



EARNINGS CALL

4th QUARTER 2018

January 25, 2019

Financial Highlights

Q4 2018

- Net income of \$119.1 million (\$1.13 per share), compared to \$111.1 million (\$1.05 per share) for Q3 2018, and \$89.3 million (\$0.85 per share) for Q4 2017
- Net interest margin of 4.72%, flat from Q3 2018, and a decrease from 4.73% in Q4 2017
- Operating efficiency ratio of 41.5%, consistent with Q3 2018, and an increase from 40.7% in Q4 2017
- Total loans of \$17.71 billion, up \$978 million from prior quarter and total deposits of \$19.18 billion, up \$269 million from prior quarter
- Nonperforming assets (nonaccrual loans and repossessed assets) to total assets of 0.20%, compared to 0.26% at September 30, 2018
- Net loan charge-offs to average loans outstanding of 0.08%, consistent with Q3 2018, and 0.04% in Q4 2017
- Tangible common equity ratio of 10.2% and tangible book value per share, net of tax, of \$22.07, compared to 10.0% and \$20.70, respectively, at September 30, 2018

FULL YEAR 2018

- Net income of \$435.8 million (\$4.14 per share), compared to \$325.5 million (\$3.10 per share) for 2017
- Effective tax rate of 14.61%, compared to 27.96%, due to the effect of the Tax Cuts and Jobs Act ("TCJA") and carryback election
- Return on average assets and return on average tangible common equity ratio of 2.05% and 20.64%, compared to 1.72% and 18.31% in 2017
- Net interest margin of 4.68%, compared to 4.65% in 2017
- Total loans of \$17.71 billion, up \$2.62 billion and total deposits of \$19.18 billion, up \$2.20 billion from 2017
- Net charge-offs to average loans outstanding of 0.06%, compared to 0.01% in 2017 and nonperforming assets (nonaccrual loans and repossessed assets) to total assets of 0.20%, compared to 0.36% at December 31, 2017
- Tangible common equity ratio of 10.2% and tangible book value per share, net of tax, of \$22.07, compared to 9.6% and \$18.31, respectively, at December 31, 2017

Quarterly Consolidated Financial Results

\$ in millions, except EPS

	Q4-18	Q3-18	Q4-17
Interest Income	\$ 282.0	\$ 265.2	\$ 228.5
Interest Expense	(38.5)	(31.2)	(17.4)
Net Interest Income	\$ 243.5	\$ 234.0	\$ 211.0
Provision for Credit Losses	(6.0)	(6.0)	(5.0)
Net Interest Income after Provision for Credit Losses	\$ 237.5	\$ 228.0	\$ 206.0
Non-Interest Income	13.6	4.4	13.7
Salaries and Employee Benefits	(64.6)	(64.8)	(57.7)
Deposit Costs	(7.0)	(4.8)	(3.0)
Other Non-Interest Expense	(39.6)	(44.2)	(34.7)
Non-Interest Expense	(111.1)	(113.8)	(95.4)
Income before Income Taxes	\$ 140.0	\$ 118.6	\$ 124.3
Income Tax	(20.9)	(7.5)	(35.0)
Net Income	\$ 119.1	\$ 111.1	\$ 89.3
Diluted Shares	105.3	105.4	105.2
Earnings Per Share	\$ 1.13	\$ 1.05	\$ 0.85

A reconciliation of Non-GAAP financial measures is presented in the Press Release, beginning on page 20.

Q4 2018 Highlights

- Net Interest Income increased \$9.5 million primarily as a result of loan growth, partially offset by higher rates on deposits and interest expense on borrowings
- Net Operating Revenue, excluding losses on security sales and fair value adjustments, grew \$11.3 million to \$258.2 million in Q4
- Non-Interest Expense decreased \$2.7 million due to a decrease in charitable contributions, partially offset by increased deposit costs
- Operating Non-Interest Expense, excluding charitable foundation contributions and other items, rose \$4.6 million to \$109.6 million in Q4, resulting in an operating revenue to expense ratio of 2.5 to 1
- Income Tax Expense increased \$13.4 million as the prior quarter included a benefit from the Company's carryback election

Annual Consolidated Financial Results

\$ in millions, except EPS

	2018	2017
Interest Income	\$ 1,033.5	\$ 845.5
Interest Expense	(117.6)	(60.8)
Net Interest Income	\$ 915.9	\$ 784.7
Provision for Credit Losses	(23.0)	(17.3)
Net Interest Income after Provision for Credit Losses	\$ 892.9	\$ 767.4
Non-Interest Income	43.1	45.3
Salaries and Employee Benefits	(253.2)	(214.3)
Deposit Costs	(18.9)	(9.7)
Other Non-Interest Expense	(153.5)	(136.9)
Non-Interest Expense	(425.7)	(360.9)
Income before Income Taxes	\$ 510.3	\$ 451.8
Income Tax	(74.5)	(126.3)
Net Income	\$ 435.8	\$ 325.5
Diluted Shares	105.4	105.0
Earnings Per Share	\$ 4.14	\$ 3.10

2018 Highlights

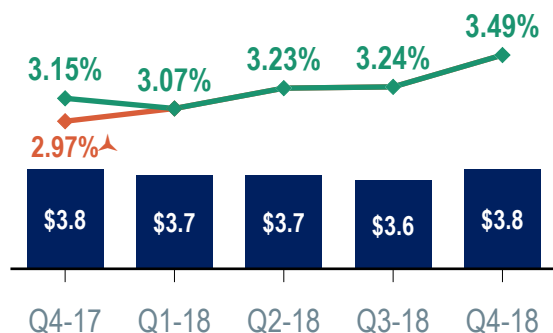
- Net Interest Income increased \$131.2 million as a result of loan growth, partially offset by higher rates on deposits and interest expense on borrowings
- Net Operating Revenue grew \$142.6 million to \$970.3 million in 2018
- Non-Interest Expense increased \$64.7 million due to increased compensation, deposit costs and non-operating expenses
- Operating Non-Interest Expense rose \$55.8 million to \$416.8 million in 2018, resulting in an operating revenue to expense ratio of 2.5 to 1
- Income Tax Expense decreased \$51.8 million due to the reduction in the Corporate tax rate resulting from the TCJA and carryback election

A reconciliation of Non-GAAP financial measures is presented in the Press Release, beginning on page 20.

Net Interest Drivers

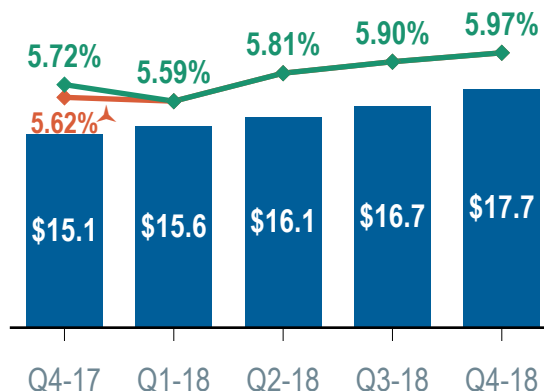
\$ in billions, unless otherwise indicated

Total Investments and Yield



▲ Adjusted yield includes the effects of the decrease in the tax equivalent adjustment ("TEA") from the TCJA

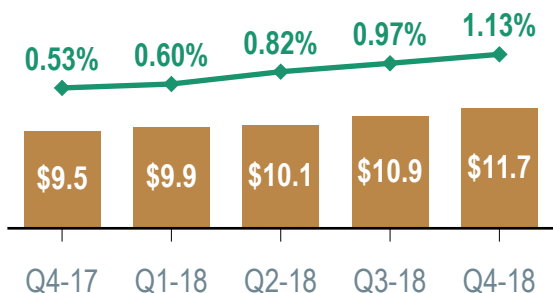
Loans and Yield



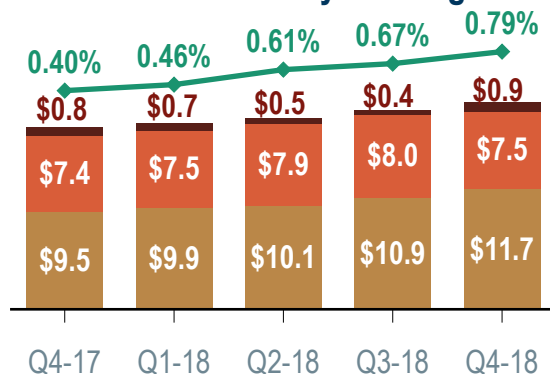
Q4 2018 Highlights

- Loan yield increased 7 basis points due to rising interest rates across most loan types
- Cost of interest-bearing deposits increased 16 basis points due to higher rates across all interest-bearing deposit types
- Cost of funds for total deposits and borrowings increased 12 basis points to 0.79% due to higher rates and lower non-interest bearing deposits

Interest Bearing Deposits and Cost of Funds



Deposits, Borrowings, and Cost of Liability Funding

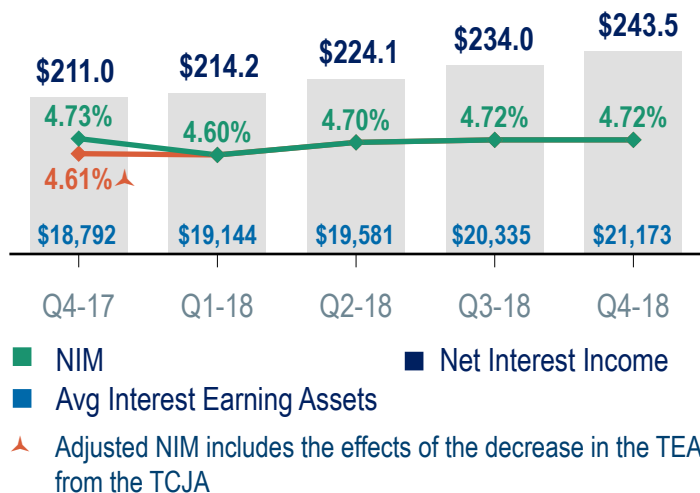


- Investments
- Loans
- Interest Bearing Deposits
- Non-Interest Bearing Deposits
- Total Borrowings

Net Interest Income and Accretion

\$ in millions

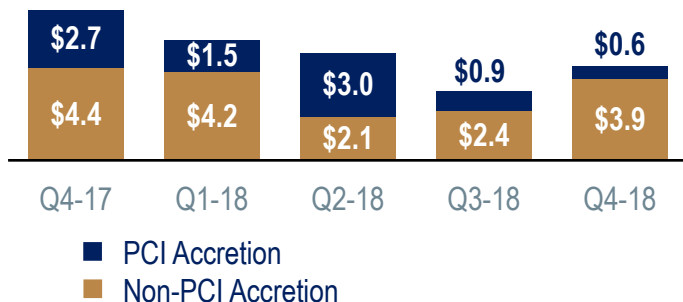
Net Interest Income, NIM, and Average Interest Earnings Assets



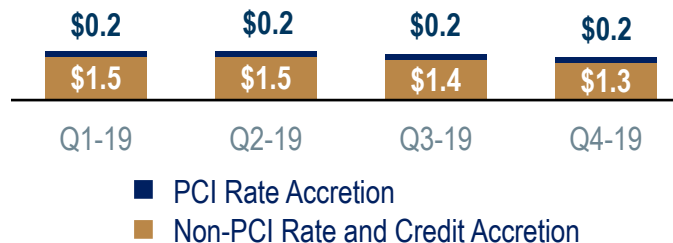
Q4 2018 Highlights

- NIM was flat at 4.72% quarter-over-quarter
- Non-PCI accretion increased \$1.5 million due to accelerated accretion on early loan payoffs, partially offset by a \$0.3 million decrease in PCI accretion

Acquired Loan Accretion



Scheduled Acquisition Loan Accretion *



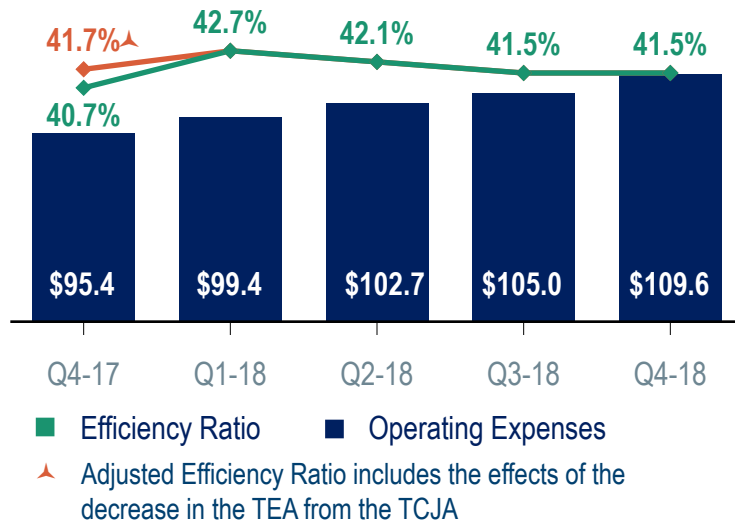
Ending rate and credit marks on all acquired loans at 12/31/2018 is \$21.7 million

* Amounts do not include early loan payoffs

Operating Expenses and Efficiency

\$ in millions

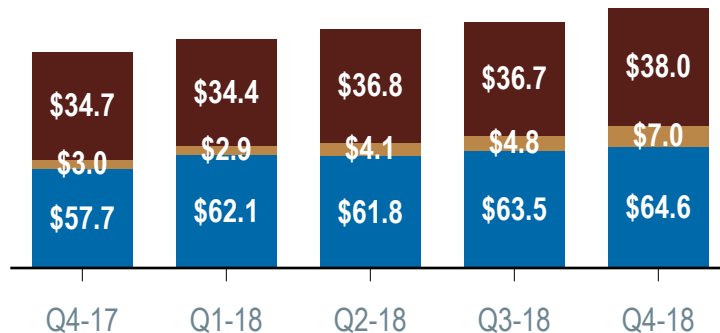
Operating Expenses and Efficiency Ratio



Q4 2018 Highlights

- The operating efficiency ratio was flat at 41.5% compared to the prior quarter
- Operating expenses increased from the prior quarter primarily due to increased compensation and deposit costs

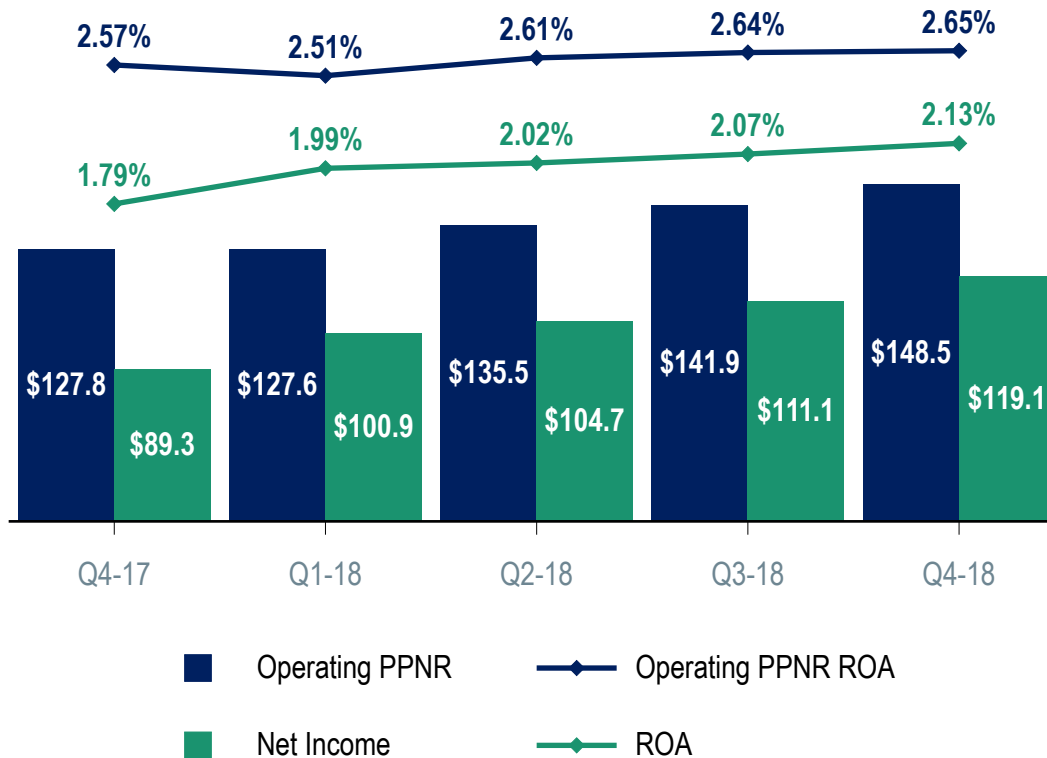
Breakdown of Operating Expenses



- Other
- Deposit Costs
- Salaries and Employee Benefits

Operating Pre-Provision Net Revenue, Net Income, and ROA

\$ in millions



Highlights

- Return on assets continued its upward trend, increasing 6 basis points from the prior quarter and 34 basis points, or 19.0%, from Q4-17
- Operating PPNR ROA remained consistent with the prior quarter and increased 8 basis points from Q4-17

Consolidated Balance Sheet

\$ in millions

	Q4-18	Q3-18	Q4-17
Investments & Cash	\$ 4,260	\$ 4,334	\$ 4,237
Loans	17,711	16,733	15,094
Allowance for Credit Losses	(153)	(150)	(140)
Other Assets	1,292	1,259	1,137
Total Assets	\$ 23,110	\$ 22,176	\$ 20,328
Deposits	\$ 19,177	\$ 18,909	\$ 16,972
Borrowings	874	380	793
Other Liabilities	445	399	333
Total Liabilities	\$ 20,496	\$ 19,688	\$ 18,098
Shareholders' Equity	2,614	2,488	2,230
Total Liabilities and Equity	\$ 23,110	\$ 22,176	\$ 20,328
Tangible Book Value Per Share	\$ 22.07	\$ 20.70	\$ 18.31

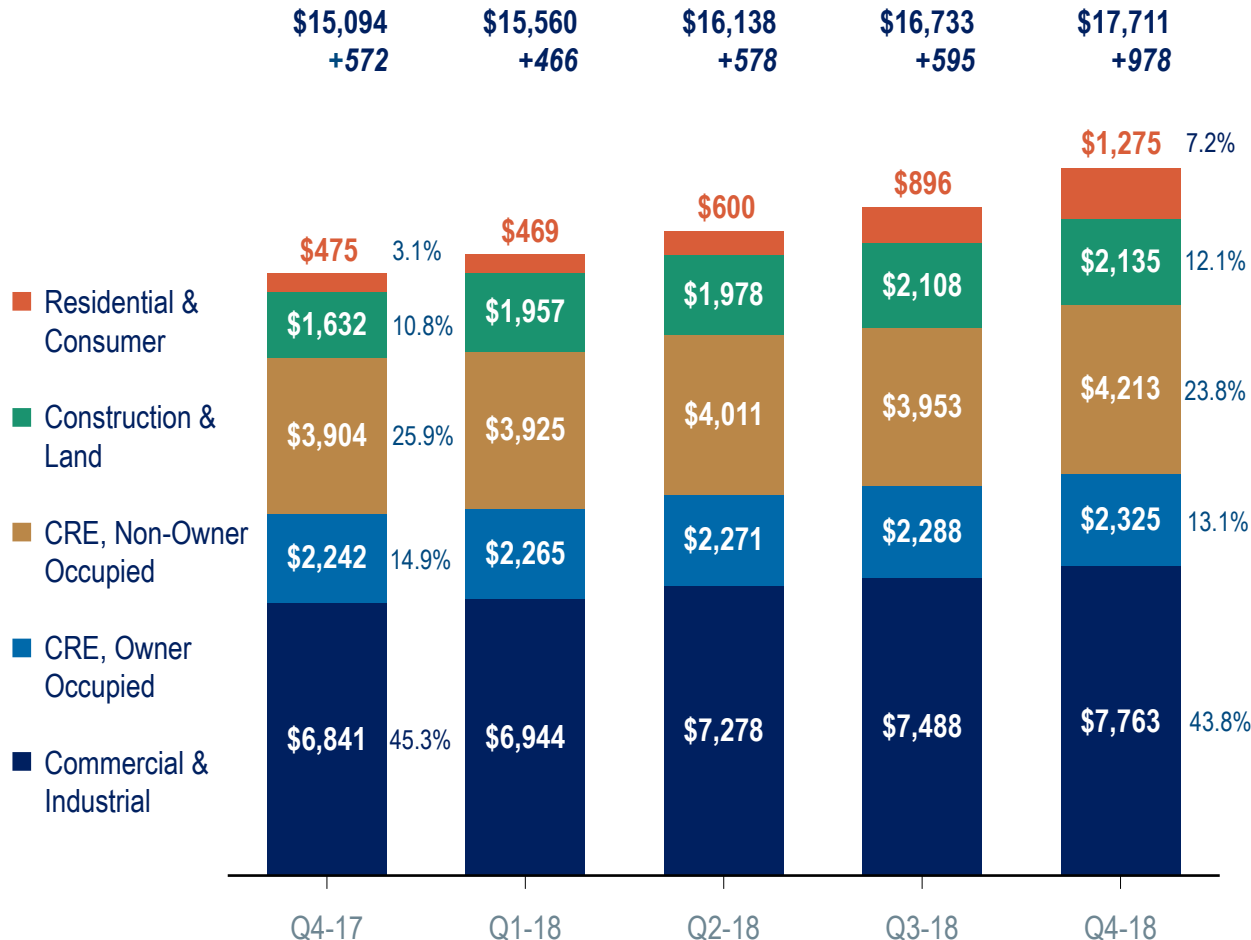
Q4 2018 Highlights

- Loans increased \$978 million (5.8%) over prior quarter and \$2.62 billion (17.3%) over prior year
- Deposits increased \$269 million (1.4%) over prior quarter and \$2.20 billion (13.0%) over prior year
- Shareholders' Equity increased \$125 million over prior quarter and \$384 million over prior year as a function of Net Income, partially offset by share repurchases
- Tangible Book Value/Share increased \$1.37 over prior quarter and \$3.76 (20.5%) over prior year

Five Quarter Loan Growth and Portfolio Composition

\$ in millions

\$2.62 Billion Year Over Year Growth



Highlights

Quarter-over-quarter loan growth driven by (in millions):

Residential & Consumer	\$ 379
C&I	275
CRE, Non-OO	260

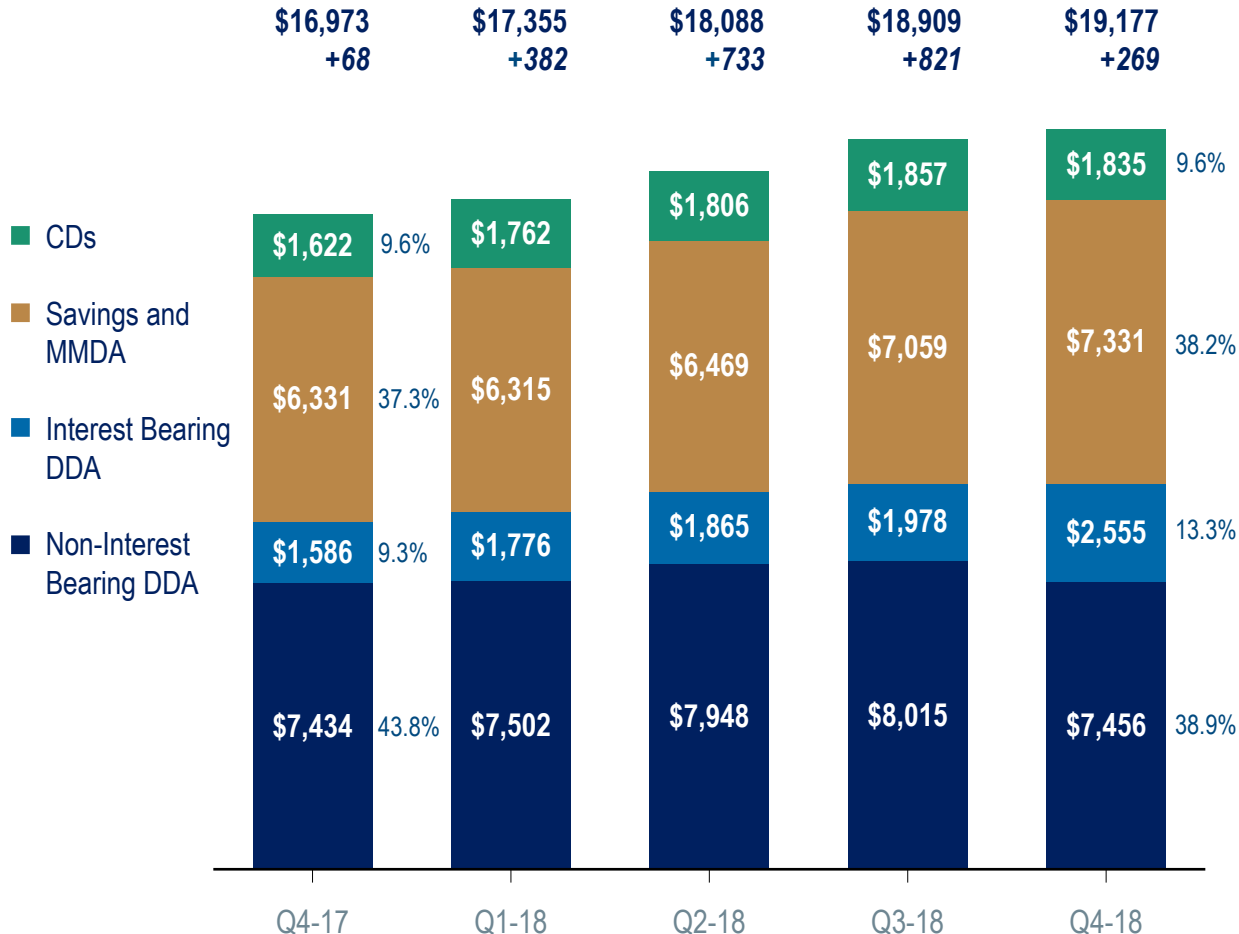
Year-over-year loan growth across all loan types (in millions):

C&I	\$ 922
Residential & Consumer	800
Construction & Land	503
CRE, Non-OO	309
CRE, OO	83

Five Quarter Deposit Growth and Composition

\$ in millions

\$2.20 Billion Year Over Year Growth

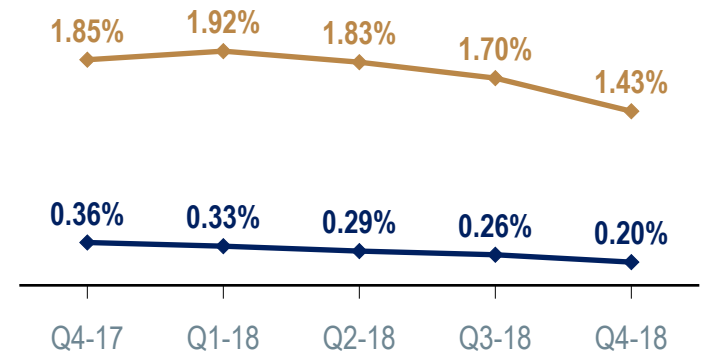
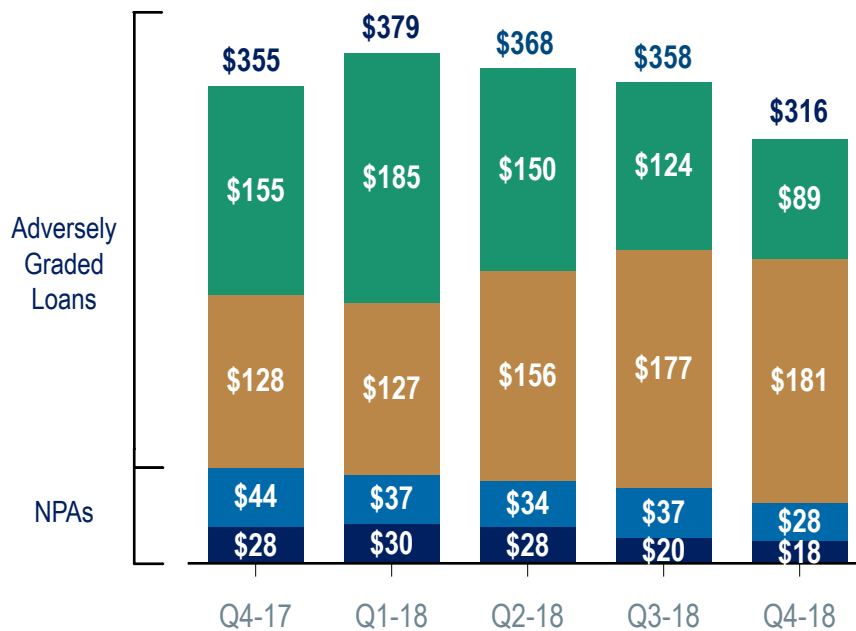


Highlights

Quarter-over-quarter deposit growth driven by (in millions):	
Interest Bearing DDA	\$ 578
Savings and MMDA	272
Offset by decreases in:	
Non-Interest Bearing DDA	\$ (559)
CDs	(22)
Year-over-year deposit growth across all deposit types (in millions):	
Savings and MMDA	\$ 1,000
Interest-Bearing DDA	969
CDs	213
Non-Interest Bearing DDA	22

Adversely Graded Loans and Non-Performing Assets *

\$ in millions



- Special Mention Loans
- Non-Performing Loans
- Adversely Graded Assets to Total Assets
- Classified Accruing Loans
- OREO
- NPAs to Total Assets

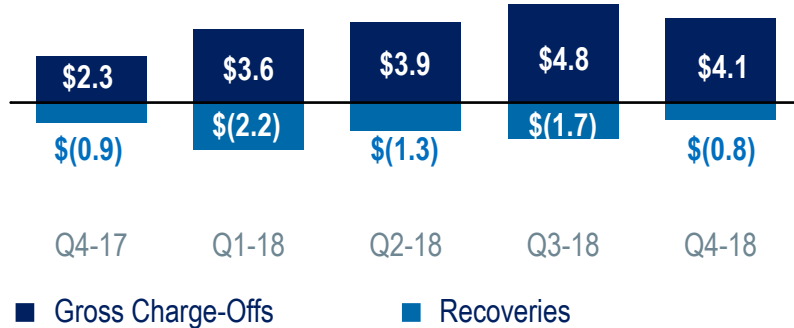
Accruing TDRs total \$36.5 million as of 12/31/2018

* Amounts are net of total PCI credit and interest rate discounts of \$8.0 million as of 12/31/2018

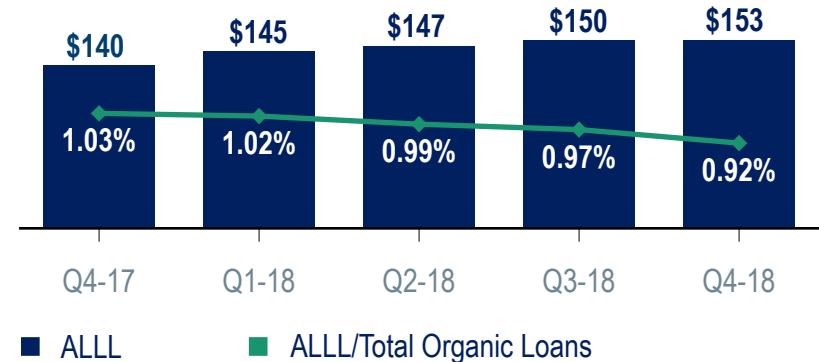
Charge-Offs, Recoveries, ALLL, and Provision

\$ in millions

Gross Charge-Offs and Recoveries



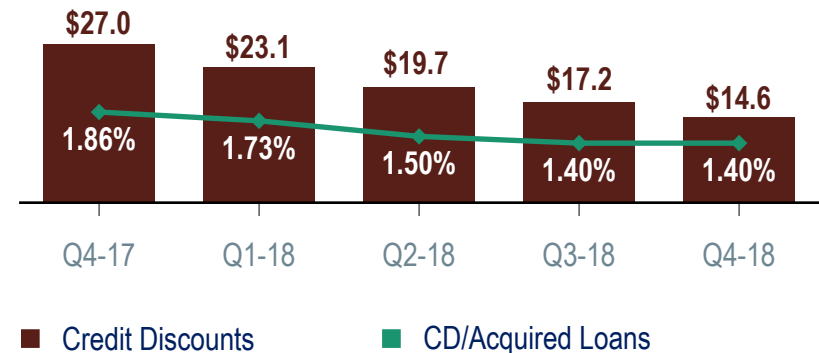
ALLL and ALLL to Organic Loans Ratio



Provision for Credit Losses

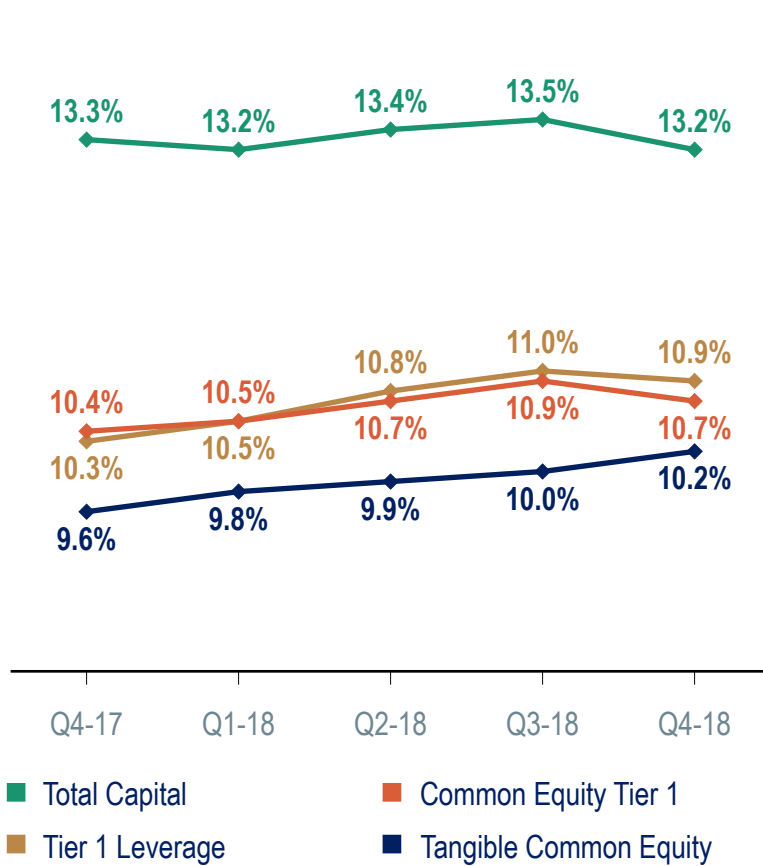


Credit Discounts and CD to Acquired Loans Ratio

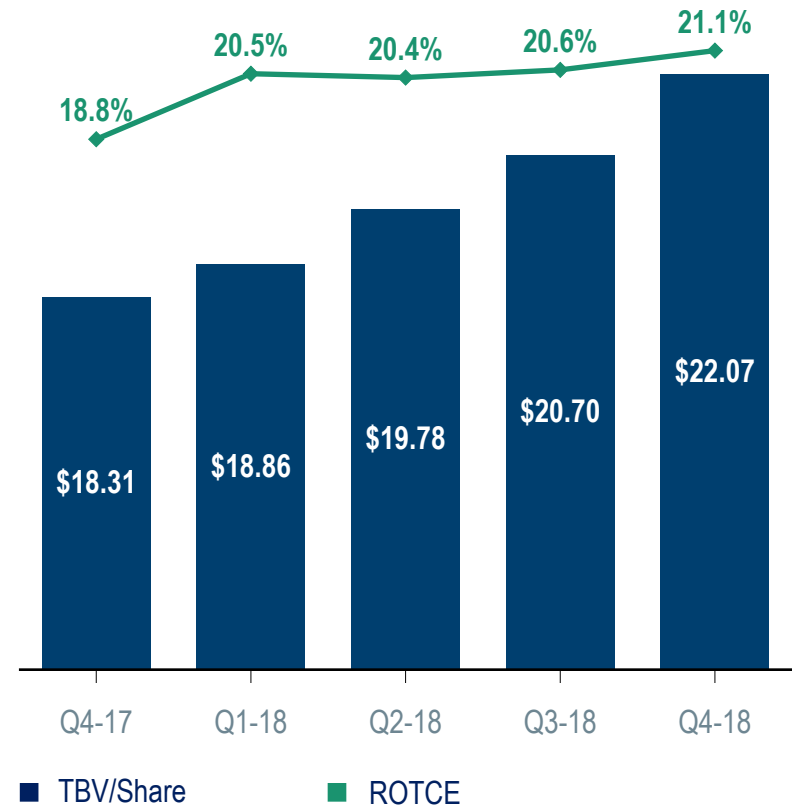


Capital

Capital Ratios



ROTCE and TBV/Share



Management Outlook

- Loan and Deposit Growth
- Interest Margin
- Operating Leverage
- Asset Quality



Questions and Answers

Forward-Looking Statements

This presentation contains forward-looking statements that relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Examples of forward-looking statements include, among others, statements we make regarding our expectations with regard to our business, financial and operating results, and future economic performance. The forward-looking statements contained herein reflect our current views about future events and financial performance and are subject to risks, uncertainties, assumptions, and changes in circumstances that may cause our actual results to differ significantly from historical results and those expressed in any forward-looking statement. Some factors that could cause actual results to differ materially from historical or expected results include, among others: the risk factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission; changes in general economic conditions, either nationally or locally in the areas in which we conduct or will conduct our business; inflation, interest rate, market and monetary fluctuations; increases in competitive pressures among financial institutions and businesses offering similar products and services; higher defaults on our loan portfolio than we expect; changes in management's estimate of the adequacy of the allowance for credit losses; legislative or regulatory changes or changes in accounting principles, policies, or guidelines; supervisory actions by regulatory agencies which may limit our ability to pursue certain growth opportunities, including expansion through acquisitions; additional regulatory requirements resulting from our continued growth; management's estimates and projections of interest rates and interest rate policy; the execution of our business plan; and other factors affecting the financial services industry generally or the banking industry in particular.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. We do not intend to have and disclaim any duty or obligation to update or revise any industry information or forward-looking statements, whether written or oral, that may be made from time to time, set forth in this presentation to reflect new information, future events or otherwise.

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This presentation contains both financial measures based on GAAP and non-GAAP based financial measures, which are used where management believes them to be helpful in understanding the Company's results of operations or financial position. Where non-GAAP financial measures are used, the comparable GAAP financial measure, as well as the reconciliation to the comparable GAAP financial measure, can be found in the Company's press release as of and for the quarter ended December 31, 2018. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.