

## CONSOLIDATED FINANCIAL HIGHLIGHTS

	Three months ended			Year ended December 31	
	December 31, 2018	September 30, 2018	December 31, 2017	2018	2017
(Dollars in thousands, except share data; unaudited)					
<b>SUMMARY OF OPERATIONS</b>					
Interest income	\$ 333,573	\$ 315,706	\$ 285,958	\$ 1,245,757	\$ 1,103,690
Interest expense	12,691	8,344	11,189	36,857	43,794
Net interest income	320,882	307,362	274,769	1,208,900	1,059,896
(Credit) provision for loan and lease losses	11,585	840	(2,809)	28,468	25,692
Net interest income after provision for loan and lease losses	309,297	306,522	277,578	1,180,432	1,034,204
Gain on acquisitions	—	—	—	—	134,745
Noninterest income excluding gain on acquisitions	82,007	94,531	108,613	400,149	387,218
Noninterest expense	275,378	267,537	263,080	1,076,971	1,012,469
Income before income taxes	115,926	133,516	123,111	503,610	543,698
Income taxes	26,453	16,198	68,704	103,297	219,946
Net income	\$ 89,473	\$ 117,318	\$ 54,407	\$ 400,313	\$ 323,752
Taxable-equivalent net interest income	\$ 321,804	\$ 308,207	\$ 276,002	\$ 1,212,280	\$ 1,064,415
<b>PER SHARE DATA</b>					
Net income	\$ 7.62	\$ 9.80	\$ 4.53	\$ 33.53	\$ 26.96
Cash dividends	0.40	0.35	0.35	1.45	1.25
Book value at period-end	300.04	294.40	277.60	300.04	277.60
<b>CONDENSED BALANCE SHEET</b>					
Cash and due from banks	\$ 327,440	\$ 262,525	\$ 336,150	\$ 327,440	\$ 336,150
Overnight investments	797,406	943,025	1,387,927	797,406	1,387,927
Investment securities	6,741,763	7,040,674	7,180,256	6,741,763	7,180,256
Loans and leases	25,523,276	24,886,347	23,596,825	25,523,276	23,596,825
Less allowance for loan and lease losses	(223,712)	(219,197)	(221,893)	(223,712)	(221,893)
Other assets	2,242,456	2,041,285	2,248,247	2,242,456	2,248,247
Total assets	\$ 35,408,629	\$ 34,954,659	\$ 34,527,512	\$ 35,408,629	\$ 34,527,512
Deposits	30,672,460	30,163,537	29,266,275	30,672,460	29,266,275
Other liabilities	1,247,215	1,292,109	1,927,173	1,247,215	1,927,173
Shareholders' equity	3,488,954	3,499,013	3,334,064	3,488,954	3,334,064
Total liabilities and shareholders' equity	\$ 35,408,629	\$ 34,954,659	\$ 34,527,512	\$ 35,408,629	\$ 34,527,512
<b>SELECTED PERIOD AVERAGE BALANCES</b>					
Total assets	\$ 35,625,500	\$ 34,937,175	\$ 34,864,720	\$ 34,879,912	\$ 34,302,867
Investment securities	7,025,889	7,129,089	7,044,534	7,074,929	7,036,564
Loans and leases	25,343,813	24,698,799	23,360,235	24,483,719	22,725,665
Interest-earning assets	33,500,732	32,886,276	32,874,233	32,847,661	32,213,646
Deposits	30,835,157	30,237,329	29,525,843	30,165,249	29,119,344
Interest-bearing liabilities	19,282,749	18,783,160	19,425,404	18,995,727	19,576,353
Shareholders' equity	\$ 3,491,914	\$ 3,470,368	\$ 3,329,562	\$ 3,422,941	\$ 3,206,250
Shares outstanding	11,763,832	11,971,460	12,010,405	11,938,439	12,010,405
<b>SELECTED RATIOS</b>					
Annualized return on average assets	1.00%	1.33%	0.62%	1.15%	0.94%
Annualized return on average equity	10.17	13.41	6.48	11.69	10.10
Taxable-equivalent net interest margin	3.82	3.73	3.34	3.69	3.30
Efficiency ratio <sup>(1)</sup>	65.66	67.33	70.86	67.74	70.78
Tier 1 risk-based capital ratio	12.67	13.23	12.88	12.67	12.88
Common equity Tier 1 ratio	12.67	13.23	12.88	12.67	12.88
Total risk-based capital ratio	13.99	14.57	14.21	13.99	14.21
Leverage capital ratio	9.77	10.11	9.47	9.77	9.47

<sup>(1)</sup>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, one-time gains on extinguishment of debt, fair market value adjustment on marketable equity securities 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			Year ended December 31	
	December 31, 2018	September 30, 2018	December 31, 2017	2018	2017
<b>ALLOWANCE FOR LOAN AND LEASE LOSSES (ALLL)</b>					
ALLL at beginning of period	\$ 219,197	\$ 224,865	\$ 231,842	\$ 221,893	\$ 218,795
(Credit) provision for loan and lease losses:					
PCI loans <sup>(1)</sup>	(1,765)	(1,514)	(2,637)	(765)	(3,447)
Non-PCI loans <sup>(1)</sup>	13,350	2,354	(172)	29,232	29,139
Net charge-offs of loans and leases:					
Charge-offs	(10,768)	(9,447)	(9,994)	(39,671)	(36,682)
Recoveries	3,698	2,939	2,854	13,023	14,088
Net charge-offs of loans and leases	<u>(7,070)</u>	<u>(6,508)</u>	<u>(7,140)</u>	<u>(26,648)</u>	<u>(22,594)</u>
ALLL at end of period	<u>\$ 223,712</u>	<u>\$ 219,197</u>	<u>\$ 221,893</u>	<u>\$ 223,712</u>	<u>\$ 221,893</u>
ALLL at end of period allocated to loans and leases:					
PCI	\$ 9,144	\$ 10,909	\$ 10,026	\$ 9,144	\$ 10,026
Non-PCI	214,568	208,288	211,867	214,568	211,867
ALLL at end of period	<u>\$ 223,712</u>	<u>\$ 219,197</u>	<u>\$ 221,893</u>	<u>\$ 223,712</u>	<u>\$ 221,893</u>
Reserve for unfunded commitments	<u>\$ 1,107</u>	<u>\$ 1,089</u>	<u>\$ 1,032</u>	<u>\$ 1,107</u>	<u>\$ 1,032</u>
<b>SELECTED LOAN DATA</b>					
Average loans and leases:					
PCI	\$ 616,664	\$ 652,983	\$ 799,399	\$ 671,128	\$ 845,030
Non-PCI	24,727,149	24,045,816	22,560,836	23,812,591	21,880,635
Loans and leases at period-end:					
PCI	606,576	638,018	762,998	606,576	762,998
Non-PCI	24,916,700	24,248,329	22,833,827	24,916,700	22,833,827
<b>RISK ELEMENTS</b>					
Nonaccrual loans and leases	\$ 85,822	\$ 86,949	\$ 93,158	\$ 85,822	\$ 93,158
Other real estate	48,030	43,601	51,097	48,030	51,097
Total nonperforming assets	<u>\$ 133,852</u>	<u>\$ 130,550</u>	<u>\$ 144,255</u>	<u>\$ 133,852</u>	<u>\$ 144,255</u>
Accruing loans and leases 90 days or more past due	<u>\$ 39,908</u>	<u>\$ 40,713</u>	<u>\$ 61,718</u>	<u>\$ 39,908</u>	<u>\$ 61,718</u>
<b>RATIOS</b>					
Net charge-offs (annualized) to average loans and leases	0.11	0.10	0.12	0.11	0.10
ALLL to total loans and leases:					
PCI	1.51	1.71	1.31	1.51	1.31
Non-PCI	0.86	0.86	0.93	0.86	0.93
Total	0.88	0.88	0.94	0.88	0.94
Ratio of total nonperforming assets to total loans, leases and other real estate owned	0.52	0.52	0.61	0.52	0.61

<sup>(1)</sup> 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. Non-PCI loans include originated and purchased non-impaired loans.

## AVERAGE BALANCE AND NET INTEREST MARGIN SUMMARY

	Three months ended								
	December 31, 2018			September 30, 2018			December 31, 2017		
	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>	Average Balance	Interest	Yield/ Rate <sup>(2)</sup>
(Dollars in thousands, unaudited)									
<b>INTEREST-EARNING ASSETS</b>									
Loans and leases <sup>(1)</sup>	\$ 25,343,813	\$ 288,484	4.52 %	\$ 24,698,799	\$ 272,868	4.39 %	\$ 23,360,235	\$ 248,151	4.22 %
Investment securities:									
U. S. Treasury	1,454,889	7,261	1.98	1,504,594	7,104	1.87	1,627,968	4,784	1.17
Government agency	192,830	1,288	2.67	129,634	840	2.59	9,659	69	2.85
Mortgage-backed securities	5,136,489	29,261	2.28	5,266,282	29,160	2.21	5,233,293	25,351	1.94
Corporate bonds and other	135,962	1,810	5.32	121,855	1,609	5.28	63,911	991	6.20
State, county and municipal	78	3	17.14	—	—	—	—	—	—
Marketable equity securities	105,641	323	1.22	106,724	249	0.93	109,703	246	0.89
Total investment securities	7,025,889	39,946	2.27	7,129,089	38,962	2.18	7,044,534	31,441	1.78
Overnight investments	1,131,030	6,065	2.13	1,058,388	4,721	1.77	2,469,464	7,599	1.22
Total interest-earning assets	\$ 33,500,732	\$ 334,495	3.97 %	\$ 32,886,276	\$ 316,551	3.83 %	\$ 32,874,233	\$ 287,191	3.47 %
<b>INTEREST-BEARING LIABILITIES</b>									
Interest-bearing deposits:									
Checking with interest	\$ 5,254,677	\$ 332	0.03 %	\$ 5,177,349	\$ 319	0.02 %	\$ 5,028,978	\$ 262	0.02 %
Savings	2,511,444	213	0.03	2,506,421	210	0.03	2,337,993	172	0.03
Money market accounts	7,971,726	4,335	0.22	7,878,484	2,455	0.12	8,047,691	1,732	0.09
Time deposits	2,599,498	4,179	0.64	2,367,980	2,163	0.36	2,421,749	1,623	0.27
Total interest-bearing deposits	18,337,345	9,059	0.20	17,930,234	5,147	0.11	17,836,411	3,789	0.08
Repurchase agreements	572,442	419	0.29	547,385	398	0.29	615,244	622	0.40
Other short-term borrowings	53,552	298	2.21	43,720	287	2.57	107,551	1,031	3.77
Long-term obligations	319,410	2,915	3.58	261,821	2,512	3.77	866,198	5,747	2.61
Total interest-bearing liabilities	\$ 19,282,749	\$ 12,691	0.26 %	\$ 18,783,160	\$ 8,344	0.18 %	\$ 19,425,404	\$ 11,189	0.23 %
Interest rate spread			3.71 %			3.65 %			3.24 %
Net interest income and net yield on interest-earning assets		\$ 321,804	3.82 %		\$ 308,207	3.73 %		\$ 276,002	3.34 %

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

<sup>(2)</sup> 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 21.0 percent, 21.0 percent and 35.0 percent as well as state income tax rates of 3.4 percent, 3.4 percent and 3.1 percent for the three months ended December 31, 2018, September 30, 2018 and December 31, 2017, respectively. The taxable-equivalent adjustment was \$922, \$845 and \$1,233 for the three months ended December 31, 2018, September 30, 2018 and December 31, 2017, respectively. The rate/volume variance is allocated equally between the changes in volume and rate.