



Webster
Financial Corporation®

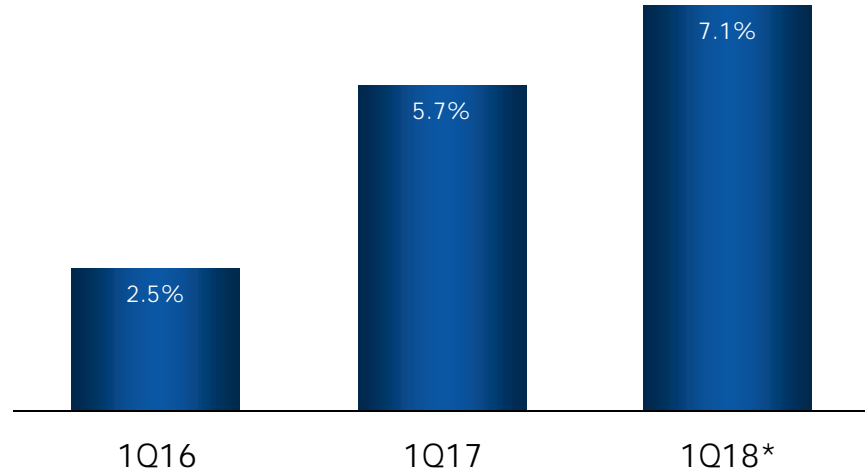
First Quarter 2018
Earnings Conference Call
April 19, 2018
Supplemental Slides

WBS 1Q18 Earnings | Supplemental Information

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WBS 1Q18 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
- Contributing to the increase in the asset sensitivity is the decline of loans at floors
 - In 1Q16 loans at floors were \$1.37 billion versus \$40 million in 1Q18

* Preliminary

WBS 1Q18 Earnings | Earning Asset and Funding Mix

(\$ in millions)

Earning Asset Mix

Type	Balance	Total %	Floating %	Periodic %	Fixed %
Securities	\$ 7,356	29%	6%	4%	90%
Loans HFS	20	0%	100%	0%	0%
Resi / HE Loans	5,205	21%	0%	23%	77%
HE Lines	1,778	7%	98%	0%	2%
C&I Loans	6,278	25%	65%	22%	13%
CRE Loans	4,545	18%	76%	17%	7%
Total	\$ 25,182	100%	38%	15%	47%

Funding Mix

Type	Balance	Total	< 1 Year	> 1 Year
Checking	\$ 6,730	28%		
HSA	5,457	23%		
Savings	4,300	18%		
Money Market	2,345	10%		
Time	2,553	11%	64%	36%
Borrowings	2,359	10%	71%	29%
Total	\$ 23,744	100%		

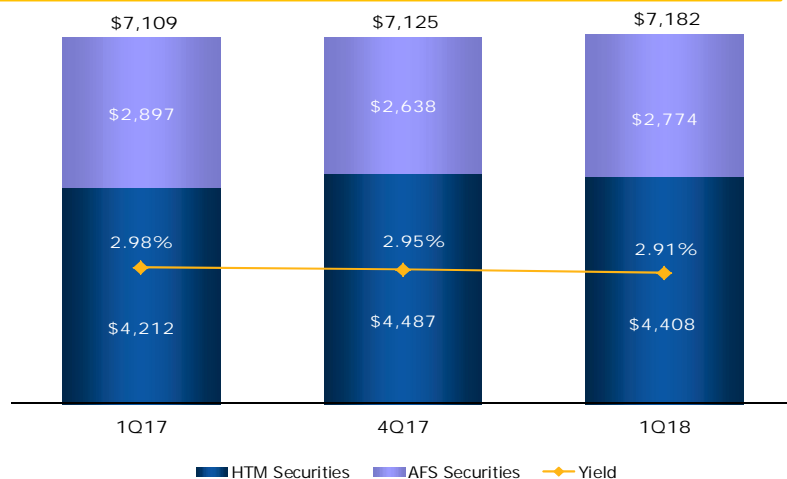
Key Observations:

- Floating and periodic rate loans represent 71% of total loans:
 - Floating rate loans represent 52% of total loans
 - Periodic rate loans represent 19% of total loans
- LIBOR indexed loans represent 50% of total loans:
 - Loans indexed to 1 month LIBOR represent 37% of total loans
 - LIBOR indexed loans with rate reset frequencies greater than 1 month represent 13% of total loans
- CRE loans are predominantly floating rate due to customer swaps
- HSA deposits continue to be a key component of our balance sheet representing 23% of our funding mix

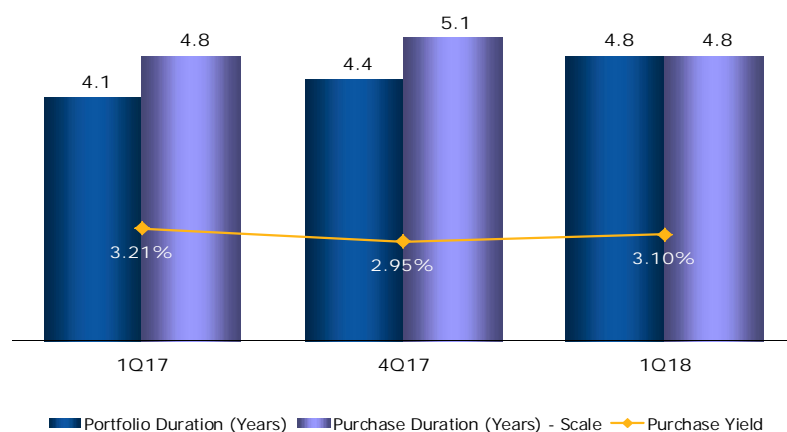
WBS 1Q18 Earnings | Investment Portfolio

(\$ in millions)

Investment Securities



Duration / Yield



Key Observations:

- Available-for-Sale portfolio includes \$74.0 million of net unrealized losses at 1Q18 compared to \$37.1 million at 4Q17
- Held-to-Maturity portfolio excludes \$111.3 million of net unrealized losses at 1Q18 compared to \$31.0 million at 4Q17
- Muni FTE yield decreased portfolio yield by 9 bps due to tax reform
- Portfolio duration up 0.7 years vs. a year ago with 5 year swap up 66 bps
- Purchase yield increased 15 bps vs. LQ while purchase duration down 0.3 years

WBS 1Q18 Earnings | Investment Securities

(\$ in millions)

End of period balances	March 31, 2018	December 31, 2017	Increase/ (Decrease)
Available-for-Sale:			
U.S. Treasury Bills	\$ 0.5	\$ 1.3	\$ (0.9)
Agency CMOs	284.6	306.3	(21.7)
Agency MBS	1,265.3	1,107.8	157.5
Agency CMBS	591.3	588.0	3.3
Non Agency CMBS-fixed	4.5	4.9	(0.4)
Non Agency CMBS-floating	362.4	356.1	6.3
Corporate Debt Securities	56.1	56.6	(0.5)
Collateralized Loan Obligations	201.8	209.9	(8.1)
Single-issuer Trust Preferred Security	7.0	7.1	(0.1)
Total Available-for-Sale	\$ 2,773.5	\$ 2,638.0	\$ 135.5
Held-to-Maturity:			
Agency CMOs	\$ 245.7	\$ 260.1	\$ (14.4)
Agency MBS	2,544.1	2,569.7	(25.6)
Agency CMBS	689.6	696.6	(7.0)
Non Agency CMBS-fixed	236.2	249.3	(13.1)
Private Label MBS	0.2	0.3	(0.1)
Municipal Bonds and Notes	692.5	711.4	(18.9)
Total Held-to-Maturity	\$ 4,408.3	\$ 4,487.4	\$ (79.1)

WBS 1Q18 Earnings | Loans and Originations by Loan Portfolio

(\$ in millions)

	1Q18		4Q17		1Q17	
	Balance	Originations	Balance	Originations	Balance	Originations
Commercial Non-Mortgage	\$ 4,962	\$ 597	\$ 4,648	\$ 467	\$ 4,378	\$ 518
Asset-Based Lending	<u>874</u>	<u>48</u>	<u>835</u>	<u>90</u>	<u>848</u>	<u>51</u>
Total Commercial	\$ 5,836	\$ 645	\$ 5,483	\$ 557	\$ 5,226	\$ 569
Commercial Real Estate	3,480	189	3,477	395	3,541	134
Business Banking	1,507	87	1,483	90	1,402	90
Residential Mortgages	4,460	77	4,491	117	4,291	165
Consumer	<u>2,523</u>	<u>113</u>	<u>2,590</u>	<u>143</u>	<u>2,634</u>	<u>149</u>
Portfolio Total	\$ <u>17,806</u>	\$ <u>1,111</u>	\$ <u>17,524</u>	\$ <u>1,302</u>	\$ <u>17,094</u>	\$ <u>1,107</u>
Residential Mortgages originated for sale		\$ <u>43</u>		\$ <u>60</u>		\$ <u>73</u>
Total Originations		\$ <u>1,154</u>		\$ <u>1,362</u>		\$ <u>1,180</u>

*The 152 for CRE originations is rounded down to balance to quarter

WBS 1Q18 Earnings | Loan Mix and Yield

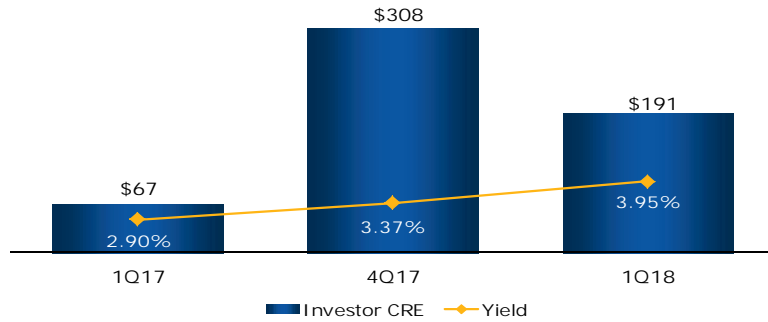
(\$ in millions)

	1Q18		4Q17		1Q17	
End of period balances	Balance	Yield	Balance	Yield	Balance	Yield
Full quarter yields						
Commercial	\$ 6,279	4.86%	\$ 5,919	4.61%	\$ 5,638	4.35%
CRE	4,545	4.18%	4,524	3.95%	4,531	3.57%
Residential	4,460	3.64%	4,491	3.63%	4,291	3.61%
Consumer	<u>2,522</u>	<u>4.84%</u>	<u>2,590</u>	<u>4.67%</u>	<u>2,634</u>	<u>4.41%</u>
Total	\$ 17,806	4.37%	\$ 17,524	4.20%	\$ 17,094	3.97%

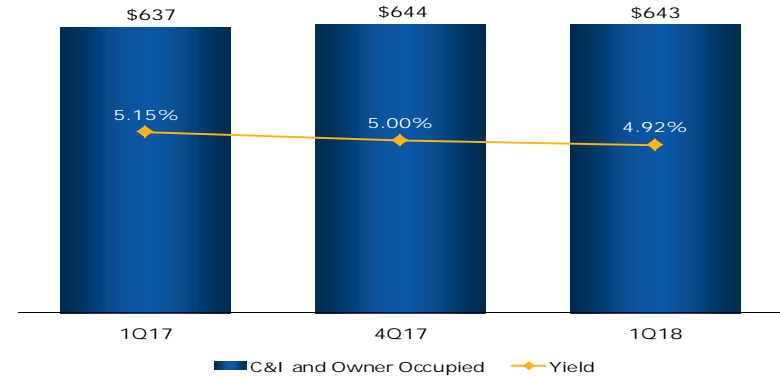
WBS 1Q18 Earnings | Loan Originations and Yields

(\$ in millions)

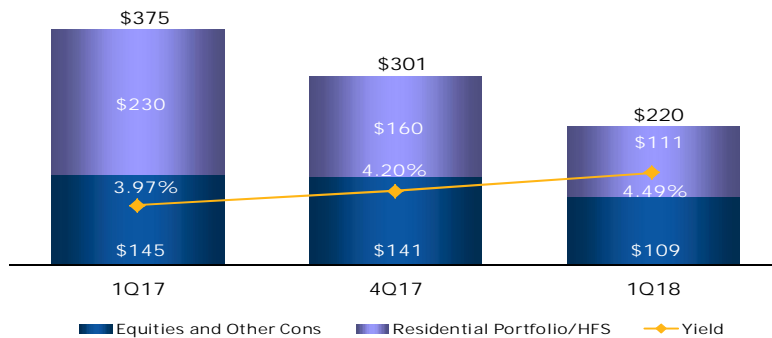
Commercial Banking*- Investor CRE



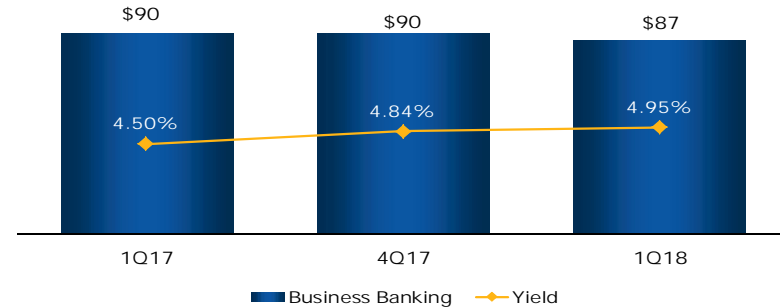
Commercial Banking*- C&I & Owner Occupied



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 1Q18 Earnings | Deposit Mix and Rate by Product

(\$ in millions)

End of period balances Full quarter cost	1Q18		4Q17		1Q17	
	Balance	Rate	Balance	Rate	Balance	Rate
Demand	\$ 4,075	-	\$ 4,191	-	\$ 3,913	-
Health Savings Accounts	\$ 5,488	0.20%	5,039	0.20%	4,794	0.20%
Interest Bearing Checking	\$ 2,625	0.07%	2,737	0.07%	2,607	0.07%
Money Market	\$ 2,344	0.77%	2,209	0.69%	2,453	0.48%
Savings	\$ <u>4,300</u>	<u>0.25%</u>	<u>4,350</u>	<u>0.25%</u>	<u>4,457</u>	<u>0.20%</u>
Core Deposits	\$ 18,832	0.22%	\$ 18,526	0.22%	\$ 18,224	0.18%
Time Deposits	<u>2,553</u>	<u>1.29%</u>	<u>2,468</u>	<u>1.24%</u>	<u>2,018</u>	<u>1.13%</u>
Total	\$ 21,385	0.34%	\$ 20,994	0.33%	\$ 20,242	0.27%
Core/Total	88%		88%		90%	

WBS 1Q18 Earnings | Deposit Mix and Rate by Line of Business

(\$ in millions)

	1Q18		4Q17		1Q17	
End of period balances Full quarter cost	Balance	Rate	Balance	Rate	Balance	Rate
Personal Banking	\$ 9,147	0.39%	\$ 9,041	0.37%	\$ 8,857	0.30%
Commercial Banking	1,481	0.08%	1,666	0.08%	1,451	0.06%
Treasury & Pymt Solutions	2,337	0.65%	2,197	0.58%	2,223	0.36%
Private Banking	223	0.38%	259	0.29%	243	0.23%
Business Banking	2,432	0.14%	2,435	0.13%	2,299	0.09%
HSA Bank	5,488	0.20%	5,039	0.20%	4,794	0.20%
Other	<u>277</u>	<u>1.90%</u>	<u>357</u>	<u>1.90%</u>	<u>375</u>	<u>1.92%</u>
Total	\$ 21,385	0.34%	\$ 20,994	0.33%	\$ 20,242	0.27%

WBS 1Q18 Earnings | Net Interest Margin – Linked Quarter

(\$ in millions)

	1Q18			Fav./ (Unfav.)		
	Avg Bal.	Int.	Yield/rate	Avg Bal.	Int.	Bps
Securities	\$ 7,159	\$ 52.5	2.91%	\$ 63	\$ (0.0)	(3)
Money Market & Other	186	1.7	3.61	(18)	0.2	73
Loans HFS	16	0.1	3.49	(8)	(0.1)	10
Commercial Loans	10,710	122.4	4.57	307	7.4	24
Consumer Loans	7,045	71.5	4.07	(55)	0.1	6
Total Loans & Leases	17,755	193.9	4.37%	253	7.5	17
Interest-Earning Assets	\$ 25,116	\$ 248.2	3.95%	\$ 290	\$ 7.6	12
Deposits	\$ 21,392	\$ 18.2	0.34%	\$ 438	\$ (0.8)	(2)
Borrowings	2,414	13.6	2.25	(235)	0.2	(21)
Interest-Bearing Liabilities	\$ 23,806	\$ 31.8	0.54%	\$ 201	\$ (0.6)	(2)
Tax-Equivalent Net Interest Income		\$ 216.5			\$ 7.1	
Less: Tax-Equivalent Adjustment		(2.3)			2.2	
Net Interest Income		\$ 214.2			\$ 9.3	
Net Interest Margin			3.44%			11

WBS 1Q18 Earnings | Webster Financial Corporation Capital Ratios

	At March 31, 2018*	At December 31, 2017	At March 31, 2017	Well Capitalized
Common Equity Tier 1 Risk-Based Capital	10.99%	11.14%	10.75%	6.5%
Tangible Common Equity	7.65%	7.67%	7.34%	na
Tangible Equity	8.21%	8.23%	7.82%	na
Tier 1 Leverage	8.54%	8.63%	8.16%	5.0%
Tier 1 Risk-Based Capital	11.76%	11.91%	11.42%	8.0%
Total Risk-Based Capital	13.25%	13.40%	12.95%	10.0%

At March 31, 2018*	Capital*	Excess Over Well Capitalized*
(\$ in millions)		
Common Equity Tier 1 Risk-Based Capital	\$ 2,095	\$ 856
Tier 1 Leverage	\$ 2,240	\$ 928
Tier 1 Risk-Based Capital	\$ 2,240	\$ 715
Total Risk-Based Capital	\$ 2,525	\$ 619

*Preliminary

WBS 1Q18 Earnings Supplemental Slides

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