



**BOSTON PRIVATE**

WEALTH ▫ TRUST ▫ PRIVATE BANKING



# Second Quarter 2019 Results

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July 25, 2019



Anthony DeChellis  
Chief Executive Officer

Steven Gaven  
Chief Financial Officer

Paul Simons  
President  
Private Banking, Wealth & Trust



## FORWARD LOOKING STATEMENTS

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Company’s management uses these non-GAAP measures in its analysis of the Company’s performance. These measures typically adjust GAAP performance measures to exclude significant gains or losses that are unusual in nature. Because these items and their impact on the Company’s performance are difficult to predict, management believes that presentations of financial measures excluding the impact of these items provide useful supplemental information that is essential to a proper understanding of the operating results of the Company’s core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

Certain statements in this press release that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. These statements include, among others, statements regarding our strategy, evaluations of future interest rate trends and liquidity, prospects for growth in assets, and prospects for overall results over the long term. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties and other factors which are, in some cases, beyond the Company’s control. Forward-looking statements are based on the current assumptions and beliefs of management and are only expectations of future results. The Company’s actual results could differ materially from those projected in the forward-looking statements as a result of, among other factors, adverse conditions in the capital and debt markets and the impact of such conditions on the Company’s private banking, investment management, wealth advisory, and trust activities; changes in interest rates; competitive pressures from other financial institutions; the effects of weakness in general economic conditions on a national basis or in the local markets in which the Company operates; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of loan loss reserves, or decreases in deposit levels necessitating increased borrowing to fund loans and investments; operational risks including, but not limited to, cybersecurity, fraud and natural disasters; changes in government regulation; the risk that goodwill and intangibles recorded in the Company’s financial statements will become impaired; the risk that the Company’s deferred tax asset may not be realized; risks related to the identification and implementation of acquisitions, dispositions and restructurings; changes in assumptions used in making such forward-looking statements; and the other risks and uncertainties detailed in the Company’s Annual Report on Form 10-K and updated by the Company’s Quarterly Reports on Form 10-Q and other filings submitted to the Securities and Exchange Commission. Forward-looking statements speak only as of the date on which they are made. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statement is made.

## 2Q19 CONSOLIDATED FINANCIAL HIGHLIGHTS

(\$ in millions, except per share data)

Operating Performance	Net Income	\$19.4
	Diluted EPS	\$0.22
	ROACE	9.8%
	ROATCE	11.1%
Balance Sheet & AUM	Average Deposits	\$6,590
	Average Loans	\$7,026
	Total AUM	\$16,199
	Total net flows	(\$269)
Capital	Tier 1 Common Equity Ratio <sup>1</sup>	11.2%
	Tangible Book Value Per Share	\$8.71

(1) Estimated  
 ROACE = Return on Average Common Equity  
 ROATCE = Return on Average Tangible Common Equity

# CONSOLIDATED INCOME STATEMENT

Reported (GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	YY
Net interest income	\$57.5	\$58.3	\$57.5	(2)%	—%
Core fees and income	24.3	24.3	31.9	—%	(24)%
Total other income	0.1	1.0	0.2	(91)%	(56)%
<b>Total revenue</b>	<b>\$81.8</b>	<b>\$83.6</b>	<b>\$89.6</b>	<b>(2)%</b>	<b>(9)%</b>
<b>Total operating expenses</b>	<b>\$55.7</b>	<b>\$60.6</b>	<b>\$64.4</b>	<b>(8)%</b>	<b>(14)%</b>
<b>Pre-tax, pre-provision income</b>	<b>\$26.2</b>	<b>\$23.0</b>	<b>\$25.3</b>	<b>14%</b>	<b>4%</b>
Provision expense/ (credit)	1.4	(1.4)	0.5	nm	nm
<b>Pre-tax income</b>	<b>\$24.8</b>	<b>\$24.5</b>	<b>\$24.8</b>	<b>1%</b>	<b>—%</b>
Income tax expense	5.4	4.9	17.4	9%	(69)%
Noncontrolling interests	0.1	0.1	1.0	(31)%	(93)%
<b>GAAP net income</b>	<b>\$19.4</b>	<b>\$19.4</b>	<b>\$6.4</b>	<b>—%</b>	<b>nm</b>

## Comments

- On December 3, 2018, the company completed the sale of its ownership interest in BOS. BOS's results remain consolidated in 2Q18 results
- On April 13, 2018, the company completed the sale of its ownership interest in Anchor. Anchor's results remain consolidated in 2Q18 results (through April 13, 2018)
- Total revenue and Total operating expenses declined on a year-over-year basis primarily driven by the divestitures of Anchor and BOS
- 2Q18 Income tax expense includes \$12.7 million expense related to divestiture of Anchor

# CONSOLIDATED INCOME STATEMENT

Operating basis, excludes Notable Items and Divested Affiliates (non-GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	Y/Y
Net interest income	\$57.5	\$58.3	\$57.5	(2)%	—%
Core fees and income (non-GAAP) <sup>2</sup>	24.3	24.3	25.0	—%	(3)%
Total other income (non-GAAP) <sup>2</sup>	0.1	1.0	0.2	(91)%	(48)%
<b>Total revenue (non-GAAP)<sup>2</sup></b>	<b>\$81.8</b>	<b>\$83.6</b>	<b>\$82.7</b>	<b>(2)%</b>	<b>(1)%</b>
<b>Total operating expenses (non-GAAP)<sup>2,3</sup></b>	<b>\$55.7</b>	<b>\$58.9</b>	<b>\$59.2</b>	<b>(6)%</b>	<b>(6)%</b>
<b>Pre-tax, pre-provision inc. (non-GAAP)<sup>2,3</sup></b>	<b>\$26.2</b>	<b>\$24.7</b>	<b>\$23.5</b>	<b>6%</b>	<b>11%</b>
Provision expense/ (credit)	1.4	(1.4)	0.5	nm	nm
<b>Pre-tax income (non-GAAP)<sup>2,3</sup></b>	<b>\$24.8</b>	<b>\$26.1</b>	<b>\$23.0</b>	<b>(5)%</b>	<b>8%</b>
Income tax expense (non-GAAP) <sup>2,3</sup>	5.4	5.3	4.4	2%	22%
Noncontrolling interests (non-GAAP) <sup>2</sup>	0.1	0.1	0.2	(31)%	(58)%
<b>Net income (non-GAAP)<sup>2,3</sup></b>	<b>\$19.4</b>	<b>\$20.7</b>	<b>\$18.5</b>	<b>(7)%</b>	<b>5%</b>
Memo:					
Net income (non-GAAP) <sup>2,3</sup>	\$19.4	\$20.7	\$18.5	(7)%	5 %
Impact of Notable Items	-	(1.3)	(13.1)	nm	nm
Divested Affiliates results	-	-	(1.0)	nm	nm
<b>GAAP net income</b>	<b>\$19.4</b>	<b>\$19.4</b>	<b>\$6.4</b>	<b>—%</b>	<b>nm</b>

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details) and financial results of Divested Affiliates
  - 1Q19 Notable Items include:
    - \$1.6 million restructuring expense (net impact of \$1.3 million after taxes)
  - 2Q18 Notable Items include:
    - \$12.7 million tax expense related to divestiture of Anchor
    - \$0.4 million information systems expense related to restructuring
- 
- Year-over-year pre-tax pre-provision income growth of 11% driven by expense decline of 6%
  - Linked quarter decline in pre-tax income and net income primarily driven by increased provision for loan loss expense, partially offset by higher pre-tax, pre-provision income

(2) Metrics exclude financial results from Anchor and BOS ("Divested Affiliates")

(3) Operating metrics have been adjusted to exclude Notable Items and are non-GAAP measures. See page 16 for more information

# CONSOLIDATED REVENUE TRENDS

Reported (GAAP), unless otherwise noted

(\$ in millions)					
	2Q19	1Q19	2Q18	LQ	Y/Y
<b>Net interest income</b>	<b>\$57.5</b>	<b>\$58.3</b>	<b>\$57.5</b>	<b>(2)%</b>	<b>—%</b>
<b>Noninterest income</b>					
Investment Management fees	2.5	2.7	4.2	(7)%	(42)%
Wealth Advisory fees	8.1	8.2	13.7	—%	(41)%
Wealth Management and Trust fees	10.8	10.9	11.2	(1)%	(4)%
Private Banking fees <sup>4</sup>	2.9	2.6	2.8	14%	4%
<b>Total core fees and income</b>	<b>\$24.3</b>	<b>\$24.3</b>	<b>\$31.9</b>	<b>—%</b>	<b>(24)%</b>
Miscellaneous <sup>5</sup>	0.1	1.0	0.2	(91)%	(56)%
<b>Total other income</b>	<b>\$0.1</b>	<b>\$1.0</b>	<b>\$0.2</b>	<b>(91)%</b>	<b>(56)%</b>
<b>Total revenue</b>	<b>\$81.8</b>	<b>\$83.6</b>	<b>\$89.6</b>	<b>(2)%</b>	<b>(9)%</b>

## Memo: Excluding Notable Items and Divested Affiliates (non-GAAP)

Investment Management fees (non-GAAP) <sup>2</sup>	\$2.5	\$2.7	\$3.1	(7)%	(20)%
Wealth Advisory fees (non-GAAP) <sup>2</sup>	8.1	8.2	8.0	—%	2%
Total core fees and income (non-GAAP) <sup>2</sup>	24.3	24.3	25.0	—%	(3)%
<b>Total operating revenue (non-GAAP)<sup>2</sup></b>	<b>\$81.8</b>	<b>\$83.6</b>	<b>\$82.7</b>	<b>(2)%</b>	<b>(1)%</b>

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details) and financial results of Divested Affiliates
- Year-over-year Total operating revenue decreased 1%, primarily driven by lower Investment Management fees and Wealth Management & Trust fees

(2) Metrics exclude financial results from Anchor and BOS (“Divested Affiliates”)

(4) Includes *Other banking fee income* and *Gain on sale of loans, net*

(5) Includes *Gain/(loss) on sale of investments, net*; *Gain/(loss) on OREO*; *Gain/(loss) on sale of affiliates*; and *Other income*

# CONSOLIDATED EXPENSE TRENDS

Reported (GAAP)

(\$ in millions)	% Change				
	2Q19	1Q19	2Q18	LQ	Y/Y
Salaries and employee benefits	\$32.7	\$35.7	\$39.4	(8)%	(17)%
Occupancy and Equipment	7.9	8.3	8.2	(6)%	(5)%
Professional services	3.3	3.6	2.9	(7)%	15%
Marketing and business development	1.9	1.1	2.1	78%	(7)%
Information systems	5.1	5.9	6.8	(12)%	(24)%
Amortization of intangibles	0.7	0.7	0.7	—%	(10)%
FDIC Insurance	0.6	0.7	0.7	(11)%	(17)%
Restructuring	-	1.6	-	nm	nm
Other	3.5	3.0	3.6	15%	(3)%
<b>Total operating expense</b>	<b>\$55.7</b>	<b>\$60.6</b>	<b>\$64.4</b>	<b>(8)%</b>	<b>(14)%</b>

## Comments

- Total operating expense declined 14% year-over-year primarily as a result of divestitures of Anchor and BOS

# CONSOLIDATED EXPENSE TRENDS

Operating basis, excludes Notable Items and Divested Affiliates (non-GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	Y/Y
Salaries and employee benefits <sup>2</sup>	\$32.7	\$35.7	\$36.0	(8%)	(9%)
Occupancy and equipment <sup>2</sup>	7.9	8.3	7.9	(6%)	(1%)
Professional services <sup>2</sup>	3.3	3.6	2.7	(7%)	24%
Marketing and business development <sup>2</sup>	1.9	1.1	1.8	78%	5%
Information systems <sup>2</sup>	5.1	5.9	6.1	(12%)	(16%)
Amortization of intangibles <sup>2</sup>	0.7	0.7	0.7	–%	(4%)
FDIC insurance <sup>2</sup>	0.6	0.7	0.7	(11%)	(17%)
Other <sup>2</sup>	3.5	3.0	3.3	15%	5%
<b>Total operating expense (non-GAAP)<sup>2,3</sup></b>	<b>\$55.7</b>	<b>\$58.9</b>	<b>\$59.2</b>	<b>(6%)</b>	<b>(6%)</b>

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details) and financial results of Divested Affiliates
- Salaries and employee benefits declined year-over-year primarily as a result of efficiency initiatives. Linked quarter decline driven primarily by seasonal payroll tax expense during 1Q19
- Information systems expense decrease driven primarily by savings attributable to information technology infrastructure consolidation

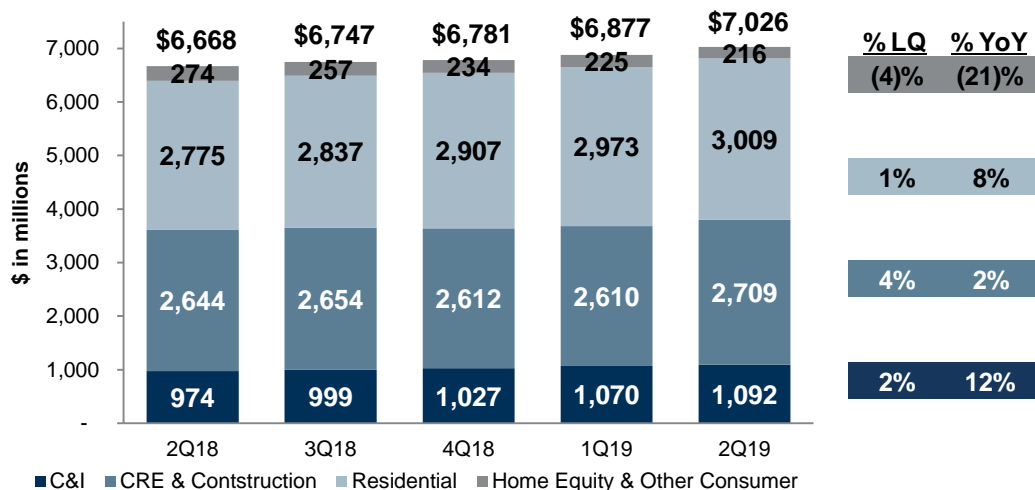
(2) Metrics exclude financial results from Anchor and BOS (“Divested Affiliates”)

(3) Operating metrics have been adjusted to exclude Notable Items and are non-GAAP measures. See page 16 for more information.



# BALANCE SHEET HIGHLIGHTS

## Average Loans



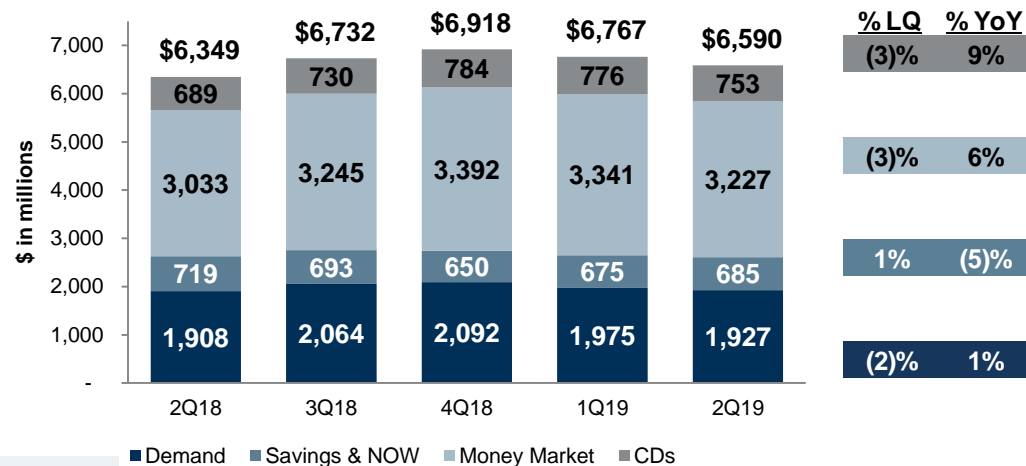
## Comments

- 107% average loan to deposit ratio for 2Q19

### Total Average Loans

- + 5% year-over-year to \$7.0 billion

## Average Deposits



### Total Average Deposits

- + 4% year-over-year to \$6.6 billion
- 3% decline linked quarter

# CONSOLIDATED NET INTEREST INCOME AND MARGIN

## Net interest income (\$ in millions)

	2Q18	3Q18	4Q18	1Q19	2Q19
<b>Net interest income</b>	<b>\$57.5</b>	<b>\$59.6</b>	<b>\$60.0</b>	<b>\$58.3</b>	<b>\$57.5</b>
Less: Interest recoveries	-	1.0	1.0	0.3	-
<b>Core net interest income, non-GAAP</b>	<b>\$57.5</b>	<b>\$58.7</b>	<b>\$59.0</b>	<b>\$58.1</b>	<b>\$57.5</b>

## Yield/ Cost

	2Q18	3Q18	4Q18	1Q19	2Q19
Cash and investments	2.22%	2.27%	2.35%	2.39%	2.32%
Loans	3.82%	3.99%	4.03%	4.07%	4.07%
Total interest-earning assets	3.55%	3.70%	3.76%	3.83%	3.82%
Cost of total deposits	0.53%	0.68%	0.77%	0.84%	0.88%
Interest-bearing deposits	0.76%	0.98%	1.11%	1.19%	1.25%
Total interest-bearing liabilities	1.00%	1.17%	1.23%	1.36%	1.48%
Total cost of funds	0.75%	0.86%	0.89%	1.00%	1.11%
<b>Net interest margin</b>	<b>2.85%</b>	<b>2.90%</b>	<b>2.94%</b>	<b>2.90%</b>	<b>2.78%</b>
<b>Core net interest margin (non-GAAP)</b>	<b>2.85%</b>	<b>2.85%</b>	<b>2.90%</b>	<b>2.89%</b>	<b>2.78%</b>

## Comments

### Core net interest income (non-GAAP)

- Flat year-over-year
- 1% decline linked quarter

### Core net interest margin

- 7 bp decline year-over-year
- 11 bp decline linked quarter

### Loan yields

- +25 bp year-over-year
- Flat linked quarter

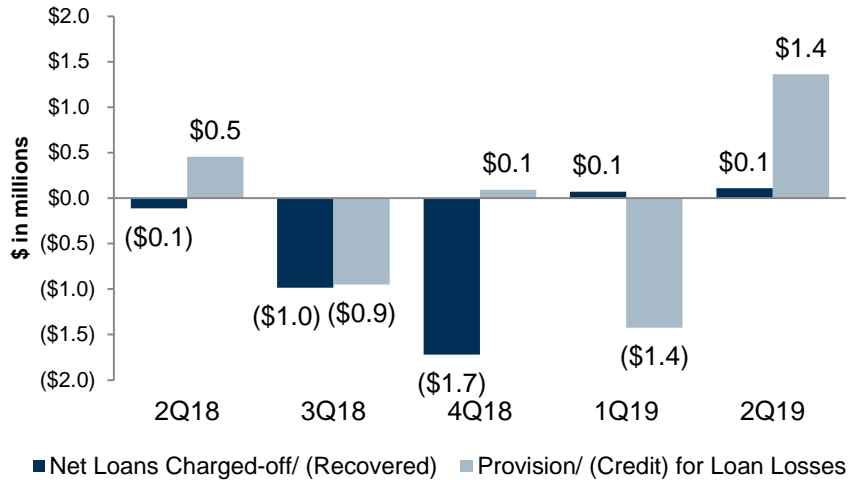
### Cost of total deposits

- +35 bp year-over-year
- +4 bp linked quarter

Interest recoveries = Interest recovered on previous nonaccrual loans  
Core net interest margin excludes the impact of interest recoveries

# ASSET QUALITY

## Net Charge-offs & Provision for Loan Losses

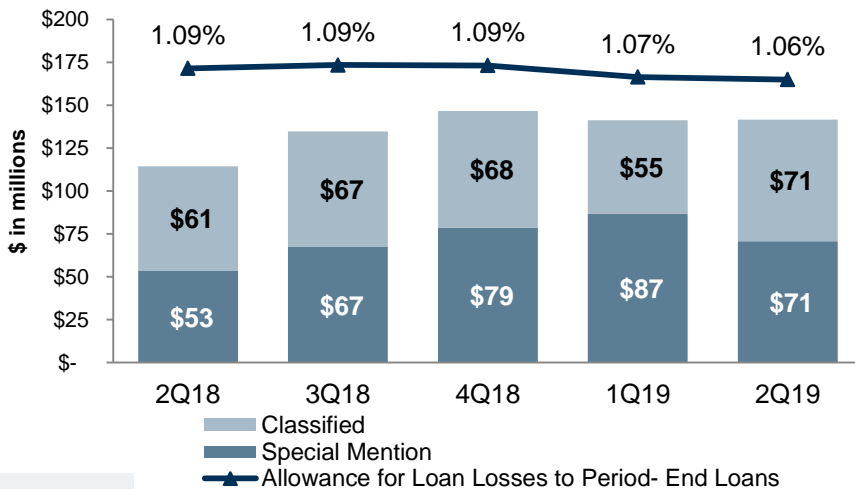


## Comments

2Q19 Provision credit of \$1.4 million

- Driven by loan growth

## Criticized Loans & Allowance for Loan Losses



Total criticized loans as of 6/30/19 of \$141.7 million

- +24% year-over-year
- Flat linked quarter
- Allowance for Loan Loss as a percent of Total Loans as of 6/30/19 was 1.06%

# PRIVATE BANK PERFORMANCE HIGHLIGHTS

Operating basis, excludes Notable Items and Divested Affiliates (non-GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	Y/Y
Net interest income	\$58.4	\$59.3	\$58.4	(2)%	—%
Core fees and income	2.9	2.6	2.8	14%	4%
Total other income	(0.1)	0.7	—	nm	nm
<b>Total revenue</b>	<b>\$61.2</b>	<b>\$62.6</b>	<b>\$61.3</b>	<b>(2)%</b>	<b>—%</b>
<b>Total operating expenses (non-GAAP)<sup>3</sup></b>	<b>\$37.8</b>	<b>\$40.1</b>	<b>\$39.2</b>	<b>(6)%</b>	<b>(4)%</b>
<b>Pre-tax, pre-provision income (non-GAAP)<sup>3</sup></b>	<b>\$23.4</b>	<b>\$22.6</b>	<b>\$22.0</b>	<b>3%</b>	<b>6%</b>
Provision expense/ (credit)	1.4	(1.4)	0.5	nm	nm
<b>Pre-tax income (non-GAAP)<sup>3</sup></b>	<b>\$22.1</b>	<b>\$24.0</b>	<b>\$21.6</b>	<b>(8)%</b>	<b>2%</b>
Income tax expense (non-GAAP) <sup>3</sup>	4.9	4.7	4.1	4%	20%
<b>Operating net income (non-GAAP)<sup>3</sup></b>	<b>\$17.2</b>	<b>\$19.3</b>	<b>\$17.5</b>	<b>(11)%</b>	<b>(2)%</b>
Memo:					
Adjustments <sup>6</sup>	—	(1.0)	(0.3)	nm	nm
<b>GAAP net income</b>	<b>\$17.2</b>	<b>\$18.3</b>	<b>\$17.2</b>	<b>(6)%</b>	<b>—%</b>

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details)
- Pre-tax, pre-provision income increased 6% year-over-year

## Key Statistics

	2Q19	1Q19	2Q18
Efficiency ratio (non-FTE)	62%	64%	64%
Average loan-to-deposits ratio <sup>7</sup>	106%	102%	104%

(3) Operating metrics have been adjusted to exclude Notable Items and are non-GAAP measures. See page 16 for more information

(6) Adjustments are shown net of tax. 1Q19 adjusts for restructuring expense, while 2Q18 adjusts for information systems

(7) Private Banking segment only

# WEALTH MANAGEMENT & TRUST PERFORMANCE HIGHLIGHTS

Operating basis, excludes Notable Items and Divested Affiliates (non-GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	Y/Y
<b>Total revenue</b>	<b>\$10.8</b>	<b>\$11.0</b>	<b>\$11.3</b>	<b>(1)%</b>	<b>(4)%</b>
<b>Operating expenses (non-GAAP)<sup>3</sup></b>	<b>\$9.4</b>	<b>\$9.9</b>	<b>\$11.1</b>	<b>(4)%</b>	<b>(15)%</b>
<b>Pre-tax income (non-GAAP)<sup>3</sup></b>	<b>\$1.4</b>	<b>\$1.1</b>	<b>\$0.2</b>	<b>24%</b>	<b>nm</b>
Income tax expense (non-GAAP)	0.4	0.3	–	46%	nm
<b>Net income (non-GAAP)<sup>3</sup></b>	<b>\$1.0</b>	<b>\$0.8</b>	<b>\$0.2</b>	<b>16%</b>	<b>nm</b>
Memo:					
Adjustments <sup>8</sup>	—	(0.3)	—	nm	nm
<b>GAAP net income</b>	<b>\$1.0</b>	<b>\$0.5</b>	<b>\$0.2</b>	<b>87%</b>	<b>nm</b>
Pre-tax income (non-GAAP) <sup>3</sup>	\$1.4	\$1.1	\$0.2	24%	nm
Depreciation & amortization	0.9	1.0	1.0	(4)%	(11)%
<b>EBITDA<sup>3</sup></b>	<b>\$2.3</b>	<b>\$2.1</b>	<b>\$1.3</b>	<b>11%</b>	<b>81%</b>
<i>EBITDA margin</i>	<i>21%</i>	<i>19%</i>	<i>11%</i>		

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details)
- Segment Operating Basis EBITDA margin was 21%
- Segment EBITDA of \$2.3 million, up 81% year-over-year and 11% linked quarter driven by lower expenses
- Operating expenses decreased 15% year-over-year driven primarily by efficiency initiatives

## Assets Under Management / Advisory Trends (\$ in millions)



(3) Operating metrics have been adjusted to exclude Notable Items and are non-GAAP measures. See page 16 for more information

(8) Adjustments are shown net of tax. 1Q19 adjusts for restructuring expense

# AFFILIATE PARTNERS PERFORMANCE HIGHLIGHTS

Operating basis, excludes Notable Items and Divested Affiliates (non-GAAP)

(\$ in millions)				% Change	
	2Q19	1Q19	2Q18	LQ	Y/Y
<b>Total revenue<sup>2</sup></b>	<b>\$10.7</b>	<b>\$10.9</b>	<b>\$11.1</b>	<b>(2)%</b>	<b>(4)%</b>
<b>Operating expenses<sup>2</sup></b>	<b>\$7.1</b>	<b>\$7.5</b>	<b>\$7.6</b>	<b>(5)%</b>	<b>(7)%</b>
<b>Pre-tax income/ (loss)<sup>2</sup></b>	<b>\$3.6</b>	<b>\$3.4</b>	<b>\$3.5</b>	<b>5%</b>	<b>5%</b>
Income tax expense <sup>2</sup>	1.2	1.1	1.1	9%	13%
Noncontrolling interest <sup>2</sup>	0.1	0.1	0.2	(31)%	(58)%
<b>Net income/ (loss)<sup>2</sup></b>	<b>\$2.4</b>	<b>\$2.2</b>	<b>\$2.2</b>	<b>5%</b>	<b>5%</b>

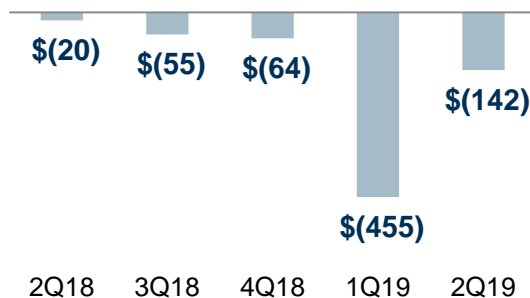
Memo:

Pre-tax income <sup>2</sup>	\$3.6	\$3.4	\$3.5	5%	5%
Depreciation & amortization <sup>2</sup>	0.1	0.1	0.1	10%	13%
<b>EBITDA<sup>2</sup></b>	<b>\$3.8</b>	<b>\$3.6</b>	<b>\$3.6</b>	<b>5%</b>	<b>5%</b>
<i>EBITDA margin</i>	35%	33%	32%		

## Comments

- This slide contains non-GAAP financial information that excludes Notable Items (see page 16 for details) and financial results of Divested Affiliates
- Segment EBITDA margin of 35% exceeds corporate target of 30%
- EBITDA of \$3.8 million, up 5% year-over-year

## Net Flows – 5Q Trend (\$ in millions)



(2) Metrics exclude financial results from Anchor and BOS ("Divested Affiliates")



# APPENDIX

## NON-GAAP RECONCILIATION

In addition to presenting the Company's results in conformity with GAAP, the Company uses certain non-GAAP financial measures to provide information for investors to effectively analyze financial trends of ongoing business activities, and to enhance comparability with peers across the financial sector. For additional information on non-GAAP financial measures, see page 7 of the 1Q19 BPFH earnings press release. A full reconciliation of GAAP to non-GAAP results can be found in the footnotes of the 1Q19 BPFH earnings press release beginning on page 15.

	2018				2019				2018	2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY	YTD
<b>GAAP Net Income</b>	<b>\$22.7</b>	<b>\$6.4</b>	<b>\$18.0</b>	<b>\$33.3</b>	<b>\$19.4</b>	<b>\$19.4</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$80.4</b>	<b>\$38.8</b>
Adjustments	-	13.1	4.6	(13.4)	1.3	-	-	-	4.2	1.3
Operating Net income	\$22.7	\$19.5	\$22.5	\$19.9	\$20.7	\$19.4	\$ -	\$ -	\$84.6	\$40.1

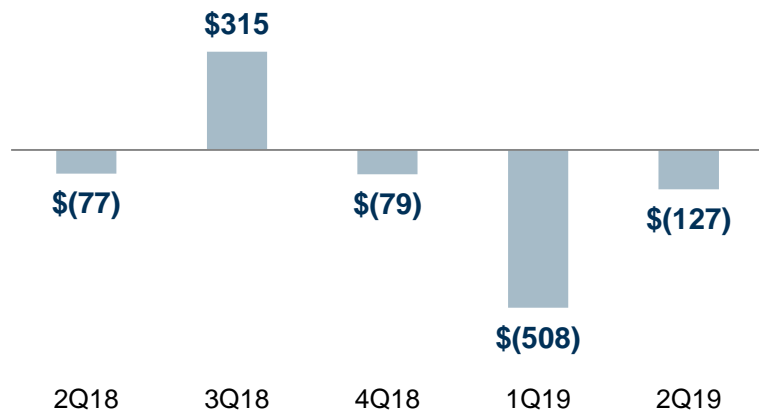
### Summary of Adjustments "Notable Items"

	2018			2019		
	Cause	Description	Amount	Cause	Description	Amount
1Q	No adjustments			Restructuring	Restructuring expense	1.6
	<b>Total</b>				Normalizing factor	Income tax expense
2Q	Divestiture of Anchor			No adjustments		
	Restructuring	Income tax expense	12.7	<b>Total</b>		
3Q	Restructuring	Restructuring expense	5.8			
	Normalizing Factor	Income tax expense	(1.2)			
4Q	<b>Total</b>					
	Divestiture of BOS	Gain on Sale of Affiliate	(18.1)			
2018 Total	Divestiture of BOS	Income tax expense	3.5			
	Restructuring	Restructuring expense	1.6			
2019 YTD	Normalizing Factor	Income tax expense	(0.3)			
	<b>Total</b>					
<b>2018 Total</b>			<b>\$4.2</b>	<b>2019 YTD</b>		
				<b>\$1.3</b>		

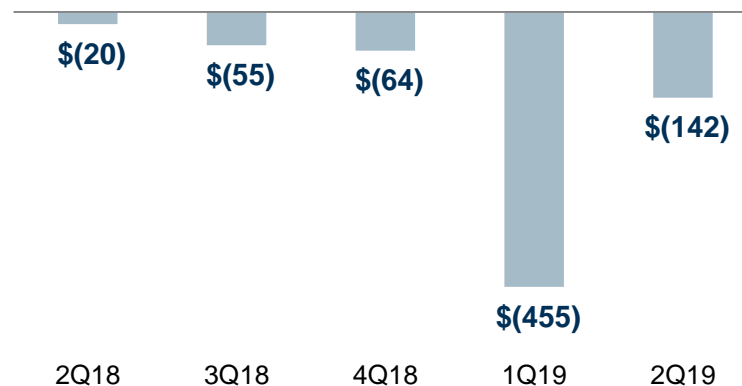


# SEGMENT AUM NET FLOWS

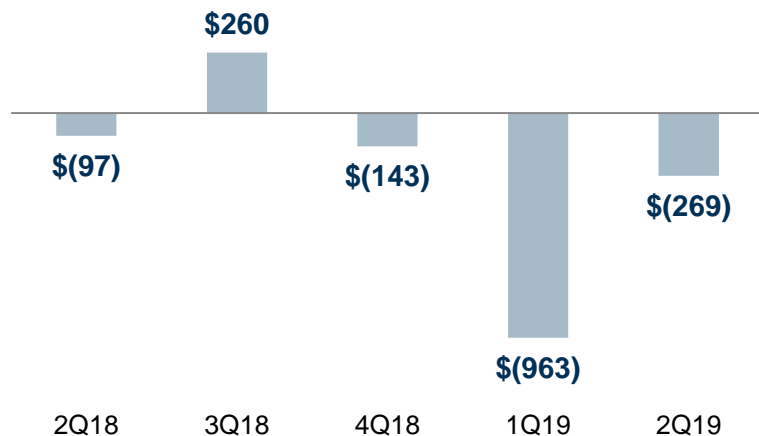
## Wealth Management & Trust (\$ in millions)



## Affiliate Partners<sup>9</sup> (\$ in millions)



## Consolidated<sup>9</sup> (\$ in millions)



## Comments

- Affiliate Partners includes results from Dalton, Greiner, Hartman, and Maher (“DGHM”) and KLS Professional Advisors (“KLS”)

(9) Affiliate Partners and Consolidated Net Flows exclude Anchor and BOS (“Divested Affiliates”)