NEWS RELEASE

# WesBanco Announces First Quarter 2019 Net Income

2019-04-16

WHEELING, W.Va., April 16, 2019 /PRNewswire/ -- WesBanco, Inc. ("WesBanco") (Nasdaq: WSBC), a diversified, multi-state bank holding company, today announced net income and related earnings per share for the three months ended March 31, 2019. Net income for the three months ended March 31, 2019 was $40.3 million, with diluted earnings per share of $0.74, compared to $33.5 million and $0.76 per diluted share, respectively, for the first quarter of 2018. Net income excluding after-tax merger-related expenses for the three months ended March 31, 2019, increased 26.9% year-over-year to $42.8 million, or $0.78 per diluted share as compared to $0.76 per diluted share in the prior year quarter, an increase of 2.6% (non-GAAP measure).

| | For the Three Months Ended March 31, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| (unaudited, dollars in thousands, except per share amounts) | Net Income | Diluted Earnings Per Share | Net Income | Diluted Earnings Per Share |
| Net income (Non-GAAP)[1] | $ 42,791 | $ 0.78 | $ 33,722 | $ 0.76 |
| Less: After tax merger-related expenses | (2,454) | (0.04) | (193) | - |
| Net income (GAAP) | $ 40,337 | $ 0.74 | $ 33,529 | $ 0.76 |

[1]See non-GAAP financial measures for additional information relating to the calculation of these items.

On April 5, 2018, WesBanco consummated the merger with First Sentry Bancshares, Inc. ("FTSB"), a bank holding company headquartered in Huntington, WV with $0.7 billion in assets, excluding goodwill. In addition, on August 20, 2018, WesBanco consummated the merger with Farmers Capital Bank Corporation ("FFKT"), a bank holding company headquartered in Frankfort, KY with approximately $1.6 billion in assets, excluding goodwill. Financial results for both FTSB and FFKT have been included in WesBanco's results from their respective merger consummation dates.

Financial and operational highlights:

- Completed the data systems and signage conversion of FFKT, and consolidated six financial centers during the first quarter
- Strong core returns on average assets and tangible equity of 1.39% and 16.56%, respectively (non-GAAP measures)

- Sequential and year-over-year improvement in the net interest margin reflects the benefits of the FFKT acquisition and our core deposit funding advantage
- Continued solid expense management demonstrated by a relatively stable efficiency ratio of 55.89% (non-GAAP measure)
- Continued strength across key credit quality metrics, including non-performing assets, past due loans, provision for credit losses, and net loan charge-offs
- Quarterly cash dividend increased 6.9%, or two cents, to $0.31 per share
- Named to Forbes magazine's inaugural ranking of the World's Best Banks, which was based on customer satisfaction and consumer feedback, earning the #7 ranking in the United States

"We are pleased with WesBanco's performance during the first quarter of 2019 as we successfully completed the integration of Farmers Capital," said Todd F. Clossin, President and Chief Executive Officer of WesBanco. "We continue to diligently adhere to our core strategies, which have served us well, to ensure a strong organization for our shareholders, customers, and employees. We remain well-positioned for continued success, and are excited about our growth opportunities for the upcoming year."

Mr. Clossin added, "I am extremely proud that WesBanco has been named one of the ten best banks in America by our customers, as we earned solid scores across the survey, including very high scores for 'general satisfaction', 'trust', and 'customer services'. WesBanco prides itself on delivering large bank capabilities with a community bank feel, as our customer-centric service culture is focused on building long-term customer relationships."

## Balance Sheet

Portfolio loans of $7.7 billion, as of March 31, 2019, increased 21.3% when compared to the prior year period due to the acquisitions of FTSB and FFKT. Reflecting continued stabilization across loan categories, total portfolio loans were flat when compared to the fourth quarter of 2018.

Total deposits increased 23.4% year-over-year to $8.9 billion due to the FTSB and FFKT acquisitions and organic growth from the strength of our legacy footprint. Reflecting this core strength, total organic growth in non-interest bearing demand deposits was 4.8%.

## Credit Quality

Our underlying credit fundamentals continue to be reflective of our strong legacy of credit and risk management. During the first quarter of 2019, our credit quality ratios remained strong as we balanced disciplined loan origination in the current environment with our prudent lending standards. Most credit quality measures have been at or near historic lows over the last several periods and, as such, variability from quarter to quarter may occur.

As of March 31, 2019, non-performing loans and non-performing assets decreased year-over-year on both an absolute dollar basis and as a percentage of the portfolio. Criticized and classified loan balances increased during the first quarter of 2019 to $109.3 million, or 1.42% of total portfolio loans, as part of our normal loan grade review process post-acquisition and in conjunction with two downgraded relationships in our legacy portfolio. The downgraded loans were from different industries, and no trends were evident.

Reflecting the overall high quality of the loan portfolio, the provision for credit losses held steady on an absolute dollar basis and as a percentage of the total loan portfolio. Annualized net loan charge-offs to average loans were flat at seven basis points year-over-year.

## Net Interest Margin and Income

The net interest margin for the first quarter of 2019 increased 30 basis points year-over-year to 3.68%. The net

interest margin benefited from increases in the Federal Reserve Board's target federal funds rate during 2018 and the higher margin on the acquired FFKT net assets, partially offset by higher funding costs as well as a flattening of the yield curve. The increase in the cost of interest bearing liabilities was primarily due to higher rates for interest bearing public funds, higher tier money market accounts, and Federal Home Loan Bank and other borrowings. Further, reflecting the benefit of our legacy deposit footprint, the year-to-date deposit beta on the three federal funds rate increases since the year ago quarter was 24%, or only 16% when including the strong growth in non-interest bearing deposits. Lastly, accretion from acquisitions benefited the first quarter net interest margin by approximately 19 basis points, as compared to 6 basis points in the prior year period, and 23 basis points in the fourth quarter of last year. Approximately three basis points of accretion in the first quarter was the result of a payoff of a prior acquisition's impaired loan.

Net interest income increased $25.1 million, or 34.2%, during the first quarter of 2019, as compared to the same quarter of 2018, due to a 23.0% increase in average total earning assets, primarily driven by the FTSB and FFKT acquisitions and related accretion from purchase accounting, as well as an overall higher net interest margin.

## Non-Interest Income

For the first quarter of 2019, non-interest income of $27.8 million increased $3.8 million, or 15.8%, from the first quarter of 2018, driven mostly by the FTSB and FFKT acquisitions. The associated larger customer deposit base and higher transaction volumes resulted in the year-over-year increases in electronic banking fees and service charges on deposits. Trust fees increased year-over-year primarily due to the higher trust assets from the addition of FFKT's trust business and organic growth. Other income increased $1.0 million primarily due to an increase in payment processing fee income. BOLI income decreased year-over-year due to mortality-related proceeds in the prior year period.

## Non-Interest Expense

Total operating expenses continued to be well controlled during the first quarter of 2019, despite the inclusion of FFKT's operating expenses. The FFKT cost savings of 35% announced in April 2018 remain on track for 75% of the anticipated savings to be achieved during 2019, and 100% thereafter. Focused expense savings began shortly after the February branch and data processing conversions. Excluding merger-related expenses, non-interest expense increased $17.0 million, or 31.3%, compared to the prior year period, reflecting the two acquisitions. This year-over-year increase is primarily due to higher salaries and wages, employee benefits, net occupancy, and equipment costs associated with additional staffing and financial center locations from the two acquisitions, as well as intangibles amortization. The employee benefits increase was impacted by a $0.6 million market adjustment in the deferred compensation plan obligation, which is mostly offset in net securities gains, and $0.7 million in higher seasonal payroll taxes, as well as higher health care and pension costs. FDIC insurance expense increased $0.7 million, or 105.6%, year-over-year due to now being assessed as a large bank with more than $10 billion in total assets.

## Provision for Income Taxes

During the first quarter, the effective tax rate was 18.01%, compared to 17.28% last year, while the provision for income taxes increased $1.9 million to $8.9 million due to higher year-over-year pre-tax income.

## Capital

WesBanco continues to maintain strong regulatory capital ratios as both consolidated and bank-level regulatory capital ratios are well above the applicable "well-capitalized" standards promulgated by bank regulators and the BASEL III capital standards. At March 31, 2019, Tier I leverage was 10.98%, Tier I Risk-Based capital was 15.31%, Total Risk-Based capital was 16.22%, and the Common Equity Tier 1 capital ratio ("CET 1") was 13.47%. Tangible common equity also remained strong, increasing to 9.57% at period-end from 8.46% as of March 31, 2018. Record

earnings achieved during 2018, strong regulatory capital and liquidity positions, and solid execution on well-defined long-term operational and growth strategies enabled WesBanco to increase the quarterly cash dividend by 6.9%, or two cents, to $0.31 per share during February 2019. This was the twelfth increase during the last nine years, representing a cumulative increase of 121%.

## Conference Call and Webcast

WesBanco will host a conference call to discuss the Company's financial results for the first quarter of 2019 at 3:00 p.m. ET on Wednesday, April 17, 2019. Interested parties can access the live webcast of the conference call through the Investor Relations section of the Company's website, **www.wesbanco.com**. Participants can also listen to the conference call by dialing 888-347-6607, 855-669-9657 for Canadian callers, or 412-902-4290 for international callers, and asking to be joined into the WesBanco call. Please log in or dial in at least 10 minutes prior to the start time to ensure a connection.

A replay of the conference call will be available by dialing 877-344-7529, 855-669-9658 for Canadian callers, or 412-317-0088 for international callers, and providing the access code of 10126867. The replay will begin at approximately 5:00 p.m. ET on April 17, and end at 12 a.m. ET on May 1. An archive of the webcast will be available for one year on the Investor Relations section of the Company's website (**www.wesbanco.com**).

## Forward-Looking Statements

Forward-looking statements in this report relating to WesBanco's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The information contained in this report should be read in conjunction with WesBanco's Form 10-K for the year ended December 31, 2018 and documents subsequently filed by WesBanco with the Securities and Exchange Commission ("SEC"), which are available at the SEC's website, **www.sec.gov** or at WesBanco's website, **www.wesbanco.com**. Investors are cautioned that forward-looking statements, which are not historical fact, involve risks and uncertainties, including those detailed in WesBanco's most recent Annual Report on Form 10-K filed with the SEC under "Risk Factors" in Part I, Item 1A. Such statements are subject to important factors that could cause actual results to differ materially from those contemplated by such statements, including, without limitation, the effects of changing regional and national economic conditions; changes in interest rates, spreads on earning assets and interest-bearing liabilities, and associated interest rate sensitivity; sources of liquidity available to WesBanco and its related subsidiary operations; potential future credit losses and the credit risk of commercial, real estate, and consumer loan customers and their borrowing activities; actions of the Federal Reserve Board, the Federal Deposit Insurance Corporation, the SEC, the Financial Institution Regulatory Authority, the Municipal Securities Rulemaking Board, the Securities Investors Protection Corporation, and other regulatory bodies; potential legislative and federal and state regulatory actions and reform, including, without limitation, the impact of the implementation of the Dodd-Frank Act; adverse decisions of federal and state courts; fraud, scams and schemes of third parties; cyber-security breaches; competitive conditions in the financial services industry; rapidly changing technology affecting financial services; marketability of debt instruments and corresponding impact on fair value adjustments; and/or other external developments materially impacting WesBanco's operational and financial performance. WesBanco does not assume any duty to update forward-looking statements.

## About WesBanco, Inc.

Founded in 1870, WesBanco, Inc. (**www.wesbanco.com**) is a multi-state, bank holding company with total assets of approximately $12.6 billion (as of March 31, 2019). WesBanco is a diversified and well-balanced financial services institution, with a community bank at its core, built upon a strong legacy of credit and risk management. WesBanco has meaningful market share across its key geographies maintained by its commitment to dedicated customer service and solid fee-based businesses. It also provides wealth management services through a century-old trust

and wealth management business, with approximately $4.5 billion of assets under management (as of March 31, 2019), and serves as registered investment advisor to a proprietary mutual fund family, the WesMark Funds. WesBanco's banking subsidiary, WesBanco Bank, Inc., operates 203 financial centers in the states of Indiana, Kentucky, Ohio, Pennsylvania, and West Virginia. In addition, WesBanco operates an insurance agency, WesBanco Insurance Services, Inc., and a full service broker/dealer, WesBanco Securities, Inc.

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WESBANCO, INC.
Consolidated Selected Financial Highlights 
(unaudited, dollars in thousands, except shares and per share amounts)

| STATEMENT OF INCOME | For the Three Months Ended March 31, | | |
|---|---|---|---|
| | 2019 | 2018 | % Change |
| Interest and dividend income | | | |
| Loans, including fees | $ 95,502 | $ 69,237 | 37.9 |
| Interest and dividends on securities: | | | |
| Taxable | 16,733 | 11,543 | 45.0 |
| Tax-exempt | 5,541 | 4,834 | 14.6 |
| Total interest and dividends on securities | 22,274 | 16,377 | 36.0 |
| Other interest income | 1,277 | 803 | 59.0 |
| Total interest and dividend income | 119,053 | 86,417 | 37.8 |
| Interest expense | | | |
| Interest bearing demand deposits | 3,946 | 2,524 | 56.3 |
| Money market deposits | 1,899 | 878 | 116.3 |
| Savings deposits | 522 | 189 | 176.2 |
| Certificates of deposit | 3,903 | 2,536 | 53.9 |
| Total interest expense on deposits | 10,270 | 6,127 | 67.6 |
| Federal Home Loan Bank borrowings | 6,337 | 4,498 | 40.9 |
| Other short-term borrowings | 1,556 | 558 | 178.9 |
| Subordinated debt and junior subordinated debt | 2,529 | 1,942 | 30.2 |
| Total interest expense | 20,692 | 13,125 | 57.7 |
| Net interest income | 98,361 | 73,292 | 34.2 |
| Provision for credit losses | 2,507 | 2,168 | 15.6 |
| Net interest income after provision for credit losses | 95,854 | 71,124 | 34.8 |
| Non-interest income | | | |
| Trust fees | 7,115 | 6,503 | 9.4 |
| Service charges on deposits | 6,549 | 4,822 | 35.8 |
| Electronic banking fees | 5,892 | 4,829 | 22.0 |
| Net securities brokerage revenue | 1,860 | 1,670 | 11.4 |
| Bank-owned life insurance | 1,319 | 2,756 | (52.1) |
| Mortgage banking income | 1,056 | 1,004 | 5.2 |
| Net securities gains/(losses) | 657 | (39) | 1,784.6 |
| Net gain on other real estate owned and other assets | 136 | 262 | (48.1) |
| Other income | 3,189 | 2,173 | 46.8 |
| Total non-interest income | 27,773 | 23,980 | 15.8 |
| Non-interest expense | | | |
| Salaries and wages | 30,940 | 25,006 | 23.7 |
| Employee benefits | 9,989 | 6,912 | 44.5 |
| Net occupancy | 5,566 | 4,656 | 19.5 |
| Equipment | 4,833 | 3,949 | 22.4 |
| Marketing | 1,243 | 1,116 | 11.4 |
| FDIC insurance | 1,353 | 658 | 105.6 |
| Amortization of intangible assets | 2,514 | 1,086 | 131.5 |
| Restructuring and merger-related expense | 3,107 | 245 | 1,168.2 |
| Other operating expenses | 14,887 | 10,943 | 36.0 |
| Total non-interest expense | 74,432 | 54,571 | 36.4 |
| Income before provision for income taxes | 49,195 | 40,533 | 21.4 |
| Provision for income taxes | 8,858 | 7,004 | 26.5 |
| Net Income | $ 40,337 | $ 33,529 | 20.3 |
| Taxable equivalent net interest income | $ 99,834 | $ 74,577 | 33.9 |
| Per common share data | | | |
| Net income per common share - basic | $ 0.74 | $ 0.76 | (2.6) |
| Net income per common share - diluted | 0.74 | 0.76 | (2.6) |
| Net income per common share - diluted, excluding certain items (1)(2) | 0.78 | 0.76 | 2.6 |
| Dividends declared | 0.31 | 0.29 | 6.9 |
| Book value (period end) | 37.05 | 31.68 | 17.0 |
| Tangible book value (period end) (1) | 20.49 | 18.56 | 10.4 |
| Average common shares outstanding - basic | 54,598,499 | 44,050,701 | 23.9 |
| Average common shares outstanding - diluted | 54,706,337 | 44,168,242 | 23.9 |

| | | | |
|---|---|---|---|
| Period end common shares outstanding | 54,599,127 | 44,060,957 | 23.9 |

(1) See non-GAAP financial measures for additional information relating to the calculation of this item.
(2) Certain items excluded from the calculation consist of after-tax merger-related expenses.



Selected ratios

| | For the Three Months Ended March 31, | | |
|---|---|---|---|
| | 2019 | 2018 | % Change |
| Return on average assets | 1.31 % | 1.36 % | (3.68) % |
| Return on average assets, excluding after-tax merger-related expenses | 1.39 | 1.37 | 1.46 |
| Return on average equity | 8.17 | 9.70 | (15.77) |
| Return on average equity, excluding after-tax merger-related expenses | 8.67 | 9.76 | (11.17) |
| Return on average tangible equity (1) | 15.65 | 17.10 | (8.48) |
| Return on average tangible equity, excluding after-tax merger-related expenses | 16.56 | 17.20 | (3.72) |
| Yield on earning assets (2) | 4.45 | 3.98 | 11.81 |
| Cost of interest bearing liabilities | 1.06 | 0.80 | 32.50 |
| Net interest spread (2) | 3.39 | 3.18 | 6.60 |
| Net interest margin (2) | 3.68 | 3.38 | 8.88 |
| Efficiency (1) (2) | 55.89 | 55.12 | 1.40 |
| Average loans to average deposits | 87.01 | 89.26 | (2.52) |
| Annualized net loan charge-offs/average loans | 0.07 | 0.07 | - |
| Effective income tax rate | 18.01 | 17.28 | 4.22 |

| | For the Quarter Ended | | | | |
|---|---|---|---|---|---|
| | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| Return on average assets | 1.31 % | 1.39 % | 1.10 % | 1.22 % | 1.36 % |
| Return on average assets, excluding after-tax merger-related expenses | 1.39 | 1.42 | 1.39 | 1.38 | 1.37 |
| Return on average equity | 8.17 | 8.94 | 7.50 | 8.77 | 9.70 |
| Return on average equity, excluding after-tax merger-related expenses | 8.67 | 9.16 | 9.47 | 9.90 | 9.76 |
| Return on average tangible equity (1) | 15.65 | 17.67 | 14.25 | 15.87 | 17.10 |
| Return on average tangible equity, excluding after-tax merger-related expenses | 16.56 | 18.09 | 17.85 | 17.85 | 17.20 |
| Yield on earning assets (2) | 4.45 | 4.42 | 4.21 | 4.11 | 3.98 |
| Cost of interest bearing liabilities | 1.06 | 0.97 | 0.95 | 0.91 | 0.80 |
| Net interest spread (2) | 3.39 | 3.45 | 3.26 | 3.20 | 3.18 |
| Net interest margin (2) | 3.68 | 3.72 | 3.50 | 3.43 | 3.38 |
| Efficiency (1) (2) | 55.89 | 53.62 | 55.55 | 54.28 | 55.12 |
| Average loans to average deposits | 87.01 | 85.94 | 87.56 | 88.15 | 89.26 |
| Annualized net loan charge-offs (recoveries)/average loans | 0.07 | 0.14 | (0.02) | 0.03 | 0.07 |
| Effective income tax rate | 18.01 | 19.37 | 16.71 | 18.11 | 17.28 |
| Trust assets, market value at period end | $ 4,514,013 | $ 4,269,961 | $ 4,743,894 | $ 4,044,207 | $ 4,027,358 |

(1) See non-GAAP financial measures for additional information relating to the calculation of this item.
(2) The yield on earning assets, net interest margin, net interest spread and efficiency ratios are presented on a fully taxable-equivalent (FTE) and annualized basis. The FTE basis adjusts for the tax benefit of income on certain tax-exempt loans and investments. WesBanco believes this measure to be the preferred industry measurement of net interest income and provides a relevant comparison between taxable and non-taxable amounts.

## Consolidated Selected Financial Highlights

(unaudited, dollars in thousands, except shares)

### Balance sheets

| | March 31, | | | December 31, | % Change |
|---|---|---|---|---|---|
| Assets | 2019 | 2018 | % Change | 2018 | December 31, 2018 to March 31, 2019 |
| Cash and due from banks | $ 159,097 | $ 91,361 | 74.1 | $ 124,650 | 27.6 |
| Due from banks - interest bearing | 177,797 | 9,484 | 1,774.7 | 44,536 | 299.2 |
| Securities: | | | | | |
| Equity securities, at fair value | 11,978 | 13,986 | (14.4) | 11,737 | 2.1 |
| Available-for-sale debt securities, at fair value | 2,145,089 | 1,728,377 | 24.1 | 2,114,129 | 1.5 |
| Held-to-maturity debt securities (fair values of $948,641; $1,005,502 and $1,020,743, respectively) | 936,484 | 1,006,042 | (6.9) | 1,020,934 | (8.3) |
| Total securities | 3,093,551 | 2,748,405 | 12.6 | 3,146,800 | (1.7) |
| Loans held for sale | 8,358 | 12,962 | (35.5) | 8,994 | (7.1) |
| Portfolio loans: | | | | | |
| Commercial real estate | 3,842,408 | 3,015,226 | 27.4 | 3,853,695 | (0.3) |
| Commercial and industrial | 1,274,992 | 1,118,333 | 14.0 | 1,265,460 | 0.8 |
| Residential real estate | 1,628,067 | 1,345,993 | 21.0 | 1,611,607 | 1.0 |
| Home equity | 590,462 | 523,425 | 12.8 | 599,331 | (1.5) |
| Consumer | 330,152 | 319,561 | 3.3 | 326,188 | 1.2 |
| Total portfolio loans, net of unearned income | 7,666,081 | 6,322,538 | 21.3 | 7,656,281 | 0.1 |
| Allowance for loan losses | (48,866) | (46,334) | (5.5) | (48,948) | 0.2 |
| Net portfolio loans | 7,617,215 | 6,276,204 | 21.4 | 7,607,333 | 0.1 |
| Premises and equipment, net | 180,651 | 128,583 | 40.5 | 166,925 | 8.2 |
| Accrued interest receivable | 39,662 | 31,963 | 24.1 | 38,853 | 2.1 |
| Goodwill and other intangible assets, net | 915,597 | 588,339 | 55.6 | 918,850 | (0.4) |
| Bank-owned life insurance | 226,636 | 191,839 | 18.1 | 225,317 | 0.6 |
| Other assets | 182,844 | 166,279 | 10.0 | 176,374 | 3.7 |
| Total Assets | $ 12,601,408 | $ 10,245,419 | 23.0 | $ 12,458,632 | 1.1 |
| Liabilities | | | | | |
| Deposits: | | | | | |
| Non-interest bearing demand | $ 2,511,140 | $ 1,950,619 | 28.7 | $ 2,441,041 | 2.9 |
| Interest bearing demand | 2,159,654 | 1,768,977 | 22.1 | 2,146,508 | 0.6 |
| Money market | 1,148,295 | 984,429 | 16.6 | 1,142,925 | 0.5 |
| Savings deposits | 1,672,967 | 1,314,632 | 27.3 | 1,645,549 | 1.7 |
| Certificates of deposit | 1,424,275 | 1,207,669 | 17.9 | 1,455,610 | (2.2) |
| Total deposits | 8,916,331 | 7,226,326 | 23.4 | 8,831,633 | 1.0 |
| Federal Home Loan Bank borrowings | 1,031,796 | 1,166,939 | (11.6) | 1,054,174 | (2.1) |
| Other short-term borrowings | 301,547 | 207,653 | 45.2 | 290,522 | 3.8 |
| Subordinated debt and junior subordinated debt | 179,632 | 164,379 | 9.3 | 189,842 | (5.4) |
| Total borrowings | 1,512,975 | 1,538,971 | (1.7) | 1,534,538 | (1.4) |
| Accrued interest payable | 6,030 | 4,033 | 49.5 | 4,627 | 30.3 |
| Other liabilities | 142,933 | 73,063 | 95.6 | 109,007 | 31.1 |
| Total Liabilities | 10,578,269 | 8,842,393 | 19.6 | 10,479,805 | 0.9 |
| Shareholders' Equity | | | | | |
| Preferred stock, no par value; 1,000,000 shares authorized; none outstanding | - | - | - | - | - |
| Common stock, $2.0833 par value; 100,000,000 shares authorized in 2019 and 2018, respectively; 54,604,294, 44,060,957 and 54,604,294 shares issued, respectively; 54,599,127, 44,060,957 and 54,598,134 shares outstanding, respectively | 113,758 | 91,793 | 23.9 | 113,758 | - |
| Capital surplus | 1,167,761 | 686,169 | 70.2 | 1,166,701 | 0.1 |
| Retained earnings | 761,002 | 673,174 | 13.0 | 737,581 | 3.2 |
| Treasury stock (5,167, 0 and 6,160 shares - at cost, respectively) | (229) | - | (100.0) | (274) | 16.4 |
| Accumulated other comprehensive loss | (18,098) | (47,076) | 61.6 | (37,871) | 52.2 |
| Deferred benefits for directors | (1,055) | (1,034) | (2.0) | (1,068) | 1.2 |
| Total Shareholders' Equity | 2,023,139 | 1,403,026 | 44.2 | 1,978,827 | 2.2 |
| Total Liabilities and Shareholders' Equity | $ 12,601,408 | $ 10,245,419 | 23.0 | $ 12,458,632 | 1.1 |

WESBANCO, INC.

## Consolidated Selected Financial Highlights



(unaudited, dollars in thousands)

### Average balance sheet and net interest margin analysis

| | Three Months Ended March 31, | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| Assets | Average Balance | Average Rate | | Average Balance | Average Rate | |
| Due from banks - interest bearing | $ 76,731 | 1.70 | % | $ 8,727 | 2.06 | % |
| Loans, net of unearned income (1) | 7,659,542 | 5.06 | | 6,339,550 | 4.43 | |
| Securities: (2) | | | | | | |
| Taxable | 2,353,856 | 2.84 | | 1,789,336 | 2.58 | |
| Tax-exempt (3) | 810,702 | 3.46 | | 717,624 | 3.41 | |
| Total securities | 3,164,558 | 3.00 | | 2,506,960 | 2.82 | |
| Other earning assets | 52,114 | 7.30 | | 50,388 | 6.02 | |
| Total earning assets (3) | 10,952,945 | 4.45 | % | 8,905,625 | 3.98 | % |
| Other assets | 1,557,087 | | | 1,087,739 | | |
| Total Assets | $ 12,510,032 | | | $ 9,993,364 | | |
| Liabilities and Shareholders' Equity | | | | | | |
| Interest bearing demand deposits | $ 2,129,601 | 0.75 | % | $ 1,697,755 | 0.60 | % |
| Money market accounts | 1,154,563 | 0.67 | | 1,005,236 | 0.35 | |
| Savings deposits | 1,659,751 | 0.13 | | 1,288,120 | 0.06 | |
| Certificates of deposit | 1,438,468 | 1.10 | | 1,241,228 | 0.83 | |
| Total interest bearing deposits | 6,382,383 | 0.65 | | 5,232,339 | 0.47 | |
| Federal Home Loan Bank borrowings | 1,053,014 | 2.44 | | 1,037,441 | 1.76 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other borrowings | 327,839 | 1.92 | | 204,833 | 1.10 | |
| Subordinated debt and junior subordinated debt | 189,524 | 5.41 | | 164,334 | 4.79 | |
| Total interest bearing liabilities | 7,952,760 | 1.06 | % | 6,638,947 | 0.80 | % |
| Non-interest bearing demand deposits | 2,420,462 | | | 1,869,624 | | |
| Other liabilities | 134,100 | | | 83,522 | | |
| Shareholders' equity | 2,002,710 | | | 1,401,271 | | |
| Total Liabilities and Shareholders' Equity | $ 12,510,032 | | | $ 9,993,364 | | |
| Taxable equivalent net interest spread | | 3.39 | % | | 3.18 | % |
| Taxable equivalent net interest margin | | 3.68 | % | | 3.38 | % |

(1) Gross of allowance for loan losses and net of unearned income. Includes non-accrual and loans held for sale.
Loan fees included in interest income on loans are $0.6 million for both the three months ended March 31, 2019 and 2018.
Additionally, loan accretion included in interest income on loans acquired from prior acquisitions was $4.9 and $1.2 million for the three months ended March 31, 2019 and 2018, respectively. Accretion on interest bearing liabilities acquired from the prior acquisitions was $0.4 million and $0.2 million for the three months ended March 31, 2019 and 2018, respectively.
(2) Average yields on available-for-sale securities are calculated based on amortized cost.
(3) Taxable equivalent basis is calculated on tax-exempt securities using a rate of 21% for each period presented.

WESBANCO, INC.
Consolidated Selected Financial Highlights
(unaudited, dollars in thousands, except shares and per share amounts)



| | Quarter Ended | | | | |
|---|---|---|---|---|---|
| Statement of Income | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| Interest and dividend income | | | | | |
| Loans, including fees | $ 95,502 | $ 97,685 | $ 86,605 | $ 78,538 | $ 69,237 |
| Interest and dividends on securities: | | | | | |
| Taxable | 16,733 | 16,196 | 14,964 | 14,194 | 11,543 |
| Tax-exempt | 5,541 | 5,562 | 5,326 | 5,055 | 4,834 |
| Total interest and dividends on securities | 22,274 | 21,758 | 20,290 | 19,249 | 16,377 |
| Other interest income | 1,277 | 1,944 | 1,498 | 1,101 | 803 |
| Total interest and dividend income | 119,053 | 121,387 | 108,393 | 98,888 | 86,417 |
| Interest expense | | | | | |
| Interest bearing demand deposits | 3,946 | 4,000 | 3,501 | 3,150 | 2,524 |
| Money market deposits | 1,899 | 1,683 | 1,360 | 1,093 | 878 |
| Savings deposits | 522 | 452 | 352 | 227 | 189 |
| Certificates of deposit | 3,903 | 3,662 | 3,276 | 2,977 | 2,536 |
| Total interest expense on deposits | 10,270 | 9,797 | 8,489 | 7,447 | 6,127 |
| Federal Home Loan Bank borrowings | 6,337 | 6,191 | 6,691 | 5,953 | 4,498 |
| Other short-term borrowings | 1,556 | 1,221 | 965 | 973 | 558 |
| Subordinated debt and junior subordinated debt | 2,529 | 2,411 | 2,315 | 2,168 | 1,942 |
| Total interest expense | 20,692 | 19,620 | 18,460 | 16,541 | 13,125 |
| Net interest income | 98,361 | 101,767 | 89,933 | 82,347 | 73,292 |
| Provision for credit losses | 2,507 | 2,854 | 1,035 | 1,708 | 2,168 |
| Net interest income after provision for credit losses | 95,854 | 98,913 | 88,898 | 80,639 | 71,124 |
| Non-interest income | | | | | |
| Trust fees | 7,115 | 6,103 | 6,265 | 5,752 | 6,503 |
| Service charges on deposits | 6,549 | 7,387 | 6,313 | 5,146 | 4,822 |
| Electronic banking fees | 5,892 | 6,604 | 6,139 | 5,728 | 4,829 |
| Net securities brokerage revenue | 1,860 | 1,871 | 1,836 | 1,809 | 1,670 |
| Bank-owned life insurance | 1,319 | 1,312 | 1,232 | 1,128 | 2,756 |
| Mortgage banking income | 1,056 | 1,543 | 1,521 | 1,670 | 1,004 |
| Net securities gains/(losses) | 657 | (1,303) | 84 | 358 | (39) |
| Net gain / (loss) on other real estate owned and other assets | 136 | (117) | 150 | 229 | 262 |
| Other income | 3,189 | 3,161 | 2,684 | 1,588 | 2,173 |
| Total non-interest income | 27,773 | 26,561 | 26,224 | 23,408 | 23,980 |
| Non-interest expense | | | | | |
| Salaries and wages | 30,940 | 32,389 | 30,335 | 26,872 | 25,006 |
| Employee benefits | 9,989 | 7,298 | 7,905 | 7,965 | 6,912 |
| Net occupancy | 5,566 | 5,455 | 4,957 | 4,103 | 4,656 |
| Equipment | 4,833 | 4,667 | 4,488 | 4,095 | 3,949 |
| Marketing | 1,243 | 1,402 | 1,446 | 1,405 | 1,116 |
| FDIC insurance | 1,353 | 927 | 789 | 868 | 658 |
| Amortization of intangible assets | 2,514 | 2,762 | 1,821 | 1,312 | 1,086 |
| Restructuring and merger-related expense | 3,107 | 1,389 | 10,811 | 5,412 | 245 |
| Other operating expenses | 14,887 | 14,701 | 13,568 | 11,511 | 10,943 |
| Total non-interest expense | 74,432 | 70,990 | 76,120 | 63,543 | 54,571 |
| Income before provision for income taxes | 49,195 | 54,484 | 39,002 | 40,504 | 40,533 |
| Provision for income taxes | 8,858 | 10,556 | 6,516 | 7,335 | 7,004 |
| Net Income | $ 40,337 | $ 43,928 | $ 32,486 | $ 33,169 | $ 33,529 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Taxable equivalent net interest income | $ 99,834 | $ 103,246 | $ 91,348 | $ 83,691 | $ 74,577 |
| Per common share data | | | | | | |
| Net income per common share - basic | $ 0.74 | $ 0.80 | $ 0.65 | $ 0.71 | $ 0.76 |
| Net income per common share - diluted | 0.74 | 0.80 | 0.64 | 0.71 | 0.76 |
| Net income per common share - diluted, excluding certain items (1)(2) | 0.78 | 0.82 | 0.81 | 0.80 | 0.76 |
| Dividends declared | 0.31 | 0.29 | 0.29 | 0.29 | 0.29 |
| Book value (period end) | 37.05 | 36.24 | 35.30 | 32.68 | 31.84 |
| Tangible book value (period end) (1) | 20.49 | 19.63 | 18.54 | 18.59 | 18.56 |
| Average common shares outstanding - basic | 54,598,499 | 54,598,142 | 50,277,847 | 46,498,305 | 44,050,701 |
| Average common shares outstanding - diluted | 54,706,337 | 54,706,691 | 50,432,112 | 46,639,780 | 44,168,242 |
| Period end common shares outstanding | 54,599,127 | 54,598,134 | 54,603,967 | 46,643,250 | 44,060,957 |
| Full time equivalent employees | 2,329 | 2,388 | 2,404 | 2,040 | 1,939 |

(1) See non-GAAP financial measures for additional information relating to the calculation of this item.
(2) Certain items excluded from the calculation consist of after-tax merger-related expenses and the net deferred tax asset revaluation.


(unaudited, dollars in thousands)

| | Quarter Ended | | | | |
|---|---|---|---|---|---|
| Asset quality data | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| Non-performing assets: | | | | | |
| Troubled debt restructurings - accruing | $ 5,481 | $ 5,744 | $ 6,338 | $ 6,460 | $ 6,858 |
| Non-accrual loans: | | | | | |
| Troubled debt restructurings | 2,936 | 2,855 | 2,036 | 2,514 | 2,397 |
| Other non-accrual loans | 27,291 | 27,845 | 29,238 | 29,467 | 29,989 |
| Total non-accrual loans | 30,227 | 30,700 | 31,274 | 31,981 | 32,386 |
| Total non-performing loans | 35,708 | 36,444 | 37,612 | 38,441 | 39,244 |
| Other real estate and repossessed assets | 6,001 | 7,265 | 6,877 | 4,384 | 4,067 |
| Total non-performing assets | $ 41,709 | $ 43,709 | $ 44,489 | $ 42,825 | $ 43,311 |
| Past due loans (1): | | | | | |
| Loans past due 30-89 days | $ 21,433 | $ 19,569 | $ 18,016 | $ 13,357 | $ 14,536 |
| Loans past due 90 days or more | 2,740 | 4,077 | 2,451 | 1,881 | 1,579 |
| Total past due loans | $ 24,173 | $ 23,646 | $ 20,467 | $ 15,238 | $ 16,115 |
| Criticized and classified loans (2): | | | | | |
| Criticized loans | $ 69,691 | $ 51,710 | $ 46,370 | $ 34,045 | $ 33,785 |
| Classified loans | 39,412 | 31,244 | 31,437 | 38,982 | 34,566 |
| Total criticized and classified loans | $ 109,103 | $ 82,954 | $ 77,807 | $ 73,027 | $ 68,351 |
| Loans past due 30-89 days / total portfolio loans | 0.28 % | 0.26 % | 0.23 % | 0.20 % | 0.23 % |
| Loans past due 90 days or more / total portfolio loans | 0.04 | 0.05 | 0.03 | 0.03 | 0.02 |
| Non-performing loans / total portfolio loans | 0.47 | 0.48 | 0.49 | 0.57 | 0.62 |
| Non-performing assets/total portfolio loans, other real estate and repossessed assets | 0.54 | 0.57 | 0.58 | 0.63 | 0.68 |
| Non-performing assets / total assets | 0.33 | 0.35 | 0.35 | 0.39 | 0.42 |
| Criticized and classified loans / total portfolio loans | 1.42 | 1.08 | 1.01 | 1.08 | 1.08 |
| Allowance for loan losses | | | | | |
| Allowance for loan losses | $ 48,866 | $ 48,948 | $ 48,902 | $ 47,638 | $ 46,334 |
| Provision for credit losses | 2,507 | 2,854 | 1,035 | 1,708 | 2,168 |
| Net loan and deposit account overdraft charge-offs | 1,370 | 2,750 | (306) | 425 | 1,063 |
| Annualized net loan charge-offs /average loans | 0.07 % | 0.14 % | (0.02) % | 0.02 % | 0.07 % |
| Allowance for loan losses / total portfolio loans | 0.64 % | 0.64 % | 0.63 % | 0.70 % | 0.73 % |
| Allowance for loan losses / non-performing loans | 1.37 x | 1.34 x | 1.30 x | 1.24 x | 1.18 x |
| Allowance for loan losses / non-performing loans and loans past due | 0.82 x | 0.81 x | 0.84 x | 0.89 x | 0.84 x |

| | Quarter Ended | | | | |
|---|---|---|---|---|---|
| Capital ratios | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| Tier I leverage capital | 10.98 % | 10.74 % | 11.22 % | 10.21 % | 10.56 % |
| Tier I risk-based capital | 15.31 | 15.09 | 14.32 | 14.26 | 14.31 |
| Total risk-based capital | 16.22 | 15.99 | 15.20 | 15.26 | 15.35 |
| Common equity tier 1 capital ratio (CET 1) | 13.47 | 13.14 | 12.41 | 12.38 | 12.33 |

| | | | | | |
|---|---|---|---|---|---|
| Average shareholders' equity to average assets | 16.01 | 15.51 | 14.65 | 13.89 | 14.02 |
| Tangible equity to tangible assets (3) | 9.57 | 9.28 | 8.66 | 8.43 | 8.46 |

(1) Excludes non-performing loans.
(2) Criticized and classified loans may include loans that are also reported as non-performing or past due.
(3) See non-GAAP financial measures for additional information relating to the calculation of this ratio.

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NON-GAAP FINANCIAL MEASURES

The following non-GAAP financial measures used by WesBanco provide information useful to investors in understanding WesBanco's operating performance and trends, and facilitate comparisons with the performance of WesBanco's peers. The following tables summarize the non-GAAP financial measures derived from amounts reported in WesBanco's financial statements.

| | Three Months Ended | | | | |
|---|---|---|---|---|---|
| (unaudited, dollars in thousands, except shares and per share amounts) | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| **Return on average assets, excluding after-tax merger-related expenses:** | | | | | |
| Net income (annualized) | $ 163,589 | $ 174,280 | $ 128,886 | $ 133,039 | $ 135,979 |
| Plus: after-tax merger-related expenses (annualized) (1) | 9,954 | 4,353 | 33,885 | 17,150 | 784 |
| Net income excluding after-tax merger-related expenses (annualized) | 173,543 | 178,633 | 162,771 | 150,189 | 136,763 |
| Average total assets | $ 12,510,032 | $ 12,565,880 | $ 11,738,796 | $ 10,918,731 | $ 9,993,364 |
| Return on average assets, excluding after-tax merger-related expenses | 1.39% | 1.42% | 1.39% | 1.38% | 1.37% |
| **Return on average equity, excluding after-tax merger-related expenses:** | | | | | |
| Net income (annualized) | $ 163,589 | $ 174,280 | $ 128,886 | $ 133,039 | $ 135,979 |
| Plus: after-tax merger-related expenses (annualized) (1) | 9,954 | 4,353 | 33,885 | 17,150 | 784 |
| Net income excluding after-tax merger-related expenses (annualized) | 173,543 | 178,633 | 162,771 | 150,189 | 136,763 |
| Average total shareholders' equity | 2,002,710 | 1,949,530 | 1,719,489 | 1,517,036 | 1,401,271 |
| Return on average equity, excluding after-tax merger-related expenses | 8.67% | 9.16% | 9.47% | 9.90% | 9.76% |
| **Return on average tangible equity:** | | | | | |
| Net income (annualized) | $ 163,589 | $ 174,280 | $ 128,886 | $ 133,039 | $ 135,979 |
| Plus: amortization of intangibles (annualized) (1) | 8,055 | 8,657 | 5,707 | 4,156 | 3,479 |
| Net income before amortization of intangibles (annualized) | 171,644 | 182,937 | 134,593 | 137,195 | 139,458 |
| Average total shareholders' equity | 2,002,710 | 1,949,530 | 1,719,489 | 1,517,036 | 1,401,271 |
| Less: average goodwill and other intangibles, net of def. tax liability | (906,041) | (914,214) | (775,267) | (652,318) | (585,711) |
| Average tangible equity | $ 1,096,669 | $ 1,035,316 | $ 944,222 | $ 864,718 | $ 815,560 |
| Return on average tangible equity | 15.65% | 17.67% | 14.25% | 15.87% | 17.10% |
| **Return on average tangible equity, excluding after-tax merger-related expenses:** | | | | | |
| Net income (annualized) | $ 163,589 | $ 174,280 | $ 128,886 | $ 133,039 | $ 135,979 |
| Plus: after-tax merger-related expenses (annualized) (1) | 9,954 | 4,353 | 33,885 | 17,150 | 784 |
| Plus: amortization of intangibles (annualized) (1) | 8,055 | 8,657 | 5,707 | 4,156 | 3,479 |
| Net income before amortization of intangibles and excluding after-tax merger-related expenses (annualized) | 181,598 | 187,290 | 168,478 | 154,345 | 140,242 |
| Average total shareholders' equity | 2,002,710 | 1,949,530 | 1,719,489 | 1,517,036 | 1,401,271 |
| Less: average goodwill and other intangibles, net of def. tax liability | (906,041) | (914,214) | (775,267) | (652,318) | (585,711) |
| Average tangible equity | $ 1,096,669 | $ 1,035,316 | $ 944,222 | $ 864,718 | $ 815,560 |
| Return on average tangible equity, excluding after-tax merger-related expenses | 16.56% | 18.09% | 17.85% | 17.85% | 17.20% |
| **Efficiency ratio:** | | | | | |
| Non-interest expense | $ 74,432 | $ 70,990 | $ 76,120 | $ 63,543 | $ 54,571 |
| Less: restructuring and merger-related expense | (3,107) | (1,389) | (10,811) | (5,412) | (245) |
| Non-interest expense excluding restructuring and merger-related expense | 71,325 | 69,601 | 65,309 | 58,131 | 54,326 |
| Net interest income on a fully taxable equivalent basis | 99,834 | 103,246 | 91,348 | 83,691 | 74,577 |
| Non-interest income | 27,773 | 26,561 | 26,224 | 23,408 | 23,980 |
| Net interest income on a fully taxable equivalent basis plus non-interest income | $ 127,607 | $ 129,807 | $ 117,572 | $ 107,099 | $ 98,557 |
| Efficiency Ratio | 55.89% | 53.62% | 55.55% | 54.28% | 55.12% |
| **Net income, excluding after-tax merger-related expenses:** | | | | | |
| Net income | $ 40,337 | $ 43,928 | $ 32,486 | $ 33,169 | $ 33,529 |
| Add: After-tax merger-related expenses (1) | 2,454 | 1,097 | 8,541 | 4,276 | 193 |

| | | | | | |
|---|---|---|---|---|---|
| Net income, excluding after-tax merger-related expenses | $ 42,791 | $ 45,025 | $ 41,027 | $ 37,445 | $ 33,722 |
| Net Income, excluding after-tax merger-related expenses per diluted share: | | | | | |
| Net income per diluted share | $ 0.74 | $ 0.80 | $ 0.64 | $ 0.71 | $ 0.76 |
| Add: After-tax merger-related expenses per diluted share (1) | 0.04 | 0.02 | 0.17 | 0.09 | - |
| Net income, excluding after-tax merger-related expenses per diluted share | $ 0.78 | $ 0.82 | $ 0.81 | $ 0.80 | $ 0.76 |

| | Period End | | | | |
|---|---|---|---|---|---|
| | Mar. 31, 2019 | Dec. 31, 2018 | Sept. 30, 2018 | June 30, 2018 | Mar. 31, 2018 |
| Tangible book value per share: | | | | | |
| Total shareholders' equity | $ 2,023,139 | $ 1,978,827 | $ 1,927,269 | $ 1,524,106 | $ 1,403,026 |
| Less: goodwill and other intangible assets, net of def. tax liability | (904,144) | (906,887) | (915,022) | (657,111) | (585,316) |
| Tangible equity | 1,118,995 | 1,071,940 | 1,012,247 | 866,995 | 817,711 |
| Common shares outstanding | 54,599,127 | 54,598,134 | 54,603,967 | 46,643,250 | 44,060,957 |
| Tangible book value per share | $ 20.49 | $ 19.63 | $ 18.54 | $ 18.59 | $ 18.56 |
| Tangible equity to tangible assets: | | | | | |
| Total shareholders' equity | $ 2,023,139 | $ 1,978,827 | $ 1,927,269 | $ 1,524,106 | $ 1,403,026 |
| Less: goodwill and other intangible assets, net of def. tax liability | (904,144) | (906,887) | (915,022) | (657,111) | (585,316) |
| Tangible equity | 1,118,995 | 1,071,940 | 1,012,247 | 866,995 | 817,711 |
| Total assets | 12,601,408 | 12,458,632 | 12,599,479 | 10,946,584 | 10,245,419 |
| Less: goodwill and other intangible assets, net of def. tax liability | (904,144) | (906,887) | (915,022) | (657,111) | (585,316) |
| Tangible assets | $ 11,697,264 | $ 11,551,745 | $ 11,684,457 | $ 10,289,473 | $ 9,660,103 |
| Tangible equity to tangible assets | 9.57% | 9.28% | 8.66% | 8.43% | 8.46% |

(1) Tax effected at 21% for all periods presented.

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SOURCE WesBanco, Inc.