in interest expense on deposits as well as a decline in interest and fees on loans as well as an increase in interest expense on deposits generated by the Private Banking Department. The PCL for the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024 totaled ~~\$168~~ \$165 thousand compared to a PCL of ~~\$68~~ \$89 thousand for the same period in 2023. Noninterest income for the Wealth Management Segment, which primarily includes income related to investment management, trust and brokerage services, increased ~~\$238 thousand, \$1.1 million, or 2.7%~~ 6.3%, when the first ~~three~~ six months of 2024 is compared to the same time period in 2023, primarily due to an increase in income from brokerage and investment services partially offset by a decrease in income from trust management services. Noninterest expense for the Wealth Management Segment decreased ~~\$43~~ increased \$317 thousand, or ~~0.5%~~ 2.0%, when the first ~~three~~ six months of 2024 is compared to the same time period in 2023, principally due to ~~declines in business process outsourcing expense and miscellaneous other expenses largely offset by an increase in salaries and employee benefits expense, primarily related to broker commissions and trust incentives, incentives partially offset by a decrease in business process outsourcing expense~~.

At ~~March 31, 2024~~ June 30, 2024 and 2023, Trustmark held assets under management and administration of ~~\$8.799 billion~~ \$9.036 billion and ~~\$17.448 billion~~ \$18.203 billion, respectively, and brokerage assets of ~~\$2.712 billion~~ \$2.848 billion and ~~\$2.375 billion~~ \$2.442 billion, respectively.

Insurance

Net income for the Insurance Segment for the first three months of 2024 increased \$707 thousand, or 26.3%, when compared to the same time period in 2023. Noninterest income for the Insurance Segment, which is predominately composed of insurance commissions, increased \$1.7 million, or 11.9%, when the first three months of 2024 is compared to the same time period in 2023, primarily due to new business commission volume in the commercial property and casualty business. Noninterest expense for the Insurance Segment

increased \$744 thousand, or 7.0%, when the first three months of 2024 is compared to the same time period in 2023, primarily due to an increase in salaries expense principally resulting from an increase in commission expense as a result of higher business volumes.

See the section captioned "Executive Overview" above for a description of TNB's plans to sell its wholly owned subsidiary FBBI, which comprises the entirety of Trustmark's Insurance Segment.

Income Taxes

For the three and six months ended **March 31, 2024** **June 30, 2024**, Trustmark's combined effective tax rate from continuing operations was **16.1%** **27.3%** and **33.1%**, respectively, compared to **15.7%** **13.5%** and **14.4%**, respectively, for the same time **period** periods in 2023. The increase in the effective tax rate from continuing operations for the three and six months ended **June 30, 2024** was principally due to the significant non-routine transactions that occurred during the second quarter of 2024. Excluding the significant non-routine transactions, Trustmark's combined effective tax rate from continuing operations for the three and six months ended **June 30, 2024** was **18.7%** and **17.0%**, respectively. Trustmark's effective tax rate continues to be less than the statutory rate primarily due to various tax-exempt income items and its utilization of income tax credit programs. Trustmark invests in partnerships that provide income tax credits on a Federal and/or State basis (i.e., new market tax credits, low-income housing tax credits or historical tax credits). The income tax credits related to these partnerships are utilized as specifically allowed by income tax law and are recorded as a reduction in income tax expense.

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Financial Condition

Earning assets serve as the primary revenue streams for Trustmark and are comprised of securities, loans, federal funds sold, securities sold under reverse repurchase agreements and other earning assets. Average earning assets totaled **\$17.088 billion** **\$17.139 billion**, or 91.5% of total average assets, for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, compared to **\$16.856 billion** **\$17.058 billion**, or **91.1%** **91.5%** of total average assets, for the **three** **six** months ended **March 31, 2023** **June 30, 2023**, an increase of **\$231.3 billion** **\$80.5 million**, or **1.4%** **0.5%**.

Securities

The securities portfolio is utilized by Management to manage interest rate risk, generate interest income, provide liquidity and use as collateral for public deposits and wholesale funding. Risk and return can be adjusted by altering duration, composition and/or balance of the portfolio. The weighted-average life of the portfolio was **4.3** **5.0** years at **March 31, 2024** **June 30, 2024** compared to 4.5 years at December 31, 2023. The increase in the weighted-average life of the portfolio was principally due to the restructuring of the available for sale securities portfolio during the second quarter of 2024.

When compared to December 31, 2023, total investment securities decreased by **\$71.8 million** **\$187.0 million**, or **2.3%** **5.9%**, during the first **three** **six** months of 2024. This decrease resulted primarily from available for sale securities sold net of available for sale securities purchased as part of the restructuring of the available for sale securities portfolio during the second quarter of 2024 as well as calls, maturities and pay-downs of the loans underlying GSE guaranteed securities. Trustmark sold **no** **\$1.561 billion** of available for sale securities generating a loss of **\$182.8 million** during the first **three** **six** months of 2024, or compared to no securities sold during the first six months of 2023.

During 2022, Trustmark reclassified approximately \$766.0 million of securities available for sale to securities held to maturity to mitigate the potential adverse impact of a rising interest rate environment on the fair value of the available for sale securities and the

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related impact on tangible common equity. At the date of these transfers, the net unrealized holding loss on the available for sale securities totaled approximately \$91.9 million (\$68.9 million net of tax). The resulting net unrealized holding losses are being amortized over the remaining life of the securities as a yield adjustment in a manner consistent with the amortization or accretion of the original purchase premium or discount on the associated security.

At **March 31, 2024** **June 30, 2024**, the net unamortized, unrealized loss on all transferred securities included in accumulated other comprehensive income (loss) (AOCI) in the accompanying consolidated balance sheets totaled **\$54.8 million** **\$52.1 million** compared to \$57.6 million at December 31, 2023.

Available for sale securities are carried at their estimated fair value with unrealized gains or losses recognized, net of taxes, in AOCI, a separate component of shareholders' equity. At **March 31, 2024** **June 30, 2024**, available for sale securities totaled **\$1.702 billion** **\$1.622 billion**, which represented **54.6%** **54.0%** of the securities portfolio, compared to \$1.763 billion, or 55.3% of total securities, at December 31, 2023. At **March 31, 2024** **June 30, 2024**, unrealized losses, net on available for sale securities totaled **\$198.7 million** **\$21.7 million** compared to unrealized losses, net of \$196.1 million at December 31, 2023. At **March 31, 2024** **June 30, 2024**, available for sale securities consisted of U.S. Treasury securities obligations of states and political subdivisions, GSE guaranteed mortgage-related securities and direct obligations of government agencies and GSEs securities.

Held to maturity securities are carried at amortized cost and represent those securities that Trustmark both intends and has the ability to hold to maturity. At **March 31, 2024** **June 30, 2024**, held to maturity securities totaled **\$1.415 billion** **\$1.380 billion**, which represented **45.4%** **46.0%** of the total securities portfolio, compared to \$1.426 billion, or 44.7% of total securities, at December 31, 2023.

Management continues to focus on asset quality as one of the strategic goals of the securities portfolio, which is evidenced by the investment of 100.0% of the portfolio in U.S. Treasury securities, GSE-backed obligations and other Aaa-rated securities as determined by Moody's Investors Services (Moody's). None of the securities owned by Trustmark are collateralized by assets which are considered sub-prime. Furthermore, outside of stock ownership in the FHLB of Dallas FHLB of Atlanta and FRBA, Trustmark does not hold any other equity investment in a GSE or other governmental entity.

As of **March 31, 2024**, Trustmark did not hold securities of any one issuer with a carrying value exceeding 10% of total shareholders' equity, other than certain GSEs which are exempt from inclusion. Management continues to closely monitor the credit quality as well as the ratings of the debt and mortgage-backed securities issued by the GSEs and held in Trustmark's securities portfolio.

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The following table presents Trustmark's securities portfolio by amortized cost and estimated fair value and by credit rating, as determined by Moody's, at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024			
	Amortized Cost		Estimated Fair Value	
	Amount	%	Amount	%
Securities Available for Sale				
Aaa	\$ 1,900,980	100.0%	\$ 1,702,299	100.0%
Total securities available for sale	\$ 1,900,980	100.0%	\$ 1,702,299	100.0%
Securities Held to Maturity				
Aaa	\$ 1,414,685	100.0%	\$ 1,332,674	100.0%
Not Rated (1)	340	—	340	—
Total securities held to maturity	\$ 1,415,025	100.0%	\$ 1,333,014	100.0%

Securities Available for Sale							
Aaa		\$ 1,959,007		100.0%	\$ 1,762,878		100.0%
Total securities available for sale		\$ 1,959,007		100.0%	\$ 1,762,878		100.0%
Securities Held to Maturity							
Aaa		\$ 1,425,939		100.0%	\$ 1,355,164		100.0%
Not rated (1)		340		—	340		—
Total securities held to maturity		\$ 1,426,279		100.0%	\$ 1,355,504		100.0%

(1) Not rated securities primarily consist of Mississippi municipal general obligations.

The table above presenting the credit rating of Trustmark's securities is formatted to show the securities according to the credit rating category, and not by category of the underlying security.

LHFS

At **March 31, 2024** June 30, 2024, LHFS totaled \$172.9 million \$185.7 million, consisting of \$95.2 million \$103.1 million of residential real estate mortgage loans in the process of being sold to third parties and \$77.7 million \$82.6 million of GNMA optional repurchase loans. At December 31, 2023, LHFS totaled \$184.8 million, consisting of \$106.0 million of residential real estate mortgage loans in the process of being sold to third parties and \$78.8 million of GNMA optional repurchase loans. Please refer to the nonperforming assets table that follows for information on GNMA loans eligible for repurchase which are past due 90 days or more.

Trustmark did not exercise its buy-back option on any delinquent loans serviced for GNMA during the first three six months of 2024 or 2023.

For additional information regarding the GNMA optional repurchase loans, please see the section captioned "Past Due LHFS" included in Note 34 – LHFI and Allowance for Credit Losses, LHFI of Part I. Item 1. – Financial Statements of this report.

LHFI

At **March 31, 2024** June 30, 2024 and December 31, 2023, LHFI consisted of the following (\$ in thousands):

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Loans secured by real estate:								
Construction, land development and other land	\$ 617,008	4.7%	\$ 642,886	5.0%	\$ 616,528	4.7%	\$ 642,886	5.0%
Other secured by 1-4 family residential properties	625,387	4.8%	622,397	4.8%	642,765	4.9%	622,397	4.8%
Secured by nonfarm, nonresidential properties	3,543,235	27.1%	3,489,434	26.9%	3,598,647	27.3%	3,489,434	26.9%
Other real estate secured	1,384,610	10.6%	1,312,551	10.1%	1,344,968	10.2%	1,312,551	10.1%
Other loans secured by real estate:								
Other construction	922,453	7.1%	867,793	6.7%	1,022,444	7.8%	867,793	6.7%
Secured by 1-4 family residential properties	2,266,094	17.4%	2,282,318	17.6%	2,235,530	17.0%	2,282,318	17.6%
Commercial and industrial loans	1,922,711	14.7%	1,922,910	14.9%	1,880,607	14.3%	1,922,910	14.9%
Consumer loans	159,340	1.2%	165,734	1.3%	156,709	1.2%	165,734	1.3%
State and other political subdivision loans	1,052,844	8.1%	1,088,466	8.4%	1,053,015	8.0%	1,088,466	8.4%

Other commercial loans and leases	564,261	4.3%	556,035	4.3%	604,205	4.6%	556,035	4.3%
LHFI	\$ 13,057,943	100.0%	\$ 12,950,524	100.0%	\$ 13,155,418	100.0%	\$ 12,950,524	100.0%

LHFI increased \$107.4 million \$204.9 million, or 0.8% 1.6%, compared to December 31, 2023. The increase in LHFI during the first three six months of 2024 was primarily due to net growth in LHFI secured by real estate and other commercial loans and leases partially offset by a decline declines in commercial and industrial LHFI and state and other political subdivision LHFI.

LHFI secured by real estate increased \$141.4 million \$243.5 million, or 1.5% 2.6%, during the first three six months of 2024, primarily due to reflecting net growth in other real estate secured LHFI, other construction LHFI, and LHFI secured by nonfarm, nonresidential properties (NFNR), other real estate secured LHFI, and other LHFI secured by 1-4 family residential properties, partially offset by net declines in construction, land development and other land LHFI and LHFI secured by 1-4 family residential properties. Other real estate secured LHFI construction loans increased \$72.1 million \$154.7 million, or 5.5% 17.8%, during the first three months of 2024, primarily due to other construction loans that moved to LHFI secured by multi-family residential properties in the Texas, Alabama and Mississippi market regions. Excluding other construction loan reclassifications, other real estate secured LHFI decreased \$14.5 million, or 1.1%, during the first three months of 2024 principally due to declines in LHFI secured by multi-family residential properties in the Alabama market region, partially offset by growth in LHFI secured by multi-family residential properties in the Texas and Mississippi market regions. Other construction loans increased \$54.7 million, or 6.3%, during the first three six months of 2024 primarily due to new construction loans across all five in the Alabama, Mississippi and Texas market regions partially offset by other construction loans moved to other loan categories upon the completion of the related construction project. During the first three six months of 2024, \$224.1 million \$414.1 million loans were moved from other construction to other loan categories, including \$86.6 million \$118.8 million to multi-family residential loans, \$126.6 million \$277.3 million to nonowner-occupied loans and \$10.9 million \$18.0 million to owner-occupied loans. Excluding all reclassifications between loan categories, growth in other construction loans across all five market regions totaled \$255.7 million \$545.7 million, or 29.5% 62.9%, during the first three six months of 2024. NFNR LHFI increased \$53.8 million \$109.2 million, or 1.5% 3.1%, during the first three six months of 2024 principally due to other construction loans that moved to NFNR LHFI in the Mississippi, Alabama, Texas and Florida Texas market regions. Excluding other construction loan reclassifications, NFNR LHFI decreased \$83.7 million \$186.1 million, or 2.4% 5.3%, during the first three six months of 2024 principally due to declines in nonowner-occupied loans in the Mississippi, Texas and Tennessee market regions and owner-occupied loans in the Mississippi and Tennessee market regions, partially offset by an increase in owner-occupied loans in the Alabama market region. Other real estate secured LHFI increased \$32.4 million, or 2.5%, during the first six months of 2024, primarily due to other construction loans that moved to LHFI secured by multi-family residential properties in the Alabama, Texas and Mississippi market regions. Excluding other construction loan reclassifications, other real estate secured LHFI decreased \$86.4 million, or 6.6%, during the first six months of 2024 principally due to declines in LHFI secured by multi-family residential properties in the Alabama and Mississippi market regions, partially offset by growth in LHFI secured by multi-family residential properties in the Texas market region. Other LHFI secured by 1-4 family residential properties increased \$20.4 million, or 3.3%, during the first six months of 2024, principally due to growth in the Mississippi, Florida and Texas market regions. LHFI secured by construction, land development and other land decreased \$25.9 million \$26.4 million, or 4.0% 4.1%, during the first three six months of 2024 primarily due to declines in land development loans in the Alabama and Mississippi market

regions. LHFI secured by 1-4 family residential properties decreased \$16.2 million \$46.8 million, or 0.7% 2.1%, during the first three six months of 2024 primarily in the Mississippi market region. region as a result of the sale of 1-4 family mortgage loans during the second quarter of 2024. Trustmark's LHFI secured by 1-4 family residential properties are primarily included in the Mississippi market region because these loans are centrally analyzed and approved as part of the mortgage line of business which is located in Jackson, Mississippi.

Other commercial loans and leases increased \$48.2 million, or 8.7%, during the first six months of 2024, principally due to an increase in equipment finance leases. Commercial and industrial LHFI decline \$42.3 million, or 2.2%, during the first six months of 2024 reflecting declines in the Tennessee, Texas and Florida market regions, partially offset by growth in the Mississippi and Alabama market regions. State and other political subdivision LHFI declined \$35.6 million \$35.5 million, or 3.3%, during the first three six months of 2024, reflecting declines across all five in the Mississippi, Texas, Tennessee and Florida market regions.

The following table provides information regarding Trustmark's home equity loans and home equity lines of credit which are included in the LHFI secured by 1-4 family residential properties for the periods presented (\$ in thousands):

	March 31, 2024	December 31, 2023
Home equity loans	\$ 61,619	\$ 58,176
Home equity lines of credit	437,565	430,933
Percentage of loans and lines for which Trustmark holds first lien	47.8%	47.8%
Percentage of loans and lines for which Trustmark does not hold first lien	52.2%	52.2%

	June 30, 2024	December 31, 2023
Home equity loans	\$ 69,115	\$ 58,176
Home equity lines of credit	449,987	430,933
Percentage of loans and lines for which Trustmark holds first lien	47.6 %	47.8 %
Percentage of loans and lines for which Trustmark does not hold first lien	52.4 %	52.2 %

Due to the increased risk associated with second liens, loan terms and underwriting guidelines differ from those used for products secured by first liens. Loan amounts and loan-to-value ratios are limited and are lower for second liens than first liens. Also, interest rates and maximum amortization periods are adjusted accordingly. In addition, regardless of lien position, the passing credit score for approval of all home equity lines of credit is generally higher than that of term loans. The ACL on LHFI is also reflective of the increased risk related to second liens through application of a greater loss factor to this portion of the portfolio.

Trustmark's variable rate LHFI are based primarily on various prime and SOFR interest rate bases. The following tables provide information regarding the interest rate terms of Trustmark's LHFI as of **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024			June 30, 2024		
	Fixed	Variable	Total	Fixed	Variable	Total
Loans secured by real estate:						
Construction, land development and other land	\$ 170,106	\$ 446,902	\$ 617,008	\$ 170,396	\$ 446,132	\$ 616,528
Other secured by 1- 4 family residential properties	180,579	444,808	625,387	189,266	453,499	642,765
Secured by nonfarm, nonresidential properties	1,479,121	2,064,114	3,543,235	1,388,850	2,209,797	3,598,647
Other real estate secured	148,393	1,236,217	1,384,610	186,048	1,158,920	1,344,968
Other loans secured by real estate:						
Other construction	3,805	918,648	922,453	13,561	1,008,883	1,022,444
Secured by 1- 4 family residential properties	1,362,948	903,146	2,266,094	1,298,521	937,009	2,235,530
Commercial and industrial loans	837,159	1,085,552	1,922,711	793,709	1,086,898	1,880,607
Consumer loans	132,397	26,943	159,340	130,372	26,337	156,709
State and other political subdivision loans	988,707	64,137	1,052,844	988,680	64,335	1,053,015
Other commercial loans and leases	319,503	244,758	564,261	357,290	246,915	604,205
LHFI	\$ 5,622,718	\$ 7,435,225	\$ 13,057,943	\$ 5,516,693	\$ 7,638,725	\$ 13,155,418

	December 31, 2023		
	Fixed	Variable	Total
Loans secured by real estate:			
Construction, land development and other land	\$ 158,143	\$ 484,743	\$ 642,886
Other secured by 1- 4 family residential properties	180,665	441,732	622,397
Secured by nonfarm, nonresidential properties	1,487,255	2,002,179	3,489,434
Other real estate secured	147,111	1,165,440	1,312,551
Other loans secured by real estate:			
Other construction	10,240	857,553	867,793
Secured by 1- 4 family residential properties	1,374,499	907,819	2,282,318
Commercial and industrial loans	756,812	1,166,098	1,922,910
Consumer loans	137,424	28,310	165,734

State and other political subdivision loans	1,022,092	66,374	1,088,466
Other commercial loans and leases	300,094	255,941	556,035
LHFI	\$ 5,574,335	\$ 7,376,189	\$ 12,950,524

In the following tables, LHFI reported by region (along with related nonperforming assets and net charge-offs) are associated with location of origination except for loans secured by 1-4 family residential properties (representing traditional mortgages) and credit cards. These loans are included in the Mississippi Region because they are centrally analyzed and approved as part of a specific line of business located at Trustmark's headquarters in Jackson, Mississippi.

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The following table presents the LHFI composition by region at **March 31, 2024** **June 30, 2024** and reflects each region's diversified mix of loans (\$ in thousands):

LHFI Composition by Region	March 31, 2024						June 30, 2024					
	Total	Alabama	Florida	Mississippi	Tennessee	Texas	Total	Alabama	Florida	Mississippi	Tennessee	Texas
Loans secured by real estate:												
Construction, land development and other land	\$ 617,008	\$ 269,322	\$ 36,361	\$ 167,709	\$ 40,862	\$ 102,754	\$ 616,528	\$ 275,640	\$ 30,427	\$ 163,889	\$ 41,046	\$ 105,526
Other secured by 1-4 family residential properties	625,387	154,303	54,099	303,207	79,415	34,363	642,765	152,184	60,268	314,328	79,834	36,151
Secured by nonfarm, nonresidential properties	3,543,235	981,921	233,109	1,485,304	150,017	692,884	3,598,647	1,052,737	226,977	1,512,307	133,835	672,791
Other real estate secured	1,384,610	561,115	1,728	417,757	6,965	397,045	1,344,968	560,797	1,703	370,854	6,384	405,230
Other loans secured by real estate:												
Other construction	922,453	484,596	2,429	224,134	126	211,168	1,022,444	557,251	4,720	203,004	—	257,469
Secured by 1-4 family residential properties	2,266,094	—	—	2,262,217	3,877	—	2,235,530	—	—	2,231,895	3,635	—
Commercial and industrial loans	1,922,711	657,294	23,941	841,797	150,313	249,366	1,880,607	676,858	22,064	802,334	151,496	227,855
Consumer loans	159,340	21,241	7,385	99,001	18,109	13,604	156,709	21,893	7,073	97,890	16,817	13,036
State and other political subdivision loans	1,052,844	70,161	52,069	782,985	23,700	123,929	1,053,015	72,787	51,084	796,947	23,672	108,525
Other commercial loans and leases	564,261	236,836	8,216	197,907	57,167	64,135	604,205	285,002	8,516	197,774	43,059	69,854
LHFI	\$ 13,057,943	\$ 3,436,789	\$ 419,337	\$ 6,782,018	\$ 530,551	\$ 1,889,248	\$ 13,155,418	\$ 3,655,149	\$ 412,832	\$ 6,691,222	\$ 499,778	\$ 1,896,437
Construction, Land Development and Other Land Loans by Region	Construction, Land Development and Other Land Loans by Region						Construction, Land Development and Other Land Loans by Region					
Lots	\$ 70,445	\$ 28,830	\$ 8,196	\$ 17,829	\$ 4,587	\$ 11,003	\$ 72,597	\$ 27,887	\$ 7,284	\$ 19,673	\$ 6,506	\$ 11,247
Development	122,788	56,825	1,260	28,668	12,576	23,459	122,826	56,857	878	25,218	12,502	27,371
Unimproved land	110,272	20,907	13,404	29,759	8,006	38,196	104,436	19,762	12,051	27,149	7,859	37,615
1-4 family construction	313,503	162,760	13,501	91,453	15,693	30,096	316,669	171,134	10,214	91,849	14,179	29,293
Construction, land development and other land loans	\$ 617,008	\$ 269,322	\$ 36,361	\$ 167,709	\$ 40,862	\$ 102,754	\$ 616,528	\$ 275,640	\$ 30,427	\$ 163,889	\$ 41,046	\$ 105,526

Loans Secured by Nonfarm, Nonresidential Properties by Region		Loans Secured by Nonfarm, Nonresidential Properties by Region										Loans Secured by Nonfarm, Nonresidential Properties by Region													
Nonresidential Properties by Region		\$	367,575	\$	139,444	\$	24,147	\$	106,123	\$	17,381	\$	80,480	\$	331,174	\$	115,459	\$	22,998	\$	95,638	\$	16,980	\$	80,099
Retail			261,984		101,364		19,605		73,689		1,617		65,709		257,391		100,383		19,451		72,173		1,546		63,838
Office			255,925		128,356		48,992		53,054		25,523		—		278,437		128,705		47,859		76,834		25,039		—
Hotel/motel			165,962		40,724		1,864		103,323		745		19,306		145,336		41,249		1,678		89,905		639		11,865
Mini-storage			438,626		83,304		19,377		147,199		8,143		180,603		509,631		137,814		18,914		178,304		2,985		171,614
Industrial			97,837		69,786		684		24,707		331		2,329		120,089		92,200		680		24,600		329		2,280
Health care			25,572		3,214		419		13,599		239		8,101		25,609		2,947		413		13,989		228		8,032
Convenience stores			513,854		227,254		—		186,507		4,724		95,369		527,800		227,059		—		200,257		4,546		95,938
Nursing homes/senior living			109,838		31,790		9,067		51,626		8,211		9,144		118,763		32,470		8,757		60,783		8,042		8,711
Total nonowner-occupied loans			2,237,173		825,236		124,155		759,827		66,914		461,041		2,314,230		878,286		120,750		812,483		60,334		442,377
Owner-occupied:			150,283		41,047		37,629		41,658		11,555		18,394		146,066		43,808		35,796		36,678		11,224		18,560
Office			56,697		14,208		4,094		32,706		3,215		2,474		55,308		13,697		4,010		31,652		3,503		2,446
Churches			156,148		11,553		4,537		39,874		15,766		84,418		158,118		11,309		4,503		39,103		15,009		88,194
Industrial warehouses			124,330		11,337		8,163		85,172		2,251		17,407		122,993		11,253		8,210		84,065		2,233		17,232
Health care			148,158		12,172		29,156		72,715		—		34,115		132,276		11,807		29,012		57,593		—		33,864
Convenience stores			88,445		9,457		15,287		35,730		17,087		10,884		91,918		9,190		14,488		51,438		8,407		8,395
Retail			48,491		4,008		2,930		21,360		16,367		3,826		36,809		4,019		2,870		9,593		16,509		3,818
Restaurants			42,394		5,138		194		21,007		16,055		—		41,127		4,765		187		20,475		15,700		—
Auto dealerships			353,641		35,216		—		292,264		—		26,161		368,429		52,648		—		289,669		—		26,112
Nursing homes/senior living			137,475		12,549		6,964		82,991		807		34,164		131,373		11,955		7,151		79,558		916		31,793
Total owner-occupied loans			1,306,062		156,685		108,954		725,477		83,103		231,843		1,284,417		174,451		106,227		699,824		73,501		230,414
Loans secured by nonfarm, nonresidential properties			\$ 3,543,235		\$ 981,921		\$ 233,109		\$ 1,485,304		\$ 150,017		\$ 692,884		\$ 3,598,647		\$ 1,052,737		\$ 226,977		\$ 1,512,307		\$ 133,835		\$ 672,791

Allowance for Credit Losses

LHFI

Trustmark's ACL methodology for LHFI is based upon guidance within FASB ASC Subtopic 326-20, "Financial Instruments – Credit Losses – Measured at Amortized Cost," as well as applicable regulatory guidance from its primary regulator. The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Credit quality within the LHFI portfolio is continuously monitored by Management and is reflected within the ACL for loans. The ACL is an estimate of expected losses inherent within Trustmark's existing LHFI portfolio. The ACL on LHFI is adjusted through the PCL, LHFI and reduced by the charge off of loan amounts, net of recoveries.

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The loan loss estimation process involves procedures to appropriately consider the unique characteristics of Trustmark's LHFI portfolio segments. These segments are further disaggregated into loan classes, the level at which credit risk is estimated. When computing allowance levels, credit loss assumptions are estimated using a model that categorizes loan pools based on loss history, delinquency status and other credit trends and risk characteristics, including current conditions and reasonable and supportable forecasts about the future. Evaluations of the portfolio and individual credits are inherently subjective, as they require estimates, assumptions and judgments as to the facts and circumstances of particular situations.

During the second quarter of 2024, Trustmark executed a sale on a portfolio of 1-4 family mortgage loans that were at least three payments delinquent and/or nonaccrual at the time of selection. As a result of this sale, a credit mark was established for a sub-pool of the loans in the sale. Due to the lack of historical experience and the use of industry data for this sub-pool, management elected to use the credit mark for reserving purposes on a go forward basis for this sub-pool that meet the same credit criteria of being three payments delinquent and/or nonaccrual. All loans of the sub-pool that meet the above credit criteria will be removed from the 1-4 family residential properties pool and placed into a separate pool with the credit mark reserve applied to the total balance.

The econometric models currently in production reflect segment or pool level sensitivities of probability of default (PD) to changes in macroeconomic variables. By measuring the relationship between defaults and changes in the economy, the quantitative reserve incorporates reasonable and supportable forecasts of future conditions that will affect the value of Trustmark's assets, as required by FASB ASC Topic 326. Under stable forecasts, these linear regressions will reasonably predict a pool's PD. However, due to the COVID-19 pandemic, the macroeconomic variables used for reasonable and supportable forecasting changed rapidly. At the macroeconomic levels experienced during the COVID-19 pandemic, it was not clear that the models in production would produce reasonably representative results since the models were originally estimated using data beginning in 2004 through 2019. During this period, a traditional, albeit severe, economic recession occurred. Thus, econometric models are sensitive to similar future levels of PD.

In order to prevent the econometric models from extrapolating beyond reasonable boundaries of their input variables, Trustmark chose to establish an upper and lower limit process when applying the periodic forecasts. In this way, Management will not rely upon unobserved and untested relationships in the setting of the quantitative reserve. This approach applies to all input variables, including: Southern Unemployment, National Unemployment, National Gross Domestic Product (GDP), National Home Price Index (HPI), National Commercial Real Estate (CRE) Price Index and the BBB 7-10 Year US Corporate Bond Index. The upper and lower limits are based on the distribution of the macroeconomic variable by selecting extreme percentiles at the upper and lower limits of the distribution, the 1st and 99th percentiles, respectively. These upper and lower limits are then used to calculate the PD for the forecast time period in which the forecasted values are outside of the upper and lower limit range. Due to multiple periods having a PD or loss given default (LGD) at or near zero as a result of the improving macroeconomic forecasts, Management implemented PD and LGD floors to account for the risk associated with each portfolio. The PD and LGD floors are based on Trustmark's historical loss experience and applied at a portfolio level.

The external factors qualitative factor is Management's best judgment on the loan or pool level impact of all factors that affect the portfolio that are not accounted for using any other part of the ACL methodology (i.e., natural disasters, changes in legislation, impacts due to technology and pandemics). Trustmark's External Factor – Pandemic ensured reserve adequacy for collectively evaluated loans most likely to be impacted by the unique economic and behavioral conditions created by the COVID-19 pandemic. Additional qualitative reserves are derived based on two principles. The first is the disconnect of economic factors to Trustmark's modeled PD (derived from the econometric models underpinning the quantitative pooled reserves). During the pandemic, extraordinary measures by the federal government were made available to consumers and businesses, including COVID-19 loan payment concessions, direct transfer payments to households, tax deferrals and reduced interest rates, among others. These government interventions may have extended the lag between economic conditions and default, relative to what was captured in the model development data. Because Trustmark's econometric PD models rely on the observed relationship from the economic downturn from 2007 to 2009 in both timing and severity, Management did not expect the models to reflect these conditions. For example, while the models would predict contemporaneous unemployment peaks and loan defaults, this might not have occurred when borrowers could request payment deferrals. Thus, for the affected population, economic conditions were not fully considered as a part of Trustmark's quantitative reserve. The second principle is the change in risk that is identified by rating changes. As a part of Trustmark's credit review process, loans in the affected population were given more frequent screening to ensure accurate ratings were maintained through this dynamic period. Trustmark's quantitative reserve did not directly address changes in ratings; thus, a migration qualitative factor was designed to work in concert with the quantitative reserve.

As discussed above, the disconnect of economic factors means that changes in rating caused by deteriorating and weak economic conditions as a result of the pandemic were not being captured in the quantitative reserve. During 2020, due to unforeseen pandemic conditions that varied from Management's expectations, additional reserves were further dimensioned in order to appropriately reflect the risk within the portfolio related to the COVID-19 pandemic. In an effort to ensure the External Factor – Pandemic qualitative factor was reasonable and supportable, historical Trustmark loss data was leveraged to construct a framework that was quantitative in nature. To dimension the additional reserve, Management used the sensitivity of the quantitative commercial loan reserve to changes in

macroeconomic conditions to apply to loans rated acceptable or better (risk rates 1-4). In addition, to account for the known changes in risk, a weighted average of the commercial loan portfolio loss rate, derived from the performance trends qualitative factor, was used to dimension additional reserves for downgraded credits. Loans rated acceptable with risk (risk rate 5) or watch (risk rate 6) received the additional reserves based on the average of the macroeconomic conditions and weighted average of the commercial loan portfolio loss rate while the loans rated special mention (risk rate 7) and substandard (risk rate 8) received additional reserves based on the weighted-average described above. During 2022, Management noted that all pass rate loans (risk rate 5 and 6) related to the External Factor - Pandemic qualitative factor either did not experience significant stress related to the pandemic or had since recovered and did not expect

future stresses attributed to the pandemic that could affect these loans. As a result, Management decided to accelerate the release of the additional pandemic reserves on all pass rate loans as a result of pandemic conditions resolving. During the fourth quarter of 2023, Management decided to resolve the External Factor-Pandemic qualitative factor as a result of the remaining loan balances that were identified as COVID affected loans being immaterial from both a reserve and balance perspective. The remaining loans were incorporated back into the performance qualitative factor as a result of this resolution. Further, due to this resolution there is no longer any active External Factor as of December 31, 2023.

During 2022, Management elected to activate the nature and volume of the portfolio qualitative factor as a result of a sub-pool of the secured by 1-4 family residential properties growing to a significant size along with the underlying nature being different as well. The nature and volume of the portfolio qualitative factor utilizes a WARM methodology that uses industry data for the assumptions to support the qualitative adjustment. The industry data is used to compile a PD based on credit score ranges along with using the industry data to compile an LGD. The sub-pool of credits ~~is~~ are then aggregated into the appropriate credit score bands in which a weighted-average loss rate is calculated based on the PD and LGD for each credit score range. This weighted-average loss rate is then applied to the expected balance for the sub-segment of credits. This total is then used as the qualitative reserve adjustment.

Trustmark's current quantitative methodologies do not completely incorporate changes in credit quality. As a result, Trustmark utilizes the performance trends qualitative factor. This factor is based on migration analyses, that allocates additional ACL to non-pass/delinquent loans within each pool. In this way, Management believes the ACL will directly reflect changes in risk, based on the performance of the loans within a pool, whether declining or improving.

The performance trends qualitative factor is estimated by properly segmenting loan pools into risk levels by risk rating for commercial credits and delinquency status for consumer credits. A migration analysis is then performed quarterly using a third-party software and the results for each risk level are compiled to calculate the historical PD average for each loan portfolio based on risk levels. This average historical PD rate is updated annually. For the mortgage portfolio, Trustmark uses an internal report to incorporate a roll rate method for the calculation of the PD rate. In addition to the PD rate for each portfolio, Management incorporates the quantitative rate and the k value derived from the Frye-Jacobs method to calculate a loss estimate that includes both PD and LGD. The quantitative rate is used to eliminate any additional reserve that the quantitative reserve already includes. Finally, the loss estimate rate is then applied to the total balances for each risk level for each portfolio to calculate a qualitative reserve.

Determining the appropriateness of the allowance is complex and requires judgment by Management about the effect of matters that are inherently uncertain. In future periods, evaluations of the overall LHFI portfolio, in light of the factors and forecasts then prevailing, may result in significant changes in the allowance and credit loss expense.

For a complete description of Trustmark's ACL methodology and the quantitative and qualitative factors included in the calculation, please see Note 34 – LHFI and Allowance for Credit Losses, LHFI included in Part I. Item 1. – Financial Statements of this report.

At ~~March 31, 2024~~ ~~June 30, 2024~~, the ACL on LHFI was ~~\$143.0 million~~ ~~\$154.7 million~~, an increase of ~~\$3.6 million~~ ~~\$15.3 million~~, or ~~2.6%~~ ~~11.0%~~, when compared with December 31, 2023. The increase in the ACL during the first ~~three~~ ~~six~~ months of 2024 was principally due to ~~net adjustments to the qualitative factors due to credit migrations and loan growth and net changes in the macroeconomic forecasts resulting from the annual forecast associated with specific loss driver analysis performed during the first quarter~~ ~~models as a result of 2024 partially offset by updates to the qualitative reserve factors, loss driver updates~~. Allocation of Trustmark's ~~\$143.0 million~~ ~~\$154.7 million~~ ACL on LHFI, represented ~~0.93%~~ ~~1.05%~~ of commercial LHFI and ~~1.63%~~ ~~1.59%~~ of consumer and home mortgage LHFI, resulting in an ACL to total LHFI of ~~1.10%~~ ~~1.18%~~ as of ~~March 31, 2024~~ ~~June 30, 2024~~. This compares with an ACL to total LHFI of 1.08% at December 31, 2023, which was allocated to commercial LHFI at 0.85% and to consumer and mortgage LHFI at 1.81%.

The following table presents changes in the ACL on LHFI for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Balance at beginning of period	\$ 139,367	\$ 120,214	\$ 142,998	\$ 122,239	\$ 139,367	\$ 120,214
Provision for credit losses, LHFI	7,708	3,244				
LHFI charged-off	(6,324)	(2,996)				
PCL, LHFI	14,696	8,211	22,404	11,455		
PCL, LHFI sale of 1-4 family mortgage loans	8,633	—	8,633	—		
Charge-offs	(5,120)	(2,773)	(11,444)	(5,769)		

Charge-offs, sale of 1-4 family mortgage loans	(8,633)	—	(8,633)	—		
Recoveries	2,247	1,777	2,111	1,621	4,358	
Net (charge-offs) recoveries	(4,077)	(1,219)	(11,642)	(1,152)	(15,719)	
Balance at end of period	\$ 142,998	\$ 122,239	\$ 154,685	\$ 129,298	\$ 154,685	\$ 129,298

The increase in net charge-offs when the three and six months ended March 31, 2024 is June 30, 2024, are compared to the same time period periods in 2023 was principally due to increases the charge-offs related to the sale of 1-4 family mortgage loans during the second quarter of 2024 and an increase in gross charge-offs across all five market regions, partially offset by an increase in recoveries in the Florida and Texas market regions, region primarily related to two large nonaccrual commercial credits.

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The following table presents the net (charge-offs) recoveries by geographic market region for the periods presented (\$ in thousands):

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023		2024	
	\$ (341)	\$ (268)	\$ 59	\$ (141)	\$ (282)	\$ (409)
Alabama						
Florida	277	(36)	4	(35)	281	(71)
Mississippi	(1,489)	(775)	(479)	(762)	(1,968)	(1,537)
Tennessee	(179)	(124)	(122)	(166)	(301)	(290)
Texas	(2,345)	(16)	(2,471)	(48)	(4,816)	(64)
Net (charge-offs) recoveries, excluding sale of 1-4 mortgage loans	(3,009)	(1,152)	(7,086)	(2,371)		
Mississippi - sale of 1-4 family mortgage loans	(8,633)	—	(8,633)	—		
Total net (charge-offs) recoveries	\$ (4,077)	\$ (1,219)	\$ (11,642)	\$ (1,152)	\$ (15,719)	\$ (2,371)

The PCL, LHFI, excluding the PCL, LHFI 1-4 family mortgage loans, for the three and six months ended March 31, 2024 June 30, 2024 totaled 0.24% 0.44% and 0.34%, respectively, of average loans (LHFS and LHFI) compared to 0.10% 0.26% and 0.18%, respectively, of average loans (LHFS and LHFI) for the same time period periods in 2023. The PCL on LHFI, excluding the PCL, LHFI sale of 1-4 family mortgage loans, for the three and six months ended March 31, 2024 June 30, 2024 primarily reflected an increase in required reserves as a result of net adjustments to the qualitative factors due to credit migrations and loan growth and net changes in the macroeconomic forecasts resulting from the annual forecast associated with specific loss driver analysis performed during the first quarter of 2024 partially offset by a decline in required reserves models as a result of updates to the qualitative reserve factors. loss driver updates.

Off-Balance Sheet Credit Exposures

Trustmark maintains a separate ACL on off-balance sheet credit exposures, including unfunded loan commitments and letters of credit, which is included on the accompanying consolidated balance sheets. Expected credit losses for off-balance sheet credit exposures are estimated by calculating a commitment usage factor over the contractual period for exposures that are not unconditionally cancellable by Trustmark. Trustmark calculates a loan pool level unfunded amount for the period. Trustmark calculates an expected funding rate each period which is applied to each pool's unfunded commitment balances to ensure that reserves will be applied to each pool based upon balances expected to be funded based upon historical levels. Additionally, a reserve rate is applied to the unfunded commitment balance, which incorporates both quantitative and a majority of the qualitative aspects of the current period's expected credit loss rate. The reserve rate that is applied excludes the reserve impact of the performance trends qualitative factor. During the first quarter of 2024, Management decided to implement a performance trends qualitative factor for unfunded commitments. The same assumptions are applied in this calculation that the funded balances utilize with the addition of using the funding rates on the unfunded commitments. The performance trends qualitative factor reserve is then added to the other calculated reserve to get a total reserve for off-balance sheet credit exposures. See the section captioned "ACL on Off-Balance Sheet Credit Exposures" in Note 12 13 – Contingencies included in Part I. Item 1. – Financial Statements of this report for complete description of Trustmark's ACL methodology on off-balance sheet credit exposures.

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Adjustments to the ACL on off-balance sheet credit exposures are recorded to the PCL, off-balance sheet credit exposures. At **March 31, 2024** **June 30, 2024**, the ACL on off-balance sheet credit exposures totaled **\$33.9 million** **\$30.3 million** compared to \$34.1 million at December 31, 2023, a decrease of **\$192 thousand** **\$3.8 million**, or **0.6% 11.1%**. The PCL, off-balance sheet credit exposures totaled a negative **\$192 thousand** **\$3.6 million** and a negative **\$3.8 million** for the three and six months ended **March 31, 2024** **June 30, 2024**, respectively, compared to **\$245 thousand** and a negative **\$2.2 million** **\$2.0 million**, respectively, for the same time **period** **periods** in 2023. The release in PCL on off-balance sheet credit exposures for the three and six months ended **March 31, 2024** **June 30, 2024**, primarily reflected a decrease in required reserves as a result of a decrease in unfunded commitments **largely** and changes in the total reserve rate, partially offset by an increase in required reserves as a result of implementing the performance trend qualitative reserve factor.

Nonperforming Assets

The table below provides the components of nonperforming assets by geographic market region at **March 31, 2024** **June 30, 2024** and December 31, 2023 (\$ in thousands):

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Nonaccrual LHFI				
Alabama	\$ 23,261	\$ 23,271	\$ 26,222	\$ 23,271
Florida	585	170	614	170
Mississippi	59,059	54,615	14,773	54,615
Tennessee	1,800	1,802	2,084	1,802
Texas	13,646	20,150	599	20,150
Total nonaccrual LHFI	98,351	100,008	44,292	100,008
Other real estate				
Alabama	1,050	1,397	485	1,397
Florida	71	—	—	—
Mississippi	2,870	1,242	1,787	1,242
Tennessee	86	—	86	—
Texas	3,543	4,228	4,228	4,228
Total other real estate	7,620	6,867	6,586	6,867
Total nonperforming assets	\$ 105,971	\$ 106,875	\$ 50,878	\$ 106,875
Nonperforming assets/total loans (LHFS and LHFI) and ORE	0.80%	0.81%	0.38%	0.81%
Loans past due 90 days or more				
LHFI	\$ 5,243	\$ 5,790	\$ 5,413	\$ 5,790
LHFS - Guaranteed GNMA serviced loans (1)	\$ 56,530	\$ 51,243	\$ 58,079	\$ 51,243

(1) *No obligation to repurchase.*

See the previous discussion of LHFS for more information on Trustmark's serviced GNMA loans eligible for repurchase and the impact of Trustmark's repurchases of delinquent mortgage loans under the GNMA optional repurchase program.

Nonaccrual LHFI

At **March 31, 2024** **June 30, 2024**, nonaccrual LHFI totaled **\$98.4 million** **\$44.3 million**, or **0.74% 0.33%** of total LHFS and LHFI, reflecting a decrease of **\$1.7 million** **\$55.7 million**, or **1.7% 55.7%**, relative to December 31, 2023. The decrease in nonaccrual LHFI during the first **three** **six** months of 2024 was primarily as a result of the sale of 1-4 family mortgage loans during the second quarter of 2024 as well as the resolution of one large nonaccrual commercial credit in the Texas market region and a significant reduction of one large nonaccrual commercial credit in the Alabama market region, partially offset by one large commercial credit placed on nonaccrual in the Texas Alabama market region as well as an increase in mortgage nonaccruals region.

For additional information regarding nonaccrual LHFI, see the section captioned "Nonaccrual and Past Due LHFI" included in Note 34 – LHFI and Allowance for Credit Losses, LHFI in Part I. Item 1. – Financial Statements of this report.

Other Real Estate

Other real estate at March 31, 2024 increased \$753 June 30, 2024 decreased \$281 thousand, or 11.0% 4.1%, when compared with December 31, 2023. The increase decrease in other real estate was principally due to properties sold in the Mississippi and Alabama market regions largely offset by properties foreclosed in the Mississippi market region partially offset by region. During the first six months of 2024, Trustmark foreclosed and subsequently sold properties sold totaling \$2.7 million in the Alabama and Mississippi market regions, \$2.1 million of which was sold as well as write-downs part of properties in the Texas market region, sale of 1-4 family mortgage loans during the second quarter of 2024.

The following tables illustrate changes in other real estate by geographic market region for the periods presented (\$ in thousands):

	Three Months Ended March 31, 2024						Three Months Ended June 30, 2024					
	Total	Alabama	Florida	Mississippi	Tennessee	Texas	Total	Alabama	Florida	Mississippi	Tennessee	Texas
Balance at beginning of period	\$ 6,867	\$ 1,397	\$ —	\$ 1,242	\$ —	\$ 4,228	\$ 7,620	\$ 1,050	\$ 71	\$ 2,870	\$ 86	\$ 3,543
Additions	2,228	92	—	2,102	34	—	1,900	—	—	1,900	—	—
Disposals	(957)	(522)	—	(435)	—	—	(3,738)	(638)	(71)	(3,029)	—	—
(Write-downs) recoveries	(518)	83	—	32	52	(685)	804	73	—	46	—	685
Adjustments	—	—	71	(71)	—	—						
Balance at end of period	\$ 7,620	\$ 1,050	\$ 71	\$ 2,870	\$ 86	\$ 3,543	\$ 6,586	\$ 485	\$ —	\$ 1,787	\$ 86	\$ 4,228

	Three Months Ended June 30, 2023					
	Total	Alabama	Florida	Mississippi	Tennessee	Texas
Balance at beginning of period	\$ 1,684	\$ —	\$ —	\$ 1,495	\$ 189	\$ —
Additions	270	—	—	229	41	—
Disposals	(724)	—	—	(494)	(230)	—
(Write-downs) recoveries	(93)	—	—	(93)	—	—
Balance at end of period	\$ 1,137	\$ —	\$ —	\$ 1,137	\$ —	\$ —

	Six Months Ended June 30, 2024					
	Total	Alabama	Florida	Mississippi	Tennessee	Texas
Balance at beginning of period	\$ 6,867	\$ 1,397	\$ —	\$ 1,242	\$ —	\$ 4,228
Additions	4,128	92	—	4,002	34	—
Disposals	(4,695)	(1,160)	(71)	(3,464)	—	—
(Write-downs) recoveries	286	156	—	78	52	—
Adjustments	—	—	71	(71)	—	—
Balance at end of period	\$ 6,586	\$ 485	\$ —	\$ 1,787	\$ 86	\$ 4,228

Three Months Ended March 31, 2023

Six Months Ended June 30, 2023

	Total	Alabama	Florida	Mississippi	Tennessee	Texas		Total	Alabama	Florida	Mississippi	Tennessee	Texas
Balance at beginning of period	\$ 1,986	\$ 194	\$ —	\$ 1,769	\$ 23	\$ —		\$ 1,986	\$ 194	\$ —	\$ 1,769	\$ 23	\$ —
Additions	300	—	—	111	189	—		570	—	—	340	230	—
Disposals	(542)	(194)	—	(325)	(23)	—		(1,266)	(194)	—	(819)	(253)	—
(Write-downs) recoveries	(60)	—	—	(60)	—	—		(153)	—	—	(153)	—	—
Balance at end of period	\$ 1,684	\$ —	\$ —	\$ 1,495	\$ 189	\$ —		\$ 1,137	\$ —	\$ —	\$ 1,137	\$ —	\$ —

Other real estate is revalued on an annual basis or more often if market conditions necessitate. Subsequent to foreclosure, losses on the periodic revaluation of the property are charged against the reserve for other real estate write-downs or net income in other real estate expense, if a reserve does not exist. Write-downs of other real estate increased \$458 decreased \$439 thousand when the first three six months of 2024 is compared to the same time period in 2023, primarily due to an increase in the reserve for recoveries on other real estate write-downs properties foreclosed in the Texas Mississippi and Alabama market region as a result of periodic revaluations of other real estate properties, regions.

For additional information regarding other real estate, please see Note 56 – Other Real Estate included in Part I. Item 1. – Financial Statements of this report.

Deposits

Trustmark's deposits are its primary source of funding and primarily consist of core deposits from the communities Trustmark serves. Deposits include interest-bearing and noninterest-bearing demand accounts, savings, MMA, CDs and individual retirement accounts. Total deposits were \$15.339 billion \$15.463 billion at March 31, 2024 June 30, 2024 compared to \$15.570 billion at December 31, 2023, a decrease of \$231.2 million \$106.9 million, or 1.5% 0.7%. During the first three six months of 2024, noninterest-bearing deposits decreased \$158.0 million \$44.1 million, or 4.9% 1.4%, reflecting principally due to declines in all categories of commercial noninterest-bearing deposits reflecting customers migration into higher-yielding products. Demand deposit accounts. Interest-bearing deposits decreased \$73.2 million \$62.8 million, or 0.6% 0.5%, during the first three six months of 2024, primarily due to declines in public and consumer interest checking accounts and consumer CDs, savings accounts, partially offset by growth in commercial interest checking accounts, business and consumer MMA, MMA and all categories of CDs.

At March 31, 2024 June 30, 2024, Trustmark's total uninsured deposits were \$5.531 billion \$5.552 billion, or 36.1% 35.9% of total deposits, compared to \$5.601 billion, or 36.0% of total deposits, at December 31, 2023.

Borrowings

Trustmark uses short-term borrowings, such as federal funds purchased, securities sold under repurchase agreements and short-term FHLB advances, to fund growth of earning assets in excess of deposit growth. See the section captioned "Liquidity" for further discussion of the components of Trustmark's excess funding capacity.

Federal funds purchased and securities sold under repurchase agreements totaled \$393.2 million \$314.1 million at March 31, 2024 June 30, 2024 compared to \$405.7 million at December 31, 2023, a decrease of \$12.5 million \$91.6 million, or 3.1% 22.6%, principally due to a decrease in upstream federal funds purchased. At March 31, 2024 June 30, 2024 and December 31, 2023, \$48.2 million \$29.1 million and \$35.7 million, respectively, represented customer related transactions, such as commercial sweep repurchase balances. Trustmark had \$345.0 million \$285.0 million of upstream federal funds purchased at March 31, 2024 June 30, 2024 compared to \$370.0 million at December 31, 2023.

Other borrowings totaled \$482.0 million \$336.7 million at March 31, 2024 June 30, 2024, a decrease of \$1.2 million \$146.5 million, or 0.2% 30.3%, when compared with \$483.2 million at December 31, 2023, principally due to a decline in GNMA loans eligible for repurchase, outstanding short-term FHLB advances with the FHLB of Dallas.

Legal Environment

Information required in this section is set forth under the heading "Legal Proceedings" of Note 12 13 – Contingencies included in Part I. Item 1. – Financial Statements of this report.

Off-Balance Sheet Arrangements

Information required in this section is set forth under the heading "Lending Related" of Note 12 13 – Contingencies included in Part I. Item 1. – Financial Statements of this report.

Capital Resources and Liquidity

Trustmark places a significant emphasis on the maintenance of a strong capital position, which promotes investor confidence, provides access to funding sources under favorable terms and enhances Trustmark's ability to capitalize on business growth and acquisition opportunities. Higher levels of liquidity, however, bear corresponding costs, measured in terms of lower yields on short-term, more liquid earning assets and higher expenses for extended liability maturities. Trustmark manages capital based upon risks and growth opportunities as well as regulatory requirements. Trustmark utilizes a capital model in order to provide Management with a monthly tool for analyzing changes in its strategic capital ratios. This allows Management to hold sufficient capital to provide for growth opportunities and protect the balance sheet against sudden adverse market conditions, while maintaining an attractive return on equity to shareholders.

At **March 31, 2024** **June 30, 2024**, Trustmark's total shareholders' equity was **\$1.683 billion** **\$1.879 billion**, an increase of **\$20.8 million** **\$217.3 million**, or **1.2%** **13.1%**, when compared to December 31, 2023. During the first **three** **six** months of 2024, shareholders' equity increased primarily as a result of the net change in the fair market value of securities available for sale, principally due to the restructuring of the available for sale securities portfolio during the second quarter of 2024, as well as net income of **\$41.5 million** **\$115.4 million**, partially offset by common stock dividends of **\$14.2 million** **\$28.4 million**.

Regulatory Capital

Trustmark and TNB are subject to minimum risk-based capital and leverage capital requirements, as described in the section captioned "Capital Adequacy" included in Part I. Item 1. – Business of Trustmark's 2023 Annual Report, which are administered by the federal bank regulatory agencies. These capital requirements, as defined by federal regulations, involve quantitative and qualitative measures

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of assets, liabilities and certain off-balance sheet instruments. Trustmark's and TNB's minimum risk-based capital requirements include a capital conservation buffer of 2.5%. AOCI is not included in computing regulatory capital. Trustmark elected the five-year phase-in transition period (through December 31, 2024) related to adopting FASB ASU 2016-13 for regulatory capital purposes. Failure to meet minimum capital requirements can result in certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the financial statements of Trustmark and TNB and limit Trustmark's and TNB's ability to pay dividends. At **March 31, 2024** **June 30, 2024**, Trustmark and TNB exceeded all applicable minimum capital standards. In addition, Trustmark and TNB met applicable regulatory guidelines to be considered well-capitalized at **March 31, 2024** **June 30, 2024**. To be categorized in this manner, Trustmark and TNB maintained minimum common equity Tier 1 risk-based capital, Tier 1 risk-based capital, total risk-based capital and Tier 1 leverage ratios, and were not subject to any written agreement, order or capital directive, or prompt corrective action directive issued by their primary federal regulators to meet and maintain a specific capital level for any capital measures. There are no significant conditions or events that have occurred since **March 31, 2024** **June 30, 2024** which Management believes have affected Trustmark's or TNB's present classification.

In 2020, Trustmark enhanced its capital structure with the issuance of \$125.0 million of subordinated notes. At both **March 31, 2024** and **December 31, 2023** **June 30, 2024**, the carrying amount of the subordinated notes was **\$123.6 million** compared to **\$123.5 million** at **December 31, 2023**. The subordinated notes mature December 1, 2030 and are redeemable at Trustmark's option under certain circumstances. For regulatory capital purposes, the subordinated notes qualified as Tier 2 capital for Trustmark at **March 31, 2024** **June 30, 2024** and December 31, 2023. Trustmark may utilize the full carrying value of the subordinated notes as Tier 2 capital until December 1, 2025 (five years prior to maturity). Beginning December 1, 2025, the subordinated notes will phase out of Tier 2 capital 20.0% each year until maturity.

In 2006, Trustmark enhanced its capital structure with the issuance of trust preferred securities. For regulatory capital purposes, the trust preferred securities qualified as Tier 1 capital at **March 31, 2024** **June 30, 2024** and December 31, 2023. Trustmark intends to continue to utilize \$60.0 million in trust preferred securities issued by Trustmark Preferred Capital Trust I (the Trust) as Tier 1 capital up to the regulatory limit, as permitted by the grandfather provision in the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III Final Rule.

Refer to the section captioned "Regulatory Capital" included in Note **15** **16** – Shareholders' Equity in Part I. Item 1. – Financial Statements of this report for an illustration of Trustmark's and TNB's actual regulatory capital amounts and ratios under regulatory capital standards in effect at **March 31, 2024** **June 30, 2024** and December 31, 2023.

Dividends on Common Stock

Dividends per common share for the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023 were **\$0.23** **\$0.46**. Trustmark's indicated dividend for 2024 is \$0.92 per common share, which is the same as dividends per common share declared in 2023.

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Stock Repurchase Program

From time to time, Trustmark's Board of Directors has authorized stock repurchase plans. In general, stock repurchase plans allow Trustmark to proactively manage its capital position and return excess capital to shareholders. Shares purchased also provide Trustmark with shares of common stock necessary to satisfy obligations related to stock compensation awards.

On December 6, 2022, the Board of Directors of Trustmark authorized a stock repurchase program, effective January 1, 2023, under which \$50.0 million of Trustmark's outstanding common stock could be acquired through December 31, 2023. No shares were repurchased under this authority.

On December 5, 2023, the Board of Directors of Trustmark authorized a new stock repurchase program, effective January 1, 2024, under which \$50.0 million of Trustmark's outstanding common stock may be acquired through December 31, 2024. The repurchase program, which is subject to market conditions and management discretion, will be implemented through open market repurchases or privately negotiated transactions. No shares have been repurchased under this authority.

Liquidity

Liquidity is the ability to ensure that sufficient cash flow and liquid assets are available to satisfy current and future financial obligations, including demand for loans and deposit withdrawals, funding operating costs and other corporate purposes. Consistent cash flows from operations and adequate capital provide internally generated liquidity. Furthermore, Management maintains funding capacity from a variety of external sources to meet daily funding needs, such as those required to meet deposit withdrawals, loan disbursements and security settlements. Liquidity strategy also includes the use of wholesale funding sources to provide for the seasonal fluctuations of deposit and loan demand and the cyclical fluctuations of the economy that impact the availability of funds. Management keeps excess funding capacity available to meet potential demands associated with adverse circumstances.

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The asset side of the balance sheet provides liquidity primarily through maturities and cash flows from loans and securities as well as the ability to pledge or sell certain loans and securities. The liability portion of the balance sheet provides liquidity primarily through noninterest and interest-bearing deposits. Trustmark utilizes federal funds purchased, FHLB advances, securities sold under repurchase agreements, the Federal Reserve Discount Window (Discount Window) and brokered deposits to provide additional liquidity. Access to these additional sources represents Trustmark's incremental borrowing capacity.

Trustmark's liquidity position is continuously monitored and adjustments are made to manage the balance as deemed appropriate. Liquidity risk management is an important element to Trustmark's asset/liability management process. Trustmark regularly models liquidity stress scenarios to assess potential liquidity outflows or funding problems resulting from economic disruptions or other significant occurrences as deemed appropriate by Management. These scenarios are incorporated into Trustmark's contingency funding plan, which provides the basis for the identification of its liquidity needs.

Deposit accounts represent Trustmark's largest funding source. Average deposits totaled \$15.420 billion \$15.413 billion for the first three six months of 2024 and represented approximately 82.6% 82.3% of average liabilities and shareholders' equity, compared to average deposits of \$14.666 billion \$14.702 billion, which represented 79.3% 78.9% of average liabilities and shareholders' equity for the first three six months of 2023. For more information on average interest-bearing deposits, please see the analysis included in the section captioned "Net Interest Income."

Trustmark had \$368.5 million \$539.4 million held in an interest-bearing account at the FRBA at March 31, 2024 June 30, 2024, compared to \$712.0 million held at December 31, 2023.

Trustmark utilizes brokered deposits to supplement other wholesale funding sources. At March 31, 2024 June 30, 2024, brokered sweep MMA deposits totaled \$10.5 million \$10.3 million compared to \$10.6 million at December 31, 2023. In addition, Trustmark had \$586.9 million \$599.8 million of brokered CDs at March 31, 2024 June 30, 2024 compared to \$578.8 million at December 31, 2023.

At March 31, 2024 June 30, 2024, Trustmark had \$345.0 million \$285.0 million of upstream federal funds purchased compared to \$370.0 million of upstream federal funds purchased at December 31, 2023. Trustmark maintains adequate federal funds lines to provide sufficient short-term liquidity.

Trustmark maintains a relationship with the FHLB of Dallas, which provided \$250.0 million of outstanding short-term and no long-term advances at June 30, 2024, compared to \$400.0 million of outstanding short-term and no long-term advances at both March 31, 2024 and December 31, 2023. Trustmark had no letters of credit outstanding with the FHLB.

of Dallas at March 31, 2024 and December 31, 2023. Under the existing borrowing agreement, Trustmark had sufficient qualifying collateral to increase FHLB advances or letters of credit with the FHLB of Dallas by \$4.065 billion \$4.177 billion at March 31, 2024 June 30, 2024.

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In addition, at March 31, 2024 June 30, 2024, Trustmark had no short-term and \$53 thousand in or long-term FHLB advances outstanding with the FHLB of Atlanta, which were acquired in the BancTrust merger in 2013, compared to no short-term and \$58 thousand in long-term FHLB advances at December 31, 2023, which were acquired in the BancTrust merger in 2013. Trustmark has had non-member status and thus no additional borrowing capacity with the FHLB of Atlanta.

Additionally, Trustmark has the ability to leverage its unencumbered investment securities as collateral. At March 31, 2024 June 30, 2024, Trustmark had approximately \$799.0 million \$726.0 million available in unencumbered U.S. Treasury and agency securities compared to \$842.0 million in unencumbered Treasury and agency securities at December 31, 2023.

Another borrowing source is the Discount Window. At March 31, 2024 June 30, 2024, Trustmark had approximately \$1.412 billion \$1.247 billion available in collateral capacity at the Discount Window primarily from pledges of commercial and industrial LHFIs, compared with \$1.374 billion at December 31, 2023.

Additionally, on March 15, 2020, in response to the COVID-19 pandemic, the FRB reduced reserve requirements for insured depository institutions to zero percent, which increased TNB's available liquidity.

During 2020, Trustmark issued \$125.0 million aggregate principal amount of its 3.625% fixed-to-floating rate subordinated notes. At both March 31, 2024 and December 31, 2023 June 30, 2024, the carrying amount of the subordinated notes was \$123.5 million \$123.6 million compared to \$123.5 million at December 31, 2023. The subordinated notes mature December 1, 2030 and are redeemable at Trustmark's option under certain circumstances. The subordinated notes are unsecured obligations and are subordinated in right of payment to all of Trustmark's existing and future senior indebtedness, whether secured or unsecured. The subordinated notes are obligations of Trustmark only and are not obligations of, and are not guaranteed by, any of its subsidiaries, including TNB.

During 2006, Trustmark completed a private placement of \$60.0 million of trust preferred securities through a newly formed Delaware trust affiliate, the Trust. The trust preferred securities mature September 30, 2036 and are redeemable at Trustmark's option. The proceeds from the sale of the trust preferred securities were used by the Trust to purchase \$61.9 million in aggregate principal amount of Trustmark's junior subordinated debentures.

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The Board of Directors of Trustmark currently has the authority to issue up to 20.0 million preferred shares with no par value. The ability to issue preferred shares in the future will provide Trustmark with additional financial and management flexibility for general corporate and acquisition purposes. At March 31, 2024 June 30, 2024, Trustmark had no shares of preferred stock issued and outstanding.

Management believes that Trustmark has sufficient liquidity and capital resources to meet presently known cash flow requirements arising from ongoing business transactions. As of March 31, 2024 June 30, 2024, Management is not aware of any events that are reasonably likely to have a material adverse effect on Trustmark's liquidity, capital resources or operations. In addition, Management is not aware of any regulatory recommendations regarding liquidity that would have a material adverse effect on Trustmark.

In the ordinary course of business, Trustmark has entered into contractual obligations and has made other commitments to make future payments. Please refer to the accompanying notes to the consolidated financial statements included in Part I. Item 1. – Financial Statements of this report and Trustmark's 2023 Annual Report for the expected timing of such payments as of March 31, 2024 June 30, 2024 and December 31, 2023. There have been no material changes in Trustmark's contractual obligations since year-end.

Asset/Liability Management

Overview

Market risk reflects the potential risk of loss arising from adverse changes in interest rates and market prices. Trustmark has risk management policies to monitor and limit exposure to market risk. Trustmark's primary market risk is interest rate risk created by core banking activities. Interest rate risk is the potential variability of the income generated by Trustmark's financial products or services, which results from changes in various market interest rates. Market rate changes may take the form of absolute shifts, variances in the relationships between different rates and changes in the shape or slope of the interest rate term structure.

Following the LIBOR cessation date of June 30, 2023, the nationwide process for replacing LIBOR in financial contracts that mature thereafter and that do not provide for an effective means to replace LIBOR upon its cessation took effect pursuant to the Adjustable Interest Rate (LIBOR) Act. For contracts in which a party has the discretion to identify a replacement rate, the Adjustable Interest Rate (LIBOR) Act also provides a safe harbor to parties if they choose the SOFR-based benchmark replacement rate to be identified by the FRB. Trustmark had a significant number of loans, derivative contracts, borrowings and other financial instruments with attributes that were either directly or indirectly dependent on LIBOR. As of **March 31, 2024** **June 30, 2024**, all of Trustmark's LIBOR exposure was remediated or in the process of being remediated. The transition from LIBOR could create costs and additional risk. Trustmark cannot predict what the ultimate impact of the transition from LIBOR will be; however, Trustmark has implemented various measures to manage the

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transition and mitigate risks. For additional information regarding the transition from LIBOR and Trustmark's management of this transition, please see the respective risk factor included in Part I. Item 1A. – Risk Factors, of Trustmark's 2023 Annual Report.

Management continually develops and applies cost-effective strategies to manage these risks. Management's Asset/Liability Committee sets the day-to-day operating guidelines, approves strategies affecting net interest income and coordinates activities within policy limits established by the Board of Directors of Trustmark. A key objective of the asset/liability management program is to quantify, monitor and manage interest rate risk and to assist Management in maintaining stability in the net interest margin under varying interest rate environments.

Derivatives

Trustmark uses financial derivatives for management of interest rate risk. Management's Asset/Liability Committee, in its oversight role for the management of interest rate risk, approves the use of derivatives in balance sheet hedging strategies. The most common derivatives employed by Trustmark are interest rate lock commitments, forward contracts (both futures contracts and options on futures contracts), interest rate swaps, interest rate caps and interest rate floors. As a general matter, the values of these instruments are designed to be inversely related to the values of the assets that they hedge (i.e., if the value of the hedged asset falls, the value of the related hedge rises). In addition, Trustmark has entered into derivatives contracts as counterparty to one or more customers in connection with loans extended to those customers. These transactions are designed to hedge interest rate **currency or other exposures** **exposure** of the customers and are not entered into by Trustmark for speculative purposes. Increased federal regulation of the derivatives markets may increase the cost to Trustmark to administer derivatives programs.

Derivatives Designated as Hedging Instruments

During 2022, Trustmark **initiated** **engages** in a cash flow hedging **program**. Trustmark's objectives in initiating this hedging program **were** to add stability to interest income and to manage its exposure to interest rate movements. Interest rate swaps designated as cash flow hedges involve the receipt of fixed-rate amounts from a counterparty in exchange for Trustmark making variable-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate floor spreads designated as cash flow hedges involve the receipt of variable-rate amounts if interest rates fall below

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the purchased floor strike rate on the contract and payments of variable rate amounts if interest rates fall below the sold floor strike rate on the contract. Trustmark uses such derivatives to hedge the variable cash flows associated with existing and anticipated variable-rate loan assets. At **March 31, 2024** **June 30, 2024**, the aggregate notional value of Trustmark's interest rate swaps and floor spreads designated as cash flow hedges totaled **\$1.225 billion** **\$1.315 billion** compared to \$1.125 billion at December 31, 2023.

Trustmark records any gains or losses on these cash flow hedges in AOCI. Gains and losses on derivatives representing hedge components excluded from the assessment of effectiveness are recognized over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with Trustmark's accounting policy election. The earnings recognition of excluded components **totaled \$85 thousand and \$9 thousand of amortization expense for the three months ended March 31, 2024 and 2023, respectively, and is included in interest and fees on LHFS and LHF****I****. LHF****I** **totaled \$124 thousand and \$209 thousand of amortization expense for the three and six months ended June 30, 2024, respectively, compared to \$13 thousand and \$22 thousand of amortization expense for the three and six months ended June 30, 2023, respectively.** As interest payments are received on Trustmark's variable-rate assets, amounts reported in AOCI are reclassified into interest and fees on LHFS and LHF**I** in the accompanying consolidated statements of income during the same period. For the three and six months ended **March 31, 2024 and 2023, June 30, 2024**, Trustmark reclassified a loss, net of tax, of **\$3.6 million** **\$3.7 million** and **\$2.2 million** **\$7.3 million**, respectively, into interest and fees on LHFS and LHF**I**, compared to **\$3.0 million** and **\$5.2 million** for the same time periods in

2023, respectively. During the next twelve months, Trustmark estimates that **\$15.5 million** **\$15.6 million** will be reclassified as a reduction to interest and fees on LHFS and LHF. This amount could differ due to changes in interest rates, hedge de-designations or the addition of other hedges.

Derivatives Not Designated as Hedging Instruments

As part of Trustmark's risk management strategy in the mortgage banking business, various derivative instruments such as interest rate lock commitments and forward sales contracts are utilized. Rate lock commitments are residential mortgage loan commitments with customers, which guarantee a specified interest rate for a specified period of time. Trustmark's obligations under forward contracts consist of commitments to deliver mortgage loans, originated and/or purchased, in the secondary market at a future date. The gross notional amount of Trustmark's off-balance sheet obligations under these derivative instruments totaled **\$217.0 million** **\$214.5 million** at **March 31, 2024** **June 30, 2024**, with a positive valuation adjustment of **\$949** **\$809** thousand, compared to \$171.4 million, with a negative valuation adjustment of \$150 thousand at December 31, 2023.

Trustmark utilizes a portfolio of exchange-traded derivative instruments, such as Treasury note futures contracts and option contracts, to achieve a fair value return that economically hedges changes in fair value of the MSR attributable to interest rates. These transactions are considered freestanding derivatives that do not otherwise qualify for hedge accounting under GAAP. The total notional amount of these derivative instruments was **\$301.0 million** **\$301.5 million** at **March 31, 2024** **June 30, 2024** compared to \$285.0 million at December 31, 2023. These exchange-traded derivative instruments are accounted for at fair value with changes in the fair value recorded as noninterest income (loss) in mortgage

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banking, net and are offset by the changes in the fair value of the MSR. The MSR fair value represents the present value of future cash flows, which among other things includes decay and the effect of changes in interest rates. Ineffectiveness of hedging the MSR fair value is measured by comparing the change in value of hedge instruments to the change in the fair value of the MSR asset attributable to changes in interest rates and other market driven changes in valuation inputs and assumptions. The impact of this strategy resulted in a net negative ineffectiveness of **\$1.1 million** **\$4.5 million** and **\$1.8 million** **\$1.3 million** for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively. For the six months ended **June 30, 2024** and 2023, the impact was a net negative ineffectiveness of **\$5.6 million** and **\$3.1 million**, respectively.

Trustmark offers certain interest rate derivatives products directly to qualified commercial lending clients seeking to manage their interest rate risk under loans they have entered into with TNB. Trustmark economically hedges interest rate swap transactions executed with commercial lending clients by entering into offsetting interest rate swap transactions with institutional derivatives market participants. Derivatives transactions executed as part of this program are not designated as qualifying hedging relationships under GAAP and are, therefore, carried on Trustmark's financial statements at fair value with the change in fair value recorded as noninterest income in bank card and other fees. Because these derivatives have mirror-image contractual terms, in addition to collateral provisions which mitigate the impact of non-performance risk, the changes in fair value are expected to substantially offset. The Chicago Mercantile Exchange rules legally characterize variation margin collateral payments made or received for centrally cleared interest rate swaps as settlements rather than collateral. As a result, centrally cleared interest rate swaps included in other assets and other liabilities are presented on a net basis in the accompanying consolidated balance sheets. As of **March 31, 2024** **June 30, 2024**, Trustmark had interest rate swaps with an aggregate notional amount of **\$1.470 billion** **\$1.640 billion** related to this program, compared to \$1.500 billion as of December 31, 2023.

Credit-Risk-Related Contingent Features

Trustmark has agreements with its financial institution counterparties that contain provisions where if Trustmark defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then Trustmark could also be deemed to be in default on its derivatives obligations.

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At **March 31, 2024** **June 30, 2024**, there was no termination value of interest rate swaps in a liability position, which includes accrued interest but excludes any adjustment for nonperformance risk, related to these agreements compared to \$1.4 million at December 31, 2023. At **March 31, 2024** **June 30, 2024** and December 31, 2023, Trustmark had posted collateral of \$40 thousand and \$2.0 million, respectively, against its obligations because of negotiated thresholds and minimum transfer amounts under these agreements. If Trustmark had breached any of these triggering provisions at **March 31, 2024** **June 30, 2024**, it could have been required to settle its obligations under the agreements at the termination value (which is expected to approximate fair market value).

Credit risk participation agreements arise when Trustmark contracts with other financial institutions, as a guarantor or beneficiary, to share credit risk associated with certain interest rate swaps. These agreements provide for reimbursement of losses resulting from a third-party default on the underlying swap. At **March 31, 2024** **June 30, 2024**, Trustmark had entered into **seven** **eight** risk participation agreements as a beneficiary with an aggregate notional amount of **\$44.9 million** **\$53.4 million** compared to six risk participation agreements as a beneficiary with an aggregate notional amount of \$40.1 million at December 31, 2023. At **March 31, 2024** and **December 31, 2023** **June 30, 2024**, Trustmark had entered into **thirty-seven** risk participation agreements as a guarantor with an aggregate notional amount of \$304.9 million compared to thirty-five risk participation agreements as a guarantor with an aggregate notional amount of **\$304.1 million** and **\$304.7 million**, respectively, at December 31, 2023. The aggregate fair values of these risk participation agreements were immaterial at both **March 31, 2024** **June 30, 2024** and December 31, 2023.

Trustmark's participation in the derivatives markets is subject to increased federal regulation of these markets. Trustmark believes that it may continue to use financial derivatives to manage interest rate risk and also to offer derivatives products to certain qualified commercial lending clients in compliance with the Volcker Rule. However, the increased federal regulation of the derivatives markets has increased the cost to Trustmark of administering its derivatives programs. Some of these costs (particularly compliance costs related to the Volcker Rule and other federal regulations) are expected to recur in the future.

Market/Interest Rate Risk Management

The primary purpose in managing interest rate risk is to invest capital effectively and preserve the value created by the core banking business. This is accomplished through the development and implementation of lending, funding, pricing and hedging strategies designed to maximize net interest income performance under varying interest rate environments subject to specific liquidity and interest rate risk guidelines.

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Financial simulation models are the primary tools used by Management's Asset/Liability Committee to measure interest rate exposure. The significant increase in short-term market interest rates and the overall interest rate environment is likely to affect the balance sheet composition and rates. The simulation incorporates assumptions regarding the effects of such changes based on a combination of historical analysis and expected behavior. Using a wide range of scenarios, Management is provided with extensive information on the potential impact on net interest income caused by changes in interest rates. Models are structured to simulate cash flows and accrual characteristics of Trustmark's balance sheet. Assumptions are made about the direction and volatility of interest rates, the slope of the yield curve and the changing composition of Trustmark's balance sheet, resulting from both strategic plans and customer behavior. In addition, the model incorporates Management's assumptions and expectations regarding such factors as loan and deposit growth, pricing, prepayment speeds and spreads between interest rates.

Based on the results of the simulation models using static balances, the table below summarizes the effect various one-year interest rate shift scenarios would have on net interest income compared to a base case, flat scenario at **March 31, 2024** **June 30, 2024** and 2023.

Change in Interest Rates	Estimated % Change in Net Interest Income		Estimated % Change in Net Interest Income	
	2024	2023	2024	2023
+200 basis points	1.4%	3.5%	1.7%	3.1%
+100 basis points	0.7%	1.7%	0.9%	1.6%
-100 basis points	-0.8%	-1.8%	-1.3%	-1.7%
-200 basis points	-2.3%	-4.8%	-3.3%	-3.6%

Management cannot provide any assurance about the actual effect of changes in interest rates on net interest income. The estimates provided do not include the effects of possible strategic changes in the balances of various assets and liabilities throughout 2024 or additional actions Trustmark could undertake in response to changes in interest rates. Management will continue to prudently manage the balance sheet in an effort to control interest rate risk and maintain profitability over the long term.

Another component of interest rate risk management is measuring the economic value-at-risk for a given change in market interest rates. The economic value-at-risk may indicate risks associated with longer-term balance sheet items that may not affect net interest income at risk over shorter time periods. Trustmark uses computer-modeling techniques to determine the present value of all asset and liability cash flows (both on- and off-balance sheet), adjusted for prepayment expectations, using a market discount rate. The economic value

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of equity (EVE), also known as net portfolio value, is defined as the difference between the present value of asset cash flows and the present value of liability cash flows. The resulting change in EVE in different market rate environments, from the base case scenario, is the amount of EVE at risk from those rate environments.

The following table summarizes the effect that various interest rate shifts would have on net portfolio value at **March 31, 2024** **June 30, 2024** and 2023.

Change in Interest Rates	Estimated % Change in Net Portfolio Value		Estimated % Change in Net Portfolio Value	
	2024		2023	
	2024	2023	2024	2023
+200 basis points	-1.9%	-1.7%	-2.0%	-3.6%
+100 basis points	-0.7%	-0.6%	-0.8%	-1.7%

Trustmark determines the fair value of the MSR using a valuation model administered by a third party that calculates the present value of estimated future net servicing income. The model incorporates assumptions that market participants use in estimating future net servicing income, including estimates of prepayment speeds, discount rate, default rates, cost to service (including delinquency and foreclosure costs), escrow account earnings, contractual servicing fee income and other ancillary income such as late fees. Management reviews all significant assumptions quarterly. Mortgage loan prepayment speeds, a key assumption in the model, is the annual rate at which borrowers are forecasted to repay their mortgage loan principal. The discount rate used to determine the present value of estimated future net servicing income, another key assumption in the model, is an estimate of the required rate of return investors in the market would require for an asset with similar risk. Both assumptions can, and generally will, change as market conditions and interest rates change.

By way of example, an increase in either the prepayment speed or discount rate assumption will result in a decrease in the fair value of the MSR, while a decrease in either assumption will result in an increase in the fair value of the MSR. In recent years, there have been significant market-driven fluctuations in loan prepayment speeds and discount rates. These fluctuations can be rapid and may continue to be significant. Therefore, estimating prepayment speed and/or discount rates within ranges that market participants would use in determining the fair value of the MSR requires significant management judgment.

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At **March 31, 2024** **June 30, 2024**, the MSR fair value was **\$138.0 million** **\$136.7 million**, compared to **\$127.2 million** **\$134.4 million** at **March 31, 2023** **June 30, 2023**. The impact on the MSR fair value of a 10% adverse change in prepayment speed or a 100 basis point increase in discount rate at **March 31, 2024** **June 30, 2024**, would be a decline in fair value of approximately **\$5.0 million** **\$4.9 million** and **\$5.7 million** **\$5.5 million**, respectively, compared to a decline in fair value of approximately **\$4.5 million** **\$4.7 million** and **\$5.2 million** **\$5.5 million**, respectively, at **March 31, 2023** **June 30, 2023**. Changes of equal magnitude in the opposite direction would produce similar increases in fair value in the respective amounts.

Critical Accounting Policies

For an overview of Trustmark's critical accounting policies, see the section captioned "Critical Accounting Policies" included in Part II. Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations, of Trustmark's 2023 Annual Report. There have been no significant changes in Trustmark's critical accounting policies during the first **three** **six** months of 2024.

For additional information regarding Trustmark's basis of presentation and accounting policies, see Note 1 – Business, Basis of Financial Statement Presentation and Principles of Consolidation included in Part I. Item 1. – Financial Statements of this report.

Accounting Policies Recently Adopted and Pending Accounting Pronouncements

For a complete list of recently adopted and pending accounting policies and the impact on Trustmark, see Note **19** **20** – Accounting Policies Recently Adopted and Pending Accounting Pronouncements included in Part I. Item 1. – Financial Statements of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information required by this item is included in the discussion of Market/Interest Rate Risk Management found in Management's Discussion and Analysis.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out by Trustmark's Management, with the participation of its Chief Executive Officer and Treasurer and Principal Financial Officer (Principal Financial Officer), of the effectiveness of Trustmark's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and the Principal Financial Officer concluded that Trustmark's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There has been no change in Trustmark's internal control over financial reporting during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, Trustmark's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information required in this section is set forth under the heading "Legal Proceedings" of Note 12¹³ – Contingencies in Part I. Item 1 – Financial Statements of this report.

In accordance with FASB Accounting Standards Codification (ASC) Topic 450-20, "Loss Contingencies," Trustmark will establish an accrued liability for litigation matters when those matters present loss contingencies that are both probable and reasonably estimable. At the present time, Trustmark believes, based on its evaluation and the advice of legal counsel, that a loss in any such proceeding is not probable and reasonably estimable. All matters will continue to be monitored for further developments that would make such loss contingency both probable and reasonably estimable. In view of the inherent difficulty of predicting the outcome of legal proceedings, Trustmark cannot predict the eventual outcomes of the currently pending matters or the timing of their ultimate resolution. Trustmark currently believes, however, based upon the advice of legal counsel and Management's evaluation and after taking into account its current insurance coverage, that the legal proceedings currently pending should not have a material adverse effect on Trustmark's consolidated financial condition.

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ITEM 1A. RISK FACTORS

There has been no material change in the risk factors previously disclosed in Trustmark's 2023 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On December 5, 2023, Trustmark's Board of Directors authorized a stock repurchase program effective January 1, 2024, under which \$50.0 million of Trustmark's outstanding shares may be acquired through December 31, 2024. The repurchase program, which is subject to market conditions and management discretion, will be implemented through open market repurchases or privately negotiated transactions.

The following table provides information with respect to purchases by Trustmark or made on behalf of Trustmark of its common stock during the three months ended March 31, 2024¹³ June 30, 2024 (\$ in thousands, except per share amounts):

Period	Total Number of Shares		Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan at the End of the Period	
	Purchased	Average Price Paid Per Share		\$	50,000
January 1, 2024 to January 31, 2024	—	\$	—	—	50,000
February 1, 2024 to February 29, 2024	—	—	—	—	50,000
March 1, 2024 to March 31, 2024	—	—	—	—	50,000
Total	—	—	—	—	50,000

Approximate Dollar Value of

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan at the End of the Period
April 1, 2024 to April 30, 2024	—	\$ —	—	\$ 50,000
May 1, 2024 to May 31, 2024	—	—	—	50,000
June 1, 2024 to June 30, 2024	—	—	—	50,000
Total	—	—	—	—

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the three months ended **March 31, 2024** June 30, 2024, none of Trustmark's directors or executive officers adopted or terminated any contract, instruction or written plan for the purchase or sale of Trustmark's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement" (as defined in Item 408(c) of Regulation S-K).

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ITEM 6. EXHIBITS

The exhibits listed in the Exhibit Index are filed herewith or are incorporated herein by reference.

EXHIBIT INDEX

10-an	Trustmark Corporation Stock and Incentive Compensation Plan, as amended and restated effective April 23, 2024. Filed March 13, 2024, as Annex A to Trustmark's Definitive Proxy Statement on Schedule 14A, incorporated herein by reference. *
10-ao	Form of Time-Based Restricted Stock Unit Agreement for Director (under the Stock and Incentive Compensation Plan).*
10-ap	Form of Time-Based Restricted Stock Unit Agreement for Associate (under the Stock and Incentive Compensation Plan).*
10-aq	Form of Performance Unit Agreement for Associate (under the Stock and Incentive Compensation Plan).*
10-ar	Amendment to Employment Agreement between Trustmark Corporation and Duane A. Dewey dated April 23, 2024. *
31-a	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31-b	Certification by Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32-a	Certification by Chief Executive Officer pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32-b [Certification by Principal Financial Officer pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)

101 Inline XBRL Interactive Data.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* - Denotes management contract.

All other exhibits are omitted, as they are inapplicable or not required by the related instructions.

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SIGNATURES

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

TRUSTMARK CORPORATION

BY: /s/ Duane A. Dewey
Duane A. Dewey
President and Chief Executive Officer

BY: /s/ Thomas C. Owens
Thomas C. Owens
Treasurer and Principal Financial Officer

DATE: May 7, August 6, 2024

DATE: May 7, August 6, 2024

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TRUSTMARK CORPORATION

TIME-BASED RESTRICTED STOCK UNIT AGREEMENT

(Director)
Granted <>grant date>>

This Time-Based Restricted Stock Unit Agreement ("Agreement") between you and Trustmark Corporation, a Mississippi corporation ("Trustmark"), evidences a grant of Restricted Stock Units (the "Award") under the Trustmark Corporation Stock and Incentive Compensation Plan (the "Plan"), as of <>grant date>>(the "Award Date"). This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency or conflict between this Award Agreement and the Plan, the Plan shall govern.

WHEREAS, Trustmark maintains the Plan under which the Committee or Board may, among other things, award Restricted Stock Units to such members of the Board of Trustmark and its Subsidiaries as the Committee or Board may determine, subject to terms, conditions and restrictions as it may deem appropriate; and

WHEREAS, pursuant to the Plan, Trustmark, upon recommendation by the Committee and approval by Trustmark's Board, grants the Award to you subject to the terms of this Agreement and acceptance by you of this Agreement.

NOW THEREFORE, in consideration of the services and benefits that you will provide to Trustmark and its Subsidiaries, the parties hereby agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the meanings ascribed to them in the Plan, except as otherwise defined in this Agreement.
2. **Grant of the Award.** Trustmark hereby grants you an Award of the number of Restricted Stock Units set forth on your summary page for restricted stock units on the internet hosting website designated by Trustmark for the Plan, subject to the terms of this Agreement and acceptance by you of this Agreement. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept). *If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited.*

3. **Vesting.** Your Award shall vest as follows:

- (a) **General Vesting.** Except as otherwise provided in Sections 3(b) and 4 below, your Award shall vest on <<vesting date>>(the "Vesting Date") if you remain a member of the Board of Directors of Trustmark or one of its Subsidiaries continuously through the Vesting Date.
- (b) **Qualifying Termination.** If a Qualifying Termination (as defined below) occurs, in each case prior to the Vesting Date, and if you have not previously forfeited your Award under Section 4, one hundred percent (100%) of all Restricted Stock Units shall vest on the date of your Qualifying Termination, as applicable.

"Qualifying Termination" means one of the following events, where there is no Cause for Trustmark to terminate your service:

- i. **Termination without Cause.** An involuntary termination of your service as a member of the Board of Directors with Trustmark and its Subsidiaries;

Exhibit 10.ao

- ii. **Retirement.** A termination of your service as a member of the Board of Directors with Trustmark and its Subsidiaries due to your retirement with the consent of the Committee or its delegate, at or after age seventy (70);
- iii. **Death.** A termination of your service as a member of the Board of Directors with Trustmark and its Subsidiaries due to your death;
- iv. **Disability.** A termination of your service as a member of the Board of Directors with Trustmark and its Subsidiaries due to your disability as defined in Treas. Reg. § 1.409A-3(i)(4); or
- v. **End of Term Last Elected.** A termination of your service as a member of the Board of Directors with Trustmark and its Subsidiaries at the end of the term for which you were last elected.

4. **Forfeiture.**

- (a) **Cessation of Service.** If your service as a member of the Board of Directors of Trustmark and its Subsidiaries terminates prior to the Vesting Date and Section 3(b) does not apply, the Restricted Stock Units shall be immediately and automatically forfeited.
- (b) **Termination for Cause.** If your service is terminated for Cause before your Restricted Stock Units are settled, and notwithstanding any other provision of this Agreement, you shall immediately forfeit all Restricted Stock Units, whether or not vested, and no Shares shall be issued or Dividend Equivalent (as defined below) shall be paid.

5. **Voting Rights.** The Restricted Stock Units are not shares of stock. Therefore, you and any person claiming under or through you, do not possess any voting or other shareholder rights by reason or receiving Restricted Stock Units pursuant to this Agreement unless and until the Restricted Stock Units are settled in Shares pursuant to Section 8 hereof.

6. **Dividend Equivalent.** If Trustmark declares and pays a dividend in respect of its Stock and, on the record date for such dividend, you hold Restricted Stock Units granted pursuant to this Agreement, Trustmark shall grant you an unvested right to receive an amount (the "Dividend Equivalent") equal to the cash dividends you would have received if you were the holder of record, as of such record date, of the number of Shares related to the Restricted Stock Units that you hold as of such record date. Your Dividend Equivalent will vest if, when and to the extent that the related Restricted Stock Units vest and will be paid to you within the Settlement Period (as defined below). No interest will be paid with respect to Dividend Equivalents. If any portion of the Restricted Stock Units are forfeited, your Dividend Equivalent shall also be forfeited in the same proportion.

7. **No Right to Continued Service.** Nothing in this Agreement or the Plan shall interfere with or limit in any way the right of Trustmark's shareholders to terminate your service on the Board of Directors of Trustmark Corporation or any of its Subsidiaries, nor confer upon you any right to continue service on the Board of Directors of Trustmark Corporation or any of its Subsidiaries.

8. **Settlement.** Trustmark shall issue Shares corresponding to vested Restricted Stock Units as soon as practicable but, in any event, no later than thirty (30) days following the date on which the Restricted Stock Units vest (such period, the "Settlement Period"). No fractional Shares shall be issued, and the Committee, in its discretion, shall determine whether cash will be issued in lieu of fractional Shares or whether such fractional Shares will be forfeited or otherwise eliminated.

Exhibit 10.ao

9. **No Transfer Rights.** Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of in any manner other than by will or by the laws of descent and distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.

10. **Internal Revenue Code Section 409A.** It is intended that this Agreement and the Restricted Stock Units comply with, or are exempt from, the requirements of Section 409A of the Code ("Section 409A"), and this Agreement and the Plan shall be administered in a manner consistent with the foregoing intent.

11. **Taxes.** You acknowledge that there will be tax consequences with respect to the Award, and you should consult a tax adviser regarding your tax obligations. Trustmark will not withhold taxes from the award of Shares or the payment of your Dividend Equivalents upon vesting or settlement of your Restricted Stock Units and Dividend Equivalents. You are solely responsible for paying all required taxes with respect to your Award.

12. **Compliance with Laws.** The grant of the Restricted Stock Units and the issuance of any Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any U.S. securities and other federal laws, rules and regulations and any other law, rule or regulation or exchange requirement applicable thereto. Trustmark reserves the right to impose other requirements on your participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent Trustmark determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Notwithstanding any other provision of this Agreement, Trustmark shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any law.

13. **Miscellaneous.**

(a) **Counterparts and Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. This Agreement may be executed by a party's signature transmitted by electronic means, including through electronic acknowledgement, and copies of this Agreement executed and delivered by means of electronic signatures, including through electronic acknowledgement, shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon electronic signatures, including electronic acknowledgements, as if such signatures were originals. All parties hereto agree that an electronic signature page, including an electronic acknowledgement, may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

(b) **Electronic Delivery.** Trustmark may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units granted under the Plan or future Restricted Stock Units that may be granted under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by Trustmark or another third party designated by Trustmark.

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(c) **Notices.** Any notice to Trustmark required under or relating to this Agreement shall be in writing and addressed to:

Trustmark Corporation Mailing Address
248 E. Capitol Street P.O. Box 291
Jackson, MS 39201 Jackson, MS 39205
Attention: Secretary

Any notice to you required under or relating to this Agreement shall be in writing and addressed to you at your address as it appears on the records of Trustmark. Alternatively, any notice to Trustmark or you required under or relating to this Agreement may be delivered via the internet hosting website designated by Trustmark for the Plan.

(d) **Modification.** This Agreement may be modified, amended, suspended or terminated and any terms or conditions may be waived, but only by a written instrument executed by the parties. Notwithstanding the foregoing, Trustmark reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

(e) **Severability.** The provisions of this Agreement are severable and should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force and effect in accordance with their terms.

(f) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Mississippi, without giving effect to the conflict of laws principles thereof.

(g) **Successors in Interest.** This Agreement shall inure to the benefit of and be binding upon any successor to Trustmark or its Subsidiaries. This Agreement shall inure to the benefit of your legal representatives. All obligations imposed upon you and all rights granted to Trustmark under this Agreement shall be binding upon your heirs, executors, administrators and successors.

(h) **Entire Agreement.** This Agreement and the terms and conditions of the Plan constitute the entire understanding between you and Trustmark and its Subsidiaries, and supersedes all other agreements, whether written or oral, with respect to the Award.

(i) **Headings.** The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(j) **Participant's Acknowledgement.** This Award is granted pursuant to the Plan and is subject to the terms thereof. By accepting this Award, you acknowledge that you (i) have read this Agreement, (ii) have received and read the Plan, (iii) have had an opportunity to obtain the advice of counsel prior to accepting this Agreement, and (iv) fully understand the terms and conditions of this Agreement and the Plan.

To evidence its grant of the Award and the terms, conditions and restrictions thereof, Trustmark has signed this Agreement as of the Award Date. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept) pursuant to such means as

Exhibit 10.ao

the Committee may permit. If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited ab initio.

TRUSTMARK CORPORATION

By:

Its:

TRUSTMARK CORPORATION
TIME-BASED RESTRICTED STOCK UNIT AGREEMENT
(Associate)
Granted <>grant date>>

This Time-Based Restricted Stock Unit Agreement ("Agreement") between you and Trustmark Corporation, a Mississippi corporation ("Trustmark"), evidences a grant of Restricted Stock Units (the "Award") under the Trustmark Corporation Stock and Incentive Compensation Plan (the "Plan"), as of <>grant date>>(the "Award Date"). This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency or conflict between this Award Agreement and the Plan, the Plan shall govern.

WHEREAS, Trustmark maintains the Plan under which the Committee or Board may, among other things, award Restricted Stock Units to such key associates of Trustmark and its Subsidiaries as the Committee or Board may determine, subject to terms, conditions and restrictions as it may deem appropriate; and

WHEREAS, pursuant to the Plan, Trustmark, upon recommendation by the Committee and approval by Trustmark's Board, grants the Award to you subject to the terms of this Agreement and acceptance by you of this Agreement.

NOW THEREFORE, in consideration of the services and benefits that you will provide to Trustmark and its Subsidiaries and of the covenants contained in this Agreement, the parties hereby agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the meanings ascribed to them in the Plan, except as otherwise defined in this Agreement.
2. **Grant of the Award.** Trustmark hereby grants you an Award of the number of Restricted Stock Units set forth on your summary page for restricted stock units on the internet hosting website designated by Trustmark for the Plan, subject to the terms of this Agreement and acceptance by you of this Agreement. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept). *If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited.*
3. **Vesting.** Your Award shall vest as follows:
 - (a) **General Vesting.** Except as otherwise provided in Sections 3(b), 3(c) and 4 below, your Award shall vest on <>vesting date>> (the "Vesting Date"), subject to your employment with Trustmark or one of its Subsidiaries continuously through the Vesting Date.
 - (b) **Qualifying Termination.** If a Qualifying Termination (as defined below) occurs prior to the Vesting Date, a Pro-Rata Portion (as defined below) of your Award shall vest based on the number of months you were employed during the period beginning on the Award Date and ending on the date of the Qualifying Termination.

"Pro-Rata Portion" is the amount calculated by multiplying the number of Restricted Stock Units by a fraction, the numerator of which is the number of complete calendar months from the Award Date to and including the date of the Qualifying Termination (such numerator not to exceed <>#>>), and the denominator of which is <>#>>. For this purpose, the month containing the Award Date is considered a complete calendar month, and the month containing the date of the Qualifying Termination is not considered a complete calendar month unless the Qualifying Termination is effective as of the last day of the month. Any balance of the Award which does not vest shall be forfeited.

"Qualifying Termination" means one of the following events, where there is no Cause for Trustmark to terminate your employment:

- i. **Termination without Cause not associated with a Change in Control.** An involuntary termination of your employment with Trustmark and its Subsidiaries that does not occur within the period beginning on the date on which a Change in Control (as defined in the Plan) occurs and ending on the two (2) year anniversary thereof (such period, the "Change in Control Period");

- ii. **Termination for Good Reason not associated with a Change in Control.** A termination of your employment with Trustmark and its Subsidiaries at your own initiative for "Good Reason" as defined in your Employment Agreement (but only if you have an Employment Agreement and your Employment Agreement defines "Good Reason") that does not occur within the Change in Control Period. As used herein, "**Employment Agreement**" means a written individual employment agreement or change in control agreement as in effect on the Award Date between you and Trustmark or one of its Subsidiaries;
- iii. **Death.** A termination of your employment with Trustmark and its Subsidiaries due to your death; or
- iv. **Disability.** A termination of your employment with Trustmark and its Subsidiaries due to your disability as defined in Treas. Reg. § 1.409A-3(i)(4).

(c) "**Vesting Acceleration**" means one of the following events, where there is no Cause for Trustmark to terminate your employment:

- i. **Retirement.** Prior to the Vesting Date, in the event of your retirement from employment with Trustmark and its Subsidiaries with the consent of the Committee or its delegate, at or after age sixty-five (65) (your "**Retirement**"), your Award shall vest as follows, and any balance of the Award which does not vest shall be forfeited:
 - (1) **<>vesting percentage>> Vesting.** In the event of your Retirement prior to the <>anniversary>> anniversary of the Award Date, <>vesting percentage>> of all Restricted Stock Units subject to this Award shall vest on the date of your Retirement.
 - (2) **<>vesting percentage>> Vesting.** In the event of your Retirement on or after the <>anniversary>> anniversary of the Award Date but prior to the Vesting Date, <>vesting percentage>> of all Restricted Stock Units subject to this Award shall vest on the date of your Retirement.
- ii. **Termination without Cause associated with a Change in Control.** In the event of an involuntary termination of your employment with Trustmark and its Subsidiaries that occurs prior to the Vesting Date and within the Change in Control Period, one hundred percent

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(100%) of all Restricted Stock Units subject to this Award shall vest on the date of your termination.

- iii. **Termination for Good Reason associated with a Change in Control.** In the event of a termination of your employment with Trustmark and its Subsidiaries at your own initiative for "Good Reason" (as defined below) that occurs prior to the Vesting Date and within the Change in Control Period, one hundred percent (100%) of all Restricted Stock Units subject to this Award shall vest on the date of your resignation. As used in this Section 3(c)(iii), "Good Reason" means (A) "Good Reason" as defined in your Employment Agreement (but only if you have an Employment Agreement and your Employment Agreement defines "Good Reason"), or (B) if you do not have an Employment Agreement or your Employment Agreement does not define "Good Reason", (1) a material diminution in your authority, duties or responsibilities; (2) a material diminution in your base compensation; or (3) any requirement by Trustmark to change your principal location of employment by more than fifty (50) miles. You are required to provide notice to Trustmark of the existence of a condition that may constitute "Good Reason" within a ninety (90) day period of the initial existence of the condition, upon the notice of which Trustmark shall have thirty (30) days to remedy the condition. If the condition is remedied within thirty (30) days, then "Good Reason" does not exist. If the condition is not remedied within thirty (30) days, then you must resign within ninety (90) days of the expiration of the remedy period.

4. **Forfeiture.**

- (a) **Cessation of Employment.** If you cease to be an employee of Trustmark or its Subsidiaries prior to the Vesting Date and neither Section 3(b) nor Section 3(c) applies, the Restricted Stock Units shall be immediately and automatically forfeited. For this purpose, transfer of employment among Trustmark and its Subsidiaries is not a termination or cessation of employment.
- (b) **Termination for Cause.** If your employment is terminated for Cause before your Restricted Stock Units are settled, and notwithstanding

any other provision of this Agreement, you shall immediately forfeit all Restricted Stock Units, whether or not vested, and no Shares shall be issued or Dividend Equivalent (as defined below) shall be paid.

5. **Voting Rights.** The Restricted Stock Units are not shares of stock. Therefore, you and any person claiming under or through you, do not possess any voting or other shareholder rights by reason or receiving Restricted Stock Units pursuant to this Agreement unless and until the Restricted Stock Units are settled in Shares pursuant to Section 8 hereof.
6. **Dividend Equivalent.** If Trustmark declares and pays a dividend in respect of its Stock and, on the record date for such dividend, you hold Restricted Stock Units granted pursuant to this Agreement, Trustmark shall grant you an unvested right to receive an amount (the "Dividend Equivalent") equal to the cash dividends you would have received if you were the holder of record, as of such record date, of the number of Shares related to the Restricted Stock Units that you hold as of such record date. Your Dividend Equivalent will vest if, when and to the extent that the related Restricted Stock Units vest and will be paid to you within the Settlement Period (as defined below). No interest

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will be paid with respect to Dividend Equivalents. If any portion of the Restricted Stock Units are forfeited, your Dividend Equivalent shall also be forfeited in the same proportion.

7. **No Right to Continued Employment.** You understand and acknowledge that this Agreement does not in any manner affect your status as an Associate "at-will." As such, this Agreement does not create an express or implied contract for employment with Trustmark or any of its Subsidiaries, for any purpose or term, nor does it in any way limit the right of Trustmark or any of its Subsidiaries to otherwise terminate your employment at any time, with or without cause or notice, or impact the terms set forth in any Associate handbook or policy manual. Trustmark and its Subsidiaries reserve the right to terminate your employment at any time for any reason, with or without notice. Termination of your employment is at the sole option of the management.
8. **Settlement.** Trustmark shall issue Shares corresponding to vested Restricted Stock Units, net of any applicable withholding, as soon as practicable following vesting but, in any event, no later than thirty (30) days following the date on which the Restricted Stock Units vest (such period, the "Settlement Period"). No fractional Shares shall be issued, and the Committee, in its discretion, shall determine whether any such fractional Shares will be used to satisfy any withholding obligation or whether cash will be issued in lieu of fractional Shares or whether such fractional Shares will be forfeited or otherwise eliminated.
9. **No Transfer Rights.** Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of in any manner other than by will or by the laws of descent and distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
10. **Internal Revenue Code Section 409A.** It is intended that this Agreement and the Restricted Stock Units comply with, or are exempt from, the requirements of Section 409A of the Code ("Section 409A"), and this Agreement and the Plan shall be administered in a manner consistent with the foregoing intent. If this Award is subject to Section 409A and if you are a "specified employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treas. Reg. § 1.409A-1(h)), then the issuance of any Shares or payment of any Dividend Equivalent that would otherwise be made upon the date of your separation from service or within the first six months thereafter will not be made until the first business day after the six (6) month period following the date of your termination (or, if sooner, as soon as reasonably practicable following your death) but if and only if such delay in the issuance of the Shares or payment of the Dividend Equivalent is necessary to avoid the imposition of taxation on you in respect of the Shares or Dividend Equivalent under Section 409A. Notwithstanding anything in this Agreement to the contrary, the receipt of any benefits under this Agreement as a result of a termination of service shall require that you undergo a "separation from service" within the meaning of Treas. Reg. § 1.409A-1(h) or any successor thereto.

11. Taxes.

- (a) **Withholding.** Trustmark (or any of its Subsidiaries) shall have the right to retain and withhold a sufficient number of the Shares resulting from payout of this Award, or require you to remit to Trustmark (or any of its Subsidiaries) an amount sufficient to satisfy any federal, state, local or other tax withholding obligations as may be required by law.
- (b) **Responsibility for Taxes.** You acknowledge that there will be tax consequences with respect to the Award, and you should consult a tax adviser regarding your tax obligations. Regardless of the amount withheld pursuant to Section 11(a), you are solely responsible for paying all required taxes (other than Trustmark's share of employment taxes) with respect to your Award.

12. **Compliance with Laws.** The grant of the Restricted Stock Units and the issuance of any Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any U.S. securities and other federal laws, rules and regulations and any other law, rule or regulation or exchange requirement applicable thereto. Trustmark reserves the right to impose other requirements on your participation in the Plan, on the Restricted Stock Units and on any Shares acquired under the Plan, to the extent Trustmark determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Notwithstanding any other provision of this Agreement, Trustmark shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any law.

13. **Clawback.** You agree that the Award is subject to recoupment or clawback by Trustmark in accordance with Trustmark's recoupment, clawback or similar policy as such may be in effect from time to time, as well as any similar provisions of applicable law, or Securities and Exchange Commission rule or regulation, or stock exchange requirement, which could in certain circumstances require repayment or forfeiture of the Award or any Shares or other cash or property received with respect to the Award (including any value received from a disposition of the Shares acquired upon payment of the Award).

14. **Business Protection.**

(a) **Non-Solicitation.** During the full term of your employment with Trustmark or any of its Subsidiaries, and for a period of six (6) months after your termination of employment with Trustmark and its Subsidiaries, whether your employment is terminated voluntarily or involuntarily by either you or Trustmark or any of its Subsidiaries, with or without cause or notice, you will not directly or indirectly, either for your own accord or through another party or entity (whether as director, officer, consultant, principal, employee, agent or otherwise), take any action, or attempt any action, in any manner within the "Restricted Area" (as defined below): (i) to solicit or divert, or attempt to solicit or divert, any person, concern or entity which is doing business with Trustmark or any of its Subsidiaries at the time of termination of your employment from doing business with Trustmark or any of its Subsidiaries or otherwise alter its relationship with Trustmark or any of its Subsidiaries; (ii) to induce or attempt to induce any customer or supplier of Trustmark or any of its Subsidiaries to cease being a customer or supplier of Trustmark or any of its Subsidiaries, or otherwise change its relationship with Trustmark or its Subsidiaries; (iii) to disclose, directly or indirectly, to any person, firm or corporation the names or addresses, or any other information pertaining to them, of any customers or clients of Trustmark or any of its Subsidiaries that you serviced or became acquainted during the term of your employment with Trustmark or any of its Subsidiaries; or (iv) to take any other action that is directly or indirectly competitive with Trustmark or any of its Subsidiaries with respect to any customers or clients doing business with Trustmark or any of its Subsidiaries at the time of termination of your employment with Trustmark and its Subsidiaries.

(b) **Anti-Raiding.** During the full term of your employment with Trustmark and any of its Subsidiaries, and for a period of six (6) months after your termination of employment with Trustmark and its Subsidiaries, whether your employment is terminated voluntarily or involuntarily by either you or Trustmark or any of its Subsidiaries, with or without cause or notice, you will not directly or indirectly, either on your own accord or through another party or entity (whether as director, officer, consultant, principal, employee, agent or otherwise) attempt in any manner within the "Restricted Area" (as defined below) to solicit, employ or otherwise interfere with any of Trustmark's or its Subsidiaries' contracts or relationships with any other

Associate, officer, director, shareholder or independent contractor, existing at the time of the termination of your employment with Trustmark and its Subsidiaries.

(c) **Restricted Area.** You understand and agree that the provisions of this Agreement contained in this Section 14 ("Business Protection"), related to your restricted activities cover (i) all geographic locations where you perform or performed work for Trustmark or its Subsidiaries, and the areas extending 75 miles from said location(s), including all location(s) over which you had management or other functional responsibilities, regardless of whether you were physically located at said location, and (ii) all geographic locations where any

person, customer, client, concern or entity which is doing business with Trustmark or its Subsidiaries at the time of the termination of your employment resides, exists, operates or does business, as well as the areas extending 75 miles from said location(s).

(d) **Consideration.** You agree that, in exchange for your continued employment with Trustmark or its Subsidiaries, as well as your eligibility to participate in the Plan and receive this Award, you are bound by the terms and conditions set forth in these restrictive, business protection covenants. You further acknowledge that your obligations within these restrictive, business protection covenants last for the duration of your employment with Trustmark or any of its Subsidiaries, and for a period of six (6) months thereafter, regardless of the vesting and/or forfeiture of the Restricted Stock Units subject to this Award. You also agree that you are bound by the terms of these restrictive covenants after agreeing to their terms initially and acknowledge the fact that you continue to be bound by these restrictive covenants even if you receive any additional awards/grants.

(e) **Acknowledgment.** You have carefully considered the nature and extent of the restrictions upon you, and the rights and remedies conferred upon Trustmark and its Subsidiaries under this Agreement, and hereby acknowledge and agree that the same: (i) are reasonable in time and geographical scope and are designed to eliminate activities that would otherwise be unfair to Trustmark and its Subsidiaries, in light of the protectable interests of Trustmark, its Subsidiaries and their business operations; (ii) in the event your employment with Trustmark and its Subsidiaries terminates for any reason, will not prevent you from earning a livelihood without violating the above described restrictions; (iii) do not confer a benefit upon Trustmark or its Subsidiaries disproportionate to any detriment to you; and (iv) are fully required to protect Trustmark's and its Subsidiaries' legitimate, protectable interests as a leader in the banking and financial services industries involving confidential information including Trustmark's and its Subsidiaries' goodwill, relationships, confidential information and other legally recognized protectable interests.

(f) **Enforcement of Restrictive Covenants/Relief for Violations.** You acknowledge that Trustmark and its Subsidiaries have a protectable interest in enforcing the non-solicitation and anti-raiding provisions of the Agreement for the full length of your employment and for the 6 month term following the termination of your employment. You agree that any violation of any provision of the Agreement will result in immediate, irreparable harm to Trustmark and its Subsidiaries and that money damages alone would not be an adequate remedy for any such violation. In addition to the rights and remedies conveyed in this Agreement, Trustmark and its Subsidiaries shall be entitled, and is expressly and irrevocably authorized by you, to seek specific enforcement and injunctive relief in a court of competent jurisdiction, without posting a bond or other security. This section shall in no manner be construed to limit other causes of action, rights, and relief to which Trustmark or its Subsidiaries may be entitled. You recognize that if Trustmark or any of its Subsidiaries is successful in obtaining any of the requested relief or damages under the terms of this Agreement, you must pay reasonable attorneys' fees, costs and expenses incurred by Trustmark

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or its Subsidiaries in enforcing and obtaining relief or damages available under this Agreement. Without limiting the generality of the foregoing, the rights and remedies of Trustmark and its Subsidiaries, and your obligations under this Agreement, are in addition to any respective rights, remedies and obligations under applicable law (including, but not limited to, laws relating to misappropriation of trade secrets) and under any other agreement between you and Trustmark or any of its Subsidiaries.

15. Miscellaneous.

(a) **Counterparts and Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. This Agreement may be executed by a party's signature transmitted by electronic means, including through electronic acknowledgement, and copies of this Agreement executed and delivered by means of electronic signatures, including through electronic acknowledgement, shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon electronic signatures, including electronic acknowledgements, as if such signatures were originals. All parties hereto agree that an electronic signature page, including an electronic acknowledgement, may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

(b) **Electronic Delivery.** Trustmark may, in its sole discretion, decide to deliver any documents related to Restricted Stock Units granted under the Plan or future Restricted Stock Units that may be granted under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by Trustmark or another third party designated by Trustmark.

(c) **Notices.** Any notice to Trustmark required under or relating to this Agreement shall be in writing and addressed to:

Trustmark Corporation Mailing Address
248 E. Capitol Street P.O. Box 291
Jackson, MS 39201 Jackson, MS 39205
Attention: Secretary

Any notice to you required under or relating to this Agreement shall be in writing and addressed to you at your address as it appears on the records of Trustmark. Alternatively, any notice to Trustmark or you required under or relating to this Agreement may be delivered via the internet hosting website designated by Trustmark for the Plan.

(d) **Modification.** This Agreement may be modified, amended, suspended or terminated and any terms or conditions may be waived, but only by a written instrument executed by the parties. Notwithstanding the foregoing, Trustmark reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

(e) **Severability.** The provisions of this Agreement are severable and should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement

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shall not be affected by such holding and shall continue in full force and effect in accordance with their terms.

(f) **Reformation.** If any of the restrictions set forth in this Agreement, including those set forth in Section 14, are found by a court of competent jurisdiction to be overly broad, unreasonable, or otherwise unenforceable then these restrictions shall be modified and enforced to the greatest extent that the court deems permissible. Each of the obligations in this Section 14 are independent, separable and enforceable independent of each other.

(g) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Mississippi, without giving effect to the conflict of laws principles thereof.

(h) **Successors in Interest.** This Agreement shall inure to the benefit of and be binding upon any successor to Trustmark or its Subsidiaries. This Agreement shall inure to the benefit of your legal representatives. All obligations imposed upon you and all rights granted to Trustmark under this Agreement shall be binding upon your heirs, executors, administrators and successors.

(i) **Entire Agreement.** This Agreement and the terms and conditions of the Plan constitute the entire understanding between you and Trustmark and its Subsidiaries, and supersedes all other agreements, whether written or oral, with respect to the Award.

(j) **Headings.** The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(k) **Participant's Acknowledgement.** This Award is granted pursuant to the Plan and is subject to the terms thereof. By accepting this Award, you acknowledge that you (i) have read this Agreement, (ii) have received and read the Plan, (iii) have had an opportunity to obtain the advice of counsel prior to accepting this Agreement, and (iv) fully understand the terms and conditions of this Agreement and the Plan.

To evidence its grant of the Award and the terms, conditions and restrictions thereof, Trustmark has signed this Agreement as of the Award Date. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept) pursuant to such means as the Committee may permit. If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited ab initio.

TRUSTMARK CORPORATION

By:

Its:

TRUSTMARK CORPORATION

PERFORMANCE UNIT AGREEMENT

(Associate)

Granted <<grant date>>

This Performance Unit Agreement ("Agreement") between you and Trustmark Corporation, a Mississippi corporation ("Trustmark"), evidences a grant of Performance Units (the "Award") under the Trustmark Corporation Stock and Incentive Compensation Plan (the "Plan"), as of <<grant date>> (the "Award Date"). This Agreement is subject to the terms and conditions of the Plan. In the event of any inconsistency or conflict between this Award Agreement and the Plan, the Plan shall govern.

WHEREAS, Trustmark maintains the Plan under which the Committee or Board may, among other things, award Performance Units to such key associates of Trustmark and its Subsidiaries as the Committee or Board may determine, subject to terms, conditions and restrictions as it may deem appropriate; and

WHEREAS, pursuant to the Plan, Trustmark, upon recommendation by the Committee and approval by Trustmark's Board, grants the Award to you subject to the terms of this Agreement and acceptance by you of this Agreement.

NOW THEREFORE, in consideration of the services and benefits that you will provide to Trustmark and its Subsidiaries and of the covenants contained in this Agreement, the parties hereby agree as follows:

1. **Definitions.** Capitalized terms used herein shall have the meanings ascribed to them in the Plan, except as otherwise defined in this Agreement (including EXHIBIT B).
2. **Grant of the Award.** Trustmark hereby grants you an Award of the number of Restricted Stock Units, which shall be designated as "Performance Units", and the potential to earn "Achievement Units", as set forth on your summary page for performance stock units on the internet hosting website designated by Trustmark for the Plan. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept). *If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited.*
3. **Vesting.** Your Award shall vest as follows:
 - (a) **General Vesting.** Except as otherwise provided in Sections 3(b), 3(c) and 4 below, if you remain continuously employed throughout the period from <<beginning of measurement period>> through <<end of measurement period>> (the "Performance Period"), your Award shall vest as of the last day of the Performance Period to the extent that the Performance Goals as set forth on EXHIBIT A are achieved, and any balance of the Award which does not vest shall be forfeited.
 - (b) **Qualifying Termination.** If a Qualifying Termination (as defined below) occurs after <<date>>, but prior to the last day of the Performance Period, you will retain a Pro-Rata Portion (as defined below) of your Performance Units and have the potential to earn a Pro-Rata Portion of your Achievement Units, in each case based on the number of months you were employed during the Performance Period before the Qualifying Termination.

The "Pro-Rata Portion" is the amount calculated by multiplying the number of Performance Units by a fraction, the numerator of which is the number of complete calendar months from the beginning of the Performance Period to and including the date of the Qualifying Termination (such numerator not to exceed <<#>>), and the denominator of which is <<#>>. Any portion of the Award in excess of the Pro-Rata Portion shall be forfeited as of the date of the Qualifying Termination.

The Pro-Rata Portion shall not vest as of the date of the Qualifying Termination, but shall instead vest at the end of the Performance Period only to the extent that the Performance Goals are achieved at the end of the Performance Period as set forth in EXHIBIT A. Any balance of the Pro-Rata Portion that does not vest at the end of the Performance Period shall be forfeited as of the end of the Performance Period.

"Qualifying Termination" means one of the following events, where there is no Cause for Trustmark to terminate your employment:

- i. **Retirement.** Your retirement from employment with the consent of the Committee or its delegate, at or after age sixty-five (65).
- ii. **Termination without Cause.** An involuntary termination of your employment with Trustmark and its Subsidiaries; or
- iii. **Termination for Good Reason not associated with a Change in Control.** A termination of your employment with Trustmark and its Subsidiaries at your own initiative for Good Reason (as defined in this Section 3(b)(iii)). As used in this Section 3(b)(iii), "Good Reason" means "Good Reason" as defined in your Employment Agreement (but only if you have an Employment Agreement and your Employment Agreement defines "Good Reason"). As used herein, "**Employment Agreement**" means a written individual employment agreement or change in control agreement as in effect on the Award Date between you and Trustmark or one of its Subsidiaries. If you do not have an Employment Agreement or your Employment Agreement does not define "Good Reason", this Section 3(b)(iii) shall not apply;
- iv. **Termination for Good Reason associated with a Change in Control.** A termination of your employment with Trustmark and its Subsidiaries at your own initiative for Good Reason (as defined in this Section 3(b)(iv)) that occurs within the period beginning on the date on which a Change in Control (as defined in the Plan) occurs and ending on the two (2) year anniversary thereof. As used in this Section 3(b)(iv), "Good Reason" means (A) "Good Reason" as defined in your Employment Agreement (but only if you have an Employment Agreement and your Employment Agreement defines "Good Reason"), or (B) if you do not have an Employment Agreement or your Employment Agreement does not define "Good Reason", any of the following: (1) a material diminution in your authority, duties or responsibilities; (2) a material diminution in your base compensation; or (3) any requirement by Trustmark to change your principal location of employment by more than fifty (50) miles. You are required to provide notice to Trustmark of the existence of a condition that may constitute "Good Reason" within a ninety (90) day period of the initial existence of the condition, upon the notice of which Trustmark shall have thirty (30) days to remedy the condition. If the condition is remedied within thirty (30) days, then "Good Reason" does not exist. If the condition is not remedied within thirty (30) days, then you must resign within ninety (90) days of the expiration of the remedy period.

If a Vesting Acceleration Event (as defined below) occurs after a Qualifying Termination and before the end of the Performance Period, the Pro-Rata Portion will immediately vest. The Performance Period is shortened as of the end of the calendar quarter ending on or before the Vesting Acceleration Event to the extent that the

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Performance Goals are achieved as set forth in EXHIBIT A. Any balance of the Pro-Rata Portion that does not vest upon the Vesting Acceleration Event shall be forfeited as of the date of such event.

(g) **Vesting Acceleration Event.** If a Vesting Acceleration Event occurs after <<date>>, but prior to the last day of the Performance Period, and if you have not previously forfeited your Award under Section 4 below, a Pro-Rata Portion of your Award will be eligible for vesting based on the number of months you were employed during the Performance Period before the Vesting Acceleration Event.

The Pro-Rata Portion is calculated by multiplying the number of Performance Units by a fraction, the numerator of which is the number of complete calendar months from the beginning of the Performance Period to and including the date of the Vesting Acceleration Event (such numerator not to exceed <<#>>), and the denominator of which is <<#>>.

The Pro-Rata Portion of your award will vest as of the Vesting Acceleration Event. The Performance Period is shortened as of the end of the calendar quarter ending on or before the Vesting Acceleration Event to the extent that the Performance Goals are achieved as set forth in EXHIBIT A. Any balance of the Pro-Rata Portion that does not vest upon the Vesting Acceleration Event shall be forfeited as of the date of such event. Any balance of your Award that does not vest at the end of the Performance Period shall be forfeited as of the end of the Performance Period.

"Vesting Acceleration Event" means one of the following events, where there is no Cause for Trustmark to terminate your employment:

- i. **Death.** A termination of your employment with Trustmark and its Subsidiaries due to your death; or
- ii. **“Disability”.** A termination of your employment with Trustmark and its Subsidiaries due to your disability as defined in Treas. Reg. § 1.409A-3(i)(4).

4. **Forfeiture.**

- (a) **Cessation of Employment.** If your employment terminates during the Performance Period and neither Section 3(b) nor Section 3(c) applies, the Performance Units and Achievement Units shall be immediately and automatically forfeited as of the date you cease to be an employee of Trustmark or its Subsidiaries. For this purpose, transfer of employment among Trustmark and its Subsidiaries is not a termination or cessation of employment.
- (b) **Termination for Cause.** If your employment is terminated for Cause before your Performance Units or Achievement Units are settled, and notwithstanding any other provision of this Agreement, you shall immediately forfeit all Performance Units and Achievement Units, whether or not vested, and no Shares shall be issued or Dividend Equivalent (as defined below) shall be paid.

- 5. **Voting Rights.** Neither the Performance Units nor the Achievement Units are shares of stock. Therefore, you, and any person claiming under or through you, do not possess any voting or other shareholder rights by reason or receiving Performance Units or Achievement Units pursuant to this Agreement unless and until the Performance Units or Achievement Units are settled in Shares pursuant to Section 8 hereof.
- 6. **Dividend Equivalent.** If Trustmark declares and pays a dividend in respect of its Stock and, on the record date for such dividend, you hold Performance Units granted pursuant to this Agreement,

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Trustmark shall grant you an unvested right to receive an amount (the “**Dividend Equivalent**”) equal to the cash dividends you would have received if you were the holder of record, as of such record date, of the number of Shares related to the Performance Units that you hold as of such record date. Your Dividend Equivalent will vest if, when, and to the extent that the related Performance Units vest and will be paid to you during the Settlement Period (as defined below). No interest will be paid with respect to Dividend Equivalents. If any portion of the Performance Units are forfeited, your Dividend Equivalent shall also be forfeited in the same proportion. No dividends equivalents or other distributions shall be paid with respect to the Achievement Units. Dividends and other distributions shall only be paid with respect to the Shares underlying the Achievement Units if and when the Achievement Units are settled in Shares.

- 7. **At-Will Employment Acknowledgment.** You understand and acknowledge that this Agreement does not in any manner affect your status as an Associate “at-will.” As such, this Agreement does not create an express or implied contract for employment with Trustmark or any of its Subsidiaries, for any purpose or term, nor does it in any way limit the right of Trustmark or any of its Subsidiaries to otherwise terminate your employment at any time, with or without cause or notice, or impact the terms set forth in any Associate handbook or policy manual. Trustmark and its Subsidiaries reserve the right to terminate your employment at any time for any reason, with or without notice. Termination of your employment is at the sole option of the management.
- 8. **Settlement.** All determinations of performance shall be made and certified to in writing by the Committee. Trustmark shall issue Shares corresponding to unvested Performance Units and vested Achievement Units, in each case net of any applicable withholding, within 2-1/2 months following end of the Performance Period, or, if applicable, a Vesting Acceleration Event (such time period, the “**Settlement Period**”). No fractional Shares shall be issued, and the Committee, in its discretion, shall determine whether any such fractional Shares will be used to satisfy any withholding obligation or whether cash will be issued in lieu of fractional Shares or whether such fractional Shares will be forfeited or otherwise eliminated.
- 9. **No Transfer Rights.** Neither Performance Units nor Achievement Units may be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of in any manner other than by will or by the laws of descent and distribution or court order or unless otherwise permitted by the Committee on a case-by-case basis.
- 10. **Internal Revenue Code Section 409A.** It is intended that this Agreement, the Performance Units and the Achievement Units comply with, or are exempt from, the requirements of Section 409A of the Code (“Section 409A”), and this Agreement and the Plan shall be administered in a manner consistent with the foregoing intent.
- 11. **Taxes.**
 - (a) **Withholding.** Trustmark (or any of its Subsidiaries) shall have the right to retain and withhold a sufficient number of the Shares resulting from payout of this Award, or require you to remit to Trustmark (or any of its Subsidiaries) an amount sufficient to satisfy any federal, state, local or other tax withholding obligations as may be required by law.

(b) **Responsibility for Taxes.** You acknowledge that there will be tax consequences with respect to the Award, and you should consult a tax adviser regarding your tax obligations. Regardless of the amount withheld pursuant to Section 11(a), you are solely responsible for paying all required taxes (other than Trustmark's share of employment taxes) with respect to your Award.

12. **Compliance with Laws.** The grant of the Performance Units and the Achievement Units and the issuance of any Shares pursuant to this Agreement shall be subject to, and shall comply with, any applicable requirements of any U.S. securities and other federal laws, rules and regulations and any

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other law, rule or regulation or exchange requirement applicable thereto. Trustmark reserves the right to impose other requirements on your participation in the Plan, on the Performance Units and the Achievement Units and on any Shares acquired under the Plan, to the extent Trustmark determines it is necessary or advisable to comply with applicable law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Notwithstanding any other provision of this Agreement, Trustmark shall not be obligated to issue any Shares pursuant to this Agreement if the issuance thereof would result in a violation of any law.

13. **Clawback.** You agree that the Award is subject to recoupment or clawback by Trustmark in accordance with Trustmark's recoupment, clawback or similar policy as such may be in effect from time to time, as well as any similar provisions of applicable law, or Securities and Exchange Commission rule or regulation, or stock exchange requirement, which could in certain circumstances require repayment or forfeiture of the Award or any Shares or other cash or property received with respect to the Award (including any value received from a disposition of the Shares acquired upon payment of the Award).

14. **Business Protection.**

(a) **Non-Solicitation.** During the full term of your employment with Trustmark or any of its Subsidiaries, and for a period of six (6) months after your termination of employment with Trustmark and its Subsidiaries, whether your employment is terminated voluntarily or involuntarily by either you or Trustmark or any of its Subsidiaries, with or without cause or notice, you will not directly or indirectly, either for your own accord or through another party or entity (whether as director, officer, consultant, principal, employee, agent or otherwise), take any action, or attempt any action, in any manner within the "Restricted Area" (as defined below): (i) to solicit or divert, or attempt to solicit or divert, any person, concern or entity which is doing business with Trustmark or any of its Subsidiaries at the time of termination of your employment from doing business with Trustmark or any of its Subsidiaries or otherwise alter its relationship with Trustmark or any of its Subsidiaries; (ii) to induce or attempt to induce any customer or supplier of Trustmark or any of its Subsidiaries to cease being a customer or supplier of Trustmark or any of its Subsidiaries, or otherwise change its relationship with Trustmark or its Subsidiaries; (iii) to disclose, directly or indirectly, to any person, firm or corporation the names or addresses, or any other information pertaining to them, of any customers or clients of Trustmark or any of its Subsidiaries that you serviced or became acquainted during the term of your employment with Trustmark or any of its Subsidiaries; or (iv) to take any other action that is directly or indirectly competitive with Trustmark or any of its Subsidiaries with respect to any customers or clients doing business with Trustmark or any of its Subsidiaries at the time of termination of your employment with Trustmark and its Subsidiaries.

(b) **Anti-Raiding.** During the full term of your employment with Trustmark and any of its Subsidiaries, and for a period of six (6) months after your termination of employment with Trustmark and its Subsidiaries, whether your employment is terminated voluntarily or involuntarily by either you or Trustmark or any of its Subsidiaries, with or without cause or notice, you will not directly or indirectly, either on your own accord or through another party or entity (whether as director, officer, consultant, principal, employee, agent or otherwise) attempt in any manner within the "Restricted Area" (as defined below) to solicit, employ or otherwise interfere with any of Trustmark's or its Subsidiaries' contracts or relationships with any other Associate, officer, director, shareholder or independent contractor, existing at the time of the termination of your employment with Trustmark and its Subsidiaries.

(c) **Restricted Area.** You understand and agree that the provisions of this Agreement contained in this Section 14 ("Business Protection"), related to your restricted

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activities cover (i) all geographic locations where you perform or performed work for Trustmark or its Subsidiaries, and the areas extending 75 miles from said location(s), including all location(s) over which you had management or other functional responsibilities, regardless of whether you were physically located at said location, and (ii) all geographic locations where any person, customer, client, concern or entity which is doing business with Trustmark or its Subsidiaries at the time of the termination of your employment resides, exists, operates or does business, as well as the areas extending 75 miles from said location(s).

(d) **Consideration.** You agree that, in exchange for your continued employment with Trustmark or its Subsidiaries, as well as your eligibility to participate in the Plan and receive this Award, you are bound by the terms and conditions set forth in these restrictive, business protection covenants. You further acknowledge that your obligations within these restrictive, business protection covenants last for the duration of your employment with Trustmark or any of its Subsidiaries, and for a period of six (6) months thereafter, regardless of the vesting and/or forfeiture of the Restricted Stock Units subject to this Award. You also agree that you are bound by the terms of these restrictive covenants after agreeing to their terms initially and acknowledge the fact that you continue to be bound by these restrictive covenants even if you receive any additional awards/grants.

(e) **Acknowledgment.** You have carefully considered the nature and extent of the restrictions upon you, and the rights and remedies conferred upon Trustmark and its Subsidiaries under this Agreement, and hereby acknowledge and agree that the same: (i) are reasonable in time and geographical scope and are designed to eliminate activities that would otherwise be unfair to Trustmark and its Subsidiaries, in light of the protectable interests of Trustmark, its Subsidiaries and their business operations; (ii) in the event your employment with Trustmark and its Subsidiaries terminates for any reason, will not prevent you from earning a livelihood without violating the above described restrictions; (iii) do not confer a benefit upon Trustmark or its Subsidiaries disproportionate to any detriment to you; and (iv) are fully required to protect Trustmark's and its Subsidiaries' legitimate, protectable interests as a leader in the banking and financial services industries involving confidential information including Trustmark's and its Subsidiaries' goodwill, relationships, confidential information and other legally recognized protectable interests.

(f) **Enforcement of Restrictive Covenants/Relief for Violations.** You acknowledge that Trustmark and its Subsidiaries have a protectable interest in enforcing the non-solicitation and anti-raiding provisions of the Agreement for the full length of your employment and for the 6 month term following the termination of your employment. You agree that any violation of any provision of the Agreement will result in immediate, irreparable harm to Trustmark and its Subsidiaries and that money damages alone would not be an adequate remedy for any such violation. In addition to the rights and remedies conveyed in this Agreement, Trustmark and its Subsidiaries shall be entitled, and is expressly and irrevocably authorized by you, to seek specific enforcement and injunctive relief in a court of competent jurisdiction, without posting a bond or other security. This section shall in no manner be construed to limit other causes of action, rights, and relief to which Trustmark or its Subsidiaries may be entitled. You recognize that if Trustmark or any of its Subsidiaries is successful in obtaining any of the requested relief or damages under the terms of this Agreement, you must pay reasonable attorneys' fees, costs and expenses incurred by Trustmark or its Subsidiaries in enforcing and obtaining relief or damages available under this Agreement. Without limiting the generality of the foregoing, the rights and remedies of Trustmark and its Subsidiaries, and your obligations under this Agreement, are in addition to any respective rights, remedies and obligations under applicable law (including, but not limited to, laws relating to misappropriation of trade secrets) and under any other agreement between you and Trustmark or any of its Subsidiaries.

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15.

Miscellaneous.

(a) **Counterparts and Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. This Agreement may be executed by a party's signature transmitted by electronic means, including through electronic acknowledgement, and copies of this Agreement executed and delivered by means of electronic signatures, including through electronic acknowledgement, shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon electronic signatures, including electronic acknowledgements, as if such signatures were originals. All parties hereto agree that an electronic signature page, including an electronic acknowledgement, may be introduced into evidence in any proceeding arising out of or related to this Agreement as if it were an original signature page.

(b) **Electronic Delivery.** Trustmark may, in its sole discretion, decide to deliver any documents related to Performance Units and Achievement Units granted under the Plan or future Performance Units and Achievement Units that may be granted under the Plan by electronic means or request your consent to participate in the Plan by electronic means. You consent to receive such documents by electronic delivery and agree to participate in the Plan through any on-line or electronic system established and maintained by Trustmark or another third party designated by Trustmark.

(c) **Notices.** Any notice to Trustmark required under or relating to this Agreement shall be in writing and addressed to:

Trustmark Corporation Mailing Address
248 E. Capitol Street P.O. Box 291
Jackson, MS 39201 Jackson, MS 39205
Attention: Secretary

Any notice to you required under or relating to this Agreement shall be in writing and addressed to you at your address as it appears on the records of Trustmark. Alternatively, any notice to Trustmark or you required under or relating to this Agreement may be delivered via the internet hosting website designated by Trustmark for the Plan.

(d) **Modification.** This Agreement may be modified, amended, suspended or terminated and any terms or conditions may be waived, but only by a written instrument executed by the parties. Notwithstanding the foregoing, Trustmark reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Performance Units and Achievement Units.

(e) **Severability.** The provisions of this Agreement are severable and should any provision of this Agreement be held by a court of competent jurisdiction to be unenforceable or invalid for any reason, the remaining provisions of this Agreement shall not be affected by such holding and shall continue in full force and effect in accordance with their terms.

(f) **Reformation.** If any of the restrictions set forth in this Agreement, including those set forth in Section 14, are found by a court of competent jurisdiction to be overly broad, unreasonable, or otherwise unenforceable then these restrictions shall be modified and enforced to the greatest extent that the court deems permissible. Each of the obligations in this Agreement are independent, separable and enforceable independent of each other.

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(g) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Mississippi without giving effect to the conflict of laws principles thereof.

(h) **Successors in Interest.** This Agreement shall inure to the benefit of and be binding upon any successor to Trustmark or its Subsidiaries. This Agreement shall inure to the benefit of your legal representatives. All obligations imposed upon you and all rights granted to Trustmark under this Agreement shall be binding upon your heirs, executors, administrators and successors.

(i) **Entire Agreement.** This Agreement, including the Exhibits, and the terms and conditions of the Plan constitute the entire understanding between you and Trustmark and its Subsidiaries, and supersedes all other agreements, whether written or oral, with respect to the Award.

(j) **Headings.** The headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(k) **Participant's Acknowledgement.** This Award is granted pursuant to the Plan and is subject to the terms thereof. By accepting this Award, you acknowledge that you (i) have read this Agreement, (ii) have received and read the Plan, (iii) have had an opportunity to obtain the advice of counsel prior to accepting this Agreement, and (iv) fully understand the terms and conditions of this Agreement and the Plan.

To evidence its grant of the Award and the terms, conditions and restrictions thereof, Trustmark has signed this Agreement as of the Award Date. This Agreement shall not become legally binding unless you have accepted this Agreement by the Agreement due date noted with respect to the Award on the internet hosting website designated by Trustmark for the Plan (or such later date as the Chairman of the Committee may accept) pursuant to such means as the Committee may permit. If you fail to timely accept this Agreement, the Award shall be cancelled and forfeited ab initio.

TRUSTMARK CORPORATION

By:

Its:

EXHIBIT A
Performance Goals

16. *Generally.* Vesting of the Award shall be determined by (i) the average of Trustmark's ROATCE for each calendar year in the Performance Period compared to the target ROATCE ("Target") determined by the <<year>> three-year Strategic Plan approved by Trustmark's Executive Committee of the Board and recommended to, and approved by, Trustmark's Board; and (ii) Trustmark's TSR ranking for the Performance Period compared to the TSR for the Peer Group over the same period as follows, where vesting in the Award is equal to the number of the Restricted Stock Units multiplied by the sum of the vesting percentage in (A) and the vesting percentage in (B) below:

ROATCE <u>Performance</u>	(A)		(B)	
	ROATCE <u>Vesting Percentage</u>	TSR <u>Ranking</u>	TSR <u>Vesting Percentage</u>	
<<%>> of Target	100%	+	<<rank>> Percentile	100%
<<%>> of Target	88%	+	<<rank>> Percentile	90%
<<%>> of Target	75%	+	<<rank>> Percentile	70%
<<%>> of Target	50%	+	<<rank>> Percentile	50%
<<%>> of Target	38%	+	<<rank>> Percentile	32.5%
<<%>> of Target	31%	+	<<rank>> Percentile	22.5%
<<%>> of Target	25%	+	<<rank>> Percentile	17.5%
Less than <<%>> of Target	0%	+	Less than <<rank>>	0%

17. *Interpolation.* If Trustmark's performance or ranking, as applicable, is above the threshold (<<%>> of Target for ROATCE or above <<rank>> percentile for TSR), but less than the maximum (<<%>> of Target for ROATCE or <<rank>> percentile for TSR), then the vesting percentage shall be determined by straight line interpolation (rounded, where not otherwise resulting in a whole or half percent, to the next lowest whole or half percent) where the performance or ranking falls between identified tiers (for example, if the TSR ranking is in the <<rank>> percentile, then the vesting percentage is <<%>>).

18. *Vesting and Settlement.* If the aggregate vesting is 100% or lower, only Performance Units shall vest and be settled in accordance with Section 8 of this Agreement. If the aggregate vesting exceeds 100%, Achievement Units shall also vest and be settled in accordance with Section 8 of this Agreement.

19. *Shortened Performance Period.* The period of time from the beginning of the Performance Period to the calendar quarter ending on or before the Vesting Acceleration Event shall be referred to as the "Shortened Performance Period". Performance Goals under a Shortened Performance Period shall be determined by (i) the average of Trustmark's ROATCE for each calendar quarter in the Shortened Performance Period compared to the Target ROATCE; and (ii) Trustmark's TSR ranking for the Performance Period compared to the TSR for the Peer Group over the same period, where vesting in the Award is equal to the Pro-Rata Portion multiplied by the sum of the vesting percentage in (A) and the vesting percentage in (B) in the table above.

EXHIBIT B
Definitions

The following terms have the following meanings for purposes of this Agreement:

(a) **"Peer Group"** means the financial institutions listed on EXHIBIT C to this Agreement; provided that any listed financial institution shall be eliminated if it is acquired or otherwise changes its structure or business such that it is no longer reasonably comparable to Trustmark (as determined by the Committee), and in the case of any such elimination, the Committee may or may not replace

the eliminated financial institution with another financial institution which it considers reasonably comparable to Trustmark.

(b) **"ROATCE"** means the net earnings after taxes available to common shareholders, adjusted for tax-affected amortization of intangibles, for the calendar

year (except as otherwise provided in EXHIBIT A) divided by average shareholders' tangible common equity for such calendar year (which is total shareholders' equity, excluding total identifiable intangible assets, goodwill, and preferred equity, averaged for the calendar year), all as determined in accordance with generally accepted accounting principles and as reported in Trustmark's financial statements provided to shareholders (excluding the impact of (i) restructurings, discontinued operations, extraordinary items, and other significant non-routine transactions, (ii) material litigation or insurance settlements, (iii) changes to comply with the new lease accounting standard (ASU 2016-02), (iv) changes to comply with the new credit losses accounting standard (ASU 2016-13), and (v) the cumulative effects of income tax or accounting changes in accordance with U.S. generally accepted accounting principles).

(c) "TSR" means the return a holder of common stock earns over a specified period of time, expressed as a percentage and including changes in Average Market Value of, and dividends or other distributions with respect to, the stock and converted to an annual rate by dividing the calculated percentage for the specified period by the number of years and partial years (expressed in quarters) in the specified period. TSR return shall be determined as the sum of (i) the Ending Average Market Value reduced by the Beginning Average Market Value and (ii) dividends or other distributions with respect to a share paid during the specified period and with such dividends and other distributions deemed reinvested in Stock (based on Market Share Price on the date of payment where not paid in Stock), and (iii) with such sum being divided by the Beginning Average Market Value. TSR, including the value of reinvested dividends and other distributions, shall be determined on the basis of the appropriate total shareholder return model of Bloomberg L.P. or any affiliate thereof or such other authoritative source as the Committee may determine. For purposes hereof:

(1) "Average Market Value" means the average of the closing sale price of such stock for the applicable ten trading days beginning or ending on a specified date for which such closing sale price is reported by Bloomberg L.P. or any affiliate thereof or such other authoritative source as the Committee may determine.

(2) "Beginning Average Market Value" means the Average Market Value based on the first ten trading days of the Performance Period.

(3) "Ending Average Market Value" means the Average Market Value based on the last ten trading days of the Performance Period.

(4) "Market Share Price" means the closing sale price for the specified day (or the last preceding day thereto for which reported) as reported by Bloomberg L.P. or any affiliate thereof or such other authoritative source as the Committee may determine.

Exhibit 10.aq

EXHIBIT C

Listing of Peer Group

<<listing of peer financial institutions>>

Exhibit 10.ar

AMENDMENT TO EMPLOYMENT AGREEMENT

WHEREAS, Trustmark Corporation, a Mississippi corporation (the "Company"), and Duane A. Dewey (the "Executive"), have entered into an employment agreement dated October 27, 2020, and effective as of January 1, 2021 (the "Employment Agreement");

WHEREAS, Section 11.3 of the Employment Agreement provides that it may be amended by a written instrument signed by the parties;

WHEREAS, the parties wish to amend the Employment Agreement to provide that Executive shall continue to serve as President and Chief Executive Officer of the Company and Trustmark National Bank through December 31, 2027;

NOW, THEREFORE, effective as of April 23, 2024, subject to the approval of the Company's Board of Directors, the parties agree as follows:

1. The Employment Agreement is amended to replace "December 31, 2025"

with "December 31, 2027" in the first sentence of Section 1 ("Term of Employment; Termination of Current Agreement").

2. Except as amended above, the Employment Agreement shall remain in full force and effect.

The Company and the Executive agree to this amendment this 23rd day of April 2024.

Executive Trustmark Corporation

/s/ Duane A. Dewey/s/ Adolphus B. Baker

Duane A. Dewey Adolphus B. Baker

Chairman, Human Resources Committee

Exhibit 31-a

TRUSTMARK CORPORATION

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Duane A. Dewey, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Trustmark Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

BY:

/s/ Duane A. Dewey

Duane A. Dewey

President and Chief Executive Officer

TRUSTMARK CORPORATION

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas C. Owens, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Trustmark Corporation;
- 2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

BY: **/s/ Thomas C. Owens**

Thomas C. Owens

Treasurer and Principal Financial Officer

Exhibit 32-a

TRUSTMARK CORPORATION

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trustmark Corporation (Trustmark) on Form 10-Q for the quarter ended March 31, 2024, June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Duane A. Dewey, President and Chief Executive Officer of Trustmark, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Trustmark.

BY: /s/ Duane A. Dewey
Duane A. Dewey
President and Chief Executive Officer

DATE: May 7, August 6, 2024

Exhibit 32-b

TRUSTMARK CORPORATION

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Trustmark Corporation (Trustmark) on Form 10-Q for the quarter ended March 31, 2024, June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Thomas C. Owens, Treasurer and Principal Financial Officer of Trustmark, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Trustmark.

BY: /s/ Thomas C. Owens
Thomas C. Owens
Treasurer and Principal Financial Officer

DATE: May 7, August 6, 2024

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