

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Three months ended			Nine months ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
(Dollars in thousands, except share data; unaudited)					
SUMMARY OF OPERATIONS					
Interest income	\$ 284,333	\$ 272,542	\$ 246,494	\$ 817,732	\$ 732,975
Interest expense	11,158	10,933	10,645	32,605	32,217
Net interest income	273,175	261,609	235,849	785,127	700,758
Provision for loan and lease losses	7,946	12,324	7,507	28,501	16,912
Net interest income after provision for loan and lease losses	265,229	249,285	228,342	756,626	683,846
Gain on acquisitions	—	122,728	837	134,745	5,831
Noninterest income excluding gain on acquisitions	125,387	125,472	117,004	366,134	357,542
Noninterest expense	286,967	285,606	267,233	836,918	777,207
Income before income taxes	103,649	211,879	78,950	420,587	270,012
Income taxes	36,585	77,219	27,546	151,242	97,220
Net income	\$ 67,064	\$ 134,660	\$ 51,404	\$ 269,345	\$ 172,792
Taxable-equivalent net interest income	\$ 274,272	\$ 262,549	\$ 237,146	\$ 788,414	\$ 704,829
PER SHARE DATA					
Net income	\$ 5.58	\$ 11.21	\$ 4.28	\$ 22.43	\$ 14.39
Cash dividends	0.30	0.30	0.30	0.90	0.90
Book value at period-end	275.91	269.75	256.76	275.91	256.76
CONDENSED BALANCE SHEET					
Cash and due from banks	\$ 296,386	\$ 556,772	\$ 495,705	\$ 296,386	\$ 495,705
Overnight investments	2,432,233	2,882,789	2,997,086	2,432,233	2,997,086
Investment securities	6,992,955	6,596,530	6,384,940	6,992,955	6,384,940
Loans and leases	23,149,073	22,871,465	21,296,980	23,149,073	21,296,980
Less allowance for loan and lease losses	(231,842)	(228,798)	(211,950)	(231,842)	(211,950)
Other assets	1,945,349	2,091,092	2,009,149	1,945,349	2,009,149
Total assets	\$ 34,584,154	\$ 34,769,850	\$ 32,971,910	\$ 34,584,154	\$ 32,971,910
Deposits	\$ 29,333,949	\$ 29,456,338	\$ 27,925,253	\$ 29,333,949	\$ 27,925,253
Other liabilities	1,936,374	2,073,661	1,962,909	1,936,374	1,962,909
Shareholders' equity	3,313,831	3,239,851	3,083,748	3,313,831	3,083,748
Total liabilities and shareholders' equity	\$ 34,584,154	\$ 34,769,850	\$ 32,971,910	\$ 34,584,154	\$ 32,971,910
SELECTED PERIOD AVERAGE BALANCES					
Total assets	\$ 34,590,503	\$ 34,243,527	\$ 32,655,417	\$ 34,113,525	\$ 32,176,082
Investment securities	6,906,345	7,112,267	6,452,532	7,033,878	6,582,604
Loans and leases	22,997,195	22,575,323	21,026,510	22,511,818	20,678,838
Interest-earning assets	32,555,597	32,104,717	30,446,592	31,991,031	29,995,602
Deposits	29,319,384	29,087,852	27,609,418	28,982,354	27,274,646
Interest-bearing liabilities	19,484,663	19,729,956	19,114,740	19,627,222	19,091,511
Shareholders' equity	\$ 3,284,044	\$ 3,159,004	\$ 3,058,155	\$ 3,167,684	\$ 2,987,455
Shares outstanding	12,010,405	12,010,405	12,010,405	12,010,405	12,010,405
SELECTED RATIOS					
Annualized return on average assets	0.77 %	1.58 %	0.63%	1.06%	0.72%
Annualized return on average equity	8.10	17.10	6.69	11.37	7.73
Taxable-equivalent net interest margin	3.35	3.28	3.10	3.29	3.14
Efficiency ratio ⁽¹⁾	72.24	74.43	75.81	72.99	75.88
Tier 1 risk-based capital ratio	12.95	12.69	12.50	12.95	12.50
Common equity Tier 1 ratio	12.95	12.69	12.50	12.95	12.50
Total risk-based capital ratio	14.34	14.07	13.96	14.34	13.96
Leverage capital ratio	9.43	9.33	9.07	9.43	9.07

⁽¹⁾ The efficiency ratio is a non-GAAP financial measure which measures productivity and is generally calculated as noninterest expense divided by total revenue (net interest income and noninterest income). The efficiency ratio removes the impact of BancShares' securities gains, acquisition gains and FDIC shared-loss termination from the calculation. Management uses this ratio to monitor performance and believes this measure provides meaningful information to investors.

ALLOWANCE FOR LOAN AND LEASE LOSSES AND ASSET QUALITY DISCLOSURES

(Dollars in thousands, unaudited)	Three months ended			Nine months ended	
	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL)					
ALLL at beginning of period	\$ 228,798	\$ 220,943	\$ 208,008	\$ 218,795	\$ 206,216
Provision (credit) for loan and lease losses:					
PCI loans ⁽¹⁾	(537)	2,572	77	(810)	(4,066)
Non-PCI loans ⁽¹⁾	8,483	9,752	7,430	29,311	20,978
Net charge-offs of loans and leases:					
Charge-offs	(8,494)	(9,423)	(6,210)	(26,688)	(18,567)
Recoveries	3,592	4,954	2,645	11,234	7,389
Net charge-offs of loans and leases	(4,902)	(4,469)	(3,565)	(15,454)	(11,178)
ALLL at end of period	\$ 231,842	\$ 228,798	\$ 211,950	\$ 231,842	\$ 211,950
ALLL at end of period allocated to loans and leases:					
PCI	\$ 12,959	\$ 13,496	\$ 11,632	\$ 12,959	\$ 11,632
Non-PCI	218,883	215,302	200,318	218,883	200,318
ALLL at end of period	\$ 231,842	\$ 228,798	\$ 211,950	\$ 231,842	\$ 211,950
Net charge-offs of loans and leases:					
PCI	\$ —	\$ —	\$ —	\$ —	\$ 614
Non-PCI	4,902	4,469	3,565	15,454	10,564
Total net charge-offs	\$ 4,902	\$ 4,469	\$ 3,565	\$ 15,454	\$ 11,178
Reserve for unfunded commitments	\$ 1,309	\$ 1,133	\$ 379	\$ 1,309	\$ 379
SELECTED LOAN DATA					
Average loans and leases:					
PCI	\$ 865,580	\$ 858,053	\$ 892,115	\$ 860,408	\$ 921,151
Non-PCI	22,131,615	21,717,270	20,134,395	21,651,410	19,757,687
Loans and leases at period-end:					
PCI	834,167	894,863	868,200	834,167	868,200
Non-PCI	22,314,906	21,976,602	20,428,780	22,314,906	20,428,780
RISK ELEMENTS					
Nonaccrual loans and leases:					
PCI	\$ 1,017	\$ 1,312	\$ 4,142	\$ 1,017	\$ 4,142
Non-PCI	90,064	88,067	87,043	90,064	87,043
Other real estate	53,988	60,781	68,964	53,988	68,964
Total nonperforming assets	\$ 145,069	\$ 150,160	\$ 160,149	\$ 145,069	\$ 160,149
Accruing loans and leases 90 days or more past due	\$ 68,250	\$ 76,778	\$ 69,312	\$ 68,250	\$ 69,312
RATIOS					
Net charge-offs (annualized) to average loans and leases:					
PCI	—%	—%	—%	—%	0.09%
Non-PCI	0.09	0.08	0.07	0.10	0.07
Total	0.08	0.08	0.07	0.09	0.07
ALLL to total loans and leases:					
PCI	1.55	1.51	1.34	1.55	1.34
Non-PCI	0.98	0.98	0.98	0.98	0.98
Total	1.00	1.00	1.00	1.00	1.00
Ratio of nonperforming assets to total loans, leases and other real estate owned:					
Covered	0.35	0.35	0.75	0.35	0.75
Noncovered	0.63	0.66	0.75	0.63	0.75
Total	0.63	0.65	0.75	0.63	0.75

⁽¹⁾ Loans and leases are evaluated at acquisition and where a discount is noted at least in part due to credit quality, the loans are accounted for under the guidance in ASC Topic 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality*. Loans for which it is probable at acquisition that all required payments will not be collected in accordance with the contractual terms are considered purchased credit-impaired (PCI) loans. PCI loans and leases are recorded at fair value at the date of acquisition. No allowance for loan and lease losses is recorded on the acquisition date as the fair value of the acquired assets incorporates assumptions regarding credit risk. An allowance is recorded if there is additional credit deterioration after the acquisition date. Conversely, Non-PCI loans include originated and purchased non-impaired loans.

AVERAGE BALANCE AND NET INTEREST MARGIN SUMMARY

	Three months ended								
	September 30, 2017			June 30, 2017			September 30, 2016		
	Average Balance	Interest	Yield/ Rate ⁽²⁾	Average Balance	Interest	Yield/ Rate ⁽²⁾	Average Balance	Interest	Yield/ Rate ⁽²⁾
(Dollars in thousands, unaudited)									
INTEREST-EARNING ASSETS									
Loans and leases ⁽¹⁾	\$ 22,997,195	\$ 247,262	4.27	%\$ 22,575,323	\$ 236,580	4.20	%\$ 21,026,510	\$ 220,480	4.17 %
Investment securities:									
U. S. Treasury	1,617,153	4,580	1.12	1,622,936	4,453	1.10	1,528,010	3,018	0.79
Government agency	41,001	171	1.66	52,049	203	1.56	321,664	711	0.88
Mortgage-backed securities	5,075,795	23,912	1.88	5,278,731	24,756	1.88	4,470,507	18,833	1.69
Corporate bonds	62,338	974	6.25	60,356	932	6.17	43,535	648	5.95
Other	110,058	164	0.59	98,195	154	0.63	88,816	316	1.41
Total investment securities	6,906,345	29,801	1.72	7,112,267	30,498	1.72	6,452,532	23,526	1.46
Overnight investments	2,652,057	8,367	1.25	2,417,127	6,404	1.06	2,967,550	3,785	0.51
Total interest-earning assets	\$ 32,555,597	\$ 285,430	3.48	%\$ 32,104,717	\$ 273,482	3.42	%\$ 30,446,592	\$ 247,791	3.24 %
INTEREST-BEARING LIABILITIES									
Interest-bearing deposits:									
Checking with interest	\$ 4,981,667	\$ 255	0.02	%\$ 4,978,159	\$ 253	0.02	%\$ 4,475,963	\$ 231	0.02 %
Savings	2,320,899	173	0.03	2,293,589	188	0.03	2,055,877	157	0.03
Money market accounts	8,053,197	1,690	0.08	8,107,107	1,688	0.08	8,060,290	1,568	0.08
Time deposits	2,559,977	1,721	0.27	2,745,473	2,003	0.29	2,900,840	2,501	0.34
Total interest-bearing deposits	17,915,740	3,839	0.09	18,124,328	4,132	0.09	17,492,970	4,457	0.10
Repurchase agreements	594,344	613	0.41	718,700	539	0.30	766,893	489	0.25
Other short-term borrowings	86,631	816	3.71	87,609	637	2.88	12,162	51	1.68
Long-term obligations	887,948	5,890	2.61	799,319	5,625	2.82	842,715	5,648	2.68
Total interest-bearing liabilities	\$ 19,484,663	\$ 11,158	0.22	\$ 19,729,956	\$ 10,933	0.22	\$ 19,114,740	\$ 10,645	0.22
Interest rate spread			3.26 %			3.20 %			3.02 %
Net interest income and net yield on interest-earning assets		\$ 274,272	3.35 %		\$ 262,549	3.28 %		\$ 237,146	3.10 %

⁽¹⁾ Loans and leases include PCI loans, non-PCI loans, nonaccrual loans and loans held for sale.

⁽²⁾ Yields related to loans, leases and securities exempt from both federal and state income taxes, federal income taxes only, or state income taxes only are stated on a taxable-equivalent basis assuming statutory federal income tax rates of 35.0 percent for each period and state income tax rates of 3.1 percent, 3.1 percent and 5.5 percent for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016, respectively. The taxable-equivalent adjustment was \$1,097, \$940 and \$1,297 for the three months ended September 30, 2017, June 30, 2017 and September 30, 2016, respectively.