FNB CORP/PA/
Form 10-Q
May 10, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)
Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the quarterly period ended March 31, 2018
Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934
For the transition period from to
Commission file number 001-31940

F.N.B. CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania	25-1255406
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One North Shore Center, 12 Federal Street, Pittsburgh, PA	15212
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 800-555-5455

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No
Indicate by check mark whether the registrant has submitted electronically and posted on its Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated

filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	Accelerated Filer
Non-accelerated Filer	Smaller reporting company
	Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at April 30, 2018
Common Stock, $0.01 Par Value	323,851,407 Shares

Table of Contents

F.N.B. CORPORATION
FORM 10-Q
March 31, 2018
INDEX

Table of Contents

Glossary of Acronyms and Terms

AFS	Available for sale
ALCO	Asset/Liability Committee
AOCI	Accumulated other comprehensive income
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
BOLI	Bank owned life insurance
Basel III	Basel III Capital Rules
EVE	Economic value of equity
FDIC	Federal Deposit Insurance Corporation
FHLB	Federal Home Loan Bank
FNB	F.N.B. Corporation
FNBPA	First National Bank of Pennsylvania
FRB	Board of Governors of the Federal Reserve System
FTE	Fully taxable equivalent
FVO	Fair value option
GAAP	U.S. generally accepted accounting principles
HTM	Held to maturity
IRLC	Interest rate lock commitments
LCR	Liquidity Coverage Ratio
LIBOR	London Inter-bank Offered Rate
MCH	Months of Cash on Hand
MSR	Mortgage servicing rights
OCC	Office of the Comptroller of the Currency
OREO	Other real estate owned
OTTI	Other-than-temporary impairment
Regency	Regency Finance Company
SBA	Small Business Administration
SEC	Securities and Exchange Commission
TCJA	Tax Cuts and Jobs Act of 2017
TDR	Troubled debt restructuring
TPS	Trust preferred securities
UST	U.S. Department of the Treasury
YDKN	Yadkin Financial Corporation

Table of Contents

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Dollars in thousands, except share and per share data

	March 31, 2018 (Unaudited)	December 31, 2017
Assets		
Cash and due from banks	$325,101	$408,718
Interest bearing deposits with banks	61,228	70,725
Cash and Cash Equivalents	386,329	479,443
Securities available for sale	2,927,463	2,764,562
Debt securities held to maturity (fair value of $3,131,964 and $3,218,379)	3,224,000	3,242,268
Loans held for sale (includes $21,610 and $56,458 measured at fair value) (1)	37,982	92,891
Loans and leases, net of unearned income of $43,791 and $50,680	21,262,397	20,998,766
Allowance for credit losses	(179,247)	(175,380)
Net Loans and Leases	21,083,150	20,823,386
Premises and equipment, net	333,424	336,540
Goodwill	2,251,281	2,249,188
Core deposit and other intangible assets, net	87,858	92,075
Bank owned life insurance	529,843	526,818
Other assets	791,023	810,464
Total Assets	$31,652,353	$31,417,635
Liabilities		
Deposits:		
Non-interest-bearing demand	$5,748,568	$5,720,030
Interest-bearing demand	9,407,111	9,571,038
Savings	2,600,151	2,488,178
Certificates and other time deposits	4,741,259	4,620,479
Total Deposits	22,497,089	22,399,725
Short-term borrowings	3,802,480	3,678,337
Long-term borrowings	659,890	668,173
Other liabilities	259,441	262,206
Total Liabilities	27,218,900	27,008,441
Stockholders' Equity		
Preferred stock - $0.01 par value; liquidation preference of $1,000 per share		
Authorized – 20,000,000 shares		
Issued – 110,877 shares	106,882	106,882
Common stock - $0.01 par value		
Authorized – 500,000,000 shares		
Issued – 325,319,503 and 325,095,055 shares	3,255	3,253
Additional paid-in capital	4,037,847	4,033,567
Retained earnings	413,340	367,658
Accumulated other comprehensive loss	(108,724)	(83,052)
Treasury stock – 1,632,510 and 1,629,915 shares at cost	(19,147)	(19,114)
Total Stockholders' Equity	4,433,453	4,409,194

Total Liabilities and Stockholders’ Equity	$31,652,353	$31,417,635

(1) Amount represents loans for which we have elected the fair value option. See Note 18.

See accompanying Notes to Consolidated Financial Statements (unaudited)

Table of Contents

F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Dollars in thousands, except per share data
Unaudited

	Three Months Ended March 31,	
	2018	2017
Interest Income		
Loans and leases, including fees	$239,094	$168,629
Securities:		
Taxable	26,879	22,466
Tax-exempt	6,594	3,401
Dividends	—	9
Other	360	188
Total Interest Income	272,927	194,693
Interest Expense		
Deposits	26,469	11,740
Short-term borrowings	15,207	6,674
Long-term borrowings	5,146	3,527
Total Interest Expense	46,822	21,941
Net Interest Income	226,105	172,752
Provision for credit losses	14,495	10,850
Net Interest Income After Provision for Credit Losses	211,610	161,902
Non-Interest Income		
Service charges	30,077	24,581
Trust services	6,448	5,747
Insurance commissions and fees	5,135	5,141
Securities commissions and fees	4,319	3,623
Capital markets income	5,214	3,847
Mortgage banking operations	5,529	3,790
Bank owned life insurance	3,285	2,153
Net securities gains	—	2,625
Other	7,496	3,609
Total Non-Interest Income	67,503	55,116
Non-Interest Expense		
Salaries and employee benefits	89,326	73,578
Net occupancy	15,568	11,349
Equipment	14,465	9,630
Amortization of intangibles	4,218	3,098
Outside services	14,725	13,043
FDIC insurance	8,834	5,387
Supplies	1,684	2,196
Bank shares and franchise taxes	3,452	2,980
Merger-related	—	52,724
Other	18,811	13,570
Total Non-Interest Expense	171,083	187,555
Income Before Income Taxes	108,030	29,463
Income taxes	21,268	6,484
Net Income	86,762	22,979

Preferred stock dividends	2,010	2,010
Net Income Available to Common Stockholders	$84,752	$20,969
Earnings per Common Share		
Basic	$0.26	$0.09
Diluted	$0.26	$0.09
Cash Dividends per Common Share	$0.12	$0.12

See accompanying Notes to Consolidated Financial Statements (unaudited)

Table of Contents

F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Dollars in thousands
Unaudited

	Three Months Ended March 31,	
	2018	2017
Net income	$86,762	$22,979
Other comprehensive (loss) income:		
Securities available for sale:		
Unrealized (losses) gains arising during the period, net of tax (benefit) expense of $(8,467) and $3,248	(29,787)	6,032
Reclassification adjustment for gains included in net income, net of tax expense of $0 and $424	—	(787)
Derivative instruments:		
Unrealized gains (losses) arising during the period, net of tax expense (benefit) of $1,082 and $(550)	3,804	(1,022)
Reclassification adjustment for gains included in net income, net of tax expense of $49 and $125	(173)	(233)
Pension and postretirement benefit obligations:		
Unrealized (losses) gains arising during the period, net of tax (benefit) expense of $136 and $221	484	410
Other comprehensive (loss) income	(25,672)	4,400
Comprehensive income	$61,090	$27,379

See accompanying Notes to Consolidated Financial Statements (unaudited)

Table of Contents

F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Dollars in thousands, except per share data
Unaudited

	Preferred Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance at January 1, 2017	$106,882	$ 2,125	$2,234,366	$304,397	$ (61,369)	$(14,784)	$2,571,617
Comprehensive income				22,979	4,400		27,379
Dividends declared:							
Preferred stock				(2,010)			(2,010)
Common stock: $0.12/share				(25,548)			(25,548)
Issuance of common stock		5	2,117			(2,925)	(803)
Issuance of common stock - acquisitions		1,116	1,780,891				1,782,007
Restricted stock compensation			1,394				1,394
Tax benefit of stock-based compensation			1,759				1,759
Balance at March 31, 2017	$106,882	$ 3,246	$4,020,527	$299,818	$ (56,969)	$(17,709)	$4,355,795
Balance at January 1, 2018	$106,882	$ 3,253	$4,033,567	$367,658	$ (83,052)	$(19,114)	$4,409,194
Comprehensive income				86,762	(25,672)		61,090
Dividends declared:							
Preferred stock				(2,010)			(2,010)
Common stock: $0.12/share				(39,070)			(39,070)
Issuance of common stock		2	2,341			(33)	2,310
Restricted stock compensation			1,939				1,939
Balance at March 31, 2018	$106,882	$ 3,255	$4,037,847	$413,340	$ (108,724)	$(19,147)	$4,433,453

See accompanying Notes to Consolidated Financial Statements (unaudited)

7

Table of Contents

F.N.B. CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Dollars in thousands
Unaudited

	Three Months Ended March 31, 2018	2017
Operating Activities		
Net income	$86,762	$22,979
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion	23,676	17,276
Provision for credit losses	14,495	10,850
Deferred tax expense	1,864	11,224
Net securities gains	—	(2,625)
Tax benefit of stock-based compensation	(233)	(720)
Loans originated for sale	(208,990)	(182,771)
Loans sold	269,235	135,405
Gain on sale of loans	(5,336)	(3,344)
Net change in:		
Interest receivable	(828)	(1,527)
Interest payable	282	444
Bank owned life insurance	(3,093)	(1,962)
Other, net	32,559	13,403
Net cash flows provided by operating activities	210,393	18,632
Investing Activities		
Net change in loans and leases	(284,196)	(208,958)
Securities available for sale:		
Purchases	(357,784)	(492,227)
Sales	—	549,460
Maturities	153,401	119,867
Debt securities held to maturity:		
Purchases	(63,918)	(531,560)
Sales	—	1,574
Maturities	80,492	119,324
Increase in premises and equipment	(9,347)	(23,186)
Net cash received in business combinations	—	197,682
Net cash flows used in investing activities	(481,352)	(268,024)
Financing Activities		
Net change in:		
Demand (non-interest bearing and interest bearing) and savings accounts	(23,416)	73,291
Time deposits	122,040	11,421
Short-term borrowings	124,143	286,765
Proceeds from issuance of long-term borrowings	10,122	65,998
Repayment of long-term borrowings	(18,213)	(82,506)
Net proceeds from issuance of common stock	4,249	957
Cash dividends paid:		
Preferred stock	(2,010)	(2,010)
Common stock	(39,070)	(25,548)

Net cash flows provided by financing activities	177,845	328,368
Net Increase (Decrease) in Cash and Cash Equivalents	(93,114)	78,976
Cash and cash equivalents at beginning of period	479,443	371,407
Cash and Cash Equivalents at End of Period	$386,329	$450,383

See accompanying Notes to Consolidated Financial Statements (unaudited)

Table of Contents

F.N.B. CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
March 31, 2018

The terms “FNB,” “the Corporation,” “we,” “us” and “our” throughout this Report mean F.N.B. Corporation and our consolidated subsidiaries, unless the context indicates that we refer only to the parent company, F.N.B. Corporation. When we refer to "FNBPA" in this Report, we mean our only bank subsidiary, First National Bank of Pennsylvania, and its subsidiaries.

NATURE OF OPERATIONS

F.N.B. Corporation, headquartered in Pittsburgh, Pennsylvania, is a diversified financial services company operating in eight states. Through FNBPA, we have over 150 years of serving the financial and banking needs of our customers. We hold a significant retail deposit market share in attractive markets including: Pittsburgh, Pennsylvania; Baltimore, Maryland; Cleveland, Ohio; and Charlotte, Raleigh-Durham and the Piedmont Triad (Winston-Salem, Greensboro and High Point) in North Carolina. As of March 31, 2018, we had 417 banking offices throughout Pennsylvania, Ohio, Maryland, West Virginia, North Carolina and South Carolina. We provide a full range of commercial banking, consumer banking and wealth management solutions through our subsidiary network which is led by our largest affiliate, FNBPA. Commercial banking solutions include corporate banking, small business banking, investment real estate financing, business credit, capital markets and lease financing. Consumer banking provides a full line of consumer banking products and services including deposit products, mortgage lending, consumer lending and a complete suite of mobile and online banking services. Wealth management services include fiduciary and brokerage services, asset management, private banking and insurance. We also operate Regency Finance Company, which had 77 consumer finance offices in Pennsylvania, Ohio, Kentucky and Tennessee as of March 31, 2018.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our accompanying Consolidated Financial Statements and these Notes to the Financial Statements include subsidiaries in which we have a controlling financial interest. We own and operate FNBPA, First National Trust Company, First National Investment Services Company, LLC, F.N.B. Investment Advisors, Inc., First National Insurance Agency, LLC, Regency, Bank Capital Services, LLC and F.N.B. Capital Corporation, LLC, and include results for each of these entities in the accompanying Consolidated Financial Statements.

The accompanying Consolidated Financial Statements include all adjustments that are necessary, in the opinion of management, to fairly reflect our financial position and results of operations in accordance with U.S. generally accepted accounting principles. All significant intercompany balances and transactions have been eliminated. Certain prior period amounts have been reclassified to conform to the current period presentation. Such reclassifications had no impact on our net income and stockholders’ equity. Events occurring subsequent to the date of the March 31, 2018 Balance Sheet have been evaluated for potential recognition or disclosure in the Consolidated Financial Statements through the date of the filing of the Consolidated Financial Statements with the Securities and Exchange Commission. Certain information and Note disclosures normally included in Consolidated Financial Statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. The interim operating results are not necessarily indicative of operating results FNB expects for the full year. These interim unaudited Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in FNB’s 2017 Annual Report on Form 10-K filed with the SEC on February 28, 2018. For a detailed description of our significant accounting policies, see Note 1 "Summary of Significant Accounting Policies" in the 2017 Form 10-K. The accounting policies presented below have been added or amended for newly material items or the adoption of new accounting standards.

Use of Estimates

Our accounting and reporting policies conform with GAAP. The preparation of Financial Statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying Notes. Actual results could materially differ from those estimates. Material estimates that are particularly

9

Table of Contents

susceptible to significant changes include the allowance for credit losses, accounting for acquired loans, fair value of financial instruments, goodwill and other intangible assets, income taxes and deferred tax assets and litigation.

Revenue from Contracts with Customers

We earn certain revenues from contracts with customers. These revenues are recognized when control of the promised services is transferred to the customers in an amount that reflects the consideration we expect to be entitled to in an exchange for those services.

In determining the appropriate revenue recognition for our contracts with customers, we consider whether the contract has commercial substance and is approved by both parties with identifiable contractual rights, payment terms, and the collectability of consideration is probable. Generally, we satisfy our performance obligations upon the completion of services at the amount to which we have the right to invoice or charge under contracts with an original expected duration of one year or less. We apply this guidance on a portfolio basis to contracts with similar characteristics and for which we believe the results would not differ materially from applying this guidance to individual contracts.

Our services provided under contracts with customers are transferred at the point in time when the services are rendered. Generally, we do not defer incremental direct costs to obtain contracts with customers that would be amortized in one year or less under the practical expedient. These costs are recognized as expense, primarily salary and benefit expense, in the period incurred.

Deposit Services. We recognize revenue on deposit services based on published fees for services provided. Demand and savings deposit customers have the right to cancel their depository arrangements and withdraw their deposited funds at any time without prior notice. When services involve deposited funds that can be retrieved by customers without penalties, we consider the service contract term to be day-to-day, where each day represents the renewal of the contract. The contract does not extend beyond the services performed and revenue is recognized at the end of the contract term (daily) as the performance obligation is satisfied.

No deposit services fees exist for long-term deposit products beyond early withdrawal penalties, which are earned on these products at the time of early termination.

Revenue from deposit services fees are reduced where we have a history of waived or reduced fees by customer request or due to a customer service issue, by historical experience, or another acceptable method in the same period as the related revenues. Revenues from deposit services are reported in the Consolidated Statements of Income as service charges and in the Community Banking segment as non-interest income.

Wealth Management Services. Wealth advisory and trust services are provided on a month-to-month basis and invoiced as services are rendered. Fees are based on a fixed amount or a scale based on the level of services provided or assets under management. The customer has the right to terminate their services agreement at any time. We determine the value of services performed based on the fee schedule in effect at the time the services are performed. Revenues from wealth advisory and trust services are reported in the Consolidated Statements of Income as trust services and securities commissions and fees, and in the Wealth segment as non-interest income.

Insurance Services. Insurance services include full-service insurance brokerage services offering numerous lines of commercial and personal insurance through major carriers to businesses and individuals within our geographic markets. We recognize revenue on insurance contracts in effect based on contractually specified commission payments on premiums that are paid by the customer to the insurance carrier. Contracts are cancellable at any time and we have no performance obligation to the customers beyond the time the insurance is placed into effect. Revenues from insurance services are reported in the Consolidated Statements of Income as insurance commissions and fees, and in the Insurance segment as non-interest income.

Debt Securities

Debt securities comprise a significant portion of our Consolidated Balance Sheets. Such securities can be classified as trading, HTM or AFS. As of March 31, 2018 and 2017, we did not hold any trading debt securities.

Debt securities HTM are the securities that management has the positive intent and ability to hold until their maturity. Such securities are carried at cost, adjusted for related amortization of premiums and accretion of discounts through interest income from securities, and subject to evaluation for OTTI.

Table of Contents

Debt securities that are not classified as trading or HTM are classified as AFS. Such securities are carried at fair value with net unrealized gains and losses deemed to be temporary and OTTI attributable to non-credit factors reported separately as a component of other comprehensive income, net of tax.

We evaluate our debt securities in a loss position for OTTI on a quarterly basis at the individual security level based on our intent to sell. If we intend to sell the debt security or it is more likely than not we will be required to sell the security before recovery of its amortized cost basis, OTTI must be recognized in earnings equal to the entire difference between the investments' amortized cost basis and its fair value. If we do not intend to sell the debt security and it is not more likely than not that we will be required to sell the security before recovery of its amortized cost basis, OTTI must be separated into the amount representing credit loss and the amount related to all other market factors. The amount related to credit loss will be recognized in earnings. The amount related to other market factors will be recognized in other comprehensive income, net of applicable taxes.

We perform our OTTI evaluation process in a consistent and systematic manner and include an evaluation of all available evidence. This process considers factors such as length of time and anticipated recovery period of the impairment, recent events specific to the issuer and recent experience regarding principal and interest payments.

Low Income Housing Tax Credit (LIHTC) Partnerships

We invest in various affordable housing projects that qualify for LIHTCs. The net investments are recorded in other assets on the Consolidated Balance Sheets. These investments generate a return through the realization of federal tax credits. We use the proportional amortization method to account for a majority of our investments in these entities. LIHTCs that do not meet the requirements of the proportional amortization method are recognized using the equity method. Our net investment in LIHTCs was $26.1 million and $20.9 million at March 31, 2018 and December 31, 2017, respectively. Our unfunded commitments in LIHTCs were $60.1 million and $67.2 million at March 31, 2018 and December 31, 2017, respectively.

NOTE 2. NEW ACCOUNTING STANDARDS

The following table summarizes accounting pronouncements issued by the Financial Accounting Standards Board that we recently adopted or will be adopting in the future.

Standard	Description	Required Date of Adoption	Financial Statements Impact
Derivative and Hedging Activities			
ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	This Update improves the financial reporting of hedging to better align with a company's risk management activities. In addition, this Update makes certain targeted improvements to simplify the application of the current hedge accounting guidance.	January 1, 2019 Early adoption is permitted.	This Update is to be applied using a modified retrospective method. The presentation and disclosure guidance are applied prospectively. We are currently assessing the potential impact to our Consolidated Financial Statements.
Securities			
ASU 2017-08, Receivables-Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities	This Update shortens the amortization period for the premium on certain purchased callable securities to the earliest call date. The accounting for purchased callable debt securities held at a discount does not change.	January 1, 2019 Early adoption is permitted.	This Update is to be applied using a modified retrospective transition method. The adoption of this Update is not expected to have a material effect on our Consolidated Financial Statements.

11

Table of Contents

Standard	Description	Required Date of Adoption	Financial Statements Impact
Retirement Benefits			
ASU 2017-07, Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost	This Update requires that an employer disaggregate the service cost component from the other components of net benefit cost. The amendments also provide explicit guidance on how to present the service cost component and the other components of net benefit cost in the income statement and allows only the service cost component of net benefit cost to be eligible for capitalization.	January 1, 2018	We adopted this Update in the first quarter of 2018 by a retrospective transition method. The adoption of this Update did not have a material effect on our Consolidated Financial Statements.
Statement of Cash Flows			
ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)	This Update adds or clarifies guidance on eight cash flow issues.	January 1, 2018	We adopted this Update in the first quarter of 2018 by retrospective application. The adoption of this Update did not have a material effect on our Consolidated Financial Statements.
Credit Losses			
ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	This Update replaces the current incurred loss impairment methodology with a methodology that reflects current expected credit losses (commonly referred to as CECL) for most financial assets measured at amortized cost and certain other instruments, including loans, HTM debt securities, net investments in leases and off-balance sheet credit exposures. CECL requires loss estimates for the remaining life of the financial asset at the time the asset is originated or acquired, considering historical experience, current conditions and reasonable and supportable forecasts. In addition, the Update will require the use of a modified AFS debt security impairment model and eliminate the current accounting for purchased credit impaired loans and debt securities.	January 1, 2020 Early adoption is permitted for fiscal years beginning after December 15, 2018	This Update is to be applied using a cumulative-effect adjustment to retained earnings. The CECL model is a significant change from existing GAAP and may result in a material change to our accounting for financial instruments. We are reviewing our business processes, information systems and controls to support recognition and disclosures under this Update. This review includes an assessment of our existing credit models and the financial statement disclosure requirements. The impact of this Update will be dependent on the portfolio composition, credit quality and economic conditions at the time of adoption.

Extinguishments of Liabilities			
ASU 2016-04, Liabilities - Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products (a consensus of the Emerging Issues Task Force)	This Update requires entities that sell prepaid stored-value products redeemable for goods, services or cash at third-party merchants to recognize breakage.	January 1, 2018	We adopted this Update in the first quarter of 2018. The adoption of this Update did not have a material effect on our Consolidated Financial Statements.

12

Table of Contents

Standard	Description	Required Date of Adoption	Financial Statements Impact
Leases			
ASU 2016-02, Leases (Topic 842)	This Update requires lessees to put most leases on their balance sheets but recognize expenses in the income statement similar to current accounting. In addition, the Update changes the guidance for sale-leaseback transactions, initial direct costs and lease executory costs for most entities. All entities will classify leases to determine how to recognize lease related revenue and expense.	January 1, 2019 Early adoption is permitted.	This Update is to be applied using a modified retrospective application including a number of optional practical expedients. We are in the process of reviewing our existing lease portfolios, implementing a software solution and assessing the potential impact to our Consolidated Financial Statements.
Financial Instruments – Recognition and Measurement			
ASU 2016-01, Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities	This Update amends the presentation and accounting for certain financial instruments, including liabilities measured at fair value under the FVO, and equity investments. The guidance also updates fair value presentation and disclosure requirements for financial instruments measured at amortized cost.	January 1, 2018	We adopted this Update in the first quarter of 2018 by a cumulative-effect adjustment. The adoption of this Update did not have a material effect on our Consolidated Financial Statements. During the first quarter of 2018, we transferred marketable equity securities totaling $1.1 million from securities AFS to other assets.
Revenue Recognition			
ASU 2014-09, Revenue from Contracts with Customers (Topic 606)	This Update modifies the guidance used to recognize revenue from contracts with customers for transfers of goods and services and transfers of nonfinancial assets, unless those contracts are within the scope of other guidance. The guidance also requires new qualitative and quantitative disclosures about contract balances and performance obligations.	January 1, 2018	We adopted this Update in the first quarter of 2018 under the modified retrospective method. The adoption of this Update did not have a material effect on our Consolidated Financial Statements.

NOTE 3. MERGERS AND ACQUISITIONS

Yadkin Financial Corporation

On March 11, 2017, we completed our acquisition of YDKN, a bank holding company based in Raleigh, North Carolina. YDKN’s banking affiliate, Yadkin Bank, was merged into FNBPA on March 11, 2017. YDKN’s results of operations have been included in our Consolidated Statements of Income since that date. The acquisition enabled us to enter several North Carolina markets, including Raleigh, Charlotte and the Piedmont Triad, which is comprised of Winston-Salem, Greensboro and High Point. We also completed the core systems conversion activities during the first quarter of 2017.

On the acquisition date, the fair values of YDKN included $6.8 billion in assets, of which there was $5.1 billion in loans, and $5.2 billion in deposits. The acquisition was valued at $1.8 billion based on the acquisition date FNB common stock closing price of $15.97 and resulted in FNB issuing 111,619,622 shares of our common stock in exchange for 51,677,565 shares of YDKN common stock. Under the terms of the merger agreement, shareholders of

YDKN received 2.16 shares of FNB common stock for each share of YDKN common stock and cash in lieu of fractional shares. YDKN's fully vested and outstanding stock options were converted into options to purchase and receive FNB common stock. In conjunction with the acquisition, we assumed a warrant that was issued by YDKN to the UST under the Capital Purchase Program. Based on the exchange ratio, this

Table of Contents

warrant, which expires in 2019, was converted into a warrant to purchase up to 207,320 shares of FNB common stock with an exercise price of $9.63.

The acquisition of YDKN constituted a business combination and has been accounted for using the acquisition method of accounting, and accordingly, assets acquired, liabilities assumed and consideration exchanged were recorded at estimated fair value on the acquisition date. The determination of estimated fair values required management to make certain estimates about discount rates, future expected cash flows, market conditions, and other future events that are highly subjective in nature and may require adjustments, which can be updated for up to a year following the acquisition. As of March 31, 2018, all fair values and related adjustments to goodwill have been recorded.

NOTE 4. SECURITIES

The amortized cost and fair value of securities are as follows:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities Available for Sale:				
March 31, 2018				
U.S. government-sponsored entities	$364,600	$ —	$(5,952)	$358,648
Residential mortgage-backed securities:				
Agency mortgage-backed securities	1,713,036	458	(41,921)	1,671,573
Agency collateralized mortgage obligations	860,902	28	(28,580)	832,350
Non-agency collateralized mortgage obligations	1	—	—	1
Commercial mortgage-backed securities	39,183	30	—	39,213
States of the U.S. and political subdivisions	21,138	3	(118)	21,023
Other debt securities	4,916	—	(261)	4,655
Total debt securities available for sale	$3,003,776	$ 519	$(76,832)	$2,927,463
December 31, 2017				
U.S. government-sponsored entities	$347,767	$ 52	$(3,877)	$343,942
Residential mortgage-backed securities:				
Agency mortgage-backed securities	1,615,168	1,225	(17,519)	1,598,874
Agency collateralized mortgage obligations	813,034	—	(18,077)	794,957
Non-agency collateralized mortgage obligations	1	—	—	1
States of the U.S. and political subdivisions	21,151	6	(64)	21,093
Other debt securities	4,913	—	(243)	4,670
Total debt securities	2,802,034	1,283	(39,780)	2,763,537
Equity securities	587	438	—	1,025
Total securities available for sale	$2,802,621	$ 1,721	$(39,780)	$2,764,562

Table of Contents

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt Securities Held to Maturity:				
March 31, 2018				
U.S. Treasury	$500	$ 114	$—	$614
U.S. government-sponsored entities	247,272	81	(5,716)	241,637
Residential mortgage-backed securities:				
Agency mortgage-backed securities	1,174,426	491	(27,472)	1,147,445
Agency collateralized mortgage obligations	783,151	257	(29,971)	753,437
Commercial mortgage-backed securities	79,476	32	(1,245)	78,263
States of the U.S. and political subdivisions	939,175	2,483	(31,090)	910,568
Total debt securities held to maturity	$3,224,000	$ 3,458	$(95,494)	$3,131,964
December 31, 2017				
U.S. Treasury	$500	$ 134	$—	$634
U.S. government-sponsored entities	247,310	93	(4,388)	243,015
Residential mortgage-backed securities:				
Agency mortgage-backed securities	1,219,802	3,475	(9,058)	1,214,219
Agency collateralized mortgage obligations	777,146	32	(20,095)	757,083
Commercial mortgage-backed securities	80,786	414	(575)	80,625
States of the U.S. and political subdivisions	916,724	13,209	(7,130)	922,803
Total debt securities held to maturity	$3,242,268	$ 17,357	$(41,246)	$3,218,379

Gross gains and gross losses were realized on securities as follows:

(in thousands)	Three Months Ended March 31, 2018	2017
Gross gains	$—	$3,400
Gross losses	—	(775)
Net gains	$—	$2,625

As of March 31, 2018, the amortized cost and fair value of debt securities, by contractual maturities, were as follows:

	Available for Sale		Held to Maturity	
(in thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$65,814	$65,498	$45,461	$45,221
Due from one to five years	262,236	256,811	210,014	204,580
Due from five to ten years	7,876	7,725	94,022	93,225
Due after ten years	54,728	54,292	837,450	809,793
	390,654	384,326	1,186,947	1,152,819
Residential mortgage-backed securities:				
Agency mortgage-backed securities	1,713,036	1,671,573	1,174,426	1,147,445
Agency collateralized mortgage obligations	860,902	832,350	783,151	753,437
Non-agency collateralized mortgage obligations	1	1	—	—
Commercial mortgage-backed securities	39,183	39,213	79,476	78,263
Total debt securities	$3,003,776	$2,927,463	$3,224,000	$3,131,964

15

Table of Contents

Maturities may differ from contractual terms because borrowers may have the right to call or prepay obligations with or without penalties. Periodic payments are received on residential mortgage-backed securities based on the payment patterns of the underlying collateral.
Following is information relating to securities pledged:

(dollars in thousands)	March 31, 2018	December 31, 2017
Securities pledged (carrying value):		
To secure public deposits, trust deposits and for other purposes as required by law	$3,532,023	$3,491,634
As collateral for short-term borrowings	298,233	263,756
Securities pledged as a percent of total securities	62.3 %	62.5 %

Following are summaries of the fair values and unrealized losses of temporarily impaired debt securities, segregated by length of impairment:

	Less than 12 Months			12 Months or More			Total		
(dollars in thousands)	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses	#	Fair Value	Unrealized Losses
Debt Securities Available for Sale									
March 31, 2018									
U.S. government-sponsored entities	8	$158,212	$(1,389)	10	$200,436	$(4,563)	18	$358,648	$(5,952)
Residential mortgage-backed securities:									
Agency mortgage-backed securities	59	1,212,767	(25,545)	28	444,583	(16,376)	87	1,657,350	(41,921)
Agency collateralized mortgage obligations	16	470,878	(13,274)	33	312,687	(15,306)	49	783,565	(28,580)
States of the U.S. and political subdivisions	7	11,434	(108)	1	877	(10)	8	12,311	(118)
Other debt securities	—	—	—	3	4,655	(261)	3	4,655	(261)
Total temporarily impaired debt securities AFS	90	$1,853,291	$(40,316)	75	$963,238	$(36,516)	165	$2,816,529	$(76,832)
December 31, 2017									
U.S. government-sponsored entities	7	$106,809	$(363)	10	$201,485	$(3,514)	17	$308,294	$(3,877)
Residential mortgage-backed securities:									
Agency mortgage-backed securities	43	976,738	(7,723)	28	473,625	(9,796)	71	1,450,363	(17,519)
Agency collateralized mortgage obligations	14	409,005	(6,231)	33	335,452	(11,846)	47	744,457	(18,077)
States of the U.S. and political subdivisions	7	11,254	(55)	1	879	(9)	8	12,133	(64)
Other debt securities	—	—	—	3	4,670	(243)	3	4,670	(243)
Total temporarily impaired debt securities AFS	71	$1,503,806	$(14,372)	75	$1,016,111	$(25,408)	146	$2,519,917	$(39,780)

Table of Contents

(dollars in thousands)	Less than 12 Months #	Fair Value	Unrealized Losses	12 Months or More #	Fair Value	Unrealized Losses	Total #	Fair Value	Unrealized Losses
Debt Securities Held to Maturity									
March 31, 2018									
U.S. government-sponsored entities	4	$54,558	$(465)	10	$184,750	$(5,251)	14	$239,308	$(5,716)
Residential mortgage-backed securities:									
Agency mortgage-backed securities	73	935,246	(20,410)	11	173,759	(7,062)	84	1,109,005	(27,472)
Agency collateralized mortgage obligations	16	267,299	(5,862)	35	444,572	(24,109)	51	711,871	(29,971)
Commercial mortgage-backed securities	6	48,737	(637)	3	19,909	(608)	9	68,646	(1,245)
States of the U.S. and political subdivisions	148	517,101	(16,245)	37	112,879	(14,845)	185	629,980	(31,090)
Total temporarily impaired debt securities HTM	247	$1,822,941	$(43,619)	96	$935,869	$(51,875)	343	$2,758,810	$(95,494)
December 31, 2017									
U.S. government-sponsored entities	4	$54,790	$(239)	10	$185,851	$(4,149)	14	$240,641	$(4,388)
Residential mortgage-backed securities:									
Agency mortgage-backed securities	36	648,485	(4,855)	11	183,989	(4,203)	47	832,474	(9,058)
Agency collateralized mortgage obligations	14	275,290	(1,701)	35	473,257	(18,394)	49	748,547	(20,095)
Commercial mortgage-backed securities	3	26,399	(123)	2	19,443	(452)	5	45,842	(575)
States of the U.S. and political subdivisions	16	56,739	(933)	37	121,536	(6,197)	53	178,275	(7,130)
Total temporarily impaired debt securities HTM	73	$1,061,703	$(7,851)	95	$984,076	$(33,395)	168	$2,045,779	$(41,246)

We do not intend to sell the debt securities and it is not more likely than not that we will be required to sell the securities before recovery of their amortized cost basis.

Other-Than-Temporary Impairment

We evaluate our investment securities portfolio for OTTI on a quarterly basis. Impairment is assessed at the individual security level. We consider an investment security impaired if the fair value of the security is less than its cost or amortized cost basis. We did not recognize any OTTI losses on securities for the three months ended March 31, 2018 or 2017.

States of the U.S. and Political Subdivisions

Our municipal bond portfolio with a carrying amount of $960.2 million as of March 31, 2018 is highly rated with an average entity-specific rating of AA and 100% of the portfolio rated A or better. All of the securities in the municipal portfolio except one are general obligation bonds. Geographically, municipal bonds support our primary footprint as 65% of the securities are from municipalities located throughout Pennsylvania, Ohio, Maryland, North Carolina and South Carolina. The average holding size of the securities in the municipal bond portfolio is $3.0 million. In addition to the strong stand-alone ratings, 62% of the municipalities have some formal credit enhancement insurance that strengthens the creditworthiness of their issue. Management reviews the credit profile of each issuer on a quarterly basis.

17

Table of Contents

NOTE 5. LOANS AND LEASES

Following is a summary of loans and leases, net of unearned income:

(in thousands)	Originated Loans and Leases	Acquired Loans	Total Loans and Leases
March 31, 2018			
Commercial real estate	$5,465,150	$3,346,325	$8,811,475
Commercial and industrial	3,688,120	591,849	4,279,969
Commercial leases	279,582	—	279,582
Other	39,347	—	39,347
Total commercial loans and leases	9,472,199	3,938,174	13,410,373
Direct installment	1,737,242	134,397	1,871,639
Residential mortgages	2,131,338	630,763	2,762,101
Indirect installment	1,524,330	171	1,524,501
Consumer lines of credit	1,135,488	558,295	1,693,783
Total consumer loans	6,528,398	1,323,626	7,852,024
Total loans and leases, net of unearned income	$16,000,597	$5,261,800	$21,262,397
December 31, 2017			
Commercial real estate	$5,174,783	$3,567,081	$8,741,864
Commercial and industrial	3,495,247	675,420	4,170,667
Commercial leases	266,720	—	266,720
Other	17,063	—	17,063
Total commercial loans and leases	8,953,813	4,242,501	13,196,314
Direct installment	1,755,713	149,822	1,905,535
Residential mortgages	2,036,226	666,465	2,702,691
Indirect installment	1,448,268	165	1,448,433
Consumer lines of credit	1,151,470	594,323	1,745,793
Total consumer loans	6,391,677	1,410,775	7,802,452
Total loans and leases, net of unearned income	$15,345,490	$5,653,276	$20,998,766

The loans and leases portfolio categories are comprised of the following:

- Commercial real estate includes both owner-occupied and non-owner-occupied loans secured by commercial properties;
- Commercial and industrial includes loans to businesses that are not secured by real estate;
- Commercial leases consist of leases for new or used equipment;
- Other is comprised primarily of credit cards and mezzanine loans;
- Direct installment is comprised of fixed-rate, closed-end consumer loans for personal, family or household use, such as home equity loans and automobile loans;
- Residential mortgages consist of conventional and jumbo mortgage loans for 1-4 family properties;
- Indirect installment is comprised of loans originated by approved third parties and underwritten by us, primarily automobile loans; and
- Consumer lines of credit include home equity lines of credit and consumer lines of credit that are either unsecured or secured by collateral other than home equity.

Table of Contents

The loans and leases portfolio consists principally of loans to individuals and small- and medium-sized businesses within our primary market areas of Pennsylvania, eastern Ohio, Maryland, North Carolina, South Carolina and northern West Virginia.

The following table shows certain information relating to commercial real estate loans:

(dollars in thousands)	March 31, 2018	December 31, 2017
Commercial construction, acquisition and development loans	$1,167,699	$1,170,175
Percent of total loans and leases	5.5 %	5.6 %
Commercial real estate:		
Percent owner-occupied	35.2 %	35.3 %
Percent non-owner-occupied	64.8 %	64.7 %

Acquired Loans

All acquired loans were initially recorded at fair value at the acquisition date. Refer to the Acquired Loans section in Note 1 of our 2017 Annual Report on Form 10-K for a discussion of ASC 310-20 and ASC 310-30 loans. The outstanding balance and the carrying amount of acquired loans included in the Consolidated Balance Sheets are as follows:

(in thousands)	March 31, 2018	December 31, 2017
Accounted for under ASC 310-30:		
Outstanding balance	$4,853,516	$ 5,176,015
Carrying amount	4,521,926	4,834,256
Accounted for under ASC 310-20:		
Outstanding balance	754,251	835,130
Carrying amount	733,037	812,322
Total acquired loans:		
Outstanding balance	5,607,767	6,011,145
Carrying amount	5,254,963	5,646,578

The outstanding balance is the undiscounted sum of all amounts owed under the loan, including amounts deemed principal, interest, fees, penalties and other, whether or not currently due and whether or not any such amounts have been written or charged-off.

The carrying amount of purchased credit impaired loans included in the table above totaled $1.7 million at March 31, 2018 and $1.9 million at December 31, 2017, representing 0.03% of the carrying amount of total acquired loans as of each date.

The following table provides changes in accretable yield for all acquired loans accounted for under ASC 310-30. Loans accounted for under ASC 310-20 are not included in this table.

	Three Months Ended March 31,	
(in thousands)	2018	2017
Balance at beginning of period	$708,481	$467,070
Acquisitions	—	443,261
Reduction due to unexpected early payoffs	(25,833)	(20,560)
Reclass from non-accretable difference	64,216	23,106
Disposals/transfers	(57)	(36)
Other	(403)	—
Accretion	(59,079)	(25,241)
Balance at end of period	$687,325	$887,600

19

Table of Contents

Cash flows expected to be collected on acquired loans are estimated quarterly by incorporating several key assumptions similar to the initial estimate of fair value. These key assumptions include probability of default and the amount of actual prepayments after the acquisition date. Prepayments affect the estimated life of the loans and could change the amount of interest income, and possibly principal expected to be collected. In reforecasting future estimated cash flows, credit loss expectations are adjusted as necessary. Improved cash flow expectations for loans or pools are recorded first as a reversal of previously recorded impairment, if any, and then as an increase in prospective yield when all previously recorded impairment has been recaptured. Decreases in expected cash flows are recognized as impairment through a charge to the provision for credit losses and credit to the allowance for credit losses.

During the three months ended March 31, 2018, there was an overall improvement in cash flow expectations which resulted in a net reclassification of $64.2 million from the non-accretable difference to accretable yield. This reclassification was $23.1 million for the three months ended March 31, 2017. The reclassification from the non-accretable difference to the accretable yield results in prospective yield adjustments on the loan pools.

Credit Quality

Management monitors the credit quality of our loan portfolio using several performance measures to do so based on payment activity and borrower performance.

Non-performing loans include non-accrual loans and non-performing TDRs. Past due loans are reviewed on a monthly basis to identify loans for non-accrual status. We place originated loans on non-accrual status and discontinue interest accruals on originated loans generally when principal or interest is due and has remained unpaid for a certain number of days or when the full amount of principal and interest is due and has remained unpaid for a certain number of days, unless the loan is both well secured and in the process of collection. Commercial loans and leases are placed on non-accrual at 90 days, installment loans are placed on non-accrual at 120 days and residential mortgages and consumer lines of credit are generally placed on non-accrual at 180 days, though we may place a loan on non-accrual prior to these past due thresholds as warranted. When a loan is placed on non-accrual status, all unpaid accrued interest is reversed. Non-accrual loans may not be restored to accrual status until all delinquent principal and interest have been paid and the ultimate ability to collect the remaining principal and interest is reasonably assured. The majority of TDRs are loans in which we have granted a concession on the interest rate or the original repayment terms due to the borrower’s financial distress.

Following is a summary of non-performing assets:

(dollars in thousands)	March 31, 2018		December 31, 2017	
Non-accrual loans	$77,684		$ 74,635	
Troubled debt restructurings	24,452		23,481	
Total non-performing loans	102,136		98,116	
Other real estate owned	40,980		40,606	
Total non-performing assets	$143,116		$ 138,722	
Asset quality ratios:				
Non-performing loans / total loans and leases	0.48	%	0.47	%
Non-performing loans + OREO / total loans and leases + OREO	0.67	%	0.66	%
Non-performing assets / total assets	0.45	%	0.44	%

The carrying value of residential other real estate owned held as a result of obtaining physical possession upon completion of a foreclosure or through completion of a deed in lieu of foreclosure amounted to $4.8 million at March 31, 2018 and $3.6 million at December 31, 2017. The recorded investment of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process at March 31, 2018 and December 31, 2017 totaled $13.8 million and $15.2 million, respectively.

Table of Contents

The following tables provide an analysis of the aging of loans by class segregated by loans and leases originated and loans acquired:

(in thousands)	30-89 Days Past Due	> 90 Days Past Due and Still Accruing	Non-Accrual	Total Past Due	Current	Total Loans and Leases
Originated Loans and Leases						
March 31, 2018						
Commercial real estate	$ 8,345	$ 1	$27,349	$35,695	$5,429,455	$5,465,150
Commercial and industrial	6,793	3	19,705	26,501	3,661,619	3,688,120
Commercial leases	692	—	1,399	2,091	277,491	279,582
Other	183	73	1,000	1,256	38,091	39,347
Total commercial loans and leases	16,013	77	49,453	65,543	9,406,656	9,472,199
Direct installment	8,129	3,913	8,411	20,453	1,716,789	1,737,242
Residential mortgages	14,870	1,982	5,254	22,106	2,109,232	2,131,338
Indirect installment	6,850	511	2,234	9,595	1,514,735	1,524,330
Consumer lines of credit	4,550	821	2,769	8,140	1,127,348	1,135,488
Total consumer loans	34,399	7,227	18,668	60,294	6,468,104	6,528,398
Total originated loans and leases	$ 50,412	$ 7,304	$68,121	$125,837	$15,874,760	$16,000,597
December 31, 2017						
Commercial real estate	$ 8,273	$ 1	$24,773	$33,047	$5,141,736	$5,174,783
Commercial and industrial	8,948	3	17,077	26,028	3,469,219	3,495,247
Commercial leases	1,382	41	1,574	2,997	263,723	266,720
Other	83	153	1,000	1,236	15,827	17,063
Total commercial loans and leases	18,686	198	44,424	63,308	8,890,505	8,953,813
Direct installment	13,192	4,466	8,896	26,554	1,729,159	1,755,713
Residential mortgages	14,096	2,832	5,771	22,699	2,013,527	2,036,226
Indirect installment	10,313	611	2,240	13,164	1,435,104	1,448,268
Consumer lines of credit	5,859	1,014	2,313	9,186	1,142,284	1,151,470
Total consumer loans	43,460	8,923	19,220	71,603	6,320,074	6,391,677
Total originated loans and leases	$ 62,146	$ 9,121	$63,644	$134,911	$15,210,579	$15,345,490

Table of Contents

(in thousands)	30-89 Days Past Due	> 90 Days Past Due and Still Accruing	Non-Accrual	Total Past Due (1) (2)	Current	(Discount) Premium	Total Loans
Acquired Loans							
March 31, 2018							
Commercial real estate	$32,697	$ 64,550	$3,735	$ 100,982	$3,433,231	$(187,888)	$3,346,325
Commercial and industrial	5,135	4,617	4,652	14,404	612,354	(34,909)	591,849
Total commercial loans	37,832	69,167	8,387	115,386	4,045,585	(222,797)	3,938,174
Direct installment	2,826	1,746	—	4,572	128,754	1,071	134,397
Residential mortgages	15,113	13,059	—	28,172	642,966	(40,375)	630,763
Indirect installment	—	1	—	1	7	163	171
Consumer lines of credit	5,357	2,139	1,176	8,672	561,906	(12,283)	558,295
Total consumer loans	23,296	16,945	1,176	41,417	1,333,633	(51,424)	1,323,626
Total acquired loans	$61,128	$ 86,112	$9,563	$ 156,803	$5,379,218	$(274,221)	$5,261,800
December 31, 2017							
Commercial real estate	$34,928	$ 63,092	$3,975	$ 101,995	$3,657,152	$(192,066)	$3,567,081
Commercial and industrial	3,187	6,452	5,663	15,302	698,265	(38,147)	675,420
Total commercial loans	38,115	69,544	9,638	117,297	4,355,417	(230,213)	4,242,501
Direct installment	5,267	2,013	—	7,280	141,386	1,156	149,822
Residential mortgages	17,191	15,139	—	32,330	675,499	(41,364)	666,465
Indirect installment	—	1	—	1	10	154	165
Consumer lines of credit	6,353	3,253	1,353	10,959			