
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): **October 24, 2019**

FIRST HAWAIIAN, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-14585
(Commission File Number)

99-0156159
(IRS Employer Identification No.)

999 Bishop St., 29th Floor
Honolulu, Hawaii
(Address of Principal Executive Offices)

96813
(Zip Code)

(808) 525-7000
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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, par value \$0.01 per share | FHB | NASDAQ Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On October 24, 2019, First Hawaiian, Inc. (together with its consolidated subsidiary, “First Hawaiian”) reported its earnings for the quarter ended September 30, 2019. A copy of First Hawaiian’s press release containing this information is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

All information provided in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of First Hawaiian under the Securities Act of 1933, as amended, or the Exchange Act except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | <u>Press release of First Hawaiian, Inc. dated October 24, 2019 containing financial information for its quarter ended September 30, 2019.</u> |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be filed on its behalf by the undersigned hereunto duly authorized.

FIRST HAWAIIAN, INC.

Date: October 24, 2019

By: /s/ Robert S. Harrison
Robert S. Harrison
Chairman of the Board, President and Chief Executive
Officer
(Principal Executive Officer)



For Immediate Release

First Hawaiian, Inc. Reports Third Quarter 2019 Financial Results and Declares Dividend

- **Net income of \$74.2 million, or \$0.56 per diluted share, core net income¹ of \$75.9 million or \$0.57 per diluted share¹**
- **Increased 2019 stock repurchase authority by \$50 million to a total of \$150 million**
- **Board of Directors declared a quarterly dividend of \$0.26 per share**

HONOLULU, Hawaii October 24, 2019--(Globe Newswire)--First Hawaiian, Inc. (NASDAQ:FHB), ("First Hawaiian" or the "Company") today reported financial results for its quarter ended September 30, 2019.

"The bank had another solid performance in the third quarter. Our earnings were driven by excellent credit quality and continued prudent expense management," said Bob Harrison, Chairman, President and Chief Executive Officer. "During the quarter we continued to improve the quality of our balance sheet as we sold over \$400 million of shared national credits and reduced public time deposits, enabling us to increase the size of our stock repurchase program."

On October 23, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.26 per share. The dividend will be payable on December 6, 2019 to stockholders of record at the close of business on November 25, 2019.

Third Quarter 2019 Highlights:

- Profitability measures were excellent with ROA of 1.45%, core ROATA^{1,2} of 1.56%, ROE of 11.12%, and core ROATCE^{1,2} of 18.21%;
- Sold \$409 million of shared national credits ("SNCs") at an average price of 99.7%;
- Reduced the balance of public time deposits by \$334 million and the cost of deposits fell 3 basis points to 54 basis points;
- Reported efficiency ratio was 48.4% and core efficiency ratio¹ was 47.3%;
- Continued excellent credit quality. The ratio of non-performing assets to total loans and leases and other real estate owned was 0.03% at the end of the third quarter;
- No provision expense was recorded due to the reduction in the loan portfolio following the sale of the SNCs;
- Repurchased 2.3 million shares at total cost of \$59 million;
- Announced a \$50 million increase in the stock repurchase program, bringing the total repurchase authority to \$150 million in 2019.

Balance Sheet

Total assets were \$20.6 billion as of September 30, 2019, compared to \$20.5 billion as of June 30, 2019.

Gross loans and leases were \$12.8 billion as of September 30, 2019, a decrease of \$421 million, or 3.2%, from \$13.3 billion as of June 30, 2019. The decrease was primarily due to the approximately \$450 million reduction in SNC loans, which included \$409 million of SNC loans sold and an additional \$40 million of runoff in the SNC loan portfolio.

Total deposits were \$16.9 billion as of September 30, 2019, an increase of \$65 million, or 0.4%, from \$16.8 billion as of June 30, 2019, primarily reflecting a \$334 million reduction in public time deposits and the receipt of \$400 million of temporary commercial deposits that were withdrawn early in the fourth quarter.

Net Interest Income

Net interest income for the third quarter of 2019 was \$143.1 million, a decrease of \$2.5 million, or 1.7%, compared to \$145.6 million for the prior quarter. Net interest income in the third quarter included a negative \$1.7 million premium adjustment, while the second quarter included a negative \$1.8 million premium adjustment. The decrease in net interest income compared to the second quarter of 2019 was primarily due to lower yields and balances on loans and investments, partially offset by lower deposit balances.

¹ Core measurements are non-GAAP financial measures. Core excludes certain gains, expenses and one-time items. See Tables 13 and 14 at the end of this document for reconciliations of core measurements, including core net income, core noninterest income, core efficiency ratio and core earnings per diluted share to the comparable GAAP measurements.

² Return on Average Tangible Assets ("ROATA") and Return on Average Tangible Common Equity ("ROATCE") are non-GAAP financial measures. A reconciliation of average tangible assets and average tangible stockholders' equity to the comparable GAAP measurements is provided in Table 13 at the end of this document.

NIM was 3.19% in the third quarter of 2019, a decrease of six basis points compared to 3.25% in the second quarter of 2019. The negative \$1.7 million premium adjustment in the third quarter and the negative \$1.8 million premium adjustment in the second quarter had a negative four basis point impact on the reported NIM in each quarter.

Provision Expense

No provision for credit losses was taken in the quarter ended September 30, 2019 compared to \$3.9 million in the quarter ended June 30, 2019.

Noninterest Income

Noninterest income was \$50.0 million in the third quarter of 2019, an increase of \$1.2 million compared to noninterest income of \$48.8 million in the second quarter of 2019.

Noninterest Expense

Noninterest expense was \$93.5 million in the third quarter of 2019, essentially unchanged from \$93.3 million in the second quarter of 2019.

The efficiency ratio was 48.4% and 48.0% for the quarters ended September 30, 2019 and June 30, 2019, respectively. Core efficiency ratio¹ was 47.3% and 47.9% for the quarters ended September 30, 2019 and June 30, 2019, respectively.

Taxes

The effective tax rate was 25.5% for the quarters ended September 30, 2019 and June 30, 2019.

Asset Quality

The allowance for loan and lease losses was \$133.0 million, or 1.04% of total loans and leases, as of September 30, 2019, compared to \$138.5 million, or 1.04% of total loans and leases, as of June 30, 2019. Net charge-offs were \$5.6 million, or 0.17% of average loans and leases on an annualized basis for the quarter ended September 30, 2019, compared to \$6.9 million, or 0.21% of average loans and leases on an annualized basis for the quarter ended June 30, 2019. Total non-performing assets were \$4.3 million, or 0.03% of total loans and leases and other real estate owned, at September 30, 2019, compared to non-performing assets of \$3.9 million, or 0.03% of total loans and leases and other real estate owned, at June 30, 2019.

Capital

Total stockholders' equity was \$2.7 billion at September 30, 2019 and June 30, 2019.

The tier 1 leverage, common equity tier 1 and total capital ratios were 8.68%, 12.15% and 13.11%, respectively, at September 30, 2019, compared with 8.75%, 11.84% and 12.81% at June 30, 2019.

During the third quarter of 2019, the Company's Board of Directors approved a \$50 million increase in the stock repurchase program to up to \$150 million during 2019. The Company repurchased 2.3 million shares of common stock at a total cost of \$59 million under the stock repurchase program in the third quarter. The average cost was \$25.69 per share repurchased. Year-to-date through September 30, the Company has repurchased 3.8 million shares at a total cost of \$99 million. Remaining buyback authority under the stock repurchase program was \$51 million at September 30, 2019.

First Hawaiian, Inc.

First Hawaiian, Inc. (NASDAQ:FHB) is a bank holding company headquartered in Honolulu, Hawaii. Its principal subsidiary, First Hawaiian Bank, founded in 1858 under the name Bishop & Company, is Hawaii's oldest and largest financial institution with branch locations throughout Hawaii, Guam and Saipan. The company offers a comprehensive suite of banking services to consumer and commercial customers including deposit products, loans, wealth management, insurance, trust, retirement planning, credit card and merchant processing services. Customers may also access their accounts through ATMs, online and mobile banking channels. For more information about First Hawaiian, Inc., visit the Company's website, www.fhb.com.

Conference Call Information

First Hawaiian will host a conference call to discuss the Company's results today at 5:00 p.m. Eastern Time, 11:00 a.m. Hawaii Time. To access the call, participants should dial (844) 452-2942 (US/Canada), or (574) 990-9846 (International) ten minutes prior to the start of the call and enter the conference ID: 1875646. A live webcast of the conference call, including a slide presentation, will be available at the following link: www.fhb.com/earnings. The archive of the webcast will be available at the same location. A telephonic replay of the conference call will be available two hours after the conclusion of the call until 8:30 p.m. (Eastern Time) on October 31, 2019. Access the replay by dialing (855) 859-2056 or (404) 537-3406 and entering the conference ID: 1875646.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may”, “might”, “should”, “could”, “predict”, “potential”, “believe”, “expect”, “continue”, “will”, “anticipate”, “seek”, “estimate”, “intend”, “plan”, “projection”, “would”, “annualized” and “outlook”, or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. For a discussion of some of the risks and important factors that could affect our future results and financial condition, see our U.S. Securities and Exchange Commission (“SEC”) filings, including, but not limited to, our Annual Report on Form 10-K for the year ended December 31, 2018 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Use of Non-GAAP Financial Measures

We present net interest income, noninterest income, noninterest expense, net income, earnings per share (basic and diluted) and the related ratios described below, on an adjusted, or “core,” basis, each a non-GAAP financial measure. These core measures exclude from the corresponding GAAP measure the impact of certain items that we do not believe are representative of our financial results. We believe that the presentation of these non-GAAP financial measures helps identify underlying trends in our business from period to period that could otherwise be distorted by the effect of certain expenses, gains and other items included in our operating results. We believe that these core measures provide useful information about our operating results and enhance the overall understanding of our past performance and future performance. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition.

Core net interest margin, core efficiency ratio, core return on average total assets and core return on average total stockholders’ equity are non-GAAP financial measures. We compute our core net interest margin as the ratio of core net interest income to average earning assets. We compute our core efficiency ratio as the ratio of core noninterest expense to the sum of core net interest income and core noninterest income. We compute our core return on average total assets as the ratio of core net income to average total assets. We compute our core return on average total stockholders’ equity as the ratio of core net income to average total stockholders’ equity.

Return on average tangible stockholders’ equity, core return on average tangible stockholders’ equity, return on average tangible assets, core return on average tangible assets and tangible stockholders’ equity to tangible assets are non-GAAP financial measures. We compute our return on average tangible stockholders’ equity as the ratio of net income to average tangible stockholders’ equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders’ equity. We compute our core return on average tangible stockholders’ equity as the ratio of core net income to average tangible stockholders’ equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders’ equity. We compute our return on average tangible assets as the ratio of net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. We compute our core return on average tangible assets as the ratio of core net income to average tangible assets. We compute our tangible stockholders’ equity to tangible assets as the ratio of tangible stockholders’ equity to tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) the value of our goodwill. We believe that these measurements are useful for investors, regulators, management and others to evaluate financial performance and capital adequacy relative to other financial institutions. Although these non-GAAP financial measures are frequently used by stakeholders in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results or financial condition as reported under GAAP.

Tables 13 and 14 at the end of this document provide a reconciliation of these non-GAAP financial measures with their most directly comparable GAAP measures.

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Financial Highlights

Table 1

| | For the Three Months Ended | | | For the Nine Months Ended | |
|--|----------------------------|---------------|---------------|---------------------------|---------------|
| | September 30, | June 30, | September 30, | September 30, | |
| | 2019 | 2019 | 2018 | 2019 | 2018 |
| (dollars in thousands, except per share data) | | | | | |
| Operating Results: | | | | | |
| Net interest income | \$ 143,081 | \$ 145,613 | \$ 141,258 | \$ 433,783 | \$ 422,333 |
| Provision for loan and lease losses | — | 3,870 | 4,460 | 9,550 | 16,430 |
| Noninterest income | 49,980 | 48,773 | 47,405 | 145,825 | 145,902 |
| Noninterest expense | 93,466 | 93,290 | 93,147 | 279,379 | 275,599 |
| Net income | 74,199 | 72,433 | 67,388 | 216,556 | 204,399 |
| Basic earnings per share | 0.56 | 0.54 | 0.50 | 1.62 | 1.48 |
| Diluted earnings per share | 0.56 | 0.54 | 0.50 | 1.61 | 1.48 |
| Dividends declared per share | 0.26 | 0.26 | 0.24 | 0.78 | 0.72 |
| Dividend payout ratio | 46.43 % | 48.15 % | 48.00 % | 48.45 % | 48.65 % |
| Supplemental Income Statement Data (non-GAAP): | | | | | |
| Core net interest income | \$ 143,081 | \$ 145,613 | \$ 141,258 | \$ 433,783 | \$ 422,333 |
| Core noninterest income | 49,980 | 48,752 | 47,405 | 148,417 | 145,902 |
| Core noninterest expense | 91,222 | 93,029 | 88,511 | 276,613 | 269,642 |
| Core net income | 75,871 | 72,612 | 70,818 | 220,535 | 208,797 |
| Core basic earnings per share | 0.57 | 0.54 | 0.52 | 1.65 | 1.52 |
| Core diluted earnings per share | 0.57 | 0.54 | 0.52 | 1.64 | 1.52 |
| Performance Ratio⁽¹⁾: | | | | | |
| Net interest margin | 3.19 % | 3.25 % | 3.11 % | 3.22 % | 3.14 % |
| Core net interest margin (non-GAAP) | 3.19 % | 3.25 % | 3.11 % | 3.22 % | 3.14 % |
| Efficiency ratio | 48.41 % | 47.99 % | 49.36 % | 48.20 % | 48.49 % |
| Core efficiency ratio (non-GAAP) | 47.25 % | 47.86 % | 46.90 % | 47.51 % | 47.44 % |
| Return on average total assets | 1.45 % | 1.42 % | 1.31 % | 1.42 % | 1.35 % |
| Core return on average total assets (non-GAAP) | 1.48 % | 1.43 % | 1.38 % | 1.44 % | 1.37 % |
| Return on average tangible assets (non-GAAP) | 1.52 % | 1.50 % | 1.38 % | 1.49 % | 1.42 % |
| Core return on average tangible assets (non-GAAP) ⁽²⁾ | 1.56 % | 1.50 % | 1.45 % | 1.52 % | 1.45 % |
| Return on average total stockholders' equity | 11.12 % | 11.13 % | 11.01 % | 11.13 % | 11.09 % |
| Core return on average total stockholders' equity (non-GAAP) | 11.37 % | 11.16 % | 11.57 % | 11.34 % | 11.33 % |
| Return on average tangible stockholders' equity (non-GAAP) | 17.81 % | 17.99 % | 18.66 % | 18.04 % | 18.60 % |
| Core return on average tangible stockholders' equity (non-GAAP) ⁽³⁾ | 18.21 % | 18.03 % | 19.61 % | 18.37 % | 19.00 % |
| Average Balances: | | | | | |
| Average loans and leases | \$ 13,032,349 | \$ 13,209,655 | \$ 12,595,668 | \$ 13,105,086 | \$ 12,482,747 |
| Average earning assets | 17,862,564 | 17,971,615 | 18,041,483 | 17,974,363 | 17,982,396 |
| Average assets | 20,332,457 | 20,390,273 | 20,391,456 | 20,405,261 | 20,306,833 |
| Average deposits | 16,573,796 | 16,664,837 | 17,158,849 | 16,700,366 | 17,286,159 |
| Average stockholders' equity | 2,648,428 | 2,610,565 | 2,427,907 | 2,600,259 | 2,464,601 |
| Market Value Per Share: | | | | | |
| Closing | 26.70 | 25.87 | 27.16 | 26.70 | 27.16 |
| High | 27.84 | 28.20 | 30.02 | 28.20 | 32.36 |
| Low | 24.25 | 24.83 | 27.02 | 22.13 | 26.92 |

| | As of September 30, 2019 | As of June 30, 2019 | As of December 31, 2018 | As of September 30, 2018 |
|--|--------------------------------|---------------------------|-------------------------------|--------------------------------|
| Balance Sheet Data: | | | | |
| Loans and leases | \$ 12,843,396 | \$ 13,264,609 | \$ 13,076,191 | \$ 12,600,464 |
| Total assets | 20,598,220 | 20,526,367 | 20,695,678 | 19,983,838 |
| Total deposits | 16,857,246 | 16,792,078 | 17,150,068 | 16,689,273 |
| Short-term borrowings | 400,000 | 200,000 | — | 30,000 |
| Long-term borrowings | 200,018 | 400,028 | 600,026 | 400,026 |
| Total stockholders' equity | 2,654,558 | 2,659,441 | 2,524,839 | 2,423,462 |
| Per Share of Common Stock: | | | | |
| Book value | \$ 20.22 | \$ 19.92 | \$ 18.72 | \$ 17.97 |
| Tangible book value (non-GAAP) ⁽⁴⁾ | 12.64 | 12.46 | 11.34 | 10.59 |
| Asset Quality Ratios: | | | | |
| Non-accrual loans and leases / total loans and leases | 0.03 % | 0.03 % | 0.05 % | 0.09 % |
| Allowance for loan and lease losses / total loans and leases | 1.04 % | 1.04 % | 1.08 % | 1.12 % |
| Capital Ratios: | | | | |
| Common Equity Tier 1 Capital Ratio | 12.15 % | 11.84 % | 11.97 % | 12.09 % |
| Tier 1 Capital Ratio | 12.15 % | 11.84 % | 11.97 % | 12.09 % |
| Total Capital Ratio | 13.11 % | 12.81 % | 12.99 % | 13.14 % |
| Tier 1 Leverage Ratio | 8.68 % | 8.75 % | 8.72 % | 8.42 % |
| Total stockholders' equity to total assets | 12.89 % | 12.96 % | 12.20 % | 12.13 % |
| Tangible stockholders' equity to tangible assets (non-GAAP) | 8.46 % | 8.52 % | 7.76 % | 7.52 % |
| Non-Financial Data: | | | | |
| Number of branches | 58 | 59 | 60 | 60 |
| Number of ATMs | 293 | 292 | 295 | 296 |
| Number of Full-Time Equivalent Employees | 2,099 | 2,123 | 2,155 | 2,166 |

- (1) Except for the efficiency ratio and the core efficiency ratio, amounts are annualized for the three and nine months ended September 30, 2019 and 2018 and the three months ended June 30, 2019.
- (2) Core return on average tangible assets is a non-GAAP financial measure. We compute our core return on average tangible assets as the ratio of core net income to average tangible assets, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total assets. For a reconciliation to the most directly comparable GAAP financial measure for core net income, see Table 13, GAAP to Non-GAAP Reconciliation.
- (3) Core return on average tangible stockholders' equity is a non-GAAP financial measure. We compute our core return on average tangible stockholders' equity as the ratio of core net income to average tangible stockholders' equity, which is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our average total stockholders' equity. For a reconciliation to the most directly comparable GAAP financial measure for core net income, see Table 13, GAAP to Non-GAAP Reconciliation.
- (4) Tangible book value is a non-GAAP financial measure. We compute our tangible book value as the ratio of tangible stockholders' equity to shares outstanding. Tangible stockholders' equity is calculated by subtracting (and thereby effectively excluding) amounts related to the effect of goodwill from our total stockholders' equity. For a reconciliation to the most directly comparable GAAP financial measure for core net income, see Table 13, GAAP to Non-GAAP Reconciliation.

Consolidated Statements of Income

Table 2

| | Three Months Ended | | | For the Nine Months Ended | |
|---|-----------------------|------------------|-----------------------|---------------------------|-------------|
| | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2018 | |
| (dollars in thousands, except per share amounts) | | | | | |
| Interest income | | | | | |
| Loans and lease financing | \$ 144,691 | \$ 146,883 | \$ 135,394 | \$ 435,980 | \$ 389,228 |
| Available-for-sale securities | 22,256 | 24,784 | 25,196 | 71,526 | 81,586 |
| Other | 3,234 | 2,151 | 3,462 | 9,054 | 7,193 |
| Total interest income | 170,181 | 173,818 | 164,052 | 516,560 | 478,007 |
| Interest expense | | | | | |
| Deposits | 22,753 | 23,693 | 20,205 | 69,643 | 52,824 |
| Short-term and long-term borrowings | 4,347 | 4,512 | 2,589 | 13,134 | 2,850 |
| Total interest expense | 27,100 | 28,205 | 22,794 | 82,777 | 55,674 |
| Net interest income | 143,081 | 145,613 | 141,258 | 433,783 | 422,333 |
| Provision for loan and lease losses | — | 3,870 | 4,460 | 9,550 | 16,430 |
| Net interest income after provision for loan and lease losses | 143,081 | 141,743 | 136,798 | 424,233 | 405,903 |
| Noninterest income | | | | | |
| Service charges on deposit accounts | 8,554 | 8,123 | 7,933 | 24,737 | 23,609 |
| Credit and debit card fees | 16,839 | 16,629 | 16,535 | 50,123 | 48,961 |
| Other service charges and fees | 8,903 | 9,403 | 9,578 | 27,435 | 28,553 |
| Trust and investment services income | 8,698 | 8,931 | 7,487 | 26,247 | 23,429 |
| Bank-owned life insurance | 5,743 | 3,390 | 3,692 | 12,946 | 8,131 |
| Investment securities gains (losses), net | — | 21 | — | (2,592) | — |
| Other | 1,243 | 2,276 | 2,180 | 6,929 | 13,219 |
| Total noninterest income | 49,980 | 48,773 | 47,405 | 145,825 | 145,902 |
| Noninterest expense | | | | | |
| Salaries and employee benefits | 44,955 | 42,185 | 41,959 | 132,000 | 125,755 |
| Contracted services and professional fees | 14,649 | 14,303 | 11,478 | 42,597 | 36,770 |
| Occupancy | 7,250 | 7,286 | 6,757 | 21,522 | 20,149 |
| Equipment | 4,024 | 4,544 | 4,181 | 12,852 | 13,104 |
| Regulatory assessment and fees | 1,992 | 2,149 | 3,966 | 5,588 | 12,164 |
| Advertising and marketing | 1,647 | 1,980 | 1,060 | 5,593 | 3,126 |
| Card rewards program | 6,930 | 7,664 | 5,805 | 21,326 | 17,882 |
| Other | 12,019 | 13,179 | 17,941 | 37,901 | 46,649 |
| Total noninterest expense | 93,466 | 93,290 | 93,147 | 279,379 | 275,599 |
| Income before provision for income taxes | 99,595 | 97,226 | 91,056 | 290,679 | 276,206 |
| Provision for income taxes | 25,396 | 24,793 | 23,668 | 74,123 | 71,807 |
| Net income | \$ 74,199 | \$ 72,433 | \$ 67,388 | \$ 216,556 | \$ 204,399 |
| Basic earnings per share | \$ 0.56 | \$ 0.54 | \$ 0.50 | \$ 1.62 | \$ 1.48 |
| Diluted earnings per share | \$ 0.56 | \$ 0.54 | \$ 0.50 | \$ 1.61 | \$ 1.48 |
| Basic weighted-average outstanding shares | 132,583,902 | 134,420,380 | 135,466,669 | 133,957,192 | 137,643,005 |
| Diluted weighted-average outstanding shares | 132,877,769 | 134,652,008 | 135,675,498 | 134,231,762 | 137,809,573 |

Consolidated Balance Sheets

Table 3

| (dollars in thousands) | September 30, 2019 | June 30, 2019 | December 31, 2018 | September 30, 2018 |
|---|-----------------------|----------------------|----------------------|-----------------------|
| Assets | | | | |
| Cash and due from banks | \$ 358,863 | \$ 423,802 | \$ 396,836 | \$ 350,967 |
| Interest-bearing deposits in other banks | 985,154 | 259,713 | 606,801 | 348,526 |
| Investment securities | 4,157,082 | 4,395,476 | 4,498,342 | 4,595,301 |
| Loans held for sale | 1,594 | 215 | 432 | — |
| Loans and leases | 12,843,396 | 13,264,609 | 13,076,191 | 12,600,464 |
| Less: allowance for loan and lease losses | 132,964 | 138,535 | 141,718 | 141,250 |
| Net loans and leases | 12,710,432 | 13,126,074 | 12,934,473 | 12,459,214 |
| Premises and equipment, net | 315,309 | 313,200 | 304,996 | 286,374 |
| Other real estate owned and repossessed personal property | 82 | — | 751 | 362 |
| Accrued interest receivable | 44,671 | 49,205 | 48,920 | 49,407 |
| Bank-owned life insurance | 453,410 | 450,722 | 446,076 | 444,987 |
| Goodwill | 995,492 | 995,492 | 995,492 | 995,492 |
| Mortgage servicing rights | 13,630 | 14,573 | 16,155 | 16,937 |
| Other assets | 562,501 | 497,895 | 446,404 | 436,271 |
| Total assets | \$ 20,598,220 | \$ 20,526,367 | \$ 20,695,678 | \$ 19,983,838 |
| Liabilities and Stockholders' Equity | | | | |
| Deposits: | | | | |
| Interest-bearing | \$ 11,136,424 | \$ 11,028,921 | \$ 11,142,127 | \$ 10,881,918 |
| Noninterest-bearing | 5,720,822 | 5,763,157 | 6,007,941 | 5,807,355 |
| Total deposits | 16,857,246 | 16,792,078 | 17,150,068 | 16,689,273 |
| Short-term borrowings | 400,000 | 200,000 | — | 30,000 |
| Long-term borrowings | 200,018 | 400,028 | 600,026 | 400,026 |
| Retirement benefits payable | 128,442 | 128,610 | 127,909 | 135,523 |
| Other liabilities | 357,956 | 346,210 | 292,836 | 305,554 |
| Total liabilities | 17,943,662 | 17,866,926 | 18,170,839 | 17,560,376 |
| Stockholders' equity | | | | |
| Common stock (\$0.01 par value; authorized 300,000,000 shares; issued/outstanding: 139,908,699 / 131,260,900 shares as of September 30, 2019, issued/outstanding: 139,857,673 / 133,508,212 shares as of June 30, 2019, issued/outstanding: 139,656,674 / 134,874,302 shares as of December 31, 2018 and issued/outstanding: 139,655,841 / 134,873,728 shares as of September 30, 2018) | 1,399 | 1,399 | 1,397 | 1,397 |
| Additional paid-in capital | 2,501,324 | 2,499,946 | 2,495,853 | 2,494,436 |
| Retained earnings | 403,317 | 363,748 | 291,919 | 264,463 |
| Accumulated other comprehensive loss, net | (18,774) | (31,984) | (132,195) | (204,699) |
| Treasury stock (8,647,799 shares as of September 30, 2019, 6,349,461 shares as of June 30, 2019, 4,782,372 shares as of December 31, 2018 and 4,782,113 shares as of September 30, 2018) | (232,708) | (173,668) | (132,135) | (132,135) |
| Total stockholders' equity | 2,654,558 | 2,659,441 | 2,524,839 | 2,423,462 |
| Total liabilities and stockholders' equity | \$ 20,598,220 | \$ 20,526,367 | \$ 20,695,678 | \$ 19,983,838 |

Average Balances and Interest Rates

Table 4

| | Three Months Ended September 30, 2019 | | | Three Months Ended June 30, 2019 | | | Three Months Ended September 30, 2018 | | |
|---|--|--------------------|----------------|-------------------------------------|--------------------|----------------|--|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| (dollars in millions) | | | | | | | | | |
| Earning Assets | | | | | | | | | |
| Interest-Bearing Deposits in Other Banks | \$ 447.8 | \$ 2.3 | 2.02 % | \$ 247.2 | \$ 1.4 | 2.35 % | \$ 656.7 | \$ 3.3 | 1.99 % |
| Available-for-Sale Investment Securities | 4,296.3 | 22.3 | 2.07 | 4,438.1 | 24.8 | 2.23 | 4,737.3 | 25.2 | 2.11 |
| Loans Held for Sale | 1.4 | — | 2.36 | 0.7 | — | 2.76 | 1.8 | — | 3.83 |
| Loans and Leases ⁽¹⁾ | | | | | | | | | |
| Commercial and industrial | 2,885.9 | 30.0 | 4.12 | 3,235.0 | 34.3 | 4.26 | 3,019.9 | 31.0 | 4.08 |
| Commercial real estate | 3,294.7 | 37.3 | 4.49 | 3,094.4 | 36.0 | 4.67 | 2,975.3 | 31.0 | 4.13 |
| Construction | 477.2 | 5.6 | 4.67 | 583.6 | 6.9 | 4.73 | 629.5 | 6.7 | 4.20 |
| Residential: | | | | | | | | | |
| Residential mortgages | 3,644.9 | 38.6 | 4.23 | 3,581.2 | 37.2 | 4.16 | 3,288.4 | 34.9 | 4.21 |
| Home equity lines | 912.8 | 8.6 | 3.74 | 908.5 | 8.6 | 3.79 | 870.6 | 8.2 | 3.72 |
| Consumer | 1,651.4 | 23.3 | 5.61 | 1,657.7 | 22.7 | 5.48 | 1,649.7 | 22.4 | 5.39 |
| Lease financing | 165.4 | 1.3 | 3.14 | 149.3 | 1.2 | 3.31 | 162.3 | 1.2 | 3.00 |
| Total Loans and Leases | 13,032.3 | 144.7 | 4.41 | 13,209.7 | 146.9 | 4.46 | 12,595.7 | 135.4 | 4.26 |
| Other Earning Assets | 84.8 | 0.9 | 4.47 | 76.0 | 0.7 | 3.71 | 50.0 | 0.2 | 1.29 |
| Total Earning Assets ⁽²⁾ | 17,862.6 | 170.2 | 3.79 | 17,971.7 | 173.8 | 3.88 | 18,041.5 | 164.1 | 3.61 |
| Cash and Due from Banks | 341.7 | | | 342.6 | | | 336.5 | | |
| Other Assets | 2,128.2 | | | 2,076.0 | | | 2,013.5 | | |
| Total Assets | \$ 20,332.5 | | | \$ 20,390.3 | | | \$ 20,391.5 | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-Bearing Deposits | | | | | | | | | |
| Savings | \$ 4,891.5 | \$ 4.6 | 0.37 % | \$ 4,712.2 | \$ 4.0 | 0.34 % | 4,727.2 | \$ 3.3 | 0.28 % |
| Money Market | 3,067.4 | 7.1 | 0.92 | 3,126.7 | 7.4 | 0.95 | 2,871.0 | 4.6 | 0.63 |
| Time | 2,872.6 | 11.1 | 1.54 | 3,084.6 | 12.3 | 1.60 | 3,705.7 | 12.3 | 1.32 |
| Total Interest-Bearing Deposits | 10,831.5 | 22.8 | 0.83 | 10,923.5 | 23.7 | 0.87 | 11,303.9 | 20.2 | 0.71 |
| Short-Term Borrowings | 370.0 | 2.6 | 2.84 | 50.4 | 0.3 | 2.25 | 3.3 | — | 1.30 |
| Long-Term Borrowings | 239.1 | 1.7 | 2.82 | 593.5 | 4.2 | 2.86 | 358.7 | 2.6 | 2.85 |
| Total Interest-Bearing Liabilities | 11,440.6 | 27.1 | 0.94 | 11,567.4 | 28.2 | 0.98 | 11,665.9 | 22.8 | 0.78 |
| Net Interest Income | | | | | | | | | |
| Interest Rate Spread | | | 2.85 % | | | 2.90 % | | | 2.83 % |
| Net Interest Margin | | | 3.19 % | | | 3.25 % | | | 3.11 % |
| Noninterest-Bearing Demand Deposits | 5,742.3 | | | 5,741.3 | | | 5,854.9 | | |
| Other Liabilities | 501.2 | | | 471.0 | | | 442.8 | | |
| Stockholders' Equity | 2,648.4 | | | 2,610.6 | | | 2,427.9 | | |
| Total Liabilities and Stockholders' Equity | \$ 20,332.5 | | | \$ 20,390.3 | | | \$ 20,391.5 | | |

(1) Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

(2) For the periods disclosed above, the taxable-equivalent basis adjustments made to the table above were not material.

Average Balances and Interest Rates

Table 5

| (dollars in millions) | Nine Months Ended September 30, 2019 | | | Nine Months Ended September 30, 2018 | | |
|---|---|--------------------|----------------|---|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Earning Assets | | | | | | |
| Interest-Bearing Deposits in Other Banks | \$ 400.6 | \$ 6.9 | 2.31 % | \$ 518.4 | \$ 6.9 | 1.77 % |
| Available-for-Sale Investment Securities | 4,383.6 | 71.5 | 2.18 | 4,951.4 | 81.6 | 2.20 |
| Loans Held for Sale | 0.8 | — | 2.52 | 1.3 | — | 3.60 |
| Loans and Leases ⁽¹⁾ | | | | | | |
| Commercial and industrial | 3,094.8 | 97.5 | 4.21 | 3,100.1 | 89.2 | 3.85 |
| Commercial real estate | 3,129.8 | 108.1 | 4.62 | 2,886.7 | 86.3 | 4.00 |
| Construction | 565.2 | 20.0 | 4.73 | 623.9 | 18.6 | 4.00 |
| Residential: | | | | | | |
| Residential mortgages | 3,590.2 | 112.4 | 4.17 | 3,221.7 | 102.4 | 4.25 |
| Home equity lines | 912.4 | 25.9 | 3.79 | 864.0 | 23.6 | 3.65 |
| Consumer | 1,658.7 | 68.5 | 5.52 | 1,625.0 | 65.5 | 5.38 |
| Lease financing | 154.0 | 3.6 | 3.15 | 161.3 | 3.6 | 2.98 |
| Total Loans and Leases | 13,105.1 | 436.0 | 4.44 | 12,482.7 | 389.2 | 4.17 |
| Other Earning Assets | 84.3 | 2.2 | 3.37 | 28.6 | 0.3 | 1.58 |
| Total Earning Assets ⁽²⁾ | 17,974.4 | 516.6 | 3.84 | 17,982.4 | 478.0 | 3.55 |
| Cash and Due from Banks | 348.1 | | | 324.4 | | |
| Other Assets | 2,082.8 | | | 2,000.0 | | |
| Total Assets | \$ 20,405.3 | | | \$ 20,306.8 | | |
| Interest-Bearing Liabilities | | | | | | |
| Interest-Bearing Deposits | | | | | | |
| Savings | \$ 4,806.0 | \$ 12.8 | 0.35 % | \$ 4,615.1 | \$ 7.4 | 0.21 % |
| Money Market | 3,125.5 | 22.1 | 0.95 | 2,769.9 | 9.1 | 0.44 |
| Time | 2,999.0 | 34.8 | 1.55 | 3,985.2 | 36.3 | 1.22 |
| Total Interest-Bearing Deposits | 10,930.5 | 69.7 | 0.85 | 11,370.2 | 52.8 | 0.62 |
| Short-Term Borrowings | 145.7 | 3.0 | 2.76 | 15.3 | 0.2 | 1.81 |
| Long-Term Borrowings | 476.2 | 10.1 | 2.84 | 123.1 | 2.7 | 2.87 |
| Total Interest-Bearing Liabilities | 11,552.4 | 82.8 | 0.96 | 11,508.6 | 55.7 | 0.65 |
| Net Interest Income | | \$ 433.8 | | | \$ 422.3 | |
| Interest Rate Spread | | | 2.88 % | | | 2.90 % |
| Net Interest Margin | | | 3.22 % | | | 3.14 % |
| Noninterest-Bearing Demand Deposits | 5,769.9 | | | 5,916.0 | | |
| Other Liabilities | 482.7 | | | 417.6 | | |
| Stockholders' Equity | 2,600.3 | | | 2,464.6 | | |
| Total Liabilities and Stockholders' Equity | \$ 20,405.3 | | | \$ 20,306.8 | | |

(1) Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

(2) For the periods disclosed above, the taxable-equivalent basis adjustments made to the table above were not material.

Analysis of Change in Net Interest Income

Table 6

| (dollars in millions) | Three Months Ended September 30, 2019 Compared to June 30, 2019 | | |
|--|--|-----------------|-----------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ 1.1 | \$ (0.2) | \$ 0.9 |
| Available-for-Sale Investment Securities | (0.8) | (1.7) | (2.5) |
| Loans and Leases | | | |
| Commercial and industrial | (3.3) | (1.0) | (4.3) |
| Commercial real estate | 2.6 | (1.3) | 1.3 |
| Construction | (1.2) | (0.1) | (1.3) |
| Residential: | | | |
| Residential mortgage | 0.7 | 0.7 | 1.4 |
| Home equity line | 0.1 | (0.1) | — |
| Consumer | (0.1) | 0.7 | 0.6 |
| Lease financing | 0.1 | — | 0.1 |
| Total Loans and Leases | (1.1) | (1.1) | (2.2) |
| Other Earning Assets | 0.1 | 0.1 | 0.2 |
| Total Change in Interest Income | (0.7) | (2.9) | (3.6) |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | 0.2 | 0.4 | 0.6 |
| Money Market | (0.1) | (0.2) | (0.3) |
| Time | (0.8) | (0.4) | (1.2) |
| Total Interest-Bearing Deposits | (0.7) | (0.2) | (0.9) |
| Short-Term Borrowings | 2.3 | — | 2.3 |
| Long-Term Borrowings | (2.5) | — | (2.5) |
| Total Change in Interest Expense | (0.9) | (0.2) | (1.1) |
| Change in Net Interest Income | \$ 0.2 | \$ (2.7) | \$ (2.5) |

Analysis of Change in Net Interest Income

Table 7

| (dollars in millions) | Three Months Ended September 30, 2019 Compared to September 30, 2018 | | |
|--|---|-----------------|---------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ (1.0) | \$ — | \$ (1.0) |
| Available-for-Sale Investment Securities | (2.4) | (0.5) | (2.9) |
| Loans and Leases | | | |
| Commercial and industrial | (1.4) | 0.4 | (1.0) |
| Commercial real estate | 3.5 | 2.8 | 6.3 |
| Construction | (1.7) | 0.6 | (1.1) |
| Residential: | | | |
| Residential mortgage | 3.5 | 0.2 | 3.7 |
| Home equity line | 0.4 | — | 0.4 |
| Consumer | — | 0.9 | 0.9 |
| Lease financing | — | 0.1 | 0.1 |
| Total Loans and Leases | 4.3 | 5.0 | 9.3 |
| Other Earning Assets | 0.1 | 0.6 | 0.7 |
| Total Change in Interest Income | 1.0 | 5.1 | 6.1 |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | 0.1 | 1.2 | 1.3 |
| Money Market | 0.3 | 2.2 | 2.5 |
| Time | (3.0) | 1.8 | (1.2) |
| Total Interest-Bearing Deposits | (2.6) | 5.2 | 2.6 |
| Short-Term Borrowings | 2.6 | — | 2.6 |
| Long-Term Borrowings | (0.9) | — | (0.9) |
| Total Change in Interest Expense | (0.9) | 5.2 | 4.3 |
| Change in Net Interest Income | \$ 1.9 | \$ (0.1) | \$ 1.8 |

Analysis of Change in Net Interest Income

Table 8

| (dollars in millions) | Nine Months Ended September 30, 2019 Compared to September 30, 2018 | | |
|--|--|---------------|----------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ (1.8) | \$ 1.8 | \$ — |
| Available-for-Sale Investment Securities | (9.2) | (0.9) | (10.1) |
| Loans and Leases | | | |
| Commercial and industrial | (0.2) | 8.5 | 8.3 |
| Commercial real estate | 7.7 | 14.1 | 21.8 |
| Construction | (1.8) | 3.2 | 1.4 |
| Residential: | | | |
| Residential mortgage | 11.9 | (1.9) | 10.0 |
| Home equity line | 1.4 | 0.9 | 2.3 |
| Consumer | 1.3 | 1.7 | 3.0 |
| Lease financing | (0.2) | 0.2 | — |
| Total Loans and Leases | 20.1 | 26.7 | 46.8 |
| Other Earning Assets | 1.2 | 0.7 | 1.9 |
| Total Change in Interest Income | 10.3 | 28.3 | 38.6 |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | 0.3 | 5.1 | 5.4 |
| Money Market | 1.3 | 11.7 | 13.0 |
| Time | (10.1) | 8.6 | (1.5) |
| Total Interest-Bearing Deposits | (8.5) | 25.4 | 16.9 |
| Short-Term Borrowings | 2.6 | 0.2 | 2.8 |
| Long-Term Borrowings | 7.5 | (0.1) | 7.4 |
| Total Change in Interest Expense | 1.6 | 25.5 | 27.1 |
| Change in Net Interest Income | \$ 8.7 | \$ 2.8 | \$ 11.5 |

Loans and Leases

Table 9

| (dollars in thousands) | September 30, 2019 | June 30, 2019 | December 31, 2018 | September 30, 2018 |
|-------------------------------|-----------------------|----------------------|----------------------|-----------------------|
| Commercial and industrial | \$ 2,654,077 | \$ 3,177,844 | \$ 3,208,760 | \$ 2,969,237 |
| Commercial real estate | 3,309,389 | 3,194,219 | 2,990,783 | 2,891,753 |
| Construction | 486,977 | 549,578 | 626,757 | 612,794 |
| Residential: | | | | |
| Residential mortgage | 3,671,424 | 3,618,433 | 3,527,101 | 3,423,115 |
| Home equity line | 916,106 | 908,452 | 912,517 | 890,374 |
| Total residential | 4,587,530 | 4,526,885 | 4,439,618 | 4,313,489 |
| Consumer | 1,637,549 | 1,650,713 | 1,662,504 | 1,651,877 |
| Lease financing | 167,874 | 165,370 | 147,769 | 161,314 |
| Total loans and leases | \$ 12,843,396 | \$ 13,264,609 | \$ 13,076,191 | \$ 12,600,464 |

Deposits**Table 10**

| (dollars in thousands) | September 30, 2019 | June 30, 2019 | December 31, 2018 | September 30, 2018 |
|------------------------|-----------------------|----------------------|----------------------|-----------------------|
| Demand | \$ 5,720,822 | \$ 5,763,157 | \$ 6,007,941 | \$ 5,807,355 |
| Savings | 4,899,468 | 4,908,000 | 4,853,285 | 4,685,460 |
| Money Market | 3,529,363 | 3,050,843 | 3,196,678 | 2,905,959 |
| Time | 2,707,593 | 3,070,078 | 3,092,164 | 3,290,499 |
| Total Deposits | \$ 16,857,246 | \$ 16,792,078 | \$ 17,150,068 | \$ 16,689,273 |

Non-Performing Assets and Accruing Loans and Leases Past Due 90 Days or More
Table 11

| (dollars in thousands) | September 30, 2019 | June 30, 2019 | December 31, 2018 | September 30, 2018 |
|--|-----------------------|----------------------|----------------------|-----------------------|
| Non-Performing Assets | | | | |
| Non-Accrual Loans and Leases | | | | |
| Commercial Loans: | | | | |
| Commercial and industrial | \$ 12 | \$ 119 | \$ 274 | \$ 481 |
| Commercial real estate | 33 | — | 1,658 | 2,786 |
| Construction | — | — | — | 2,001 |
| Total Commercial Loans | 45 | 119 | 1,932 | 5,268 |
| Residential Loans: | | | | |
| Residential mortgage | 3,959 | 3,771 | 4,611 | 5,678 |
| Total Residential Loans | 3,959 | 3,771 | 4,611 | 5,678 |
| Consumer | 200 | — | — | — |
| Total Non-Accrual Loans and Leases | 4,204 | 3,890 | 6,543 | 10,946 |
| Other Real Estate Owned | 82 | — | 751 | 362 |
| Total Non-Performing Assets | \$ 4,286 | \$ 3,890 | \$ 7,294 | \$ 11,308 |
| Accruing Loans and Leases Past Due 90 Days or More | | | | |
| Commercial Loans: | | | | |
| Commercial and industrial | \$ 750 | \$ 807 | \$ 141 | \$ 141 |
| Construction | — | — | — | 172 |
| Total Commercial Loans | 750 | 807 | 141 | 313 |
| Residential Loans: | | | | |
| Residential mortgage | 139 | — | 32 | 168 |
| Home equity line | 3,192 | 1,635 | 2,842 | 2,620 |
| Total Residential Loans | 3,331 | 1,635 | 2,874 | 2,788 |
| Consumer | 3,076 | 3,295 | 3,373 | 2,813 |
| Total Accruing Loans and Leases Past Due 90 Days or More | \$ 7,157 | \$ 5,737 | \$ 6,388 | \$ 5,914 |
| Restructured Loans on Accrual Status and Not Past Due 90 Days or More | 22,350 | 23,466 | 24,033 | 28,608 |
| Total Loans and Leases | \$ 12,843,396 | \$ 13,264,609 | \$ 13,076,191 | \$ 12,600,464 |

Allowance for Loan and Lease Losses
Table 12

| | For the Three Months Ended | | | For the Nine Months Ended | |
|---|----------------------------|----------------------|----------------------|---------------------------|----------------------|
| | September 30, | June 30, | September 30, | September 30, | September 30, |
| | 2019 | 2019 | 2018 | 2019 | 2018 |
| (dollars in thousands) | | | | | |
| Balance at Beginning of Period | \$ 138,535 | \$ 141,546 | \$ 140,601 | \$ 141,718 | \$ 137,253 |
| Loans and Leases Charged-Off | | | | | |
| Commercial Loans: | | | | | |
| Commercial and industrial | (514) | (2,000) | (303) | (2,514) | (778) |
| Lease financing | — | — | — | (24) | — |
| Total Commercial Loans | (514) | (2,000) | (303) | (2,538) | (778) |
| Residential | (7) | — | (125) | (7) | (159) |
| Consumer | (8,015) | (7,505) | (5,700) | (24,118) | (18,615) |
| Total Loans and Leases Charged-Off | (8,536) | (9,505) | (6,128) | (26,663) | (19,552) |
| Recoveries on Loans and Leases Previously Charged-Off | | | | | |
| Commercial Loans: | | | | | |
| Commercial and industrial | 241 | 25 | 51 | 303 | 154 |
| Commercial real estate | 30 | 32 | 21 | 93 | 175 |
| Total Commercial Loans | 271 | 57 | 72 | 396 | 329 |
| Residential | 425 | 185 | 442 | 860 | 684 |
| Consumer | 2,269 | 2,382 | 1,803 | 7,103 | 6,106 |
| Total Recoveries on Loans and Leases Previously Charged-Off | 2,965 | 2,624 | 2,317 | 8,359 | 7,119 |
| Net Loans and Leases Charged-Off | (5,571) | (6,881) | (3,811) | (18,304) | (12,433) |
| Provision for Loan and Lease Losses | — | 3,870 | 4,460 | 9,550 | 16,430 |
| Balance at End of Period | \$ 132,964 | \$ 138,535 | \$ 141,250 | \$ 132,964 | \$ 141,250 |
| Average Loans and Leases Outstanding | \$ 13,032,349 | \$ 13,209,655 | \$ 12,595,668 | \$ 13,105,086 | \$ 12,482,747 |
| Ratio of Net Loans and Leases Charged-Off to Average Loans and Leases Outstanding | 0.17 % | 0.21 % | 0.12 % | 0.19 % | 0.13 % |
| Ratio of Allowance for Loan and Lease Losses to Loans and Leases Outstanding | 1.04 % | 1.04 % | 1.12 % | 1.04 % | 1.12 % |

GAAP to Non-GAAP Reconciliation

Table 13

| (dollars in thousands, except per share amounts) | For the Three Months Ended | | | For the Nine Months Ended | |
|--|----------------------------|---------------|--------------------|---------------------------|--------------------|
| | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Income Statement Data: | | | | | |
| Net income | \$ 74,199 | \$ 72,433 | \$ 67,388 | \$ 216,556 | \$ 204,399 |
| Core net income | \$ 75,871 | \$ 72,612 | \$ 70,818 | \$ 220,535 | \$ 208,797 |
| Average total stockholders' equity | \$ 2,648,428 | \$ 2,610,565 | \$ 2,427,907 | \$ 2,600,259 | \$ 2,464,601 |
| Less: average goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Average tangible stockholders' equity | \$ 1,652,936 | \$ 1,615,073 | \$ 1,432,415 | \$ 1,604,767 | \$ 1,469,109 |
| Average total assets | \$ 20,332,457 | \$ 20,390,273 | \$ 20,391,456 | \$ 20,405,261 | \$ 20,306,833 |
| Less: average goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Average tangible assets | \$ 19,336,965 | \$ 19,394,781 | \$ 19,395,964 | \$ 19,409,769 | \$ 19,311,341 |
| Return on average total stockholders' equity ⁽¹⁾ | 11.12 % | 11.13 % | 11.01 % | 11.13 % | 11.09 % |
| Core return on average total stockholders' equity (non-GAAP) ⁽¹⁾ | 11.37 % | 11.16 % | 11.57 % | 11.34 % | 11.33 % |
| Return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾ | 17.81 % | 17.99 % | 18.66 % | 18.04 % | 18.60 % |
| Core return on average tangible stockholders' equity (non-GAAP) ⁽¹⁾ | 18.21 % | 18.03 % | 19.61 % | 18.37 % | 19.00 % |
| Return on average total assets ⁽¹⁾ | 1.45 % | 1.42 % | 1.31 % | 1.42 % | 1.35 % |
| Core return on average total assets (non-GAAP) ⁽¹⁾ | 1.48 % | 1.43 % | 1.38 % | 1.44 % | 1.37 % |
| Return on average tangible assets (non-GAAP) ⁽¹⁾ | 1.52 % | 1.50 % | 1.38 % | 1.49 % | 1.42 % |
| Core return on average tangible assets (non-GAAP) ⁽¹⁾ | 1.56 % | 1.50 % | 1.45 % | 1.52 % | 1.45 % |

| | As of September 30, 2019 | As of June 30, 2019 | As of December 31, 2018 | As of September 30, 2018 |
|---|--------------------------|---------------------|-------------------------|--------------------------|
| Balance Sheet Data: | | | | |
| Total stockholders' equity | \$ 2,654,558 | \$ 2,659,441 | \$ 2,524,839 | \$ 2,423,462 |
| Less: goodwill | 995,492 | 995,492 | 995,492 | 995,492 |
| Tangible stockholders' equity | \$ 1,659,066 | \$ 1,663,949 | \$ 1,529,347 | \$ 1,427,970 |
| Total assets | \$ 20,598,220 | \$ 20,526,367 | \$ 20,695,678 | \$ 19,983,838 |
| Less: goodwill | 995,492 | 995,492 | 995,492 | 995,492 |
| Tangible assets | \$ 19,602,728 | \$ 19,530,875 | \$ 19,700,186 | \$ 18,988,346 |
| Shares outstanding | 131,260,900 | 133,508,212 | 134,874,302 | 134,873,728 |
| Total stockholders' equity to total assets | 12.89 % | 12.96 % | 12.20 % | 12.13 % |
| Tangible stockholders' equity to tangible assets (non-GAAP) | 8.46 % | 8.52 % | 7.76 % | 7.52 % |
| Book value per share | \$ 20.22 | \$ 19.92 | \$ 18.72 | \$ 17.97 |
| Tangible book value per share (non-GAAP) | \$ 12.64 | \$ 12.46 | \$ 11.34 | \$ 10.59 |

(1) Annualized for the three and nine months ended September 30, 2019 and 2018 and the three months ended June 30, 2019.

GAAP to Non-GAAP Reconciliation

Table 14

| (dollars in thousands, except per share amounts) | For the Three Months Ended | | | For the Nine Months Ended | |
|---|----------------------------|------------------|-----------------------|---------------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Net interest income | \$ 143,081 | \$ 145,613 | \$ 141,258 | \$ 433,783 | \$ 422,333 |
| Core net interest income (non-GAAP) | \$ 143,081 | \$ 145,613 | \$ 141,258 | \$ 433,783 | \$ 422,333 |
| Noninterest income | \$ 49,980 | \$ 48,773 | \$ 47,405 | \$ 145,825 | \$ 145,902 |
| (Gain) loss on sale of securities | — | (21) | — | 2,592 | — |
| Core noninterest income (non-GAAP) | \$ 49,980 | \$ 48,752 | \$ 47,405 | \$ 148,417 | \$ 145,902 |
| Noninterest expense | \$ 93,466 | \$ 93,290 | \$ 93,147 | \$ 279,379 | \$ 275,599 |
| Loss on litigation settlement ⁽¹⁾ | — | — | (4,125) | — | (4,125) |
| One-time items ⁽²⁾ | (2,244) | (261) | (511) | (2,766) | (1,832) |
| Core noninterest expense (non-GAAP) | \$ 91,222 | \$ 93,029 | \$ 88,511 | \$ 276,613 | \$ 269,642 |
| Net income | \$ 74,199 | \$ 72,433 | \$ 67,388 | \$ 216,556 | \$ 204,399 |
| (Gain) loss on sale of securities | — | (21) | — | 2,592 | — |
| Loss on litigation settlement ⁽¹⁾ | — | — | 4,125 | — | 4,125 |
| One-time noninterest expense items ⁽²⁾ | 2,244 | 261 | 511 | 2,766 | 1,832 |
| Tax adjustments ⁽³⁾ | (572) | (61) | (1,206) | (1,379) | (1,559) |
| Total core adjustments | 1,672 | 179 | 3,430 | 3,979 | 4,398 |
| Core net income (non-GAAP) | \$ 75,871 | \$ 72,612 | \$ 70,818 | \$ 220,535 | \$ 208,797 |
| Basic earnings per share | \$ 0.56 | \$ 0.54 | \$ 0.50 | \$ 1.62 | \$ 1.48 |
| Diluted earnings per share | \$ 0.56 | \$ 0.54 | \$ 0.50 | \$ 1.61 | \$ 1.48 |
| Efficiency ratio | 48.41 % | 47.99 % | 49.36 % | 48.20 % | 48.49 % |
| Core basic earnings per share (non-GAAP) | \$ 0.57 | \$ 0.54 | \$ 0.52 | \$ 1.65 | \$ 1.52 |
| Core diluted earnings per share (non-GAAP) | \$ 0.57 | \$ 0.54 | \$ 0.52 | \$ 1.64 | \$ 1.52 |
| Core efficiency ratio (non-GAAP) | 47.25 % | 47.86 % | 46.90 % | 47.51 % | 47.44 % |

(1) The Company reached an agreement in principle to resolve a putative class action lawsuit alleging that the Bank improperly charged certain overdraft fees. In connection with the settlement agreement, the Company recorded an expense of approximately \$4.1 million during the three and nine months ended September 30, 2018.

(2) One-time items for all periods shown included nonrecurring offering costs. Additionally, one-time items for the three and nine months ended September 30, 2019 also included costs related to a nonrecurring payment to a former executive of the Company pursuant to the Bank's Executive Change-in-Control Retention Plan and the loss on our funding swap as a result of a 2019 decrease in the conversion rate of our Visa Class B restricted shares sold in 2016. One-time items for the three and nine months ended September 30, 2018 also included public company transition-related costs. One-time items for the nine months ended September 30, 2018 also included the loss on our funding swap as a result of a 2018 decrease in the conversion rate of our Visa Class B restricted shares sold in 2016.

(3) Represents the adjustments to net income, tax effected at the Company's effective tax rate for the respective period.