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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 11, 2020

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

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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)

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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.

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**Item 7.01 Regulation FD Disclosure.**

First Hawaiian, Inc. (the “Company”), the holding company for First Hawaiian Bank, is furnishing with this Current Report on Form 8-K a copy of an investor presentation that it intends to use for any investor meetings or related interactions during the first quarter of fiscal year 2020. A copy of the presentation also will be posted to the Company’s website ([www.fhb.com](http://www.fhb.com)) in the Investor Relations section.

Pursuant to Regulation FD, the presentation materials are furnished as Exhibit 99.1. The information in this Item 7.01 and 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 the Company 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

Exhibit No.	Description
<a href="#">99.1</a>	<a href="#">Presentation Materials</a>
104	Cover Page Interactive Data File- the cover page XBRL tags are embedded within the Inline XBRL document

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**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: February 11, 2020

By: /s/Robert S. Harrison


Robert S. Harrison

Chairman of the Board, President and Chief Executive Officer

(Principal Executive Officer)

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 First Hawaiian, Inc.

# Investor Presentation

February/March 2020



### **Forward-Looking Statements**

*This presentation contains, and from time-to-time in connection with this presentation our management may make, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward looking statements reflect our views at such time 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 these 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, and any such forward-looking statements are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Factors that could cause our actual results to differ materially from those described in the forward-looking statements can be found in our 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 September 30, 2019, which are available on our website ([www.fhb.com](http://www.fhb.com)) and the SEC’s website ([www.sec.gov](http://www.sec.gov)). Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by applicable law.*

### **Use of Non-GAAP Financial Measures**

*The information provided herein includes certain non-GAAP financial measures. 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. 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. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The reconciliation of such measures to the comparable GAAP figures are included in the appendix of this presentation.*

### **Other**

*References to “we,” “us,” “our,” “FHI,” “FHB,” “Company,” and “First Hawaiian” refer to First Hawaiian, Inc. and its consolidated subsidiaries.*



# ▶ 4Q 2019 HIGHLIGHTS

- **Good loan and deposit growth**
- **Moderated decline in NIM**

- **Continued expense management**
- **Excellent credit quality**

	Reported	Core <sup>1</sup>
Net Income (\$mm)	\$67.8	\$71.3
Diluted Earnings Per Share	\$0.52	\$0.54
Net Interest Margin	3.15%	3.15%
Efficiency Ratio	48.9%	47.7%
ROA / ROATA <sup>2</sup>	1.34% / 1.41%	1.41% / 1.48%
ROE / ROATCE <sup>2</sup>	10.21% / 16.40%	10.72% / 17.22 %
Tier 1 Leverage Ratio		8.79%
CET 1 Capital Ratio		11.88%
Total Capital ratio		12.81%
Dividend <sup>3</sup>	\$0.26 / share	

- 2.9% loan growth
- Improved deposit mix
- Disciplined expense management
- Continued excellent credit quality
- Repurchased 1.3 million shares, returning \$37 million in capital to shareholders

(1) Core measurements are non-GAAP financial measurements. Core excludes certain gains, expenses and one-time items. See non-GAAP reconciliations of core net income, core diluted EPS, and core efficiency ratio to the comparable GAAP measurements in the appendix of this slide presentation.

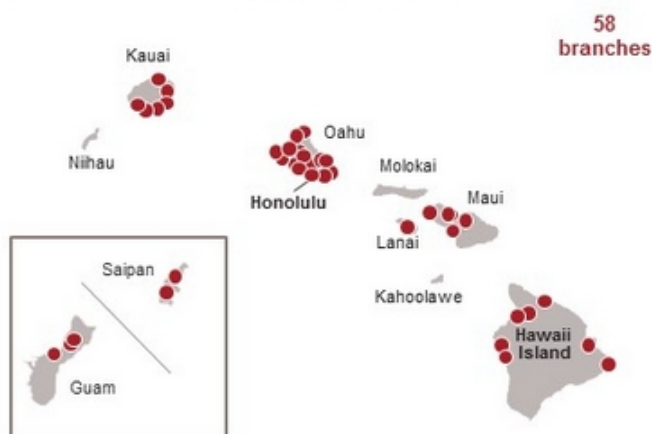
(2) ROATA and ROATCE are non GAAP financial measures. A reconciliation of average tangible assets and average tangible stockholders' equity to the comparable GAAP measurements is provided in the appendix of this slide presentation.

(3) Declared on January 22, 2020. Payable March 6, 2020 to shareholders of record at close of business on February 24, 2020.

# ▶ INVESTMENT HIGHLIGHTS

- 1 Best-in-class Financial Performance
- 2 Leading Position In Attractive Market
- 3 High Quality Balance Sheet
- 4 Proven Through The Cycle Performance
- 5 Well-Capitalized With Healthy Dividend
- 6 \$150 mm 2019 Stock Repurchase Program

## Branch Presence

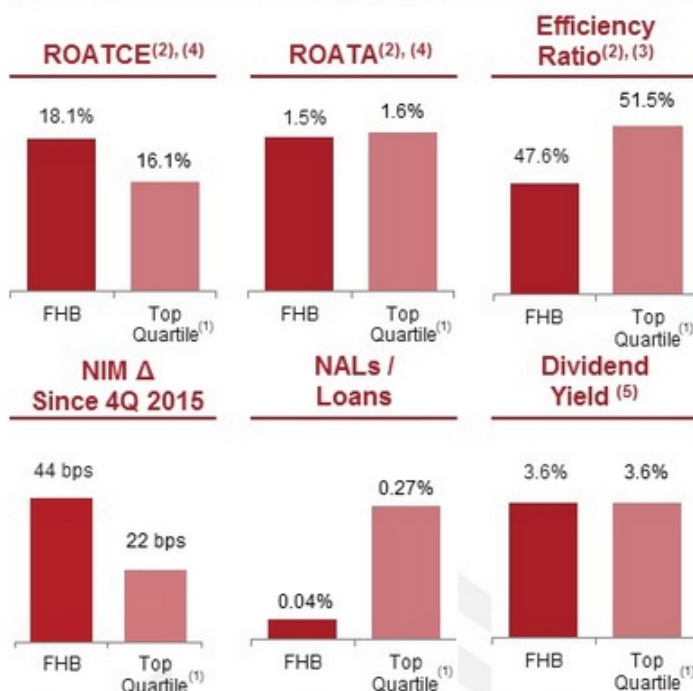


## Financial Overview – 4Q 2019 YTD (\$ billions)

<b>Market Cap</b>	<b>\$ 3.8</b>	<b>Loans</b>	<b>\$ 13.2</b>
<b>Assets</b>	<b>\$ 20.2</b>	<b>Deposits</b>	<b>\$ 16.4</b>

## Company Highlights

- ✓ Oldest and largest Hawaii-based bank
- ✓ Full service community bank with complete suite of products & services
- ✓ #1 deposit market share in Hawaii since 2004
- ✓ Largest Hawaii-based lender
- ✓ \$15.1 bn assets under administration as of 4Q19
- ✓ Proven through the cycle and outstanding operating performance



Source: Public filings and SNL Financial as of 04-Feb-2020

Note: Financial data as of 31-Dec-2019. Market data as of 31-Jan-2020. NIM change based on change from 4Q15 – 4Q19.

(1) Top quartile is based on public banks \$10–\$50bn in assets constituted as of 31-Dec-2018; excludes merger targets.

(2) FHB ratios shown as core. Core operating measures exclude certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliation of core net income, core net interest income, core noninterest income and core noninterest expense in the appendix.

(3) Core efficiency ratio is a non-GAAP financial measure. 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. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

(4) ROATA (return on average tangible assets) and ROATCE (return on average tangible common equity) are non-GAAP financial measures. A reconciliation to the comparable FHB GAAP measures is provided in the appendix.

(5) Dividend yield based on dividend paid in 4Q 2019 and closing market price as of 31-Jan-2020.



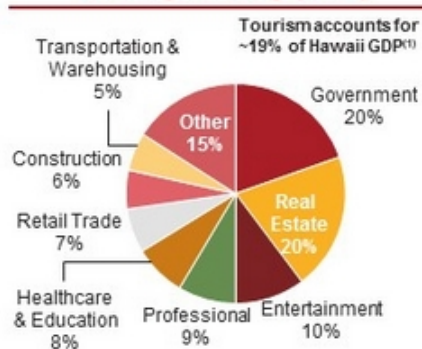
# HAWAII IS AN ATTRACTIVE MARKET WITH STRONG ECONOMIC FUNDAMENTALS

The Hawaii economy has remained steady through economic cycles and maintains a favorable outlook

**Real GDP (\$ billion)**



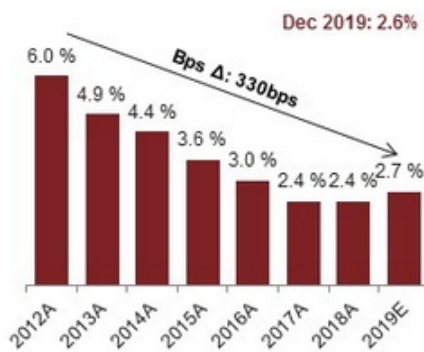
**GDP by Industry (2018)**



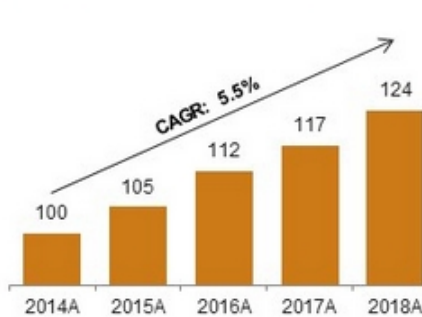
**Population (000s)**



**Unemployment**



**Housing Price Index (Year End)**



**Visitor Expenditures (\$ billion)**



Year	2017A	2018A	2019E	2020E	2021E	2022E
Visitor Arrivals (mm)	9.4	9.9	10.5	10.7	10.9	11.1





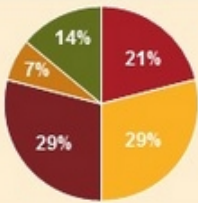
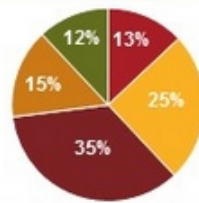
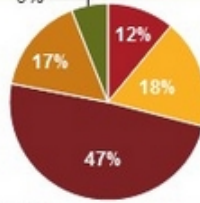
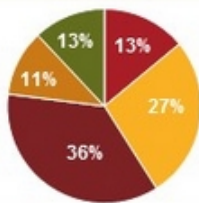
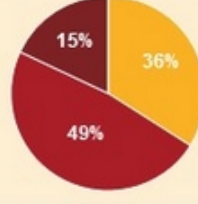
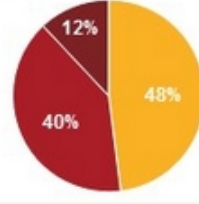
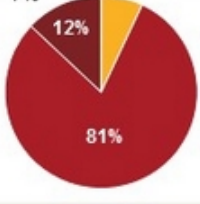
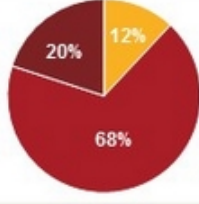
Source: Hawaii Department of Business, Economic Development & Tourism, Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Housing Finance Agency, and SNL Financial as of 04-Feb-2020.

Note: Real GDP adjusts nominal GDP to 2012 dollars. Unemployment and housing index are shown as seasonally adjusted.

(1) Based on \$17.6bn of 2018 visitor spending according to Hawaii Department of Business, Economic Development and Tourism.

# THE LEADER IN HAWAII

The banking market in Hawaii is dominated by local banks, with the top 4 banks accounting for ~92% of deposits

	 First Hawaiian, Inc.	 Bank of Hawaii	 AMERICAN Savings Bank	 CENTRAL PACIFIC BANK	
Branches	58	67	49	35	
FTEs	2,092	2,124	1,126	831	
Assets (\$bn)	20.2	18.1	7.2	6.0	
Loans (\$bn)	13.2	11.0	5.1	4.4	
Deposits (\$bn)	16.4	15.8	6.3	5.1	
2019 ROATCE	18.1% <sup>(1),(2)</sup>	18.1%	15.3%	11.4%	
2019 ROATA	1.52% <sup>(1),(2)</sup>	1.29%	1.26%	0.99%	
Loan Portfolio					
	Commercial	14%	13%	12%	13%
	Commercial RE	7%	15%	17%	11%
	Residential RE	29%	35%	47%	36%
	HELOC	29%	25%	18%	27%
Consumer & Other	7%	12%	6%	13%	
Deposit Portfolio					
	Transaction Accounts	15%	12%	7%	12%
	Savings / MMDA	49%	40%	81%	68%
Time Deposits	36%	48%	12%	20%	
Hawaii Deposits <sup>3</sup>	Rank	#1	#2	#3	#4
	Share	34.3%	32.2%	14.0%	11.1%

Sources: SNL Financial, FDIC, SEC and company filings. Company filings used for peers where available, otherwise regulatory data used.

Note: Balance sheet and income statement data as of 31-Dec-2019. Loan and deposit portfolio mix based on company filings or regulatory filings as of 03-Feb-2020. Branches as of 03-Feb-2020.

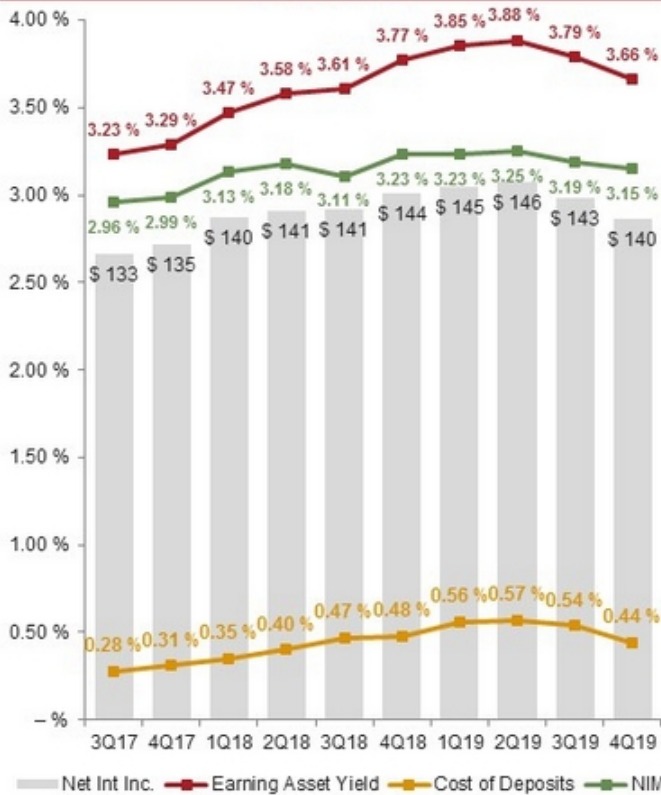
(1) ROATCE (return on average tangible common equity) and ROATA (return on average tangible assets) are non-GAAP financial measures. Reconciliations to the comparable FHB GAAP measures are provided in the appendix.

(2) FHB ROATCE and ROATA shown as core. Core excludes certain expenses, gains and one-time items. See reconciliation of core net income to the comparable FHB GAAP measure in the appendix.

(3) Deposit market share based on FDIC data as of 30-Jun-2019.

# MANAGING NIM THROUGH A CHALLENGING INTEREST RATE ENVIRONMENT

## Deposit Repricing Actions Helped Limit 4Q 2019 NIM Compression

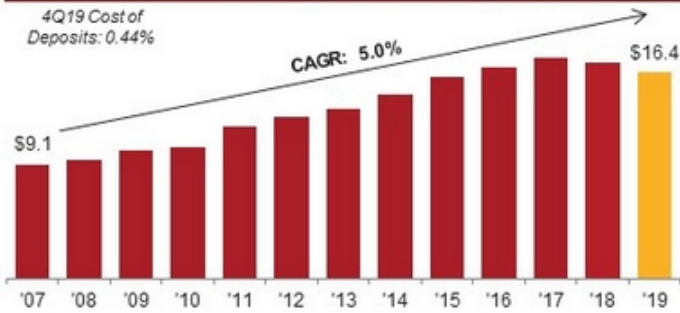


## Strategic Balance Sheet Management, Proactive Funding Management

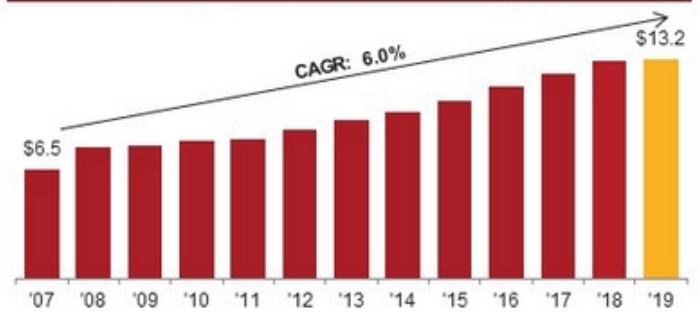
- Investment portfolio restructured in Jan 2019
- Sold \$409mm of labor-indexed SNC loans in 3Q 2019 at a weighted average price of 99.7%
  - Proceeds used to reduce non-core funding, including public time deposits, and support \$50mm increase in 2019 stock repurchase authorization
- Active management of total funding portfolio
  - Significant reduction of public time deposits
  - Active repricing of high-cost commercial and consumer deposit accounts following September and October rate cuts
  - Cost of deposits declined 10 basis points to 44 basis points in 4Q 2019
- Hawaii banks experience more favorable deposit behavior than national banks across all rate cycles (see slide 17)



## Consistent Deposit Growth (\$bn)



## Steady, Balanced Loan Growth (\$bn)



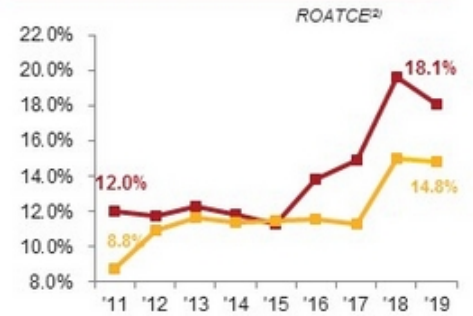
## Through the Cycle Credit Performer



## Strong Expense Mgmt. Culture<sup>(1)</sup>



## Consistent Record of Profitability<sup>(1)</sup>



■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

Source: Public filings and SNL Financial as of 04-Feb-2020

Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018; excludes merger targets.

(1) FHB ratios shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) ROATCE (return on average tangible common equity) is a non-GAAP financial measure. A reconciliation to the comparable FHB GAAP measure is provided in the appendix.

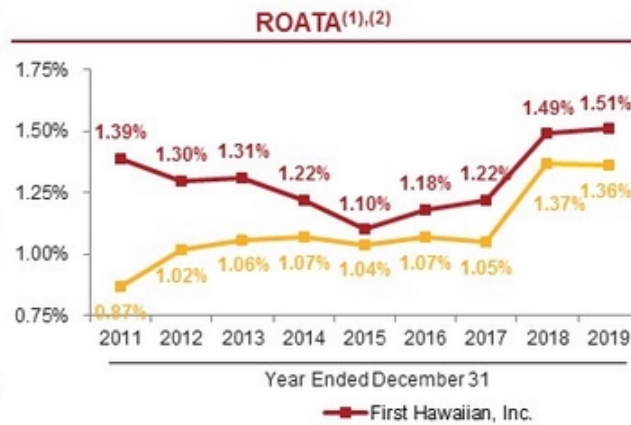


# CONSISTENT TRACK RECORD OF STRONG PROFITABILITY

## Consistent Earnings



## Peer Leading Profitability



## Stable Earnings Drivers

- Leading loan and deposit position in attractive market
- Demonstrated history of disciplined expense management
- Consistent underwriting standards with proven performance through the credit cycle
- Stable local economy

### ROATCE<sup>(1),(2)</sup>



Source: Public filings and SNL Financial, as of 04-Feb-2020

Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018; excludes merger targets.

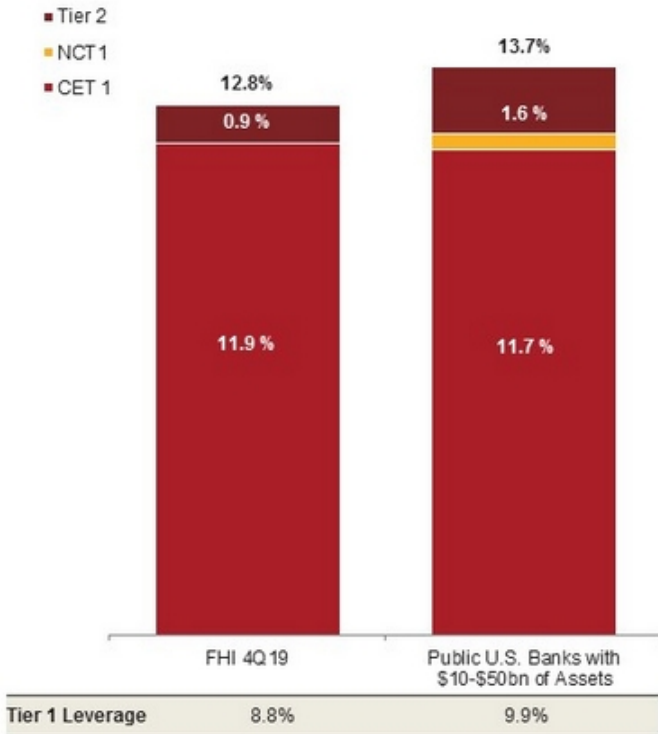
(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

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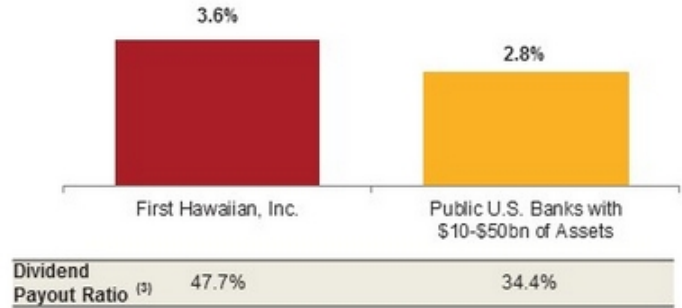


# STRONG DIVIDEND PAYOUT RATIO, ONGOING SHARE REPURCHASE PROGRAM

## Robust Capital Position



## Attractive Dividend Yield<sup>(1)(2)</sup>



## Capital Return Strategy

- Retain sufficient earnings to support growth and maintain capital ratios, and return remainder to shareholders
- Targeting ~50% dividend payout ratio
- Repurchased 5.1mm shares at a cost of \$136.2mm in 2019
- Board approved repurchase program for up to \$80mm of common stock

Source: Public filings and SNL Financial as of 04-Feb-2020


Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018, excludes merger targets. Percentages may not total due to rounding.

<sup>(1)</sup> Dividends and share repurchases are subject to approval of FHI's board of directors, future capital needs and regulatory approvals.

<sup>(2)</sup> Dividend yield (MRQ) based on 4Q 2019 paid dividend and market data as of 31-Jan-2020.

<sup>(3)</sup> Dividend payout ratios based on dividends paid and EPS during last four quarters. FHB dividend payout ratio based on core EPS.



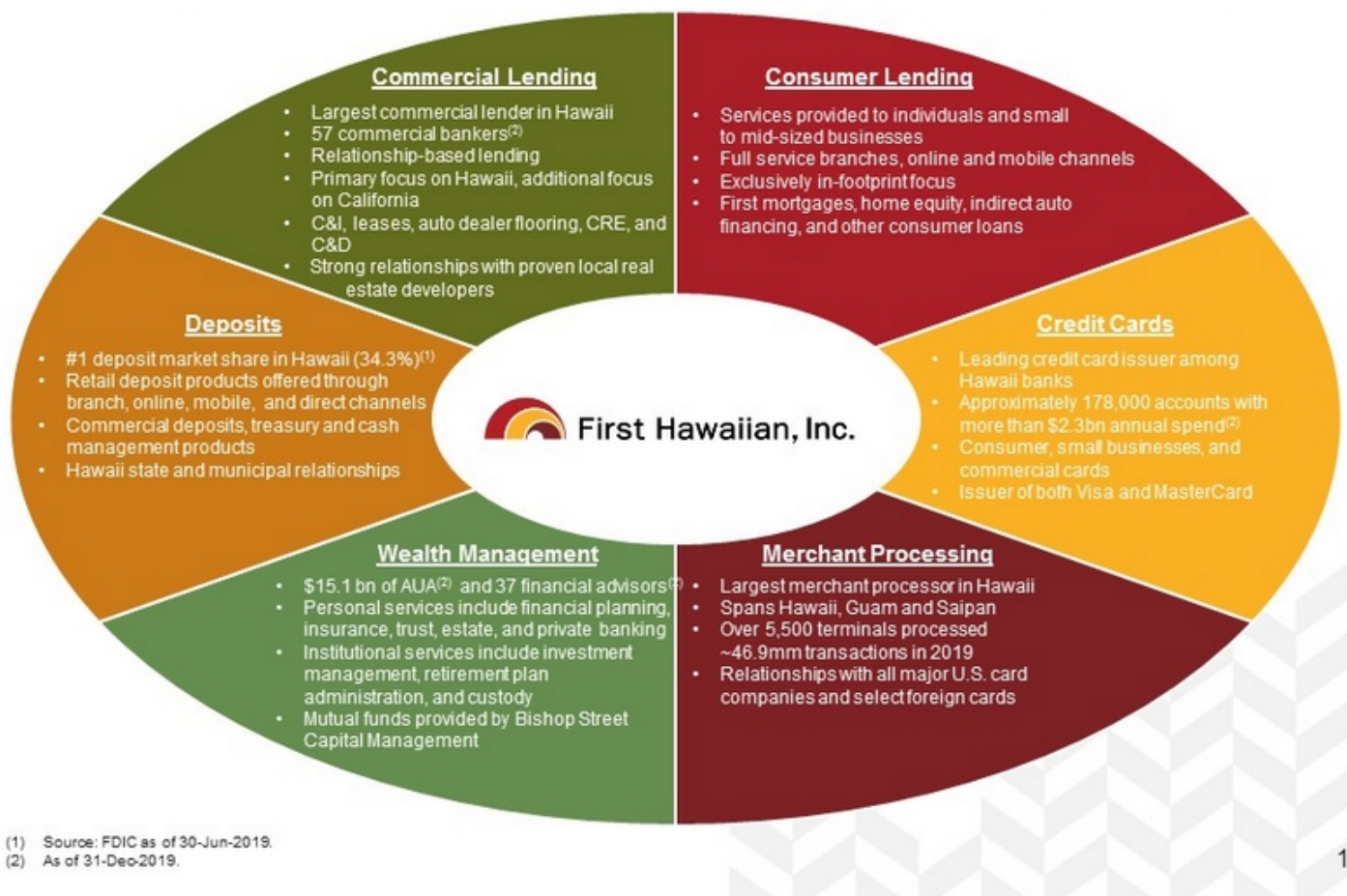
 First Hawaiian, Inc.

## Appendix



# FULL SUITE OF PRODUCTS AND SERVICES

*First Hawaiian is a full service community bank focused on building relationships with our customers*



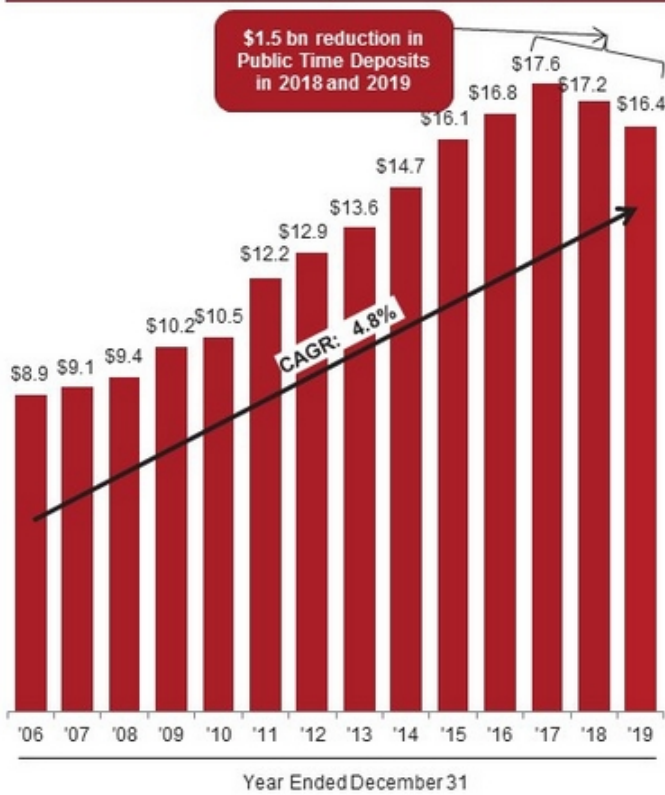
(1) Source: FDIC as of 30-Jun-2019.  
(2) As of 31-Dec-2019.



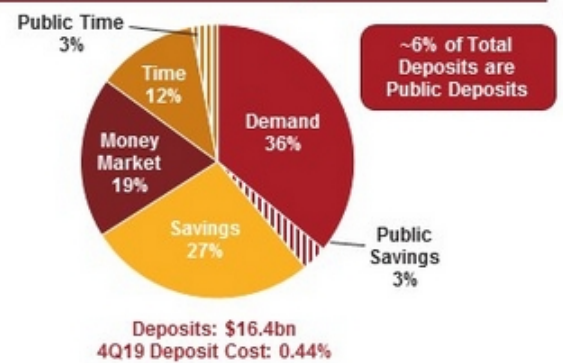
# SOLID, LOW-COST CORE DEPOSIT BASE

*Strong brand, deep ties to the community and a leading market share position have driven an attractive, low-cost deposit base*

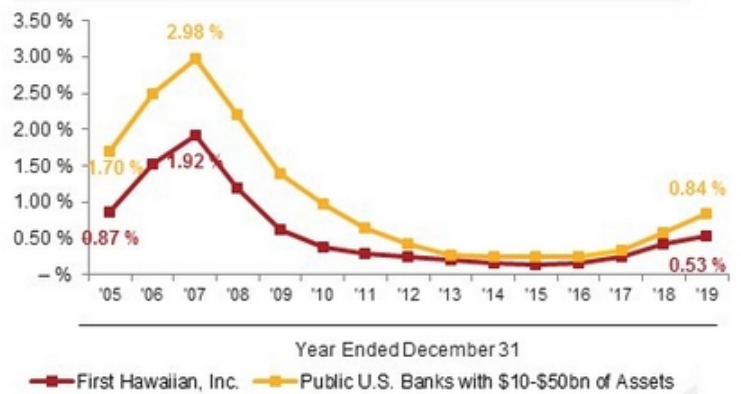
## Consistent Deposit Growth (\$bn)



## Deposit Portfolio Composition



## Best-in-Class Cost of Deposits



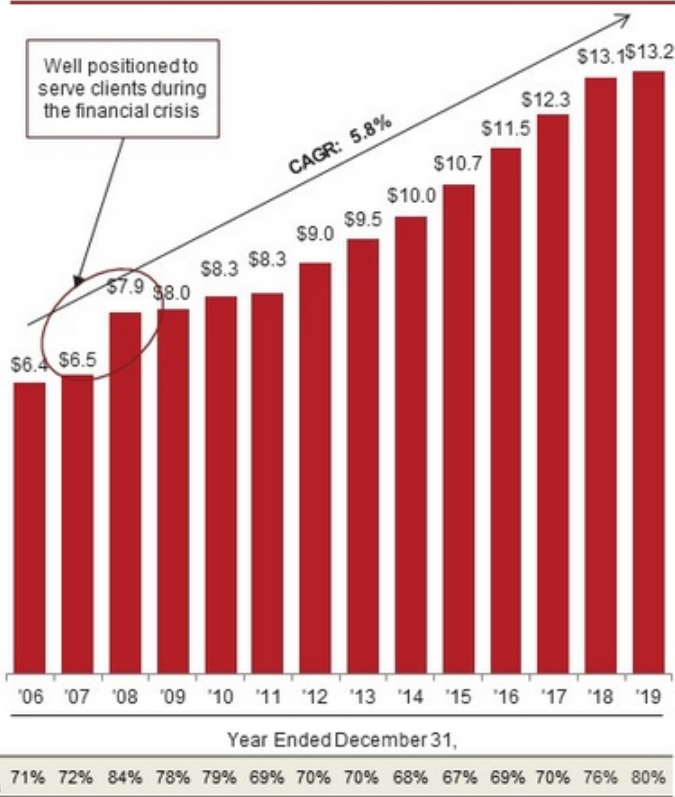
Source: Public filings and SNL Financial, as of 04-Feb-2020

Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018; excludes merger targets.

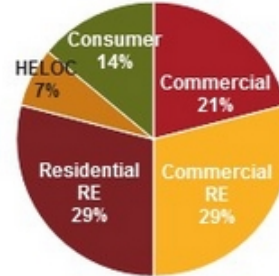
# STEADY ORGANIC GROWTH AND BALANCED LOAN PORTFOLIO

*Steady through the cycle organic loan growth and balanced loan portfolio with attractive forward growth opportunities*

## Steady Loan Growth (\$bn)



## Balanced Loan Portfolio



Loans: \$13.2bn  
4Q19 Loan Yield: 4.39%

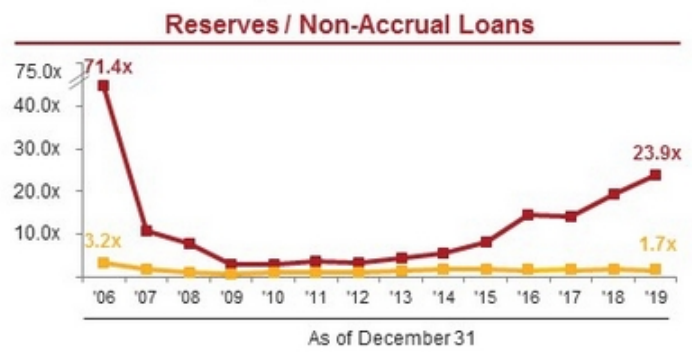
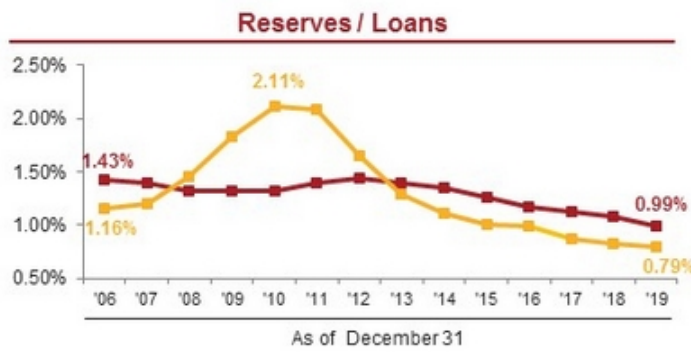
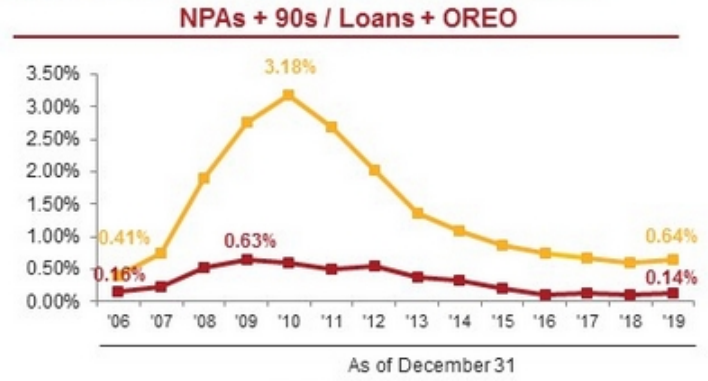
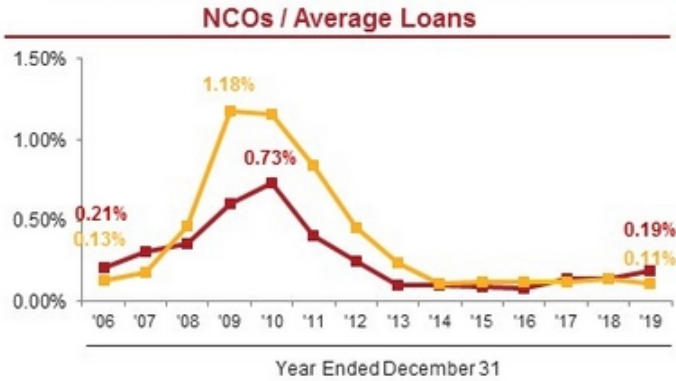
- Portfolio is well balanced between retail and commercial loans, and is diversified across loan and collateral types
- Diversification provides flexibility to manage through business cycles and maintain consistent growth
- Sale of \$409mm of non-relationship SNC loans in 3Q 2019 reduced risk of loan portfolio

Note: Financial data as of 31-Dec-2019



# PROVEN, CONSISTENT, AND CONSERVATIVE CREDIT RISK MANAGEMENT

*Strong through the cycle credit performance driven by conservative approach to credit risk management*



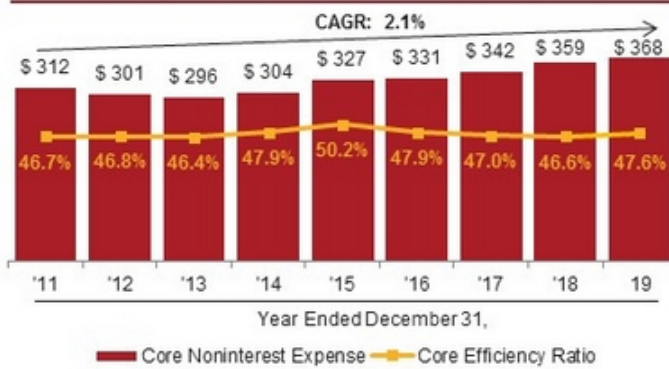
■ First Hawaiian, Inc.

■ Public U.S. Banks with \$10-\$50bn of Assets

Source: Publicfilings and SNL Financial, available as of 04-Feb-2020  
 Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018; excludes merger targets.

# DEMONSTRATED HISTORY OF DISCIPLINED EXPENSE MANAGEMENT

**Well Managed Core Noninterest Expense (\$mm)<sup>(1),(2)</sup>**



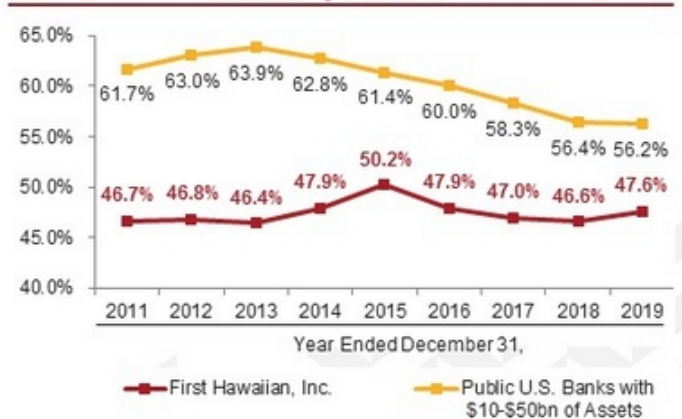
**Noninterest Expense / Average Assets<sup>(1)</sup>**



## 2020 Expense Outlook

- 2019 core expenses plus ~6%
  - Loss of \$6.5mm reimbursement: 1.8%
  - Inflation: 2% - 3%
  - Technology investments: 1% - 2%

**Efficiency Ratio<sup>(1),(2)</sup>**



Source: Public filings and SNL Financial, as of 04-Feb-2020

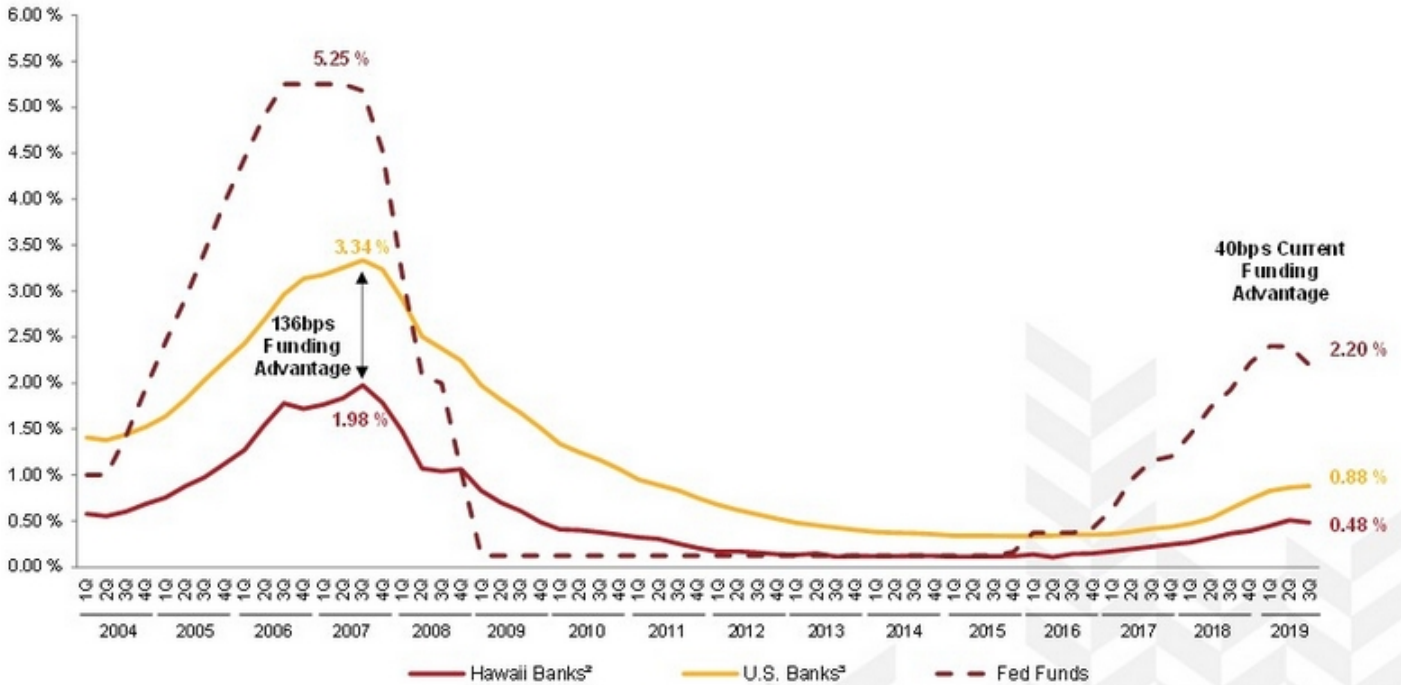
Note: Financial data as of 31-Dec-2019. \$10-\$50bn banks constituted as of 31-Dec-2018; excludes merger targets.

(1) FHB measures shown as core. Core excludes certain gains, expenses and one-time items. See annual and quarterly non-GAAP reconciliations of core net income, core net interest income, core noninterest income and core noninterest expense used to calculate core ratios in the appendix.

(2) Core efficiency ratio is a non-GAAP financial measure. 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. Reconciliation of the components of our core efficiency ratio to comparable GAAP measures are provided in the appendix.

# HAWAII BANKS HAVE A SIGNIFICANT DEPOSIT ADVANTAGE

*Hawaii banks experience more favorable deposit behavior across all rate cycles; Hawaii banks experienced a deposit beta<sup>(1)</sup> of ~34% vs. ~47% for broader U.S. banks during the last rising rate cycle*



Source: SNL Financial and the Federal Reserve website

<sup>(1)</sup> Deposit beta is defined as the change in deposit costs as a percentage of the change in Fed Funds over a particular period. Deposit cost uses starting point (2Q04) to peak (3Q07); one quarter lag.

<sup>(2)</sup> Includes First Hawaiian, Bank of Hawaii, American Savings, Central Pacific, Territorial Bancorp, Hawaii National. 3Q19 cost of deposits based on public company reported information. 3Q19 excludes private companies and undisclosed public company information.

<sup>(3)</sup> Includes all U.S. bank holding companies excluding Hawaii-based banks. 3Q19 cost of deposits based on public company reported information. 3Q19 excludes private companies and undisclosed public company information.

## ▶ GAAP TO NON-GAAP RECONCILIATIONS

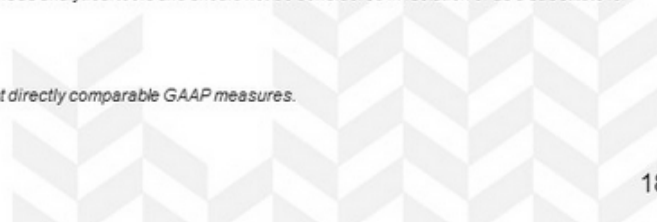


*We present net interest income, noninterest income, noninterest expense, efficiency ratio, net income, basic and diluted earnings per share and the related ratios described below, on an adjusted, or "core," basis, each a non-GAAP financial measure. These core measures exclude from the corresponding 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 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 average tangible stockholders' equity to average 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 average tangible stockholders' equity to average tangible assets as the ratio of average tangible stockholders' equity to average tangible assets, each of which we calculate by subtracting (and thereby effectively excluding) the value of our goodwill. We compute our tangible book value per share as the ratio of tangible stockholders' equity to outstanding shares. 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.*

*The following tables provide a reconciliation of these non-GAAP financial measures with their most directly comparable GAAP measures.*





# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Year Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019 2018	
<b>Income Statement Data:</b>					
Net income	\$ 67,836	\$ 74,199	\$ 59,995	\$ 284,392	\$ 264,394
Core net income	\$ 71,250	\$ 75,871	\$ 77,914	\$ 291,785	\$ 286,711
Average total stockholders' equity	\$ 2,636,651	\$ 2,648,428	\$ 2,437,504	\$ 2,609,432	\$ 2,457,771
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible stockholders' equity	\$ 1,641,159	\$ 1,652,936	\$ 1,442,012	\$ 1,613,940	\$ 1,462,279
Average total assets	\$ 20,089,601	\$ 20,332,457	\$ 20,069,988	\$ 20,325,697	\$ 20,247,135
Less: average goodwill	995,492	995,492	995,492	995,492	995,492
Average tangible assets	\$ 19,094,109	\$ 19,336,965	\$ 19,074,496	\$ 19,330,205	\$ 19,251,643
Return on average total stockholders' equity <sup>(1)</sup>	10.21 %	11.12 %	9.77 %	10.90 %	10.76 %
Core return on average total stockholders' equity (non-GAAP) <sup>(1)</sup>	10.72 %	11.37 %	12.68 %	11.18 %	11.67 %
Return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	16.40 %	17.81 %	16.51 %	17.62 %	18.08 %
Core return on average tangible stockholders' equity (non-GAAP) <sup>(1)</sup>	17.22 %	18.21 %	21.44 %	18.08 %	19.61 %
Return on average total assets <sup>(1)</sup>	1.34 %	1.45 %	1.19 %	1.40 %	1.31 %
Core return on average total assets (non-GAAP) <sup>(1)</sup>	1.41 %	1.48 %	1.54 %	1.44 %	1.42 %
Return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.41 %	1.52 %	1.25 %	1.47 %	1.37 %
Core return on average tangible assets (non-GAAP) <sup>(1)</sup>	1.48 %	1.56 %	1.62 %	1.51 %	1.49 %

<sup>(1)</sup> Annualized for the three months ended December 31, 2019, September 30, 2019 and December 31, 2018.

	As of December 31, 2019	As of September 30, 2019	As of December 31, 2018
<b>Balance Sheet Data:</b>			
Total stockholders' equity	\$ 2,640,258	\$ 2,654,558	\$ 2,524,839
Less: goodwill	995,492	995,492	995,492
Tangible stockholders' equity	\$ 1,644,766	\$ 1,659,066	\$ 1,529,347
Total assets	\$ 20,166,734	\$ 20,598,220	\$ 20,695,678
Less: goodwill	995,492	995,492	995,492
Tangible assets	\$ 19,171,242	\$ 19,602,728	\$ 19,700,186
Shares outstanding	129,928,479	131,260,900	134,874,302
Total stockholders' equity to total assets	13.09 %	12.89 %	12.20 %
Tangible stockholders' equity to tangible assets (non-GAAP)	8.58 %	8.46 %	7.76 %
Book value per share	\$ 20.32	\$ 20.22	\$ 18.72
Tangible book value per share (non-GAAP)	\$ 12.66	\$ 12.64	\$ 11.34



# GAAP TO NON-GAAP RECONCILIATION

(dollars in thousands, except per share amounts)	For the Three Months Ended			For the Year Ended	
	December 31, 2019	September 30, 2019	December 31, 2018	December 31, 2019	
Net interest income	\$ 139,619	\$ 143,081	\$ 143,985	\$ 573,402	\$ 566,318
Core net interest income (non-GAAP)	\$ 139,619	\$ 143,081	\$ 143,985	\$ 573,402	\$ 566,318
Noninterest income	\$ 46,708	\$ 49,980	\$ 33,091	\$ 192,533	\$ 178,993
Loss on sale of securities	123	—	—	2,715	—
Costs associated with the sale of stock	4,500	—	—	4,500	—
OTTI losses on available-for-sale debt securities	—	—	24,085	—	24,085
Core noninterest income (non-GAAP)	\$ 51,331	\$ 49,980	\$ 57,176	\$ 199,748	\$ 203,078
Noninterest expense	\$ 91,058	\$ 93,466	\$ 89,354	\$ 370,437	\$ 364,953
Loss on litigation settlement <sup>(1)</sup>	—	—	—	—	(4,125)
One-time items <sup>(2)</sup>	(48)	(2,244)	(435)	(2,814)	(2,267)
Core noninterest expense (non-GAAP)	\$ 91,010	\$ 91,222	\$ 88,919	\$ 367,623	\$ 358,561
Net income	\$ 67,836	\$ 74,199	\$ 59,995	\$ 284,392	\$ 264,394
Loss on sale of securities	123	—	—	2,715	—
Costs associated with the sale of stock	4,500	—	—	4,500	—
OTTI losses on available-for-sale debt securities	—	—	24,085	—	24,085
Loss on litigation settlement <sup>(1)</sup>	—	—	—	—	4,125
One-time noninterest expense items <sup>(2)</sup>	48	2,244	435	2,814	2,267
Tax adjustments <sup>(3)</sup>	(1,257)	(372)	(6,601)	(2,636)	(8,160)
Total core adjustments	3,414	1,672	17,919	7,393	22,317
Core net income (non-GAAP)	\$ 71,250	\$ 75,871	\$ 77,914	\$ 291,785	\$ 286,711
Basic earnings per share	\$ 0.52	\$ 0.56	\$ 0.44	\$ 2.14	\$ 1.93
Diluted earnings per share	\$ 0.52	\$ 0.56	\$ 0.44	\$ 2.13	\$ 1.93
Efficiency ratio	48.86 %	48.41 %	50.45 %	48.36 %	48.96 %
Core basic earnings per share (non-GAAP)	\$ 0.55	\$ 0.57	\$ 0.58	\$ 2.19	\$ 2.09
Core diluted earnings per share (non-GAAP)	\$ 0.54	\$ 0.57	\$ 0.58	\$ 2.19	\$ 2.09
Core efficiency ratio (non-GAAP)	47.65 %	47.25 %	44.19 %	47.55 %	46.59 %

- 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 year ended December 31, 2018.
- 2) One-time items for all periods shown included nonrecurring offering costs. Additionally, one-time items for the three months ended September 30, 2019 and twelve months ended December 31, 2019 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 year ended December 31, 2018 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.

# GAAP TO NON-GAAP RECONCILIATION - ANNUAL



(Dollars in millions, except per share data)	As of and for the Twelve Months Ended December 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	
Net Income	\$ 284.4	\$ 284.4	\$ 183.7	\$ 230.2	\$ 213.8	\$ 216.7	\$ 214.5	\$ 211.1	\$ 199.7	
Basic EPS	\$2.14	\$1.93	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80	
Diluted EPS	\$2.13	\$1.93	\$1.32	\$1.65	\$1.53	\$1.55	\$1.54	\$1.68	\$1.80	
<b>Average Total Stockholders' Equity</b>	<b>\$ 2,609.4</b>	<b>\$ 2,457.8</b>	<b>\$ 2,538.3</b>	<b>\$ 2,568.2</b>	<b>\$ 2,735.8</b>	<b>\$ 2,698.4</b>	<b>\$ 2,667.4</b>	<b>\$ 2,664.2</b>	<b>\$ 2,640.6</b>	
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	
<b>Average Tangible Stockholders' Equity</b>	<b>\$ 1,613.9</b>	<b>\$ 1,462.3</b>	<b>\$ 1,542.8</b>	<b>\$ 1,572.7</b>	<b>\$ 1,740.3</b>	<b>\$ 1,702.9</b>	<b>\$ 1,672.0</b>	<b>\$ 1,668.7</b>	<b>\$ 1,645.1</b>	
Total Stockholders' Equity	2,640.3	2,524.8	2,532.6	2,476.5	2,736.9	2,675.0	2,651.1	2,654.2	2,677.4	
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	
<b>Tangible Stockholders' Equity</b>	<b>\$ 1,644.8</b>	<b>\$ 1,529.3</b>	<b>\$ 1,537.1</b>	<b>\$ 1,481.0</b>	<b>\$ 1,741.4</b>	<b>\$ 1,679.5</b>	<b>\$ 1,655.6</b>	<b>\$ 1,658.7</b>	<b>\$ 1,681.9</b>	
Average Total Assets	20,325.7	20,247.1	19,942.8	19,334.7	18,785.7	17,493.2	16,653.6	16,085.7	15,246.8	
Less: Average Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	
<b>Average Tangible Assets</b>	<b>\$ 19,330.2</b>	<b>\$ 19,251.6</b>	<b>\$ 18,947.3</b>	<b>\$ 18,339.2</b>	<b>\$ 17,790.2</b>	<b>\$ 16,497.7</b>	<b>\$ 15,658.1</b>	<b>\$ 15,090.2</b>	<b>\$ 14,251.3</b>	
Total Assets	20,166.7	20,695.7	20,549.5	19,661.8	19,352.7	18,133.7	17,118.8	16,646.7	15,839.4	
Less: Goodwill	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	995.5	
<b>Tangible Assets</b>	<b>\$ 19,171.2</b>	<b>\$ 19,700.2</b>	<b>\$ 19,554.0</b>	<b>\$ 18,666.3</b>	<b>\$ 18,357.2</b>	<b>\$ 17,138.2</b>	<b>\$ 16,123.3</b>	<b>\$ 15,651.2</b>	<b>\$ 14,843.9</b>	
Return on Average Total Stockholders' Equity	10.90%	10.76%	7.24%	8.96%	7.81%	8.03%	8.04%	7.92%	7.56%	
Return on Average Tangible Stockholders' Equity (non-GAAP)	17.62%	18.08%	11.91%	14.64%	12.28%	12.72%	12.83%	12.65%	12.14%	
Return on Average Total Assets	1.40%	1.31%	0.92%	1.19%	1.14%	1.24%	1.29%	1.31%	1.31%	
Return on Average Tangible Assets (non-GAAP)	1.47%	1.37%	0.97%	1.26%	1.20%	1.31%	1.37%	1.40%	1.40%	

Note: Totals may not sum due to rounding.

# GAAP TO NON-GAAP RECONCILIATION - ANNUAL

For the Fiscal Year Ended December 31,

(Dollars in millions, except per share data)	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Interest Income	\$ 573.4	\$ 566.3	\$ 528.8	\$ 491.7	\$ 461.3	\$ 443.8	\$ 439.0	\$ 447.5	\$ 470.0
Accounting Change (ASC 310 Adjustment)	-	-	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	-	-	(3.1)	-	-	-
Early Loan Termination <sup>(2)</sup>	-	-	-	-	(4.8)	-	-	-	-
<b>Core Net Interest Income (Non-GAAP)</b>	<b>\$ 573.4</b>	<b>\$ 566.3</b>	<b>\$ 528.8</b>	<b>\$ 491.7</b>	<b>\$ 456.5</b>	<b>\$ 440.7</b>	<b>\$ 434.7</b>	<b>\$ 447.5</b>	<b>\$ 470.0</b>
Noninterest Income <sup>(1)</sup>	\$ 192.5	\$ 179.0	\$ 205.6	\$ 226.0	\$ 219.1	\$ 216.0	\$ 214.4	\$ 219.1	\$ 200.2
OTTI Losses on Available-For-Sale Securities	-	24.1	-	-	-	-	-	-	-
Gain on Sale of Securities	2.7	-	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	4.5	-	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Bank Properties	-	-	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Other Adjustments <sup>(2),(3)</sup>	-	-	-	-	(7.5)	-	-	-	(0.9)
<b>Core Noninterest Income (Non-GAAP)</b>	<b>\$ 199.7</b>	<b>\$ 203.1</b>	<b>\$ 198.7</b>	<b>\$ 198.8</b>	<b>\$ 195.9</b>	<b>\$ 195.1</b>	<b>\$ 202.7</b>	<b>\$ 196.0</b>	<b>\$ 197.6</b>
Noninterest Expense <sup>(1)</sup>	\$ 370.4	\$ 365.0	\$ 347.6	\$ 337.3	\$ 327.3	\$ 304.4	\$ 296.7	\$ 301.9	\$ 311.7
Loss on Litigation Settlement	-	(4.1)	-	-	-	-	-	-	-
Non-Recurring Items <sup>(4)</sup>	(2.8)	(2.3)	(5.5)	(6.2)	-	-	(0.7)	(0.7)	-
<b>Core Noninterest Expense (Non-GAAP)</b>	<b>\$ 367.6</b>	<b>\$ 358.6</b>	<b>\$ 342.1</b>	<b>\$ 331.1</b>	<b>\$ 327.3</b>	<b>\$ 304.4</b>	<b>\$ 296.0</b>	<b>\$ 301.2</b>	<b>\$ 311.7</b>
Net Income	\$ 284.4	\$ 264.4	\$ 183.7	\$ 230.2	\$ 213.8	\$ 216.7	\$ 214.5	\$ 211.1	\$ 199.7
OTTI Losses on Available-For-Sale Debt Securities	-	24.1	-	-	-	-	-	-	-
Accounting Change (ASC 310 Adjustment)	-	-	-	-	-	-	(4.3)	-	-
Early Buyout on Lease	-	-	-	-	-	(3.1)	-	-	-
Early Loan Termination	-	-	-	-	(4.8)	-	-	-	-
Gain on Sale of Securities	2.7	-	-	(4.6)	(7.7)	-	(0.2)	(16.7)	(1.7)
Gain on Sale of Stock (Visa/MasterCard)	4.5	-	-	(22.7)	(4.6)	(20.8)	(11.1)	-	-
Gain on Sale of Real Estate	-	-	(6.9)	-	(3.4)	-	(0.4)	(6.4)	-
Loss on Litigation Settlement	-	4.1	-	-	-	-	-	-	-
Other Adjustments <sup>(2),(3)</sup>	-	-	-	-	(7.5)	-	-	-	(0.9)
Non-Recurring Items <sup>(4)</sup>	2.8	2.3	5.5	6.2	-	-	0.7	0.7	-
Tax reform Bill	-	-	47.6	-	-	-	-	-	-
Tax Adjustments <sup>(5)</sup>	(2.6)	(8.2)	0.6	8.0	10.6	8.9	5.8	8.1	1.0
Total Core Adjustments	7.4	22.3	46.7	(13.1)	(17.5)	(15.0)	(9.5)	(14.3)	(1.7)
<b>Core Net Income (Non-GAAP)</b>	<b>\$ 291.8</b>	<b>\$ 286.7</b>	<b>\$ 230.4</b>	<b>\$ 217.1</b>	<b>\$ 196.3</b>	<b>\$ 201.6</b>	<b>\$ 205.0</b>	<b>\$ 196.7</b>	<b>\$ 198.0</b>
<b>Core Basic EPS (Non-GAAP)</b>	<b>\$ 2.14</b>	<b>\$ 2.09</b>	<b>\$ 1.65</b>	<b>\$ 1.56</b>	<b>\$ 1.41</b>	<b>\$ 1.45</b>	<b>\$ 1.47</b>	<b>\$ 1.57</b>	<b>\$ 1.79</b>
<b>Core Diluted EPS (Non-GAAP)</b>	<b>\$ 2.13</b>	<b>\$ 2.09</b>	<b>\$ 1.65</b>	<b>\$ 1.56</b>	<b>\$ 1.41</b>	<b>\$ 1.45</b>	<b>\$ 1.47</b>	<b>\$ 1.57</b>	<b>\$ 1.79</b>

Note: Totals may not sum due to rounding.

(1) Noninterest income and expenses prior to 2017 have been revised from the amounts previously reported to reflect the reclassifications described in the footnote to Table 1 of the fourth quarter 2017 earnings release.

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

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

(4) One-time items for the year ended December 31, 2019 included a nonrecurring payment to a former executive of the Company pursuant to the Bank's Executive Change-in-Control Retention Plan, nonrecurring offering costs 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 year ended December 31, 2018 included public company transition-related costs, the loss on our funding swap as a result of a 2018 decrease in the conversion rate of the aforementioned Visa Class B restricted shares and nonrecurring offering costs. One-time items for the year ended December 31, 2017 included salaries and benefits stemming from the Tax Act, nonrecurring offering costs and public company transition-related costs. One-time items for the year ended December 31, 2016 included public company transition-related costs and nonrecurring offering costs.

(5) Represents the adjustments to net income, tax effected at the Company's effective tax rate, exclusive of one-time tax reform bill expense, for the respective period.