

# ZIONS BANCORPORATION

**Zions Bancorporation, N.A. Reports: 4Q18 Net Earnings<sup>1</sup> of \$217 million, diluted EPS of \$1.08 compared with 4Q17 Net Earnings<sup>1</sup> of \$114 million, diluted EPS of \$0.54, and 3Q18 Net Earnings<sup>1</sup> of \$215 million, diluted EPS of \$1.04**  
**2018 Annual Net Earnings<sup>1</sup> of \$850 million, diluted EPS of \$4.08, compared with 2017 Annual Net Earnings<sup>1</sup> of \$550 million, diluted EPS of \$2.60**

## FOURTH QUARTER RESULTS

|                                   |                           |                             |                      |
|-----------------------------------|---------------------------|-----------------------------|----------------------|
| <b>\$1.08</b>                     | <b>\$217 million</b>      | <b>3.67%</b>                | <b>11.7%</b>         |
| Earnings per diluted common share | Net Earnings <sup>1</sup> | Net interest margin ("NIM") | Common Equity Tier 1 |

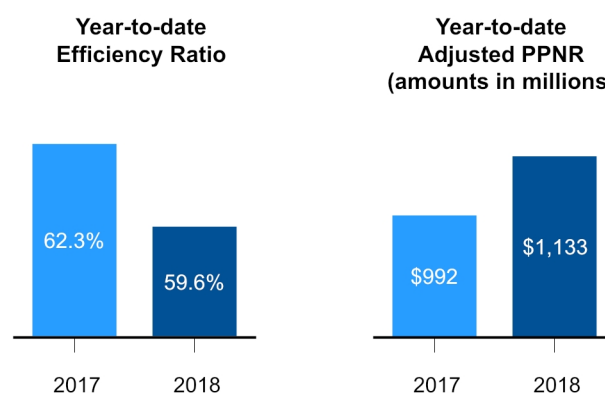
## FOURTH QUARTER HIGHLIGHTS<sup>2</sup>

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Net Interest Income and NIM</b> | <ul style="list-style-type: none"> <li>Net interest income was \$576 million, up 10%</li> <li>NIM was 3.67%, compared with 3.45%</li> <li>Average noninterest-bearing deposits were \$24.3 billion, up from \$24.0 billion</li> </ul>                                                                                                                                                                                                                                   |
| <b>Operating Performance</b>       | <ul style="list-style-type: none"> <li>Pre-provision net revenue ("PPNR") was \$303 million, compared with \$257 million</li> <li>Adjusted PPNR<sup>3</sup> was \$305 million, compared with \$259 million</li> <li>Noninterest expense was \$419 million, compared with \$417 million</li> <li>Adjusted noninterest expense<sup>3</sup> was \$418 million, compared with \$415 million</li> <li>Efficiency ratio<sup>3</sup> was 57.8%, compared with 61.6%</li> </ul> |
| <b>Loans and Credit Quality</b>    | <ul style="list-style-type: none"> <li>Net loans and leases were \$46.7 billion, up 4%</li> <li>Classified loans were \$698 million, down 38%; and nonperforming assets were \$256 million, down 39%</li> <li>Provision for credit losses was \$6 million, compared with \$(12) million</li> <li>Net credit recoveries of 0.07% of average loans, compared with net charge-offs of 0.11% of average loans</li> </ul>                                                    |
| <b>Capital Returns</b>             | <ul style="list-style-type: none"> <li>Return on average tangible common equity<sup>3</sup> was 14.5%, compared with 7.4%</li> <li>Common stock repurchases of \$250 million, 5.1 million shares, or 2.7% of shares outstanding as of September 30, 2018</li> <li>Common dividend increased to \$0.30 per share from \$0.16 per share</li> </ul>                                                                                                                        |
| <b>Notable Items</b>               | <ul style="list-style-type: none"> <li>\$4 million of income tax benefits related to tax planning items impacted by the Tax Cut and Jobs Act and the release of a federal valuation allowance</li> </ul>                                                                                                                                                                                                                                                                |

## CEO COMMENTARY

Harris H. Simmons, Chairman and CEO, commented, "We're pleased with the Bank's performance in the fourth quarter and for the full year 2018. Quarterly earnings per share doubled to \$1.08, compared to \$0.54 a year ago, while annual earnings per share increased 57% to \$4.08 from \$2.60. Although a reduction in the effective tax rate contributed significantly to the improved earnings, pre-tax pre-provision net revenues increased a strong 13% for the quarter even after excluding a \$12 million one-time charitable expense a year ago, and the efficiency ratio improved to 57.8% from 61.6% in the year-ago quarter. Credit quality was exceptional, with net credit recoveries of \$8 million and a 39% reduction in nonperforming assets from last year's fourth quarter." Mr. Simmons added, "We are especially pleased with both the solid loan growth and the continued strong performance of our deposit base. Despite four federal funds rate increases over the past year, average noninterest-bearing demand deposits increased slightly, and averaged 45% of total deposits for the quarter, similar to the year-ago period, contributing to a 22 basis point increase in our net interest margin."

## OPERATING PERFORMANCE<sup>3</sup>



<sup>1</sup> Net Earnings is net earnings applicable to common shareholders.

<sup>2</sup> Comparisons noted in the bullet points are calculated for the current quarter versus the same prior-year period, unless otherwise specified.

<sup>3</sup> For information on non-GAAP financial measures and the reasons for which the Bank presents these numbers, see pages 18-21.

*Comparisons noted in the sections below are calculated for the current quarter versus the same prior-year period, unless otherwise specified.*

## RESULTS OF OPERATIONS

| Net Interest Income and Margin                               |               |               |               |              |    |              |     |
|--------------------------------------------------------------|---------------|---------------|---------------|--------------|----|--------------|-----|
| (In millions)                                                | 4Q18          | 3Q18          | 4Q17          | 4Q18 - 3Q18  |    | 4Q18 - 4Q17  |     |
|                                                              |               |               |               | \$           | %  | \$           | %   |
| Interest and fees on loans                                   | \$ 555        | \$ 537        | \$ 477        | \$ 18        | 3% | \$ 78        | 16% |
| Interest on money market investments                         | 8             | 8             | 5             | —            | —  | 3            | 60  |
| Interest on securities                                       | 93            | 86            | 80            | 7            | 8  | 13           | 16  |
| Total interest income                                        | 656           | 631           | 562           | 25           | 4  | 94           | 17  |
| Interest on deposits                                         | 48            | 38            | 17            | 10           | 26 | 31           | 182 |
| Interest on short and long-term borrowings                   | 32            | 28            | 19            | 4            | 14 | 13           | 68  |
| Total interest expense                                       | 80            | 66            | 36            | 14           | 21 | 44           | 122 |
| Net interest income                                          | <u>\$ 576</u> | <u>\$ 565</u> | <u>\$ 526</u> | <u>\$ 11</u> | 2  | <u>\$ 50</u> | 10  |
|                                                              |               |               |               | bps          |    | bps          |     |
| Yield on interest-earning assets                             | 4.17%         | 4.06%         | 3.69%         | 11           |    | 48           |     |
| Rate paid on total deposits and interest-bearing liabilities | 0.54%         | 0.45%         | 0.25%         | 9            |    | 29           |     |
| Cost of total deposits, annualized                           | 0.35%         | 0.28%         | 0.13%         | 7            |    | 22           |     |
| Net interest margin                                          | 3.67%         | 3.63%         | 3.45%         | 4            |    | 22           |     |

Net interest income increased to \$576 million in the fourth quarter of 2018 from \$526 million in the fourth quarter of 2017. The \$50 million, or 10%, increase in reported net interest income was attributable to a \$78 million increase in interest and fees on loans, resulting from increases in consumer and commercial loans and short-term interest rates. The increase in short-term interest rates also contributed to a \$44 million increase in interest expense.

The yield on interest earning assets was 4.17%, an increase of 11 basis points, compared with the third quarter of 2018, and 48 basis points, compared with the fourth quarter of 2017. When adjusted for interest recoveries of \$3 million, using \$1 million per loan as the reporting threshold, in the third quarter of 2018, the yield on interest earning assets increased 13 basis points from that period. During the fourth quarters of 2018 and 2017, the Bank did not experience any interest income recoveries of at least \$1 million per loan.

The rate paid on total deposits and interest-bearing liabilities increased to 0.54% for the fourth quarter of 2018, from 0.45% for the third quarter of 2018, and 0.25% for the fourth quarter of 2017, primarily as a result of increases in short-term interest rates. The total annualized cost of total deposits for the fourth quarter of 2018 was 0.35%, compared with 0.28% for the third quarter of 2018, and 0.13% for the fourth quarter of 2017.

The net interest margin increased to 3.67% in the fourth quarter of 2018, compared with 3.63% in the third quarter of 2018, and 3.45% in the same prior year period due to the aforementioned items.

## Noninterest Income

| (In millions)                                | 4Q18          | 3Q18          | 4Q17          | 4Q18 - 3Q18 |       | 4Q18 - 4Q17 |       |
|----------------------------------------------|---------------|---------------|---------------|-------------|-------|-------------|-------|
|                                              |               |               |               | \$          | %     | \$          | %     |
| Service charges and fees on deposit accounts | \$ 41         | \$ 42         | \$ 44         | \$ (1)      | (2)%  | \$ (3)      | (7)%  |
| Other service charges, commissions and fees  | 59            | 59            | 56            | —           | —     | 3           | 5     |
| Wealth management and trust income           | 13            | 12            | 12            | 1           | 8     | 1           | 8     |
| Loan sales and servicing income              | 6             | 5             | 6             | 1           | 20    | —           | —     |
| Capital markets and foreign exchange         | 9             | 7             | 9             | 2           | 29    | —           | —     |
| Customer-related fees                        | 128           | 125           | 127           | 3           | 2     | 1           | 1     |
| Dividends and other investment income        | 10            | 11            | 10            | (1)         | (9)   | —           | —     |
| Securities gains (losses), net               | 2             | (1)           | —             | 3           | 300   | 2           | NM    |
| Other                                        | —             | 1             | 2             | (1)         | (100) | (2)         | (100) |
| Total noninterest income                     | <u>\$ 140</u> | <u>\$ 136</u> | <u>\$ 139</u> | <u>\$ 4</u> | 3     | <u>\$ 1</u> | 1     |

Total noninterest income for the fourth quarter of 2018 increased by \$1 million, or 1%, to \$140 million from \$139 million for the fourth quarter of 2017, primarily due to a \$3 million increase in other service charges, commissions and fees due to higher loan commitment fees and customer interest rate swap management fees.

## Noninterest Expense

| (In millions)                              | 4Q18          | 3Q18          | 4Q17          | 4Q18 - 3Q18   |      | 4Q18 - 4Q17 |      |
|--------------------------------------------|---------------|---------------|---------------|---------------|------|-------------|------|
|                                            |               |               |               | \$            | %    | \$          | %    |
| Salaries and employee benefits             | \$ 270        | \$ 264        | \$ 253        | \$ 6          | 2%   | \$ 17       | 7%   |
| Occupancy, net                             | 35            | 33            | 29            | 2             | 6    | 6           | 21   |
| Furniture, equipment and software, net     | 31            | 30            | 34            | 1             | 3    | (3)         | (9)  |
| Other real estate expense, net             | —             | 1             | —             | (1)           | —    | —           | NM   |
| Credit-related expense                     | 6             | 5             | 6             | 1             | 20   | —           | —    |
| Provision for unfunded lending commitments | (1)           | —             | (1)           | (1)           | NM   | —           | —    |
| Professional and legal services            | 15            | 12            | 13            | 3             | 25   | 2           | 15   |
| Advertising                                | 6             | 8             | 5             | (2)           | (25) | 1           | 20   |
| FDIC premiums                              | 6             | 18            | 13            | (12)          | (67) | (7)         | (54) |
| Other                                      | 51            | 49            | 65            | 2             | 4    | (14)        | (22) |
| Total noninterest expense                  | <u>\$ 419</u> | <u>\$ 420</u> | <u>\$ 417</u> | <u>\$ (1)</u> | —    | <u>\$ 2</u> | —    |
| Adjusted noninterest expense <sup>1</sup>  | \$ 418        | \$ 416        | \$ 415        | \$ 2          | —%   | \$ 3        | 1    |

<sup>1</sup> For information on non-GAAP financial measures, see pages 18-21.

Noninterest expense for the fourth quarter of 2018 was \$419 million, compared with \$417 million for the fourth quarter of 2017. Salaries and employee benefits increased \$17 million primarily due to an \$11 million increase in base salaries resulting from salary increases related to the Tax Cut and Jobs Act, merit increases and increased headcount. The remaining \$6 million increase was primarily a result of a \$2 million increase in incentive compensation, a \$2 million increase in employee medical expenses and a \$2 million increase in the Bank's contribution to the employee 401(k) plan. Occupancy expense was \$6 million higher in the current quarter because in the fourth quarter of 2017 the Bank recognized lower than expected expenses primarily due to insurance and recoveries related to Hurricane Harvey. The increases in the aforementioned noninterest expense categories were partially offset by a \$14 million decrease in other noninterest expense and a \$7 million decrease in FDIC premiums. The decrease in other noninterest expense is

primarily due to a \$12 million charitable contribution made in the fourth quarter of 2017 related to the Tax Cut and Jobs Act that did not recur in the current quarter. The decrease in FDIC premiums is primarily due to the elimination of the FDIC surcharge for large banks because the required Deposit Insurance Fund reserve ratio has been met.

Our efficiency ratio improved to 57.8% in the fourth quarter of 2018, compared with 58.8% in the third quarter of 2018, and 61.6% in the fourth quarter of 2017. Adjusted noninterest expense for the fourth quarter of 2018 increased \$3 million to \$418 million, compared with \$415 million for the same prior year period. For information on non-GAAP financial measures, including differences between noninterest expense and adjusted noninterest expense, see pages 18-21.

## Income Taxes

Our effective income tax rate was 22.1% for the fourth quarter of 2018, compared with 23.6% for the third quarter of 2018 and 52.5% for the fourth quarter of 2017. The income tax rates for 2018 were positively impacted by the decrease in the corporate federal income tax rate to 21% from 35%, effective January 1, 2018. Additionally, the effective tax rate in the fourth quarter of 2018 rate benefited from additional tax planning items impacted by the Tax Cuts and Jobs Act and the release of a federal valuation allowance related to the net operating loss of a prior subsidiary. The decrease in the income tax rate from the fourth quarter of 2017 to the fourth quarter of 2018 was also impacted by a \$47 million provisional non-cash charge recognized as income tax expense in the fourth quarter of 2017 related to the Tax Cuts and Jobs Act.

## BALANCE SHEET ANALYSIS

### Asset Quality

| (In millions)                                                                    | 4Q18    | 3Q18    | 4Q17    | 4Q18 - 3Q18 |        | 4Q18 - 4Q17 |        |
|----------------------------------------------------------------------------------|---------|---------|---------|-------------|--------|-------------|--------|
|                                                                                  |         |         |         | bps         |        | bps         |        |
| Ratio of nonperforming assets to loans and leases and other real estate owned    | 0.55 %  | 0.64 %  | 0.93%   | (9)         |        | (38)        |        |
| Annualized ratio of net loan and lease charge-offs (recoveries) to average loans | (0.07)% | (0.01)% | 0.11%   | (6)         |        | (18)        |        |
| Ratio of allowance for loan losses to loans and leases, at period end            | 1.06 %  | 1.05 %  | 1.16%   | 1           |        | (10)        |        |
|                                                                                  |         |         |         | \$          | %      | \$          | %      |
| Classified loans                                                                 | \$ 698  | \$ 784  | \$1,133 | \$ (86)     | (11)%  | \$ (435)    | (38)%  |
| Nonperforming assets                                                             | 256     | 292     | 418     | (36)        | (12)%  | (162)       | (39)%  |
| Net loan and lease charge-offs (recoveries)                                      | (8)     | (1)     | 12      | (7)         | (700)% | (20)        | (167)% |
| Provision for credit losses                                                      | 6       | (11)    | (12)    | 17          | 155 %  | 18          | 150 %  |

Asset quality continued to improve for the entire loan portfolio when compared with the prior quarter and the same prior year period, partially due to continued improvements in the oil and gas-related portfolio.

The Bank recorded a \$6 million provision for credit losses during the fourth quarter of 2018, compared with \$(11) million during the third quarter of 2018, and \$(12) million for the fourth quarter of 2017.

The \$6 million provision for credit losses reflects a decline in the quantitative portion of the allowance for loan losses, primarily from improved credit quality, and an increase in the qualitative portion related to recent general economic indicators, including increased stock market volatility, higher short-term interest rates, a flattened yield curve, and a decline in oil prices. The allowance for loan losses was \$495 million at December 31, 2018, compared with \$518 million at December 31, 2017, or 1.06% and 1.16% of loans and leases, respectively.

## Loans and Leases

| (In millions)                                     | 4Q18      | 3Q18      | 4Q17      | 4Q18 - 3Q18 |     | 4Q18 - 4Q17 |     |
|---------------------------------------------------|-----------|-----------|-----------|-------------|-----|-------------|-----|
|                                                   |           |           |           | \$          | %   | \$          | %   |
| Loans held for sale                               | \$ 93     | \$ 61     | \$ 44     | \$ 32       | 52% | \$ 49       | 111 |
| Loans and leases:                                 |           |           |           |             |     |             |     |
| Commercial                                        | 24,162    | 23,539    | 22,926    | 623         | 3   | 1,236       | 5   |
| Commercial real estate                            | 11,125    | 11,047    | 11,124    | 78          | 1   | 1           | —   |
| Consumer                                          | 11,427    | 11,224    | 10,730    | 203         | 2   | 697         | 6   |
| Loans and leases, net of unearned income and fees | 46,714    | 45,810    | 44,780    | 904         | 2   | 1,934       | 4   |
| Less allowance for loan losses                    | 495       | 480       | 518       | 15          | 3   | (23)        | (4) |
| Loans held for investment, net of allowance       | \$ 46,219 | \$ 45,330 | \$ 44,262 | \$ 889      | 2   | \$ 1,957    | 4   |

Loans and leases, net of unearned income and fees, increased \$1.9 billion, or 4%, to \$46.7 billion at December 31, 2018 from \$44.8 billion at December 31, 2017. The largest increases were in commercial loans and consumer loans. Within commercial loans, municipal and owner-occupied loans increased \$390 million and \$373 million, respectively. The increase in consumer loans was primarily in 1-4 family residential loans, which increased \$514 million. Unfunded lending commitments and letters of credit increased to \$22.5 billion at December 31, 2018, compared with \$20.5 billion at December 31, 2017. The increase was predominantly in commitments relating to commercial and industrial and commercial real estate construction and land development loans.

## Deposits

| (In millions)              | 4Q18      | 3Q18      | 4Q17      | 4Q18 - 3Q18 |      | 4Q18 - 4Q17 |      |
|----------------------------|-----------|-----------|-----------|-------------|------|-------------|------|
|                            |           |           |           | \$          | %    | \$          | %    |
| Noninterest-bearing demand | \$ 23,645 | \$ 24,067 | \$ 23,886 | \$ (422)    | (2)% | \$ (241)    | (1)% |
| Interest-bearing:          |           |           |           |             |      |             |      |
| Savings and money market   | 26,120    | 25,462    | 25,620    | 658         | 3    | 500         | 2    |
| Time                       | 4,336     | 4,256     | 3,115     | 80          | 2    | 1,221       | 39   |
| Total deposits             | \$ 54,101 | \$ 53,785 | \$ 52,621 | \$ 316      | 1    | \$ 1,480    | 3    |

Total deposits increased by \$1.5 billion, or 3%, from \$52.6 billion at December 31, 2017. Average total deposits increased to \$54.2 billion for the fourth quarter of 2018, compared with \$52.3 billion for the fourth quarter of 2017. Average noninterest bearing deposits increased slightly to \$24.3 billion for the fourth quarter of 2018, compared with \$24.0 billion for the fourth quarter of 2017, and were 45% and 46% of average total deposits, respectively, for the same periods.

## Shareholders' Equity

| (In millions)                                                                         | 4Q18            | 3Q18            | 4Q17            | 4Q18 - 3Q18  |     | 4Q18 - 4Q17     |      |
|---------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|--------------|-----|-----------------|------|
|                                                                                       |                 |                 |                 | \$           | %   | \$              | %    |
| Shareholders' equity:                                                                 |                 |                 |                 |              |     |                 |      |
| Preferred stock                                                                       | \$ 566          | \$ 566          | \$ 566          | \$ —         | —%  | \$ —            | —%   |
| Common stock                                                                          | —               | —               | 4,445           | —            | NM  | (4,445)         | NM   |
| Additional paid-in capital                                                            | 3,806           | 4,052           | —               | (246)        | (6) | 3,806           | NM   |
| Retained earnings                                                                     | 3,456           | 3,296           | 2,807           | 160          | 5   | 649             | 23   |
| Accumulated other comprehensive income (loss)                                         | (250)           | (361)           | (139)           | 111          | 31  | (111)           | (80) |
| Total shareholders' equity                                                            | <u>\$ 7,578</u> | <u>\$ 7,553</u> | <u>\$ 7,679</u> | <u>\$ 25</u> | —   | <u>\$ (101)</u> | (1)  |
| Capital distributions:                                                                |                 |                 |                 |              |     |                 |      |
| Common dividends paid                                                                 | 57              | 58              | 32              | (1)          | (2) | 25              | 78   |
| Bank common stock repurchased                                                         | 250             | 185             | 115             | 65           | 35  | 135             | 117  |
| Total capital distributed to common shareholders                                      | <u>307</u>      | <u>243</u>      | <u>147</u>      | 64           | 26  | 160             | 109  |
| Capital distributed as a percentage of net earnings applicable to common shareholders | 141%            | 113%            | 129%            |              |     |                 |      |

During the fourth quarter of 2018, the Bank's common stock dividend was \$0.30 per share, compared with \$0.16 per share in the fourth quarter of 2017. Common stock repurchases during the current quarter totaled \$250 million, or 5.1 million shares, which is equivalent to 2.7% of common stock outstanding as of September 30, 2018. During the last four quarters, the Bank repurchased \$670 million, or 12.9 million shares, of common stock which is equivalent to 6.6% of common stock outstanding as of December 31, 2017. Weighted average diluted shares decreased by 10.6 million, compared with the fourth quarter of 2017, primarily due to the aforementioned share repurchases and a reduction in the dilutive impact of warrants (NASDAQ: ZIONZ and ZIONW) as the weighted average share price decreased from \$47.89 per share in the fourth quarter of 2017 to \$46.61 in fourth quarter of 2018. As of December 31, 2018, the Bank had 29.3 million ZIONW warrants outstanding. The ZIONZ warrants expired on November 14, 2018, and the ZIONW warrants expire on May 22, 2020.

Tangible book value per common share increased to \$31.97 at December 31, 2018, compared with \$30.87 at December 31, 2017. Basel III common equity tier 1 ("CET1") capital was \$6.2 billion at both December 31, 2018 and December 31, 2017. The estimated Basel III CET1 capital ratio was 11.7% at December 31, 2018 compared with 12.1% at December 31, 2017. For information on non-GAAP financial measures, see pages 18-21.

### **Supplemental Presentation and Conference Call**

Zions has posted a supplemental presentation to its website, which will be used to discuss these fourth quarter results at 5:30 p.m. ET this afternoon (January 22, 2019). Media representatives, analysts, investors, and the public are invited to join this discussion by calling (253) 237-1247 (domestic and international) and entering the passcode 6597822 or via on-demand webcast. A link to the webcast will be available on the Zions Bancorporation website at [zionsbancorporation.com](http://zionsbancorporation.com). The webcast of the conference call will also be archived and available for 30 days.

### **About Zions Bancorporation, N.A.**

Zions Bancorporation, N.A. is one of the nation's premier financial services companies with total assets exceeding \$65 billion. Zions operates under local management teams and distinct brands in 11 western states: Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, Washington and Wyoming. The Bank is a national leader in Small Business Administration lending and public finance advisory services. In addition, Zions is included in the S&P 500 and NASDAQ Financial 100 indices. Investor information and links to local banking brands can be accessed at [zionsbancorporation.com](http://zionsbancorporation.com).

### **Forward-Looking Information**

This earnings release includes forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Statements in the earnings release that are based on other than historical information, or that express the Bank's expectations regarding future events or determinations, are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect, among other things, our current expectations, all of which are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, market trends, industry results or regulatory outcomes to differ materially from those expressed or implied by such forward-looking statements.

Without limiting the foregoing, the words "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "might," "plans," "projects," "should," "would," "targets," "will" and the negative thereof and similar words and expressions are intended to identify forward-looking statements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about future financial and operating results. Actual results and outcomes may differ materially from those presented, either expressed or implied, in the release. Important risk factors that may cause such material differences include, but are not limited to, the actual amount and duration of declines in the price of oil and gas; Zions' ability to meet operating leverage goals; the rate of change of interest sensitive assets and liabilities relative to changes in benchmark interest rates; the ability of the Bank to achieve anticipated benefits from its recently completed merger; and legislative, regulatory and economic developments. These risks, as well as other factors, are discussed in the Bank's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission (SEC) and available at the SEC's Internet site (<https://www.sec.gov/>). In addition, you may obtain

documents filed with the SEC by the Bank free of charge by contacting: Investor Relations, Zions Bancorporation, N.A., One South Main Street, 11th Floor, Salt Lake City, Utah 84133, (801) 844-7637.

Except as required by law, Zions Bancorporation, N.A. specifically disclaims any obligation to update any factors or to publicly announce the result of revisions to any of the forward-looking statements included herein to reflect future events or developments.

## FINANCIAL HIGHLIGHTS

(Unaudited)

|                                                                                         | Three Months Ended   |                       |                  |                   |                      |
|-----------------------------------------------------------------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
|                                                                                         | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
| <i>(In millions, except share, per share, and ratio data)</i>                           |                      |                       |                  |                   |                      |
| <b>BALANCE SHEET <sup>1</sup></b>                                                       |                      |                       |                  |                   |                      |
| Loans held for investment, net of allowance                                             | \$ 46,219            | \$ 45,330             | \$ 44,740        | \$ 44,610         | \$ 44,262            |
| Total assets                                                                            | 68,746               | 66,731                | 66,457           | 66,481            | 66,288               |
| Deposits                                                                                | 54,101               | 53,785                | 53,580           | 52,963            | 52,621               |
| Total shareholders' equity                                                              | 7,578                | 7,553                 | 7,621            | 7,644             | 7,679                |
| <b>STATEMENT OF INCOME</b>                                                              |                      |                       |                  |                   |                      |
| Net earnings applicable to common shareholders                                          | \$ 217               | \$ 215                | \$ 187           | \$ 231            | \$ 114               |
| Net interest income                                                                     | 576                  | 565                   | 548              | 542               | 526                  |
| Taxable-equivalent net interest income <sup>2</sup>                                     | 582                  | 570                   | 553              | 547               | 535                  |
| Total noninterest income                                                                | 140                  | 136                   | 138              | 138               | 139                  |
| Total noninterest expense                                                               | 419                  | 420                   | 428              | 412               | 417                  |
| Adjusted pre-provision net revenue <sup>2</sup>                                         | 305                  | 291                   | 270              | 265               | 259                  |
| Provision for credit losses                                                             | 6                    | (11)                  | 12               | (47)              | (12)                 |
| <b>SHARE AND PER COMMON SHARE AMOUNTS</b>                                               |                      |                       |                  |                   |                      |
| Net earnings per diluted common share                                                   | \$ 1.08              | \$ 1.04               | \$ 0.89          | \$ 1.09           | \$ 0.54              |
| Dividends                                                                               | 0.30                 | 0.30                  | 0.24             | 0.20              | 0.16                 |
| Book value per common share <sup>1</sup>                                                | 37.39                | 36.36                 | 36.11            | 35.92             | 36.01                |
| Tangible book value per common share <sup>1,2</sup>                                     | 31.97                | 31.08                 | 30.91            | 30.76             | 30.87                |
| Weighted average share price                                                            | 46.61                | 52.80                 | 55.19            | 53.82             | 47.89                |
| Weighted average common and common-equivalent shares outstanding (in thousands)         | 199,048              | 205,765               | 209,247          | 210,243           | 209,681              |
| Common shares outstanding (in thousands) <sup>1</sup>                                   | 187,554              | 192,169               | 195,392          | 197,050           | 197,532              |
| <b>SELECTED RATIOS AND OTHER DATA</b>                                                   |                      |                       |                  |                   |                      |
| Return on average assets                                                                | 1.34 %               | 1.33 %                | 1.19 %           | 1.45%             | 0.74%                |
| Return on average common equity                                                         | 12.4 %               | 12.1 %                | 10.6 %           | 13.3%             | 6.3%                 |
| Tangible return on average tangible common equity <sup>2</sup>                          | 14.5 %               | 14.2 %                | 12.4 %           | 15.5%             | 7.4%                 |
| Net interest margin                                                                     | 3.67 %               | 3.63 %                | 3.56 %           | 3.56%             | 3.45%                |
| Cost of total deposits, annualized                                                      | 0.35 %               | 0.28 %                | 0.22 %           | 0.15%             | 0.13%                |
| Efficiency ratio <sup>2</sup>                                                           | 57.8 %               | 58.8 %                | 60.9 %           | 61.3%             | 61.6%                |
| Effective tax rate                                                                      | 22.1 %               | 23.6 %                | 22.1 %           | 22.7%             | 52.5%                |
| Ratio of nonperforming assets to loans and leases and other real estate owned           | 0.55 %               | 0.64 %                | 0.77 %           | 0.87%             | 0.93%                |
| Annualized ratio of net loan and lease charge-offs (recoveries) to average loans        | (0.07)%              | (0.01)%               | (0.11)%          | 0.05%             | 0.11%                |
| Ratio of total allowance for credit losses to loans and leases outstanding <sup>1</sup> | 1.18 %               | 1.17 %                | 1.21 %           | 1.16%             | 1.29%                |
| Full-time equivalent employees                                                          | 10,201               | 10,143                | 10,217           | 10,122            | 10,083               |
| <b>CAPITAL RATIOS AND DATA <sup>1</sup></b>                                             |                      |                       |                  |                   |                      |
| Common equity tier 1 capital                                                            | \$ 6,245             | \$ 6,331              | \$ 6,360         | \$ 6,333          | \$ 6,239             |
| Risk-weighted assets                                                                    | \$ 53,565            | \$ 52,493             | \$ 52,012        | \$ 51,779         | \$ 51,456            |
| Tangible common equity ratio                                                            | 8.9 %                | 9.1 %                 | 9.2 %            | 9.3%              | 9.3%                 |
| Common equity tier 1 capital ratio                                                      | 11.7 %               | 12.1 %                | 12.2 %           | 12.2%             | 12.1%                |
| Tier 1 leverage ratio                                                                   | 10.3 %               | 10.5 %                | 10.5 %           | 10.5%             | 10.5%                |
| Tier 1 risk-based capital ratio                                                         | 12.7 %               | 13.1 %                | 13.3 %           | 13.3%             | 13.2%                |
| Total risk-based capital ratio                                                          | 13.9 %               | 14.6 %                | 14.8 %           | 14.8%             | 14.8%                |

<sup>1</sup> At period end.

<sup>2</sup> For information on non-GAAP financial measures, see pages 18-21.

**CONSOLIDATED BALANCE SHEETS**  
(Unaudited)

| <i>(In millions, shares in thousands)</i>                                                                                                  | <b>December 31,<br/>2018</b> | <b>September 30,<br/>2018</b> | <b>June 30,<br/>2018</b> | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
|                                                                                                                                            | <b>(Unaudited)</b>           | <b>(Unaudited)</b>            | <b>(Unaudited)</b>       | <b>(Unaudited)</b>        |                              |
| <b>ASSETS</b>                                                                                                                              |                              |                               |                          |                           |                              |
| Cash and due from banks                                                                                                                    | \$ 614                       | \$ 517                        | \$ 468                   | \$ 470                    | \$ 548                       |
| Money market investments:                                                                                                                  |                              |                               |                          |                           |                              |
| Interest-bearing deposits                                                                                                                  | 619                          | 590                           | 698                      | 717                       | 782                          |
| Federal funds sold and security resell agreements                                                                                          | 1,461                        | 560                           | 558                      | 696                       | 514                          |
| Investment securities:                                                                                                                     |                              |                               |                          |                           |                              |
| Held-to-maturity, at amortized cost (approximate fair value \$767, \$734, \$866, \$752 and \$762)                                          | 774                          | 751                           | 878                      | 768                       | 770                          |
| Available-for-sale, at fair value                                                                                                          | 14,737                       | 14,625                        | 14,627                   | 14,896                    | 15,161                       |
| Trading account, at fair value                                                                                                             | 106                          | 176                           | 207                      | 143                       | 148                          |
| Total investment securities                                                                                                                | 15,617                       | 15,552                        | 15,712                   | 15,807                    | 16,079                       |
| Loans held for sale                                                                                                                        | 93                           | 61                            | 84                       | 90                        | 44                           |
| Loans and leases, net of unearned income and fees                                                                                          | 46,714                       | 45,810                        | 45,230                   | 45,083                    | 44,780                       |
| Less allowance for loan losses                                                                                                             | 495                          | 480                           | 490                      | 473                       | 518                          |
| Loans held for investment, net of allowance                                                                                                | 46,219                       | 45,330                        | 44,740                   | 44,610                    | 44,262                       |
| Other noninterest-bearing investments                                                                                                      | 1,046                        | 1,027                         | 1,054                    | 1,073                     | 1,029                        |
| Premises, equipment and software, net                                                                                                      | 1,124                        | 1,111                         | 1,099                    | 1,098                     | 1,094                        |
| Goodwill and intangibles                                                                                                                   | 1,015                        | 1,015                         | 1,015                    | 1,016                     | 1,016                        |
| Other real estate owned                                                                                                                    | 4                            | 4                             | 5                        | 5                         | 4                            |
| Other assets                                                                                                                               | 934                          | 964                           | 1,024                    | 899                       | 916                          |
| Total assets                                                                                                                               | <u>\$ 68,746</u>             | <u>\$ 66,731</u>              | <u>\$ 66,457</u>         | <u>\$ 66,481</u>          | <u>\$ 66,288</u>             |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                                                                                |                              |                               |                          |                           |                              |
| Deposits:                                                                                                                                  |                              |                               |                          |                           |                              |
| Noninterest-bearing demand                                                                                                                 | \$ 23,645                    | \$ 24,067                     | \$ 24,007                | \$ 23,909                 | \$ 23,886                    |
| Interest-bearing:                                                                                                                          |                              |                               |                          |                           |                              |
| Savings and money market                                                                                                                   | 26,120                       | 25,462                        | 25,562                   | 25,473                    | 25,620                       |
| Time                                                                                                                                       | 4,336                        | 4,256                         | 4,011                    | 3,581                     | 3,115                        |
| Total deposits                                                                                                                             | 54,101                       | 53,785                        | 53,580                   | 52,963                    | 52,621                       |
| Federal funds purchased and other short-term borrowings                                                                                    | 5,653                        | 3,780                         | 4,158                    | 4,867                     | 4,976                        |
| Long-term debt                                                                                                                             | 724                          | 879                           | 383                      | 383                       | 383                          |
| Reserve for unfunded lending commitments                                                                                                   | 57                           | 58                            | 58                       | 51                        | 58                           |
| Other liabilities                                                                                                                          | 633                          | 676                           | 657                      | 573                       | 571                          |
| Total liabilities                                                                                                                          | 61,168                       | 59,178                        | 58,836                   | 58,837                    | 58,609                       |
| Shareholders' equity:                                                                                                                      |                              |                               |                          |                           |                              |
| Preferred stock, without par value; authorized 4,400 shares                                                                                | 566                          | 566                           | 566                      | 566                       | 566                          |
| Common stock (\$0.001 par value; authorized 350,000 shares; issued and outstanding 187,554, 192,169, 195,392, 197,050, and 197,532 shares) | —                            | —                             | 4,231                    | 4,346                     | 4,445                        |
| Additional paid-in-capital                                                                                                                 | 3,806                        | 4,052                         | —                        | —                         | —                            |
| Retained earnings                                                                                                                          | 3,456                        | 3,296                         | 3,139                    | 2,999                     | 2,807                        |
| Accumulated other comprehensive income (loss)                                                                                              | (250)                        | (361)                         | (315)                    | (267)                     | (139)                        |
| Total shareholders' equity                                                                                                                 | 7,578                        | 7,553                         | 7,621                    | 7,644                     | 7,679                        |
| Total liabilities and shareholders' equity                                                                                                 | <u>\$ 68,746</u>             | <u>\$ 66,731</u>              | <u>\$ 66,457</u>         | <u>\$ 66,481</u>          | <u>\$ 66,288</u>             |

**CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

|                                                               | Three Months Ended   |                       |                  |                   |                      |
|---------------------------------------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
|                                                               | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
| <i>(In millions, except share and per share amounts)</i>      |                      |                       |                  |                   |                      |
| Interest income:                                              |                      |                       |                  |                   |                      |
| Interest and fees on loans                                    | \$ 555               | \$ 537                | \$ 514           | \$ 497            | \$ 477               |
| Interest on money market investments                          | 8                    | 8                     | 7                | 6                 | 5                    |
| Interest on securities                                        | 93                   | 86                    | 85               | 86                | 80                   |
| Total interest income                                         | 656                  | 631                   | 606              | 589               | 562                  |
| Interest expense:                                             |                      |                       |                  |                   |                      |
| Interest on deposits                                          | 48                   | 38                    | 29               | 20                | 17                   |
| Interest on short- and long-term borrowings                   | 32                   | 28                    | 29               | 27                | 19                   |
| Total interest expense                                        | 80                   | 66                    | 58               | 47                | 36                   |
| Net interest income                                           | 576                  | 565                   | 548              | 542               | 526                  |
| Provision for loan losses                                     | 7                    | (11)                  | 5                | (40)              | (11)                 |
| Net interest income after provision for loan losses           | 569                  | 576                   | 543              | 582               | 537                  |
| Noninterest income:                                           |                      |                       |                  |                   |                      |
| Service charges and fees on deposit accounts                  | 41                   | 42                    | 42               | 42                | 44                   |
| Other service charges, commissions and fees                   | 59                   | 59                    | 55               | 55                | 56                   |
| Wealth management and trust income                            | 13                   | 12                    | 14               | 12                | 12                   |
| Loan sales and servicing income                               | 6                    | 5                     | 7                | 6                 | 6                    |
| Capital markets and foreign exchange                          | 9                    | 7                     | 7                | 8                 | 9                    |
| Customer-related fees                                         | 128                  | 125                   | 125              | 123               | 127                  |
| Dividends and other investment income                         | 10                   | 11                    | 11               | 11                | 10                   |
| Securities gains (losses), net                                | 2                    | (1)                   | 1                | —                 | —                    |
| Other                                                         | —                    | 1                     | 1                | 4                 | 2                    |
| Total noninterest income                                      | 140                  | 136                   | 138              | 138               | 139                  |
| Noninterest expense:                                          |                      |                       |                  |                   |                      |
| Salaries and employee benefits                                | 270                  | 264                   | 266              | 269               | 253                  |
| Occupancy, net                                                | 35                   | 33                    | 32               | 31                | 29                   |
| Furniture, equipment and software, net                        | 31                   | 30                    | 32               | 33                | 34                   |
| Other real estate expense, net                                | —                    | 1                     | —                | —                 | —                    |
| Credit-related expense                                        | 6                    | 5                     | 7                | 7                 | 6                    |
| Provision for unfunded lending commitments                    | (1)                  | —                     | 7                | (7)               | (1)                  |
| Professional and legal services                               | 15                   | 12                    | 14               | 12                | 13                   |
| Advertising                                                   | 6                    | 8                     | 7                | 5                 | 5                    |
| FDIC premiums                                                 | 6                    | 18                    | 14               | 13                | 13                   |
| Other                                                         | 51                   | 49                    | 49               | 49                | 65                   |
| Total noninterest expense                                     | 419                  | 420                   | 428              | 412               | 417                  |
| Income before income taxes                                    | 290                  | 292                   | 253              | 308               | 259                  |
| Income taxes                                                  | 64                   | 69                    | 56               | 70                | 136                  |
| Net income                                                    | 226                  | 223                   | 197              | 238               | 123                  |
| Preferred stock dividends                                     | (9)                  | (8)                   | (10)             | (7)               | (9)                  |
| Net earnings applicable to common shareholders                | \$ 217               | \$ 215                | \$ 187           | \$ 231            | \$ 114               |
| Weighted average common shares outstanding during the period: |                      |                       |                  |                   |                      |
| Basic shares (in thousands)                                   | 189,169              | 192,973               | 195,583          | 196,722           | 198,648              |
| Diluted shares (in thousands)                                 | 199,048              | 205,765               | 209,247          | 210,243           | 209,681              |
| Net earnings per common share:                                |                      |                       |                  |                   |                      |
| Basic                                                         | \$ 1.14              | \$ 1.11               | \$ 0.95          | \$ 1.16           | \$ 0.57              |
| Diluted                                                       | 1.08                 | 1.04                  | 0.89             | 1.09              | 0.54                 |

## CONSOLIDATED STATEMENTS OF INCOME

| <i>(In millions, except share and per share amounts)</i>    | Year Ended December 31, |          |          |
|-------------------------------------------------------------|-------------------------|----------|----------|
|                                                             | 2018<br>(Unaudited)     | 2017     | 2016     |
| Interest income:                                            |                         |          |          |
| Interest and fees on loans                                  | \$ 2,102                | \$ 1,847 | \$ 1,729 |
| Interest on money market investments                        | 29                      | 19       | 21       |
| Interest on securities                                      | 350                     | 326      | 204      |
| Total interest income                                       | 2,481                   | 2,192    | 1,954    |
| Interest expense:                                           |                         |          |          |
| Interest on deposits                                        | 135                     | 59       | 49       |
| Interest on short- and long-term borrowings                 | 116                     | 68       | 38       |
| Total interest expense                                      | 251                     | 127      | 87       |
| Net interest income                                         | 2,230                   | 2,065    | 1,867    |
| Provision for loan losses                                   | (39)                    | 24       | 93       |
| Net interest income after provision for loan losses         | 2,269                   | 2,041    | 1,774    |
| Noninterest income:                                         |                         |          |          |
| Service charges and fees on deposit accounts                | 166                     | 171      | 171      |
| Other service charges, commissions and fees                 | 228                     | 217      | 208      |
| Wealth management and trust income                          | 51                      | 42       | 37       |
| Loan sales and servicing income                             | 25                      | 25       | 35       |
| Capital markets and foreign exchange                        | 31                      | 30       | 22       |
| Customer-related fees                                       | 501                     | 485      | 473      |
| Dividends and other investment income                       | 43                      | 40       | 24       |
| Securities gains (losses), net                              | 1                       | 14       | 7        |
| Other                                                       | 7                       | 5        | 12       |
| Total noninterest income                                    | 552                     | 544      | 516      |
| Noninterest expense:                                        |                         |          |          |
| Salaries and employee benefits                              | 1,070                   | 1,006    | 978      |
| Occupancy, net                                              | 132                     | 129      | 125      |
| Furniture, equipment and software, net                      | 126                     | 130      | 125      |
| Other real estate expense, net                              | 1                       | (1)      | (2)      |
| Credit-related expense                                      | 25                      | 29       | 25       |
| Provision for unfunded lending commitments                  | (1)                     | (7)      | (10)     |
| Professional and legal services                             | 52                      | 57       | 56       |
| Advertising                                                 | 26                      | 22       | 22       |
| FDIC premiums                                               | 50                      | 53       | 40       |
| Other                                                       | 197                     | 231      | 226      |
| Total noninterest expense                                   | 1,678                   | 1,649    | 1,585    |
| Income before income taxes                                  | 1,143                   | 936      | 705      |
| Income taxes                                                | 259                     | 344      | 236      |
| Net income                                                  | 884                     | 592      | 469      |
| Preferred stock dividends                                   | (34)                    | (40)     | (48)     |
| Preferred stock redemption                                  | —                       | (2)      | (10)     |
| Net earnings applicable to common shareholders              | \$ 850                  | \$ 550   | \$ 411   |
| Weighted average common shares outstanding during the year: |                         |          |          |
| Basic shares (in thousands)                                 | 193,589                 | 200,776  | 203,855  |
| Diluted shares (in thousands)                               | 206,501                 | 209,653  | 204,269  |
| Net earnings per common share:                              |                         |          |          |
| Basic                                                       | \$ 4.36                 | \$ 2.71  | \$ 2.00  |
| Diluted                                                     | 4.08                    | 2.60     | 1.99     |

**Loan Balances Held for Investment by Portfolio Type**  
(Unaudited)

| <i>(In millions)</i>                              | <b>December 31,<br/>2018</b> | <b>September 30,<br/>2018</b> | <b>June 30,<br/>2018</b> | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|---------------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| Commercial:                                       |                              |                               |                          |                           |                              |
| Commercial and industrial                         | \$ 14,513                    | \$ 14,096                     | \$ 14,134                | \$ 14,125                 | \$ 14,003                    |
| Leasing                                           | 327                          | 332                           | 358                      | 371                       | 364                          |
| Owner occupied                                    | 7,661                        | 7,548                         | 7,365                    | 7,345                     | 7,288                        |
| Municipal                                         | 1,661                        | 1,563                         | 1,388                    | 1,299                     | 1,271                        |
| Total commercial                                  | 24,162                       | 23,539                        | 23,245                   | 23,140                    | 22,926                       |
| Commercial real estate:                           |                              |                               |                          |                           |                              |
| Construction and land development                 | 2,186                        | 2,295                         | 2,202                    | 2,099                     | 2,021                        |
| Term                                              | 8,939                        | 8,752                         | 8,771                    | 9,023                     | 9,103                        |
| Total commercial real estate                      | 11,125                       | 11,047                        | 10,973                   | 11,122                    | 11,124                       |
| Consumer:                                         |                              |                               |                          |                           |                              |
| Home equity credit line                           | 2,937                        | 2,884                         | 2,825                    | 2,792                     | 2,777                        |
| 1-4 family residential                            | 7,176                        | 7,039                         | 6,861                    | 6,768                     | 6,662                        |
| Construction and other consumer real estate       | 643                          | 644                           | 661                      | 599                       | 597                          |
| Bankcard and other revolving plans                | 491                          | 483                           | 490                      | 488                       | 509                          |
| Other                                             | 180                          | 174                           | 175                      | 174                       | 185                          |
| Total consumer                                    | 11,427                       | 11,224                        | 11,012                   | 10,821                    | 10,730                       |
| Loans and leases, net of unearned income and fees | \$ 46,714                    | \$ 45,810                     | \$ 45,230                | \$ 45,083                 | \$ 44,780                    |

**Nonperforming Assets**  
(Unaudited)

| <i>(In millions)</i>                                                                                   | <b>December 31,<br/>2018</b> | <b>September 30,<br/>2018</b> | <b>June 30,<br/>2018</b> | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|--------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| Nonaccrual loans <sup>1</sup>                                                                          | \$ 252                       | \$ 288                        | \$ 342                   | \$ 387                    | \$ 414                       |
| Other real estate owned                                                                                | 4                            | 4                             | 5                        | 5                         | 4                            |
| Total nonperforming assets                                                                             | \$ 256                       | \$ 292                        | \$ 347                   | \$ 392                    | \$ 418                       |
| Ratio of nonperforming assets to loans <sup>1</sup> and leases and other real estate owned             | 0.55%                        | 0.64%                         | 0.77%                    | 0.87%                     | 0.93%                        |
| Accruing loans past due 90 days or more                                                                | \$ 10                        | \$ 12                         | \$ 5                     | \$ 16                     | \$ 22                        |
| Ratio of accruing loans past due 90 days or more to loans <sup>1</sup> and leases                      | 0.02%                        | 0.03%                         | 0.01%                    | 0.04%                     | 0.05%                        |
| Nonaccrual loans and accruing loans past due 90 days or more                                           | \$ 262                       | \$ 300                        | \$ 347                   | \$ 403                    | \$ 436                       |
| Ratio of nonaccrual loans and accruing loans past due 90 days or more to loans <sup>1</sup> and leases | 0.56%                        | 0.65%                         | 0.77%                    | 0.89%                     | 0.97%                        |
| Accruing loans past due 30-89 days                                                                     | \$ 65                        | \$ 87                         | \$ 119                   | \$ 98                     | \$ 120                       |
| Restructured loans included in nonaccrual loans                                                        | 90                           | 90                            | 77                       | 86                        | 87                           |
| Restructured loans on accrual                                                                          | 112                          | 114                           | 104                      | 143                       | 139                          |
| Classified loans                                                                                       | 698                          | 784                           | 947                      | 1,023                     | 1,133                        |

<sup>1</sup> Includes loans held for sale.

**Allowance for Credit Losses**  
(Unaudited)

| (In millions)                                                                                          | Three Months Ended   |                       |                  |                   |                      |
|--------------------------------------------------------------------------------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
|                                                                                                        | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
| <b>Allowance for Loan Losses</b>                                                                       |                      |                       |                  |                   |                      |
| Balance at beginning of period                                                                         | \$ 480               | \$ 490                | \$ 473           | \$ 518            | \$ 541               |
| Provision for loan losses                                                                              | 7                    | (11)                  | 5                | (40)              | (11)                 |
| Loan and lease charge-offs                                                                             | 13                   | 17                    | 13               | 26                | 27                   |
| Less: Recoveries                                                                                       | 21                   | 18                    | 25               | 21                | 15                   |
| Net loan and lease charge-offs (recoveries)                                                            | (8)                  | (1)                   | (12)             | 5                 | 12                   |
| Balance at end of period                                                                               | \$ 495               | \$ 480                | \$ 490           | \$ 473            | \$ 518               |
| Ratio of allowance for loan losses to loans <sup>1</sup> and leases, at period end                     | 1.06 %               | 1.05 %                | 1.08 %           | 1.05%             | 1.16%                |
| Ratio of allowance for loan losses to nonaccrual loans <sup>1</sup> at period end                      | 196 %                | 167 %                 | 143 %            | 131%              | 129%                 |
| Annualized ratio of net loan and lease charge-offs (recoveries) to average loans                       | (0.07)%              | (0.01)%               | (0.11)%          | 0.05%             | 0.11%                |
| <b>Reserve for Unfunded Lending Commitments</b>                                                        |                      |                       |                  |                   |                      |
| Balance at beginning of period                                                                         | \$ 58                | \$ 58                 | \$ 51            | \$ 58             | \$ 59                |
| Provision for unfunded lending commitments                                                             | (1)                  | —                     | 7                | (7)               | (1)                  |
| Balance at end of period                                                                               | \$ 57                | \$ 58                 | \$ 58            | \$ 51             | \$ 58                |
| <b>Allowance for Credit Losses</b>                                                                     |                      |                       |                  |                   |                      |
| Allowance for loan losses                                                                              | \$ 495               | \$ 480                | \$ 490           | \$ 473            | \$ 518               |
| Reserve for unfunded lending commitments                                                               | 57                   | 58                    | 58               | 51                | 58                   |
| Total allowance for credit losses                                                                      | \$ 552               | \$ 538                | \$ 548           | \$ 524            | \$ 576               |
| Ratio of total allowance for credit losses to loans <sup>1</sup> and leases outstanding, at period end | 1.18 %               | 1.17 %                | 1.21 %           | 1.16%             | 1.29%                |

<sup>1</sup> Does not include loans held for sale.

**Nonaccrual Loans by Portfolio Type**  
(Unaudited)

| <i>(In millions)</i>                        | <b>December 31,<br/>2018</b> | <b>September 30,<br/>2018</b> | <b>June 30,<br/>2018</b> | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|---------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| Loans held for sale                         | \$ 6                         | \$ —                          | \$ —                     | \$ 26                     | \$ 12                        |
| Commercial:                                 |                              |                               |                          |                           |                              |
| Commercial and industrial                   | \$ 82                        | \$ 112                        | \$ 142                   | \$ 140                    | \$ 195                       |
| Leasing                                     | 2                            | 2                             | 7                        | 8                         | 8                            |
| Owner occupied                              | 67                           | 66                            | 63                       | 80                        | 90                           |
| Municipal                                   | 1                            | 1                             | 1                        | 1                         | 1                            |
| Total commercial                            | 152                          | 181                           | 213                      | 229                       | 294                          |
| Commercial real estate:                     |                              |                               |                          |                           |                              |
| Construction and land development           | —                            | —                             | 5                        | 5                         | 4                            |
| Term                                        | 38                           | 46                            | 53                       | 57                        | 36                           |
| Total commercial real estate                | 38                           | 46                            | 58                       | 62                        | 40                           |
| Consumer:                                   |                              |                               |                          |                           |                              |
| Home equity credit line                     | 13                           | 13                            | 14                       | 14                        | 13                           |
| 1-4 family residential                      | 42                           | 47                            | 56                       | 54                        | 55                           |
| Construction and other consumer real estate | —                            | —                             | 1                        | 1                         | —                            |
| Bankcard and other revolving plans          | 1                            | 1                             | —                        | 1                         | —                            |
| Other                                       | —                            | —                             | —                        | —                         | —                            |
| Total consumer                              | 56                           | 61                            | 71                       | 70                        | 68                           |
| Total nonaccrual loans                      | \$ 252                       | \$ 288                        | \$ 342                   | \$ 387                    | \$ 414                       |

**Net Charge-Offs by Portfolio Type**  
(Unaudited)

| <i>(In millions)</i>                        | <b>December 31,<br/>2018</b> | <b>September 30,<br/>2018</b> | <b>June 30,<br/>2018</b> | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017</b> |
|---------------------------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| Commercial:                                 |                              |                               |                          |                           |                              |
| Commercial and industrial                   | \$ (10)                      | \$ (3)                        | \$ (10)                  | \$ —                      | \$ 10                        |
| Leasing                                     | —                            | —                             | —                        | 1                         | —                            |
| Owner occupied                              | —                            | (1)                           | —                        | 1                         | —                            |
| Municipal                                   | —                            | —                             | —                        | —                         | —                            |
| Total commercial                            | (10)                         | (4)                           | (10)                     | 2                         | 10                           |
| Commercial real estate:                     |                              |                               |                          |                           |                              |
| Construction and land development           | (1)                          | (2)                           | (1)                      | (2)                       | —                            |
| Term                                        | —                            | 4                             | (2)                      | —                         | 1                            |
| Total commercial real estate                | (1)                          | 2                             | (3)                      | (2)                       | 1                            |
| Consumer:                                   |                              |                               |                          |                           |                              |
| Home equity credit line                     | —                            | (1)                           | (1)                      | 1                         | —                            |
| 1-4 family residential                      | —                            | —                             | —                        | 2                         | (1)                          |
| Construction and other consumer real estate | —                            | —                             | —                        | —                         | (1)                          |
| Bankcard and other revolving plans          | 2                            | 2                             | 2                        | 2                         | 2                            |
| Other                                       | 1                            | —                             | —                        | —                         | 1                            |
| Total consumer loans                        | 3                            | 1                             | 1                        | 5                         | 1                            |
| Total net charge-offs (recoveries)          | \$ (8)                       | \$ (1)                        | \$ (12)                  | \$ 5                      | \$ 12                        |

**CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES**  
(Unaudited)

| (In millions)                                           | Three Months Ended |                                 |                    |                                 |                   |                                 |
|---------------------------------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|-------------------|---------------------------------|
|                                                         | December 31, 2018  |                                 | September 30, 2018 |                                 | December 31, 2017 |                                 |
|                                                         | Average balance    | Average yield/rate <sup>1</sup> | Average balance    | Average yield/rate <sup>1</sup> | Average balance   | Average yield/rate <sup>1</sup> |
| <b>ASSETS</b>                                           |                    |                                 |                    |                                 |                   |                                 |
| Money market investments                                | \$ 1,302           | 2.53%                           | \$ 1,327           | 2.25%                           | \$ 1,363          | 1.50%                           |
| Securities:                                             |                    |                                 |                    |                                 |                   |                                 |
| Held-to-maturity                                        | 709                | 3.59%                           | 848                | 3.52%                           | 719               | 3.99%                           |
| Available-for-sale                                      | 14,567             | 2.40%                           | 14,592             | 2.20%                           | 15,008            | 2.04%                           |
| Trading account                                         | 89                 | 4.15%                           | 65                 | 3.43%                           | 72                | 4.11%                           |
| Total securities                                        | 15,365             | 2.46%                           | 15,505             | 2.28%                           | 15,799            | 2.14%                           |
| Loans held for sale                                     | 37                 | 6.16%                           | 53                 | 4.82%                           | 64                | 4.16%                           |
| Loans held for investment: <sup>2</sup>                 |                    |                                 |                    |                                 |                   |                                 |
| Commercial                                              | 23,745             | 4.90%                           | 23,263             | 4.88%                           | 22,698            | 4.40%                           |
| Commercial real estate                                  | 11,168             | 5.17%                           | 11,009             | 5.01%                           | 11,070            | 4.54%                           |
| Consumer                                                | 11,299             | 4.17%                           | 11,096             | 4.07%                           | 10,574            | 3.84%                           |
| Total loans held for investment                         | 46,212             | 4.79%                           | 45,368             | 4.71%                           | 44,342            | 4.30%                           |
| Total interest-earning assets                           | 62,916             | 4.17%                           | 62,253             | 4.06%                           | 61,568            | 3.69%                           |
| Cash and due from banks                                 | 542                |                                 | 516                |                                 | 613               |                                 |
| Allowance for loan losses                               | (488)              |                                 | (489)              |                                 | (539)             |                                 |
| Goodwill and intangibles                                | 1,015              |                                 | 1,015              |                                 | 1,017             |                                 |
| Other assets                                            | 3,040              |                                 | 3,079              |                                 | 3,038             |                                 |
| Total assets                                            | \$ 67,025          |                                 | \$ 66,374          |                                 | \$ 65,697         |                                 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>             |                    |                                 |                    |                                 |                   |                                 |
| Interest-bearing deposits:                              |                    |                                 |                    |                                 |                   |                                 |
| Savings and money market                                | \$ 25,658          | 0.46%                           | \$ 25,483          | 0.36%                           | \$ 25,272         | 0.17%                           |
| Time                                                    | 4,286              | 1.67%                           | 4,118              | 1.49%                           | 3,023             | 0.81%                           |
| Total interest-bearing deposits                         | 29,944             | 0.63%                           | 29,601             | 0.52%                           | 28,295            | 0.23%                           |
| Borrowed funds:                                         |                    |                                 |                    |                                 |                   |                                 |
| Federal funds purchased and other short-term borrowings | 3,728              | 2.36%                           | 3,917              | 2.09%                           | 4,527             | 1.26%                           |
| Long-term debt                                          | 795                | 4.86%                           | 572                | 4.91%                           | 383               | 5.71%                           |
| Total borrowed funds                                    | 4,523              | 2.80%                           | 4,489              | 2.45%                           | 4,910             | 1.60%                           |
| Total interest-bearing liabilities                      | 34,467             | 0.92%                           | 34,090             | 0.77%                           | 33,205            | 0.44%                           |
| Noninterest-bearing deposits                            | 24,295             |                                 | 23,974             |                                 | 24,038            |                                 |
| Total deposits and interest-bearing liabilities         | 58,762             | 0.54%                           | 58,064             | 0.45%                           | 57,243            | 0.25%                           |
| Other liabilities                                       | 759                |                                 | 720                |                                 | 668               |                                 |
| Total liabilities                                       | 59,521             |                                 | 58,784             |                                 | 57,911            |                                 |
| Shareholders' equity:                                   |                    |                                 |                    |                                 |                   |                                 |
| Preferred equity                                        | 566                |                                 | 566                |                                 | 566               |                                 |
| Common equity                                           | 6,938              |                                 | 7,024              |                                 | 7,220             |                                 |
| Total shareholders' equity                              | 7,504              |                                 | 7,590              |                                 | 7,786             |                                 |
| Total liabilities and shareholders' equity              | \$ 67,025          |                                 | \$ 66,374          |                                 | \$ 65,697         |                                 |
| Spread on average interest-bearing funds                |                    | 3.25%                           |                    | 3.29%                           |                   | 3.25%                           |
| Net yield on interest-earning assets                    |                    | 3.67%                           |                    | 3.63%                           |                   | 3.45%                           |

<sup>1</sup> Rates are calculated using amounts in thousands and taxable-equivalent rates used where applicable. The taxable-equivalent rates used are the rates that were applicable at the time of each respective reporting period.

<sup>2</sup> Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

<sup>3</sup> The total cost of deposits, annualized, for December 31, 2018, September 30, 2018, and December 31, 2017 was 0.35%, 0.28%, and 0.13%, respectively.

**CONSOLIDATED AVERAGE BALANCE SHEETS, YIELDS AND RATES**  
(Unaudited)

| (In millions)                                           | Twelve Months Ended |                                 |                   |                                 |                   |                                 |
|---------------------------------------------------------|---------------------|---------------------------------|-------------------|---------------------------------|-------------------|---------------------------------|
|                                                         | December 31, 2018   |                                 | December 31, 2017 |                                 | December 31, 2016 |                                 |
|                                                         | Average balance     | Average yield/rate <sup>1</sup> | Average balance   | Average yield/rate <sup>1</sup> | Average balance   | Average yield/rate <sup>1</sup> |
| <b>ASSETS</b>                                           |                     |                                 |                   |                                 |                   |                                 |
| Money market investments                                | \$ 1,360            | 2.12%                           | \$ 1,539          | 1.23%                           | \$ 3,664          | 0.59%                           |
| Securities:                                             |                     |                                 |                   |                                 |                   |                                 |
| Held-to-maturity                                        | 781                 | 3.56%                           | 776               | 3.95%                           | 675               | 4.40%                           |
| Available-for-sale                                      | 14,712              | 2.23%                           | 14,907            | 2.10%                           | 9,546             | 1.93%                           |
| Trading account                                         | 109                 | 3.97%                           | 64                | 3.75%                           | 83                | 3.76%                           |
| Total securities                                        | 15,602              | 2.31%                           | 15,747            | 2.20%                           | 10,304            | 2.11%                           |
| Loans held for sale                                     | 53                  | 4.63%                           | 87                | 3.56%                           | 140               | 3.36%                           |
| Loans held for investment: <sup>2</sup>                 |                     |                                 |                   |                                 |                   |                                 |
| Commercial                                              | 23,333              | 4.79%                           | 22,116            | 4.36%                           | 21,748            | 4.20%                           |
| Commercial real estate                                  | 11,079              | 4.95%                           | 11,184            | 4.50%                           | 11,131            | 4.24%                           |
| Consumer                                                | 11,013              | 4.04%                           | 10,201            | 3.84%                           | 9,183             | 3.83%                           |
| Total loans held for investment                         | 45,425              | 4.65%                           | 43,501            | 4.27%                           | 42,062            | 4.13%                           |
| Total interest-earning assets                           | 62,440              | 4.01%                           | 60,874            | 3.66%                           | 56,170            | 3.52%                           |
| Cash and due from banks                                 | 549                 |                                 | 786               |                                 | 675               |                                 |
| Allowance for loan losses                               | (495)               |                                 | (548)             |                                 | (601)             |                                 |
| Goodwill and intangibles                                | 1,015               |                                 | 1,019             |                                 | 1,027             |                                 |
| Other assets                                            | 3,060               |                                 | 2,985             |                                 | 2,779             |                                 |
| Total assets                                            | \$ 66,569           |                                 | \$ 65,116         |                                 | \$ 60,050         |                                 |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>             |                     |                                 |                   |                                 |                   |                                 |
| Interest-bearing deposits:                              |                     |                                 |                   |                                 |                   |                                 |
| Savings and money market                                | \$ 25,480           | 0.32%                           | \$ 25,453         | 0.15%                           | \$ 25,672         | 0.15%                           |
| Time                                                    | 3,876               | 1.38%                           | 2,966             | 0.69%                           | 2,333             | 0.49%                           |
| Total interest-bearing deposits                         | 29,356              | 0.46%                           | 28,419            | 0.21%                           | 28,133            | 0.18%                           |
| Borrowed funds:                                         |                     |                                 |                   |                                 |                   |                                 |
| Federal funds purchased and other short-term borrowings | 4,562               | 1.93%                           | 4,096             | 1.05%                           | 456               | 0.27%                           |
| Long-term debt                                          | 535                 | 5.21%                           | 417               | 5.79%                           | 703               | 5.18%                           |
| Total borrowed funds                                    | 5,097               | 2.27%                           | 4,513             | 1.49%                           | 1,159             | 3.25%                           |
| Total interest-bearing liabilities                      | 34,453              | 0.73%                           | 32,932            | 0.38%                           | 29,292            | 0.30%                           |
| Noninterest-bearing deposits                            | 23,827              |                                 | 23,781            |                                 | 22,462            |                                 |
| Total deposits and interest-bearing liabilities         | 58,280              | 0.43%                           | 56,713            | 0.22%                           | 51,754            | 0.15%                           |
| Other liabilities                                       | 699                 |                                 | 624               |                                 | 625               |                                 |
| Total liabilities                                       | 58,979              |                                 | 57,337            |                                 | 52,379            |                                 |
| Shareholders' equity:                                   |                     |                                 |                   |                                 |                   |                                 |
| Preferred equity                                        | 566                 |                                 | 631               |                                 | 756               |                                 |
| Common equity                                           | 7,024               |                                 | 7,148             |                                 | 6,915             |                                 |
| Total shareholders' equity                              | 7,590               |                                 | 7,779             |                                 | 7,671             |                                 |
| Total liabilities and shareholders' equity              | \$ 66,569           |                                 | \$ 65,116         |                                 | \$ 60,050         |                                 |
| Spread on average interest-bearing funds                |                     | 3.28%                           |                   | 3.28%                           |                   | 3.22%                           |
| Net yield on interest-earning assets                    |                     | 3.61%                           |                   | 3.45%                           |                   | 3.37%                           |

<sup>1</sup> Rates are calculated using amounts in thousands and taxable-equivalent rates used where applicable. The taxable-equivalent rates used are the rates that were applicable at the time of each respective reporting period.

<sup>2</sup> Net of unearned income and fees, net of related costs. Loans include nonaccrual and restructured loans.

<sup>3</sup> The total cost of deposits for December 31, 2018, December 31, 2017, and December 31, 2016 was 0.25%, 0.11%, and 0.10%, respectively.

**GAAP to Non-GAAP Reconciliations**  
(Unaudited)

This press release presents non-GAAP financial measures, in addition to GAAP financial measures, to provide investors with additional information. The adjustments to reconcile from the applicable GAAP financial measures to the non-GAAP financial measures are presented in the following schedules. The Bank considers these adjustments to be relevant to ongoing operating results and provide a meaningful base for period-to-period and company-to-company comparisons. These non-GAAP financial measures are used by management to assess the performance and financial position of the Bank and for presentations of Bank performance to investors. The Bank further believes that presenting these non-GAAP financial measures will permit investors to assess the performance of the Bank on the same basis as that applied by management.

Non-GAAP financial measures have inherent limitations, and are not required to be uniformly applied by individual entities. Although non-GAAP financial measures are frequently used by stakeholders to evaluate a company, they have limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of results reported under GAAP.

The following are non-GAAP financial measures presented in this press release and a discussion of the reasons for which management uses these non-GAAP measures:

Tangible Book Value per Common Share – this schedule also includes “tangible common equity.” Tangible book value per common share is a non-GAAP financial measure that management believes provides additional useful information about the level of tangible equity in relation to outstanding shares of common stock. Management believes the use of ratios that utilize tangible equity provides additional useful information because they present measures of those assets that can generate income.

Return on Average Tangible Common Equity – this schedule also includes “net earnings applicable to common shareholders, excluding the effects of the adjustments, net of tax” and “average tangible common equity.” Return on average tangible common equity is a non-GAAP financial measure that management believes provides useful information about the Bank’s use of shareholders’ equity. Management believes the use of ratios that utilize tangible equity provides additional useful information because they present measures of those assets that can generate income.

Efficiency Ratio – this schedule also includes “adjusted noninterest expense,” “taxable-equivalent net interest income,” “adjusted taxable-equivalent revenue,” and “adjusted pre-provision net revenue (PPNR).” The methodology of determining the efficiency ratio may differ among companies. Management makes adjustments to exclude certain items as identified in the subsequent schedules which it believes allows for more consistent comparability among periods. Management believes the efficiency ratio provides useful information regarding the cost of generating revenue. Adjusted noninterest expense provides a measure as to how well the Bank is managing its expenses, and adjusted PPNR enables management and others to assess the Bank’s ability to generate capital to cover credit losses through a credit cycle. Taxable-equivalent net interest income allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources.

**GAAP to Non-GAAP Reconciliations**  
(Unaudited)

| <i>(In millions, except shares and per share amounts)</i> |       | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
|-----------------------------------------------------------|-------|----------------------|-----------------------|------------------|-------------------|----------------------|
| <b>Tangible Book Value per Common Share</b>               |       |                      |                       |                  |                   |                      |
| Total shareholders' equity (GAAP)                         |       | \$ 7,578             | \$ 7,553              | \$ 7,621         | \$ 7,644          | \$ 7,679             |
| Preferred stock                                           |       | (566)                | (566)                 | (566)            | (566)             | (566)                |
| Goodwill and intangibles                                  |       | (1,015)              | (1,015)               | (1,015)          | (1,016)           | (1,016)              |
| Tangible common equity (non-GAAP)                         | (a)   | <u>\$ 5,997</u>      | <u>\$ 5,972</u>       | <u>\$ 6,040</u>  | <u>\$ 6,062</u>   | <u>\$ 6,097</u>      |
| Common shares outstanding (in thousands)                  | (b)   | 187,554              | 192,169               | 195,392          | 197,050           | 197,532              |
| Tangible book value per common share (non-GAAP)           | (a/b) | \$ 31.97             | \$ 31.08              | \$ 30.91         | \$ 30.76          | \$ 30.87             |

|                                                                                                                 |           | Three Months Ended   |                       |                  |                   |                      |
|-----------------------------------------------------------------------------------------------------------------|-----------|----------------------|-----------------------|------------------|-------------------|----------------------|
| <i>(Dollar amounts in millions)</i>                                                                             |           | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
| <b>Return on Average Tangible Common Equity</b>                                                                 |           |                      |                       |                  |                   |                      |
| Net earnings applicable to common shareholders (GAAP)                                                           |           | \$ 217               | \$ 215                | \$ 187           | \$ 231            | \$ 114               |
| Adjustments, net of tax:                                                                                        |           |                      |                       |                  |                   |                      |
| Amortization of core deposit and other intangibles                                                              |           | —                    | —                     | —                | —                 | 1                    |
| Net earnings applicable to common shareholders, excluding the effects of the adjustments, net of tax (non-GAAP) | (a)       | <u>\$ 217</u>        | <u>\$ 215</u>         | <u>\$ 187</u>    | <u>\$ 231</u>     | <u>\$ 115</u>        |
| Average common equity (GAAP)                                                                                    |           | \$ 6,938             | \$ 7,024              | \$ 7,072         | \$ 7,061          | \$ 7,220             |
| Average goodwill and intangibles                                                                                |           | (1,015)              | (1,015)               | (1,016)          | (1,016)           | (1,017)              |
| Average tangible common equity (non-GAAP)                                                                       | (b)       | <u>\$ 5,923</u>      | <u>\$ 6,009</u>       | <u>\$ 6,056</u>  | <u>\$ 6,045</u>   | <u>\$ 6,203</u>      |
| Number of days in quarter                                                                                       | (c)       | 92                   | 92                    | 91               | 90                | 92                   |
| Number of days in year                                                                                          | (d)       | 365                  | 365                   | 365              | 365               | 365                  |
| Return on average tangible common equity (non-GAAP)                                                             | (a/b/c)*d | 14.5%                | 14.2%                 | 12.4%            | 15.5%             | 7.4%                 |

**GAAP to Non-GAAP Reconciliations**  
(Unaudited)

|                                                    |           | Three Months Ended   |                       |                  |                   |                      |
|----------------------------------------------------|-----------|----------------------|-----------------------|------------------|-------------------|----------------------|
|                                                    |           | December 31,<br>2018 | September 30,<br>2018 | June 30,<br>2018 | March 31,<br>2018 | December 31,<br>2017 |
| <i>(In millions)</i>                               |           |                      |                       |                  |                   |                      |
| <b>Efficiency Ratio</b>                            |           |                      |                       |                  |                   |                      |
| Noninterest expense (GAAP)                         | (a)       | \$ 419               | \$ 420                | \$ 428           | \$ 412            | \$ 417               |
| Adjustments:                                       |           |                      |                       |                  |                   |                      |
| Severance costs                                    |           | 2                    | 2                     | 1                | —                 | 1                    |
| Other real estate expense                          |           | —                    | 1                     | —                | —                 | —                    |
| Provision for unfunded lending commitments         |           | (1)                  | —                     | 7                | (7)               | (1)                  |
| Amortization of core deposit and other intangibles |           | —                    | —                     | —                | —                 | 1                    |
| Restructuring costs                                |           | —                    | 1                     | —                | —                 | 1                    |
| Total adjustments                                  | (b)       | 1                    | 4                     | 8                | (7)               | 2                    |
| Adjusted noninterest expense (non-GAAP)            | (a-b)=(c) | \$ 418               | \$ 416                | \$ 420           | \$ 419            | \$ 415               |
| Net interest income (GAAP)                         | (d)       | \$ 576               | \$ 565                | \$ 548           | \$ 542            | \$ 526               |
| Fully taxable-equivalent adjustments               | (e)       | 6                    | 5                     | 5                | 5                 | 9                    |
| Taxable-equivalent net interest income (non-GAAP)  | (d+e)=(f) | 582                  | 570                   | 553              | 547               | 535                  |
| Noninterest income (GAAP)                          | (g)       | 140                  | 136                   | 138              | 138               | 139                  |
| Combined income (non-GAAP)                         | (f+g)=(h) | 722                  | 706                   | 691              | 685               | 674                  |
| Adjustments:                                       |           |                      |                       |                  |                   |                      |
| Fair value and nonhedge derivative income          |           | (3)                  | —                     | —                | 1                 | —                    |
| Securities gains (losses), net                     |           | 2                    | (1)                   | 1                | —                 | —                    |
| Total adjustments                                  | (i)       | (1)                  | (1)                   | 1                | 1                 | —                    |
| Adjusted taxable-equivalent revenue (non-GAAP)     | (h-i)=(j) | \$ 723               | \$ 707                | \$ 690           | \$ 684            | \$ 674               |
| Pre-provision net revenue (PPNR)                   | (h)-(a)   | \$ 303               | \$ 286                | \$ 263           | \$ 273            | \$ 257               |
| Adjusted PPNR (non-GAAP)                           | (j-c)     | 305                  | 291                   | 270              | 265               | 259                  |
| Efficiency ratio (non-GAAP)                        | (c/j)     | 57.8%                | 58.8%                 | 60.9%            | 61.3%             | 61.6%                |

|                                                    |           | Twelve Months Ended  |                      |                      |
|----------------------------------------------------|-----------|----------------------|----------------------|----------------------|
|                                                    |           | December 31,<br>2018 | December 31,<br>2017 | December 31,<br>2016 |
| <i>(In millions)</i>                               |           |                      |                      |                      |
| <b>Efficiency Ratio</b>                            |           |                      |                      |                      |
| Noninterest expense (GAAP)                         | (a)       | \$ 1,678             | \$ 1,649             | \$ 1,585             |
| Adjustments:                                       |           |                      |                      |                      |
| Severance costs                                    |           | 3                    | 7                    | 5                    |
| Other real estate expense                          |           | 1                    | (1)                  | (2)                  |
| Provision for unfunded lending commitments         |           | (1)                  | (7)                  | (10)                 |
| Amortization of core deposit and other intangibles |           | 2                    | 6                    | 8                    |
| Restructuring costs                                |           | 2                    | 4                    | 5                    |
| Total adjustments                                  | (b)       | 7                    | 9                    | 6                    |
| Adjusted noninterest expense (non-GAAP)            | (a-b)=(c) | \$ 1,671             | \$ 1,640             | \$ 1,579             |
| Net interest income (GAAP)                         | (d)       | \$ 2,230             | \$ 2,065             | \$ 1,867             |
| Fully taxable-equivalent adjustments               | (e)       | 22                   | 35                   | 25                   |
| Taxable-equivalent net interest income (non-GAAP)  | (d+e)=(f) | 2,252                | 2,100                | 1,892                |
| Noninterest income (GAAP)                          | (g)       | 552                  | 544                  | 516                  |
| Combined income (non-GAAP)                         | (f+g)=(h) | 2,804                | 2,644                | 2,408                |
| Adjustments:                                       |           |                      |                      |                      |
| Fair value and nonhedge derivative income (loss)   |           | (1)                  | (2)                  | 2                    |
| Securities gains, net                              |           | 1                    | 14                   | 7                    |
| Total adjustments                                  | (i)       | —                    | 12                   | 9                    |
| Adjusted taxable-equivalent revenue (non-GAAP)     | (h-i)=(j) | \$ 2,804             | \$ 2,632             | \$ 2,399             |
| Pre-provision net revenue (PPNR)                   | (h)-(a)   | \$ 1,126             | \$ 995               | \$ 823               |
| Adjusted PPNR (non-GAAP)                           | (j-c)     | 1,133                | 992                  | 820                  |
| Efficiency ratio (non-GAAP)                        | (c/j)     | 59.6%                | 62.3%                | 65.8%                |