# 2Q18 Earnings Presentation

July 20, 2018

IBERIABANK Corporation™

# Safe Harbor And Non-GAAP Financial Measures

**Safe Harbor**

To the extent that statements in this PowerPoint presentation relate to future plans, objectives, financial results or performance of IBERIABANK Corporation, these statements are deemed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements, which are based on management's current information, estimates and assumptions and the current economic environment, are generally identified by the use of the words "plan", "believe", "expect", "intend", "anticipate", "estimate", "project" or similar expressions. The Company's actual strategies, results and financial condition in future periods may differ materially from those currently expected due to various risks and uncertainties. Forward-looking statements are subject to numerous assumptions, risks and uncertainties that change over time and could cause actual results or financial condition to differ materially from those expressed in or implied by such statements. Consequently, no forward-looking statement can be guaranteed. Except to the extent required by applicable law or regulation, the Company undertakes no obligation to revise or update publicly any forward-looking statement for any reason.

This PowerPoint presentation supplements information contained in the Company's earnings release dated July 20, 2018, and should be read in conjunction therewith. The earnings release may be accessed on the Company's web site, www.iberiabank.com, under "Investor Relations" and then "Financial Information" and then "Press Releases."

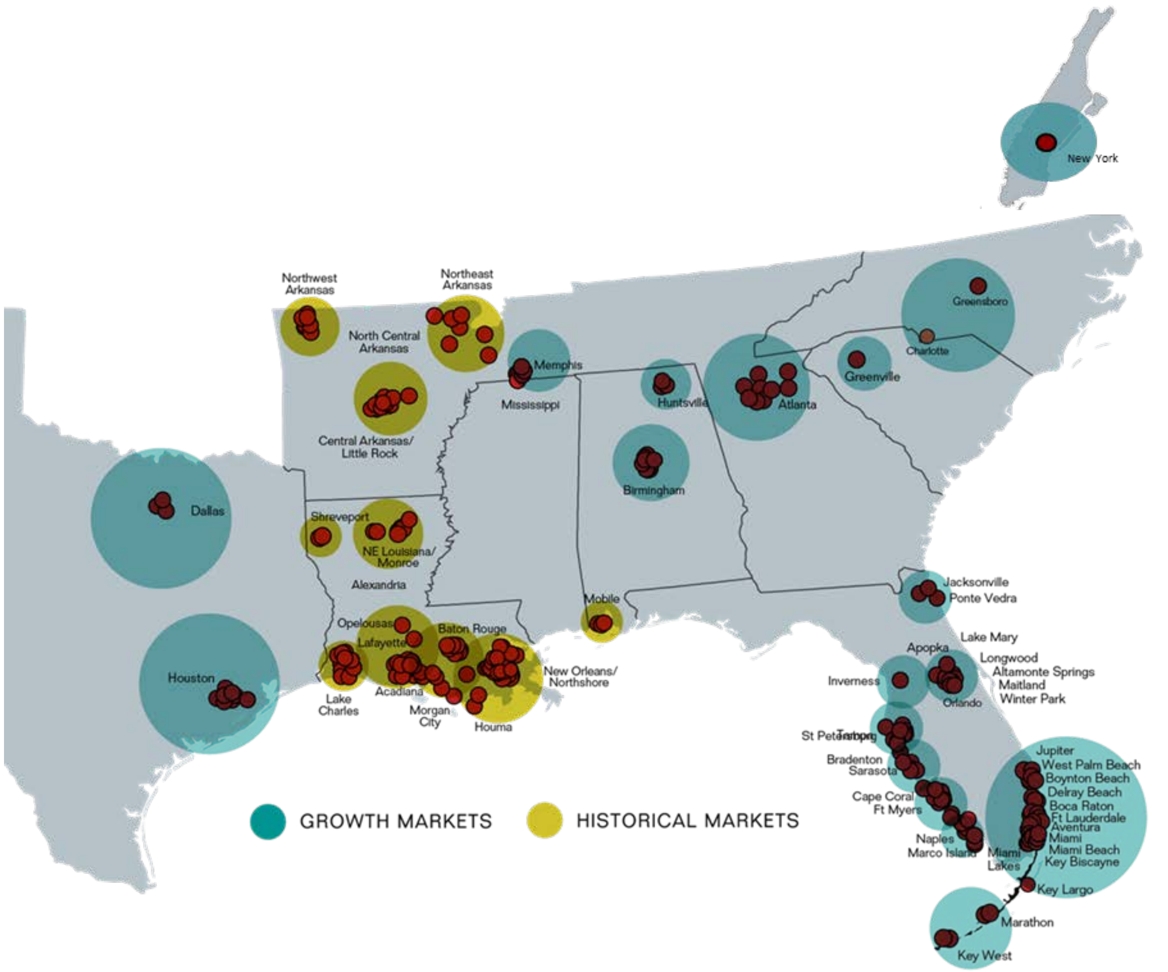
**Non-GAAP Financial Measures**

This PowerPoint presentation contains financial information determined by methods other than in accordance with GAAP. The Company's management uses core non-GAAP financial metrics ("Core") in their analysis of the Company's performance to identify core revenues and expenses in a period that directly drive operating net income in that period. These Core measures typically adjust GAAP performance measures to exclude the effects of the amortization of intangibles and include the tax benefits associated with revenue items that are tax-exempt, as well as adjust income available to common shareholders for certain significant activities or transactions that in management's opinion can distort period-to-period comparisons of the Company's performance. Reference is made to "Non-GAAP Financial Measures" and "Caution About Forward Looking Statements" in the earnings release which also apply to certain disclosures in this PowerPoint presentation.

# Corporate Profile

***Driving long-term value creation for our clients, associates, communities and shareholders***

## Our Franchise




## Corporate Snapshot

- **$4.4 billion market cap as of July 19, 2018**
  - **$78.50 share price**
  - **1.94% dividend yield**
- **$30.1 billion in total assets as of June 30, 2018**
  - **$22.1 billion in loans**
  - **$23.4 billion in deposits**
- **Operating continuously for over 131 years**
- **333 offices serving 33 MSAs across 12 states**
- **Investment grade rated – S&P Rating BBB/A-2**

# Corporate Profile

*Driving long-term value creation for our clients, associates, communities and shareholders*

| Mission Statement | Our Focus |
|---|---|
| • Provide exceptional value-based client services | • Relationship-driven commercial and private banking business |
| • Great place to work | • Market-centric, people-driven approach in attractive Southeastern markets |
| • Growth that is consistent with high performance | • Building long-term A-list client relationships through service and care |
| • Shareholder-focused | • "Branch-lite" delivery model with focus on operating efficiency |
| • Strong sense of community | • Diversification across asset classes, business lines and geographies |

# Quarterly Summary 2Q18

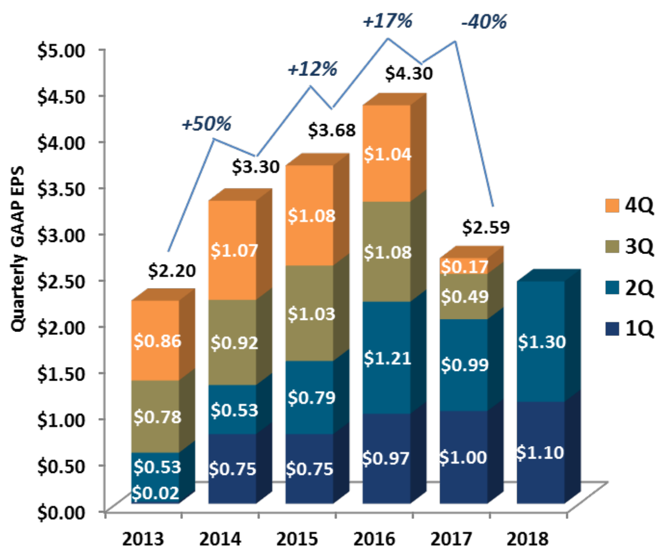
| Key Metrics for 2Q18 | GAAP 1Q18 | GAAP 2Q18 | Non-GAAP Core 1Q18 | Non-GAAP Core 2Q18 |
|---|---|---|---|---|
| Earnings Per Common Share | $1.10 | $1.30 | $1.37 | $1.71 |
| Return On Average Assets | 0.92% | 1.01% | 1.13% | 1.32% |
| Return on Average Common Equity | 6.79% | 7.87% | 8.45% | 10.30% |
| Return on Tangible Common Equity (TE) | -- | -- | 13.83% | 16.70% |
| Tangible Efficiency Ratio (TE) | -- | -- | 58.80% | 54.30% |

Second Quarter Highlights:

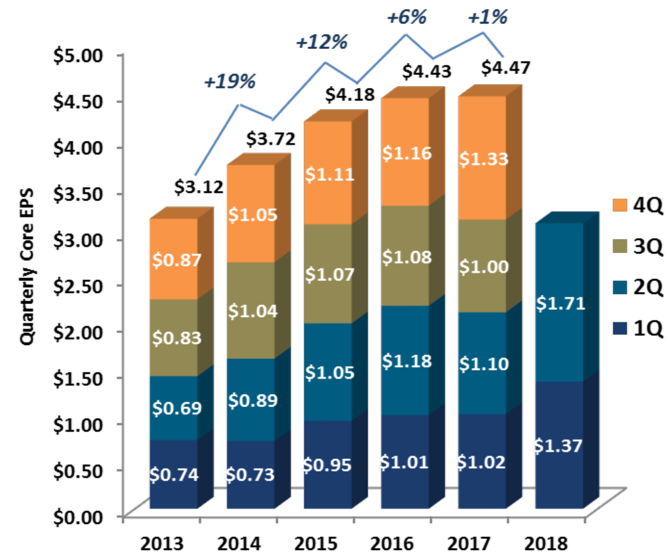
- 2Q18 earnings significantly improved due to higher net interest income, seasonal improvement in fee income, and diligent expense management; core tangible efficiency ratio of 54.30%, a 450 bps improvement
- Net interest income includes $7.4 million incremental accelerated accretion on previously acquired loans; positively impacting EPS by $0.10 and net interest margin by 11 basis points
- Positive operating leverage in 2Q18 with core operating leverage growth multiple of 5.4x
- On-going expense management including additional announced 22 branch closures to occur in 3Q18 and other expense containment efforts
- Reported NIM of 3.76%, up 9 bps, and cash margin of 3.49%, up 7 bps due to higher acquired loan accretion and rising interest rates
- Strong and stable credit metrics
- Integration of Gibraltar acquisition remains on track and performing as anticipated
- Announced share repurchase plan of up to approximately 1.2 million outstanding common shares; repurchased 400,000 common shares at a weighted average price per share of $76.67 during 2Q18

# Profitability Trends

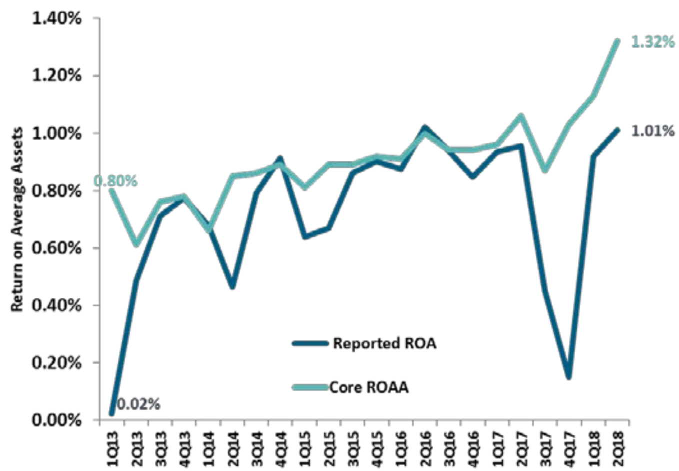
## GAAP EPS



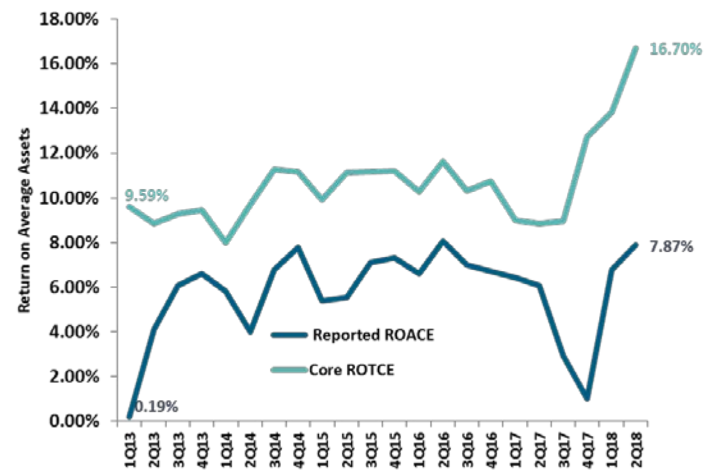

## Core EPS




## Return on Average Assets

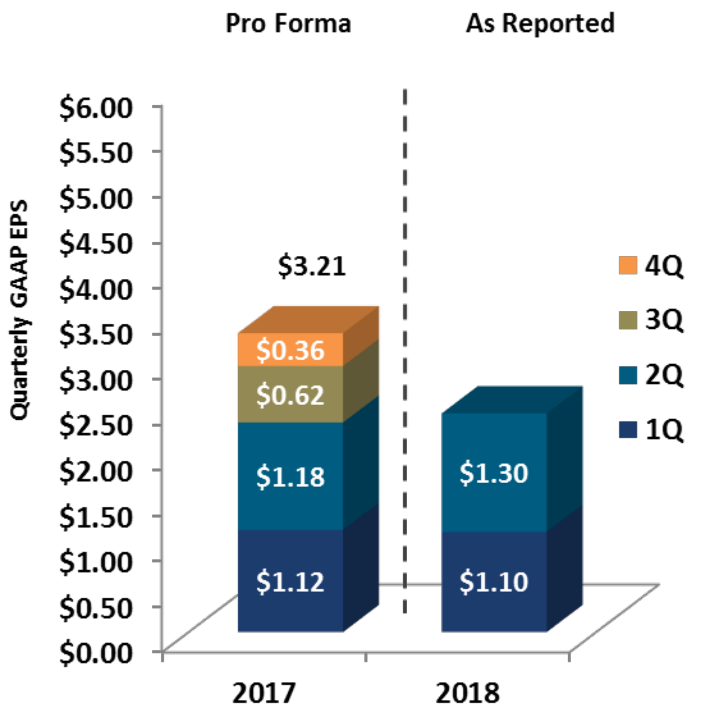



## Return on Common Equity



# Profitability – Pro Forma Impact of Tax Rate Changes on 2017 EPS

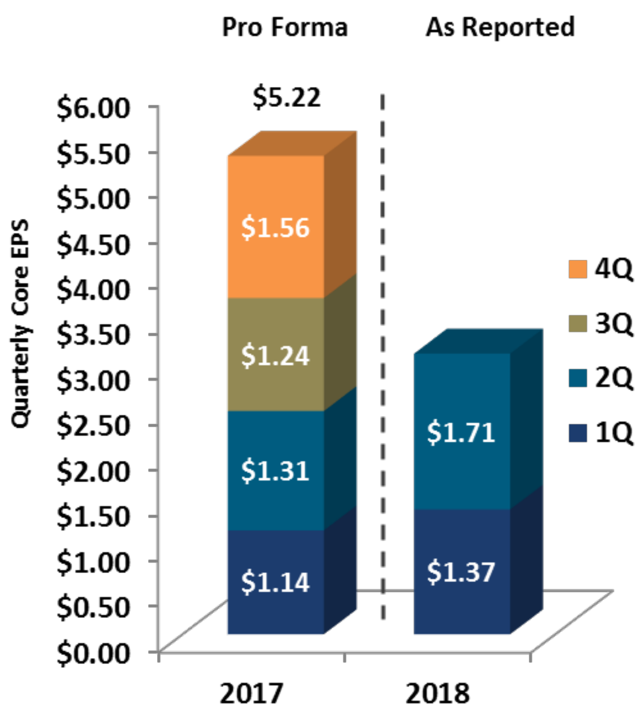
## GAAP EPS




**2017 GAAP EPS**

| | As Reported | Adjustments | As Adjusted |
|---|---|---|---|
| 1Q | $1.00 | $0.12 | $1.12 |
| 2Q | $0.99 | $0.19 | $1.18 |
| 3Q | $0.49 | $0.13 | $0.62 |
| 4Q | $0.17 | $0.19 | $0.36 |

## Core EPS




**2017 Core EPS**

| | As Reported | Adjustments | As Adjusted |
|---|---|---|---|
| 1Q | $1.02 | $0.12 | $1.14 |
| 2Q | $1.10 | $0.21 | $1.31 |
| 3Q | $1.00 | $0.24 | $1.24 |
| 4Q | $1.33 | $0.23 | $1.56 |

*Pro Forma impact on 2017 EPS includes the federal statutory income tax rate change from 35% to 21% and eliminating the deduction for FDIC Insurance*

# Client Growth

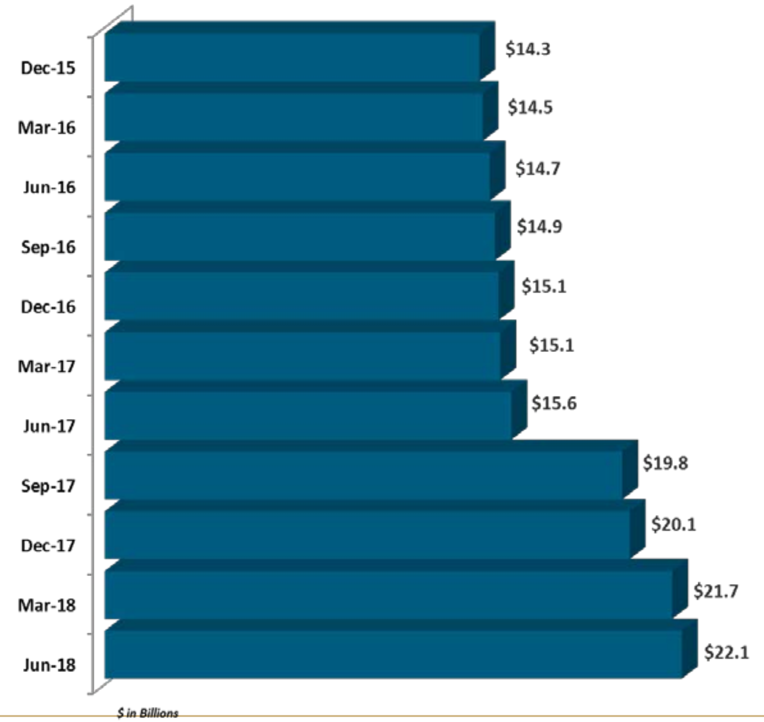
## Loan Highlights

- Total period-end loan growth of $370 million, or 1.7% (6.8% annualized)
- Loan growth during 2Q18 was strongest in the Energy Group (reserve-based lending), the Corporate Asset Finance division (equipment financing business), and in the New Orleans, Birmingham, Atlanta, Dallas and Tampa markets

## Deposit Highlights

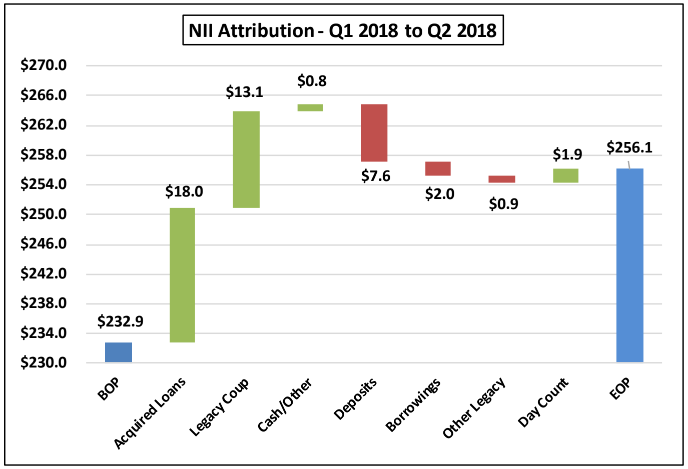
- Period-end total deposits increased $459 million, or 2.0% (8.0% annualized rate)
- Deposit growth during the quarter was strongest in the Energy Group, Miami-Dade, Atlanta, Shreveport and Baton Rouge markets.
- Non-interest bearing deposits increased $219 million, or 13% annualized, on a period-end basis, representing 48% of total deposit growth, and were 29% of total deposits at quarter end

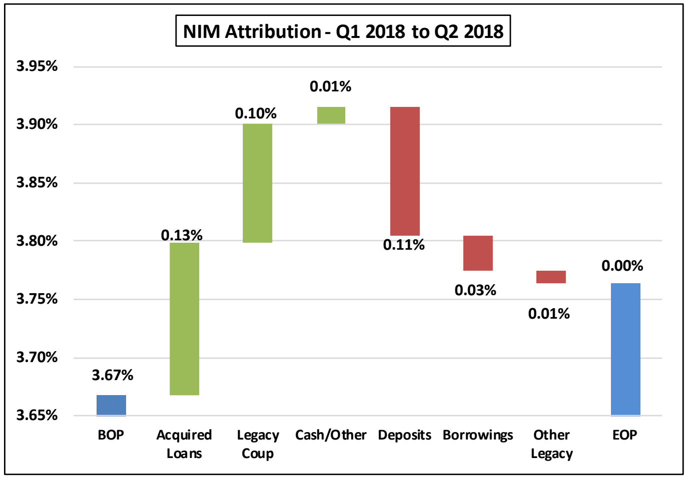
## Loans – Period-End Balances




## Deposits – Period-End Balances

# Net Interest Margin Changes For 2Q18




| Net Interest Income ($MM) | Primary Reason For Change | Net Interest Margin (%) |
|---|---|---|
| $232.9 | 1Q18 | 3.67% |
| 7.4 | Accelerated Accretion on Aquired Loan Portfolios | 0.11% |
| 10.6 | Net Increase in Acquired Loan Balances | 0.02% |
| 13.1 | Continued Upward Repricing of Variable Rate Loans | 0.10% |
| (0.9) | Change in Recovery/Reversal Income and Deferred/Unused Loc on Legacy Loans | -0.01% |
| 12.2 | Changes in Legacy Loan Portfolios | 0.09% |
| (2.6) | Increased Expense on Deposits Acquired | -0.04% |
| (5.0) | Greater Deposit Yields From Indexed Products and Promotional Activity | -0.07% |
| (2.0) | Greater Expense on Borrowings | -0.03% |
| 1.9 | Change In Number of Business Days | 0.00% |
| 0.8 | All Other Factors | 0.01% |
| $256.1 | 2Q18 | 3.76% |

- Net interest margin favorably impacted by incremental accretion of 11 basis points in 2Q18
- Estimated impact of Gibraltar was -3 basis points

# Interest Rate Betas [1]

| | 2Q18 | YTD 2018 | Trailing 12 Months | Cycle to Date |
|---|---|---|---|---|
| | Mar-18 Jun-18 | Dec-17 Jun-18 | Jun-17 Jun-18 | Nov-15 Jun-18 |
| Total Loans | 77% | 71% | 54% | 45% |
| Earning Assets | 80% | 69% | 59% | 39% |
| Int. Bearing Deposits | 59% | 57% | 50% | 30% |
| Total Deposits[2] | 40% | 41% | 36% | 21% |
| Net Adjusted Beta[3] | 54% | 41% | 34% | 24% |

- Total deposit beta relatively flat on a year-over-year basis
- Strong pull through on earning asset beta

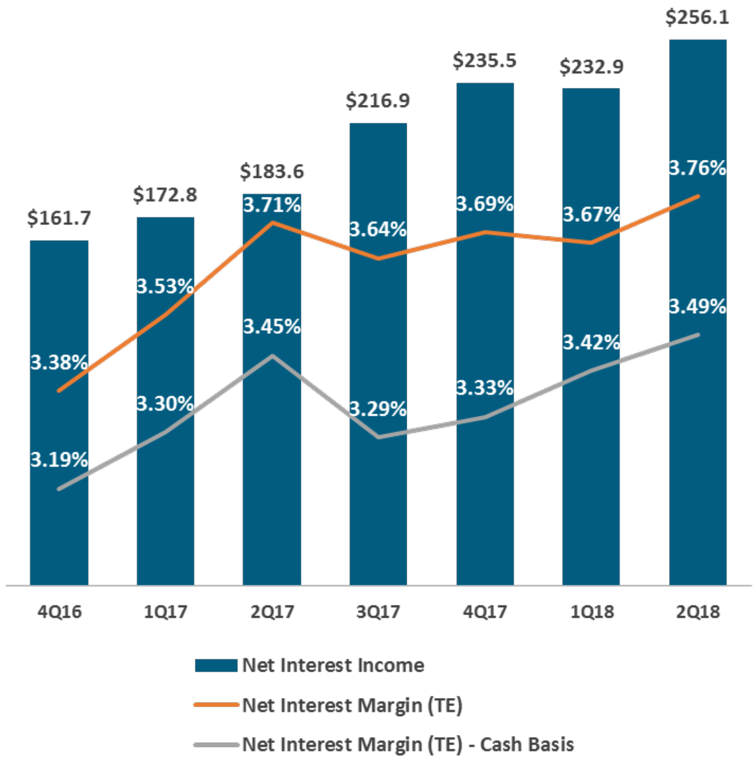
*[1] Interest rate betas calculated based on the change in yield divided by the absolute change in indices between periods*

*[2] Total deposits includes non-interest bearing deposits which represent 29% of total deposits*

*[3] Net Adjusted Beta = [(Earning Asset Beta x Earning Assets/Total Deposits Ratio) - Total Deposit Beta)]*

# Revenues

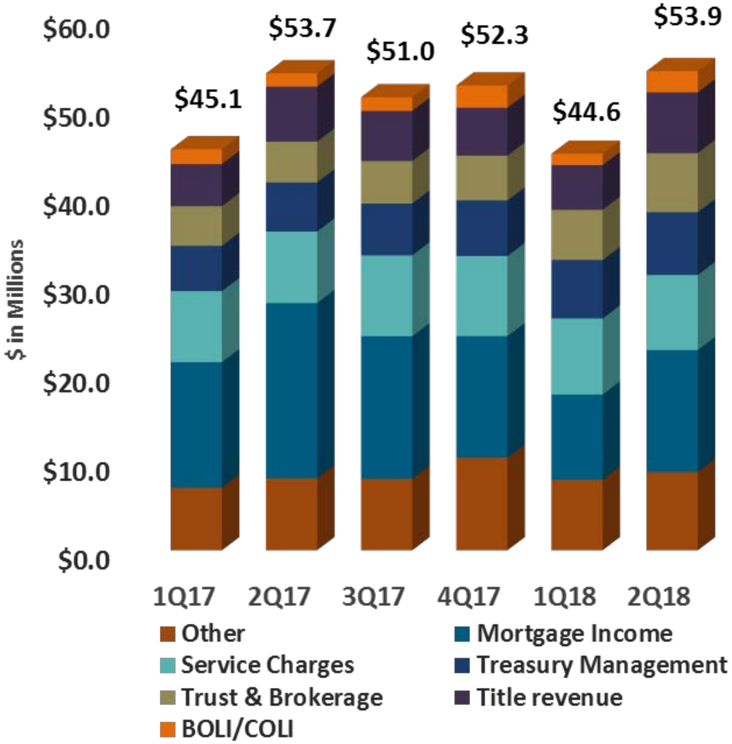
## Net Interest Income and Margins




- Margin improvement resulted from incremental accelerated accretion on acquired loans, primarily driven by higher recoveries and discount accretion, as well as rising short term interest rates during the quarter

*Dollars in millions*

## Components of Core Non-Interest Income[1]

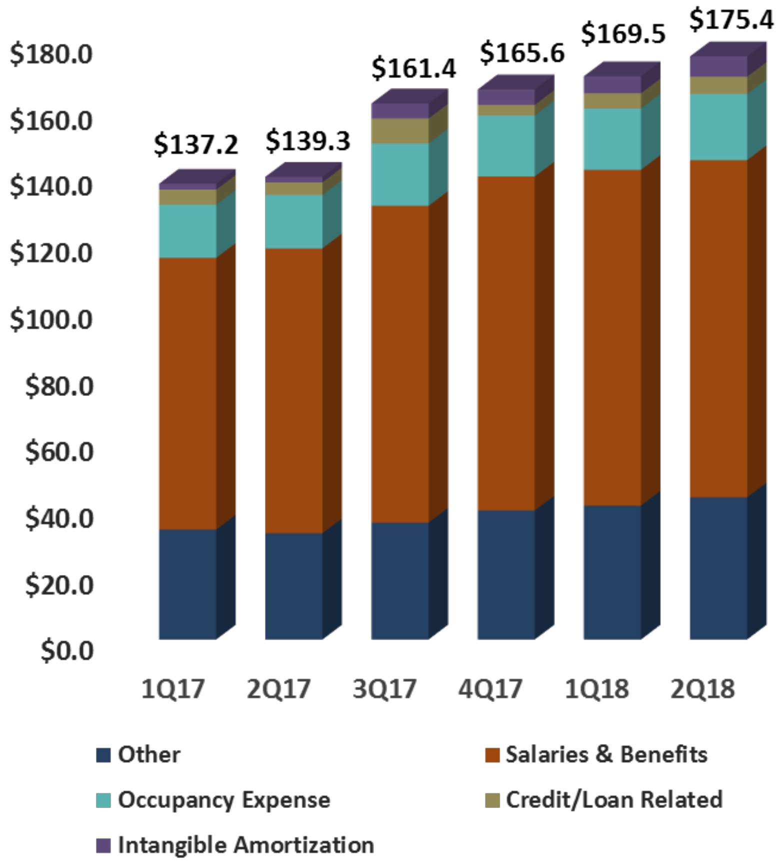



- GAAP and core non-interest income both increased by $9 million, or 21%
- Mortgage and title revenue in 2Q18 showing anticipated seasonal increases

*(1) Certain prior period amounts have been reclassified to conform to the net presentation requirements of ASU No. 2014-09, Revenue from Contracts with Customers, which was adopted effective January 1, 2018. On average, the adoption resulted in a reduction of non-interest income and non-interest expense of approximately $2.3 million on a quarterly basis, and had no impact on net income.*

# Non-Interest Expense

## Components of Core Non-Interest Expense[1]

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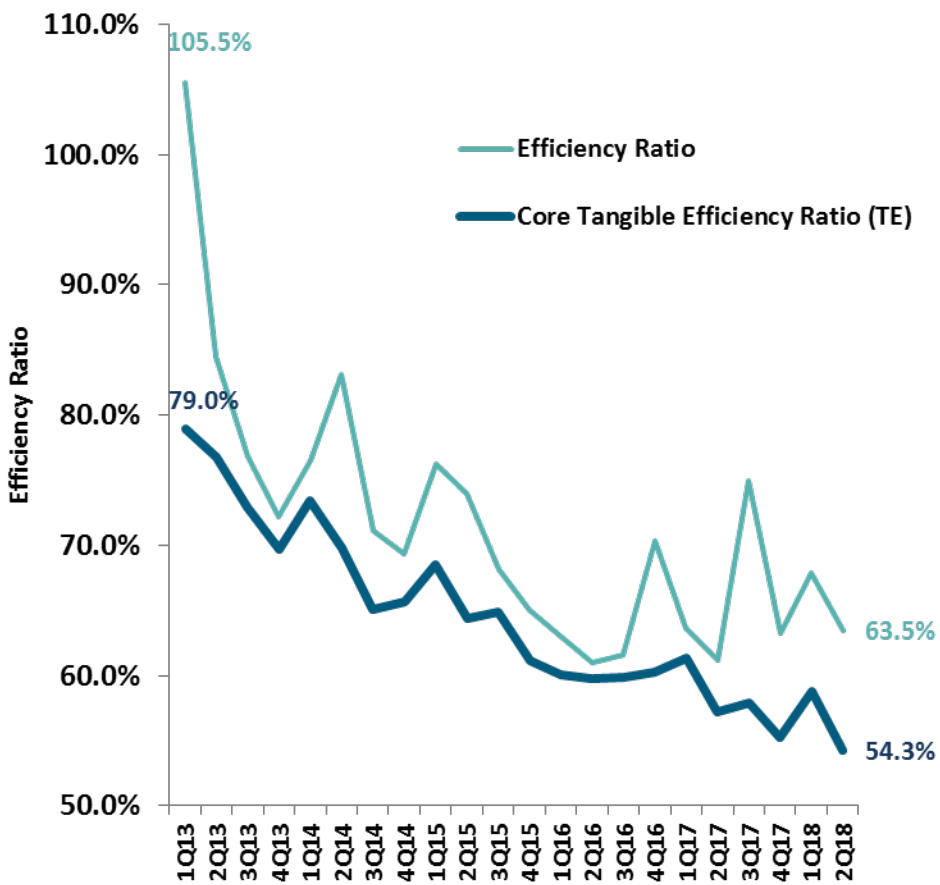
## Highlights

- **Total non-interest expense for the quarter increased $8.6 million, or 5%, to $196.9 million**
- **Core non-interest expenses increased $6.0 million, or 4%, to $175.4 million, including:**
  - **$1.5 million in occupancy and equipment expense**
  - **$1.0 million in CDI amortization expense**
  - **$1.3 million increase in mortgage loan repurchase reserves**
- **$21.4 million of non-core merger-related expense in 2Q18, primarily related to Gibraltar acquisition and branch closure expenses**
- **Cost saves and acquisition synergies embedded in the 2018 guidance non-interest expense range being realized as planned**

# Efficiency

## Efficiency Ratio Trends




## Highlights

- Total core revenues were up $32.5 million, or 12%, compared to 1Q18, while core expenses were up $6.0 million, or 4%, over that period
- Operating leverage multiples in 2Q18 of 3.8x on a GAAP basis and 5.4x on a Core basis
- Core tangible efficiency ratio was 54.3% in 2Q18
- Second quarter revenues and expenses rebounded from seasonal slowness in 1Q18
- Closed/Consolidated 2 branches in 2Q18
- Announced additional 22 branch closures to be completed by the end of the third quarter

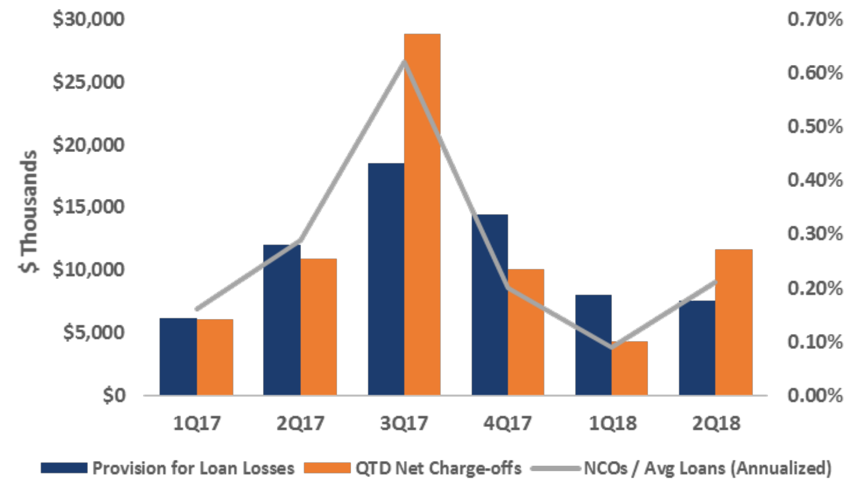
# Asset Quality

## Highlights

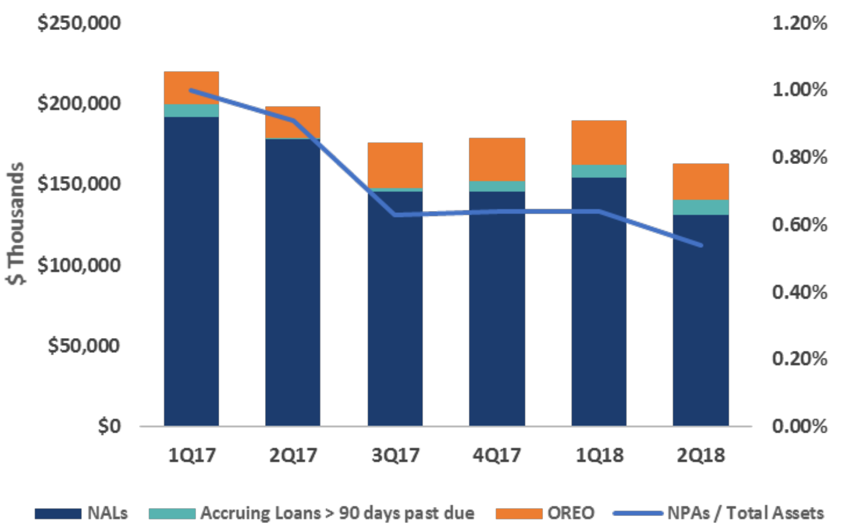
**Stable and improving credit quality metrics:**

- **Net charge-offs increased $7.3 million on a linked quarter basis, to $11.7 million at 2Q18, due primarily to one large legacy loan specifically reserved for in a prior period, compared to one large legacy recovery in 1Q18**
- **Annualized net charge-offs remain at relatively low levels, equating to 0.21% of average loans (annualized) for 2Q18, and 0.15% year-to-date 2018, with the majority previously reserved**
- **Provision expense of $7.6 million in 2Q18, a 5% decrease from 1Q18 due primarily to charge-offs covered by prior period reserves**
- **NPAs to Total Assets decreased to 0.54% at 2Q18, compared to 0.64% at 1Q18, and have declined 41% since 2Q17**

## Provision & Net Charge-Offs




## Non-Performing Assets

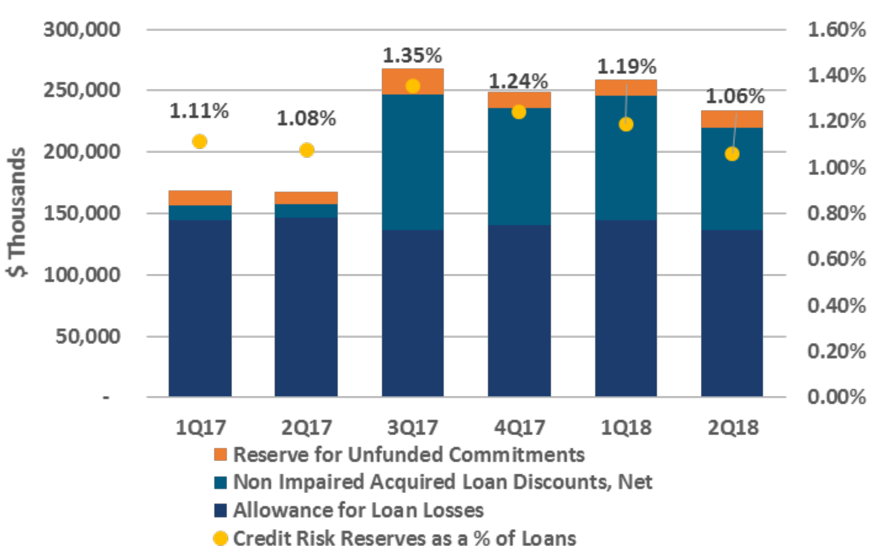


# Credit Risk Coverage

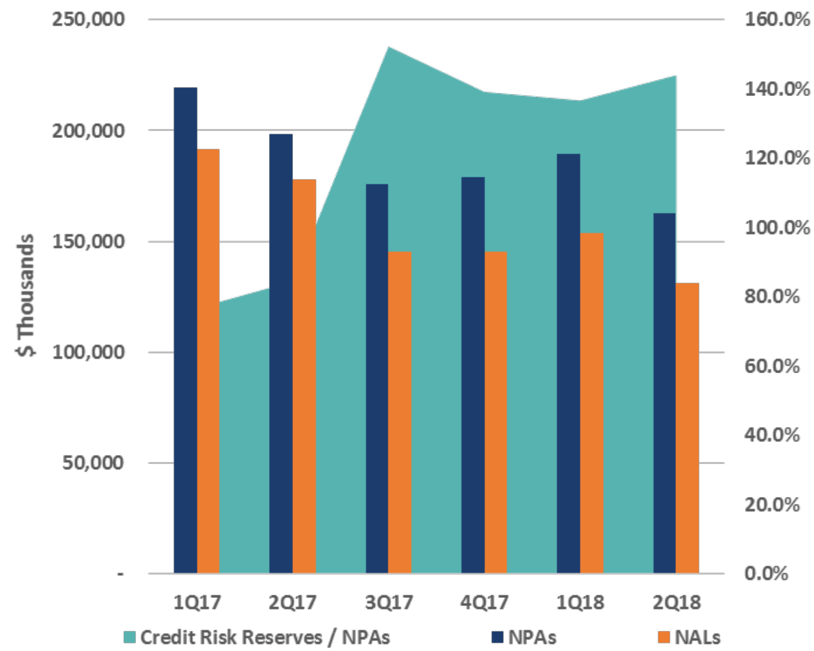
## Highlights

- Credit risk reserves include:
  - Allowance for credit losses
  - Acquired loan discounts (non-impaired assets)
- Credit reserve coverage of loans equal to 1.06% at 2Q18, as compared to 0.62% of allowance for loan losses to loans

## Credit Risk Reserves (Non-GAAP) & Loan Coverage




## Credit Risk Reserves (Non-GAAP) & NPA Coverage




| | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 |
|---|---|---|---|---|---|---|
| Allowance for Loan Losses | 144,890 | 146,225 | 136,628 | 140,891 | 144,527 | 136,576 |
| Non Impaired Acquired Loan Discounts, Net | 11,874 | 10,879 | 110,307 | 94,734 | 100,837 | 83,267 |
| Reserve for Unfunded Commitments | 11,660 | 10,462 | 21,032 | 13,208 | 13,432 | 14,433 |
| Total Credit Risk Reserves | 168,424 | 167,566 | 267,967 | 248,833 | 258,796 | 234,276 |
| *Credit Risk Reserves as a % of Loans* | *1.11%* | *1.08%* | *1.35%* | *1.24%* | *1.19%* | *1.06%* |

# Capital Position

## Highlights

- Capital ratios remain strong and stable
- Tier 1 leverage ratio declined as a result of the full impact of Gibraltar on average assets.
- Positively impacted by undistributed earnings in the quarter while somewhat offset by common stock share repurchases and an increase in risk weighted assets
- Declared quarterly common stock dividend of $0.38 per share, consistent with the prior quarter, payable on July 27, 2018
- Under the current Board-authorized share repurchase plan there are approximately 1.1 million shares of common stock remaining that may be purchased by the Company

## Capital Ratios (Preliminary)

| IBERIABANK Corporation | 1Q18 | 2Q18 | Change |
|---|---|---|---|
| Tangible Common Equity ratio | 8.66% | 8.56% | (10) bps |
| Common Equity Tier 1 (CET 1) ratio | 10.77% | 10.72% | (5) bps |
| Tier 1 Leverage | 9.97% | 9.55% | (42) bps |
| Tier 1 Risk-Based | 11.32% | 11.27% | (5) bps |
| Total Risk-Based | 12.48% | 12.37% | (11) bps |

| IBERIABANK and Subsidiaries | 1Q18 | 2Q18 | Change |
|---|---|---|---|
| Common Equity Tier 1 (CET 1) ratio | 11.16% | 11.12% | (4) bps |
| Tier 1 Leverage | 9.83% | 9.42% | (41) bps |
| Tier 1 Risk-Based | 11.16% | 11.12% | (4) bps |
| Total Risk-Based | 11.83% | 11.74% | (9) bps |

# 2018 Guidance Update

| 2018 Guidance | At 1Q18 | Current |
|---|---|---|
| Average Earning Assets | $27.3B ~ $27.7B | $27.4B ~ $27.6B |
| Consolidated Loan Growth % | 15% ~ 17% | 12% ~ 15% |
| Consolidated Deposit Growth % | 17% ~ 21% | 13% ~ 16% |
| Provision Expense | $37MM ~ $42MM | $32MM ~ $37MM |
| Non-Interest Income (Core Basis) | $210MM ~ $220MM | $205MM ~ $210MM |
| Non-Interest Expense (Core Basis) | $700MM ~ $710MM | $692MM ~ $698MM |
| Tax Rate | 21.0% ~ 22.0% | 22.0% ~ 23.0% |
| Net Interest Margin | 3.60% ~ 3.65% | 3.65% ~ 3.70% |
| Pre–tax One time Charges | $28MM ~ $31MM | $37MM ~ $39MM |
| Credit Quality | Stable | Stable |

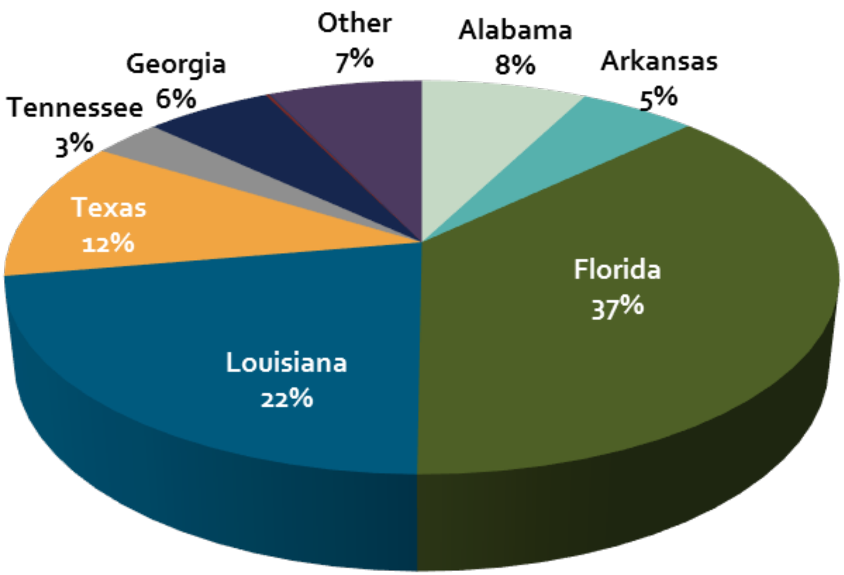
- Narrowing ranges as we cross mid-year; full-year expectations remain in line with expectations
- Pre-tax one time charges updated to include previously announced 2018 branch closures
- Assumes two additional federal funds rate increases in 2018
- Expected tax rate for the year excludes the income tax effects of merger and other pre-tax non-core adjustments as well as other income tax adjustments
- We continue to manage the business for long-term value creation for all shareholders

*The Company's guidance is subject to risks, uncertainties, and assumptions which could, individually or in aggregate, cause actual results or financial condition to differ materially from those anticipated above. Reference is made to "Caution About Forward-Looking Statements" in the earnings release which also applies to this guidance.*

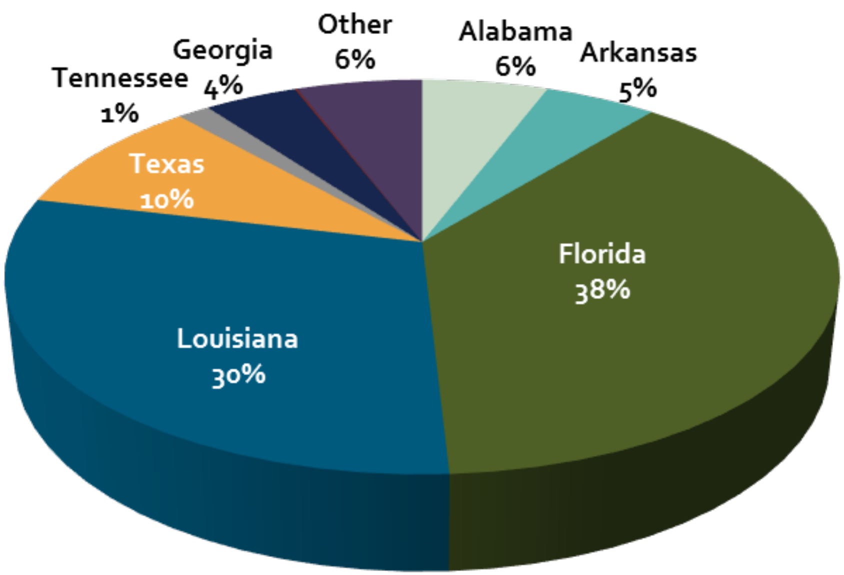
# *APPENDIX*

# Loans and Deposits By State

| Total Loans | Total Deposits |
| --- | --- |




***$22.1 Billion***




***$23.4 Billion***

*Note: Figures at period-end June 30, 2018*

# Non-Interest Income And Expense Trend Details

| Non-interest Income ($ millions) | 1Q 17 | 2Q 17 | 3Q 17 | 4Q 17 | 1Q 18 | 2Q 18 | 2Q18 vs. 1Q18 $ Change | 2Q18 vs. 1Q18 % Change |
|---|---|---|---|---|---|---|---|---|
| Service Charges on Deposit Accounts | $ 11.2 | $ 11.4 | $ 12.5 | $ 12.6 | $ 12.9 | $ 12.9 | $ 0.0 | 0% |
| ATM / Debit Card Fee Income | 2.5 | 2.6 | 2.5 | 2.6 | 2.6 | 2.9 | 0.3 | 11% |
| BOLI Proceeds and CSV Income | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.3 | - | 0% |
| Mortgage Income | 14.1 | 19.7 | 16.0 | 13.7 | 9.6 | 13.7 | 4.1 | 43% |
| Title Revenue | 4.7 | 6.2 | 5.6 | 5.4 | 5.0 | 6.8 | 1.8 | 36% |
| Broker Commissions | 2.5 | 2.6 | 2.1 | 1.9 | 2.2 | 2.4 | 0.2 | 8% |
| Other Non-interest Income | 8.8 | 10.0 | 11.0 | 14.8 | 11.0 | 13.9 | 2.9 | 27% |
| Non-interest income excluding non-core income | $ 45.1 | $ 53.7 | $ 51.0 | $ 52.3 | $ 44.6 | $ 53.9 | $ 9.3 | 21% |
| Gain (Loss) on Sale of Investments, Net | - | 0.1 | (0.2) | 0.0 | (0.1) | 0.0 | 0.1 | 178% |
| Other Non-core income | - | - | - | - | - | - | - | 0% |
| Total Non-interest Income | $ 45.1 | $ 53.8 | $ 50.8 | $ 52.3 | $ 44.5 | $ 53.9 | $ 9.4 | 21% |

| Non-interest Expense ($ millions) | 1Q 17 | 2Q 17 | 3Q 17 | 4Q 17 | 1Q 18 | 2Q 18 | 2Q18 vs. 1Q18 $ Change | 2Q18 vs. 1Q18 % Change |
|---|---|---|---|---|---|---|---|---|
| Mortgage Commissions | $ 3.3 | $ 5.3 | $ 5.3 | $ 5.3 | $ 4.4 | $ 6.6 | $ 2.2 | 50% |
| Hospitalization Expense | 5.9 | 5.2 | 5.7 | 6.8 | 6.7 | 6.9 | 0.2 | 3% |
| Other Salaries and Benefits | 72.6 | 75.2 | 84.4 | 88.5 | 90.0 | 88.0 | (2.0) | -2% |
| Salaries and Employee Benefits | $ 81.8 | $ 85.7 | $ 95.4 | $ 100.6 | $ 101.1 | $ 101.5 | $ 0.4 | 0% |
| Credit/Loan Related | 4.5 | 3.8 | 7.5 | 3.2 | 4.6 | 5.2 | 0.6 | 12% |
| Occupancy and Equipment | 16.0 | 16.1 | 18.8 | 18.4 | 18.4 | 19.9 | 1.5 | 8% |
| Amortization of Acquisition Intangibles | 1.8 | 1.7 | 4.5 | 4.6 | 5.1 | 6.1 | 1.0 | 20% |
| All Other Non-interest Expense | 33.1 | 32.0 | 35.2 | 38.8 | 40.3 | 42.7 | 2.4 | 6% |
| Nonint. Exp. (Ex-Non-Core Exp.) | $ 137.2 | $ 139.3 | $ 161.4 | $ 165.6 | $ 169.5 | $ 175.4 | $ 5.9 | 4% |
| Compensation-related expense | $ 0.1 | $ 0.4 | $ 1.1 | $ 1.5 | $ 1.2 | $ 1.8 | 0.6 | 48% |
| Storm-related expense | - | - | 0.4 | 0.1 | - | 0.0 | 0.0 | 0% |
| Impairment of branch properties, net of gains on sales | 1.4 | (1.3) | 3.7 | 3.2 | 2.1 | 5.4 | 3.3 | 158% |
| Consulting and Professional | - | 6.0 | 5.7 | - | - | - | - | 0% |
| Other Non-interest Expense | - | - | - | 0.3 | (0.7) | (0.1) | 0.6 | -84% |
| Merger-related expense | 0.1 | 1.0 | 28.5 | 11.4 | 16.2 | 14.3 | (1.9) | -12% |
| Total Non-interest Expense | $ 138.8 | $ 145.4 | $ 200.8 | $ 182.1 | $ 188.3 | $ 196.9 | $ 8.6 | 5% |
| Tangible Efficiency Ratio - excl Non-Core-Exp | 61.3% | 57.2% | 57.9% | 55.3% | 58.8% | 54.3% | | |

*Certain prior period amounts have been reclassified to conform to the net presentation requirements of ASU No. 2014-09, Revenue from Contracts with Customers, which was adopted effective January 1, 2018. On average, the adoption resulted in a reduction of non-interest income and non-interest expense of approximately $2.3 million on a quarterly basis, and had no impact on net income.*

# GAAP And Non-GAAP Cash Margin

| | Balances, As Reported | Adjustments | As Adjusted Non-GAAP |
|---|---|---|---|
| **2Q17** | | | |
| Average Balance | $ 20,109 | $ 72 | $ 20,181 |
| Income | $ 183.6 | $ (12.2) | $ 171.5 |
| Rate | 3.71% | -0.26% | 3.45% |
| **3Q17** | | | |
| Average Balance | $ 23,972 | $ 120 | $ 24,092 |
| Income | $ 216.9 | $ (19.6) | $ 197.3 |
| Rate | 3.64% | -0.35% | 3.29% |
| **4Q17** | | | |
| Average Balance | $ 25,686 | $ 161 | $ 25,847 |
| Income | $ 235.5 | $ (21.4) | $ 214.1 |
| Rate | 3.69% | -0.36% | 3.33% |
| **1Q18** | | | |
| Average Balance | $ 25,814 | $ 142 | $ 25,956 |
| Income | $ 232.9 | $ (14.8) | $ 218.1 |
| Rate | 3.67% | -0.25% | 3.42% |
| **2Q18** | | | |
| Average Balance | $ 27,443 | $ 142 | $ 27,585 |
| Income | $ 256.1 | $ (16.9) | $ 239.2 |
| Rate | 3.76% | -0.27% | 3.49% |

- **Adjustments represent accounting impacts of purchase discounts on acquired loans and related accretion**

*Dollars in millions*

# Reconciliation Of Non-GAAP Financial Measures

| | For The Quarter Ended | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | December 31, 2017 | | | March 31, 2018 | | | June 30, 2018 | | |
| | Dollar Amount | | | Dollar Amount | | | Dollar Amount | | |
| | Pre-tax | After-tax (2) | Per share | Pre-tax | After-tax (2) | Per share | Pre-tax | After-tax (2) | Per share |
| Income available to common shareholders (GAAP) | $ 91.4 | $ 9.3 | $ 0.17 | $ 81.2 | $ 60.0 | $ 1.10 | $ 105.6 | $ 74.2 | $ 1.30 |
| Non-interest income adjustments | | | | | | | | | |
| Gain on sale of investments and other non-interest income | (0.0) | (0.0) | (0.00) | (0.0) | (0.0) | (0.00) | (0.0) | (0.0) | (0.00) |
| Non-interest expense adjustments | | | | | | | | | |
| Merger-related expense | 11.4 | 8.5 | 0.16 | 16.2 | 12.5 | 0.23 | 14.3 | 11.0 | 0.20 |
| Compensation-related expense | 1.4 | 0.9 | 0.01 | 1.2 | 0.9 | 0.02 | 1.8 | 1.4 | 0.02 |
| Impairment of branch properties, net of (gain) loss on sale | 3.2 | 2.1 | 0.04 | 2.1 | 1.6 | 0.03 | 5.4 | 4.1 | 0.07 |
| Litigation expense | - | 1.2 | 0.02 | - | - | - | - | - | - |
| Other non-operating non-interest expense | 0.5 | 0.4 | 0.01 | (0.7) | (0.5) | (0.01) | (0.1) | (0.1) | - |
| Total non-interest expense adjustments | 16.5 | 13.1 | 0.24 | 18.8 | 14.5 | 0.27 | 21.4 | 16.4 | 0.29 |
| Income tax charges | - | 49.8 | 0.92 | - | 0.2 | - | - | 6.6 | 0.12 |
| Core earnings (Non-GAAP) | 107.8 | 72.2 | 1.33 | 100.0 | 74.7 | 1.37 | 127.0 | 97.2 | 1.71 |
| Provision for loan losses | 14.4 | 9.3 | | 8.0 | 6.3 | | 7.6 | 5.7 | |
| Pre-provision earnings, as adjusted (Non-GAAP) | $ 122.2 | $ 81.5 | | $ 108.0 | $ 81.0 | | $ 134.6 | $ 102.9 | |

(1) Per share amounts may not appear to foot due to rounding.
(2) Excluding merger-related expense and litigation expense, after-tax amounts are calculated using a tax rate of 24% in 2018 and 35% in 2017, which approximates the marginal tax rate.

- **No material non-core income in 2Q18**
- **Non-core expenses equal to $21.4 million pre-tax, or $0.29 EPS after-tax:**
  - **Merger-related expenses equal to $14.3 million, or $0.20 EPS after-tax**
  - **Compensation-related expense equal to $1.8 million, or $0.02 EPS after-tax**
  - **Impairment of branch properties equal to $5.4 million, or $0.07 EPS after-tax**
  - **Income tax charges equal to $6.6 million, or $0.12 EPS after-tax, related to finalized accounting of deferred tax assets for Sabadell acquisition and related impact of the Tax Cuts and Jobs Act on those adjustments**

*Dollars in millions*

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