Strength. Insight. Growth.

4th Quarter 2021 Financials

Safe Harbor

This release (including any information incorporated herein by reference), and future oral and written statements of HTLF and its management, may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the business, financial condition, results of operations, plans, objectives and future performance of the company.

Any statements about the company's expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. Forward-looking statements may include information about possible or assumed future results of the company's operations or performance. These forward-looking statements are generally identified by the use of words such as ‘‘believe”, “expect’’, “anticipate’’, ‘‘plan”, “intend”, “estimate’’, “project”, “may”, “will”, ‘‘would”, ‘‘could”, ‘‘should’’, “view”, “opportunity”, “potential”, or similar or negative expressions of these words or phrases. Although the company may make these statements based on management’s experience, beliefs, expectations, assumptions and best estimate of future events, the ability of the company to predict results or the actual effect or outcomes of plans or strategies is inherently uncertain, and there may be events or factors that management has not anticipated. Therefore, the accuracy and achievement of such forward-looking statements and estimates are subject to a number of risks, many of which are beyond the ability of management to control or predict, that could cause actual results to differ materially from those in its forward-looking statements. These factors, which the company currently believes could have a material effect on its operations and future prospects, are detailed below and in the risk factors in HTLF's reports filed with the Securities and Exchange Commission (“SEC”), including the “Risk Factors” section under Item 1A of Part I of the company’s Annual Report on Form 10-K for the year ended December 31, 2020, include, among others:

- COVID-19 Pandemic Risks, including risks related to the ongoing COVID-19 pandemic and measures enacted by the U.S. federal and state governments and adopted by private businesses in response to the COVID-19 pandemic;
- Economic and Market Conditions Risks, including risks related to changes in the U.S. economy in general and in the local economies in which HTLF conducts its operations and future civil unrest, natural disasters, pandemics, persistent inflation, supply chain issues, labor shortages, terrorist threats or acts of war;
- Credit Risks, including risks of increasing credit losses due to deterioration in the financial condition of HTLF's borrowers, changes in asset and collateral values and climate and other borrower industry risks which may impact the provision for credit losses and net charge-offs;
- Liquidity and Interest Rate Risks, including the impact of capital market conditions, rising interest rates and changes in monetary policy on our borrowings and net interest income;
- Operational Risks, including processing, information systems, cybersecurity, vendor, business interruption, and fraud risks;
- Strategic and External Risks, including competitive forces impacting our business and strategic acquisition risks;
- Legal, Compliance and Reputational Risks, including regulatory and litigation risks; and
- Risks of Owning Stock in HTLF, including stock price volatility and dilution as a result of future equity offerings and acquisitions.

There can be no assurance that other factors not currently anticipated by HTLF will not materially and adversely affect the company’s business, financial condition and results of operations. In addition, many of these risks and uncertainties are currently amplified by and may continue to be amplified by the COVID-19 pandemic and the impact of varying governmental responses that affect the company’s customers and the economies where they operate. Additionally, all statements in this release, including forward-looking statements speak only as of the date they are made. The company does not undertake and specifically disclaims any obligation to publicly release the results of any revisions which may be made to or correct or update any forward-looking statement to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events or to otherwise update any statement in light of new information or future events. Further information concerning HTLF and its business, including additional factors that could materially affect the company’s financial results, is included in the company’s filings with the SEC.

Corporate Profile

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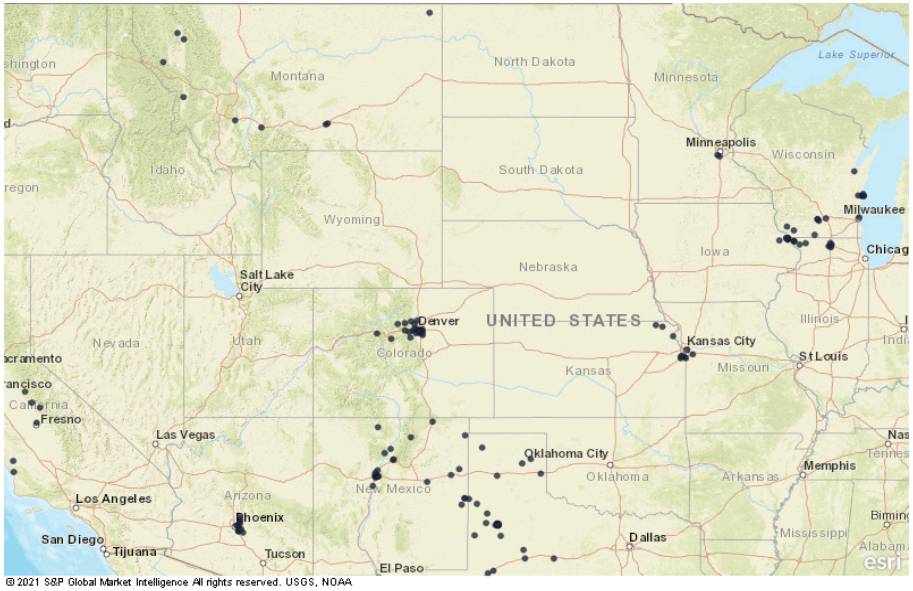
Company Overview

Company Overview – NASDAQ: HTLF

- Headquartered in Dubuque, IA
- Holding company established in 1981; NASDAQ member since 2003
- HTLF conducts banking business through 11 independently chartered banks
- 130 full-service branches located across 12 states in the Midwest, Southwest and Western regions of the country
- Level or increased dividends to common shareholders since inception
- $2.1B in Market Capitalization
- 5.3% Beneficial ownership by the Board and executive officers (as of 1/31/21)



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Fiscal 4Q 2021 Financial Highlights

Dollars in millions		*As of 4Q21*
Balance Sheet	Total Assets	$19,275
	Total Loans Held for Investment	$9,955
	Total Deposits	$16,417
	Loan / Deposit Ratio	60.64 %
	Tangible Common Equity [1]	$1,462
	Total Common Equity	$2,071
Capital	Total Common Equity / Total Assets	10.75 %
	Tang. Common Equity / Tang. Assets [1]	7.84 %
	Tier 1 Leverage Ratio	8.57 %
	CET1 Ratio	11.53 %
	Tier 1 Capital Ratio	12.39 %
	Total RBC Ratio	15.90 %

		QTD	*YTD*
Profitability	Net Interest Margin, fully tax-equivalent [1]	3.12 %	3.33 %
	Cost of Interest Bearing Deposits	0.13 %	0.16 %
	Return on Avg. Assets	1.03 %	1.19 %
	Return on Avg. Tangible Common Equity [1]	13.47 %	15.59 %
	Efficiency Ratio FTE [1]	63.86 %	59.48 %
Asset Quality	NPAs / Assets	0.37 %	
	NCOs / Avg. Loans	0.03 %	0.04 %

(1) See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures

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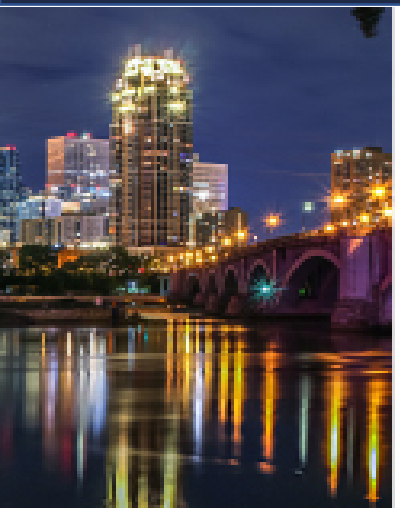
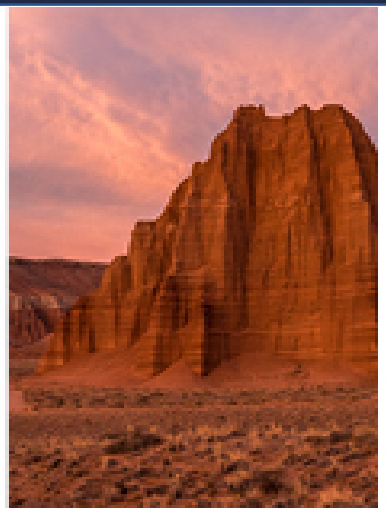
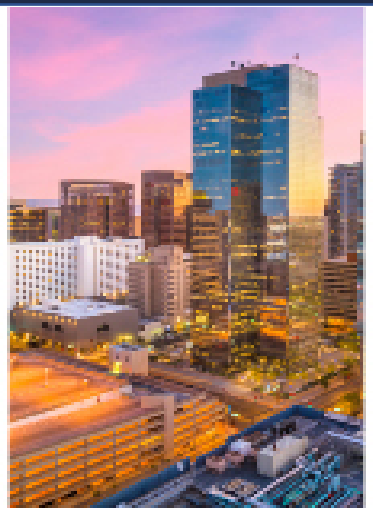
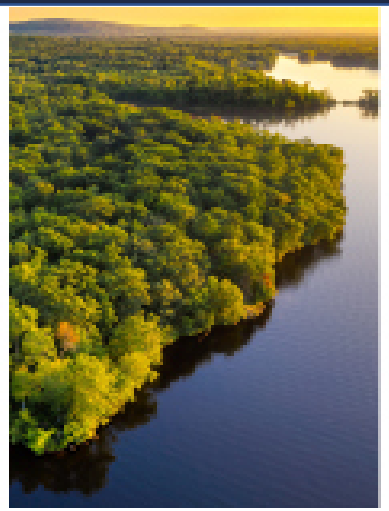
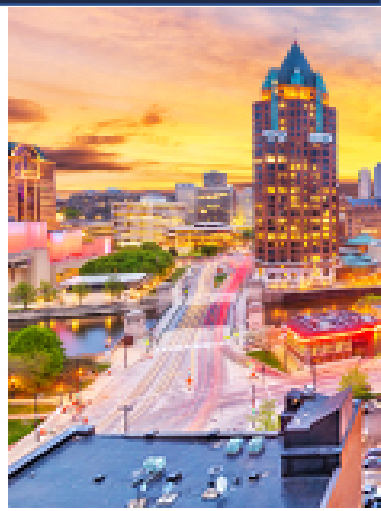
We See Growth Everywhere

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- It's what we bring to our customers, communities, employees and shareholders
- Strong corporate leadership and innovative thinking have uniquely positioned us
- Our business model and diverse geographic footprint reduce risk and drive organic growth
- Complemented by strategic M&A and talent acquisition

Values and Guiding Principles

- Integrity – Always do the right thing. Be honest and open.
- Accountability – Keep your promises, follow through and follow up.
- Community – Engage your community and your team. Unlock the potential around you.
- Excellence – Exceed expectations – every customer, every time.

Commercial-focused local banking with the scale to compete at any level

$19 billion corporate strength and sophistication

- Unique business model powers our banks with technology, efficiency and strength
- We're investing in talent, developing products and implementing technology to enhance the services we provide

11 locally managed banks

- Decision making is local and focused on customers and relationships
- Committed to our core commercial business supported by strong retail and wealth management

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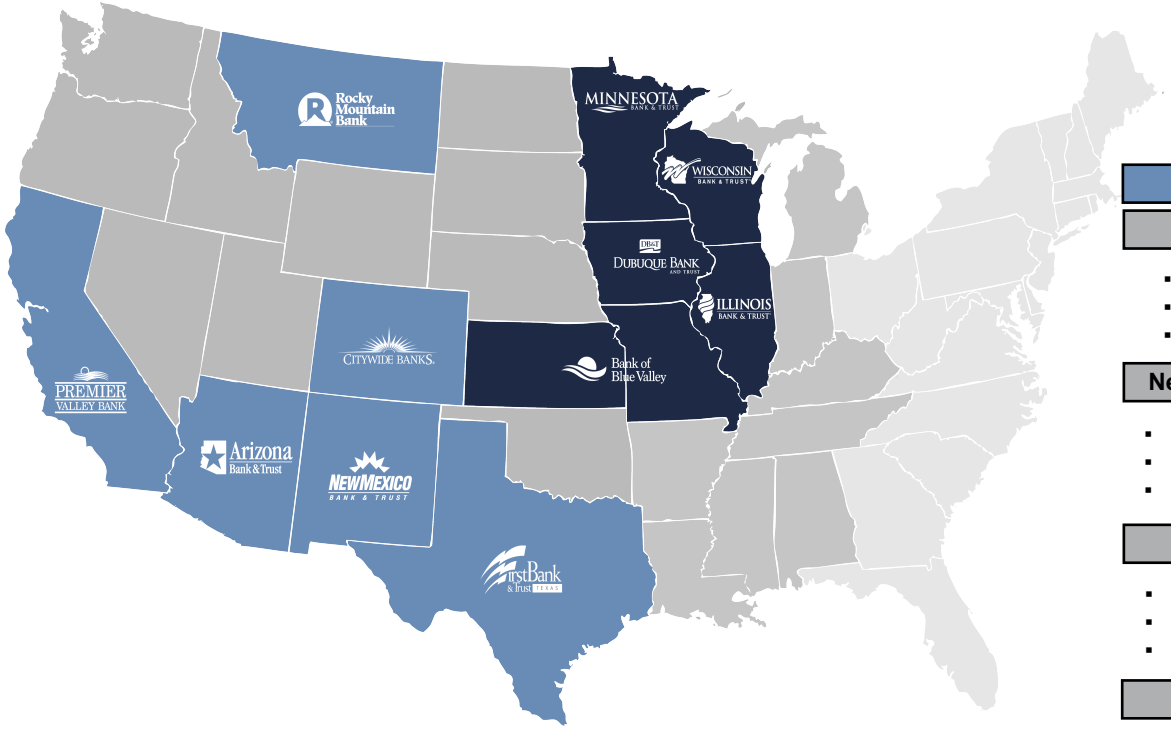
Corporate Structure



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Subsidiary Banks by Region

HTLF West/Southwest

Arizona Bank & Trust - AZ
- Total Assets: $1,969,184
- Total Deposits: $1,768,793
- No. of Branch Offices: 9

New Mexico Bank & Trust - NM
- Total Assets: $2,623,597
- Total Deposits: $2,308,939
- No. of Branch Offices: 24

First Bank & Trust - TX
- Total Assets: $2,878,173
- Total Deposits: $2,397,350
- No. of Branch Offices: 22

Premier Valley Bank - CA
- Total Assets: $1,224,396
- Total Deposits: $1,051,286
- No. of Branch Offices: 6

Citywide Banks - CO
- Total Assets: $2,696,695
- Total Deposits: $2,291,912
- No. of Branch Offices: 20

Rocky Mountain Bank - MT
- Total Assets: $713,930
- Total Deposits: $640,757
- No. of Branch Offices: 9

HTLF Midwest

Minnesota Bank & Trust - MN
- Total Assets: $ 865,825
- Total Deposits: $719,489
- No. of Branch Offices: 2

Wisconsin Bank & Trust - WI
- Total Assets: $1,224,689
- Total Deposits: $1,070,161
- No. of Branch Offices: 12

Dubuque Bank & Trust - IA
- Total Assets: $2,235,630
- Total Deposits: $1,750,071
- No. of Branch Offices: 7

Illinois Bank & Trust - IL
- Total Assets: $1,686,038
- Total Deposits: $1,496,262
- No. of Branch Offices: 9

Bank of Blue Valley – KS/MO
- Total Assets: $1,441,980
- Total Deposits: $1,179,294
- No. of Branch Offices: 10

Regional Summary	HTLF West/Southwest	HTLF Midwest
Total Assets:	$12,105,975	$7,454,162
Total Deposits:	$10,459,037	$6,215,277
No. of Branch Offices:	90	40
Projected 5yr Population Change[1]:	5.8%	2.8%

(1) Source: S&P Global Market Intelligence, Population change at the MSA/County level of covered markets

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HTLF West/Southwest Major MSA Coverage

Notable West/Southwest MSAs > 100K Population[1]	2021 Actual Pop.	5yr Projected Pop. Growth
Phoenix-Mesa-Chandler, AZ	5,081,979	6.91%
Denver-Aurora-Lakewood, CO	3,030,346	7.04
Fresno, CA	1,012,748	3.16
Albuquerque, NM	921,720	1.32
Greeley, CO	335,248	8.41
Boulder, CO	331,157	5.95
Lubbock, TX	326,189	6.17
San Luis Obispo-Paso Robles, CA	281,626	1.99
Amarillo, TX	268,405	4.50
Midland, TX	188,932	8.76
Billings, MT	183,686	4.21
Abilene, TX	173,430	4.38
Odessa, TX	170,583	8.11
Madera, CA	158,255	2.13
Santa Fe, NM	151,093	1.61
Bozeman, MT	118,976	7.72
Kalispell, MT	106,417	6.25
Weighted Avg Proj Growth MSAs > 100K		**5.93**
Other MSAs in Region	411,008	2.13%

Highlighted MSAs denote HTLF has Top 5 market rank for deposits[1]

Highlighted MSAs denote HTLF has Top 10 market rank for deposits[1]

(1) Source: S&P Global Market Intelligence

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HTLF Midwest Major MSA Coverage

Notable Midwest MSAs > 100K Population[1]	2021 Actual Pop.	5yr Projected Pop. Growth
Minneapolis-St. Paul-Bloomington,	3,689,879	4.00%
Kansas City, MO-KS	2,181,681	2.82
Milwaukee-Waukesha, WI	1,575,503	0.60
Des Moines-West Des Moines, IA	713,503	4.59
Madison, WI	673,428	3.28
Rockford, IL	334,060	-1.35
Green Bay, Wi	325,375	2.21
Sheboygan, WI	115,386	0.41
Dubuque, IA	97,638	1.86
Weighted Avg Proj Growth MSAs > 100K		**2.87**
Other MSAs in Region	67,282	-0.26%

Highlighted MSAs denote HTLF has Top 5 market rank for deposits[1]

Highlighted MSAs denote HTLF has Top 10 market rank for deposits[1]

(1) Source: S&P Global Market Intelligence

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HTLF Excellence Recognition

Forbes Best Bank in America

2013 | 2017 | 2018
2019 | 2020 | 2021

AMONG THE **HIGHEST PURCHASE VOLUME GROWTH** FOR VISA® COMMERCIAL CARD ISSUERS

2015 | 2016 | 2017

2018 | 2019 | 2020

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A Steadfast Commitment to Growth | *3-year lookback*

	As of 4Q21
Asset CAGR	**19.1 %**
Average ROATCE, non-GAAP [1]	**14.5 %**
EPS CAGR	**12.4 %**
Dividend CAGR	**12.4 %**
TBV/Sh CAGR	**10.4 %**

(1) See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures

Key Factors Driving Business Strategy

- **Broad footprint enhances profitable growth strategies and diversifies risk**
  - Expands opportunities for new client acquisition – both organic and through M&A
  - Credit exposure is not geographically concentrated – spread over 12 state footprint
  - HTLF projected 5yr MSA growth rate of 4.5% exceeds National Average of 2.9%[1]
    - HTLF West/Southwest – 5.8%
    - HTLF Midwest – 2.8%

- **Focus on gaining significant presence within each market**
  - Top 10 deposit share in 26 of the 39 MSAs in which we operate[2]
  - Top 5 deposit share in 12 of those MSAs[2]
  - Enhances Talent Acquisition and Branch Optimization

- **Local Banking Model emphasizes responsiveness to clients and communities**
  - Local leadership facilitates development and retention of new client deposit/loan relationships
  - Ensures engagement in the communities we serve

- **Central support functions provide efficiencies and sophistication**
  - Centralized “back-office” operations and support functions maximize operating efficiency
  - Centralized risk management functions support strong corporate-wide oversight
  - Financial strength to invest in sophisticated system-wide technology platforms and tools

(1) Source: S&P Global Market Intelligence
(2) Deposit information as of June 30, 2021

Charter Consolidation Initiative

HTLF has approved an Initiative to consolidate its 11 existing bank charters into a Colorado State Chartered Bank

- HTLF Bank Charter based in Denver, Colorado - subject to Regulatory approvals
- Banks maintain their current brand identities with local leadership and decision making
- Bank Directors will continue to be valuable contributors and advisors, focused on:
  - Growth and profitability optimization strategies
  - Community involvement and investment
  - Customer and prospect development
- Operations and Administrative functions remain largely in Dubuque, IA
- Consolidation process will take 18-24 months to complete
  - Initial bank to be consolidated in Mid-2022
  - Final bank consolidation expected in Late-2023
- Estimated restructuring costs of the project is $19-20 million
  - $1.9 million incurred in 2021
  - $17-18 million to be incurred over the next 2 years
- Benefits from consolidation are expected to reach $20 million annually when project is completed
  - Run rate cost saves from elimination of redundancies and improved operating processes
  - Increased operating capacity to be leveraged with future growth
  - Treasury function revenue opportunities

HTLF Digital Strategy

*HTLF's focus in 2021/2022 will be to **"Do a Few Things Very Well First"** with particular emphasis on Improved Customer Experiences, Growing "Best" Customer Relationships, and Driving Operational Efficiencies.*

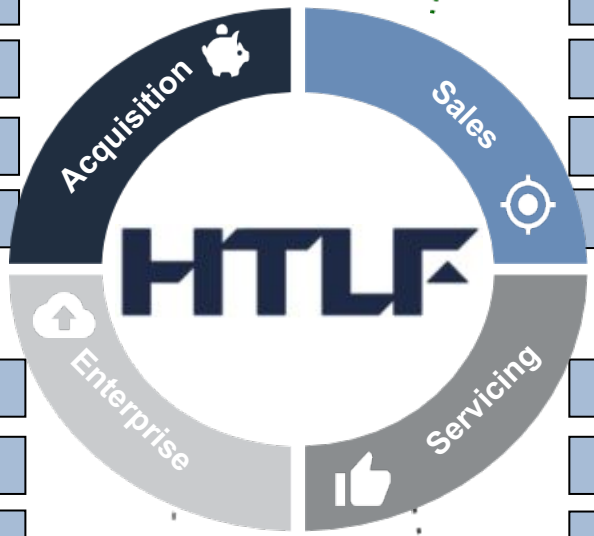
CUSTOMER EXPERIENCE **OMNI-CHANNEL** **PHASED IMPLEMENTATIONS**

Acquire and Fulfill

- Treasury Mgmt. Account Analysis
- Account Opening & Maintenance
- Document Management
- Consumer Loan Origination

Sell and Market

- Wealth Small Account Solutions
- Data Analytics / Data Driven Sales
- Online Banking Product Enhancements ☑
- Retirement Product Enhancements



Enterprise Tools and Data

- ☑ Enterprise Customer Portal
- ☑ Master Data Mgmt. / House-Holding
- ☑ Voice of the Customer Surveys
- ☑ Core Data Integration

Service and Maintain

- Knowledge Repository ☑
- Service Case Management ☑
- Video / Interactive Banker ☑
- Chat & Chatbots ☑

☑ -- Phase I Complete

-- Work In Process

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Growth Focused | *Enhancing Growth Trajectory*

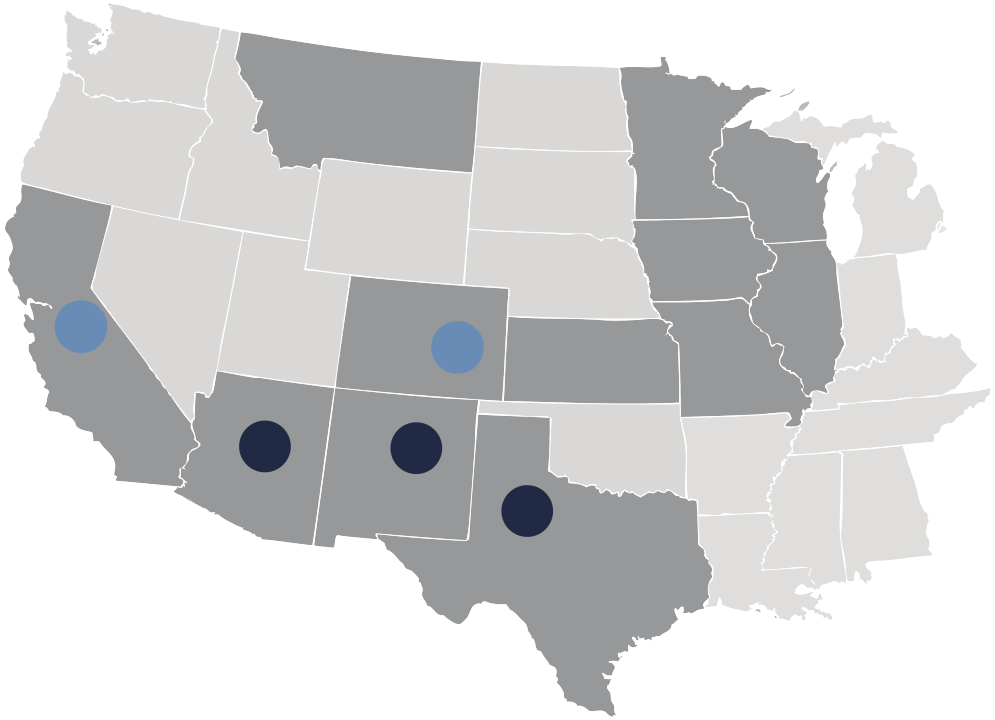
M&A – A Core Competency

- 13 successfully completed deals in last 7 years
- Building scale in existing footprint
- Target attractive growth markets
  - Including either new or complimentary products and services
- Bank targets of > $1 Billion in Assets
- Disciplined acquiror based on financial performance metrics

Talent Acquisition/Market Expansion

- Expanding Specialized Industry Group
  - California based Food & Agribusiness division (23 FTEs) added since 3Q 2021
- Adding local bankers to in-market bank teams
  - Significant team added in the Colorado market in 1st half of 2021
  - 23 Commercial bankers added in various growth markets across the footprint in the 2nd half of 2021

Investing for Growth Within our Footprint | *Prior 2 years*



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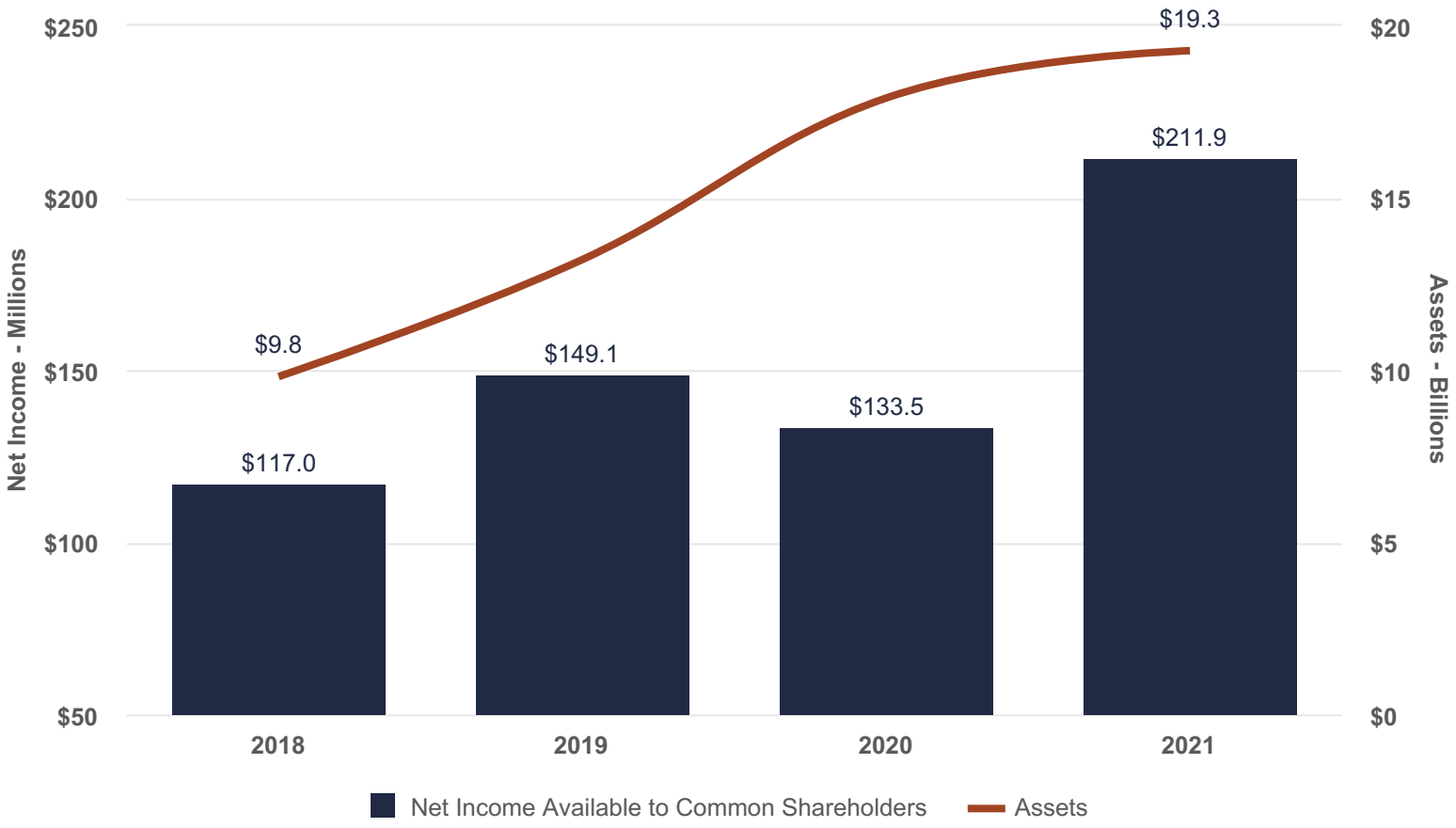
HTLF Asset and Earnings Growth



On pace to double Assets/Earnings in 3-4 years
3-year Asset CAGR of 19.1%

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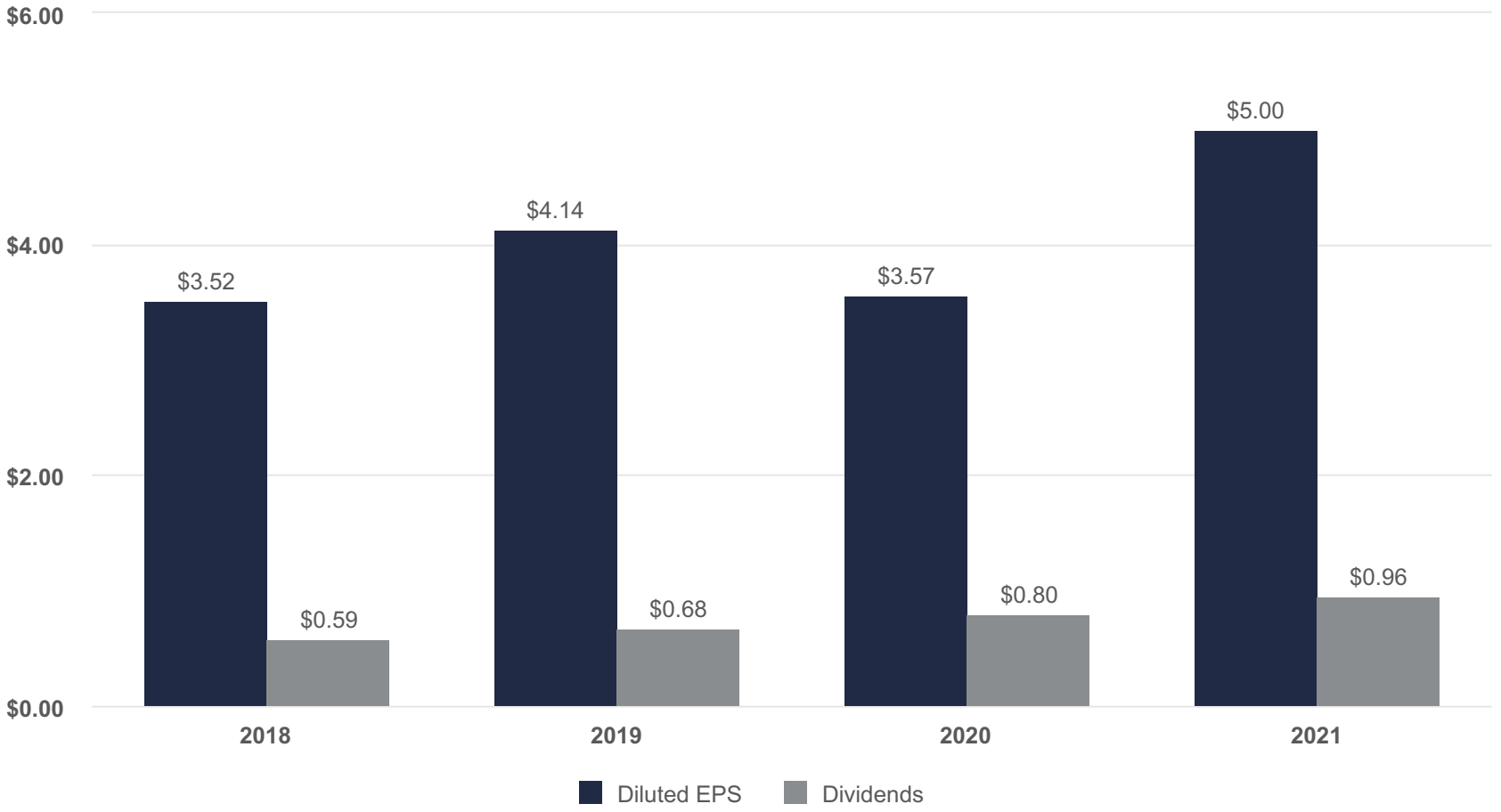
HTLF Diluted EPS and Common Dividends



3-year EPS CAGR of 12.4%
3-year Common Dividend CAGR of 12.4%

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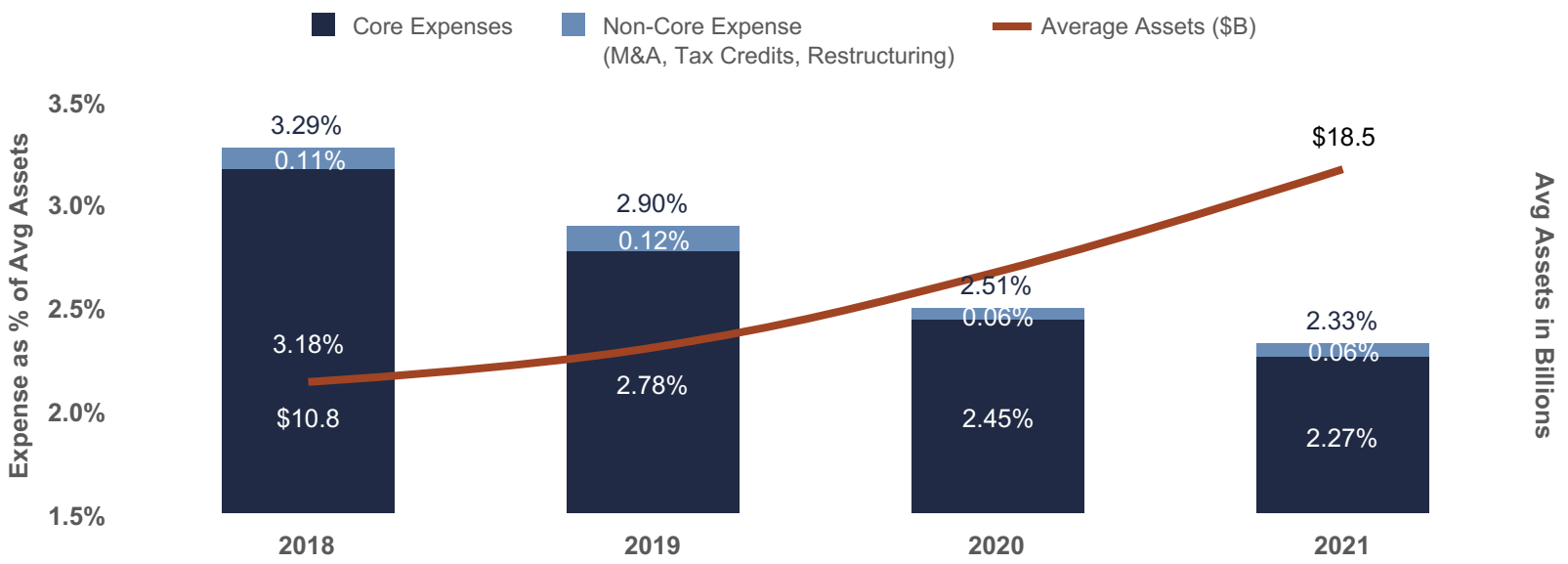
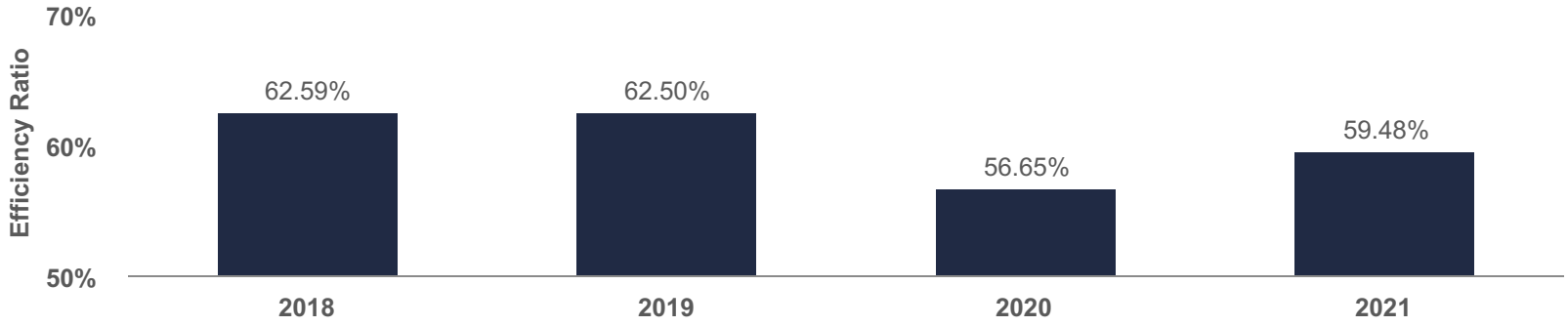
Operating Efficiency | *Improving by Leveraging Core Costs and Growth*

Leveraging Core Costs and Growth[1]



Efficiency Ratio[2] Trend



(1) Expenses exclude (Gain) loss on sales/valuations of assets, net
(2) See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures

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Financial Summary

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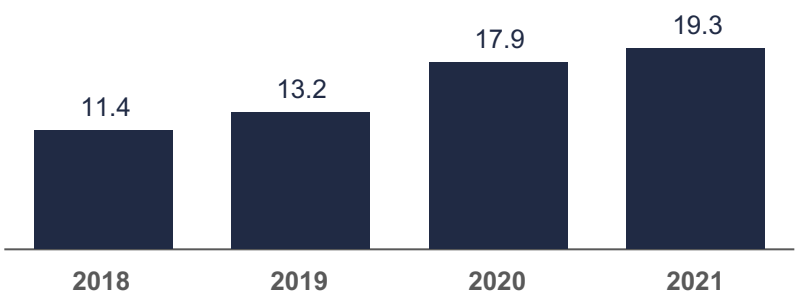
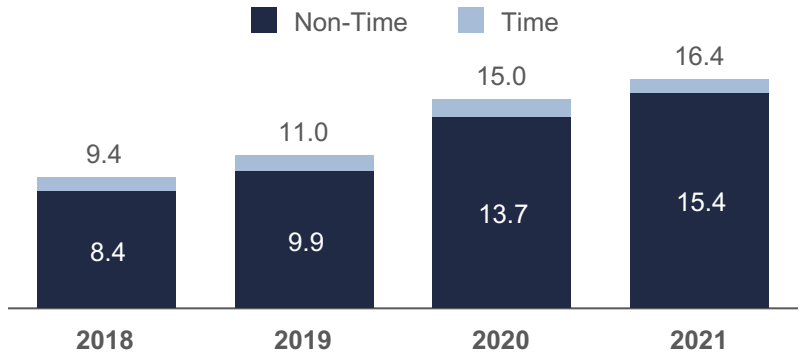
Summary Balance Sheet Items

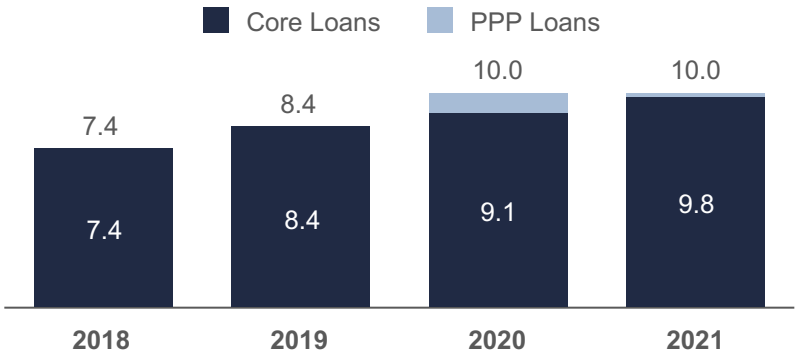
Total Assets ($B)



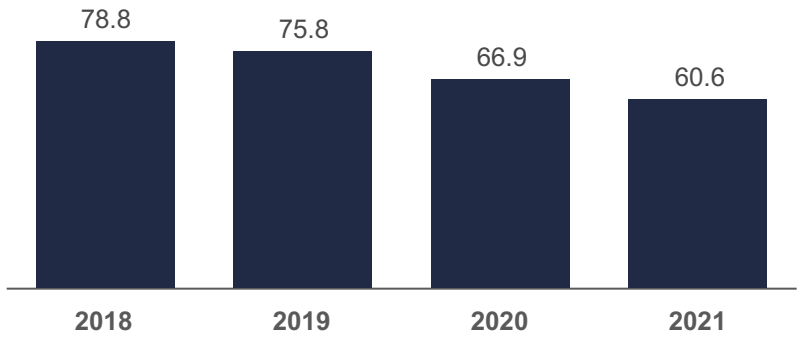
Total Deposits ($B)[1]



Loans Held to Maturity ($B)



Loans / Deposits (%)



(1) Includes deposits held for sale in 2018 of $0.106B

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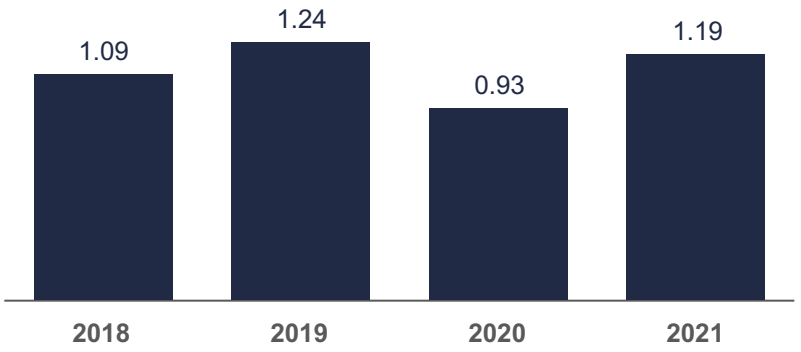
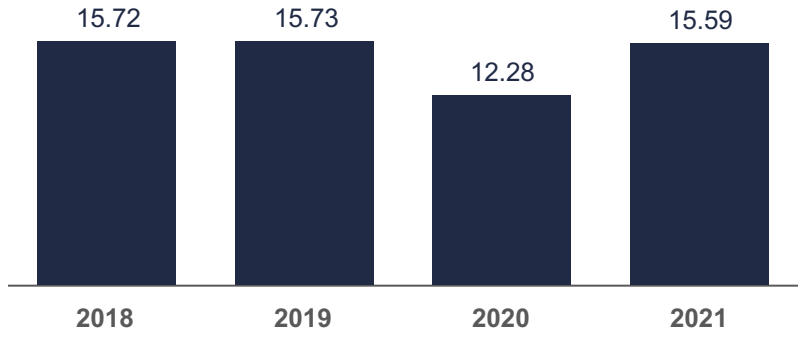
Summary Profitability Items

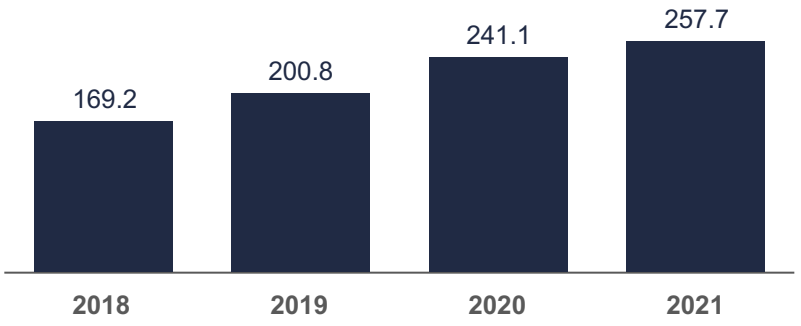
Return on Average Assets (%)



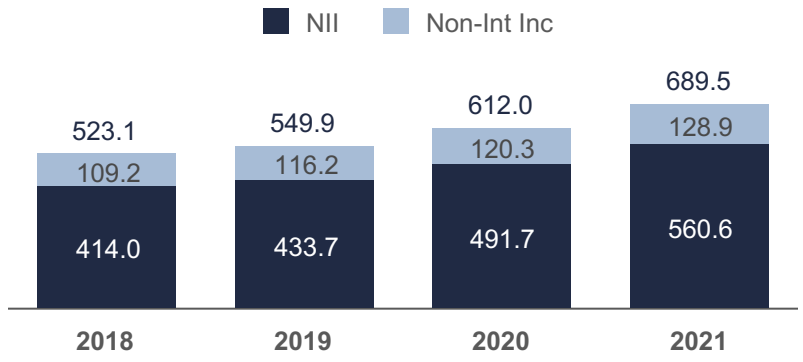
Return on Average Tangible Common Equity (%)[1]



Pre-Provision Net Revenue ($M)[2]

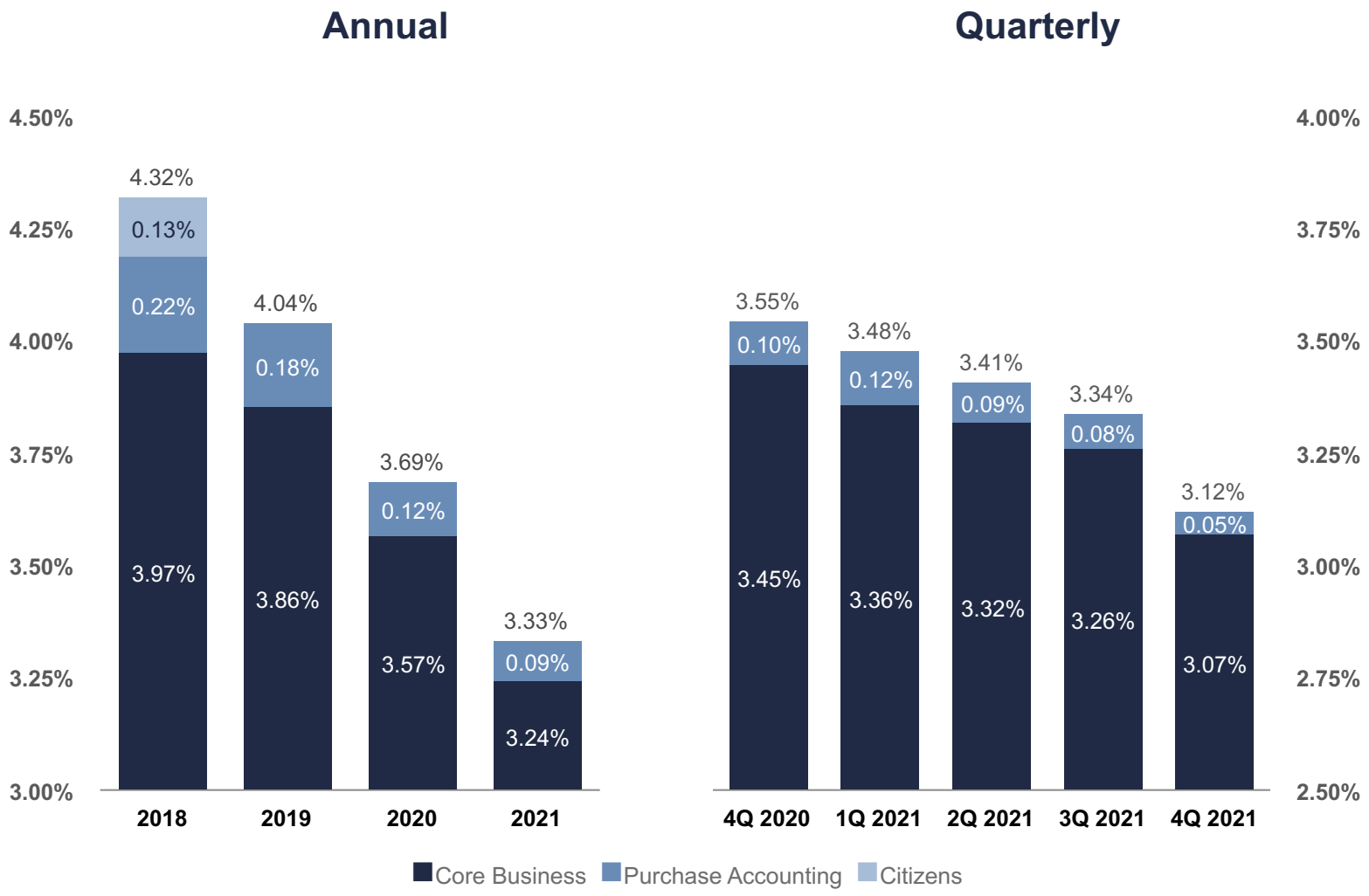


Total Revenues ($M)



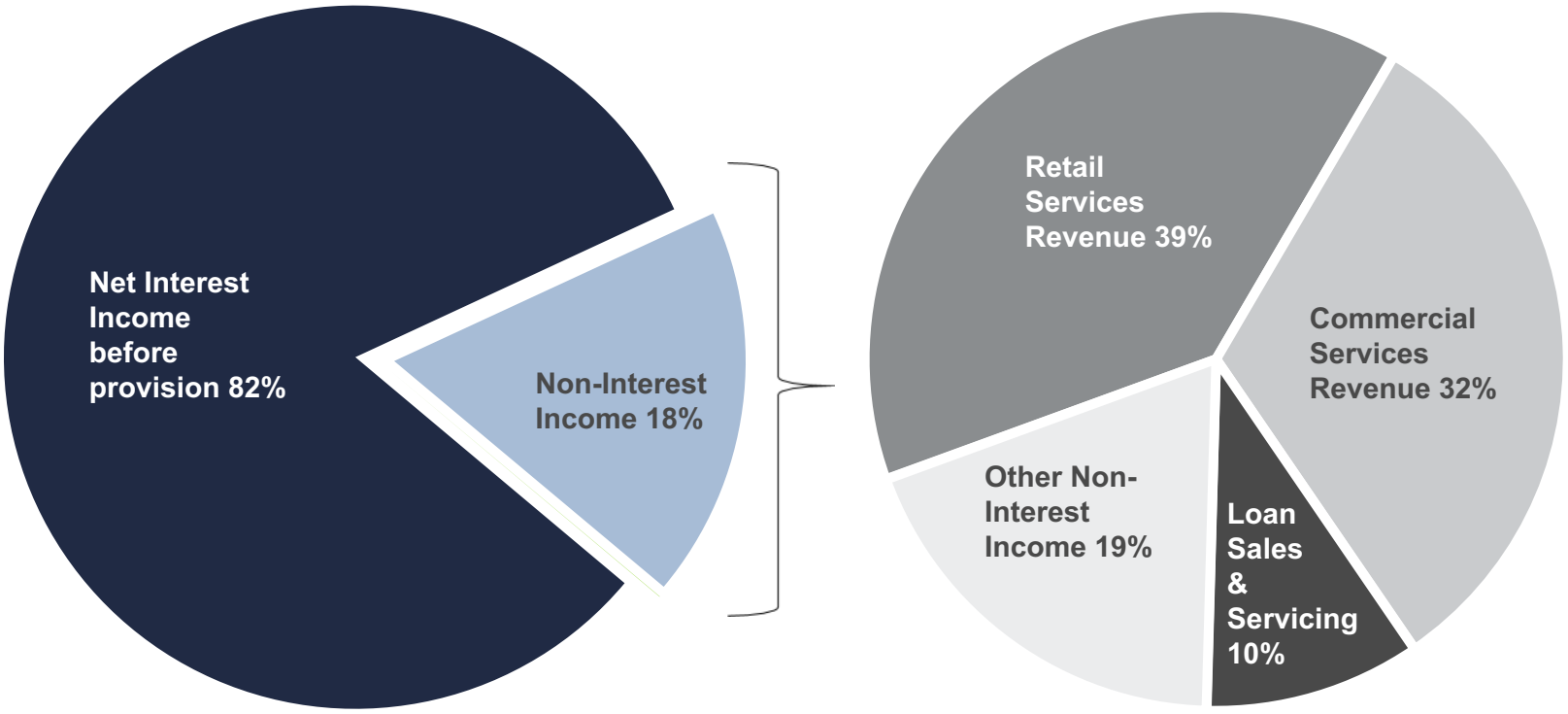
(1) See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures
(2) Pre-Provision Net Revenue is defined as Net Interest Income + Non-interest Income – Non-interest Expense

Net Interest Margin (non-GAAP) Breakdown[1]



(1) On a fully tax equivalent basis; See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures
Note: Assets of divested consumer finance company sold in early Q1 2019

Non-Interest Income Breakdown | *YTD*



Non-interest income exclusive of security gains

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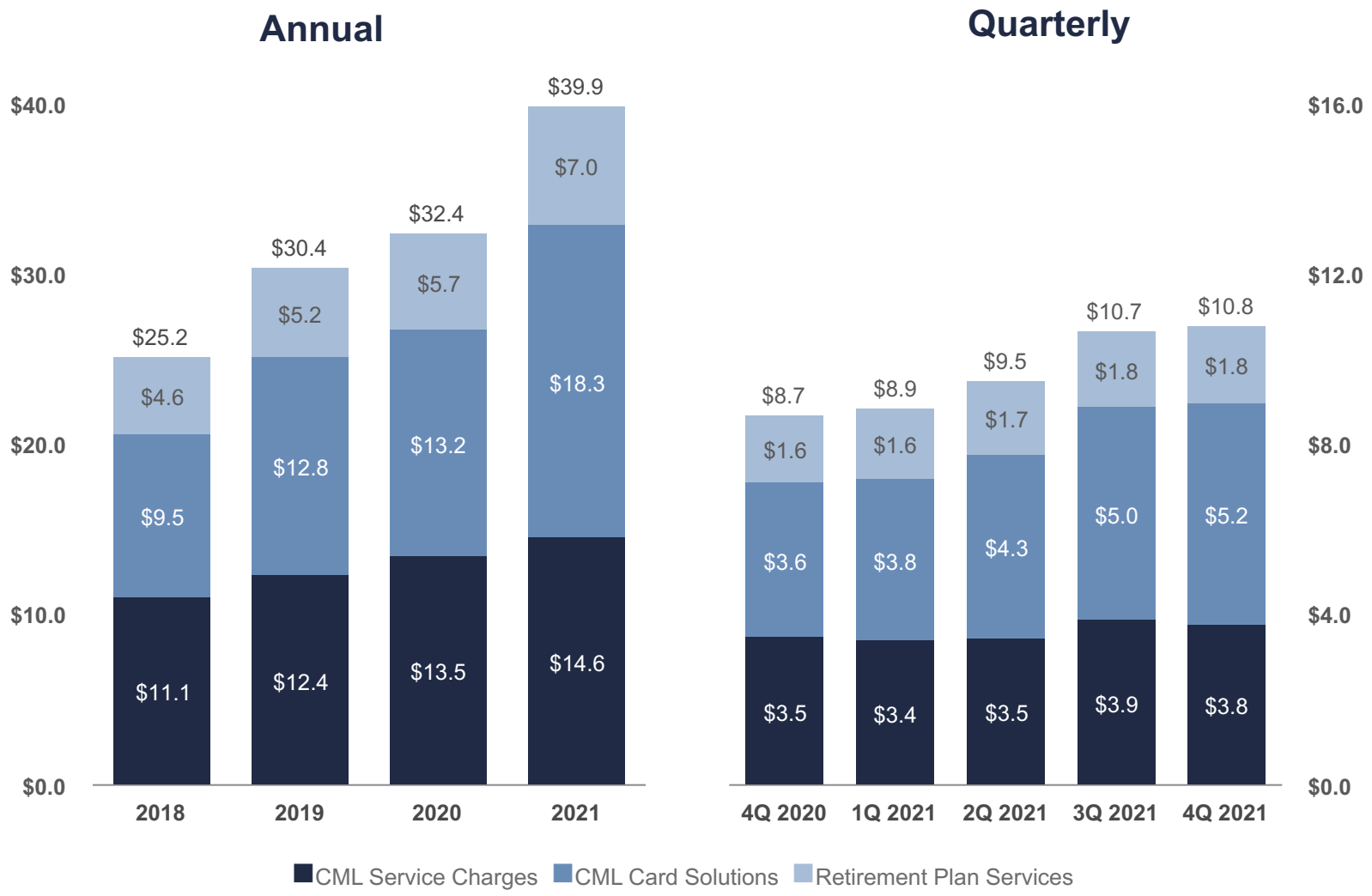
Commercial Services Revenue Trends



Note: Dollars in millions

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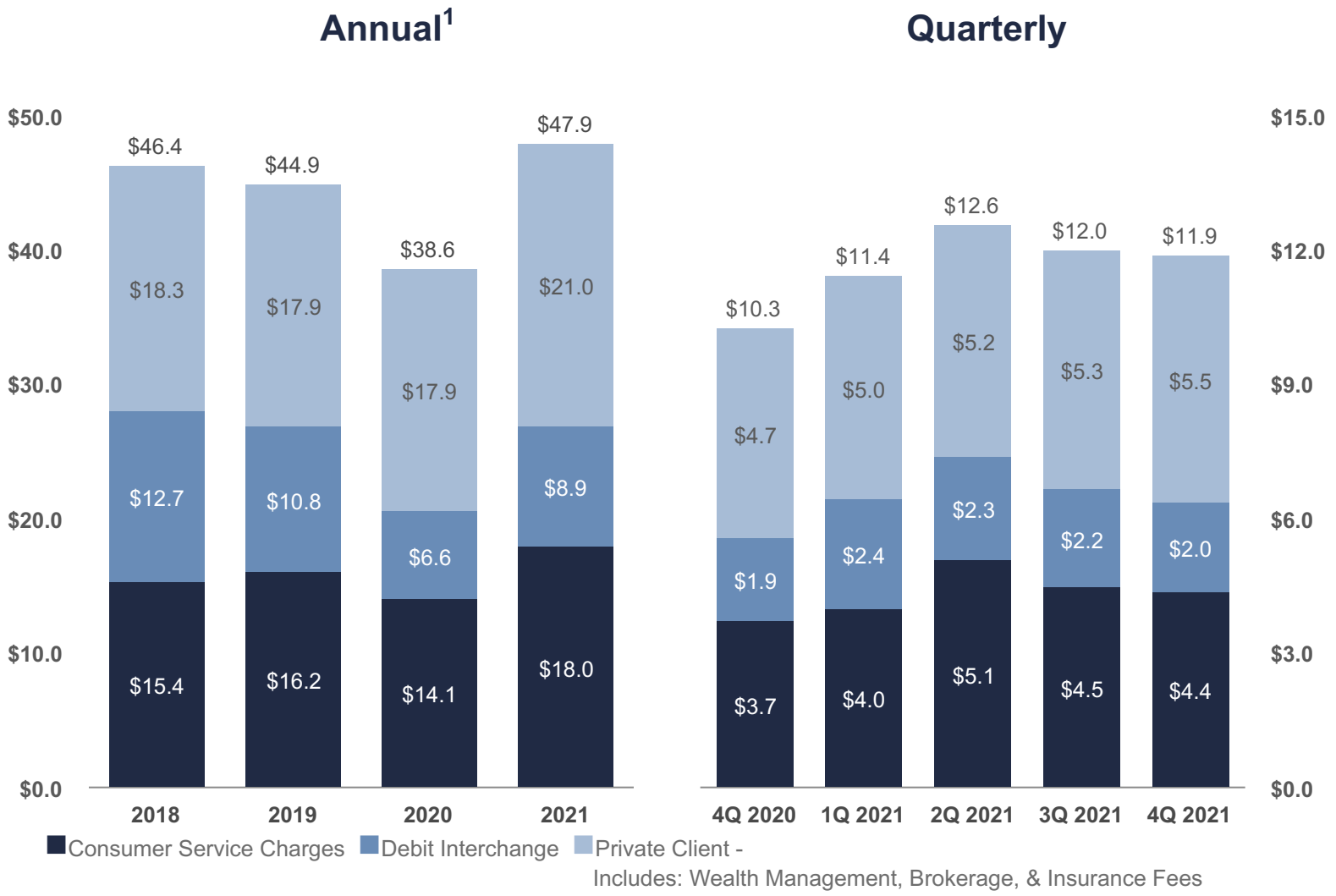
Consumer Services Revenue Trends



(1) Durbin Amendment became effective 7/1/19
Note: Dollars in millions

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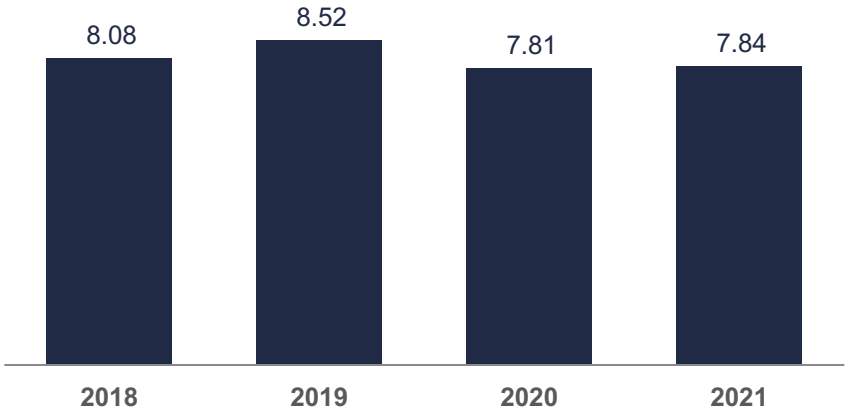
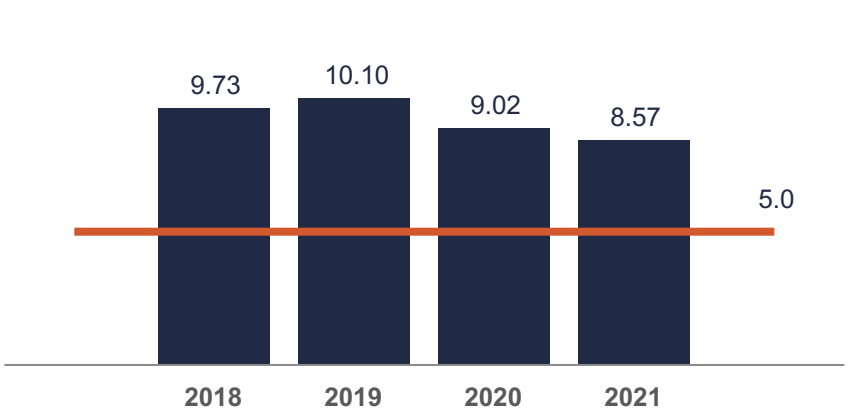
Consolidated Capital Ratios

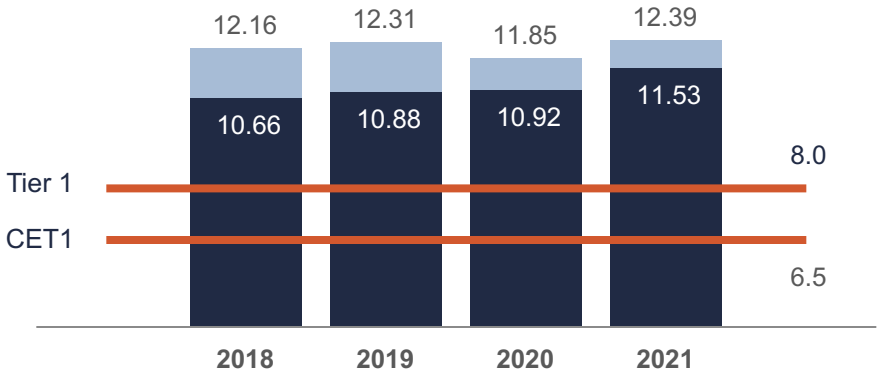
TCE/TA (%) [1]



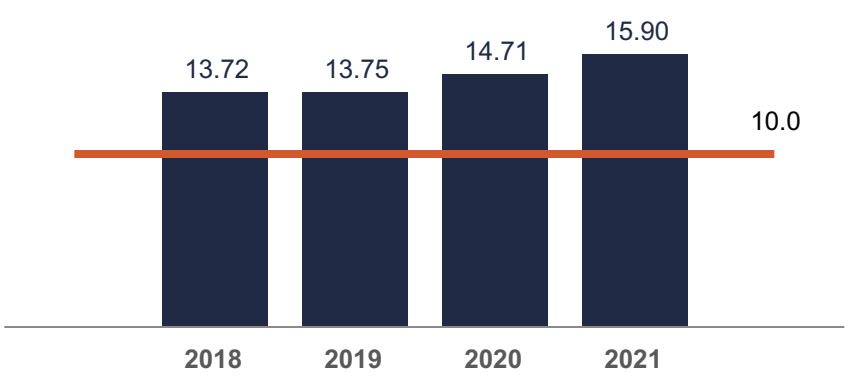
Tier 1 Leverage Ratio (%)



CET1 and Tier 1 Capital Ratio (%)



Total Risk Based Capital Ratio (%)



(1) See appendix for reconciliation of non-GAAP financial measures to most directly comparable GAAP financial measures
Note: Lines depict well capitalized bank levels

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Loan Portfolio and Asset Quality

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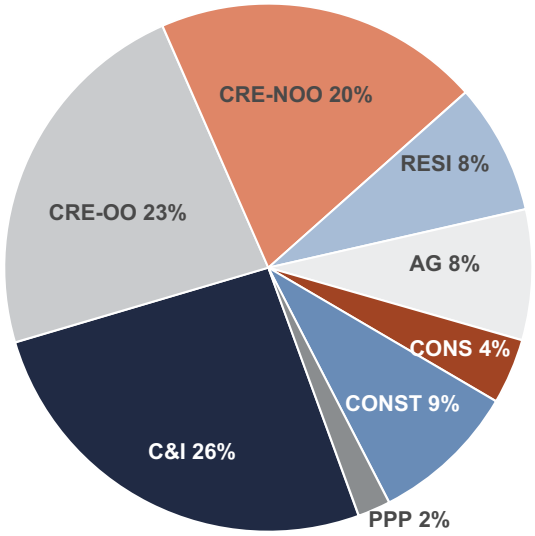
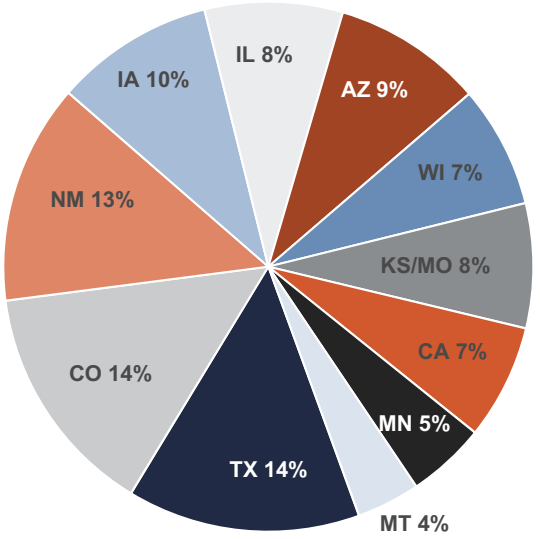
Diversified Loan Portfolio

Loan Composition by Product Type

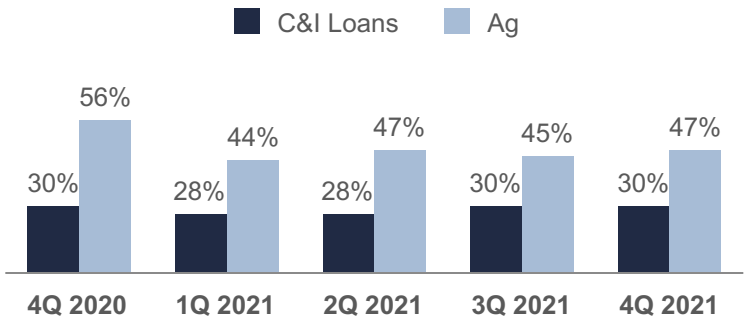


Yield on Loans: 4.40%[1]

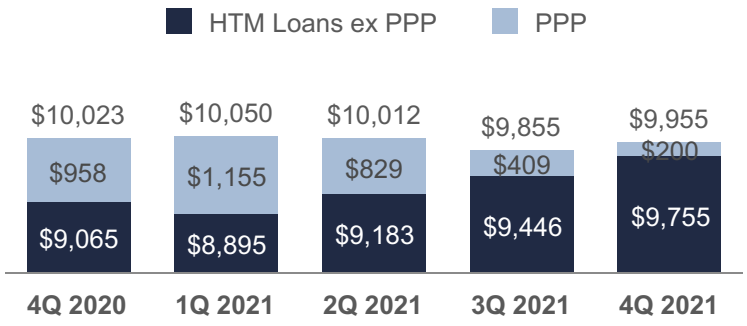
Loans by Geography



Operating Line Utilization Rates



Loan Held to Maturity ($M)



(1) Based on average loans QTD as of December 31, 2021 and includes AFS loans and nonaccrual loans; includes purchase accounting accretion of 0.05%

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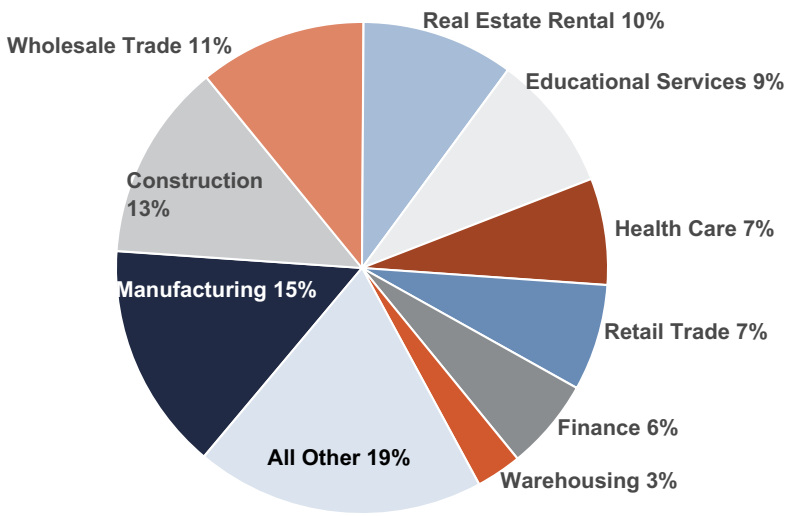
Commercial & Industrial (ex PPP) Portfolio Overview

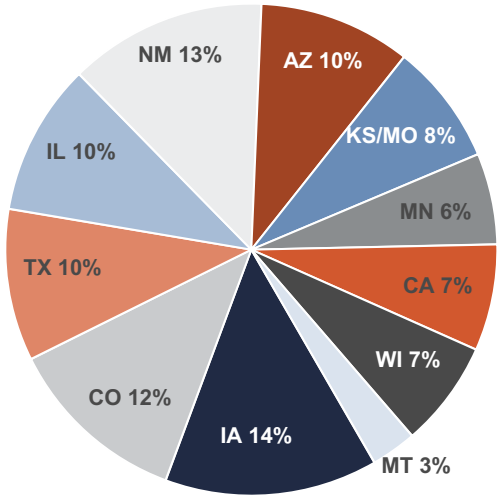
C&I Portfolio Detail



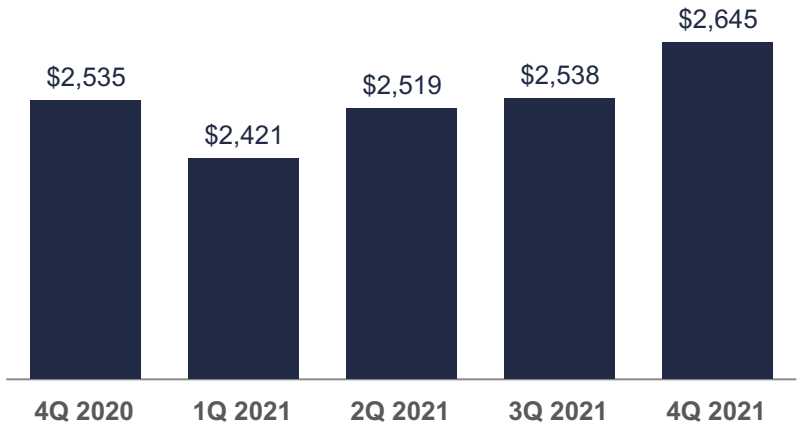
Portfolio Highlights

- **C&I portfolio represents 26% of total loans**
- **Nonaccrual rate of 0.69%**
- **Average loan size of $429 thousand**
- **Well diversified by industry type and geography**

Geographic Distribution



C&I Loans Outstanding ($M)



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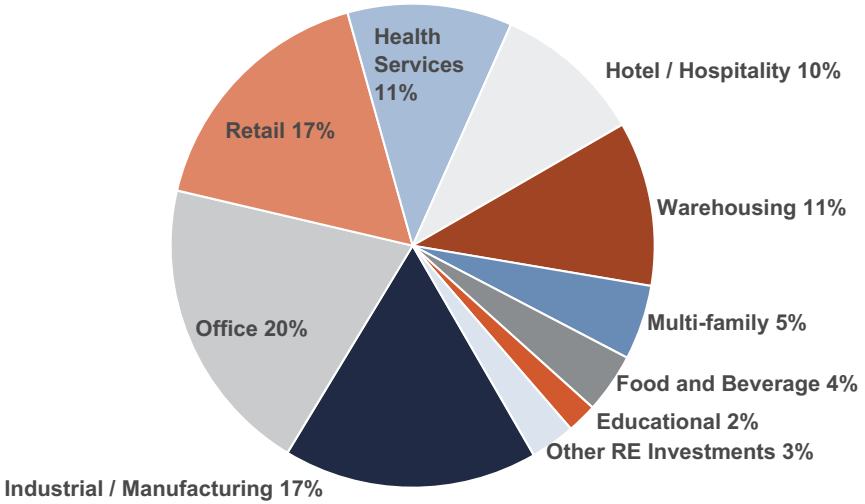
Total CRE Portfolio Overview

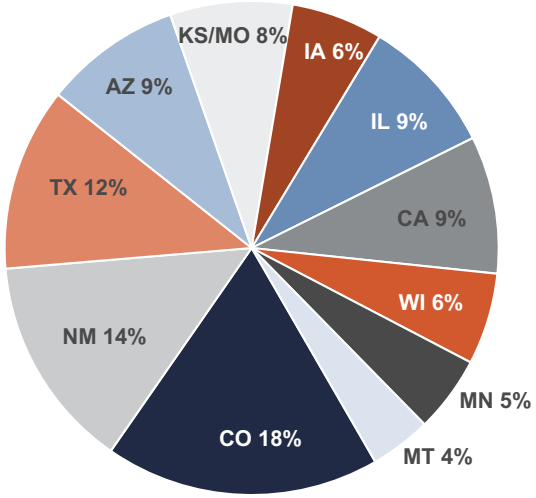
Total CRE Portfolio Detail



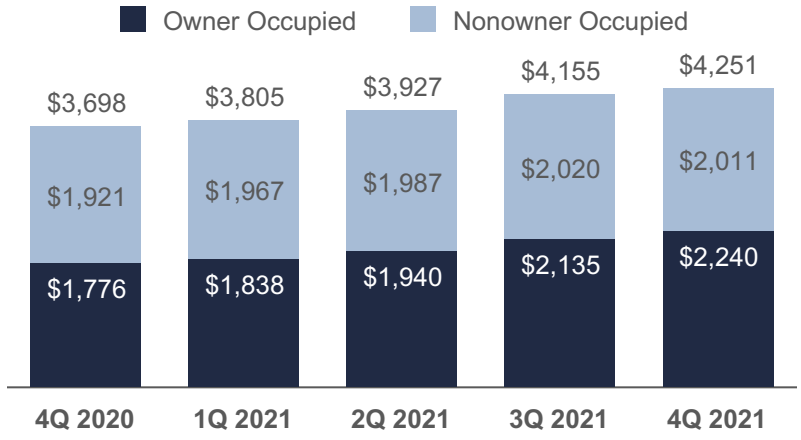
Portfolio Highlights

- **CRE portfolio represents 43% of total loans**
- **Nonaccrual rate of 0.58% however excluding lodging rate is 0.33%**
- **Average loan size of $1 million**
- **Well diversified by property type and geography**

Geographic Distribution



Total CRE Loans Outstanding ($M)



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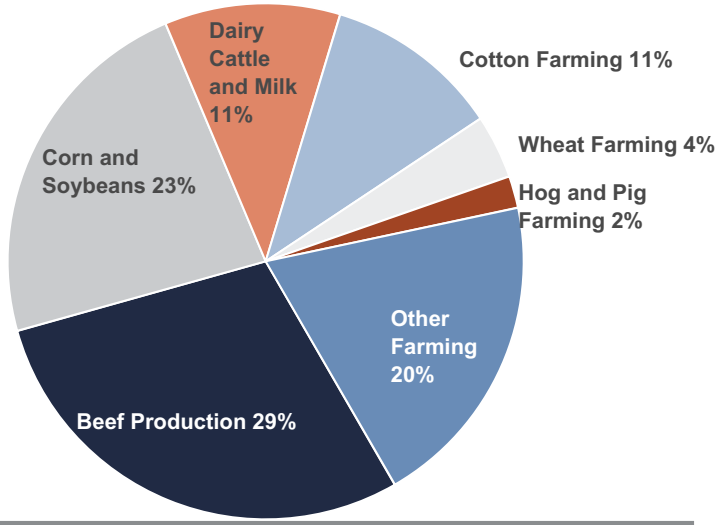
Agriculture Portfolio Overview

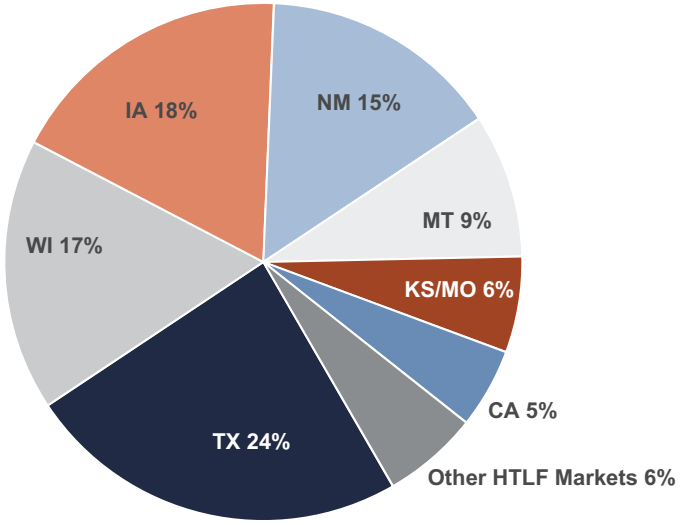
Agriculture Portfolio Detail



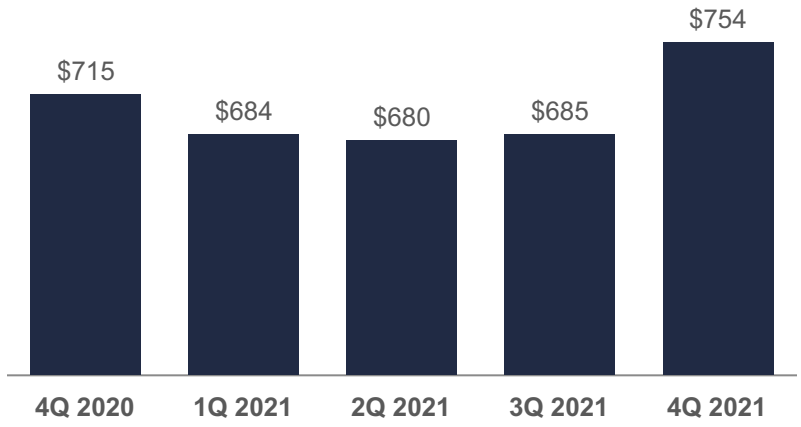
Portfolio Highlights

- **Ag portfolio represents 8% of total loans**
- **Nonaccrual rate of 2.08%**
- **Average loan size of $277 thousand**
- **Crop ins. is required on exposures >$500,000**
- **Increase in Ag portfolio can be attributed to the newly integrated Food & Agribusiness division**

Geographic Distribution



Agriculture Loans Outstanding ($M)



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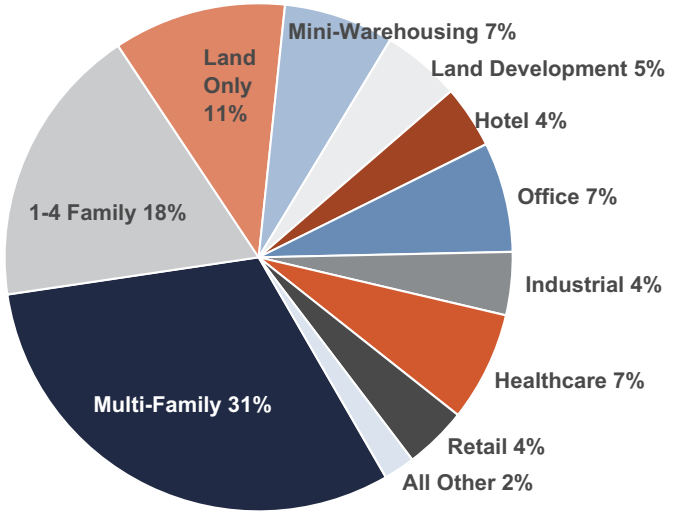
Construction Portfolio Overview

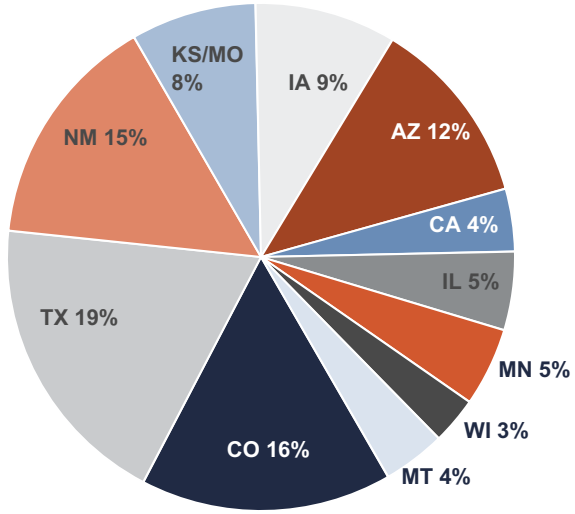
Construction Portfolio Detail



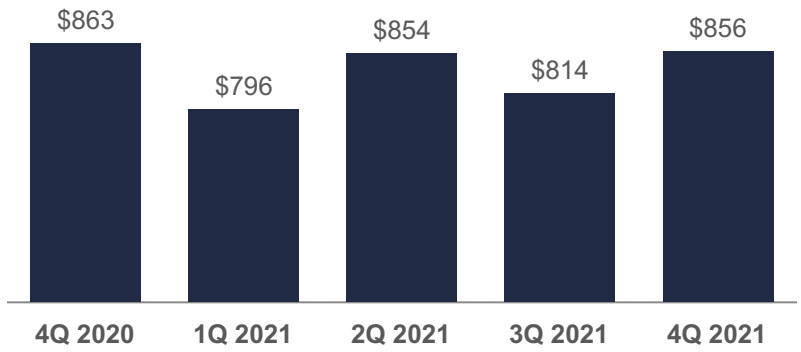
Portfolio Highlights

- **Construction portfolio represents 9% of total loans**
- **Nonaccrual rate of 0.04%**
- **Average loan size of $566 thousand**
- **Well diversified by property type and geography**

Geographic Distribution



Construction Loans Outstanding ($M)



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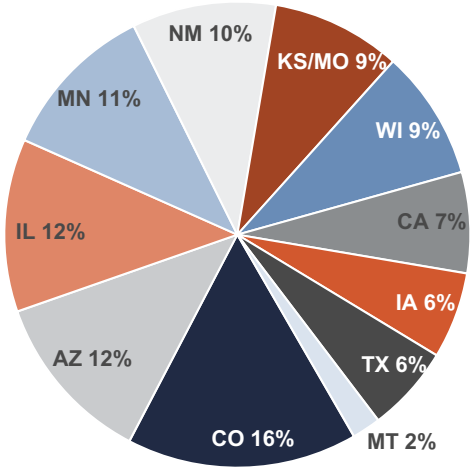
PPP Portfolio Overview

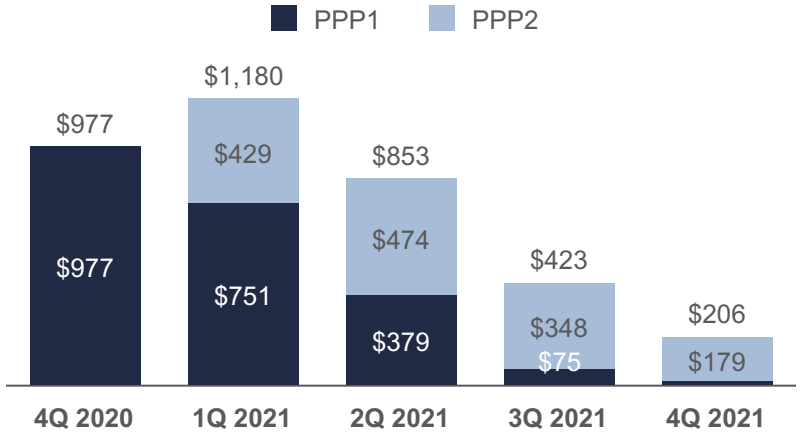
Geographic Distribution of Originations[1]



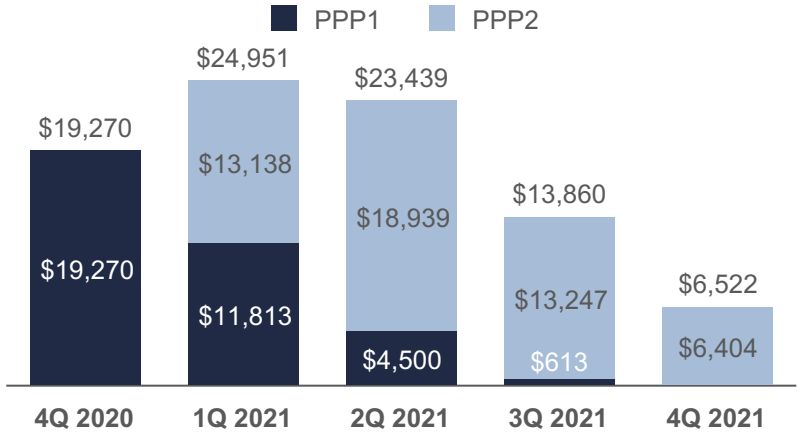
Portfolio Highlights

- **Originated nearly 8,000 PPP loans totaling approximately $1.63 billion**
- **Average loan size of $204,000**
- **Loan balances forgiven as of 12/31/2021:**
  - **PPP1 Loans - 97.8%**
  - **PPP2 Loans - 62.5%**

PPP Loans Outstanding Principal Amounts ($M)



PPP Remaining Deferred Fees ($000)



(1) Excludes AIM PPP originated loans prior to conversion, February 25, 2021

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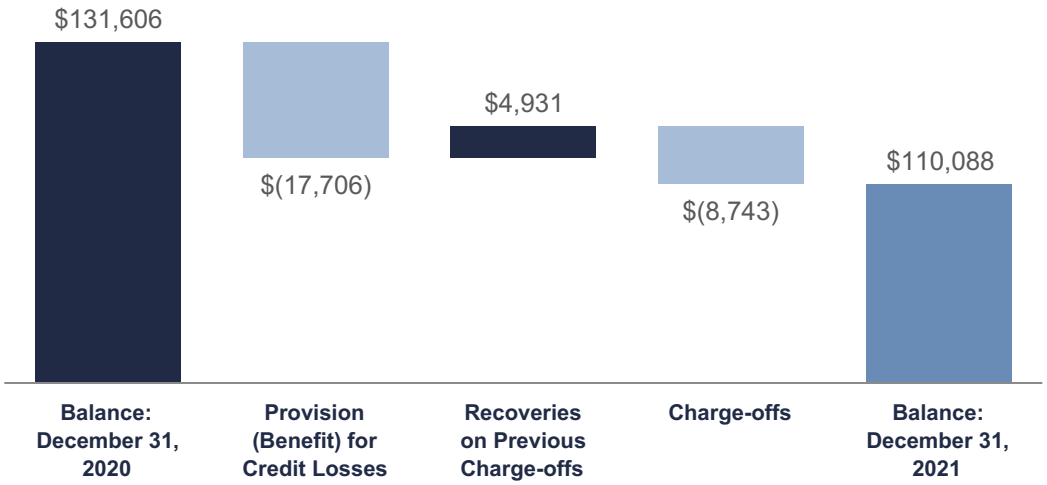
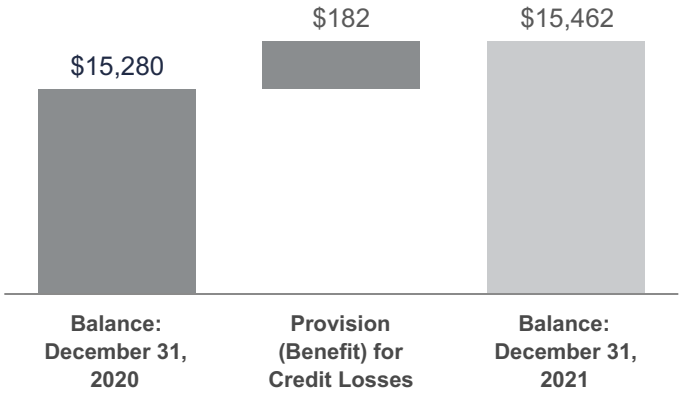
Allowance for Credit Related Losses

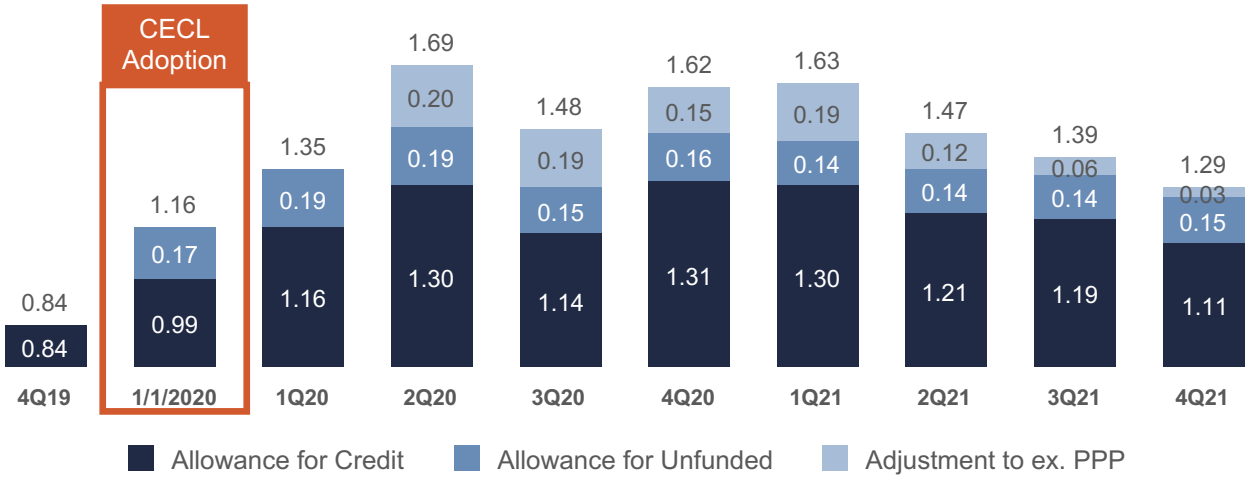
Allowance for Credit Losses ($000)



Allowance for Unfunded Commits ($000)



Allowance as a % of Loans



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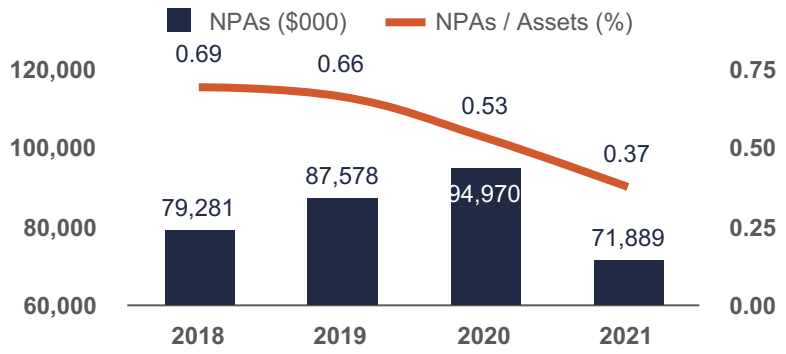
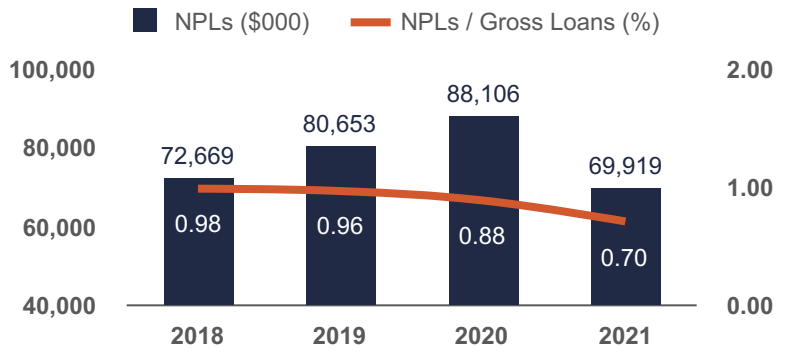
Summary Asset Quality

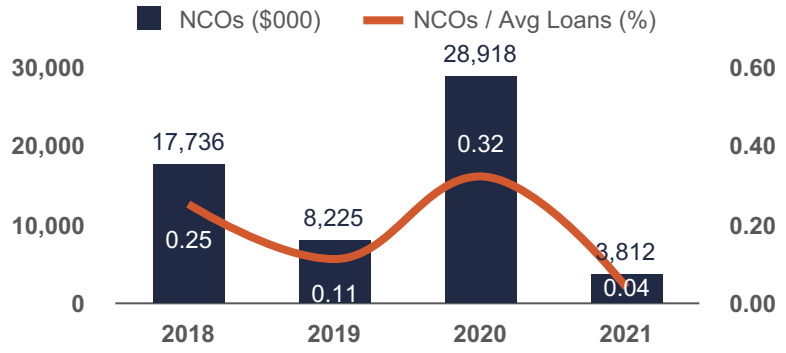
Non-Performing Assets



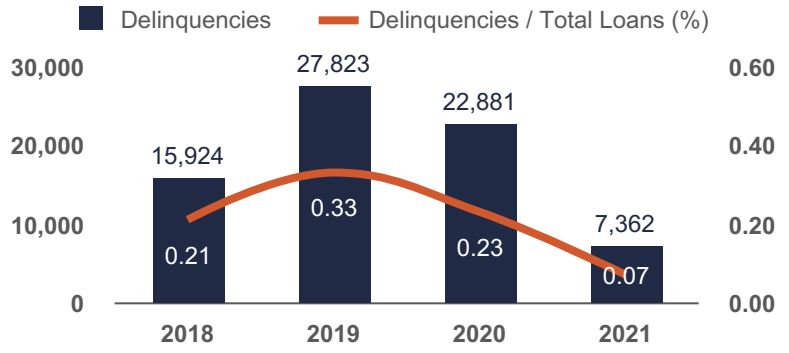
Non-Performing Loans



Net Charge-offs



Loan Delinquencies 30-89 days



Note: Non-performing loans defined as nonaccrual loans + loans 90 days past due; non-performing assets defined as nonperforming loans + other real estate owned + other repossessed assets

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Liquidity, Investments, Funding and Capital

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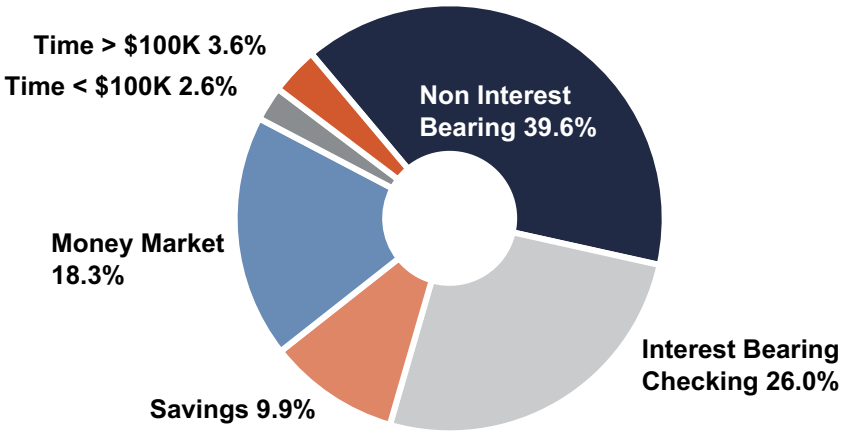
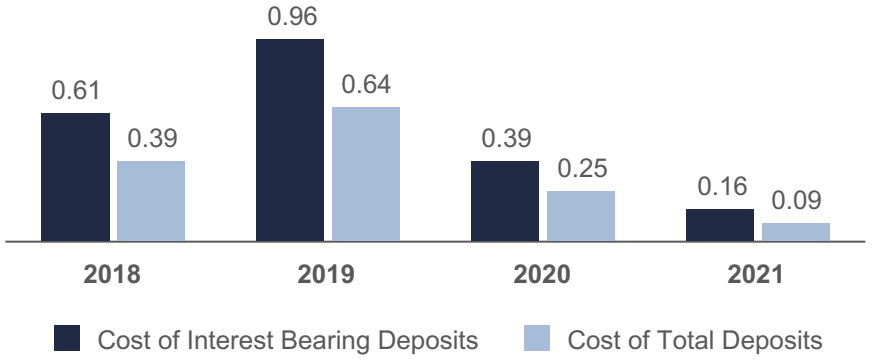
Deposit Mix

Deposit Composition

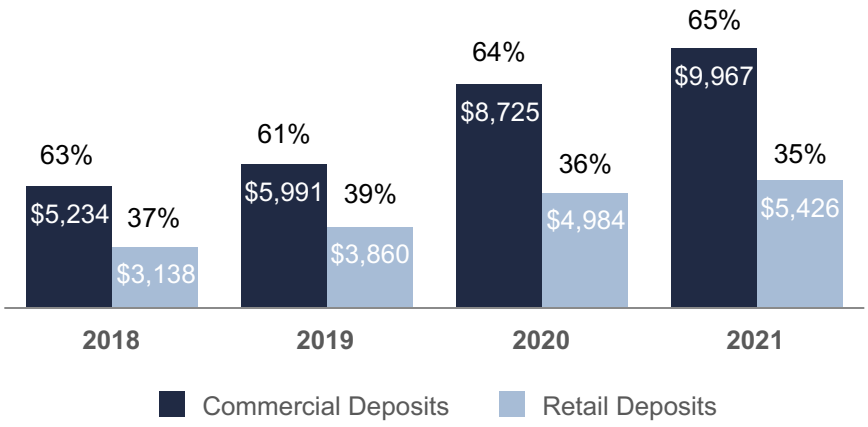


	Portfolio ($000)	Portfolio (%)
Non Interest Bearing	$6,495,326	39.6%
Interest Bearing Checking	4,262,379	26.0
Savings	1,632,440	9.9
Money Market	3,003,090	18.3
Total Non-Time	***15,393,235***	***93.8***
Time < $100K	431,563	2.6
Time > $100K	592,457	3.6
Brokered CDs	0	0.0
Total Time	***1,024,020***	***6.2***
Total Deposits	**$16,417,255**	**100.0%**

Cost of Interest-Bearing Deposits (%)



Customer Non-Time Breakdown ($M)



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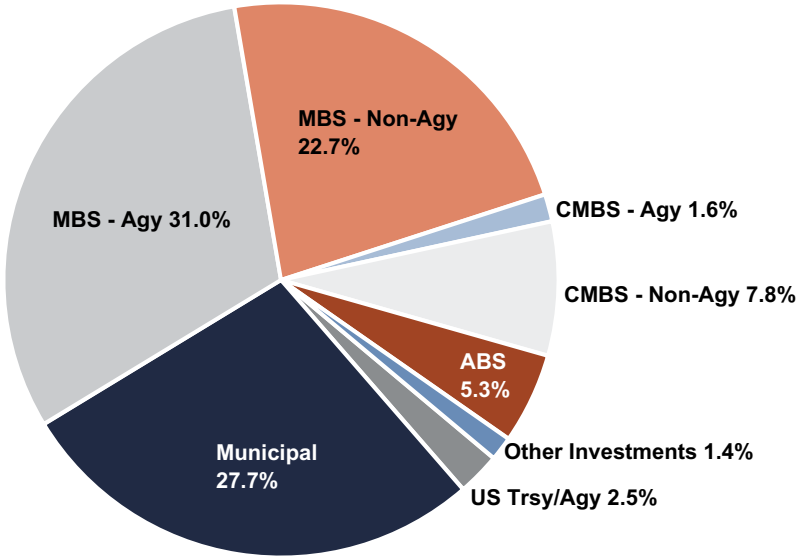
High Performing Securities Portfolio

Portfolio Detail ($000)

Sector	Amortized Cost Basis	Net Unrealized Gain/(Loss)
US Treasury	$ 997	$ 11
US Agency	193,932	(548)
Municipal	2,130,095	39,647
MBS - Agency	2,388,601	(39,312)
MBS - Non-Agency	1,749,838	(6,459)
CMBS - Agency	125,397	(1,485)
CMBS - Non-Agency	600,253	635
ABS	408,167	1,486
Corporate Bonds	2,979	61
Equities with a readily determinable value	20,788	—
Other securities	82,567	—
Total	**$ 7,703,614**	**$ (5,964)**



Investment Portfolio	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Average Book Value ($in millions)	$ 5,502	$ 6,424	$ 6,603	$ 7,003	$ 7,695
Book Yield	2.38%	2.28%	2.27%	2.17%	1.94%
Mod. Duration	5.52	5.94	5.37	5.31	5.26

- 97.9% of Municipal holdings are rated A or better
- 63.0% of Non-Agency MBS are rated AAA
- ABS portfolio consists of the following
  - 57.0% of Government/FFELP Student Loan Securities
  - 31.6% of SBA Guaranteed Securities
- 85.1% of the non-agency CMBS are short, senior, “Bridge to HUD” securities that carry 20-30% Credit Enhancement, 70-90% LTVs, floating rate coupons, and are very short (1-2 year lives)

Note: Allowance for Credit Losses at 4Q21 were $0

Conservative Liquidity Profile

Holding Company Detail ($M)

Type	Amount Outstanding	Available
Cash & Due from Banks	N/A	$ 260
Revolving Credit Line with Unaffiliated Bank	$ —	75
Subordinated Debt	223	—
Trust Preferred	147	—
Preferred Stock	111	—
Total	**$ 481**	**$ 335**

Additional Sources of Bank Funding ($M)

Type	Amount Outstanding	Available
FHLB Advances	$ 1	$ 914
Federal Funds Purchased	—	427
Securities Sold Under Agreement to Repurchase	123	—
Federal Reserve Discount Window	—	896
Other Short-term Borrowings	9	—
Total	**$ 133**	**$ 2,237**

Liquidity Metrics

	FY 2018	FY 2019	FY2020	FY2021
Loans / Deposits	78.84 %	75.77 %	66.91 %	60.63 %
Investments / Assets	23.80 %	26.01 %	35.13 %	39.94 %
Total Borrowings / Assets	4.40 %	3.47 %	3.49 %	2.61 %

Capital Instruments ($M)

Outstanding Debt	Amount Outstanding	Mat. Date	Current Rate (%)[1]
Subsidiary Trust Preferred Securities	$ 147	Various	2.49 %
Subordinated Note (non-callable)	75	12/30/2024	5.75 %
Subordinated Note (fixed/float)[2]	148	9/15/2031	2.75 %
Subtotal of debt	**$ 370**		**3.25 %**
Preferred Stock[3]	$ 111		7.00 %

Average monthly cash flow from Investments for the next 12 months: $70 - 75 million

(1) Refers to weighted average rate of capital instruments
(2) Subordinated note begins to float at 3 month SOFR + 210bps on 9/15/2026, callable on this date
(3) Preferred Stock begins to float at 5yr Treasury + 6.675% on 7/15/2025, callable on this date

Integrating ESG Across the Organization

Launched ESG Integration Project

Engaged a Cross Disciplinary Management Team to:

- **Identify Relevant ESG Sustainability Factors**
  - Review and assess relevant standards and frameworks including SASB standards and TFCD climate specific frameworks
- **Assess Current and Future ESG Performance, Risks, Opportunities and Challenges**
- **Adopt a Framework to Integrate, Operationalize, Measure & Report ESG Performance**

Board Diversity

- **Increased Board Diversity - Exceeding NASDAQ Board Diversity Objectives**

DE&I Initiatives

- **Appointed Chief Diversity & Inclusion Officer and Established Diversity Advisory Counsel to oversee, advise and connect Diversity, Equity, and Inclusion (DEI) activities to a broader business-driven, results-oriented strategy, as well as to align with our corporate values and the future of HTLF.**

HTLF Investor Summary

Attractive footprint MSA's enhance growth opportunity

Consistent earnings performance, utilizing leverage to drive efficiency

Disciplined and proven acquirer

Large granular low-cost core deposit base

Solid credit metrics through many credit cycles

Geographic and portfolio diversification reduces credit risk

Low risk liquidity profile with healthy capital levels

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Appendix

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Non-GAAP Financial Measures

Annualized net interest margin, fully tax-equivalent, adjusts net interest income for the tax-favored status of certain loans and securities. Management believes this measure enhances the comparability of net interest income arising from taxable and tax-exempt sources..

Efficiency ratio, fully tax equivalent, expresses non-interest expenses as a percentage of fully tax-equivalent net interest income and non-interest income. This efficiency ratio is presented on a tax-equivalent basis which adjusts net interest income and non-interest expenses for the tax favored status of certain loans, securities, and tax credit projects. Management believes the presentation of this non-GAAP measure provides supplemental useful information for proper understanding of the financial results as it enhances the comparability of income and expenses arising from taxable and nontaxable sources and excludes specific items as noted in reconciliation contained in this press release.

Net interest income, fully tax equivalent, is net income adjusted for the tax-favored status of certain loans and securities. Management believes this measure enhances the comparability of net interest income arising from taxable and tax-exempt sources..

Tangible book value per common share is total common equity less goodwill and core deposit and customer relationship intangibles, net, divided by common shares outstanding, net of treasury. This measure is included as it is considered to be a critical metric to analyze and evaluate use of equity, financial condition and capital strength.

Tangible common equity ratio is total common equity less goodwill and core deposit and customer relationship intangibles, net, divided by total assets less goodwill and core deposit and customer relationship intangibles, net. This measure is included as it is considered to be a critical metric to analyze and evaluate financial condition and capital strength.

Annualized return on average tangible common equity is net income excluding intangible amortization calculated as (1) net income excluding tax-effected core deposit and customer relationship intangibles amortization, divided by (2) average common equity less goodwill and core deposit and customer relationship intangibles, net. This measure is included as it is considered to be a critical metric to analyze and evaluate use of equity, financial condition and capital strength.

Non-GAAP Reconciliations

	Full Yr 2021	Full Yr 2020	Full Yr 2019	Full Yr 2018
Reconciliation of Tangible Book Value Per Common Share (non-GAAP)				
Common stockholders' equity (GAAP)	$ 2,071,473	$ 1,968,526	$ 1,578,137	$ 1,325,175
Less goodwill	576,005	576,005	446,345	391,668
Less core deposit and customer relationship intangibles, net	32,988	42,383	48,688	47,479
Tangible common stockholders' equity (non-GAAP)	**$ 1,462,480**	**$ 1,350,138**	**$ 1,083,104**	**$ 886,028**
Common shares outstanding, net of treasury stock	42,275,264	42,093,862	36,704,278	34,477,499
Common stockholders' equity (book value) per share (GAAP)	$ 49.00	$ 46.77	$ 43.00	$ 38.44
Tangible book value per common share (non-GAAP)	$ 34.59	$ 32.07	$ 29.51	$ 25.70
Reconciliation of Tangible Common Equity Ratio (non-GAAP)				
Total assets (GAAP)	$ 19,274,549	$ 17,908,339	$ 13,209,597	$ 11,408,006
Less goodwill	576,005	576,005	446,345	391,668
Less core deposit and customer relationship intangibles, net	32,988	42,383	48,688	47,479
Total tangible assets (non-GAAP)	**$ 18,665,556**	**$ 17,289,951**	**$ 12,714,564**	**$ 10,968,859**
Tangible common equity ratio (non-GAAP)	7.84%	7.81%	8.52%	8.08%
Reconciliation of Annualized Net Interest Margin, Fully Tax-Equivalent (non-GAAP)				
Net Interest Income (GAAP)	$ 560,560	$ 491,729	$ 433,729	$ 413,954
Plus tax-equivalent adjustment[(1)]	7,212	5,466	4,929	6,228
Net interest income, fully tax-equivalent (non-GAAP)	**$ 567,772**	**$ 497,195**	**$ 438,658**	**$ 420,182**
Average earning assets	$ 17,025,088	$ 13,481,613	$ 10,845,940	$ 9,718,106
Annualized net interest margin (GAAP)	3.29%	3.65%	4.00%	4.26%
Annualized net interest margin, fully tax-equivalent (non-GAAP)	3.33%	3.69%	4.04%	4.32%
Purchase accounting discount amortization on loans included in annualized net interest margin	0.09%	0.12%	0.18%	0.22%

(1) Computed on a tax-equivalent basis using an effective tax rate of 21%.

Non-GAAP Reconciliations (cont.)

	Full Yr 2021	Full Yr 2020	Full Yr 2019	Full Yr 2018
Reconciliation of Non-GAAP Measure-Efficiency Ratio				
Net interest income (GAAP)	$ 560,560	$ 491,729	$ 433,729	$ 413,954
Tax-equivalent adjustment[(1)]	7,212	5,466	4,929	6,228
Fully tax-equivalent net interest income	567,772	497,195	438,658	420,182
Noninterest income	128,935	120,291	116,208	109,160
Securities gains, net	(5,910)	(7,793)	(7,659)	(1,085)
Unrealized (gain) loss on equity securities, net	(58)	(640)	(525)	(212)
Gain on extinguishment of debt	—	—	(375)	—
Valuation adjustment on servicing rights	(1,088)	1,778	911	46
Adjusted income (non-GAAP)	**$ 689,651**	**$ 610,831**	**$ 547,218**	**$ 528,091**
Total noninterest expenses (GAAP)	$ 431,812	$ 370,963	$ 349,161	$ 353,888
Less:				
Core deposit and customer relationship intangibles amortization	9,395	10,670	11,972	9,355
Partnership investment in tax credit projects	6,303	3,801	8,030	4,233
(Gain) loss on sales/valuations of assets, net	588	5,101	(19,422)	2,208
Acquisition, integration and restructuring costs	5,331	5,381	6,580	7,564
Adjusted noninterest expenses (non-GAAP)	**$ 410,195**	**$ 346,010**	**$ 342,001**	**$ 330,528**
Efficiency ratio, fully tax-equivalent (non-GAAP)	59.48%	56.65%	62.50%	62.59%
Reconciliation of Return on Average Tangible Common Equity (non-GAAP)				
Net income (GAAP)	$ 211,873	$ 133,487	$ 149,129	$ 116,959
Plus core deposit and customer relationship intangibles amortization, net of tax[(1)]	7,422	8,429	9,458	7,391
Net income excluding intangible amortization (non-GAAP)	**$ 219,295**	**$ 141,916**	**$ 158,587**	**$ 124,350**
Average common equity (GAAP)	$ 2,020,200	$ 1,656,708	$ 1,473,396	$ 1,177,346
Less average goodwill	576,005	456,854	415,841	340,352
Less average core deposit and customer relationship intangibles, net	37,554	44,298	49,377	46,206
Average tangible common equity (non-GAAP)	**$ 1,406,641**	**$ 1,155,556**	**$ 1,008,178**	**$ 790,788**
Annualized return on average common equity (GAAP)	10.49%	8.06%	10.12%	9.93%
Annualized return on average tangible common equity (non-GAAP)	15.59%	12.28%	15.73%	15.72%

(1) Computed on a tax-equivalent basis using an effective tax rate of 21%.

Non-GAAP Reconciliations (cont.)

	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020
Reconciliation of Tangible Book Value Per Common Share (non-GAAP)					
Common stockholders' equity (GAAP)	$ 2,071,473	$ 2,061,547	$ 2,049,081	$ 1,945,502	$ 1,968,526
Less goodwill	576,005	576,005	576,005	576,005	576,005
Less core deposit and customer relationship intangibles, net	32,988	35,157	37,452	39,867	42,383
Tangible common stockholders' equity (non-GAAP)	**$ 1,462,480**	**$ 1,450,385**	**$ 1,435,624**	**$ 1,329,630**	**$ 1,350,138**
Common shares outstanding, net of treasury stock	42,275,264	42,250,092	42,245,452	42,173,675	42,093,862
Common stockholders' equity (book value) per share (GAAP)	$ 49.00	$ 48.79	$ 48.50	$ 46.13	$ 46.77
Tangible book value per common share (non-GAAP)	$ 34.59	$ 34.33	$ 33.98	$ 31.53	$ 32.07
Reconciliation of Tangible Common Equity Ratio (non-GAAP)					
Total assets (GAAP)	$19,274,549	$18,996,225	$18,371,006	$18,244,427	$17,908,339
Less goodwill	576,005	576,005	576,005	576,005	576,005
Less core deposit and customer relationship intangibles, net	32,988	35,157	37,452	39,867	42,383
Total tangible assets (non-GAAP)	**$18,665,556**	**$18,385,063**	**$17,757,549**	**$17,628,555**	**$17,289,951**
Tangible common equity ratio (non-GAAP)	7.84 %	7.89 %	8.08 %	7.54 %	7.81 %
Reconciliation of Annualized Net Interest Margin, Fully Tax-Equivalent (non-GAAP)					
Net Interest Income (GAAP)	$ 137,194	$ 142,543	$ 141,218	$ 139,605	$ 132,575
Plus tax-equivalent adjustment[(1)]	1,975	1,714	1,762	1,761	1,529
Net interest income, fully tax-equivalent (non-GAAP)	**$ 139,169**	**$ 144,257**	**$ 142,980**	**$ 141,366**	**$ 134,104**
Average earning assets	$17,681,917	$17,123,824	$16,819,978	$16,460,124	$15,042,079
Annualized net interest margin (GAAP)	3.08 %	3.30 %	3.37 %	3.44 %	3.51 %
Annualized net interest margin, fully tax-equivalent (non-GAAP)	3.12	3.34	3.41	3.48	3.55
Purchase accounting discount	0.05	0.08	0.09	0.12	0.10

[(1)] Computed on a tax-equivalent basis using an effective tax rate of 21%.

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Non-GAAP Reconciliations (cont.)

	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020
Reconciliation of Non-GAAP Measure-Efficiency Ratio					
Net interest income (GAAP)	$ 137,194	$ 142,543	$ 141,218	$ 139,605	$ 132,575
Tax-equivalent adjustment[1]	1,975	1,714	1,762	1,761	1,529
Fully tax-equivalent net interest income	139,169	144,257	142,980	141,366	134,104
Noninterest income	32,730	32,724	33,164	30,317	32,621
Securities gains, net	(1,563)	(1,535)	(2,842)	30	(2,829)
Unrealized (gain) loss on equity securities, net	27	(112)	(83)	110	(36)
Valuation adjustment on servicing rights	(502)	(195)	526	(917)	102
Adjusted revenue (non-GAAP)	**$ 169,861**	**$ 175,139**	**$ 173,745**	**$ 170,906**	**$ 163,962**
Total noninterest expenses (GAAP)	$ 115,386	$ 110,627	$ 103,376	$ 102,423	$ 99,269
Less:					
Core deposit and customer relationship intangibles amortization	2,169	2,295	2,415	2,516	2,501
Partnership investment in tax credit projects	2,549	2,374	1,345	35	1,899
(Gain) loss on sales/valuation of assets, net	214	(3)	183	194	2,621
Acquisition, integration and restructuring costs	1,989	204	210	2,928	2,186
Adjusted noninterest expenses (non-GAAP)	**$ 108,465**	**$ 105,757**	**$ 99,223**	**$ 96,750**	**$ 90,062**
Adjusted noninterest expenses (non-GAAP)	63.86 %	60.38 %	57.11 %	56.61 %	54.93 %
Reconciliation of Annualized Return on Average Tangible Common Equity (non-GAAP)					
Net income available to common stockholders (GAAP)	$ 47,568	$ 53,911	$ 59,593	$ 50,801	$ 37,795
Plus core deposit and customer relationship intangibles amortization, net of tax[1]	1,713	1,814	1,907	1,988	1,975
Net income available to common stockholders excluding intangible amortization (non-GAAP)	**$ 49,281**	**$ 55,725**	**$ 61,500**	**$ 52,789**	**$ 39,770**
Average common stockholders' equity (GAAP)	2,061,973	2,072,593	1,980,904	1,963,674	1,769,575
Less average goodwill	576,005	576,005	576,005	576,005	488,151
Less average core deposit and customer relationship intangibles, net	34,018	36,279	38,614	41,399	42,733
Average tangible common stockholders' equity (non-GAAP)	**$ 1,451,950**	**$ 1,460,309**	**$ 1,366,285**	**$ 1,346,270**	**$ 1,238,691**
Annualized return on average common equity (GAAP)	9.15 %	10.32 %	12.07 %	10.49 %	8.50 %
Annualized return on average tangible common equity (non-GAAP)	13.47 %	15.14 %	18.05 %	15.90 %	12.77 %

[1] Computed on a tax-equivalent basis using an effective tax rate of 21%.

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