



**KEEFE, BRUYETTE & WOODS**  
*Specialists in Financial Services*

A Stifel Company

## North American Equity Research

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## Bank Earnings Release – Best Practices

## SMID-Cap Banks

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# Bank Earnings Release – Best Practices

## Executive Summary

- Information is a powerful tool, and the ability to provide it in a substantive but focused manner is critical to promoting an environment where the flow of information between the companies and the analyst/investment community supports greater transparency and helps bridge information gaps that exist.
- This begins with the design of the earnings release, and with coverage on more banks than any firm on the Street, KBW understands what it takes to have best-in-class disclosures and the associated benefits that result from these efforts.
- Our objective with this report is to provide perspective from the analysts' point of view, opine on what we view as the minimum and optimal level of disclosures, and provide company-specific examples that others can leverage for their individual situations.

# The Making of a Good Earnings Release – The “Must Haves”

## A Balance of Text and Tables

- **Text** – Brief, but substantive, review of major underlying trends and driving factors
  - Summary overview, including CEO commentary
  - Net interest income (NII) and net interest margin (NIM) trends
  - Loan and deposit trends
  - Non-interest income and expense trends
  - Asset quality
  - Capital
  
- **Financial Tables** – At a minimum, current, prior, and year-ago quarters, but best practices would include current and preceding four quarters’ data
  - **Loans and Deposits** – By type, as well as, on an end-of-period (EOP) and average basis
  - **Average Balance Sheet / Rate Table** – As granular as possible by loan/deposit type
  - **Income Statement** – Breakdown of major line items – granularity preferred
  - **Capital Position** – Tangible common equity to tangible assets (TCE/TA) and regulatory ratios a must, as well as math behind calculations
  - **Asset Quality** – Non-performing loans (NPLs) and net charge-offs (NCOs) by asset class, non-accrual inflow trends

# The Making of a Good Earnings Release – Best-in-Class Recommendations

## Depending on Business Model, Some Tailoring of the Earnings Release May Be Necessary

- **Company Guidance** – If provided, either in text of release or investor slide presentation
- **Regional Trends** – Provides a better understanding of regional differences for growth, profitability, and credit trends
- **Accretable Yield** – For acquisitive companies, distinguishment of core versus acquired trends and overall contribution to NIM, revenues, and EPS
- **Mortgage Banking** – Where meaningful, both a discussion in text of underlying trends (originations, gain on sale margin, mix) and table with most relevant information
- **Unusual Items** – Table format is preferred as it better assists the analyst in deciding what is recurring/non-recurring
- **Other Notable Considerations** – Provide share count (both EOP and average fully diluted) and intangible assets (allocation between goodwill, mortgage servicing rights [MSRs], other)

# Loan Portfolio

## Best-in-Class: 5 Quarters of Data and Sub-Portfolio Granularity

*Minimum Disclosure: Current, Prior, Year-Ago Data; Major Loan Category Detail*

(\$ in 000)

Period End Loan Composition	31-Dec-15	30-Sep-15	Dec 15 vs. Sep 15		30-Jun-15	31-Mar-15	31-Dec-14	Dec 15 vs. Dec 14	
			% Change					% Change	
Commercial and Industrial	\$6,147,440	\$6,085,473	1.0%		\$6,208,192	\$6,140,420	\$5,905,902	4.1%	
Commercial Real Estate-Owner Occupied	\$918,212	\$966,689	-5.0%		\$978,183	\$1,003,885	\$1,007,937	-8.9%	
Lease Financing	\$43,243	\$42,607	1.5%		\$46,900	\$49,496	\$51,529	-16.1%	
<b>Commercial and Business Lending</b>	<b>\$7,108,895</b>	<b>\$7,094,769</b>	<b>0.2%</b>		<b>\$7,233,275</b>	<b>\$7,193,801</b>	<b>\$6,965,368</b>	<b>2.1%</b>	
Commercial Real Estate-Investor	\$3,234,266	\$3,183,352	1.6%		\$3,126,440	\$3,086,980	\$3,056,485	5.8%	
Real Estate Construction	\$1,162,145	\$1,124,280	3.4%		\$1,092,308	\$1,019,571	\$1,008,956	15.2%	
<b>Commercial Real Estate Lending</b>	<b>\$4,396,411</b>	<b>\$4,307,632</b>	<b>2.1%</b>		<b>\$4,218,748</b>	<b>\$4,106,551</b>	<b>\$4,065,441</b>	<b>8.1%</b>	
Total Commercial	<b>\$11,505,306</b>	<b>\$11,402,401</b>	0.9%		<b>\$11,452,023</b>	<b>\$11,300,352</b>	<b>\$11,030,809</b>	4.3%	
Home Equity Revolving Lines of Credit	\$883,759	\$883,573	0.0%		\$880,628	\$879,827	\$887,779	-0.5%	
Home Equity Loans Junior Liens	\$122,043	\$130,892	-6.8%		\$141,344	\$154,120	\$164,148	-25.7%	
<b>Home Equity</b>	<b>\$1,005,802</b>	<b>\$1,014,465</b>	<b>-0.9%</b>		<b>\$1,021,972</b>	<b>\$1,033,947</b>	<b>\$1,051,927</b>	<b>-4.4%</b>	
Installment and Credit Cards	\$419,968	\$425,729	-1.4%		\$430,823	\$436,492	\$454,219	-7.5%	
Residential Mortgage	\$5,783,267	\$5,682,178	1.8%		\$5,398,434	\$5,208,241	\$5,056,891	14.4%	
<b>Total Consumer</b>	<b>\$7,209,037</b>	<b>\$7,122,372</b>	<b>1.2%</b>		<b>\$6,851,229</b>	<b>\$6,678,680</b>	<b>\$6,563,037</b>	<b>9.8%</b>	
<b>Total Loans</b>	<b>\$18,714,343</b>	<b>\$18,524,773</b>	<b>1.0%</b>		<b>\$18,303,252</b>	<b>\$17,979,032</b>	<b>\$17,593,846</b>	<b>6.4%</b>	

Source: Associated Banc-Corp.

# Loan Portfolio – Quarterly Roll Forward

## Best-in-Class: Loan activity on a quarterly roll forward basis

(\$ in 000)

Loan Activity	31-Dec-15	30-Sep-15	31-Dec-14
Loans originated and purchased	\$ 252,241	\$ 248,815	\$ 226,229
Repayments	\$ (113,528)	\$ (127,475)	\$ (80,623)
Loans sold	\$ (32,668)	\$ (28,039)	\$ (43,956)
Change in undisbursed	\$ (11,937)	\$ (45,085)	\$ (21,219)
Change in allowance	\$ (1,172)	\$ (1,045)	\$ (1,433)
Other	\$ 916	\$ 1,080	\$ 1,620
<b>Commercial and Business Lending</b>	<b>\$ 93,852</b>	<b>\$ 48,251</b>	<b>\$ 80,618</b>

Source: Pacific Premier Bancorp

# Deposit Portfolio

## Best-in-Class: 5 Quarters of Data and Sub-Portfolio Granularity

*Minimum Disclosure: Current, Prior, Year-Ago Data; Major Deposit Category Detail*

(\$ in 000)

Period End Deposit Composition	31-Dec-15	30-Sep-15	Dec 15 vs. Sep 15		30-Jun-15	31-Mar-15	31-Dec-14	Dec 15 vs. Dec 14	
			% Change					% Change	
Noninterest-Bearing Demand	\$5,562,466	\$4,657,261	19.4%		\$4,332,171	\$4,570,872	\$4,505,272	23.5%	
Savings	\$1,334,420	\$1,346,407	-0.9%		\$1,359,478	\$1,337,643	\$1,235,277	8.0%	
Interest-Bearing Demand	\$3,445,000	\$3,416,429	0.8%		\$3,576,311	\$3,525,870	\$3,126,854	10.2%	
Money Market	\$9,102,977	\$9,516,503	-4.3%		\$8,374,186	\$8,781,206	\$8,324,646	9.3%	
Brokered CDs	\$42,443	\$42,689	-0.6%		\$39,760	\$40,699	\$42,556	-0.3%	
Other Time	\$1,520,359	\$1,579,106	-3.7%		\$1,587,657	\$1,595,302	\$1,528,899	-0.6%	
<b>Total Deposits</b>	<b>\$21,007,665</b>	<b>\$20,558,395</b>	<b>2.2%</b>		<b>\$19,269,563</b>	<b>\$19,851,592</b>	<b>\$18,763,504</b>	<b>12.0%</b>	

Source: Associated Banc-Corp.

# Average Balance Sheet and Rate Table

## Best-in-Class: Granular Portfolio and Yield Trends on both on Q/Q and Y/Y Basis

### Minimum Disclosure: Summary Level Portfolio and Yield Analysis

(dollars in millions)	Three Months Ended December 31, 2015			Three Months Ended September 30, 2015			Three Months Ended December 31, 2014		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
<b>Earning Assets</b>									
Interest-Bearing Deposits in Other Banks	\$3.8	\$0.0	0.10%	\$3.4	\$0.0	0.22%	\$3.4	\$0.0	0.24%
Funds Sold	\$466.3	\$0.3	0.26%	\$508.2	\$0.3	0.22%	\$358.8	\$0.2	0.21%
Investment-Securities:									
Available-for-Sale:									
Taxable	\$1,573.3	\$7.1	1.81%	\$1,524.4	\$6.5	1.69%	\$1,563.9	\$7.0	1.78%
Non-Taxable	\$718.5	\$5.7	3.18%	\$719.4	\$5.8	3.19%	\$715.1	\$5.8	3.24%
Held-to-Maturity:									
Taxable	\$3,827.9	\$20.2	2.10%	\$3,953.3	\$19.1	1.93%	\$4,256.3	\$23.3	2.19%
Non-Taxable	\$246.6	\$2.4	3.92%	\$247.3	\$2.4	3.93%	\$250.0	\$2.5	3.95%
<b>Total Investment Securities</b>	<b>\$6,366.3</b>	<b>\$35.4</b>	<b>2.22%</b>	<b>\$6,444.4</b>	<b>\$33.8</b>	<b>2.09%</b>	<b>\$6,785.3</b>	<b>\$38.6</b>	<b>2.27%</b>
Loans Held for Sale	\$7.1	\$0.1	4.26%	\$13.4	\$0.1	3.82%	\$2.8	\$0.0	3.92%
Loans and Leases:									
Commercial and Industrial	\$1,155.2	\$9.4	3.22%	\$1,166.7	\$9.3	3.15%	\$1,025.3	\$8.5	3.30%
Commercial Mortgage	\$1,653.9	\$15.5	3.71%	\$1,568.2	\$15.0	3.79%	\$1,421.3	\$13.9	3.87%
Construction	\$140.9	\$1.7	4.90%	\$124.5	\$1.5	4.93%	\$110.4	\$1.2	4.52%
Commercial Lease Financing	\$204.2	\$1.8	3.46%	\$216.2	\$1.9	3.50%	\$228.7	\$1.9	3.41%
Residential Mortgage	\$2,895.3	\$29.2	4.04%	\$2,832.4	\$28.8	4.07%	\$2,501.8	\$26.5	4.24%
Home Equity	\$1,027.4	\$9.3	3.61%	\$961.3	\$8.6	3.58%	\$850.5	\$8.2	3.82%
Automobile	\$373.7	\$4.9	5.19%	\$359.2	\$4.7	5.18%	\$314.0	\$4.2	5.29%
Other	\$334.7	\$6.4	7.57%	\$317.5	\$6.1	7.60%	\$294.3	\$5.5	7.37%
<b>Total Loans and Leases</b>	<b>\$7,785.3</b>	<b>\$78.2</b>	<b>4.00%</b>	<b>\$7,546.0</b>	<b>\$75.9</b>	<b>4.00%</b>	<b>\$6,746.3</b>	<b>\$69.9</b>	<b>4.13%</b>
Other	\$41.1	\$0.4	3.71%	\$37.5	\$0.3	3.33%	\$68.7	\$0.3	1.76%
<b>Total Earning Assets</b>	<b>\$14,669.9</b>	<b>\$114.4</b>	<b>3.11%</b>	<b>\$14,552.9</b>	<b>\$110.4</b>	<b>3.02%</b>	<b>\$13,965.3</b>	<b>\$109.0</b>	<b>3.11%</b>
Cash and Due from Banks	\$126.2			\$131.6			\$140.2		
Other Assets	\$539.5			\$536.2			\$498.0		
<b>Total Assets</b>	<b>\$15,335.6</b>			<b>\$15,220.7</b>			<b>\$14,603.5</b>		

Source: Bank of Hawaii.



## Average Balance Sheet and Rate Table – Continued

### Best-in-Class: Granular Portfolio and Yield Trends on both on Q/Q and Y/Y Basis

#### Minimum Disclosure: Summary Level Portfolio and Yield Analysis

<i>(dollars in millions)</i>	Three Months Ended December 31, 2015			Three Months Ended September 30, 2015			Three Months Ended December 31, 2014		
	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate	Average Balance	Income/ Expense	Yield/ Rate
<b>Interest Bearing Liabilities</b>									
Interest Bearing Deposits:									
Demand	\$2,653.2	\$0.2	0.03%	\$2,622.4	\$0.2	0.03%	\$2,459.0	\$0.2	0.03%
Savings	\$5,028.8	\$1.1	0.09%	\$5,067.8	\$1.1	0.09%	\$4,720.7	\$1.0	0.09%
Time	\$1,178.2	\$1.1	0.38%	\$1,201.3	\$1.1	0.36%	\$1,480.5	\$1.2	0.32%
<b>Total Interest-Bearing Deposits</b>	<b>\$8,860.2</b>	<b>\$2.4</b>	<b>0.11%</b>	<b>\$8,891.5</b>	<b>\$2.4</b>	<b>0.11%</b>	<b>\$8,660.2</b>	<b>\$2.4</b>	<b>0.11%</b>
Short-Term Borrowings	\$8.1	\$0.0	0.14%	\$8.5	\$0.0	0.14%	\$8.5	\$0.0	0.14%
Securities Sold Under Agreements to Repurchase	\$630.5	\$6.3	3.88%	\$643.3	\$6.3	3.84%	\$693.2	\$6.5	3.68%
Other Debt	\$306.4	\$1.0	1.34%	\$223.2	\$0.8	1.34%	\$173.9	\$0.6	1.43%
<b>Total Interest-Bearing Liabilities</b>	<b>\$9,805.2</b>	<b>\$9.7</b>	<b>0.39%</b>	<b>\$9,766.5</b>	<b>\$9.5</b>	<b>0.38%</b>	<b>\$9,535.8</b>	<b>\$9.5</b>	<b>0.39%</b>
<b>Net Interest Income</b>		<b>\$104.7</b>			<b>\$100.9</b>			<b>\$99.5</b>	
Interest Rate Spread			2.72%			2.64%			2.72%
Net Interest Margin			2.85%			2.77%			2.84%
Noninterest-Bearing Demand Deposits	\$4,178.4			\$4,117.4			\$3,775.5		
Other Liabilities	\$249.5			\$244.2			\$230.3		
Shareholders' Equity	\$1,102.5			\$1,092.6			\$1,061.9		
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$15,335.6</b>			<b>\$15,220.7</b>			<b>\$14,603.5</b>		

Source: Bank of Hawaii.

# Non-Interest Income

## Best-in-Class: 5 Quarters of Data and Line-Item Granularity

*Minimum Disclosure: Current, Prior, Year-Ago Data; Summary-Level Detail*

(\$ in 000)

	Three Months Ended				
	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
<b>Noninterest Income:</b>					
Service Charges on Deposit Accounts	\$10,303	\$10,519	\$9,886	\$9,271	\$10,015
Wealth Management Fees	\$7,493	\$7,222	\$7,433	\$7,014	\$6,744
Card-Based Fees	\$6,761	\$6,868	\$6,953	\$6,402	\$6,390
Merchant Servicing Fees	\$2,929	\$3,207	\$2,938	\$2,665	\$2,703
Mortgage Banking Income	\$1,777	\$1,402	\$1,439	\$1,123	\$812
Other Service Charges, Commissions and Fees	\$4,664	\$3,900	\$2,924	\$2,166	\$2,700
<b>Total Fee-Based Revenues</b>	<b>\$33,927</b>	<b>\$33,118</b>	<b>\$31,573</b>	<b>\$28,641</b>	<b>\$29,364</b>
Other Income	\$1,437	\$1,372	\$1,900	\$1,948	\$1,767
Net Securities Gains (Losses)	\$822	\$524	\$515	\$512	-\$63
Gains on Sales of Properties	\$292	\$0	\$0	\$0	\$0
Loss on Early Extinguishment of Debt	\$0	\$0	\$0	\$0	\$0
<b>Total Noninterest Income</b>	<b>\$36,478</b>	<b>\$35,014</b>	<b>\$33,988</b>	<b>\$31,101</b>	<b>\$31,068</b>

Source: First Midwest Bancorp.

# Non-Interest Expense

## Best-in-Class: 5 Quarters of Data and Line-Item Granularity

*Minimum Disclosure: Current, Prior, Year-Ago Data; Summary-Level Detail*

(\$ in 000)

	4Q 2015	3Q 2015	4Q 2014	Percent Change		YTD 2015	YTD 2014	Percent Change
				4Q15 vs. 3Q15	4Q15 vs. 4Q14			
Compensation and Employee Benefits	\$109,061	\$116,708	\$115,796	-6.6%	-5.8%	\$457,743	\$452,942	1.1%
Occupancy and Equipment	\$37,824	\$34,159	\$35,747	10.7%	5.8%	\$144,962	\$139,023	4.3%
FDIC Insurance	\$5,173	\$4,832	\$2,643	7.1%	95.7%	\$20,262	\$25,123	-19.3%
Advertising and Marketing	\$5,316	\$5,793	\$5,146	-8.2%	3.3%	\$22,782	\$22,943	-0.7%
Other	\$46,441	\$45,750	\$48,063	1.5%	-3.4%	\$186,211	\$179,904	3.5%
<b>Subtotal</b>	<b>\$203,815</b>	<b>\$207,242</b>	<b>\$207,395</b>	<b>-1.7%</b>	<b>-1.7%</b>	<b>\$831,960</b>	<b>\$819,935</b>	<b>1.5%</b>
Operating Lease Depreciation	\$13,608	\$9,485	\$6,878	43.5%	97.8%	\$39,409	\$27,152	45.1%
Foreclosed Real Estate and Repossessed Assets, net	\$4,940	\$5,680	\$7,441	-13.0%	-33.6%	\$23,193	\$24,567	-5.6%
Other Credit Costs, net	\$224	-\$123	\$44	N.M	N.M	\$185	\$123	50.4%
<b>Total Non-Interest Expense</b>	<b>\$222,587</b>	<b>\$222,284</b>	<b>\$221,758</b>	<b>0.1%</b>	<b>0.4%</b>	<b>\$894,747</b>	<b>\$871,777</b>	<b>2.6%</b>

Source: TCF Financial.

# Capital

## Best-in-Class: Provide Math Behind Calculations for TCE/TA and Regulatory Ratios

### Minimum Disclosure: TCE/TA, Regulatory Ratios

Computation of Tangible Common Equity to Tangible Assets:	At Dec. 31, 2015	At Dec. 31, 2014
Total Equity	\$2,306,917	\$2,135,364
Less: Non-Controlling Interest in Subsidiaries	\$16,001	\$13,715
<b>Total TCF Financial Corporation Stockholder's Equity</b>	<b>\$2,290,916</b>	<b>\$2,121,649</b>
Less:		
Preferred Stock	\$263,240	\$263,240
Goodwill	\$225,640	\$225,640
Other Intangibles	\$3,126	\$4,641
<b>Tangible Common Equity</b>	<b>\$1,798,910</b>	<b>\$1,628,128</b>
Total Assets	\$20,691,704	\$19,394,611
Less:		
Goodwill	\$225,640	\$225,640
Other Intangibles	\$3,126	\$4,641
<b>Tangible Assets</b>	<b>\$20,462,938</b>	<b>\$19,164,330</b>
<b>Tangible Common Equity to Tangible Assets</b>	<b>8.79%</b>	<b>8.50%</b>

Regulatory Capital:	4Q 2015 Under Basel III	4Q 2014 Under Basel I
Common Equity Tier 1 Capital	\$1,814,442	N.A.
Tier 1 Capital	\$2,092,195	\$1,919,887
Total Capital	\$2,487,060	\$2,209,999
<b>Regulatory Capital Ratios:</b>		
Common Equity Tier 1 Capital Ratio	10.00%	N.A.
Tier 1 Risk-Based Capital Ratio	11.54%	11.76%
Total Risk-Based Capital Ratio	13.71%	13.54%
Tier 1 Leverage Ratio	10.46%	10.07%

Source: TCF Financial.

# Asset Quality

## Best-in-Class: NCO and NPL Detail by Portfolio with 5 Quarters of Data

*Minimum Disclosure: Current, Prior, Year-Ago Data; Summary Level Detail*

(\$ in 000)

NCO and NPL Detail by Portfolio	For the Quarter Ended				
	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
<b>Charge-Offs</b>					
Loan Charge-Offs	\$3,131	\$4,418	\$7,789	\$3,074	\$3,781
Recoveries on Loans	-\$1,528	-\$1,750	-\$1,876	-\$1,128	-\$2,029
<b>Net Loan Charge-Offs</b>	<b>\$1,603</b>	<b>\$2,668</b>	<b>\$5,913</b>	<b>\$1,946</b>	<b>\$1,752</b>
<b>Net Loan Charge-Offs to Average Total Loans</b>	<b>0.10%</b>	<b>0.17%</b>	<b>0.39%</b>	<b>0.13%</b>	<b>0.12%</b>
<b>Net Charge-Off Detail</b>					
Commercial and Industrial Loans	-\$602	\$1,444	\$4,874	\$422	-\$537
Commercial Real Estate-Permanent	\$96	-\$58	-\$308	\$601	\$245
Commercial Real Estate-Construction	\$264	-\$196	-\$92	-\$95	-\$628
Total Commercial Real Estate Loans	\$360	-\$254	-\$400	\$506	-\$383
Residential Mortgages	\$670	\$598	\$70	\$248	\$1,139
Home Equity Lines and Loans	\$375	\$407	\$1,064	\$230	\$723
All Other Consumer Loans	\$800	\$473	\$305	\$540	\$810
Total Consumer Loans	\$1,845	\$1,478	\$1,439	\$1,018	\$2,672
<b>Net Loans Charged-Off</b>	<b>\$1,603</b>	<b>\$2,668</b>	<b>\$5,913</b>	<b>\$1,946</b>	<b>\$1,752</b>
Asset Quality and Other Data	As Of				
	31-Dec-15	30-Sep-15	30-Jun-15	31-Mar-15	31-Dec-14
Non-Accrual Commercial and Industrial Loans	\$5,136	\$6,234	\$8,923	\$21,107	\$21,931
Non-Accrual Commercial Real Estate-Permanent	\$6,041	\$7,068	\$7,160	\$6,781	\$7,915
Non-Accrual Commercial Real Estate-Construction	\$5,257	\$8,504	\$8,443	\$8,204	\$8,113
Total Non-Accrual Commercial Real Estate Loans	\$11,298	\$15,572	\$15,603	\$14,985	\$16,028
Non-Accrual Residential Mortgages	\$10,360	\$8,171	\$8,307	\$8,326	\$7,706
Non-Accrual Home Equity Lines and Loans	\$4,652	\$4,234	\$4,027	\$3,762	\$3,426
All Other Non-Accrual Consumer Loans	\$1,181	\$1,387	\$1,387	\$1,458	\$1,746
Total Non-Accrual Consumer Loans	\$16,193	\$13,792	\$13,721	\$13,546	\$12,878
<b>Total Non-Accrual Loans</b>	<b>\$32,627</b>	<b>\$35,598</b>	<b>\$38,247</b>	<b>\$49,638</b>	<b>\$50,837</b>

Source: National Penn Bancshares.

### Best-in-Class: Specific EPS and Driving Inputs Helps Align Expectations with Co. Outlook

*Minimum Disclosure: Active Discussion on Major Trends Affecting the Company, Particularly Assumptions Where the Street/ Company's Expectations May Be Inconsistent*

- “Based on the sustained low interest rate environment and our current expectations and assumptions, our guidance range for operating EPS for the full year of 2015 is in the range of \$4.22 to \$4.27 per share, equal to a 13% to 14% increase compared to 2014 operating results without the benefit of rising interest rates. We estimate that each 25-basis-point increase in the Federal Funds rate would positively influence our quarterly after-tax EPS by seven cents per share.”
- “Customers is looking forward to a good second half of 2015 and expects to report in excess of \$1.00 per share of earnings in the second half of 2015. Other than the potentially fraudulent loan, we are off to a great start with our first six months' performance,” Mr. Sidhu said. “Our company is well positioned in 2015 irrespective of the slope of the yield curve or level of short term rates,” stated Mr. Sidhu, adding, “by increasing our level of commercial variable rate loans and core deposits by over \$300 million during Q2 2015, we believe we are even better positioned for any movements in rates in 2015 and beyond.”

Source: IBERIABANK Corporation and Customers Bancorp.

# Regional Trends

## Best-in-Class: For Banks with Operations Across Multiple Markets, Regional Trend Analysis for Growth, Credit, and Profitability

### *Minimum Disclosure: Summary Commentary as to Current and Expected Regional Performance*

(\$ in 000)	Quarter Ended		
	Dec-15	Sep-15	Dec-14
<b>Loan Data:</b>			
New England	3,404,322	3,303,873	3,083,494
San Francisco Bay	1,293,576	1,281,353	1,264,233
Southern California	<u>1,021,314</u>	<u>1,022,246</u>	<u>922,209</u>
<b>Total Loans</b>	<b>5,719,212</b>	<b>5,607,472</b>	<b>5,269,936</b>
<b>Nonaccruing Loans</b>			
New England	19,572	22,815	26,205
San Francisco Bay	4,977	5,096	13,430
Southern California	<u>2,022</u>	<u>2,816</u>	<u>4,547</u>
<b>Total Nonaccruing Loans</b>	<b>26,571</b>	<b>30,727</b>	<b>44,182</b>

(\$ in 000)	Quarter Ended				
	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
<b>Total Deposits</b>					
Dubuque Bank and Trust Company	\$1,209,074	\$1,120,999	\$1,144,932	\$1,166,070	\$1,211,896
New Mexico Bank & Trust	\$1,085,052	\$1,047,358	\$891,003	\$880,422	\$860,465
Wisconsin Bank & Trust	\$974,001	\$904,803	\$985,804	\$939,157	\$554,722
Morrill & Janes Bank and Trust Company	\$713,589	\$650,123	\$662,524	\$696,606	\$703,016
Premier Valley Bank	\$647,022	\$0	\$0	\$0	\$0
Illinois Bank & Trust	\$631,010	\$641,024	\$645,354	\$625,885	\$600,357
Arizona Bank & Trust	\$500,490	\$491,254	\$405,680	\$378,422	\$351,635
Rocky Mountain Bank	\$417,426	\$428,234	\$417,647	\$407,958	\$395,609
Minnesota Bank & Trust	\$194,373	\$163,291	\$172,547	\$148,773	\$150,146
Summit Bank & Trust	\$128,759	\$139,826	\$122,928	\$124,113	\$111,859

Source: Boston Private Financial Holdings and Heartland Financial USA..

# Accretible Yield

## Best-in-Class: Detailed Line-Item Explanation of Core vs. Accounting Impact on EPS

### Minimum Disclosure: Summary EPS Contribution from Purchase Accounting

	For the three months ended			For the year ended	
	31-Dec-15	30-Sep-15	31-Dec-14	31-Dec-15	31-Dec-14
<b>Adjustments to diluted earnings per share:</b>					
Income per share - diluted	\$ 0.11	\$ 0.05	\$ 0.06	\$ 0.14	\$ 0.22
Adjustments to diluted earnings per share (non-GAAP)	\$ 0.05	\$ 0.12	\$ 0.13	\$ 0.51	\$ 0.45
Adjusted diluted earnings per share (non-GAAP)	\$ 0.16	\$ 0.17	\$ 0.19	\$ 0.65	\$ 0.67
<b>Adjustments to return on average tangible assets:</b>					
Annualized adjustments to net income (non-GAAP)	\$ 5,705	\$ 15,084	\$ 21,384	\$ 17,563	\$ 19,118
Divided by: average tangible assets (non-GAAP)	\$ 4,658,179	\$ 4,752,887	\$ 4,755,364	\$ 4,764,521	\$ 4,794,855
Adjustments to return on average tangible assets (non-GAAP)	0.12%	0.31%	0.45%	0.37%	0.40%
Return on average tangible assets (non-GAAP)	<u>0.36%</u>	<u>0.21%</u>	<u>0.26%</u>	<u>0.17%</u>	<u>0.26%</u>
Adjusted return on average tangible assets (non-GAAP)	0.48%	0.52%	0.71%	0.54%	0.66%
<b>Adjustments to net income:</b>					
Net income	\$ 3,340	\$ 1,636	\$ 2,279	\$ 4,881	\$ 9,176
Adjustments to net income (non-GAAP)	\$ 1,438	\$ 3,802	\$ 5,390	\$ 17,563	\$ 19,118
Adjusted Net Income (non-GAAP)	\$ 4,778	\$ 5,438	\$ 7,669	\$ 22,444	\$ 28,294

Source: National Bank Holdings.



## Accretable Yield - Continued

### Best-in-Class: Detailed, Portfolio Explanation of Reported versus Core NIM Trends

#### Minimum Disclosure: Summary NIM Contribution from Purchase Accounting

(\$ in 000)	Quarter Ended Dec-2015			
	PCI - Loans		Non-PCI Loans	Total
	Non-Accretable Discount	Accretable Discount	Accretable Discount	
<b>Balance at Beginning of Period</b>	<b>19,747</b>	<b>9,368</b>	<b>40,961</b>	<b>70,076</b>
Recoveries	1,354	0	0	1,354
Accretion	0	-3,510	-6,193	-9,703
Transfer	-6,440	6,440	0	0
<b>Balance at End of Period</b>	<b>14,661</b>	<b>12,298</b>	<b>34,768</b>	<b>61,727</b>

(\$ in 000)	Year Ended December 31,					
	2015			2014		
	Avg. Balance	Interest	Yield	Avg. Balance	Interest	Yield
<b>Loan Yield Ex. Acquisition Accounting Discount Accretion on Taylor Capital Loans:</b>						
Total Loans, as Reported	9,147,279	391,855	4.28%	6,831,183	297,232	4.35%
Less Acquisition Accounting Discount Accretion on Non-PCI Loans	-47,410	27,008		-25,523	15,879	
Less Acquisition Accounting Discount on PCI Loans	-32,326	6,631		-14,144	1,210	
<b>Total Loans, Ex Acquisition Account Discount on Taylor Capital Loans</b>	<b>9,227,015</b>	<b>358,216</b>	<b>3.88%</b>	<b>6,870,850</b>	<b>280,143</b>	<b>4.08%</b>
<b>NIM on a FTE Basis, Ex Acquisition Accounting Discount Accretion on Taylor Capital Loans:</b>						
Total AEA, as Reported	12,827,286	492,686	3.84%	9,924,119	374,414	3.77%
Less Acquisition Accounting Discount Accretion on Non-PCI Loans	-47,410	27,008		-25,523	15,879	
Less Acquisition Accounting Discount Accretion on PCI Loans	-32,326	6,631		-14,144	1,210	
<b>Total AEA, Ex Acquisition Accounting Discount Accretion on Taylor Capital Loans</b>	<b>12,907,022</b>	<b>459,047</b>	<b>3.56%</b>	<b>9,963,786</b>	<b>357,325</b>	<b>3.59%</b>

Source: MB Financial.

# Non-Recurring Items

Best-in-Class: In Table Format, Allows Analyst to Quickly Decipher Core vs. Reported Trends

*Minimum Disclosure: In Text of Prepared Remarks, Isolate Unusual Items*

(\$ in 000, except per share data)

	4Q15	3Q15	4Q14	Year Ended December 31,	
				2015	2014
<b>Net Income, as reported</b>	<b>\$43,607</b>	<b>\$40,278</b>	<b>\$36,125</b>	<b>\$158,948</b>	<b>\$86,101</b>
Less Non-Core Items:					
Net (Loss) Gain on Investment Securities	-\$3	\$371	\$491	-\$176	-\$2,525
Net (Loss) Gain on Sale of Other Assets	\$0	\$1	\$3,476	-\$2	\$3,452
Gain on extinguishment of debt	\$0	\$0	\$0	\$0	\$1,895
Merger Related Expenses	\$4,186	-\$389	-\$6,494	-\$5,506	-\$34,823
Prepayment Fees on Interest Bearing Liabilities	\$0	\$0	\$0	-\$85	\$0
Loss on Low to Moderate Income Real Estate Investment	\$0	\$0	\$0	\$0	-\$2,124
Contingent Consideration Expense - Celtic Acquisition	\$0	\$0	\$0	\$0	-\$10,600
Contribution to MB Financial Charitable Foundation	\$0	\$0	-\$3,250	\$0	-\$3,250
<b>Total Non-Core Items</b>	<b>\$4,183</b>	<b>-\$17</b>	<b>-\$5,777</b>	<b>-\$5,769</b>	<b>-\$47,975</b>
Income Tax Expense on Non-Core Items	\$1,140	-\$6	-\$2,314	-\$2,809	-\$13,730
Non-Core Items, net of tax	\$3,043	-\$11	-\$3,463	-\$2,960	-\$34,245
<b>Subtotal: Operating Earnings</b>	<b>\$40,564</b>	<b>\$40,289</b>	<b>\$39,588</b>	<b>\$161,908</b>	<b>\$120,346</b>
Dividends on Preferred Shares	\$2,000	\$2,000	\$2,000	\$8,000	\$4,000
<b>Operating Earnings Available to Common Stockholders</b>	<b>\$38,564</b>	<b>\$38,289</b>	<b>\$37,588</b>	<b>\$153,908</b>	<b>\$116,346</b>
Diluted Operating Earnings per Common Share	\$0.52	\$0.51	\$0.50	\$2.06	\$1.86
Weighted Average Common Shares Outstanding for Diluted Earnings Per Common Share	73,953,165	75,029,827	75,130,331	74,849,030	62,573,406

Source: MB Financial.

# Mortgage Banking

## Best-in-Class: Detailed Composition of Mortgage Banking Revenues and Recent Trends

### Minimum Disclosure: Summary Level Commentary in Text of Earnings Release

(\$ in 000)

	Quarter Ended				
	Dec-15	Sep-15	Jun-15	Mar-15	Dec-14
<b>Mortgage Servicing Rights</b>					
<b>Fair Value, Beginning of Period</b>	<b>52,973</b>	<b>55,924</b>	<b>49,190</b>	<b>51,296</b>	<b>53,759</b>
<i>Additions to Mortgage Servicing Rights:</i>					
Originations of Servicing Assets	3,065	4,231	4,344	2,499	2,453
<i>Changes in Fair Value:</i>					
Due to Payoffs/Paydowns	-1,633	-1,872	-1,930	-1,564	-1,480
Due to Change in Valuation Inputs or Assumptions Used in Valuation Model	2,865	-5,308	4,321	-3,039	-3,434
Other Changes in Fair Value	<u>-2</u>	<u>-2</u>	<u>-1</u>	<u>-2</u>	<u>-2</u>
<b>Fair Value, End of Period</b>	<b>57,268</b>	<b>52,973</b>	<b>55,924</b>	<b>49,190</b>	<b>51,296</b>
<b>Production Revenue</b>					
Origination	4,909	5,154	7,395	8,914	3,949
Servicing	4,381	4,365	4,316	4,256	4,215
Payoffs/Paydowns	<u>-1,633</u>	<u>-1,872</u>	<u>-1,930</u>	<u>-1,564</u>	<u>-1,480</u>
<b>Total Production Revenue</b>	<b>7,657</b>	<b>7,647</b>	<b>9,781</b>	<b>11,606</b>	<b>6,684</b>
Market Value Adjustment	2,865	-5,308	4,321	-3,039	-3,434
<b>Total Mortgage Lending Revenue</b>	<b>10,522</b>	<b>2,339</b>	<b>14,102</b>	<b>8,567</b>	<b>3,250</b>
Mortgage Loans Serviced	6,011,236	5,942,736	5,802,407	5,705,638	5,686,756
MSR/Mortgage Loans Serviced	0.95%	0.89%	0.96%	0.86%	0.90%

Source: BancorpSouth, Inc.

# Earnings Conference Calls and Investor Presentations

## Benefits: Provides Analysts/Investors with Better Understanding of the Company's Outlook

- Combination of targeted prepared remarks on earnings conference calls, along with a focused investor presentation, provides analysts/investors with a better appreciation of current trends and the fundamental outlook for the industry/company
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			Count	Percent
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As of March 3, 2016

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