

FIRST QUARTER 2019 EARNINGS PRESENTATION

April 25, 2019



DISCLAIMER

Important note regarding forward-looking statements:

Statements made in this presentation which are not purely historical are forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. This includes any statements regarding management's plans, objectives, or goals for future operations, products or services, and forecasts of its revenues, earnings, or other measures of performance. Such forward-looking statements may be identified by the use of words such as "believe," "expect," "anticipate," "plan," "estimate," "should," "will," "intend," "target," "outlook" or similar expressions. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements. Factors which may cause actual results to differ materially from those contained in such forward-looking statements include those identified in the Company's most recent Form 10-K and subsequent SEC filings. Such factors are incorporated herein by reference.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures. These non-GAAP measures are provided in addition to, and not as substitutes for, measures of our financial performance determined in accordance with GAAP. Our calculation of these non-GAAP measures may not be comparable to similarly titled measures of other companies due to potential differences between companies in the method of calculation. As a result, the use of these non-GAAP measures has limitations and should not be considered superior to, in isolation from, or as a substitute for, related GAAP measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found at the end of this presentation.

FIRST QUARTER 2019 UPDATE¹

Net income available to common equity of \$83 million, or \$0.50 per common share

Growing Commercial and Business Lending

Improving Expense Trends

Seasonal Deposit Flows

Ongoing Capital Optimization

Commercial and Business Lending

- Average commercial and business loans up 4%
- General commercial growth was >5%
- Growth across most specialty verticals

Deposit Management

- Average deposits increased 1%
- Average network deposits decreased by \$184 million from 1Q 2018
- Loans/deposits ratio was 91% at period end

Expense Trends

- Noninterest expense decreased 1%
- FDIC expense decreased \$2 million

Capital Optimization

- Repurchased \$30 million of common stock during 1Q 2019
- Common equity Tier 1 capital ratio of 10.29% at period end

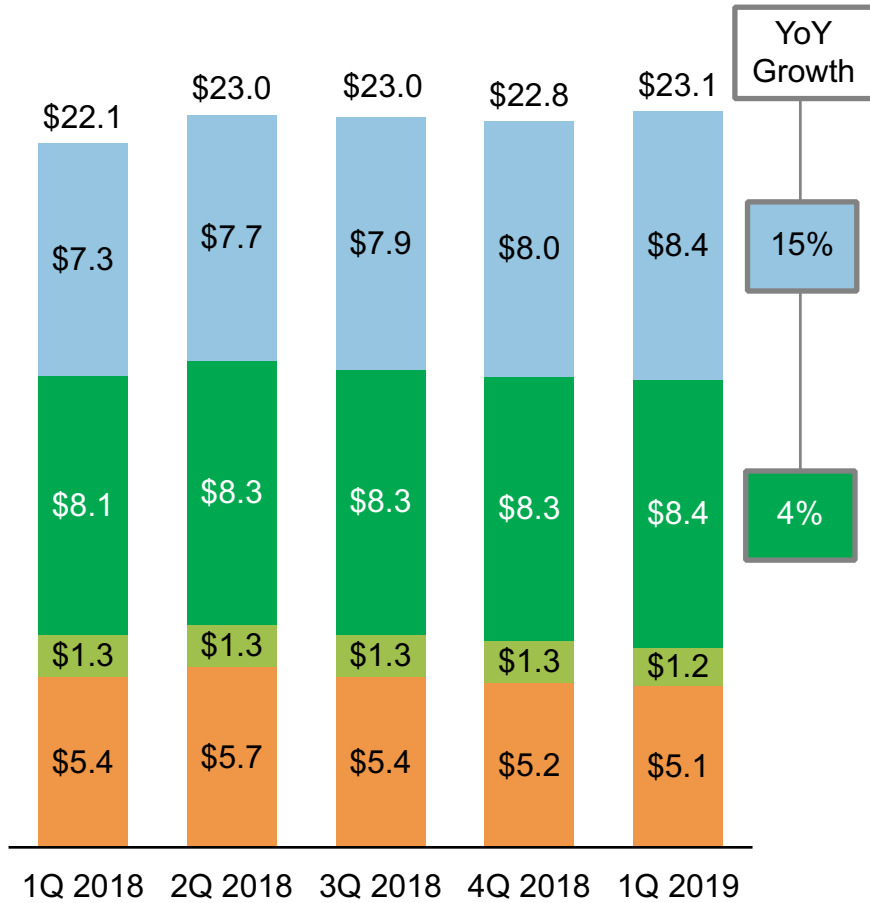
¹Unless otherwise noted, all comparisons are made with reference to fourth quarter 2018 results.



LOAN PORTFOLIO - QUARTERLY TRENDS¹

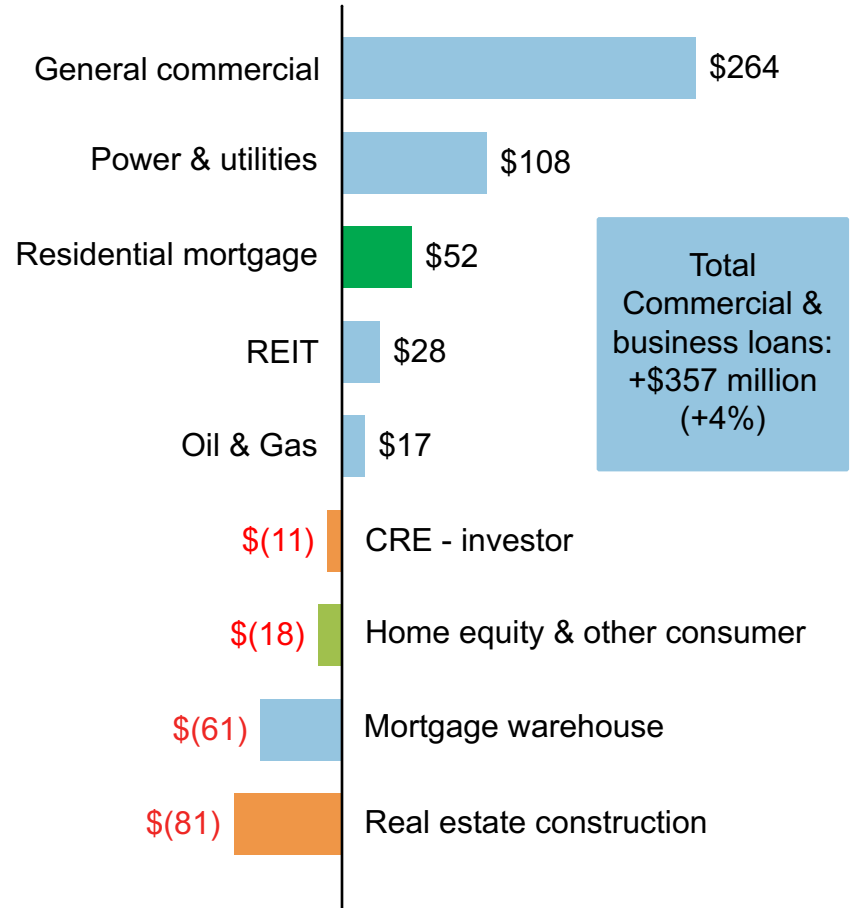
Average Quarterly Loans

(\$ in billions)



Average Net Loan Change (from 4Q 2018)

(\$ in millions)



■ Home equity & other consumer ■ Residential mortgage
■ Commercial real estate ■ Commercial & business

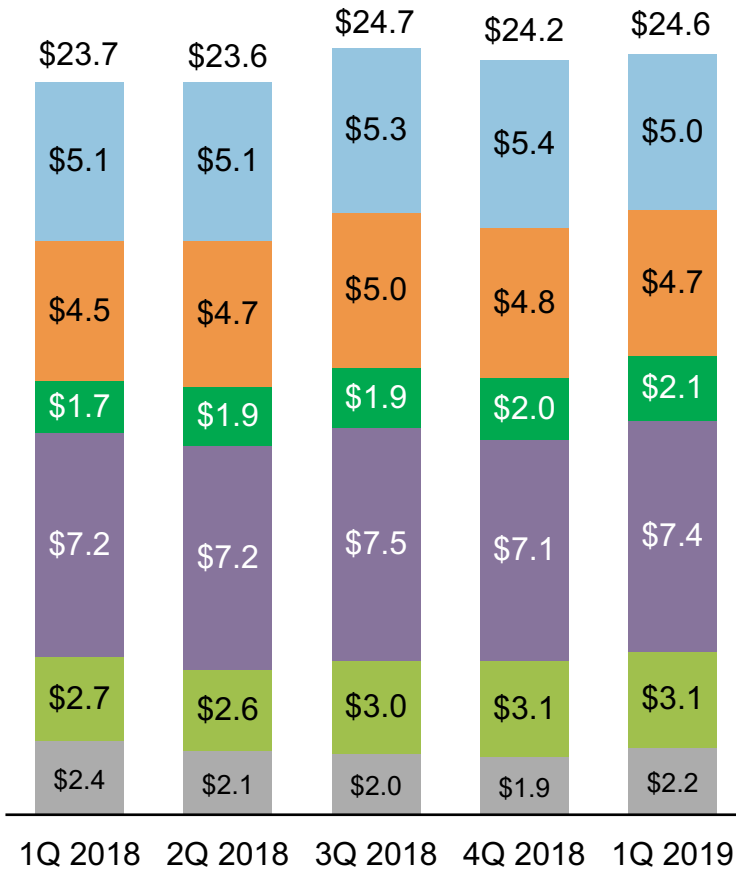
¹First quarter 2018 includes Bank Mutual loans for two months, from 2/1/2018 through 3/31/2018.



DEPOSIT PORTFOLIO TRENDS¹

Average Quarterly Deposits

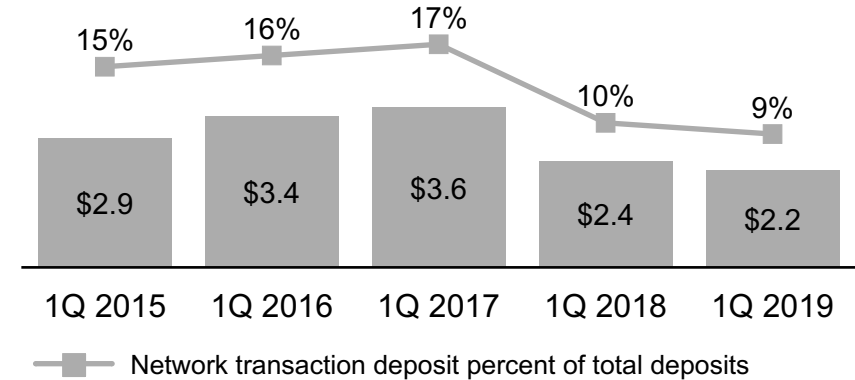
(\$ in billions)



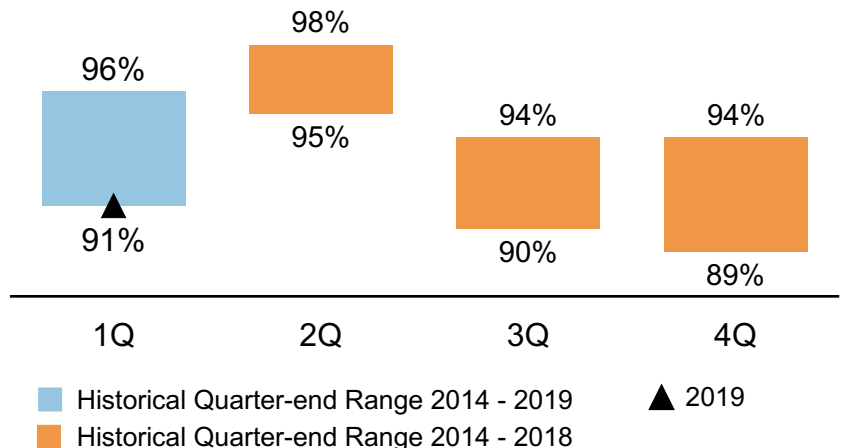
- Network transaction deposits
- Time deposits
- Money market
- Savings
- Interest-bearing demand
- Noninterest-bearing demand

Avg. Quarterly Network Transaction Deposits

(\$ in billions)



Quarter-end Loan to Deposit Ratio



- Historical Quarter-end Range 2014 - 2019
- Historical Quarter-end Range 2014 - 2018
- ▲ 2019

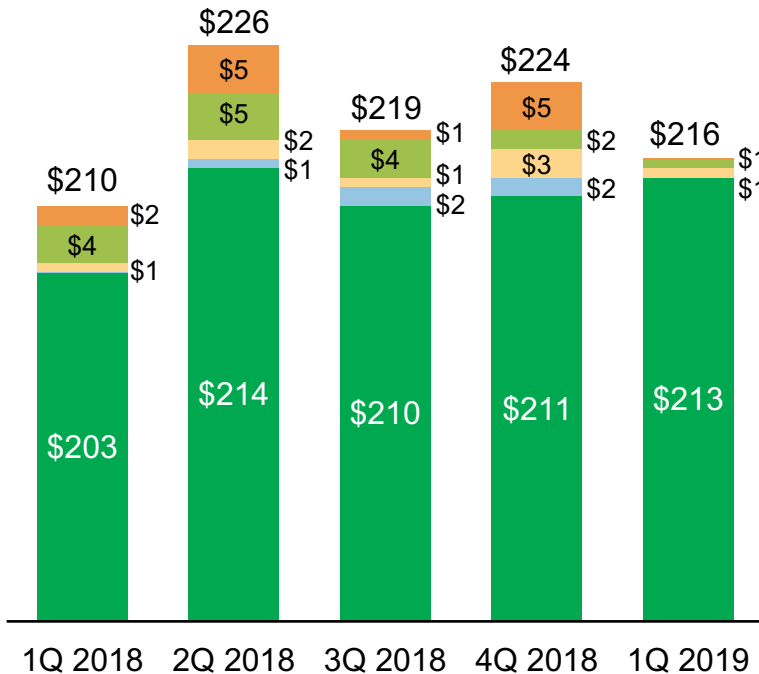
¹First quarter 2018 includes Bank Mutual deposits for two months, from 2/1/2018 through 3/31/2018.



NET INTEREST INCOME - QUARTERLY TRENDS

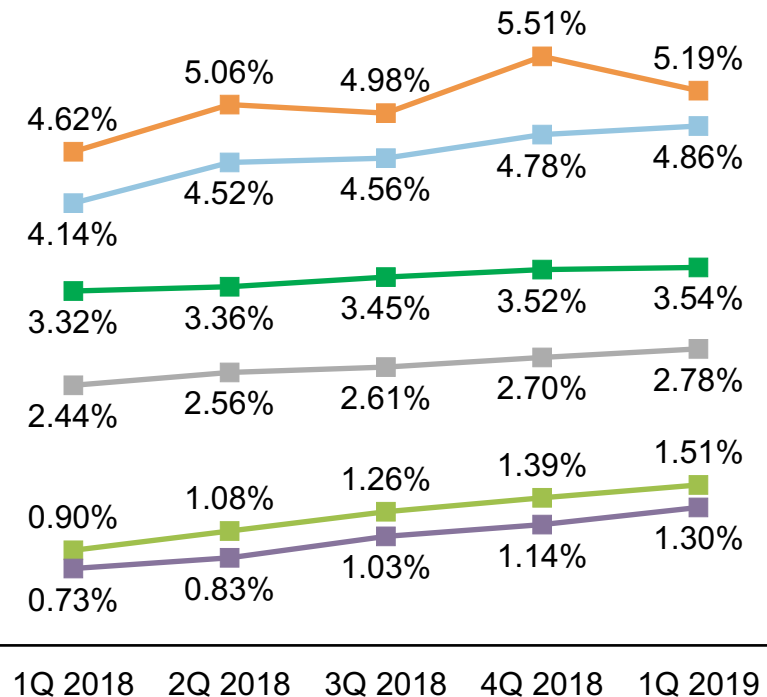
Net Interest Income

(\$ in millions)



- Bank Mutual prepayments and other adjustments
- Bank Mutual acquisition related purchase loan accretion, net
- Other prepayments and interest recoveries¹
- Day count effect on NII versus a 90-day quarter
- Net interest income net of purchased loan accretion, prepayments, interest recoveries and day count effect

Average Yields



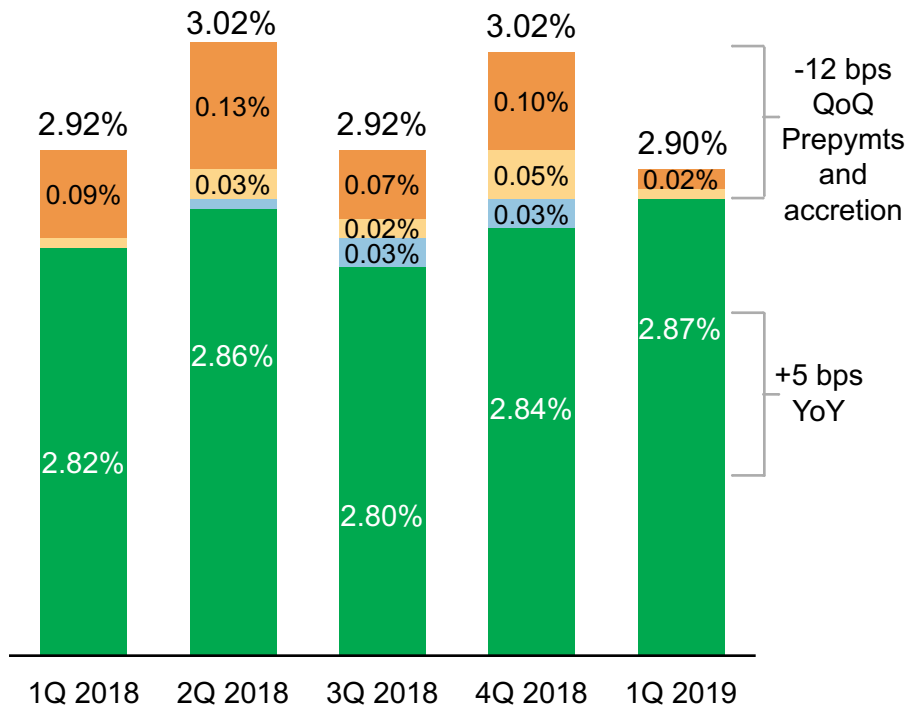
- Commercial real estate loans
- Commercial and business lending loans
- Total residential mortgage loans
- Investments and other
- Total interest-bearing liabilities
- Total interest-bearing deposits

¹Includes recognition of fees and costs upon repayment or refinancing other than Bank Mutual related.

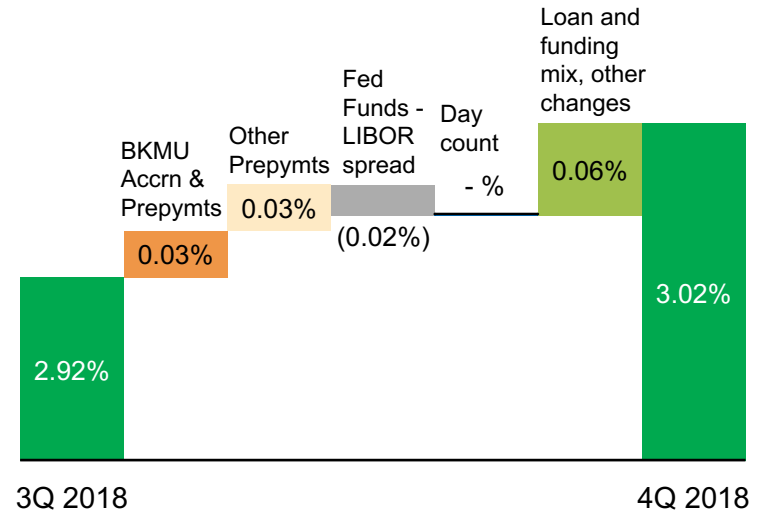


NET INTEREST MARGIN - QUARTERLY TRENDS

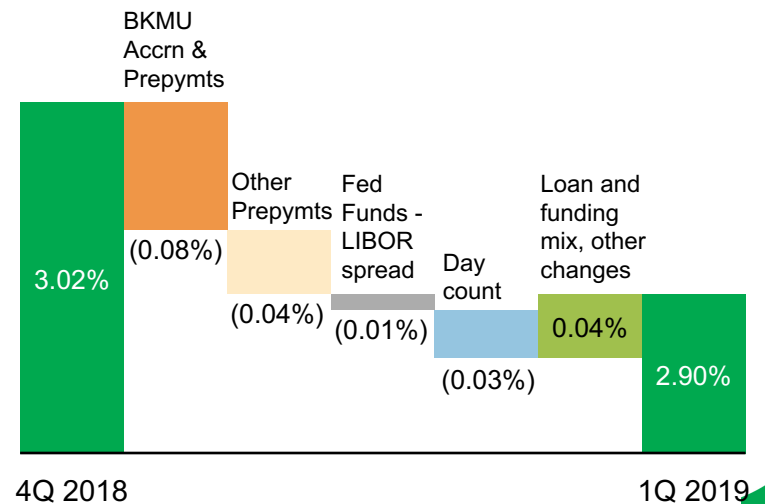
Quarterly NIM Trends



3Q18 to 4Q18 Walkdown



4Q18 to 1Q19 Walkdown

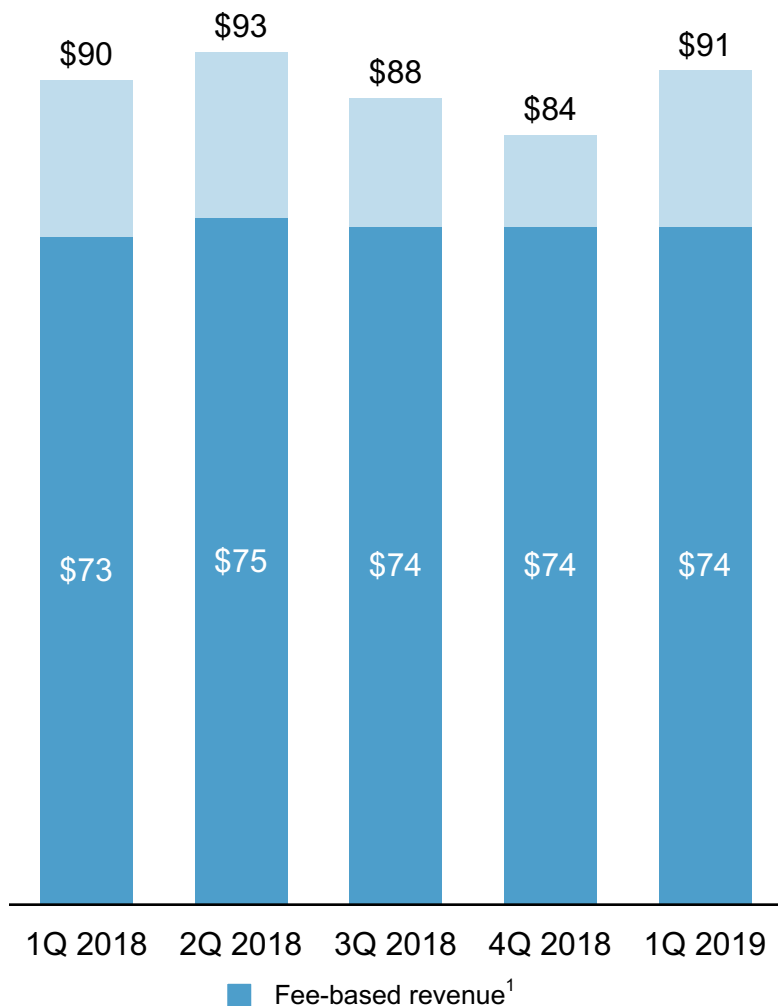


- Bank Mutual acquisition related purchased loan accretion, prepayments and other adjustments
- Other prepayments and interest recoveries¹
- Day count effect on NIM versus a 90-day quarter
- Net interest margin excluding purchased loan accretion, prepayments, interest recoveries and day count effect

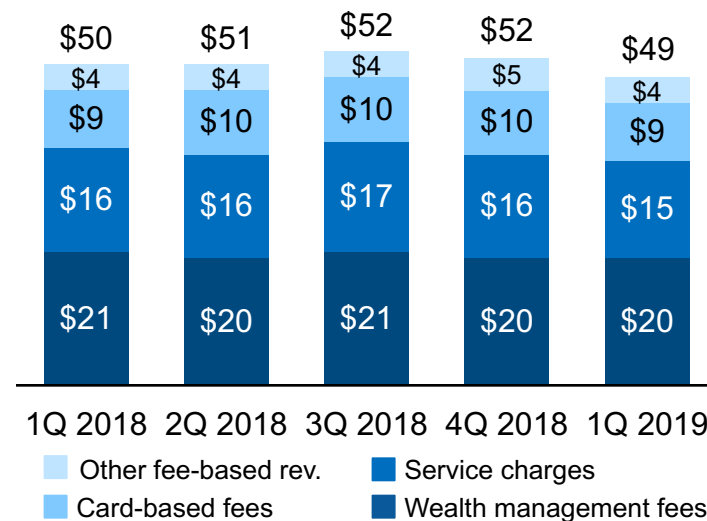
¹Includes recognition of fees and costs upon repayment or refinancing other than Bank Mutual related.

NONINTEREST INCOME - QUARTERLY TRENDS

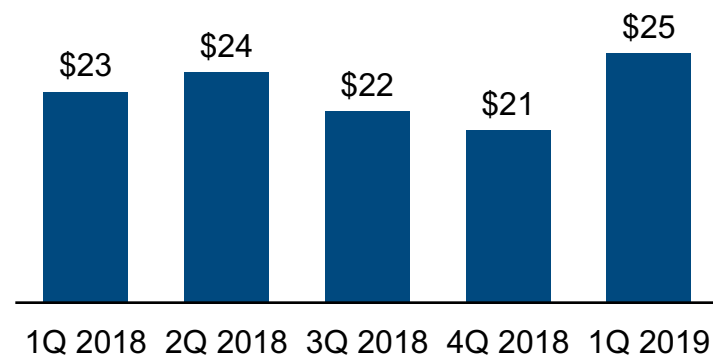
(\$ IN MILLIONS)



Banking and Wealth Management Fees



Insurance Commissions and Fees

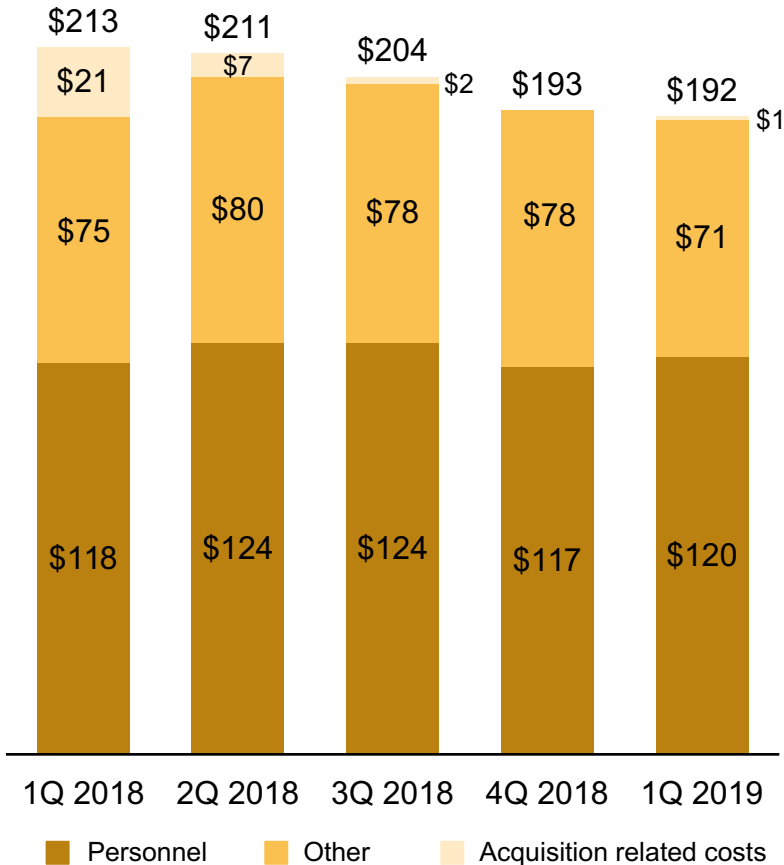


¹Fee-based revenue, a non-GAAP financial measure, is the sum of insurance commissions, wealth management fees, service charges and deposit account fees, card-based fees and other fee-based revenue. Please refer to the appendix for a reconciliation of fee-based revenue to total noninterest income.

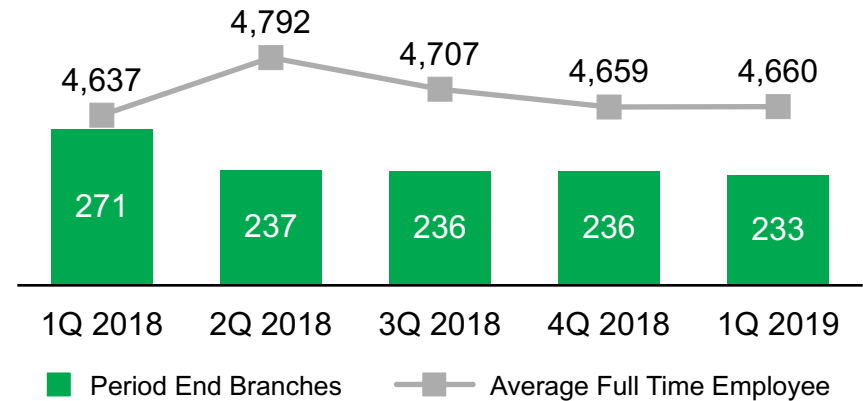


NONINTEREST EXPENSE - QUARTERLY TRENDS

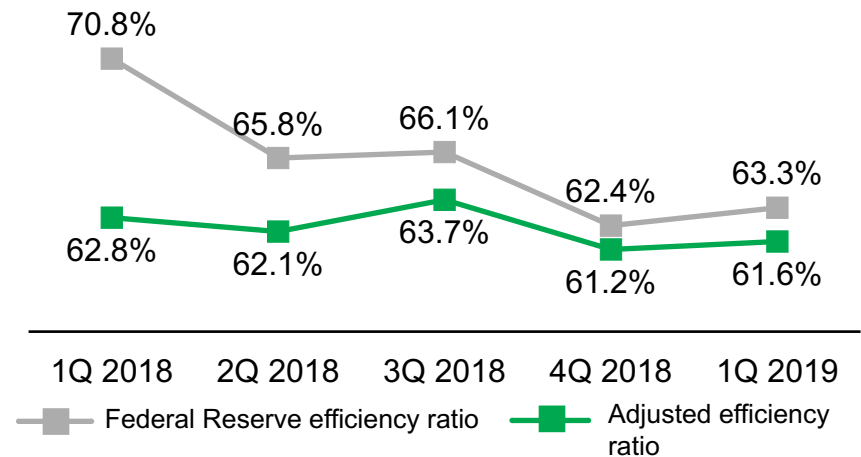
(\$ IN MILLIONS)



Period End Branch Count and Average FTE



Efficiency Ratio¹



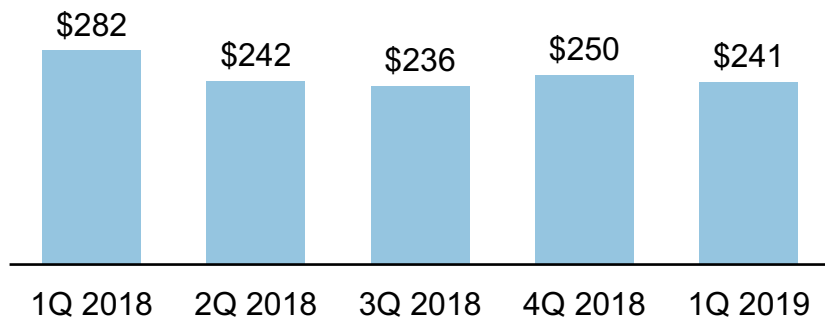
¹The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains / losses, net. The adjusted efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization and acquisition related costs, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net and acquisition related costs. Please refer to the appendix for a reconciliation of the Federal Reserve efficiency ratio to the adjusted efficiency ratio.



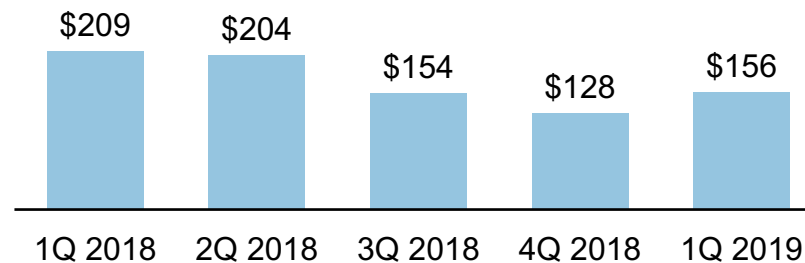
CREDIT QUALITY - QUARTERLY TRENDS

(\$ IN MILLIONS)

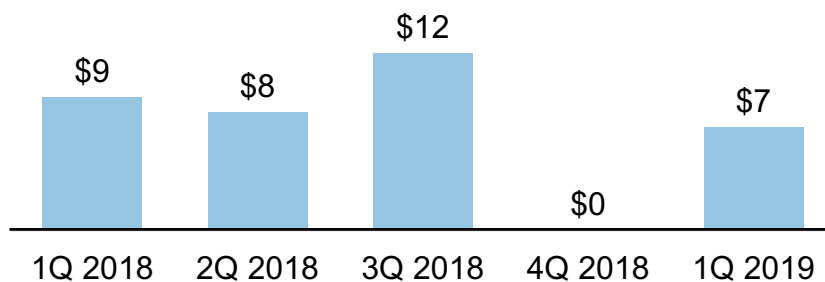
Potential Problem Loans



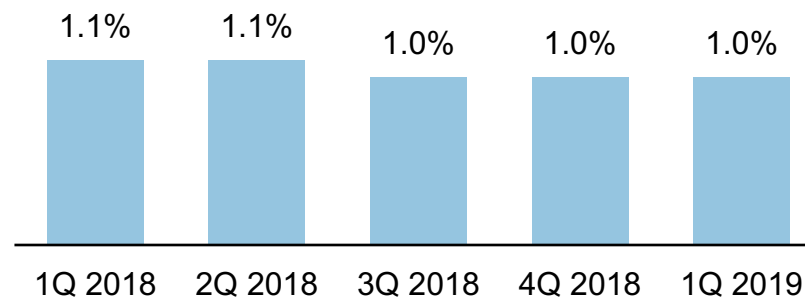
Nonaccrual Loans



Net Charge Offs



Allowance for Loan Losses to Loans



2019 OUTLOOK

- This outlook reflects a stable to improving economy and no Fed Funds rate changes. We may adjust our outlook if, and when, we have more clarity on these factors.
- We received regulatory approval for the acquisition of the Wisconsin branch banking operations of Huntington Bank and continue to expect this transaction will close in June 2019.

Balance Sheet Management

- 3% - 6% annual average loan growth for 2019
- Maintain loan to deposit ratio under 100%
- Flat to slightly lower full-year 2019 NIM, based on no additional Fed rate action

Expense Management

- Approximately \$800M noninterest expense
- Adjusted efficiency ratio¹ expected to improve by ~100 bps
- Effective tax rate: 21% - 23% for full year 2019

Fee Businesses

- Approximately \$360M - \$375M full-year noninterest income
- Improving year over year fee-based revenues

Capital & Credit Management

- Provision expected to adjust with changes to risk grade, other indications of credit quality, and loan volume
- Continue to follow stated corporate priorities for capital deployment

¹The 2019 Outlook includes the adjusted efficiency ratio which is a non-GAAP financial measure. This non-GAAP measure excludes acquisition related costs which by their nature are unpredictable and have low visibility. Estimates of these unpredictable and low visibility costs for 2019 which would be included in the GAAP efficiency measurement of the Federal Reserve Board are, therefore, unavailable.



APPENDIX



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Efficiency Ratio	1Q19	4Q18	3Q18	2Q18	1Q18
Federal Reserve efficiency ratio	63.32 %	62.39 %	66.12 %	65.77 %	70.76 %
Fully tax-equivalent adjustment	(0.77)%	(0.75)%	(0.75)%	(0.65)%	(0.66)%
Other intangible amortization	(0.73)%	(0.72)%	(0.73)%	(0.68)%	(0.51)%
Fully tax-equivalent efficiency ratio ¹	61.83 %	60.93 %	64.66 %	64.45 %	69.60 %
Acquisition related costs adjustment	(0.20)%	0.31 %	(0.94)%	(2.40)%	(6.80)%
Fully tax-equivalent efficiency ratio, excluding acquisition related costs (adjusted efficiency ratio) ¹	61.63 %	61.24 %	63.72 %	62.05 %	62.80 %

The efficiency ratio as defined by the Federal Reserve guidance is noninterest expense (which includes the provision for unfunded commitments) divided by the sum of net interest income plus noninterest income, excluding investment securities gains / losses, net. The fully tax-equivalent efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net. The adjusted efficiency ratio is noninterest expense (which includes the provision for unfunded commitments), excluding other intangible amortization and acquisition related costs, divided by the sum of fully tax-equivalent net interest income plus noninterest income, excluding investment securities gains / losses, net and acquisition related costs.

Fee-based Revenue (\$ millions) ¹	1Q19	4Q18	3Q18	2Q18	1Q18
Insurance commissions and fees	\$ 25	\$ 21	\$ 22	\$ 24	\$ 23
Wealth management fees	20	20	21	20	21
Service charges and deposit account fees	15	16	17	16	16
Card-based fees	9	10	10	10	9
Other fee-based revenue	4	5	4	4	4
Fee-based revenue	\$ 74	\$ 74	\$ 74	\$ 75	\$ 73
Other	17	11	14	18	17
Total noninterest income	\$ 91	\$ 84	\$ 88	\$ 93	\$ 90

¹This is a non-GAAP financial measure. Management believes these measures are meaningful because they reflect adjustments commonly made by management, investors, regulators, and analysts to evaluate the adequacy of earnings per common share, provide greater understanding of ongoing operations and enhance comparability of results with prior periods.



RECONCILIATION AND DEFINITIONS OF NON-GAAP ITEMS

Net interest income	1Q19	4Q18	3Q18	2Q18	1Q18
Net interest income	\$ 216	\$ 224	\$ 219	\$ 226	\$ 210
Bank Mutual prepayments and other adjustments	—	(5)	(1)	(5)	(2)
Bank Mutual acquisition related purchase loan accretion	(1)	(2)	(4)	(5)	(4)
Other prepayments and interest recoveries ¹	(1)	(3)	(1)	(2)	(1)
Day count effect on net interest income versus a 90-day quarter	—	(2)	(2)	(1)	—
Core net interest income ²	<u>\$ 213</u>	<u>\$ 211</u>	<u>\$ 210</u>	<u>\$ 214</u>	<u>\$ 203</u>

Net interest margin	1Q19	4Q18	3Q18	2Q18	1Q18
Net interest margin	2.90 %	3.02 %	2.92 %	3.02 %	2.92 %
Bank Mutual acquisition related purchase loan accretion, prepayments and other adjustments	(0.02)%	(0.10)%	(0.07)%	(0.13)%	(0.09)%
Other prepayments and interest recoveries ¹	(0.01)%	(0.05)%	(0.02)%	(0.03)%	(0.01)%
Day count effect on net interest margin versus a 90-day quarter	— %	(0.03)%	(0.03)%	(0.01)%	— %
Core net interest margin ²	<u>2.87 %</u>	<u>2.84 %</u>	<u>2.80 %</u>	<u>2.86 %</u>	<u>2.82 %</u>

¹Includes recognition of fees and costs upon repayment or refinancing other than Bank Mutual related.

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