

Different by Design.

UMB Financial

First Quarter 2019

April 23, 2019

This presentation of UMB Financial Corporation (the “company,” “our,” “us,” or “we”) contains, and our other communications may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “believe,” “expect,” “anticipate,” “intend,” “estimate,” “project,” “outlook,” “forecast,” “target,” “trend,” “plan,” “goal,” or other words of comparable meaning or future-tense or conditional verbs such as “may,” “will,” “should,” “would,” or “could.”

Forward-looking statements convey our expectations, intentions, or forecasts about future events, circumstances, results, or aspirations. All forward-looking statements are subject to assumptions, risks, and uncertainties, which may change over time and many of which are beyond our control. You should not rely on any forward-looking statement as a prediction or guarantee about the future. Our actual future objectives, strategies, plans, prospects, performance, condition, or results may differ materially from those set forth in any forward-looking statement. Some of the factors that may cause actual results or other future events, circumstances, or aspirations to differ from those in forward-looking statements are described in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, or other applicable documents that are filed or furnished with the U.S. Securities and Exchange Commission (SEC).

Any forward-looking statement made by us or on our behalf speaks only as of the date that it was made. We do not undertake to update any forward-looking statement to reflect the impact of events, circumstances, or results that arise after the date that the statement was made, except to the extent required by applicable securities laws. You, however, should consult disclosures (including disclosures of a forward-looking nature) that we may make in any subsequent Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Report on Form 8-K, or other applicable document that is filed or furnished with the SEC.

Earnings Summary – 1Q 2019



\$ in thousands, except share and per share data; unaudited

	1Q'19	4Q'18	1Q'18	% variance	
				vs. 4Q'18	vs. 1Q'18
Net interest income	\$ 163,868	\$ 161,808	\$ 147,922	1.3	10.8
Noninterest income	107,382	94,999	105,525	13.0	1.8
Total revenue	271,250	256,807	253,447	5.6	7.0
Noninterest expense	190,626	184,321	175,876	3.4	8.4
Pre-Provision net revenue	80,624	72,486	77,571	11.2	3.9
Provision for loan losses	12,350	48,000	10,000	(74.3)	23.5
Income before taxes	68,274	24,486	67,571	> 100.0	1.0
Income tax expense (benefit)	10,530	(968)	10,038	> 100.0	4.9
Income from continuing operations	\$ 57,744	\$ 25,454	\$ 57,533	> 100.0	0.4
Loss from discontinued operations before income taxes	-	-	(917)	-	100.0
Income tax benefit	-	-	(170)	-	100.0
Loss from discontinued operations	-	-	(747)	-	100.0
Net Income	\$ 57,744	\$ 25,454	\$ 56,786	> 100.0	1.7
Earnings per share from continuing operations as reported - diluted	\$ 1.18	\$ 0.52	\$ 1.15		
Adjustments ⁽¹⁾	0.01	0.05	0.04		
Tax impact of adjustments ⁽¹⁾	-	(0.01)	(0.01)		
Operating earnings per share - diluted ⁽¹⁾	\$ 1.19	\$ 0.56	\$ 1.18		
Dividends per share	0.300	0.300	0.290		
WASO (diluted)	48,998,571	49,230,321	49,917,454		

(1) Non-GAAP adjustments include acquisition and divestiture expense, severance expense and the cumulative tax impact of these adjustments. See the non-GAAP reconciliations and additional information on these items on slides 34 and 35.

Select Balance Sheet Items



\$ in thousands, average balances; unaudited

Three Months Ended

	March 31, 2019		December 31, 2018		March 31, 2018		% variance	
	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	Avg. Balance	Avg Yield / Rate %	vs. 4Q'18	vs. 1Q'18
Assets								
Loans, net of unearned interest	\$ 12,303,154	5.18	\$ 11,967,936	5.11	\$ 11,286,522	4.53	2.8	9.0
Total securities	7,970,693	2.65	7,471,185	2.53	7,549,142	2.36	6.7	5.6
Total earning assets	21,457,319	4.10	20,456,539	4.03	19,428,274	3.61	4.9	10.4
Allowance for loan losses	(105,444)		(101,221)		(101,502)		4.2	3.9
Total assets	\$ 22,854,152		\$ 21,878,752		\$ 20,747,023		4.5	10.2
Liabilities and Shareholders' Equity								
Interest-bearing deposits	\$ 12,733,114	1.21	\$ 12,118,111	1.12	\$ 10,707,850	0.52	5.1	18.9
Total interest-bearing liabilities	14,370,100	1.34	13,404,705	1.21	12,347,973	0.65	7.2	16.4
Noninterest-bearing demand deposits	5,989,215		6,052,011		6,050,997		(1.0)	(1.0)
Shareholders' equity	2,235,593		2,208,929		2,159,597		1.2	3.5
Total liabilities and shareholders' equity	\$ 22,854,152		\$ 21,878,752		\$ 20,747,023		4.5	10.2
Net interest spread		2.76		2.82		2.96		
Net interest margin		3.20		3.24		3.19		

Key Performance Metrics

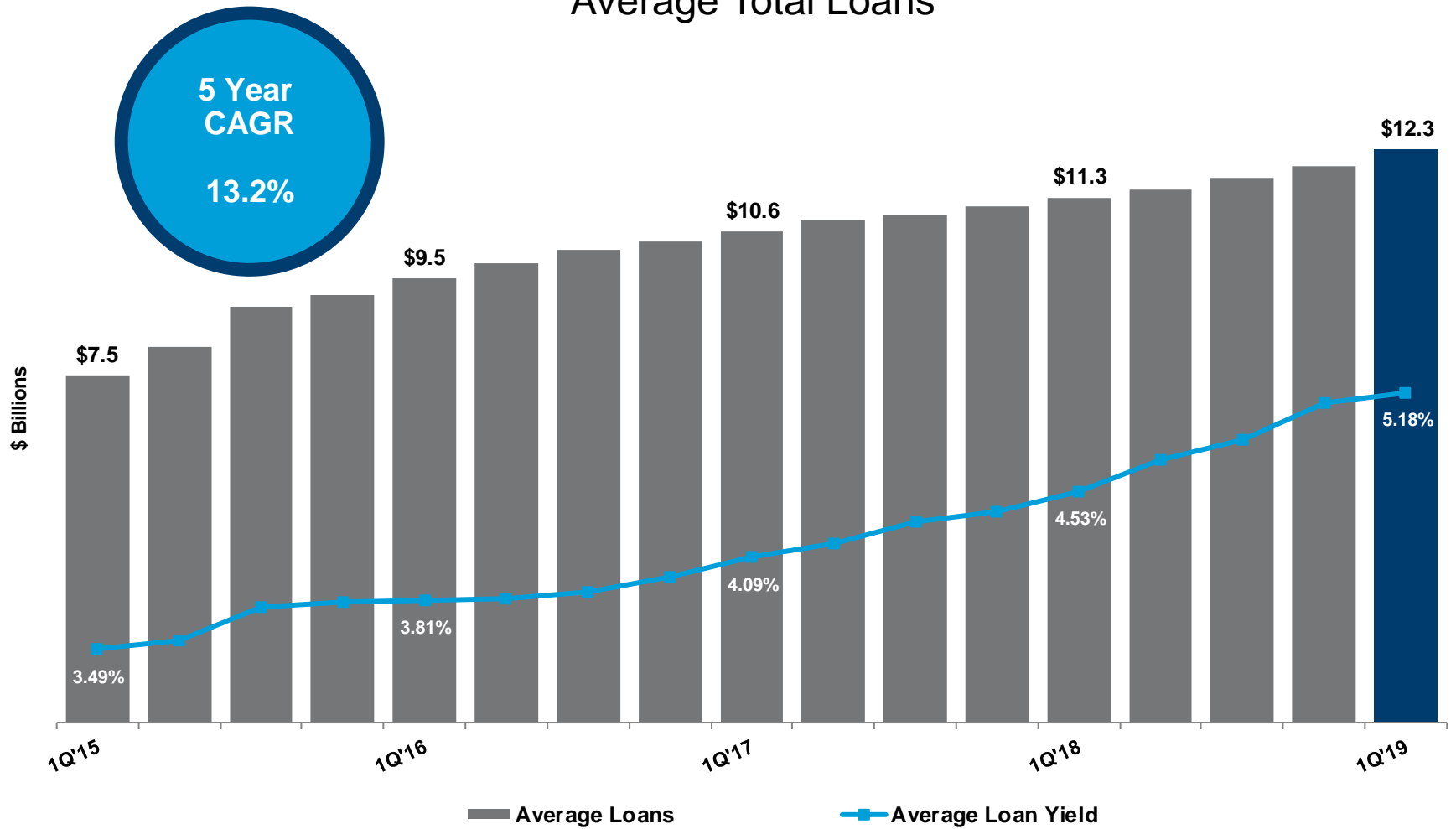


	1Q'19	4Q'18	3Q'18	2Q'18	1Q'18
ROE	10.48%	4.57%	10.32%	10.18%	10.80%
Operating ROE ⁽¹⁾	10.56%	4.95%	10.35%	10.30%	11.09%
ROA	1.02%	0.46%	1.11%	1.08%	1.12%
Operating ROA ⁽¹⁾	1.03%	0.50%	1.11%	1.09%	1.15%
Efficiency Ratio	70.00%	71.26%	71.27%	70.21%	68.82%
Operating Efficiency Ratio ⁽¹⁾	69.78%	70.19%	71.18%	69.88%	68.04%
Net Interest Margin	3.20%	3.24%	3.18%	3.24%	3.19%
Noninterest Income % of Revenue	39.6%	37.0%	40.1%	40.0%	41.6%
Avg. Loan/Deposit Ratio	65.7%	65.9%	70.9%	69.5%	67.3%
Assets Under Mgmt. (billions)	\$ 13.6	\$ 12.9	\$ 13.5	\$ 13.4	\$ 14.2
Common Equity Tier 1 Capital Ratio	12.70%	12.89%	13.47%	13.56%	13.36%
Diluted EPS	\$ 1.18	\$ 0.52	\$ 1.16	\$ 1.11	\$ 1.15
Operating EPS-Diluted ⁽¹⁾	\$ 1.19	\$ 0.56	\$ 1.16	\$ 1.12	\$ 1.18

(1) See slides 34 and 35 for additional disclosures and reconciliations related to these non-GAAP financial measures.

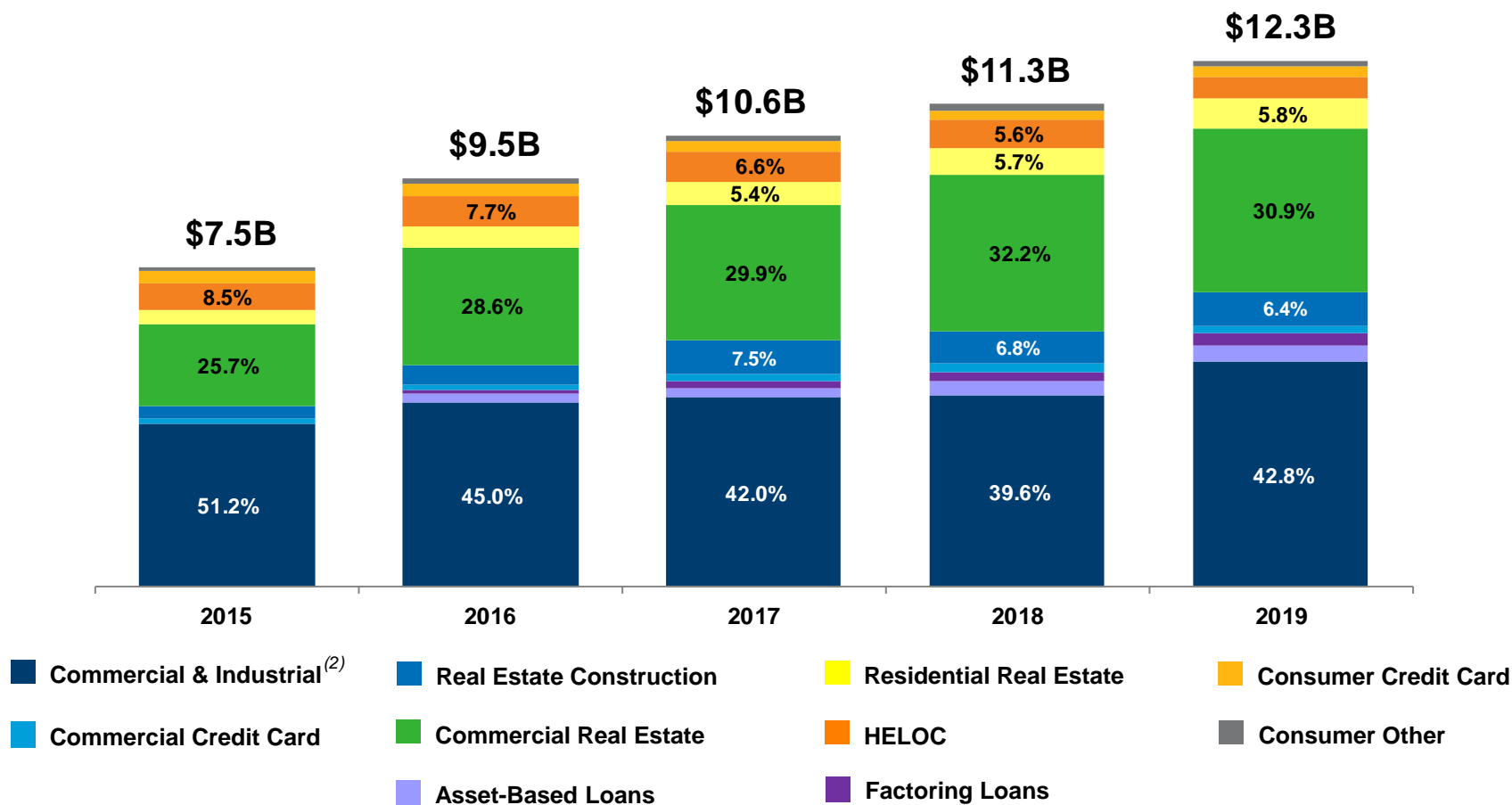
Balance Sheet

Average Total Loans



Diverse Loan Book ⁽¹⁾

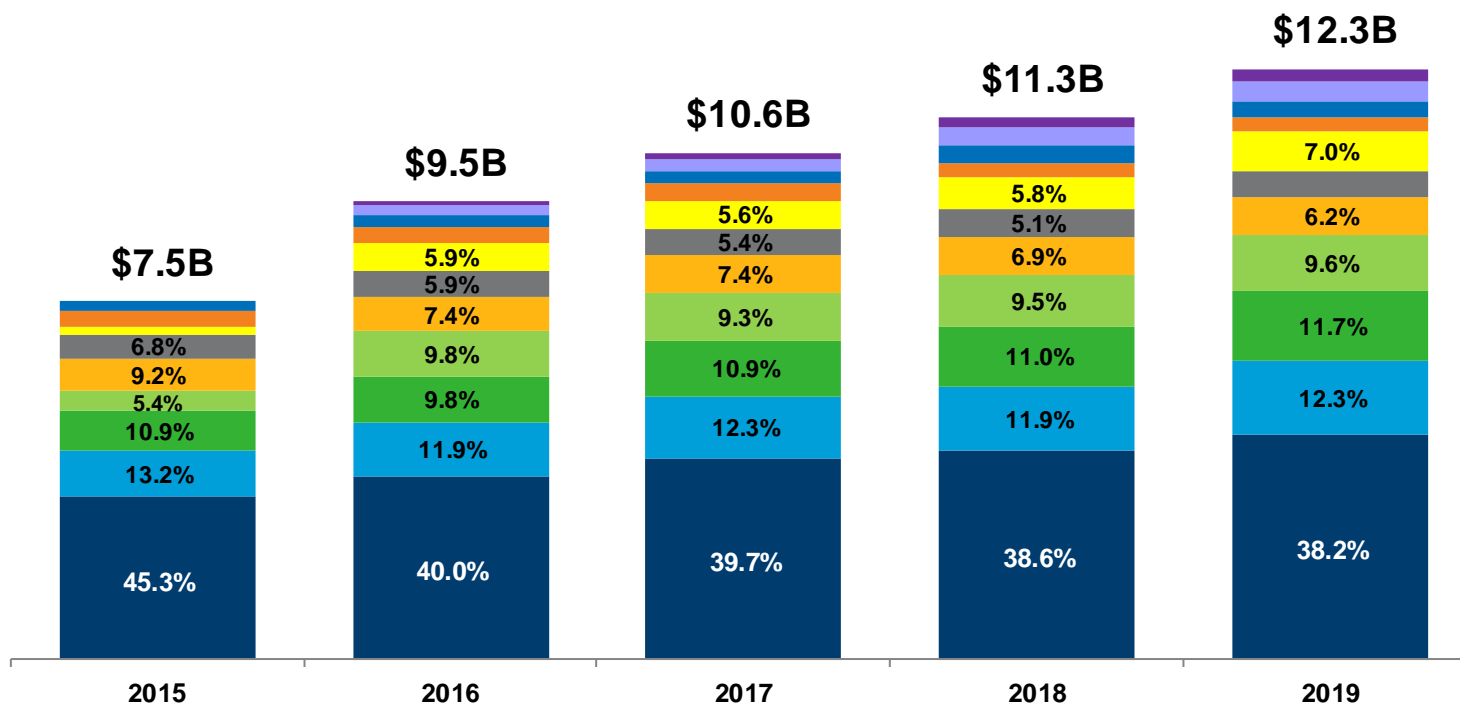
(Average Loan Balances for the three months ended March 31 of the indicated year)



(1) Percentages less than 5% have been omitted.
 (2) Includes leases.

Loans by Region⁽¹⁾

(Average Loan Balances for the three months ended March 31 of the indicated year)



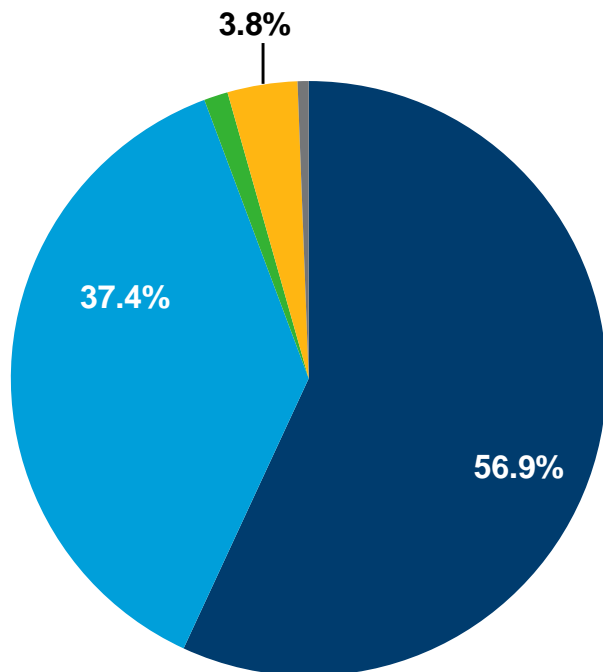
- Kansas City
- St. Louis
- Greater MO
- Texas
- Nebraska
- Marquette Transportation Fin (Natl. Sales)
- Colorado
- Arizona
- Kansas
- Oklahoma
- Marquette Business Credit (Natl. Sales)

(1) Percentages less than 5% have been omitted.

<i>\$ in millions</i>	1Q'19	4Q'18	3Q'18	2Q'18	1Q'18
End-of-Period Total Loans	\$12,549.7	\$12,178.2	\$11,964.7	\$11,631.6	\$11,458.8
Gross Loan Production	930.4	709.4	732.9	644.1	529.9
Revolving Balance Changes	(139.9)	106.2	(18.8)	(43.7)	114.7
Net Charge-offs	(12.3)	(45.7)	(2.7)	(9.0)	(10.3)
Payoffs	(194.2)	(149.4)	(156.0)	(177.7)	(236.5)
Paydowns	(212.5)	(407.0)	(222.3)	(240.9)	(219.5)
Paydowns/Payoffs as a % of Loans	3.2%	4.6%	3.2%	3.6%	4.0%

Securities Available for Sale

\$6.9 billion at March 31, 2019

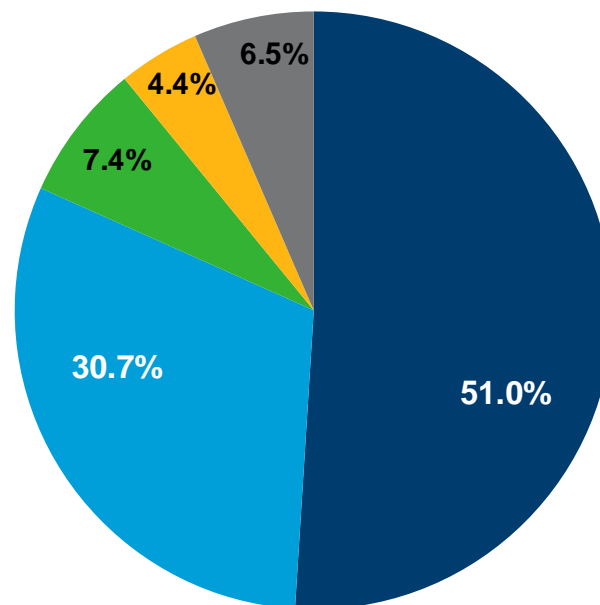


- Mortgage-Backed Securities
- Municipals
- Agencies
- Treasuries
- Corporates

Average Balance: \$6.7 billion
Average Yield: 2.52%
Duration: 44 months

Securities Held to Maturity

\$1.1 billion at March 31, 2019



- Healthcare
- Higher Education
- Governmental
- Utility
- Other
 - Social Service*
 - Industrial*
 - Cultural*
 - Civic*
 - K-12 Education*
 - NFP - Other*

Average Balance: \$1.2 billion
Average Yield: 3.36%
Duration: 73 months



AFS Portfolio Activity

<i>\$ in millions</i>	1Q'19	4Q'18	3Q'18	2Q'18	1Q'18
Roll off / Cash Flow ⁽¹⁾	\$ 267	\$ 191	\$ 229	\$ 247	\$ 277
Roll off yield	2.11%	2.04%	1.96%	1.91%	1.91%
Purchased ⁽²⁾	\$ 262	\$ 194	\$ 198	\$ 146	\$ 225
Purchase yield	3.66%	3.59%	3.66%	3.12%	2.88%
Forward-looking expectations					
	2Q'19	Next 12 months			
Roll off / Cash Flow	\$ 267	\$ 1,238			
Roll off yield	2.07%	2.29%			

Loan Portfolio Statistics

at March 31, 2019

Variable Rate Loans: \$8.0 billion or 64% of the loan book

- ~38% of variable loans are tied to Prime for the next quarter
- ~61% of variable loans are tied to LIBOR for the next quarter

Loan Repricing/Maturity Schedule

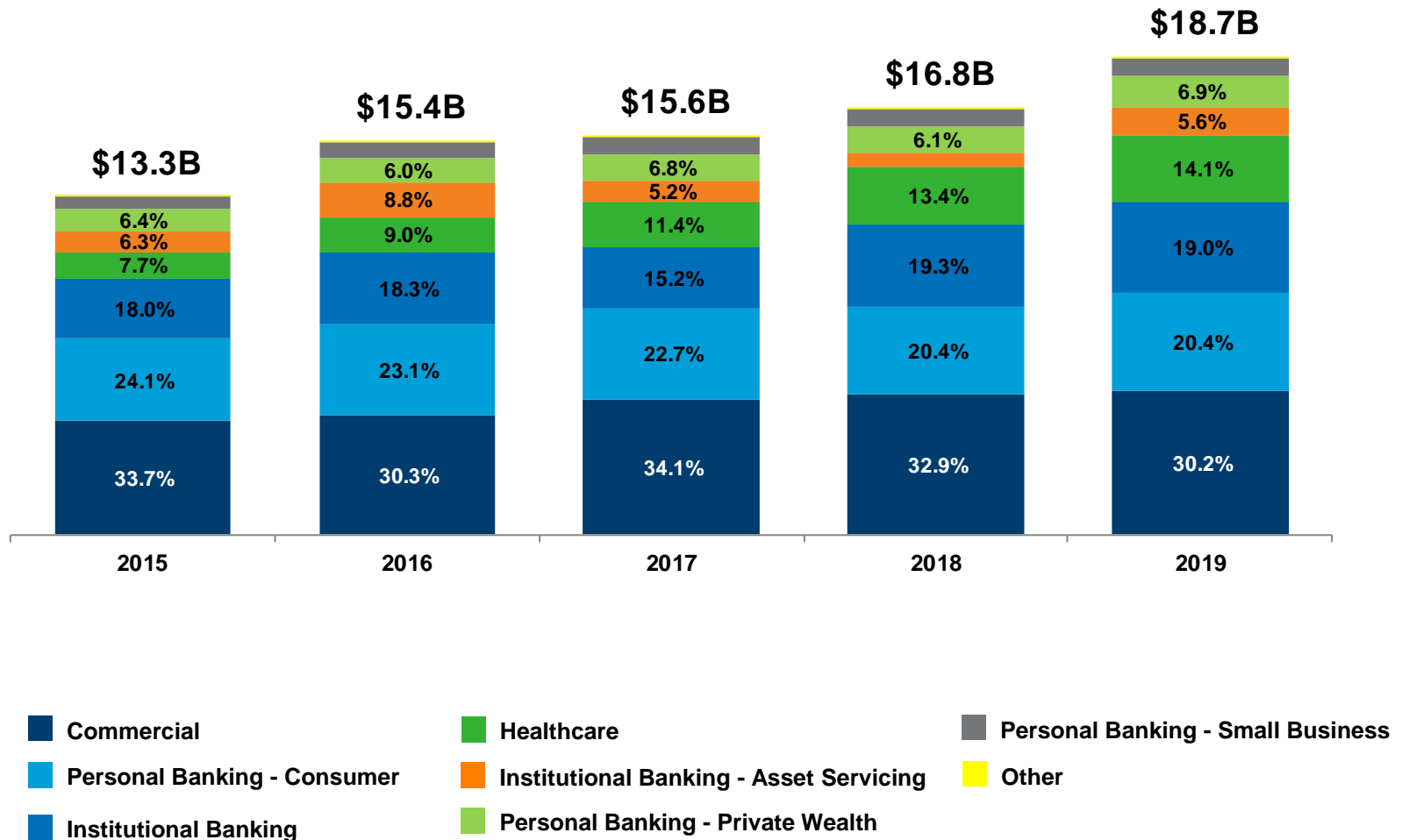
- 58% in 2nd quarter 2019
- 68% in the next 12 months

⁽¹⁾ Roll off includes cash flow from maturities, calls or amortizations of securities and is presented net of sales.

⁽²⁾ Purchased amount is presented net of purchases made related to sales.

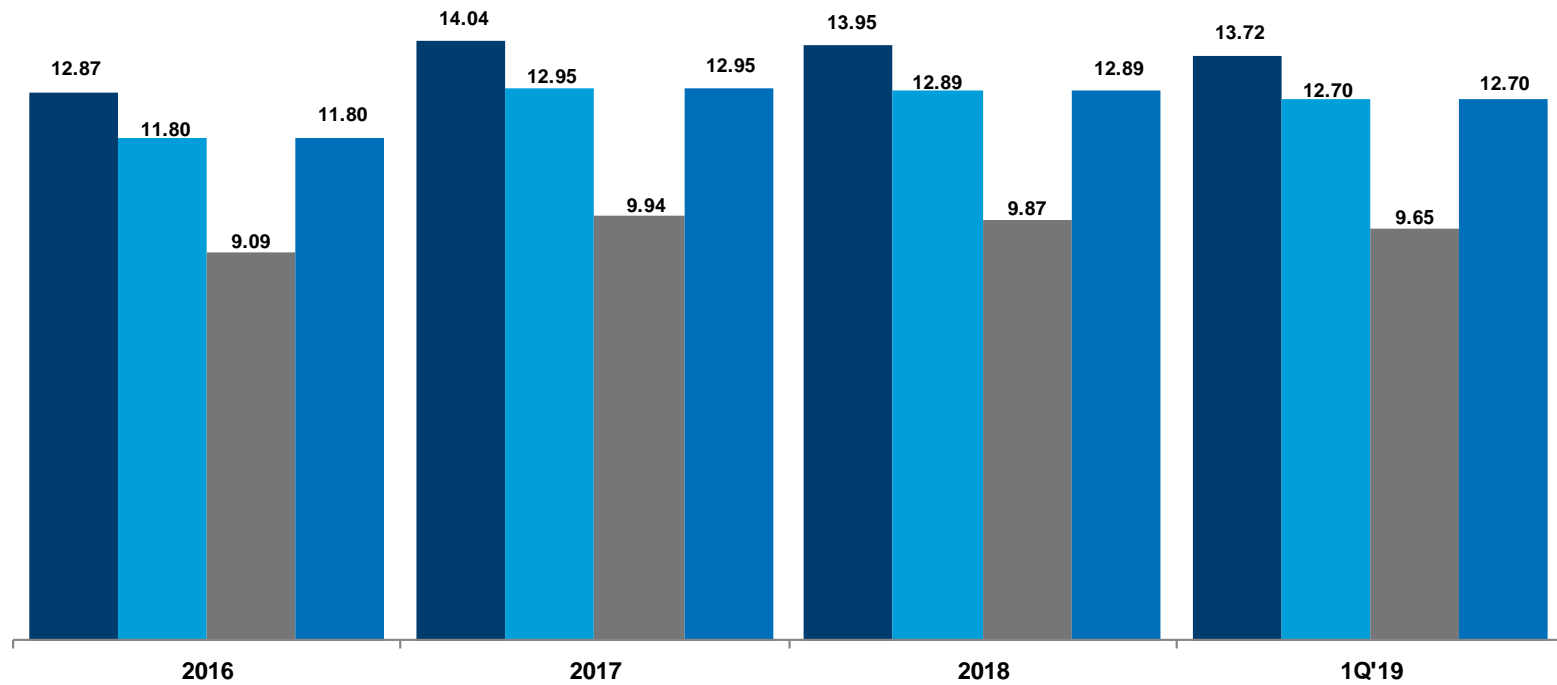
Diverse Sources of Deposits⁽¹⁾

(Average Deposits for the three months ended March 31 of the indicated year)



(1) Percentages less than 5% have been omitted.

Capital Ratio Trends (%)



■ Total Risk-Based Capital ■ Tier 1 Risk-Based Capital ■ Tier 1 Leverage ■ Common Equity Tier 1

Asset Quality

Net Charge-Off History

Annual

(\$ in thousands)	2009	2010	2011	2012	2013
Commercial Loans ⁽¹⁾	\$ 4,113	\$ 6,007	\$ 11,880	\$ 7,310	\$ 3,881
Consumer Credit Card	12,291	14,279	11,127	9,382	8,811
Other ⁽²⁾	3,854	1,411	1,128	1,399	1,483
Total Net Charge-Offs	\$ 20,258	\$ 21,697	\$ 24,135	\$ 18,091	\$ 14,175
Average Total Loans (\$ in millions)	\$ 4,356.2	\$ 4,583.7	\$ 4,748.9	\$ 5,243.3	\$ 6,217.2
NCOs as % of Avg Loans	0.47%	0.48%	0.51%	0.35%	0.23%

(\$ in thousands)	2014	2015	2016	2017	2018
Commercial Loans ⁽¹⁾	\$ 6,459	\$ 3,415	\$ 9,192	\$ 24,463	\$ 57,618
Consumer Credit Card	8,301	6,753	6,706	7,141	6,873
Other ⁽²⁾	851	329	6,096	441	3,228
Total Net Charge-Offs	\$ 15,611	\$ 10,497	\$ 21,994	\$ 32,045	\$ 67,719
Average Total Loans (\$ in millions)	\$ 6,974.2	\$ 8,424.0	\$ 9,986.2	\$10,841.5	\$11,604.6
NCOs as % of Avg Loans	0.22%	0.12%	0.22%	0.30%	0.58%

Quarterly

(\$ in thousands, unaudited)	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19
Commercial Loans ⁽¹⁾	\$ 6,847	\$ 6,137	\$ 624	\$ 44,010	\$ 10,537
Consumer Credit Card	1,849	1,786	1,632	1,606	1,676
Other ⁽²⁾	1,606	1,081	490	51	111
Total Net Charge-Offs	\$ 10,302	\$ 9,004	\$ 2,746	\$ 45,667	\$ 12,324
Average Total Loans (\$ in millions)	\$11,285.2	\$11,442.7	\$11,716.0	\$11,965.8	\$12,301.7
NCOs as % of Avg Loans	0.37%	0.32%	0.09%	1.51%	0.41%

See next page for detail.

(1) Commercial Loans includes commercial and industrial, commercial credit card, asset-based and factoring loans.

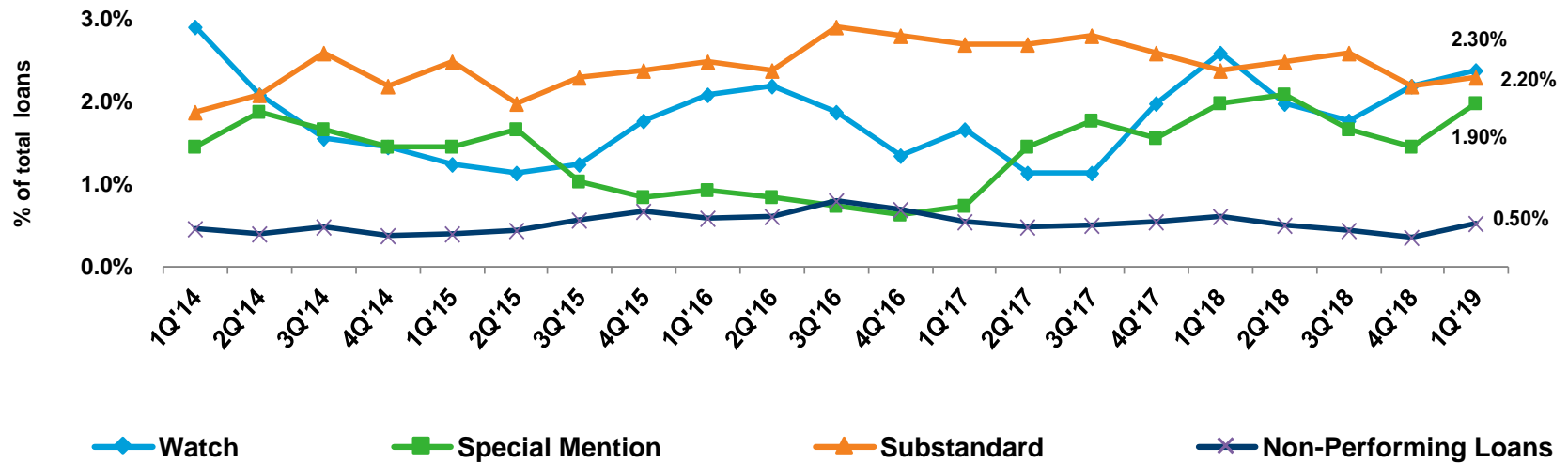
(2) Other includes all real-estate related loans (commercial, residential and HELOC), plus consumer loans and DDA charge-offs.

Commercial Net Charge-Offs



(\$ in thousands)	4Q'18			1Q'19		
	Net Charge-offs / (Recoveries)	Average Balance	NCO Rate (annualized)	Net Charge-offs / (Recoveries)	Average Balance	NCO Rate (annualized)
C&I	(4,550)	4,977,907	(0.36)%	(395)	5,270,130	(0.03)%
Asset-based lending	201	381,477	0.21	(1)	378,508	(0.00)
Factoring	48,139	300,265	63.61	10,995	263,093	16.95
Commercial Credit Card	220	178,772	0.49	(62)	195,872	(0.13)
Total Commercial	\$ 44,010	\$ 5,838,421	2.99%	\$ 10,537	\$ 6,107,603	0.70%

Loan Classification Trends



Income Statement

Noninterest Income – 1Q 2019



<i>\$ in thousands (unaudited)</i>	1Q'19	4Q'18	3Q'18	2Q'18	1Q'18
Trust and securities processing	\$ 41,957	\$ 41,891	\$ 43,425	\$ 42,845	\$ 44,002
Trading and investment banking	5,581	3,119	3,711	4,653	4,101
Service charges on deposit accounts	21,281	20,733	20,927	20,722	21,905
Insurance fees and commissions	338	312	339	340	301
Brokerage fees	7,243	6,761	6,402	6,291	6,353
Bankcard fees	17,067	16,375	16,838	17,184	18,123
Gains on sales of securities	809	-	211	228	139
Other	13,106	5,808	9,032	8,026	10,601
Total noninterest income	\$107,382	\$ 94,999	\$100,885	\$100,289	\$105,525

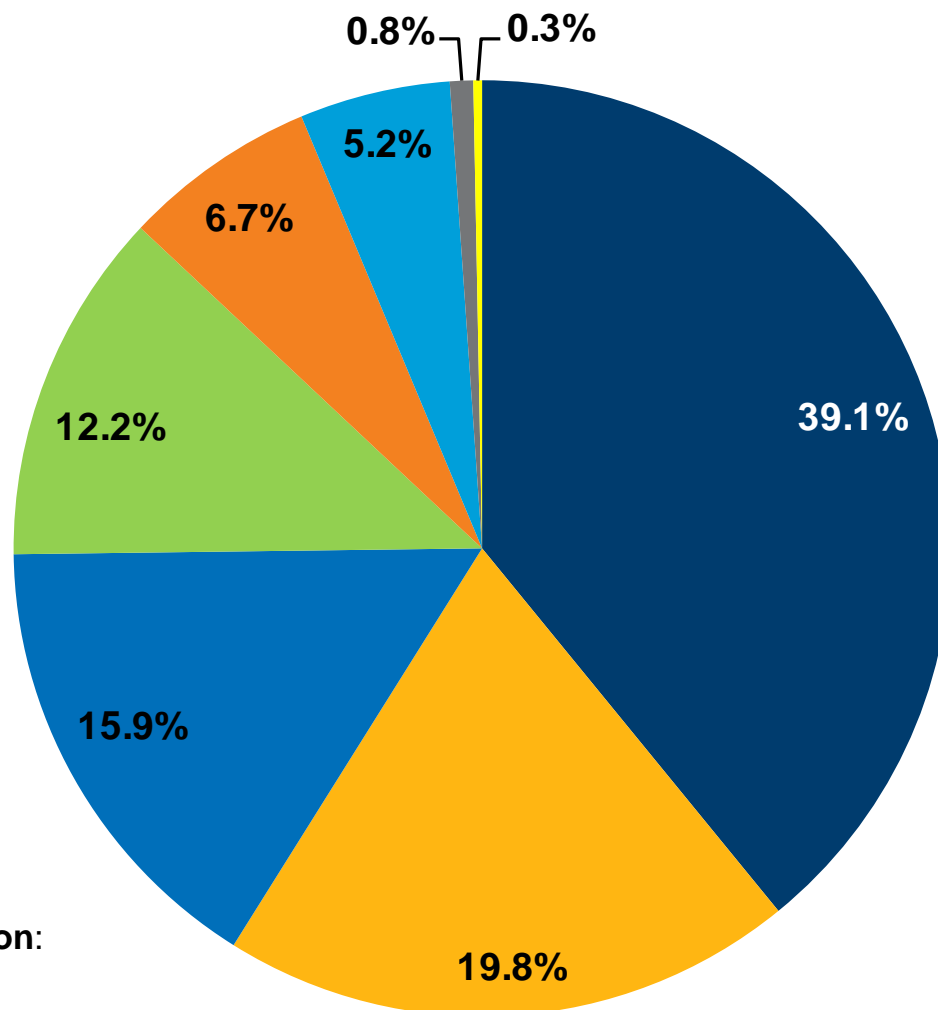
1st Quarter '19 Drivers

- Noninterest income increased \$12.4MM, or 13.0%, compared to 4Q'18, primarily driven by:
 - ❑ Increases of \$9.4MM in company-owned life insurance income driven by higher equity markets;
 - ❑ \$2.0MM in additional derivative income related to customer back-to-back swaps;
 - ❑ Increased investment banking income of \$2.5MM, due to higher fixed income trading volume and favorable market value adjustments of trading assets held; and
 - ❑ Partially offset by a \$2.6MM decrease from gains on the sale of assets that occurred in the 4th quarter 2018.
- Trust and Securities Processing income was essentially flat, driven by:
 - ❑ Increases of \$1.0MM in alternative funds asset servicing revenue; and
 - ❑ Largely offset by the lagged impact of market conditions on revenue in Private Wealth and Prairie Capital.

Noninterest Income Composition – 1Q 2019



- Trust & Securities Processing
- Service Charges on Deposit Accounts
- Bankcard Fees
- Trading & Investment Banking
- Other
- Brokerage Fees
- Insurance Fees & Commissions
- Gains on Sales of Securities



Trust & Securities Processing Composition:

(\$ in millions)

Source of Income:	1Q'19	4Q'18	1Q'18
Personal Banking – Private Wealth & Prairie Capital	\$ 15.3	\$ 16.2	\$ 16.3
Institutional Banking – Fund Services	20.0	19.1	22.5
Institutional Banking – Corp. Trust & other	<u>6.7</u>	<u>6.6</u>	<u>5.2</u>
	\$ 42.0	\$ 41.9	\$ 44.0

Noninterest Expense – 1Q 2019



1st Quarter '19 Drivers

- Noninterest expense increased \$6.3MM, or 3.4%, compared to 4Q'18, driven by:
 - ❑ A \$9.9MM increase in deferred compensation expense related to market adjustments;
 - ❑ \$5.6MM additional expense in employee benefits related to the reset of FICA and medical expense; and
 - ❑ Partially offset by decreases of \$5.5MM in legal and consulting and \$1.6MM in marketing and business development expense due to the timing of multiple projects.

<i>\$ in thousands (unaudited)</i>	1Q'19	4Q'18	3Q'18	2Q'18	1Q'18
Salaries and employee benefits	\$ 116,032	\$ 103,992	\$ 102,956	\$ 104,175	\$ 107,968
Occupancy, net	11,743	11,845	11,628	10,813	10,953
Equipment	19,684	18,983	18,533	18,842	18,826
Supplies and services	3,873	3,669	4,528	4,146	3,760
Marketing and business dev	4,913	6,483	6,671	6,184	5,034
Processing fees	12,132	11,948	12,331	11,537	11,161
Legal and consulting	5,633	11,085	8,470	6,460	3,844
Bankcard	4,345	4,316	4,407	4,165	4,626
Amortization of other intangibles	1,327	1,332	1,385	1,485	1,562
Regulatory fees	2,890	2,681	3,337	3,772	2,905
Other	8,054	7,987	6,139	5,639	5,237
Total noninterest expense	\$ 190,626	\$ 184,321	\$ 180,385	\$ 177,218	\$ 175,876
Operating noninterest expense⁽¹⁾	\$ 190,029	\$ 181,591	\$ 180,161	\$ 176,375	\$ 173,911

(1) Operating noninterest expense, which excludes the impact of acquisition and divestiture expense and severance expense, was \$190.0 million for the first quarter of 2019, an increase of \$8.4 million, or 4.6 percent, compared to the linked quarter, and an increase of \$16.1 million, or 9.3 percent, compared to the first quarter of 2018. See slides 34 and 35 for a reconciliation of this non-GAAP financial measure.

Segment Updates

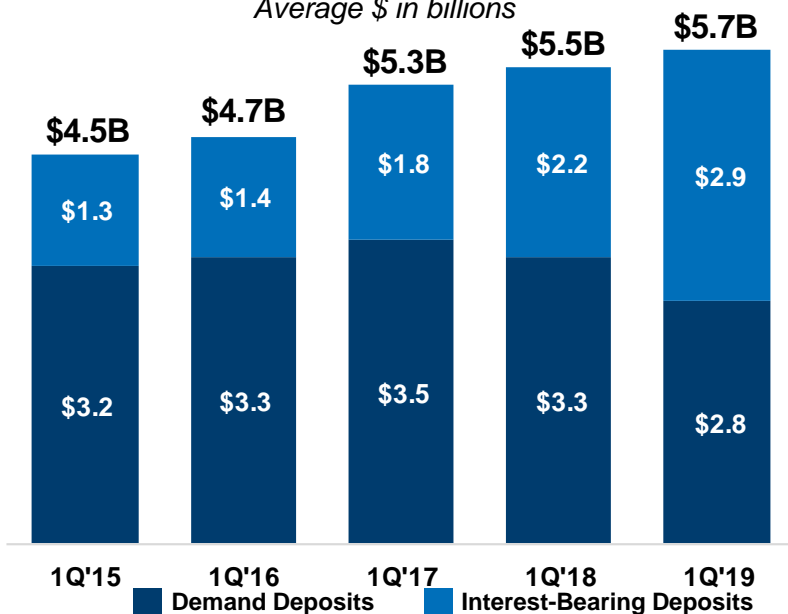
Commercial Banking Segment Results

(\$ in thousands, unaudited)

	1Q'19	4Q'18	1Q'18	% Variance	
				vs. 4Q'18	vs. 1Q'18
Net interest income	\$ 99,814	\$ 100,423	\$ 91,917	(0.6)	8.6
Provision for loan losses	10,329	46,662	7,978	(77.9)	29.5
Noninterest income	23,181	14,689	20,596	57.8	12.6
Noninterest expense	66,820	65,037	62,125	2.7	7.6
Income before taxes	45,846	3,413	42,410	> 100.0	8.1
Income tax expense (benefit)	7,071	(135)	6,300	> 100.0	12.2
Income from continuing operations	\$ 38,775	\$ 3,548	\$ 36,110	> 100.0	7.4

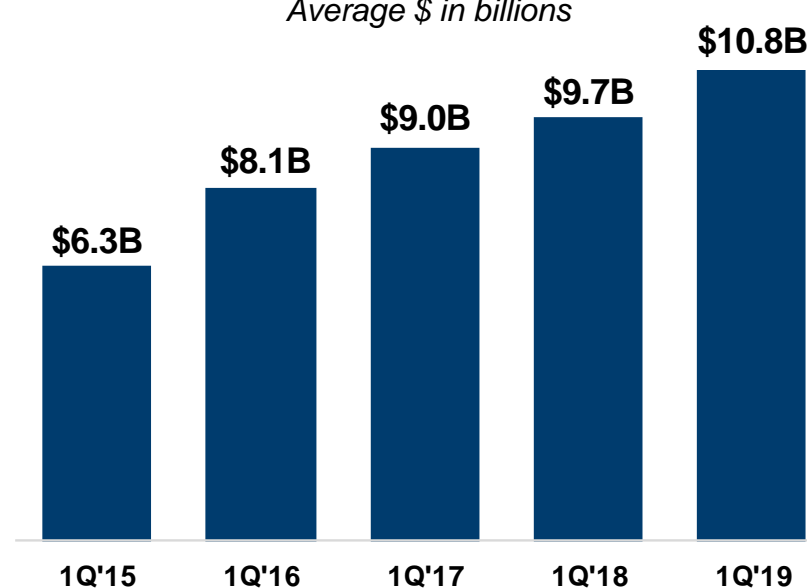
Commercial Banking Deposits

Average \$ in billions



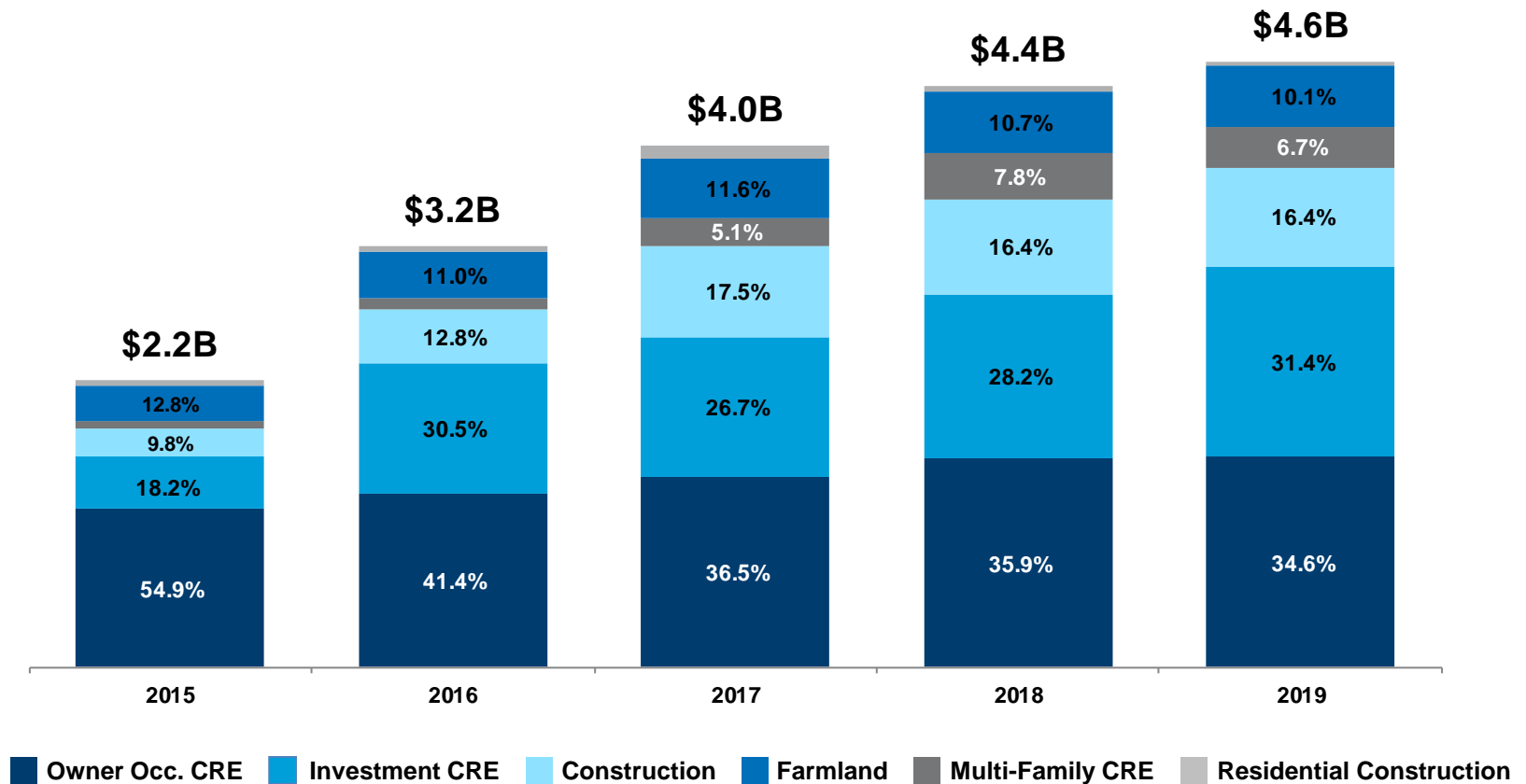
Commercial Banking Loans

Average \$ in billions



CRE & Construction Lending ⁽¹⁾

(Average Loan Balances for the three months ended March 31 of the indicated year)



(1) Percentages less than 5% have been omitted.

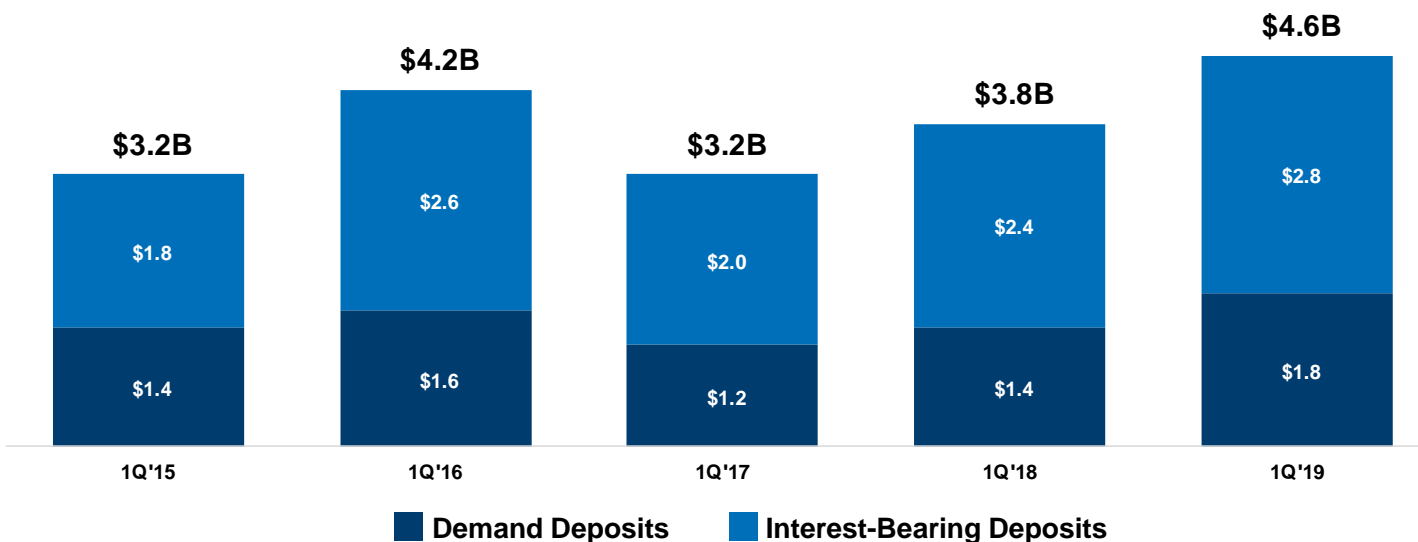
Institutional Banking Segment Results

(\$ in thousands, unaudited)

	1Q'19	4Q'18	1Q'18	% Variance	
				vs. 4Q'18	vs. 1Q'18
Net interest income	\$ 20,709	\$ 19,361	\$ 15,763	7.0	31.4
Provision for loan losses	286	308	350	(7.1)	(18.3)
Noninterest income	45,787	41,569	45,419	10.1	0.8
Noninterest expense	52,613	48,175	46,879	9.2	12.2
Income before taxes	13,597	12,447	13,953	9.2	(2.6)
Income tax expense (benefit)	2,097	(492)	2,073	> 100.0	1.2
Income from continuing operations	\$ 11,500	\$ 12,939	\$ 11,880	(11.1)	(3.2)

Institutional Banking Deposits

Average \$ in billions



Investor Solutions

- Banking services for broker-dealers
- FDIC sweep solutions; liquidity alternative to overnight funds

Corporate Trust

- Bond trustee and agency services to municipal and corporate issuers
- Escrow-related and custodial services

Investment Banking

- Fixed income services for banks, institutional & corporate clients

Public Finance

- Underwriting for healthcare, municipalities, educational institutions & corporate clients

Distressed Debt

- Workout defaulted bond deals on behalf of holders

Asset Servicing

- Fund accounting & administration
- Alternative Investments

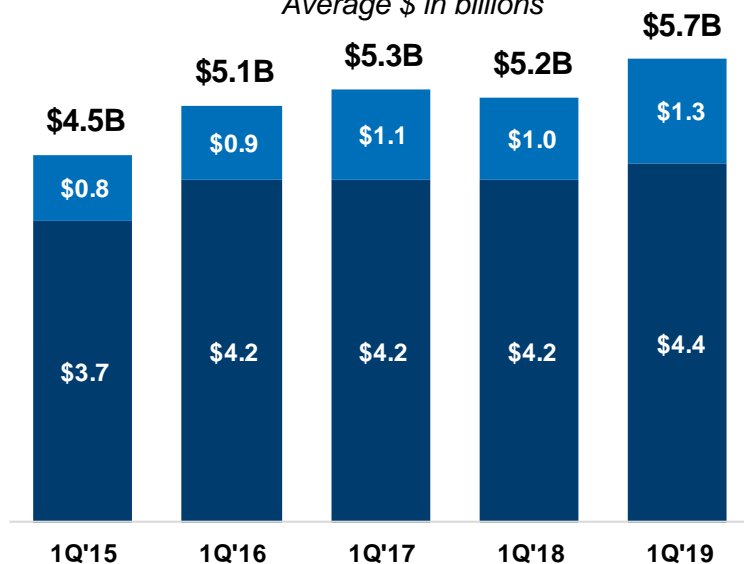
Personal Banking Segment Results

(\$ in thousands, unaudited)

	1Q'19	4Q'18	1Q'18	% Variance	
				vs. 4Q'18	vs. 1Q'18
Net interest income	\$ 32,302	\$ 31,988	\$ 30,944	1.0	4.4
Provision for loan losses	1,735	1,030	1,672	68.4	3.8
Noninterest income	28,351	30,310	30,715	(6.5)	(7.7)
Noninterest expense	58,408	59,112	55,054	(1.2)	6.1
Income before taxes	510	2,156	4,933	(76.3)	(89.7)
Income tax expense (benefit)	79	(85)	733	> 100.0	(89.2)
Income from continuing operations	\$ 431	\$ 2,241	\$ 4,200	(80.8)	(89.7)

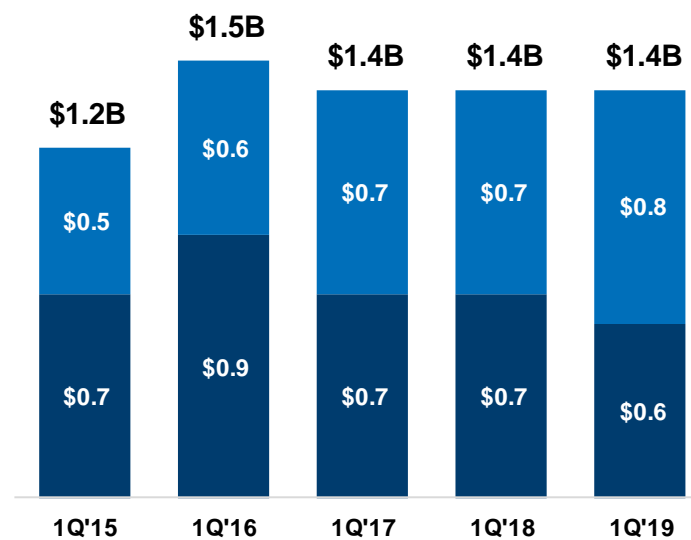
Personal Banking Deposits

Average \$ in billions



Personal Banking Loans

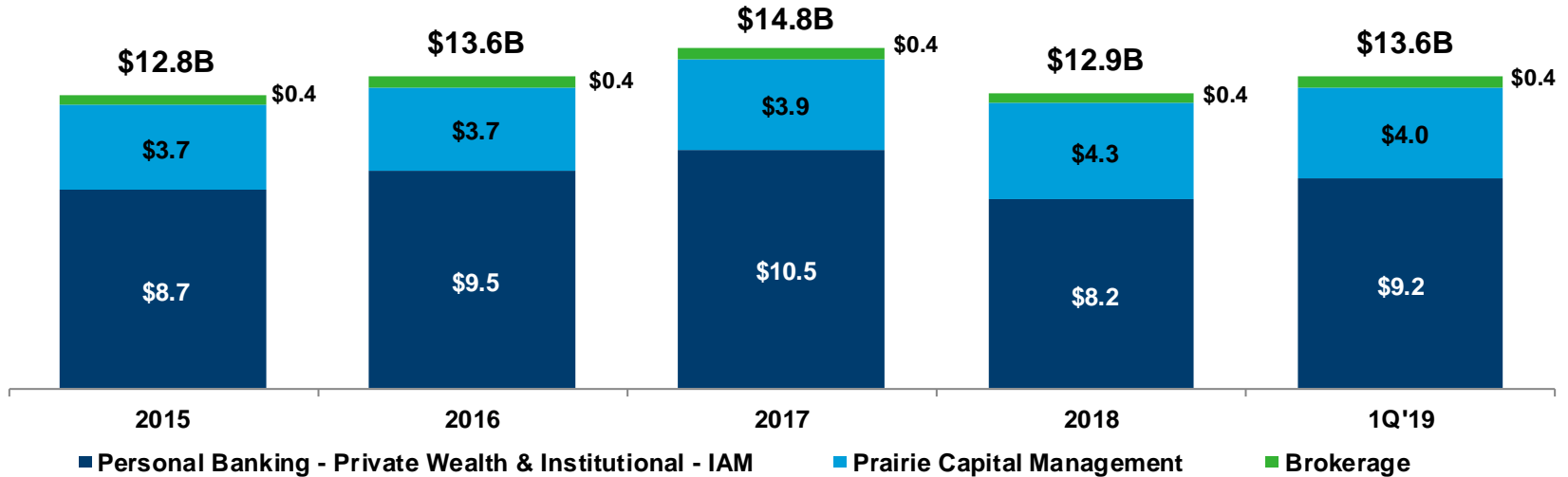
Average \$ in billions



■ Consumer & Small Business ■ Private Banking

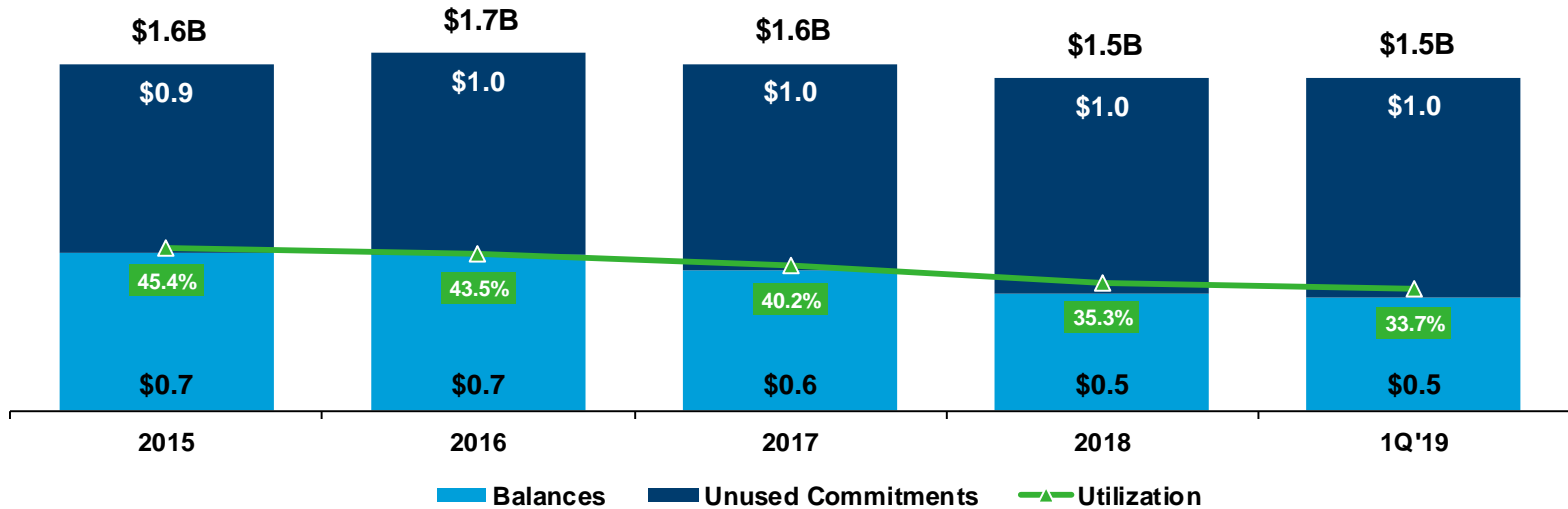
Assets Under Management

\$ in billions



Home Equity Lines of Credit

\$ in billions



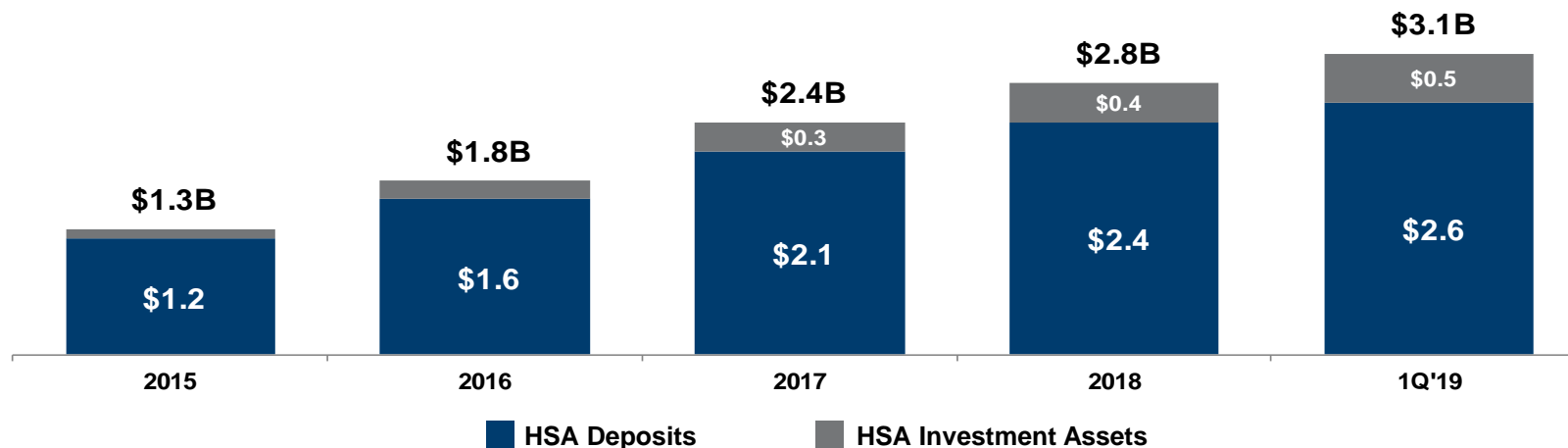
Healthcare Services Segment Results

(\$ in thousands, unaudited)

	1Q'19	4Q'18	1Q'18	% Variance	
				vs. 4Q'18	vs. 1Q'18
Net interest income	\$ 11,043	\$ 10,036	\$ 9,298	10.0	18.8
Noninterest income	10,063	8,431	8,795	19.4	14.4
Noninterest expense	12,785	11,997	11,818	6.6	8.2
Income before taxes	8,321	6,470	6,275	28.6	32.6
Income tax expense (benefit)	1,283	(256)	932	> 100.0	37.7
Income from continuing operations	\$ 7,038	\$ 6,726	\$ 5,343	4.6	31.7

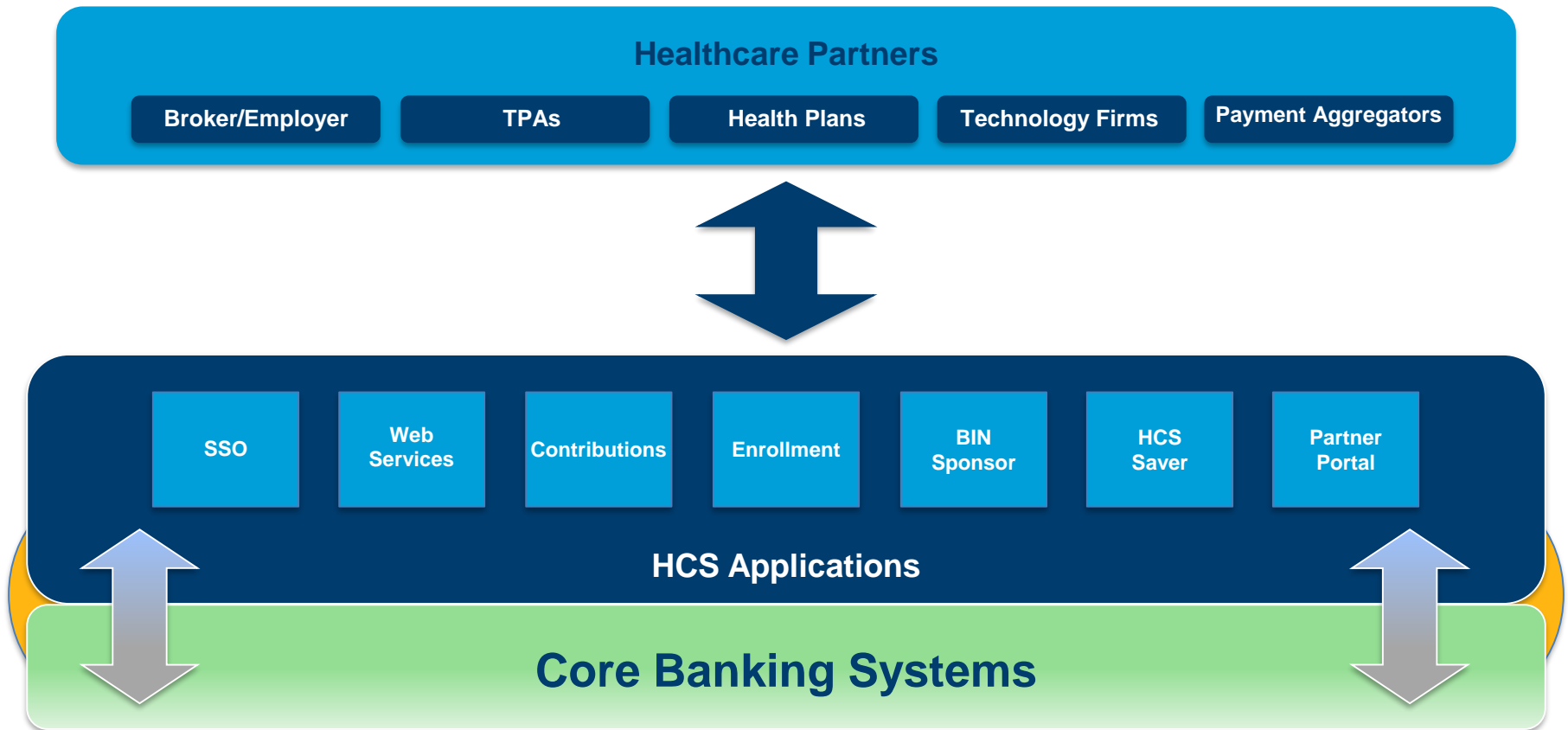
Healthcare Deposits & Assets

End-of-period balances; \$ in billions



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
HSA deposits as % of total UMB deposits	7.8%	9.7%	11.4%	12.5%	13.7%

UMB offers a *modular and configurable* platform of applications and services that deliver the underlying *core banking* functionality to our healthcare partners

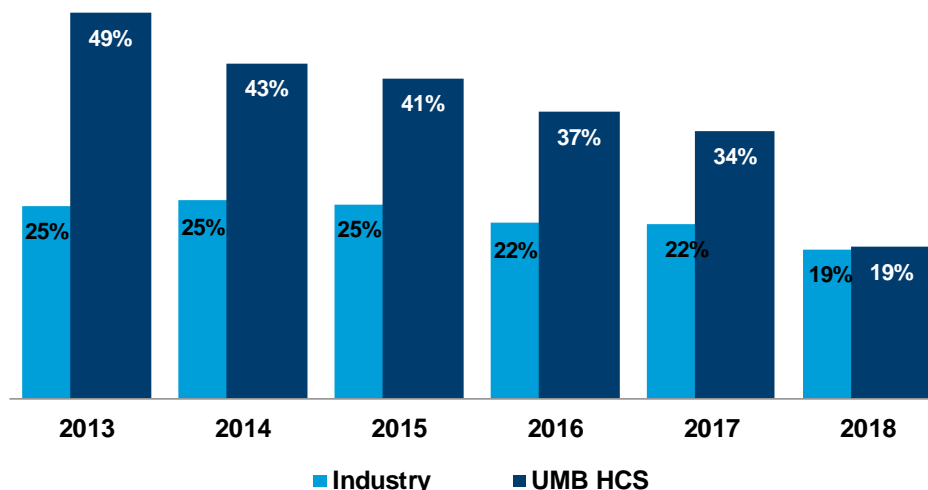


✓ HCS represents a unique asset as one of the top 5 leaders in a high growth, niche market.

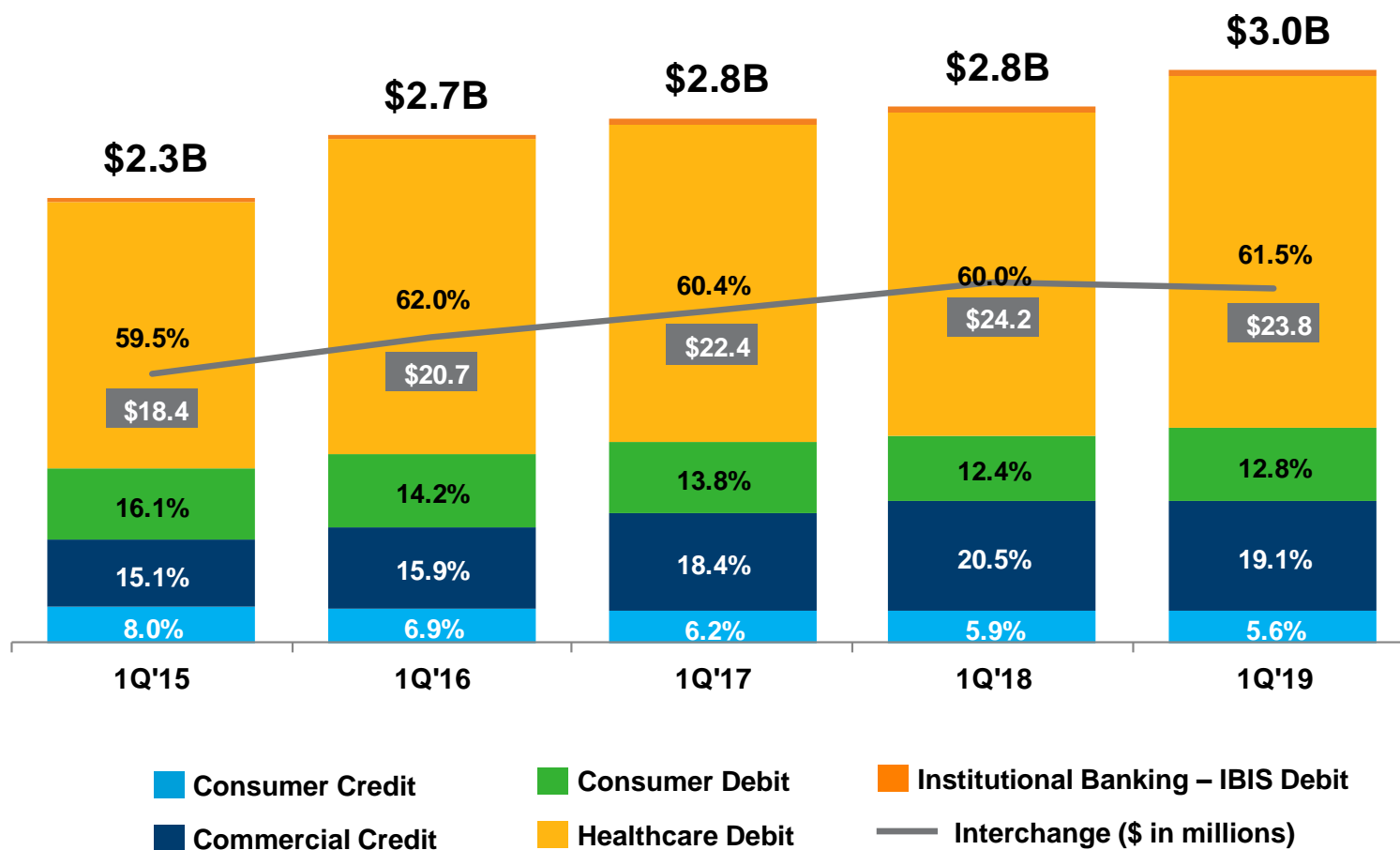
	Total Accounts	Total Assets	Account Market Share (%)
Optum Bank	3,948	\$9,772	16%
Health Equity	3,883	\$7,241	15%
HSA Bank	2,722	\$7,201	11%
UMB Bank	1,421	\$2,826	6%
Fidelity	1,230	\$3,560	5%
Payflex	1,026	\$2,275	4%
BenefitWallet	1,000	\$2,500	4%
Bank of America	896	\$2,493	4%
WageWorks	770	\$1,462	3%
Discovery Benefits	675	\$841	3%

Total Accounts in thousands and Total Assets in millions

Growth Rates – Deposits and Assets



Purchase Volume & Interchange Revenue⁽¹⁾



(1) Percentages less than 5% have been omitted.

Net Operating Income Non-GAAP Reconciliation



(unaudited, \$ in thousands except per share data)

	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Income from continuing operations (GAAP)	\$ 57,744	\$ 25,454	\$ 57,533
Adjustments:			
Acquisition and divestiture expense	27	5	18
Severance expense	570	2,725	1,947
Tax impact of adjustments (i)	(133)	(606)	(436)
Total Non-GAAP adjustments	464	2,124	1,529
Net operating income from continuing operations (Non-GAAP)	\$ 58,208	\$ 27,578	\$ 59,062
Earnings per share from continuing operations as reported - diluted	\$ 1.18	0.52	\$ 1.15
Acquisition and divestitures expense (income)	-	-	-
Severance expense	0.01	0.05	0.04
Tax impact of adjustments (i)	-	(0.01)	(0.01)
Operating earnings per share from continuing operations - diluted	\$ 1.19	\$ 0.56	\$ 1.18
GAAP			
Return on average assets	1.02%	0.46%	1.12%
Return on average equity	10.48%	4.57%	10.80%
Non-GAAP			
Operating return on average assets	1.03%	0.50%	1.15%
Operating return on average equity	10.56%	4.95%	11.09%

In this presentation, we provide information about net operating income from continuing operations, operating earnings per share from continuing operations-diluted (operating EPS-diluted), operating return on average equity (operating ROE), operating return on average assets (operating ROA), operating noninterest expense and operating efficiency ratio, all of which are non-GAAP financial measures. This information supplements the results that are reported according to generally accepted accounting principles in the United States (GAAP) and should not be viewed in isolation from, or as a substitute for, GAAP results. The differences between the non-GAAP financial measures and the nearest comparable GAAP financial measures are reconciled in the table above and on the next slide. The Company believes that these non-GAAP financial measures and the reconciliations may be useful to investors because they adjust for acquisition-, divestiture-, and severance-related items that management does not believe reflect the Company's fundamental operating performance. Net operating income for the relevant period is defined as GAAP net income, adjusted to reflect the impact of excluding expenses related to acquisitions and divestitures, severance expense, and the cumulative tax impact of these adjustments.

(continued on next page)

Operating Noninterest Expense & Efficiency Ratio

Non-GAAP Reconciliation



(unaudited, \$ in thousands)

	Three Months Ended		
	March 31, 2019	December 31, 2018	March 31, 2018
Noninterest expense (GAAP)	\$ 190,626	\$ 184,321	\$ 175,876
Adjustments (pre-tax):			
Acquisition and divestiture expense	27	5	18
Severance expense	570	2,725	1,947
Total Non-GAAP adjustments (pre-tax)	597	2,730	1,965
Operating noninterest expense	190,029	181,591	173,911
Noninterest expense	190,626	184,321	175,876
Less: Amortization of other intangibles	1,327	1,332	1,562
Noninterest expense, net of amortization of other intangibles (numerator A)	189,299	182,989	174,314
Operating noninterest expense (Non-GAAP)	190,029	181,591	173,911
Less: Amortization of other intangibles	1,327	1,332	1,562
Operating expense, net of amortization of other intangibles (numerator B)	188,702	180,259	172,349
Net interest income	163,868	161,808	147,922
Noninterest income	107,382	94,999	105,525
Less: Gains on sales of securities available for sale, net	809	-	139
Total revenue (denominator A)	\$ 270,441	\$ 256,807	\$ 253,308
Efficiency ratio (numerator A/denominator A)	70.00%	71.26%	68.82%
Operating efficiency ratio (numerator B/denominator A)	69.78%	70.19%	68.04%

Operating EPS-diluted is calculated as diluted earnings per share as reported, adjusted to reflect, on a per share basis, the impact of excluding the non-GAAP adjustments described above for the relevant period. Operating ROE is calculated as net operating income from continuing operations, divided by the Company's average total shareholders' equity for the relevant period. Operating ROA is calculated as net operating income from continuing operations, divided by the Company's average assets for the relevant period. Operating noninterest expense for the relevant period is defined as GAAP noninterest expense, adjusted to reflect the pre-tax impact of non-GAAP adjustments described above. Operating efficiency ratio is calculated as the Company's operating noninterest expense, net of amortization of other intangibles, divided by the Company's total non-GAAP revenue (which is calculated as net interest income plus noninterest income, less gains on sales of securities available for sale, net).

(i) Calculated using the Company's marginal tax rate of 22.2%.