
**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): **January 24, 2017**

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))
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Item 2.02 Results of Operations and Financial Condition.

On January 24, 2017, First Hawaiian, Inc. (together with its consolidated subsidiaries, "First Hawaiian") reported its earnings for the quarter ended December 31, 2016. 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 | Press release of First Hawaiian, Inc. dated January 24, 2017 containing financial information for its quarter ended December 31, 2016. |

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: January 24, 2017

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

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Press release of First Hawaiian, Inc. dated January 24, 2017 containing financial information for its quarter ended December 31, 2016. |



For Immediate Release

First Hawaiian, Inc. Reports Fourth Quarter and Full Year 2016 Financial Results and Declares Dividend

HONOLULU, Hawaii January 24, 2017—(Globe Newswire)—First Hawaiian, Inc. (NASDAQ:FHB), (the “Company”) today reported financial results for its fourth quarter and full year ended December 31, 2016.

Highlights

- Net income for the quarter ended December 31, 2016 was \$56.6 million, or \$0.41 per diluted share, and core net income⁽¹⁾ was \$56.0 million, or \$0.40 per diluted share
- Net income for the full year 2016 was \$230.2 million, or \$1.65 per diluted share, and core net income⁽¹⁾ was \$217.1 million, or \$1.56 per diluted share
- Board of Directors increased quarterly dividend by 10% to \$0.22 per share

“2016 was a milestone year for First Hawaiian, and we capped off the year with a solid fourth quarter in which we grew total loans and leases to a record \$11.5 billion,” said Bob Harrison, Chairman and Chief Executive Officer. “We are pleased with our performance in 2016, as we maintained our strategic and disciplined approach to growing loans and deposits, while maintaining excellent credit quality and sustaining superior financial performance.”

On January 23, 2017, the Company’s Board of Directors declared a quarterly cash dividend of \$0.22 per share, an increase of \$0.02 per share from the dividend paid in December 2016. The dividend will be payable on March 10, 2017 to shareholders of record at the close of business on February 27, 2017.

Earnings Highlights

Net income for the quarter ended December 31, 2016 was \$56.6 million, or \$0.41 per diluted share, compared to \$53.2 million, or \$0.38 per diluted share, for the quarter ended September 30, 2016, and \$50.2 million, or \$0.36 per diluted share, for the quarter ended December 31, 2015. Core net income for the quarter ended December 31, 2016 was \$56.0 million, or \$0.40 per diluted share, compared to \$55.2 million, or \$0.40 per diluted share, for the quarter ended September 30, 2016, and \$49.8 million, or \$0.36 per diluted share, for the quarter ended December 31, 2015. Net income for the full year 2016 was \$230.2 million, or \$1.65 per diluted share, compared to \$213.8 million, or \$1.53 per diluted share, for the full year 2015. Core net income for the full year 2016 was \$217.1 million, or \$1.56 per diluted share, compared to \$196.3 million, or \$1.41 per diluted share for the full year 2015.

Net interest income for the quarter ended December 31, 2016 was \$131.3 million, an increase of \$8.6 million compared to \$122.7 million for the quarter ended September 30, 2016, and an increase of \$15.0 million compared to \$116.2 million for the quarter ended December 31, 2015. The increases in net interest income compared to the third quarter of 2016 and the fourth quarter of 2015 were due to higher average balances of loans and investment securities and higher yields on investment securities, partially offset by higher average deposit balances. Net interest income for the full year 2016 was \$491.7 million compared to \$461.3 million for 2015. The increase in net interest income was primarily attributable to higher average balances of loans and higher yields on investment securities, partially offset by lower yields on loans, lower average balances of investment securities and higher average deposit balances.

Net interest margin was 2.99%, 2.87% and 2.71%, respectively, for the quarters ended December 31, 2016, September 30, 2016, and December 31, 2015. The 12 basis point increase compared to the third quarter of 2016 was due to higher investment portfolio yields, lower premium amortization, and higher loan prepayments, slightly offset by lower loan yields. The 28 basis point increase compared to the fourth quarter of 2015 was due to overall higher earning asset yields. The net interest margin for the full year of 2016 was 2.88%, compared to 2.78% for 2015. The 10 basis point increase in net interest margin was primarily due to higher yields on investments and interest-bearing deposits in other banks, partially offset by lower yields on loans.

Results for the quarter ended December 31, 2016 included a provision for credit losses of \$3.9 million compared to \$2.1 million in the quarter ended September 30, 2016 and \$2.5 million in the quarter ended December 31, 2015. The provision for credit losses for the full year of 2016 was \$8.6 million, compared to \$9.9 million in 2015.

⁽¹⁾ Core net income is a non-GAAP measure. For more information on this measure, including a reconciliation to the most directly comparable GAAP measure, see “Use of Non-GAAP Financial Measures” and Tables 13 and 14 at the end of this document.

Noninterest income was \$49.0 million in the quarter ended December 31, 2016, an increase of \$0.3 million compared to noninterest income of \$48.7 million in the quarter ended September 30, 2016 and an increase of \$1.8 million compared to noninterest income of \$47.2 million in the quarter ended December 31, 2015. The fourth quarter of 2016 included \$1.5 million of net gains on the sales of securities and \$3.0 million of swap fee income. The third quarter of 2016 included gains of \$3.5 million from death benefits and \$0.7 million of swap fee income. The fourth quarter of 2015 included \$2.7 million of net losses on the sale of securities. Noninterest income for full year 2016 was \$217.6 million compared to \$211.4 million for 2015. The \$6.2 million higher noninterest income in 2016 compared to 2015 was due to higher securities gains of \$15.0 million and higher BOLI income of \$5.0 million, primarily offset by lower service charges and fee income of \$6.0 million and higher miscellaneous other income of \$7.2 million in 2015.

Noninterest expense was \$82.5 million for the quarter ended December 31, 2016, a decrease of \$0.3 million from \$82.8 million in the quarter ended September 30, 2016, and an increase of \$2.2 million from \$80.3 million in the quarter ended December 31, 2015. The slight decrease in noninterest expense compared to the third quarter of 2016 was due to \$1.6 million lower salaries and employee benefits expense and \$1.7 million lower other expense, largely offset by \$1.8 million higher contracted services and professional fees, \$0.6 million more in equipment costs and \$0.6 million higher regulatory fees. Salaries and employee benefits expense in the third quarter of 2016 included \$1.9 million of expenses related to shares granted in connection with our initial public offering. The increase in noninterest expense compared to the fourth quarter of 2015 was primarily due to a \$2.5 million increase in occupancy expenses, a \$1.8 million increase in contracted services and professional fees, \$1.7 million higher regulatory assessment and fees, partially offset by \$2.8 million lower salaries and employee benefits and \$1.0 million lower cards rewards expenses. Noninterest expense for full year 2016 was \$328.8 million compared to \$319.6 million in 2015, an increase of \$9.2 million, primarily due to \$3.5 million higher regulatory assessment and fees, \$3.1 million in higher occupancy expenses, and \$2.7 million in higher contract services.

The efficiency ratio was 45.8%, 48.3% and 49.1% for the quarters ended December 31, 2016, September 30, 2016 and December 31, 2015, respectively. The efficiency ratio for full year 2016 was 46.4% compared to 47.5% in 2015.

The effective tax rate for the fourth quarter of 2016 was 39.8% compared with 38.4% in the previous quarter and 37.7% percent in the same quarter last year. The effective tax rate for the full year 2016 was 38.1% compared with 37.7% in 2015.

Balance Sheet Highlights

Total assets were \$19.7 billion at December 31, 2016, compared to \$19.9 billion at September 30, 2016 and \$19.4 billion at December 31, 2015.

The investment securities portfolio was \$5.1 billion at December 31, 2016, compared to \$5.4 billion at September 30, 2016 and \$4.0 billion at December 31, 2015. The portfolio remains largely comprised of securities issued by U. S. government agencies.

Total loans and leases were \$11.5 billion at December 31, 2016, up 1.1% from \$11.4 billion at September 30, 2016 and up 7.4% from \$10.7 billion at December 31, 2015.

The growth in loans and leases in the most recent quarter was due to increases in residential real estate loans of \$108.8 million, consumer loans of \$41.6 million, and commercial real estate loans of \$31.6 million. Commercial and industrial loans declined by \$25.7 million and construction loan balances declined by \$25.3 million. The decline in commercial and industrial loans was due to several large pay downs in the shared national credit portfolio, and the decline in construction loans resulted from the scheduled completion and pay down of residential construction projects. Compared to December 31, 2015, the growth in loans and leases was due to increases in residential real estate loans of \$264.0 million, commercial and industrial loans of \$182.1 million, commercial real estate loans of \$179.0 million, consumer loans of \$109.2 million, and construction loans of \$82.6 million.

Total deposits were \$16.8 billion at December 31, 2016, a decrease of \$0.2 billion, or 1.0%, compared with \$17.0 billion at September 30, 2016, and an increase of \$0.7 billion, or 4.6%, compared to \$16.1 billion at December 31, 2015. The decline in deposit balances compared to September 30, 2016 was due to the previously anticipated withdrawal of \$440 million of construction-related escrow deposits in the fourth quarter, offset by approximately \$270 million of growth.

Asset Quality

The Company's asset quality remained stable during the fourth quarter of 2016. Total non-performing assets declined to \$9.8 million, or 0.08% of total loans and leases, at December 31, 2016, down \$0.4 million from non-performing assets of \$10.2 million, or 0.09% of total loans and leases, at September 30, 2016 and down \$7.0 million from nonperforming assets of \$16.8 million, or 0.16% of total loans and leases, at December 31, 2015.

Net charge offs for the quarter ended December 31, 2016 were \$3.4 million, or 0.12% of average loans and leases on an annualized basis, compared to \$3.4 million, or 0.12% of average loans and leases on an annualized basis for the quarter ended September 30, 2016 and \$2.5 million, or 0.09% of average loans and leases on an annualized basis for the quarter ended December 31, 2015. Net charge-offs for the full year 2016 were \$8.6 million, or 0.08% of average loans and leases, compared to net charge-off of \$9.2 million, or 0.09% of average loans and leases in 2015.

The ratio of allowance for loan and lease losses to total loans and leases was 1.18% at December 31, 2016 compared to 1.18% at September 30, 2016 and 1.26% at December 31, 2015.

Capital

Total stockholders' equity was \$2.5 billion at December 31, 2016, compared to \$2.5 billion at September 30, 2016 and \$2.7 billion at December 31, 2015.

The tier 1 leverage, common equity tier 1, and total capital ratios were 8.36%, 12.75% and 13.85%, respectively, at December 31, 2016, compared with 8.41%, 12.48%, and 13.59% at September 30, 2016 and 9.84%, 15.31%, 16.48% at December 31, 2015.

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 Company's website, www.fhb.com.

Conference Call Information

First Hawaiian will host a conference call to discuss the Company's results today at 11:00 a.m. Eastern Time, 6:00 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: 49108216. A live webcast of the conference call, including a slide presentation, will be available at the following link: <http://edge.media-server.com/m/p/ntjdo6zf/lan/en>. 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 2:00 p.m. (Eastern Time) on February 3, 2017. Access the replay by dialing (855) 859-2056 or (404) 537-3406 and entering the conference ID: 49108216.

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 prospectus dated August 3, 2016, filed with the SEC in accordance with Rule 424(b) of the Securities Act of 1933.

Use of Non-GAAP Financial Measures

We present net interest income, noninterest income, noninterest expense, net income, earnings per share 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 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 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 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 closely related GAAP measures.

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Financial Highlights

Table 1

| (dollars in thousands except per share data) | For the Three Months Ended | | | For the Year Ended | |
|---|----------------------------|-----------------------|----------------------|---------------------------|---------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, 2016 2015 | |
| Operating Results: | | | | | |
| Net interest income | \$ 131,250 | \$ 122,683 | \$ 116,222 | \$ 491,672 | \$ 461,325 |
| Provision for loan and lease losses | 3,900 | 2,100 | 2,500 | 8,600 | 9,900 |
| Noninterest income | 49,021 | 48,690 | 47,188 | 217,601 | 211,403 |
| Noninterest expense | 82,503 | 82,804 | 80,294 | 328,844 | 319,601 |
| Net income | 56,552 | 53,235 | 50,211 | 230,178 | 213,780 |
| Basic earnings per share | 0.41 | 0.38 | 0.36 | 1.65 | 1.53 |
| Diluted earnings per share | 0.41 | 0.38 | 0.36 | 1.65 | 1.53 |
| Dividends declared per share | 0.20 | 0.20 | N/A | 0.62 | N/A |
| Dividend payout ratio | 49.35% | 52.39% | N/A | 37.27% | N/A |
| Supplemental Income Statement Data (non-GAAP): | | | | | |
| Core net interest income | \$ 131,250 | \$ 122,683 | \$ 116,222 | \$ 491,672 | \$ 456,489 |
| Core noninterest income | 47,505 | 48,690 | 46,582 | 190,357 | 188,197 |
| Core noninterest expense | 81,920 | 79,714 | 80,294 | 322,624 | 319,601 |
| Core net income | 56,001 | 55,177 | 49,834 | 217,111 | 196,315 |
| Core basic earnings per share | \$ 0.40 | \$ 0.40 | \$ 0.36 | \$ 1.56 | \$ 1.41 |
| Core diluted earnings per share | \$ 0.40 | \$ 0.40 | \$ 0.36 | \$ 1.56 | \$ 1.41 |
| Performance Ratio: | | | | | |
| Net interest margin | 2.99% | 2.87% | 2.71% | 2.88% | 2.78% |
| Core net interest margin (non-GAAP) | 2.99% | 2.87% | 2.71% | 2.88% | 2.75% |
| Efficiency ratio | 45.76% | 48.31% | 49.13% | 46.36% | 47.50% |
| Core efficiency ratio (non-GAAP) | 45.82% | 46.51% | 49.32% | 47.30% | 49.57% |
| Return on average total assets | 1.14% | 1.10% | 1.04% | 1.19% | 1.14% |
| Core return on average total assets (non-GAAP) | 1.13% | 1.14% | 1.03% | 1.12% | 1.05% |
| Return on average tangible assets | 1.20% | 1.16% | 1.09% | 1.26% | 1.20% |
| Core return on average tangible assets (non-GAAP) | 1.19% | 1.20% | 1.09% | 1.18% | 1.10% |
| Return on average total stockholders' equity | 8.97% | 8.45% | 7.23% | 8.96% | 7.81% |
| Core return on average total stockholders' equity (non-GAAP) | 8.88% | 8.76% | 7.17% | 8.45% | 7.18% |
| Return on average tangible stockholders' equity | 14.88% | 14.02% | 11.31% | 14.64% | 12.28% |
| Core return on average tangible stockholders' equity (non-GAAP) | 14.73% | 14.53% | 11.22% | 13.80% | 11.28% |
| Average Balances: | | | | | |
| Average loans and leases | \$ 11,531,684 | \$ 11,261,710 | \$ 10,613,863 | \$ 11,175,213 | \$ 10,297,834 |
| Average earning assets | 17,482,648 | 17,028,930 | 17,047,767 | 17,093,114 | 16,619,854 |
| Average assets | 19,778,918 | 19,314,668 | 19,208,603 | 19,334,653 | 18,785,701 |
| Average deposits | 16,861,525 | 16,392,125 | 15,795,021 | 16,275,811 | 15,319,238 |
| Average shareholders' equity | 2,507,514 | 2,506,099 | 2,756,977 | 2,568,219 | 2,735,786 |
| Per Share of Common Stock: | | | | | |
| Book value | \$ 17.75 | \$ 18.09 | \$ 19.63 | \$ 17.75 | \$ 19.63 |
| Tangible book value | 10.61 | 10.96 | 12.49 | 10.62 | 12.49 |
| Market Value | | | | | |
| Closing | 34.82 | 26.86 | N/A | 34.82 | N/A |
| High | 35.47 | 27.97 | N/A | 35.47 | N/A |
| Low | 25.80 | 24.25 | N/A | 24.25 | N/A |

| | As of December 31, 2016 | As of September 30, 2016 | As of December 31, 2015 |
|--|-------------------------------|--------------------------------|-------------------------------|
| Balance Sheet Data: | | | |
| Loans and leases | \$ 11,520,378 | \$ 11,396,555 | \$ 10,722,030 |
| Total assets | 19,661,829 | 19,892,693 | 19,352,681 |
| Total deposits | 16,794,532 | 16,965,527 | 16,061,924 |
| Total stockholders' equity | 2,476,485 | 2,523,963 | 2,736,941 |
| Asset Quality Ratios: | | | |
| Non-accrual loans and leases / total loans and leases | 0.08% | 0.08% | 0.16% |
| Allowance for loan and lease losses / total loans and leases | 1.18% | 1.18% | 1.26% |
| Capital Ratios: | | | |
| Common Equity Tier 1 Capital Ratio | 12.75% | 12.48% | 15.31% |
| Tier 1 Capital Ratio | 12.75% | 12.48% | 15.31% |
| Total Capital Ratio | 13.85% | 13.59% | 16.48% |
| Tier 1 Leverage Ratio | 8.36% | 8.41% | 9.84% |
| Total stockholders' equity to total assets | 12.60% | 12.69% | 14.14% |
| Tangible stockholders' equity to tangible assets (non-GAAP) | 7.93% | 8.09% | 9.49% |
| Non-Financial Data: | | | |
| Number of branches | 62 | 62 | 62 |
| Number of ATMs | 311 | 312 | 311 |
| Number of Full-Time Equivalent Employees | 2,179 | 2,197 | 2,157 |

Consolidated Statements of Income

Table 2

| (dollars in thousands except per share amounts) | Three Months Ended | | | For the Year Ended | |
|---|----------------------|-----------------------|----------------------|--------------------|-------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, | |
| | | | | 2016 | 2015 |
| Interest income | | | | | |
| Loans and lease financing | \$ 111,461 | \$ 106,900 | \$ 102,108 | \$ 428,419 | \$ 405,702 |
| Available-for-sale securities | 25,884 | 21,123 | 18,549 | 83,019 | 73,615 |
| Other | 968 | 1,311 | 1,450 | 7,082 | 4,529 |
| Total interest income | <u>138,313</u> | <u>129,334</u> | <u>122,107</u> | <u>518,520</u> | <u>483,846</u> |
| Interest expense | | | | | |
| Deposits | 7,048 | 6,632 | 5,844 | 26,650 | 22,314 |
| Short-term borrowings and long-term debt | 15 | 19 | 41 | 198 | 207 |
| Total interest expense | <u>7,063</u> | <u>6,651</u> | <u>5,885</u> | <u>26,848</u> | <u>22,521</u> |
| Net interest income | 131,250 | 122,683 | 116,222 | 491,672 | 461,325 |
| Provision for loan and lease losses | 3,900 | 2,100 | 2,500 | 8,600 | 9,900 |
| Net interest income after provision for loan and lease losses | <u>127,350</u> | <u>120,583</u> | <u>113,722</u> | <u>483,072</u> | <u>451,425</u> |
| Noninterest income | | | | | |
| Service charges on deposit accounts | 9,388 | 9,575 | 10,194 | 38,147 | 40,850 |
| Credit and debit card fees | 14,339 | 14,103 | 14,783 | 56,071 | 56,416 |
| Other service charges and fees | 8,446 | 8,768 | 8,990 | 35,355 | 38,641 |
| Trust and investment services income | 7,204 | 7,508 | 7,061 | 29,440 | 29,671 |
| Bank-owned life insurance | 1,758 | 7,115 | 2,679 | 15,021 | 9,976 |
| Investment securities gains (losses), net | 1,516 | 30 | (2,672) | 27,277 | 12,321 |
| Other | 6,370 | 1,591 | 6,153 | 16,290 | 23,528 |
| Total noninterest income | <u>49,021</u> | <u>48,690</u> | <u>47,188</u> | <u>217,601</u> | <u>211,403</u> |
| Noninterest expense | | | | | |
| Salaries and employee benefits | 40,471 | 42,106 | 43,243 | 169,233 | 170,233 |
| Contracted services and professional fees | 12,221 | 10,430 | 10,467 | 45,345 | 42,663 |
| Occupancy | 5,125 | 4,870 | 2,649 | 20,116 | 16,975 |
| Equipment | 4,777 | 4,192 | 4,850 | 16,912 | 15,836 |
| Regulatory assessment and fees | 4,103 | 3,546 | 2,366 | 12,972 | 9,490 |
| Advertising and marketing | 1,309 | 1,769 | 1,444 | 6,127 | 5,472 |
| Card rewards program | 4,770 | 4,512 | 5,773 | 15,513 | 17,687 |
| Other | 9,727 | 11,379 | 9,502 | 42,626 | 41,245 |
| Total noninterest expense | <u>82,503</u> | <u>82,804</u> | <u>80,294</u> | <u>328,844</u> | <u>319,601</u> |
| Income before provision for income taxes | 93,868 | 86,469 | 80,616 | 371,829 | 343,227 |
| Provision for income taxes | 37,316 | 33,234 | 30,405 | 141,651 | 129,447 |
| Net income | <u>\$ 56,552</u> | <u>\$ 53,235</u> | <u>\$ 50,211</u> | <u>\$ 230,178</u> | <u>\$ 213,780</u> |
| Basic earnings per share | \$ 0.41 | \$ 0.38 | \$ 0.36 | \$ 1.65 | \$ 1.53 |
| Diluted earnings per share | \$ 0.41 | \$ 0.38 | \$ 0.36 | \$ 1.65 | \$ 1.53 |
| Dividends declared per share | \$ 0.20 | \$ 0.20 | \$ — | \$ 0.62 | \$ — |
| Basic weighted-average outstanding shares | 139,530,654 | 139,500,542 | 139,459,620 | 139,487,762 | 139,459,620 |
| Diluted weighted-average outstanding shares | 139,546,875 | 139,503,558 | 139,459,620 | 139,492,608 | 139,459,620 |

Consolidated Balance Sheets

Table 3

| (dollars in thousands) | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|--|----------------------|-----------------------|----------------------|
| Assets | | | |
| Cash and due from banks | \$ 253,827 | \$ 371,622 | \$ 300,096 |
| Interest-bearing deposits in other banks | 798,231 | 804,198 | 2,350,099 |
| Investment securities | 5,077,514 | 5,363,696 | 4,027,265 |
| Loans and leases | 11,520,378 | 11,396,555 | 10,722,030 |
| Less: allowance for loan and lease losses | 135,494 | 135,025 | 135,484 |
| Net loans and leases | 11,384,884 | 11,261,530 | 10,586,546 |
| Premises and equipment, net | 300,788 | 302,059 | 305,104 |
| Other real estate owned and repossessed personal property | 329 | 854 | 154 |
| Accrued interest receivable | 41,971 | 37,107 | 34,215 |
| Bank-owned life insurance | 429,209 | 432,031 | 424,545 |
| Goodwill | 995,492 | 995,492 | 995,492 |
| Other intangible assets | 16,809 | 17,554 | 21,435 |
| Other assets | 362,775 | 306,550 | 307,730 |
| Total assets | \$ 19,661,829 | \$ 19,892,693 | \$ 19,352,681 |
| Liabilities and Stockholders' Equity | | | |
| Deposits: | | | |
| Interest-bearing | \$ 10,801,915 | \$ 11,164,989 | \$ 10,730,095 |
| Noninterest-bearing | 5,992,617 | 5,800,538 | 5,331,829 |
| Total deposits | 16,794,532 | 16,965,527 | 16,061,924 |
| Short-term borrowings | 9,151 | 9,151 | 216,151 |
| Long-term debt | 41 | 41 | 48 |
| Retirement benefits payable | 132,904 | 139,567 | 133,910 |
| Other liabilities | 248,716 | 254,444 | 203,707 |
| Total liabilities | 17,185,344 | 17,368,730 | 16,615,740 |
| Stockholders' equity | | | |
| Net investment | — | — | 2,788,200 |
| Common stock (\$0.01 par value; authorized 300,000,000 shares; issued and outstanding 139,530,654 shares as of both December 31, 2016 and September 30, 2016 and 139,459,620 shares as of December 31, 2015) | 1,395 | 1,395 | — |
| Additional paid-in capital | 2,484,251 | 2,482,679 | — |
| Retained earnings | 78,850 | 50,204 | — |
| Accumulated other comprehensive loss, net | (88,011) | (10,315) | (51,259) |
| Total stockholders' equity | 2,476,485 | 2,523,963 | 2,736,941 |
| Total liabilities and stockholders' equity | \$ 19,661,829 | \$ 19,892,693 | \$ 19,352,681 |

Average Balances and Interest Rates

Table 4

| (dollars in millions) | Three Months Ended December 31, 2016 | | | Three Months Ended September 30, 2016 | | | Three Months Ended December 31, 2015 | | |
|---|---|--------------------|----------------|--|--------------------|----------------|---|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Earning Assets | | | | | | | | | |
| Interest-Bearing Deposits in Other Banks | \$ 673.7 | \$ 0.9 | 0.57% | \$ 1,023.6 | \$ 1.3 | 0.51% | \$ 1,911.8 | \$ 1.5 | 0.30% |
| Available-for-Sale Investment Securities | 5,277.2 | 25.9 | 1.95 | 4,743.7 | 21.1 | 1.77 | 4,519.5 | 18.5 | 1.63 |
| Loans Held for Sale | — | — | — | — | — | — | 2.6 | — | 3.48 |
| Loans and Leases ⁽¹⁾ | | | | | | | | | |
| Commercial and industrial | 3,314.3 | 25.7 | 3.09 | 3,248.1 | 23.7 | 2.90 | 3,019.6 | 21.8 | 2.86 |
| Real estate - commercial | 2,431.4 | 23.1 | 3.78 | 2,338.2 | 21.3 | 3.63 | 2,232.6 | 20.8 | 3.69 |
| Real estate - construction | 470.7 | 3.8 | 3.21 | 448.9 | 3.7 | 3.29 | 341.5 | 2.7 | 3.11 |
| Real estate - residential | 3,636.9 | 37.0 | 4.04 | 3,571.3 | 36.4 | 4.06 | 3,452.9 | 35.9 | 4.12 |
| Consumer | 1,493.9 | 20.6 | 5.49 | 1,467.0 | 20.5 | 5.55 | 1,362.1 | 19.4 | 5.66 |
| Lease financing | 184.5 | 1.3 | 2.75 | 188.2 | 1.3 | 2.84 | 205.2 | 1.5 | 3.00 |
| Total Loans and Leases | 11,531.7 | 111.5 | 3.85 | 11,261.7 | 106.9 | 3.78 | 10,613.9 | 102.1 | 3.82 |
| Total Earning Assets ⁽²⁾ | 17,482.6 | 138.3 | 3.15 | 17,029.0 | 129.3 | 3.02 | 17,047.8 | 122.1 | 2.84 |
| Cash and Due from Banks | 312.5 | | | 357.1 | | | 282.4 | | |
| Other Assets | 1,983.8 | | | 1,928.6 | | | 1,878.4 | | |
| Total Assets | \$ 19,778.9 | | | \$ 19,314.7 | | | \$ 19,208.6 | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-Bearing Deposits | | | | | | | | | |
| Savings | \$ 4,446.1 | \$ 0.6 | 0.06% | \$ 4,416.4 | \$ 0.6 | 0.06% | \$ 4,297.9 | \$ 0.6 | 0.05% |
| Money Market | 2,680.4 | 0.7 | 0.10 | 2,549.3 | 0.6 | 0.10 | 2,572.0 | 0.6 | 0.09 |
| Time | 3,923.1 | 5.7 | 0.58 | 3,776.6 | 5.4 | 0.57 | 3,748.5 | 4.7 | 0.50 |
| Total Interest-Bearing Deposits | 11,049.6 | 7.0 | 0.25 | 10,742.3 | 6.6 | 0.25 | 10,618.4 | 5.9 | 0.22 |
| Short-Term Borrowings | 11.1 | — | 0.49 | 18.5 | — | 0.42 | 296.4 | — | 0.05 |
| Total Interest-Bearing Liabilities | 11,060.7 | 7.0 | 0.25 | 10,760.8 | 6.6 | 0.25 | 10,914.8 | 5.9 | 0.21 |
| Net Interest Income | | \$ 131.3 | | | \$ 122.7 | | | \$ 116.2 | |
| Interest Rate Spread | | | 2.90% | | | 2.77% | | | 2.63% |
| Net Interest Margin | | | 2.99% | | | 2.87% | | | 2.71% |
| Noninterest-Bearing Demand | | | | | | | | | |
| Deposits | 5,811.9 | | | 5,649.8 | | | 5,176.6 | | |
| Other Liabilities | 398.8 | | | 398.0 | | | 360.2 | | |
| Stockholders' Equity | 2,507.5 | | | 2,506.1 | | | 2,757.0 | | |
| Total Liabilities and Stockholders' Equity | \$ 19,778.9 | | | \$ 19,314.7 | | | \$ 19,208.6 | | |

⁽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) | Year Ended December 31, 2016 | | | Year Ended December 31, 2015 | | |
|---|---------------------------------|--------------------|----------------|---------------------------------|--------------------|----------------|
| | Average Balance | Income/ Expense | Yield/ Rate | Average Balance | Income/ Expense | Yield/ Rate |
| Earning Assets | | | | | | |
| Interest-Bearing Deposits in Other Banks | \$ 1,368.9 | \$ 7.1 | 0.52% | \$ 1,651.9 | \$ 4.5 | 0.27% |
| Available-for-Sale Investment Securities | 4,549.0 | 83.0 | 1.82 | 4,665.0 | 73.6 | 1.58 |
| Loans Held for Sale | — | — | — | 5.1 | 0.2 | 3.92 |
| Loans and Leases ⁽¹⁾ | | | | | | |
| Commercial and industrial | 3,229.5 | 96.0 | 2.97 | 2,869.8 | 83.9 | 2.92 |
| Real estate - commercial | 2,313.0 | 86.0 | 3.72 | 2,156.2 | 81.6 | 3.78 |
| Real estate - construction | 436.4 | 14.2 | 3.26 | 371.9 | 12.4 | 3.33 |
| Real estate - residential | 3,553.6 | 145.9 | 4.10 | 3,383.6 | 144.7 | 4.28 |
| Consumer | 1,454.4 | 80.9 | 5.56 | 1,299.2 | 76.6 | 5.90 |
| Lease financing | 188.3 | 5.4 | 2.86 | 217.1 | 6.3 | 2.90 |
| Total Loans and Leases | 11,175.2 | 428.4 | 3.83 | 10,297.8 | 405.5 | 3.94 |
| Total Earning Assets ⁽²⁾ | 17,093.1 | 518.5 | 3.03 | 16,619.8 | 483.8 | 2.91 |
| Cash and Due from Banks | 289.9 | | | 284.3 | | |
| Other Assets | 1,951.7 | | | 1,881.6 | | |
| Total Assets | \$ 19,334.7 | | | \$ 18,785.7 | | |
| Interest-Bearing Liabilities | | | | | | |
| Interest-Bearing Deposits | | | | | | |
| Savings | \$ 4,390.3 | \$ 2.6 | 0.06% | \$ 4,172.1 | \$ 1.7 | 0.04% |
| Money Market | 2,478.4 | 2.3 | 0.09 | 2,384.8 | 2.2 | 0.09 |
| Time | 3,817.6 | 21.7 | 0.57 | 3,730.2 | 18.4 | 0.49 |
| Total Interest-Bearing Deposits | 10,686.3 | 26.6 | 0.25 | 10,287.1 | 22.3 | 0.22 |
| Short-Term Borrowings | 113.6 | 0.2 | 0.17 | 381.6 | 0.2 | 0.05 |
| Total Interest-Bearing Liabilities | 10,799.9 | 26.8 | 0.25 | 10,668.7 | 22.5 | 0.21 |
| Net Interest Income | | \$ 491.7 | | | \$ 461.3 | |
| Interest Rate Spread | | | 2.78% | | | 2.70% |
| Net Interest Margin | | | 2.88% | | | 2.78% |
| Noninterest-Bearing Demand Deposits | 5,589.5 | | | 5,032.1 | | |
| Other Liabilities | 377.1 | | | 349.1 | | |
| Stockholders' Equity | 2,568.2 | | | 2,735.8 | | |
| Total Liabilities and stockholders' Equity | \$ 19,334.7 | | | \$ 18,785.7 | | |

(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 December 31, 2016 Compared to September 30, 2016 | | |
|--|--|---------------|---------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ (0.5) | \$ 0.1 | \$ (0.4) |
| Available-for-Sale Investment Securities | 2.5 | 2.3 | 4.8 |
| Loans Held for Sale | — | — | — |
| Loans and Leases | | | |
| Commercial and industrial | 0.5 | 1.5 | 2.0 |
| Real estate - commercial | 0.9 | 0.9 | 1.8 |
| Real estate - construction | 0.2 | (0.1) | 0.1 |
| Real estate - residential | 0.7 | (0.1) | 0.6 |
| Consumer | 0.3 | (0.2) | 0.1 |
| Lease financing | — | — | — |
| Total Loans and Leases | 2.6 | 2.0 | 4.6 |
| Total Change in Interest Income | 4.6 | 4.4 | 9.0 |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | — | — | — |
| Money Market | 0.1 | — | 0.1 |
| Time | 0.2 | 0.1 | 0.3 |
| Total Interest-Bearing Deposits | 0.3 | 0.1 | 0.4 |
| Short-term Borrowings | | | |
| | — | — | — |
| Total Change in Interest Expense | 0.3 | 0.1 | 0.4 |
| Change in Net Interest Income | \$ 4.3 | \$ 4.3 | \$ 8.6 |

Analysis of Change in Net Interest Income

Table 7

| (dollars in millions) | Three Months Ended December 31, 2016 Compared to December 31, 2015 | | |
|--|---|---------------|----------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ (1.4) | \$ 0.9 | \$ (0.5) |
| Available-for-Sale Investment Securities | 3.4 | 3.9 | 7.3 |
| Loans Held for Sale | — | — | — |
| Loans and Leases | | | |
| Commercial and industrial | 2.2 | 1.7 | 3.9 |
| Real estate - commercial | 1.9 | 0.4 | 2.3 |
| Real estate - construction | 1.0 | 0.1 | 1.1 |
| Real estate - residential | 1.9 | (0.8) | 1.1 |
| Consumer | 1.8 | (0.6) | 1.2 |
| Lease financing | (0.1) | (0.1) | (0.2) |
| Total Loans and Leases | 8.7 | 0.7 | 9.4 |
| Total Change in Interest Income | 10.7 | 5.5 | 16.2 |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | — | — | — |
| Money Market | — | 0.1 | 0.1 |
| Time | 0.2 | 0.9 | 1.1 |
| Total Interest-Bearing Deposits | 0.2 | 1.0 | 1.2 |
| Short-term Borrowings | (0.1) | 0.1 | — |
| Total Change in Interest Expense | 0.1 | 1.1 | 1.2 |
| Change in Net Interest Income | \$ 10.6 | \$ 4.4 | \$ 15.0 |

Analysis of Change in Net Interest Income

Table 8

| (dollars in millions) | Year Ended December 31, 2016 Compared to December 31, 2015 | | |
|--|---|-----------------|----------------|
| | Volume | Rate | Total |
| Change in Interest Income: | | | |
| Interest-Bearing Deposits in Other Banks | \$ (0.8) | \$ 3.3 | \$ 2.5 |
| Available-for-Sale Investment Securities | (1.9) | 11.3 | 9.4 |
| Loans Held for Sale | (0.2) | — | (0.2) |
| Loans and Leases | | | |
| Commercial and industrial | 10.7 | 1.4 | 12.1 |
| Real estate - commercial | 5.9 | (1.5) | 4.4 |
| Real estate - construction | 2.1 | (0.3) | 1.8 |
| Real estate - residential | 7.1 | (5.9) | 1.2 |
| Consumer | 8.8 | (4.5) | 4.3 |
| Lease financing | (0.8) | (0.1) | (0.9) |
| Total Loans and Leases | 33.8 | (10.9) | 22.9 |
| Total Change in Interest Income | 30.9 | 3.7 | 34.6 |
| Change in Interest Expense: | | | |
| Interest-Bearing Deposits | | | |
| Savings | 0.1 | 0.8 | 0.9 |
| Money Market | 0.1 | — | 0.1 |
| Time | 0.4 | 2.9 | 3.3 |
| Total Interest-Bearing Deposits | 0.6 | 3.7 | 4.3 |
| Short-Term Borrowings | (0.2) | 0.2 | — |
| Total Change in Interest Expense | 0.4 | 3.9 | 4.3 |
| Change in Net Interest Income | \$ 30.5 | \$ (0.2) | \$ 30.3 |

Loans and Leases

Table 9

| (dollars in thousands) | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|-------------------------------|------------------------------|-------------------------------|------------------------------|
| Commercial and industrial | \$ 3,239,600 | \$ 3,265,291 | \$ 3,057,455 |
| Real estate: | | | |
| Commercial | 2,343,495 | 2,311,874 | 2,164,448 |
| Construction | 450,012 | 475,333 | 367,460 |
| Residential | 3,796,459 | 3,687,660 | 3,532,427 |
| Total real estate | <u>6,589,966</u> | <u>6,474,867</u> | <u>6,064,335</u> |
| Consumer | 1,510,772 | 1,469,220 | 1,401,561 |
| Lease financing | 180,040 | 187,177 | 198,679 |
| Total loans and leases | <u>\$ 11,520,378</u> | <u>\$ 11,396,555</u> | <u>\$ 10,722,030</u> |

Deposits**Table 10**

| (dollars in thousands) | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|-------------------------------|------------------------------|-------------------------------|------------------------------|
| Demand | \$ 5,992,617 | \$ 5,800,538 | \$ 5,331,829 |
| Savings | 4,609,306 | 4,341,714 | 4,354,140 |
| Money Market | 2,454,013 | 2,818,132 | 2,565,955 |
| Time | 3,738,596 | 4,005,143 | 3,810,000 |
| Total Deposits | \$ 16,794,532 | \$ 16,965,527 | \$ 16,061,924 |

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

Table 11

| (dollars in thousands) | December 31, 2016 | September 30, 2016 | December 31, 2015 |
|--|----------------------|-----------------------|----------------------|
| Non-Performing Assets | | | |
| Non-Accrual Loans and Leases | | | |
| Commercial Loans: | | | |
| Commercial and industrial | \$ 2,730 | \$ 2,933 | \$ 3,958 |
| Real estate - commercial | — | — | 138 |
| Lease financing | 153 | 163 | 181 |
| Total Commercial Loans | 2,883 | 3,096 | 4,277 |
| Residential | 6,547 | 6,274 | 12,344 |
| Total Non-Accrual Loans and Leases | 9,430 | 9,370 | 16,621 |
| Other Real Estate Owned | 329 | 854 | 154 |
| Total Non-Performing Assets | \$ 9,759 | \$ 10,224 | \$ 16,775 |
| Accruing Loans and Leases Past Due 90 Days or More | | | |
| Commercial Loans: | | | |
| Commercial and industrial | \$ 449 | \$ 177 | \$ 2,496 |
| Real estate - commercial | — | — | 161 |
| Lease financing | 83 | — | 174 |
| Total Commercial Loans | 532 | 177 | 2,831 |
| Residential | 866 | 1,638 | 737 |
| Consumer | 1,870 | 2,036 | 1,454 |
| Total Accruing Loans and Leases Past Due 90 Days or More | \$ 3,268 | \$ 3,851 | \$ 5,022 |
| Restructured Loans on Accrual Status and Not Past Due 90 Days or More | 44,496 | 46,453 | 28,351 |
| Total Loans and Leases | \$ 11,520,378 | \$ 11,396,555 | \$ 10,722,030 |

Allowance for Loan and Lease Losses

Table 12

| (dollars in thousands) | For the Three Months Ended | | | For the Year Ended | |
|---|----------------------------|-----------------------|----------------------|----------------------|----------------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, 2016 | December 31, 2015 |
| Balance at Beginning of Period | \$ 135,025 | \$ 136,360 | \$ 135,447 | \$ 135,484 | \$ 134,799 |
| Loans and Leases Charged-Off | | | | | |
| Commercial Loans: | | | | | |
| Commercial and industrial | — | (210) | (101) | (348) | (866) |
| Total Commercial Loans | — | (210) | (101) | (348) | (866) |
| Residential | (3) | (268) | (57) | (799) | (618) |
| Consumer | (5,412) | (4,878) | (4,831) | (18,791) | (18,312) |
| Total Loans and Leases Charged-Off | (5,415) | (5,356) | (4,989) | (19,938) | (19,796) |
| Recoveries on Loans and Leases Previously Charged-Off | | | | | |
| Commercial Loans: | | | | | |
| Commercial and industrial | 23 | 6 | 56 | 251 | 940 |
| Real estate - commercial | 41 | 42 | 817 | 3,329 | 1,115 |
| Lease financing | 1 | — | 1 | 2 | 3 |
| Total Commercial Loans | 65 | 48 | 874 | 3,582 | 2,058 |
| Residential | 242 | 350 | 100 | 1,358 | 2,198 |
| Consumer | 1,677 | 1,523 | 1,552 | 6,408 | 6,325 |
| Total Recoveries on Loans and Leases Previously Charged-Off | 1,984 | 1,921 | 2,526 | 11,348 | 10,581 |
| Net Loans and Leases Charged-Off | (3,431) | (3,435) | (2,463) | (8,590) | (9,215) |
| Provision for Credit Losses | 3,900 | 2,100 | 2,500 | 8,600 | 9,900 |
| Balance at End of Period | \$ 135,494 | \$ 135,025 | \$ 135,484 | \$ 135,494 | \$ 135,484 |
| Average Loans and Leases Outstanding | \$ 11,531,684 | \$ 11,261,710 | \$ 10,613,863 | \$ 11,175,213 | \$ 10,297,834 |
| Ratio of Net Loans and Leases Charged-Off to Average Loans and Leases Outstanding | 0.12% | 0.12% | 0.09% | 0.08% | 0.09% |
| Ratio of Allowance for Loan and Lease Losses to Loans and Leases Outstanding | 1.18% | 1.18% | 1.26% | 1.18% | 1.26% |

GAAP to Non-GAAP Reconciliation

Table 13

| (dollars in thousands, except per share data) | As of and for the Three Months Ended | | | As of and for the Year Ended | |
|---|--------------------------------------|---------------|---------------|------------------------------|---------------|
| | December 31, | September 30, | December 31, | December 31, | |
| | 2016 | 2016 | 2015 | 2016 | 2015 |
| Net income | \$ 56,552 | \$ 53,235 | \$ 50,211 | \$ 230,178 | \$ 213,780 |
| Average total stockholders' equity | \$ 2,507,514 | \$ 2,506,099 | \$ 2,756,977 | \$ 2,568,219 | \$ 2,735,786 |
| Less: average goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Average tangible stockholders' equity | \$ 1,512,022 | \$ 1,510,607 | \$ 1,761,485 | \$ 1,572,727 | \$ 1,740,294 |
| Total stockholders' equity | \$ 2,476,485 | \$ 2,523,963 | \$ 2,736,941 | \$ 2,476,485 | \$ 2,736,941 |
| Less: goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Tangible stockholders' equity | \$ 1,480,993 | \$ 1,528,471 | \$ 1,741,449 | \$ 1,480,993 | \$ 1,741,449 |
| Average total assets | \$ 19,778,918 | \$ 19,314,668 | \$ 19,208,603 | \$ 19,334,653 | \$ 18,785,701 |
| Less: average goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Average tangible assets | \$ 18,783,426 | \$ 18,319,176 | \$ 18,213,111 | \$ 18,339,161 | \$ 17,790,209 |
| Total assets | \$ 19,661,829 | \$ 19,892,693 | \$ 19,352,681 | \$ 19,661,829 | \$ 19,352,681 |
| Less: goodwill | 995,492 | 995,492 | 995,492 | 995,492 | 995,492 |
| Tangible assets | \$ 18,666,337 | \$ 18,897,201 | \$ 18,357,189 | \$ 18,666,337 | \$ 18,357,189 |
| Basic weighted-average shares outstanding | 139,530,654 | 139,500,542 | 139,459,620 | 139,487,762 | 139,459,620 |
| Diluted weighted-average shares outstanding | 139,546,875 | 139,503,558 | 139,459,620 | 139,492,608 | 139,459,620 |
| Return on average total stockholders' equity ^(a) | 8.97% | 8.45% | 7.23% | 8.96% | 7.81% |
| Return on average tangible stockholders' equity (non-GAAP) ^(a) | 14.88% | 14.02% | 11.31% | 14.64% | 12.28% |
| Return on average total assets ^(a) | 1.14% | 1.10% | 1.04% | 1.19% | 1.14% |
| Return on average tangible assets (non-GAAP) ^(a) | 1.20% | 1.16% | 1.09% | 1.26% | 1.20% |
| Total stockholders' equity to total assets | 12.60% | 12.69% | 14.14% | 12.60% | 14.14% |
| Tangible stockholders' equity to tangible assets (non-GAAP) | 7.93% | 8.09% | 9.49% | 7.93% | 9.49% |
| Average stockholders' equity to average assets | 12.68% | 12.98% | 14.35% | 13.28% | 14.56% |
| Tangible average stockholders' equity to tangible average assets (non-GAAP) | 8.05% | 8.25% | 9.67% | 8.58% | 9.78% |
| Book value per share | \$ 17.75 | \$ 18.09 | \$ 19.63 | \$ 17.75 | \$ 19.63 |
| Tangible book value per share (non-GAAP) | \$ 10.61 | \$ 10.96 | \$ 12.49 | \$ 10.62 | \$ 12.49 |

^(a) Annualized for the three months ended December 31, 2016, September 30, 2016 and December 31, 2015.

GAAP to Non-GAAP Reconciliation

Table 14

| (dollars in thousands, except per share data) | For the Three Months Ended | | | For the Year Ended | |
|---|----------------------------|-----------------------|----------------------|--------------------|------------|
| | December 31, 2016 | September 30, 2016 | December 31, 2015 | December 31, | |
| | | | | 2016 | 2015 |
| Net interest income | \$ 131,250 | \$ 122,683 | \$ 116,222 | \$ 491,672 | \$ 461,325 |
| Early loan termination ^(a) | — | — | — | — | (4,836) |
| Core net interest income (non-GAAP) | \$ 131,250 | \$ 122,683 | \$ 116,222 | \$ 491,672 | \$ 456,489 |
| Noninterest income | \$ 49,021 | \$ 48,690 | \$ 47,188 | \$ 217,601 | \$ 211,403 |
| (Gain) loss on sale of securities | (1,516) | — | 4,737 | (4,566) | (7,737) |
| Gain on sale of stock (Visa/MasterCard) | — | — | (2,065) | (22,678) | (4,584) |
| Gain on sale of other assets | — | — | (1,287) | — | (3,414) |
| Other adjustments ^{(a),(b)} | — | — | (1,991) | — | (7,471) |
| Core noninterest income (non-GAAP) | \$ 47,505 | \$ 48,690 | \$ 46,582 | \$ 190,357 | \$ 188,197 |
| Noninterest expense | \$ 82,503 | \$ 82,804 | \$ 80,294 | \$ 328,844 | \$ 319,601 |
| One-time items ^(c) | (583) | (3,090) | — | (6,220) | — |
| Core noninterest expense (non-GAAP) | \$ 81,920 | \$ 79,714 | \$ 80,294 | \$ 322,624 | \$ 319,601 |
| Net income | \$ 56,552 | \$ 53,235 | \$ 50,211 | \$ 230,178 | \$ 213,780 |
| Early loan termination | — | — | — | — | (4,836) |
| (Gain) loss on sale of securities | (1,516) | — | 4,737 | (4,566) | (7,737) |
| Gain on sale of stock (Visa/MasterCard) | — | — | (2,065) | (22,678) | (4,584) |
| Gain on sale of other assets | — | — | (1,287) | — | (3,414) |
| Other adjustments ^(b) | — | — | (1,991) | — | (7,471) |
| One-time items ^(c) | 583 | 3,090 | — | 6,220 | — |
| Tax adjustments ^(d) | 382 | (1,148) | 229 | 7,957 | 10,577 |
| Total core adjustments | (551) | 1,942 | (377) | (13,067) | (17,465) |
| Core net income (non-GAAP) | \$ 56,001 | \$ 55,177 | \$ 49,834 | \$ 217,111 | \$ 196,315 |
| Core basic earnings per share (non-GAAP) | \$ 0.40 | \$ 0.40 | \$ 0.36 | \$ 1.56 | \$ 1.41 |
| Core diluted earnings per share (non-GAAP) | \$ 0.40 | \$ 0.40 | \$ 0.36 | \$ 1.56 | \$ 1.41 |

(a) Adjustments that are not material to our financial results have not been presented for certain periods.

(b) Other adjustments include a one-time MasterCard signing bonus and a recovery of an investment that was previously written down.

(c) One-time items include initial public offering related costs.

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