



Webster
Financial Corporation®

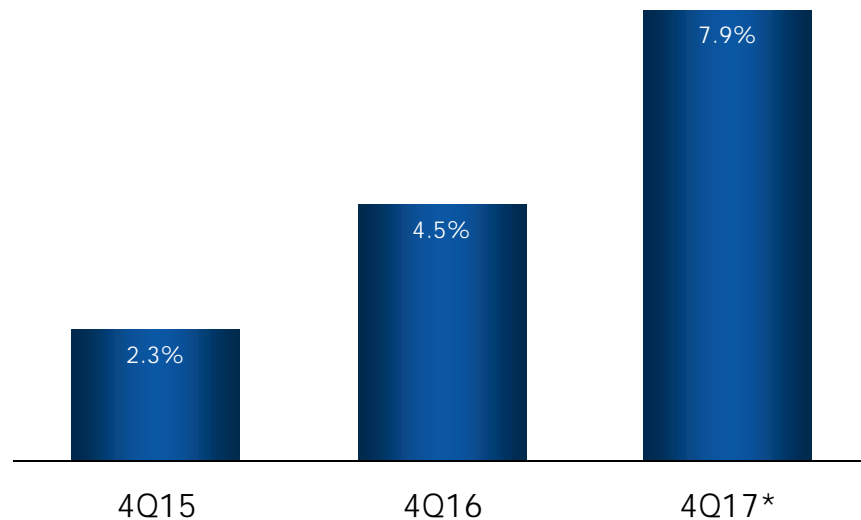
Fourth Quarter 2017
Earnings Conference Call
January 23, 2018
Supplemental Slides

WBS 4Q17 Earnings | Supplemental Information

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WBS 4Q17 Earnings | Interest Rate Risk PPNR Asset Sensitivity Trend

Short End Up 100 bps and Long End Up 50 bps vs. Flat Rates Over Next 12 Months



Key Observations:

- Webster continues to be asset sensitive to rising interest rates
- Results assume historical deposit betas
- Loans at floors (\$41 million) continue to decline along with average "in the money" spread (26 bps)

* Preliminary

WBS 4Q17 Earnings | Earning Asset and Funding Mix

(\$ in millions)

Earning Asset Mix

Type	Balance	Total %	Floating %	Periodic %	Fixed %
Securities	\$ 7,302	29%	6%	4%	90%
Loans HFS	21	0	100	0	0
Resi / HE Loans	5,234	22	1	22	77
HE Lines	1,782	7	98	0	2
C&I Loans	5,921	24	65	21	14
CRE Loans	4,511	18	75	18	7
Total	\$ 24,771	100%	38%	14%	48%

Funding Mix

Type	Balance	Total	< 1 Year	> 1 Year
Checking	\$ 7,023	30%		
HSA	5,007	21		
Savings	4,348	19		
Money Market	2,209	9		
Time	2,468	10	56%	44%
Borrowings	2,546	11	72%	28%
Total	\$ 23,601	100%		

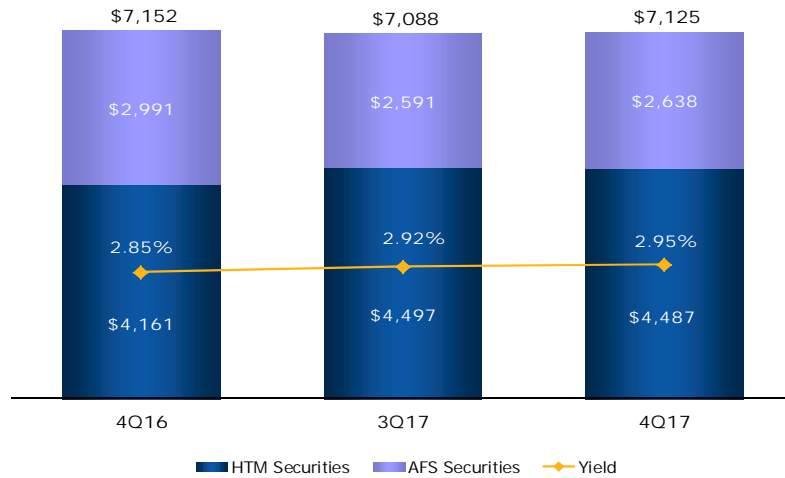
Key Observations:

- Floating and periodic rate loans represent 70% of total loans:
 - Floating rate loans represent 52% of total loans
 - Periodic rate loans represent 18% of total loans
- CRE loans are predominantly floating rate due to customer swaps
- 44% of time deposits are greater than 1 year
- HSA deposits continue to be a key component of our balance sheet representing 21% of our funding mix

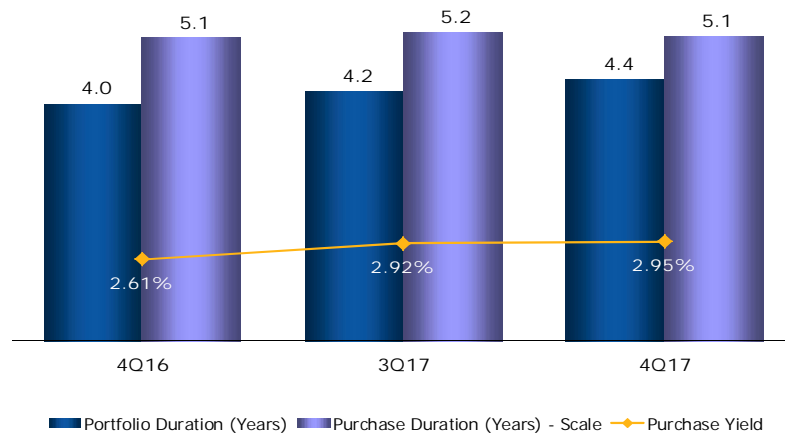
WBS 4Q17 Earnings | Investment Portfolio

(\$ in millions)

Investment Securities



Duration / Yield



Key Observations:

- Available-for-Sale portfolio includes \$37.1 million of net unrealized losses at 4Q17 compared to \$21.7 million at 3Q17
- Held-to-Maturity portfolio excludes \$31.0 million of net unrealized losses at 4Q17 compared to \$15.6 million at 3Q17
- Portfolio duration up 0.4 years vs. a year ago with 5 year swap up 27 bps
- Purchase yield increased 3 bps vs. LQ while purchase duration down 0.1 years

WBS 4Q17 Earnings | Investment Securities

(\$ in millions)

End of period balances	December 31, 2017	September 30, 2017	Increase/ (Decrease)
Available-for-Sale:			
U.S. Treasury Bills	\$ 1.3	\$ 3.6	\$ (2.3)
Agency CMOs	306.3	331.8	(25.5)
Agency MBS	1,107.8	913.0	194.8
Agency CMBS	588.0	585.0	3.0
Non Agency CMBS-fixed	4.9	46.4	(41.5)
Non Agency CMBS-floating	356.1	357.0	(0.9)
Corporate Debt Securities	56.6	48.9	7.7
Collateralized Loan Obligations	209.9	274.6	(64.7)
Single-issuer Trust Preferred Securities	7.1	30.9	(23.8)
Total Available-for-Sale	\$ 2,638.0	\$ 2,591.2	\$ 46.8
Held-to-Maturity:			
Agency CMOs	\$ 260.1	\$ 276.4	\$ (16.3)
Agency MBS	2,569.7	2,549.5	20.2
Agency CMBS	696.6	708.2	(11.6)
Non Agency CMBS-fixed	249.3	257.4	(8.1)
Private Label MBS	0.3	0.4	(0.1)
Municipal Bonds and Notes	711.4	705.4	6.0
Total Held-to-Maturity	\$ 4,487.4	\$ 4,497.3	\$ (9.9)

WBS 4Q17 Earnings | Loans and Originations by Loan Portfolio

(\$ in millions)

	4Q17		3Q17		4Q16	
	Balance	Originations	Balance	Originations	Balance	Originations
Commercial Non-Mortgage	\$ 4,098	\$ 433	\$ 4,037	\$ 397	\$ 3,727	\$ 511
Equipment Financing	550	34	567	32	636	71
Asset-Based Lending	<u>835</u>	<u>90</u>	<u>884</u>	<u>39</u>	<u>805</u>	<u>214</u>
Total Commercial	\$ 5,483	\$ 557	\$ 5,488	\$ 468	\$ 5,168	\$ 796
Commercial Real Estate	3,477	395	3,444	152	3,548	375
Business Banking	1,483	90	1,448	72	1,372	111
Residential Mortgages	4,491	117	4,499	238	4,255	218
Consumer	<u>2,590</u>	<u>143</u>	<u>2,567</u>	<u>155</u>	<u>2,684</u>	<u>186</u>
Portfolio Total	\$ <u>17,524</u>	\$ <u>1,302</u>	\$ <u>17,446</u>	\$ <u>1,085</u>	\$ <u>17,027</u>	\$ <u>1,686</u>
Residential Mortgages originated for sale		\$ <u>60</u>		\$ <u>80</u>		\$ <u>132</u>
Total Originations		\$ <u>1,362</u>		\$ <u>1,165</u>		\$ <u>1,818</u>

WBS 4Q17 Earnings | Loan Mix and Yield

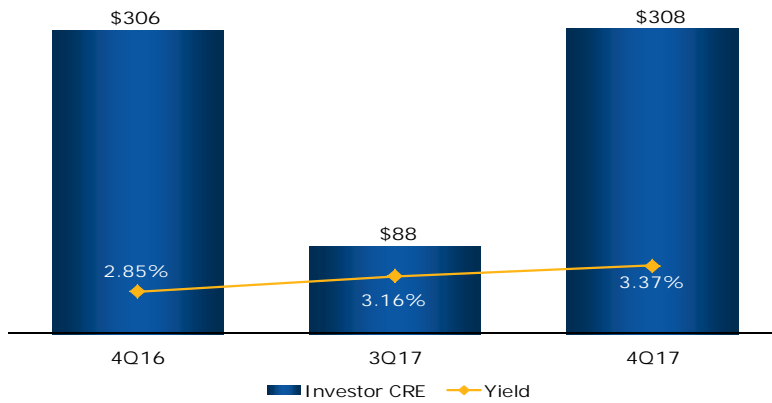
(\$ in millions)

End of period balances Full quarter yields	4Q17		3Q17		4Q16	
	Balance	Yield	Balance	Yield	Balance	Yield
Commercial	\$ 5,919	4.61%	\$ 5,915	4.49%	\$ 5,577	4.12%
CRE	4,524	3.95%	4,465	3.91%	4,511	3.43%
Residential	4,491	3.63%	4,499	3.62%	4,255	3.59%
Consumer	<u>2,590</u>	<u>4.67%</u>	<u>2,567</u>	<u>4.64%</u>	<u>2,684</u>	<u>4.30%</u>
Total	\$ 17,524	4.20%	\$ 17,446	4.14%	\$ 17,027	3.84%

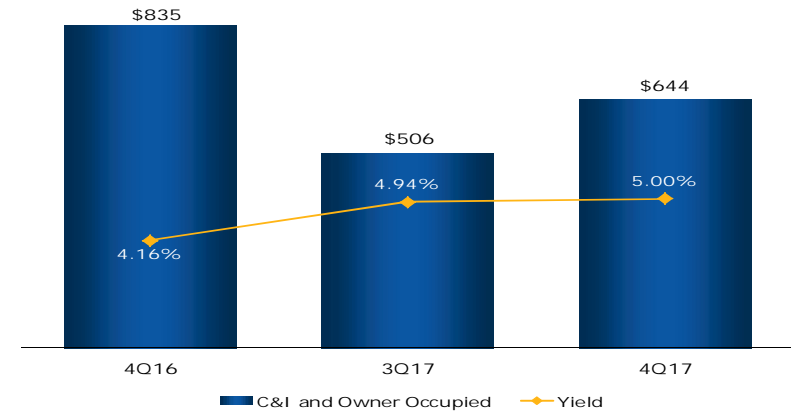
WBS 4Q17 Earnings | Loan Originations and Yields

(\$ in millions)

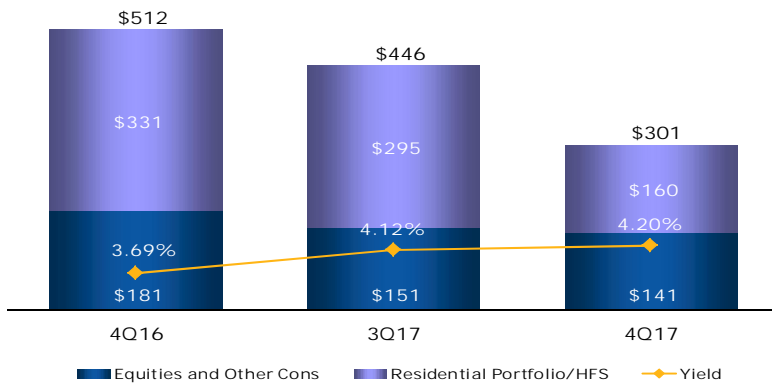
Commercial Banking*- Investor CRE



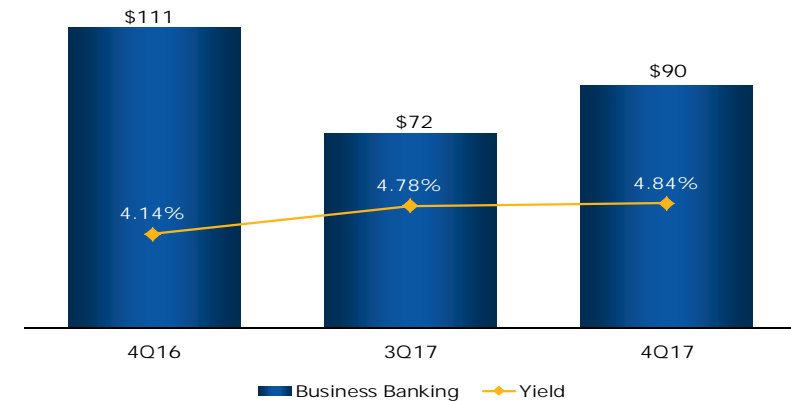
Commercial Banking*- C&I & Owner Occupied



Personal Banking



Business Banking



* Commercial Banking yields are based on funded amounts; yields on the other business segments are based on originations

Note: Commercial Banking graphs exclude Private Banking's loan originations

WBS 4Q17 Earnings | Deposit Mix and Rate by Product

(\$ in millions)

	4Q17		3Q17		4Q16	
End of period balances Full quarter cost	Balance	Rate	Balance	Rate	Balance	Rate
Demand	\$ 4,191	-	\$ 4,138	-	\$ 4,022	-
Health Savings Accounts	5,039	0.20%	4,891	0.20%	4,362	0.21%
Interest Bearing Checking	2,737	0.07%	2,581	0.07%	2,528	0.07%
Money Market	2,209	0.69%	2,598	0.69%	2,047	0.37%
Savings	<u>4,350</u>	<u>0.25%</u>	<u>4,429</u>	<u>0.25%</u>	<u>4,320</u>	<u>0.20%</u>
Core Deposits	\$ 18,526	0.22%	\$ 18,637	0.22%	\$ 17,279	0.16%
Time Deposits	<u>2,468</u>	<u>1.24%</u>	<u>2,218</u>	<u>1.20%</u>	<u>2,025</u>	<u>1.13%</u>
Total	\$ 20,994	0.33%	\$ 20,855	0.32%	\$ 19,304	0.26%
Core/Total	88%		89%		90%	

WBS 4Q17 Earnings | Deposit Mix and Rate by Line of Business

(\$ in millions)

End of period balances Full quarter cost	4Q17		3Q17		4Q16	
	Balance	Rate	Balance	Rate	Balance	Rate
Personal Banking	\$ 9,041	0.37%	\$ 8,866	0.34%	\$ 8,694	0.29%
Commercial Banking	1,666	0.08%	1,582	0.07%	1,462	0.05%
Treasury & Pymt Solutions	2,197	0.58%	2,430	0.55%	1,904	0.25%
Private Banking	259	0.29%	239	0.28%	227	0.20%
Business Banking	2,435	0.13%	2,466	0.12%	2,277	0.10%
HSA Bank	5,039	0.20%	4,891	0.20%	4,362	0.21%
Other	<u>357</u>	<u>1.90%</u>	<u>381</u>	<u>1.90%</u>	<u>378</u>	<u>1.92%</u>
Total	\$ 20,994	0.33%	\$ 20,855	0.32%	\$ 19,304	0.26%

WBS 4Q17 Earnings | Net Interest Margin – Linked Quarter

(\$ in millions)

	4Q17			Fav./ (Unfav.)		
	Avg Bal.	Int.	Yield/rate	Avg Bal.	Int.	Bps
Securities	\$ 7,095	\$ 52.5	2.95%	\$ 101	\$ 1.4	3
Money Market & Other	204	1.5	2.88	10	(0.2)	(50)
Loans HFS	25	0.2	3.39	(10)	(0.1)	(13)
Commercial Loans	10,402	115.0	4.33	78	3.2	9
Consumer Loans	7,100	71.4	4.01	60	0.9	1
Total Loans & Leases	17,502	186.4	4.20%	138	4.1	6
Interest-Earning Assets	\$ 24,826	\$ 240.6	3.83%	\$ 238	\$ 5.2	5
Deposits	\$ 20,955	\$ 17.4	0.33%	\$ 20	\$ (0.6)	(1)
Borrowings	2,650	13.8	2.05	157	(0.4)	6
Interest-Bearing Liabilities	\$ 23,605	\$ 31.2	0.52%	\$ 177	\$ (1.1)	(1)
Tax-Equivalent Net Interest Income		\$ 209.4			\$ 4.1	
Less: Tax-Equivalent Adjustment		(4.5)			(0.1)	
Net Interest Income		\$ 204.9			\$ 4.0	
Net Interest Margin			3.33%			3

WBS 4Q17 Earnings | Webster Financial Corporation Capital Ratios

	At December 31, 2017*	At September 30, 2017	At December 31, 2016	Well Capitalized
Common Equity Tier 1 Risk-Based Capital	11.14%	10.99%	10.52%	6.5%
Tangible Common Equity	7.67%	7.55%	7.19%	na
Tangible Equity	8.23%	8.03%	7.67%	na
Tier 1 Leverage	8.62%	8.36%	8.13%	5.0%
Tier 1 Risk-Based Capital	11.91%	11.65%	11.19%	8.0%
Total Risk-Based Capital	13.40%	13.17%	12.68%	10.0%

At December 31, 2017*	Capital*	Excess Over Well Capitalized*
(\$ in millions)		
Common Equity Tier 1 Risk-Based Capital	\$ 2,093	\$ 872
Tier 1 Leverage	\$ 2,238	\$ 939
Tier 1 Risk-Based Capital	\$ 2,238	\$ 735
Total Risk-Based Capital	\$ 2,518	\$ 639

*Preliminary

WBS 4Q17 Earnings Supplemental Slides

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