



**Webster**  
Financial Corporation®

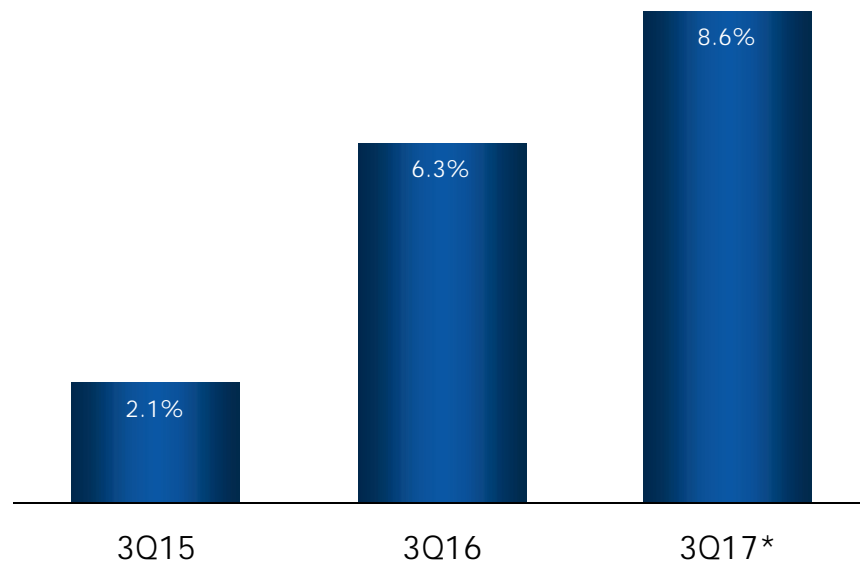
**Third Quarter 2017**  
**Earnings Conference Call**  
**October 19, 2017**  
**Supplemental Slides**

## WBS 3Q17 Earnings | Supplemental Information

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# WBS 3Q17 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 (\$130 million) continue to decline along with average "in the money" spread (21 bps)

\* Preliminary

# WBS 3Q17 Earnings | Earning Asset and Funding Mix

(\$ in millions)

## Earning Asset Mix

Type	Balance	Total %	Floating %	Periodic %	Fixed %
Securities	\$ 7,252	29%	5%	6%	89%
Loans HFS	33	0	100	0	0
C&I Loans	5,915	24	65	20	15
CRE Loans	4,465	18	74	18	8
Resi / HE Loans	5,013	20	1	22	77
HE Lines	1,806	7	98	0	2
Personal Loans	248	2	0	0	100
<b>Total</b>	<b>\$ 24,732</b>	<b>100%</b>	<b>48%</b>	<b>14%</b>	<b>38%</b>

## Funding Mix

Type	Balance	Total	< 1 Year	> 1 Year
Checking	\$ 6,668	29%		
HSA	4,873	21		
Savings	4,428	19		
Money Market	2,598	11		
Time	2,218	9	50%	50%
Borrowings	2,636	11	58%	42%
<b>Total</b>	<b>\$ 23,421</b>	<b>100%</b>		

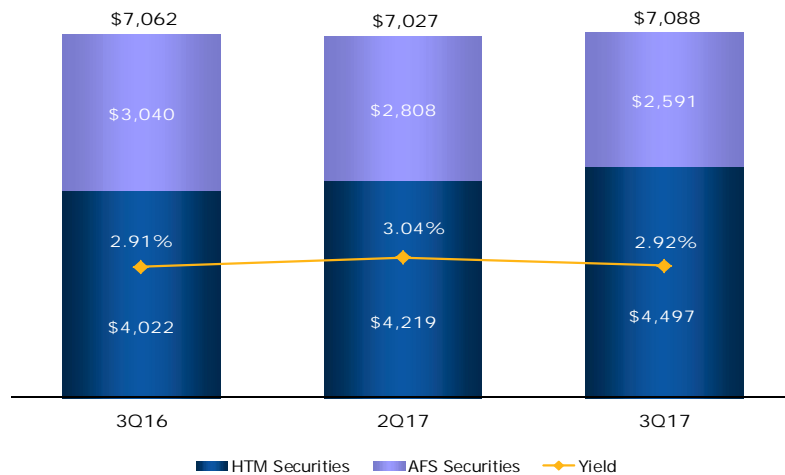
## Key Observations:

- ▀ Floating and periodic rate loans represent 70% of total loans:
  - Floating rate loans represent 51% of total loans
  - Periodic rate loans represent 19% of total loans
- ▀ CRE loans are predominantly floating rate due to customer swaps
- ▀ 50% 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

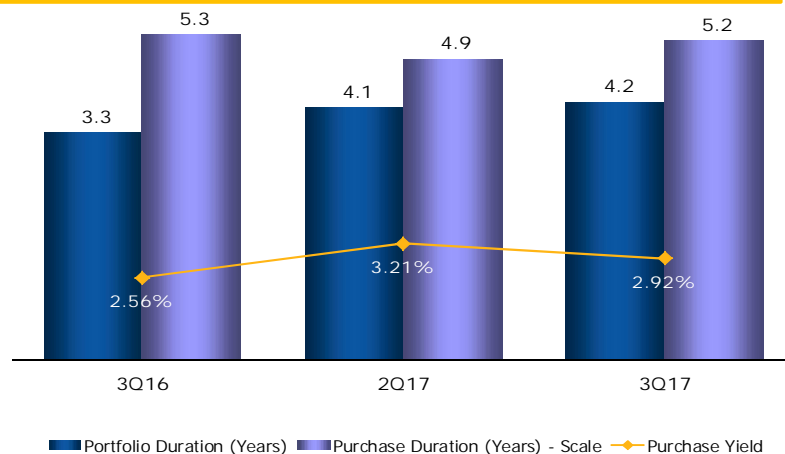
# WBS 3Q17 Earnings | Investment Portfolio

(\$ in millions)

## Investment Securities



## Duration / Yield



## Key Observations:

- Available-for-Sale portfolio includes \$21.7 million of net unrealized losses at 3Q17 compared to \$23.1 million at 2Q17
- Held-to-Maturity portfolio excludes \$15.6 million of net unrealized losses at 3Q17 compared to \$21.8 million at 2Q17
- Portfolio duration up 0.9 years vs. a year ago with 5 year swap up 85 bps
- Purchase yield decreased 29 bps vs. LQ while purchase duration up 0.3 years

# WBS 3Q17 Earnings | Investment Securities

(\$ in millions)

End of period balances	September 30, 2017	June 30, 2017	Increase/ (Decrease)
<b>Available-for-Sale:</b>			
U.S. Treasury Bills	\$ 3.6	\$ 3.8	\$ (0.2)
Agency CMOs	331.8	359.0	(27.2)
Agency MBS	913.0	875.7	37.3
Agency CMBS	585.0	587.1	(2.1)
Non Agency CMBS-fixed	46.4	90.7	(44.3)
Non Agency CMBS-floating	357.0	389.2	(32.2)
Corporate Debt Securities	48.9	108.2	(59.3)
Collateralized Loan Obligations	274.6	363.1	(88.5)
Single-issuer Trust Preferred Securities	30.9	31.2	(0.3)
<b>Total Available-for-Sale</b>	<b>\$ 2,591.2</b>	<b>\$ 2,808.0</b>	<b>\$ (216.8)</b>
<b>Held-to-Maturity:</b>			
Agency CMOs	\$ 276.4	\$ 297.6	\$ (21.2)
Agency MBS	2,549.5	2,324.3	225.2
Agency CMBS	708.2	642.7	65.5
Non Agency CMBS-fixed	257.4	265.1	(7.7)
Private Label MBS	0.4	0.6	(0.2)
Municipal Bonds and Notes	705.4	688.9	16.5
<b>Total Held-to-Maturity</b>	<b>\$ 4,497.3</b>	<b>\$ 4,219.2</b>	<b>\$ 278.1</b>

# WBS 3Q17 Earnings | Loans and Originations by Loan Portfolio

(\$ in millions)

End of period balances Full quarter originations	3Q17		2Q17		3Q16	
	Balance	Originations	Balance	Originations	Balance	Originations
Commercial Non-Mortgage	\$ 4,037	\$ 397	\$ 3,867	\$ 466	\$ 3,575	\$ 363
Equipment Financing	567	32	586	26	622	58
Asset-Based Lending	<u>884</u>	<u>39</u>	<u>861</u>	<u>234</u>	<u>803</u>	<u>79</u>
Total Commercial	\$ 5,488	\$ 468	\$ 5,314	\$ 726	\$ 5,000	\$ 500
Commercial Real Estate	3,444	152	3,554	151	3,353	171
Business Banking	1,448	72	1,419	80	1,329	105
Residential Mortgages	4,499	238	4,388	230	4,234	266
Consumer	<u>2,567</u>	<u>155</u>	<u>2,599</u>	<u>187</u>	<u>2,707</u>	<u>162</u>
Portfolio Total	\$ <u>17,446</u>	\$ <u>1,085</u>	\$ <u>17,274</u>	\$ <u>1,374</u>	\$ <u>16,623</u>	\$ <u>1,204</u>
Residential Mortgages originated for sale		\$ <u>80</u>		\$ <u>74</u>		\$ <u>138</u>
Total Originations		\$ <u>1,165</u>		\$ <u>1,448</u>		\$ <u>1,342</u>

# WBS 3Q17 Earnings | Loan Mix and Yield

(\$ in millions)

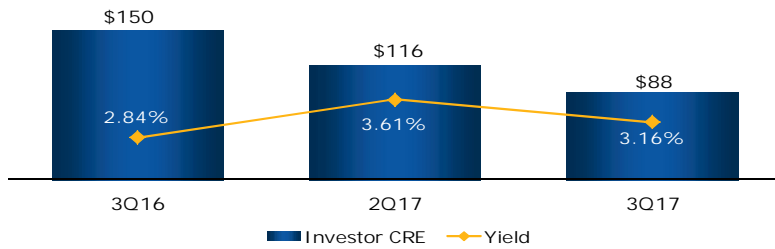
	3Q17		2Q17		3Q16	
End of period balances	Balance	Yield	Balance	Yield	Balance	Yield
Full quarter yields						
Commercial	\$ 5,915	4.49%	\$ 5,731	4.38%	\$ 5,402	3.99%
CRE	4,465	3.91%	4,556	3.73%	4,280	3.43%
Residential	4,499	3.62%	4,388	3.61%	4,234	3.60%
Consumer	<u>2,567</u>	<u>4.64%</u>	<u>2,599</u>	<u>4.54%</u>	<u>2,707</u>	<u>4.30%</u>
Total	\$ 17,446	4.14%	\$ 17,274	4.04%	\$ 16,623	3.80%



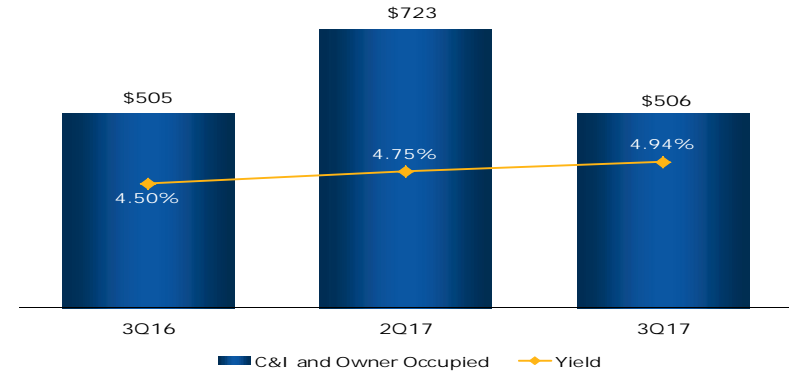
# WBS 3Q17 Earnings | Loan Originations and Yields

(\$ in millions)

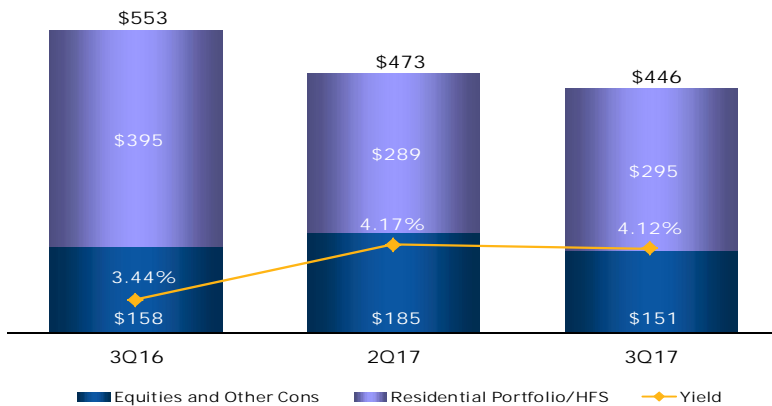
## Commercial Banking\*- Investor CRE



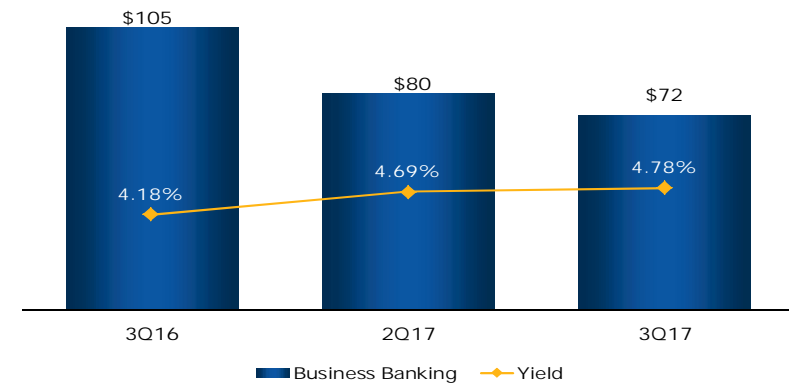
## Commercial Banking\*- C&I & Owner Occupied



## 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 3Q17 Earnings | Deposit Mix and Rate by Product

(\$ in millions)

End of period balances Full quarter cost	3Q17		2Q17		3Q16	
	Balance	Rate	Balance	Rate	Balance	Rate
Demand	\$ 4,138	-	\$ 4,075	-	\$ 3,994	-
Health Savings Accounts	4,891	0.20%	4,828	0.20%	4,188	0.22%
Interest Bearing Checking	2,581	0.07%	2,669	0.07%	2,429	0.07%
Money Market	2,598	0.69%	2,316	0.58%	2,342	0.37%
Savings	<u>4,429</u>	<u>0.25%</u>	<u>4,474</u>	<u>0.22%</u>	<u>4,227</u>	<u>0.20%</u>
Core Deposits	\$ 18,637	0.22%	\$ 18,362	0.19%	\$ 17,180	0.16%
Time Deposits	<u>2,218</u>	<u>1.20%</u>	<u>2,096</u>	<u>1.16%</u>	<u>2,021</u>	<u>1.11%</u>
Total	\$ 20,855	0.32%	\$ 20,458	0.29%	\$ 19,201	0.26%
Core/Total	89%		90%		89%	

# WBS 3Q17 Earnings | Deposit Mix and Rate by Line of Business

(\$ in millions)

	3Q17		2Q17		3Q16	
End of period balances Full quarter cost	Balance	Rate	Balance	Rate	Balance	Rate
Personal Banking	\$ 8,866	0.34%	\$ 8,930	0.31%	\$ 8,489	0.29%
Commercial Banking	1,582	0.07%	1,520	0.07%	1,426	0.06%
Treasury & Pymt Solutions	2,430	0.55%	2,065	0.47%	2,227	0.23%
Private Banking	239	0.28%	241	0.27%	236	0.19%
Business Banking	2,466	0.12%	2,493	0.10%	2,258	0.08%
HSA Bank	4,891	0.20%	4,828	0.20%	4,188	0.22%
Other	<u>381</u>	<u>1.90%</u>	<u>381</u>	<u>1.92%</u>	<u>377</u>	<u>1.90%</u>
Total	\$ 20,855	0.32%	\$ 20,458	0.29%	\$ 19,201	0.26%

# WBS 3Q17 Earnings | Net Interest Margin – Linked Quarter

(\$ in millions)

	3Q17			Fav./ (Unfav.)		
	Avg Bal.	Int.	Yield/rate	Avg Bal.	Int.	Bps
Securities	\$ 6,995	\$ 51.1	2.92%	\$ (35)	\$ (2.5)	(12)
Money Market & Other	194	1.7	3.38	(36)	(0.0)	23
Loans HFS	35	0.3	3.51	12	0.1	(2)
Commercial Loans	10,325	111.8	4.24	19	5.3	20
Consumer Loans	7,040	70.5	4.00	80	1.6	3
Total Loans & Leases	17,365	182.3	4.14%	99	6.9	10
Interest-Earning Assets	\$ 24,588	\$ 235.4	3.78%	\$ 39	\$ 4.5	4
Deposits	\$ 20,935	\$ 16.8	0.32%	\$ 597	\$ (2.1)	(3)
Borrowings	2,493	13.4	2.11	(575)	0.9	(26)
Interest-Bearing Liabilities	\$ 23,428	\$ 30.1	0.51%	\$ 22	\$ (1.1)	(2)
Tax-Equivalent Net Interest Income		\$ 205.3			\$ 3.4	
Less: Tax-Equivalent Adjustment		(4.4)			(0.3)	
Net Interest Income		\$ 200.9			\$ 3.1	
Net Interest Margin			3.30%			3

# WBS 3Q17 Earnings | Webster Financial Corporation Capital Ratios

	At September 30, 2017*	At June 30, 2017	At September 30, 2016	Well Capitalized
Common Equity Tier 1 Risk-Based Capital	10.96%	10.84%	10.48%	6.5%
Tangible Common Equity	7.55%	7.47%	7.25%	na
Tangible Equity	8.03%	7.95%	7.74%	na
Tier 1 Leverage	8.36%	8.28%	8.16%	5.0%
Tier 1 Risk-Based Capital	11.62%	11.51%	11.16%	8.0%
Total Risk-Based Capital	13.14%	13.02%	12.64%	10.0%

At September 30, 2017*	Capital*	Excess Over Well Capitalized*
(\$ in millions)		
Common Equity Tier 1 Risk-Based Capital	\$ 2,032	\$ 827
Tier 1 Leverage	\$ 2,155	\$ 866
Tier 1 Risk-Based Capital	\$ 2,155	\$ 672
Total Risk-Based Capital	\$ 2,436	\$ 582

\*Preliminary

# WBS 3Q17 Earnings Supplemental Slides

## Forward-looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “believes,” “anticipates,” “expects,” “intends,” “targeted,” “continue,” “remain,” “will,” “should,” “may,” “plans,” “estimates,” and similar references to future periods; however, such words are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, and other financial items; (ii) statements of plans, objectives, and expectations of Webster or its management or Board of Directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements are based on Webster’s current expectations and assumptions regarding its business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Webster’s actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. For more information about factors that could cause actual results to differ from those discussed in the forward-looking statements please refer to the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Any forward-looking statement made by the Company in this presentation speaks only as of the date on which it is made. Factors or events that could cause the Company’s actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by law.

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