



Webster
Financial Corporation

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First Quarter 2017 Earnings Conference Call

April 21, 2017

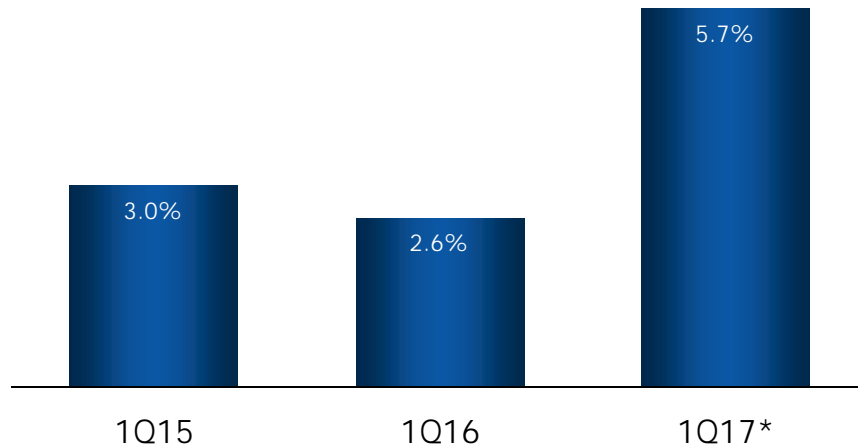
Supplemental Slides

WBS 1Q17 Earnings | Supplemental Information

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WBS 1Q17 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
- Loan at floors (\$872 million) continue to decline along with average "in the money" spread (13 bps)

WBS 1Q17 Earnings | Earning Asset and Funding Mix

(\$ in millions)

Earning Asset Mix

Type	Balance	Total %	Floating %	Periodic %	Fixed %
Securities	\$ 7,311	30%	6%	8%	86%
Loans HFS	29	0%	100%	0%	0%
Resi / HE Loans	5,086	21%	1%	22%	77%
HE Lines	1,839	7%	98%	0%	2%
C&I Loans	5,639	23%	63%	21%	16%
CRE Loans	4,530	19%	75%	17%	8%
Total	\$ 24,434	100%	38%	15%	47%

Funding Mix

Type	Balance	Total	< 1 Year	> 1 Year
Checking	\$ 6,543	28%		
HSA	4,771	21%		
Savings	4,457	19%		
Money Market	2,453	10%		
Time	2,018	9%	45%	55%
Borrowings	2,956	13%	62%	38%
Total	\$ 23,198	100%		

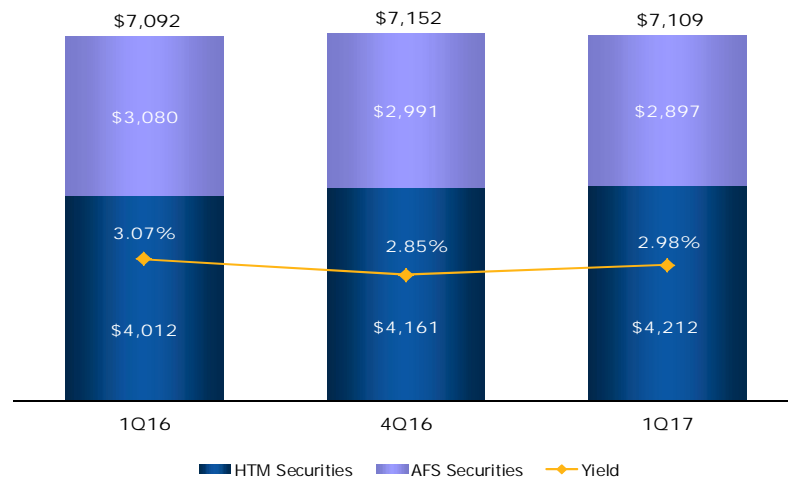
Key Observations:

- Floating and periodic rate loans represent 70% of total loans
- Floating rate loans represent 51% of total loans
- CRE loans are predominantly floating rate due to customer swaps
- 55% of time deposits are greater than 1 year
- HSA deposits continues to be a key component of our balance sheet representing 21% of our funding mix

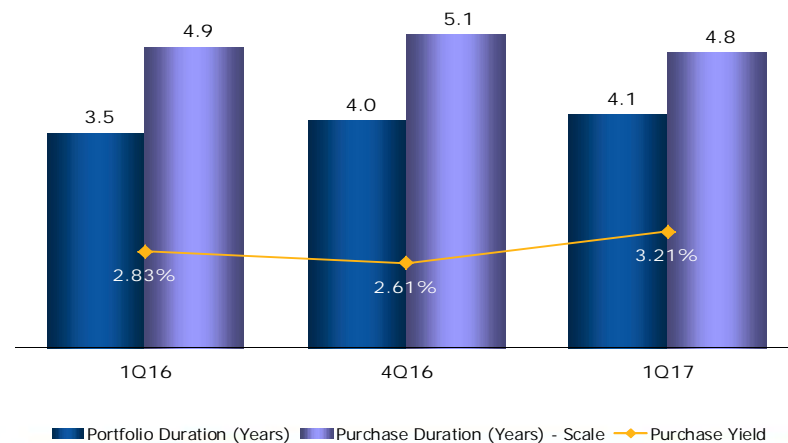
WBS 1Q17 Earnings | Investment Portfolio

(\$ in millions)

Investment Securities



Duration / Yield



Key Observations:

- Available-for-Sale portfolio includes \$28.2 million of net unrealized losses at 1Q17 compared to \$24.7 million at 4Q16
- Held-to-Maturity portfolio excludes \$41.6 million of net unrealized losses at 1Q17 compared to \$35.5 million at 4Q16
- Portfolio duration up 0.6 years vs. LY with 5 year swap up 88 bps
- Purchase yield up 60 bps vs. LQ while purchase duration down 0.3 years

WBS 1Q17 Earnings | Loans and Originations by Loan Portfolio

(\$ in millions)

	1Q17		4Q16		1Q16	
	Balance	Originations	Balance	Originations	Balance	Originations
Commercial Non-Mortgage	\$ 3,758	\$ 480	\$ 3,727	\$ 511	\$ 3,216	\$ 264
Equipment Financing	620	38	636	71	597	43
Asset-Based Lending	<u>848</u>	<u>51</u>	<u>805</u>	<u>214</u>	<u>772</u>	<u>20</u>
Total Commercial	\$ 5,226	\$ 569	\$ 5,168	\$ 796	\$ 4,585	\$ 327
Commercial Real Estate	3,541	134	3,548	375	3,186	171
Business Banking	1,402	90	1,372	111	1,251	81
Residential Mortgages*	4,291	165	4,255	218	4,109	161
Consumer	<u>2,634</u>	<u>149</u>	<u>2,684</u>	<u>186</u>	<u>2,727</u>	<u>160</u>
Portfolio Total	<u>\$ 17,094</u>	<u>\$ 1,107</u>	<u>\$ 17,027</u>	<u>\$ 1,686</u>	<u>\$ 15,858</u>	<u>\$ 900</u>
Residential Mortgages originated for sale		<u>\$ 73</u>		<u>\$ 132</u>		<u>\$ 73</u>
Total Originations		<u>\$ 1,180</u>		<u>\$ 1,818</u>		<u>\$ 973</u>

* Originations include Private Banking

WBS 1Q17 Earnings | Loan Mix and Yield

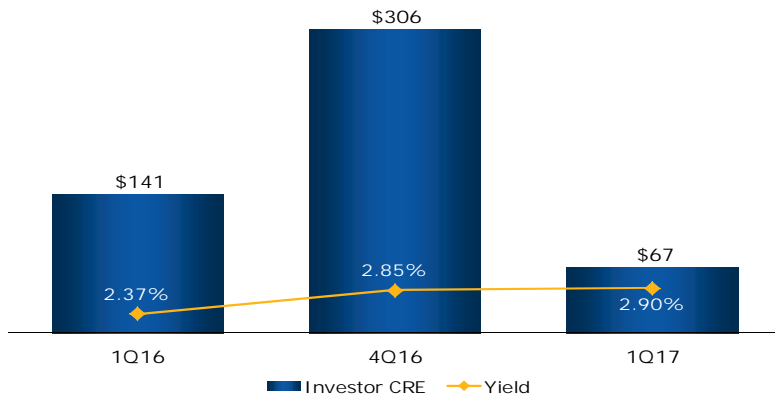
(\$ in millions)

End of period balances Full quarter yields	1Q17		4Q16		1Q16	
	Balance	Yield	Balance	Yield	Balance	Yield
Commercial	\$ 5,638	4.35%	\$ 5,577	4.12%	\$ 4,975	3.84%
CRE	4,531	3.57%	4,511	3.43%	4,047	3.48%
Residential	4,291	3.61%	4,255	3.59%	4,109	3.66%
Consumer	<u>2,634</u>	<u>4.41%</u>	<u>2,684</u>	<u>4.30%</u>	<u>2,727</u>	<u>4.37%</u>
Total	\$ 17,094	3.97%	\$ 17,027	3.84%	\$ 15,858	3.79%

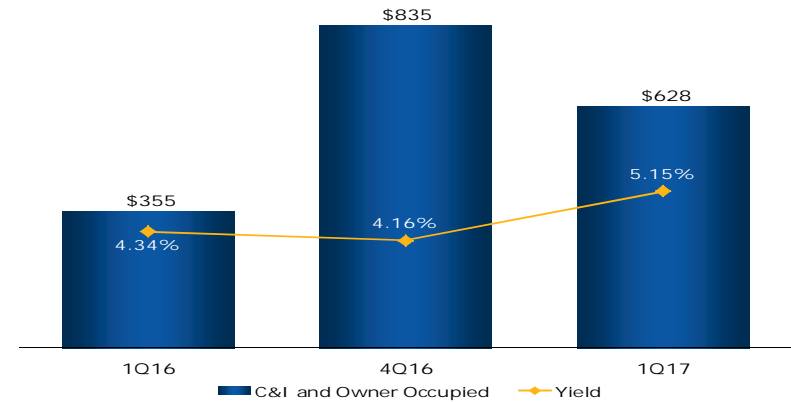
WBS 1Q17 Earnings | Loan Originations and Yields

(\$ in millions)

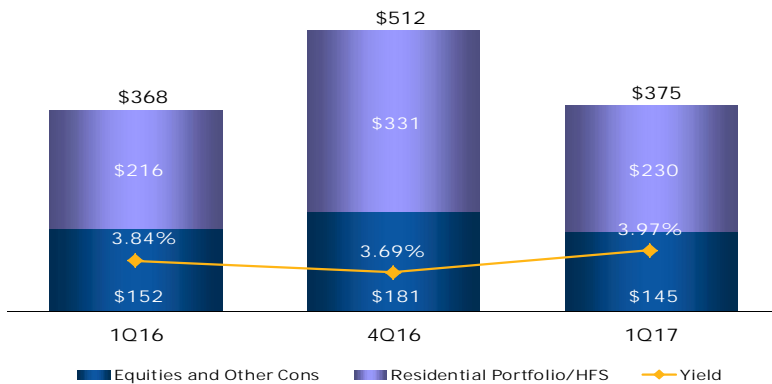
Commercial Banking*- Investor CRE



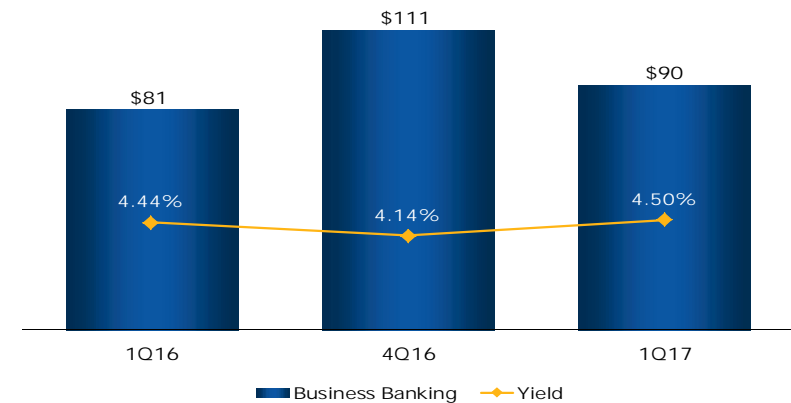
Commercial Banking*- C&I & Owner Occupied



Personal Banking



Business Banking



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

WBS 1Q17 Earnings | Deposit Mix and Cost by Product

(\$ in millions)

End of period balances Full quarter cost	1Q17		4Q16		1Q16	
	Balance	Cost	Balance	Cost	Balance	Cost
Demand	\$ 3,913	-	\$ 4,022	-	\$ 3,626	-
Health Savings Accounts	4,794	0.20%	4,362	0.21%	4,084	0.24%
Interest Bearing Checking	2,607	0.07%	2,528	0.07%	2,422	0.07%
Money Market	2,453	0.48%	2,047	0.37%	2,320	0.34%
Savings	<u>4,457</u>	<u>0.20%</u>	<u>4,320</u>	<u>0.20%</u>	<u>4,244</u>	<u>0.19%</u>
Core Deposits	\$ 18,224	0.18%	\$ 17,279	0.16%	\$ 16,696	0.16%
Time Deposits	<u>2,018</u>	<u>1.13%</u>	<u>2,025</u>	<u>1.13%</u>	<u>2,029</u>	<u>1.11%</u>
Total	\$ 20,242	0.27%	\$ 19,304	0.26%	\$ 18,725	0.27%
Core/Total	90%		90%		89%	

WBS 1Q17 Earnings | Deposit Mix and Cost by Line of Business

(\$ in millions)

	1Q17		4Q16		1Q16	
End of period balances	Balance	Cost	Balance	Cost	Balance	Cost
Full quarter cost						
Personal Banking	\$ 8,857	0.30%	\$ 8,694	0.29%	\$ 8,505	0.29%
Commercial Banking	1,451	0.09%	1,462	0.05%	1,227	0.06%
Treasury & Pymt Solutions	2,223	0.36%	1,904	0.25%	2,087	0.22%
Business Banking	2,299	0.10%	2,277	0.10%	2,173	0.08%
HSA Bank	4,794	0.20%	4,362	0.21%	4,084	0.24%
Private Banking	243	0.23%	227	0.20%	271	0.18%
Other	<u>375</u>	<u>1.78%</u>	<u>378</u>	<u>1.92%</u>	<u>378</u>	<u>1.94%</u>
Total	\$ 20,242	0.27%	\$ 19,304	0.26%	\$ 18,725	0.27%

WBS 1Q17 Earnings | Net Interest Margin – Linked Quarter

(\$ in millions)

	1Q17			Fav./ (Unfav.)		
	Avg Bal.	Int.	Rate	Avg Bal.	Int.	Bps
Securities	\$ 7,071	\$ 52.9	2.98%	\$ 13	\$ 2.7	13
Money Market & Other	250	1.8	2.94	3	0.0	4
Loans HFS	36	0.3	3.49	(20)	(0.1)	33
Commercial Loans	10,099	101.0	4.00	290	5.4	18
Consumer Loans	6,943	67.7	3.92	(5)	0.4	5
Total Loans & Leases	17,041	168.7	3.97%	285	5.8	13
Interest-Earning Assets	\$ 24,399	\$ 223.7	3.67%	\$ 282	\$ 8.4	13
Deposits	\$ 20,018	\$ 13.4	0.27%	\$ 729	\$ (0.9)	(1)
Borrowings	3,268	13.6	1.66	(550)	0.0	(26)
Interest-Bearing Liabilities	\$ 23,286	\$ 27.0	0.47%	\$ 179	\$ (0.9)	(2)
Tax-Equivalent Net Interest Income		\$ 196.7			\$ 7.5	
Less: Tax-Equivalent Adjustment		(4.0)			(0.1)	
Net Interest Income		\$ 192.7			\$ 7.4	
Net Interest Margin			3.22%			11

WBS 1Q17 Earnings | Webster Financial Corporation Capital Ratios

	At March 31, 2017*	At December 31, 2016	At March 31, 2016	Well Capitalized
Common Equity Tier 1 Risk-Based Capital	10.73%	10.52%	10.61%	6.5%
Tangible Common Equity	7.34%	7.19%	7.13%	na
Tangible Equity	7.82%	7.67%	7.63%	na
Tier 1 Leverage	8.16%	8.13%	8.07%	5.0%
Tier 1 Risk-Based Capital	11.40%	11.19%	11.33%	8.0%
Total Risk-Based Capital	12.93%	12.68%	12.80%	10.0%

At March 31, 2017*	Capital*	Excess Over Well Capitalized*
(\$ in millions)		
Common Equity Tier 1 Risk-Based Capital	\$ 1,960	\$ 773
Tier 1 Leverage	\$ 2,082	\$ 807
Tier 1 Risk-Based Capital	\$ 2,082	\$ 621
Total Risk-Based Capital	\$ 2,362	\$ 536

*Preliminary

WBS 1Q17 Earnings Supplemental Slides

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