

FCB Financial Holdings, Inc.



Fourth Quarter 2017 Earnings Presentation



Forward Looking Statements

This release may contain “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Any statements about our expectations, beliefs, plans, strategies, predictions, forecasts, objectives or assumptions of future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipates,” “believes,” “expects,” “can,” “could,” “may,” “predicts,” “potential,” “opportunity,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “seeks,” “intends” and similar words or phrases. Accordingly, these statements involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual strategies, actions or results to differ materially from those expressed in them, and are not guarantees of timing, future results or other events or performance. Because forward-looking statements are necessarily only estimates of future strategies, actions or results, based on management’s current expectations, assumptions and estimates on the date hereof, and there can be no assurance that actual strategies, actions or results will not differ materially from expectations, you are cautioned not to place undue reliance on such statements. Additional information regarding certain risks, uncertainties and other factors that could cause actual strategies, actions and results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the SEC, including under the heading “Risk Factors” in our recent Annual Report on Form 10-K. Any forward-looking statement speaks only as of the date on which it is made, and FCB Financial Holdings, Inc. undertakes no obligation to update any forward-looking statement, whether to reflect events or circumstances after the date on which the statement is made, to reflect new information or the occurrence of unanticipated events, or otherwise.

Safety and Soundness

- No asset growth or strategic activity constraints
- No identified charge-offs in commercial originated loan portfolio

Consistent and Disciplined Loan Growth

- Organic Run-rate of \$1.4 billion over last 12 months leading to 22% new loan CAGR
- Quarterly New Loan Growth of \$534 million and \$36.7 MM in mortgage portfolio sales for net new Loan Growth of \$497 MM, with New Loans representing 96% of total loans
- Balanced production and portfolio mix among Florida's C&I, CRE and Residential Markets

Core Deposit Momentum

- Demand Deposit growth of \$780 million or 41% over the last twelve months
- Quarterly Demand Deposit growth of \$216 million with DDA representing 31% of Deposits
- Cost of Deposits of 95 BPS

Expense Management

- Adjusted efficiency ratio of 40.5% compared to 40.6% linked quarter and 41.3% year-over-year
- Adjusted expenses of \$35.8 million for the quarter
- Integrated platform with FIS (core), Oracle (accounting) and internal CRM requiring minimal incremental spending

Margin Maintenance and Core Expansion

- Reported margin of 3.13% and adjusted margin of 3.09%
- Adjusted margin stable due to continued disciplined loan and core deposit growth

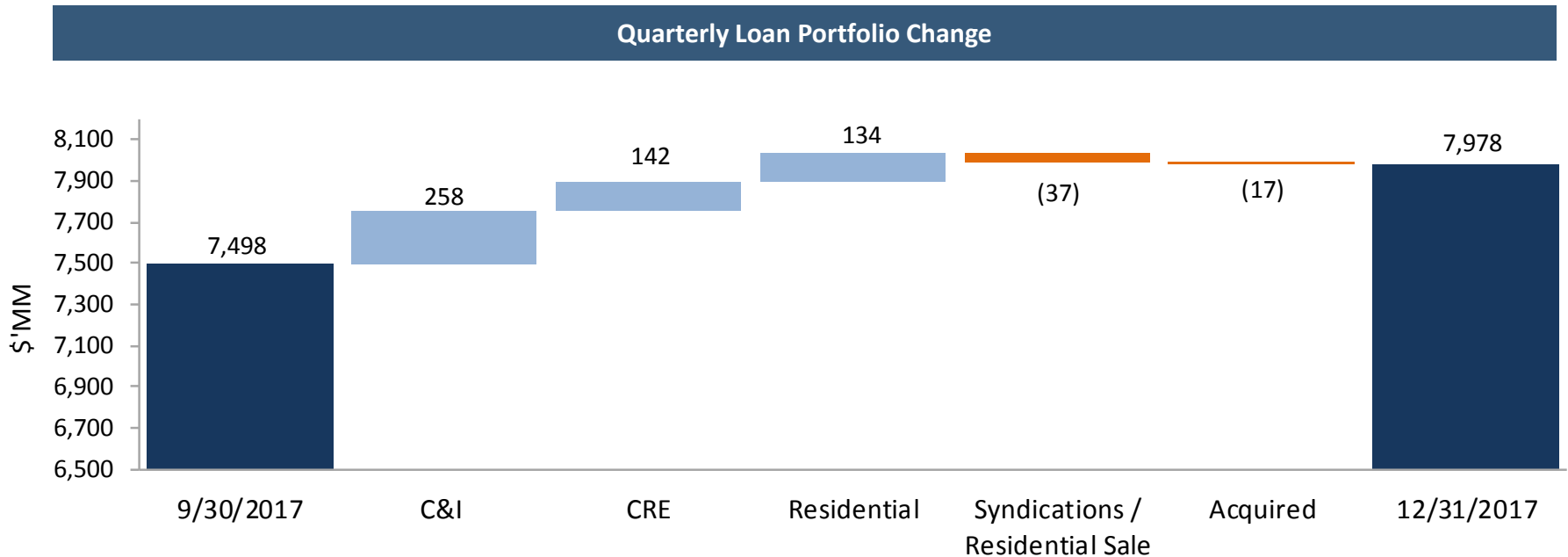
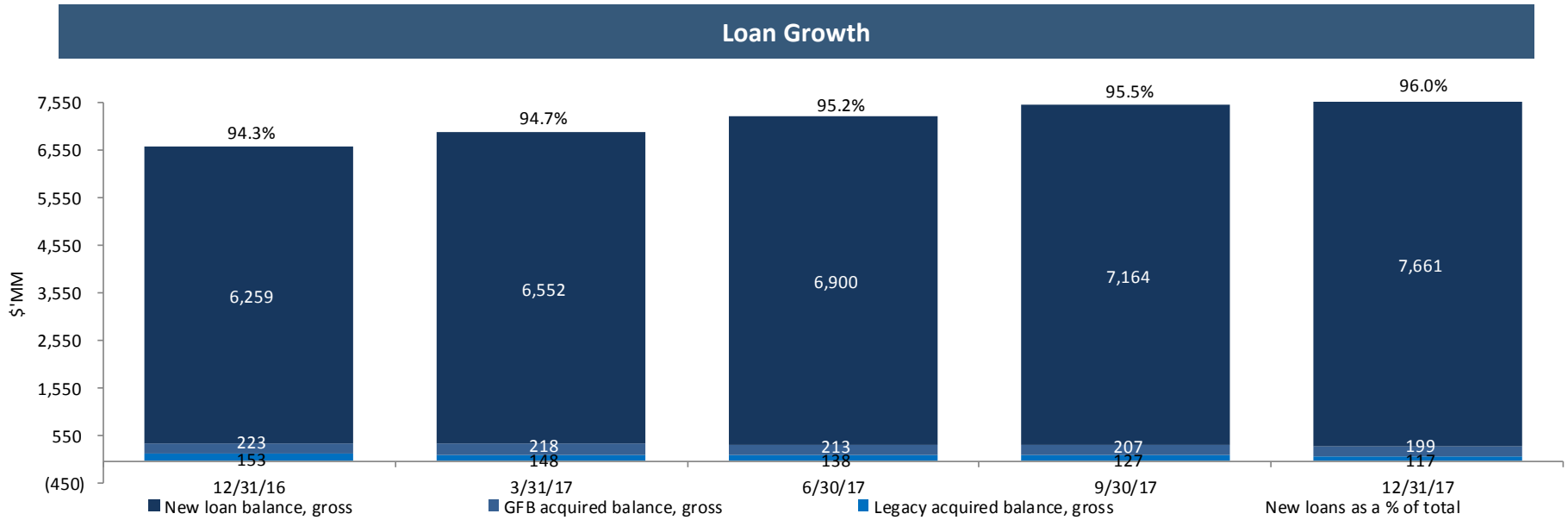
Financial Statement Highlights

(\$'000s unless noted)	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
<u>Income Statement:</u>					
Net Income	27,896	38,989	35,081	32,160	18,964
Adjusted Net Income	27,177	29,133	32,536	34,187	35,293
Adjusted Net Interest Income	72,198	70,958	73,235	77,138	79,359
Adjusted Noninterest Income	7,971	10,114	9,522	8,629	8,399
Adjusted Noninterest Expense	33,405	35,016	35,008	35,063	35,791
Adjusted Pre-Tax Net Income	42,531	42,221	43,382	45,582	47,057
Diluted EPS	0.64	0.86	0.76	0.70	0.41
Adjusted Diluted EPS (\$)	0.62	0.64	0.71	0.74	0.76
<u>Balance Sheet:</u>					
Total Assets	9,090,134	9,533,222	9,901,392	10,229,332	10,677,079
Total Loans, net	6,596,997	6,878,939	7,210,067	7,453,914	7,930,639
Total Deposits	7,305,671	7,674,371	7,695,190	8,106,093	8,673,927
<u>Key Metrics:</u>					
Net Interest Margin (%)	3.41	3.24	3.16	3.17	3.13
Adjusted Net Interest Margin (%)	3.00	3.14	3.10	3.12	3.09
Efficiency Ratio (%)	42.3	43.7	43.3	41.5	41.8
Adjusted Efficiency Ratio (%)	41.3	42.9	42.0	40.6	40.5
ROAA (%)	1.26	1.72	1.47	1.28	0.72
Adjusted ROAA (%)	1.23	1.28	1.36	1.36	1.35
Tangible Common Equity Ratio (%)	10.0	10.3	10.5	10.6	10.3

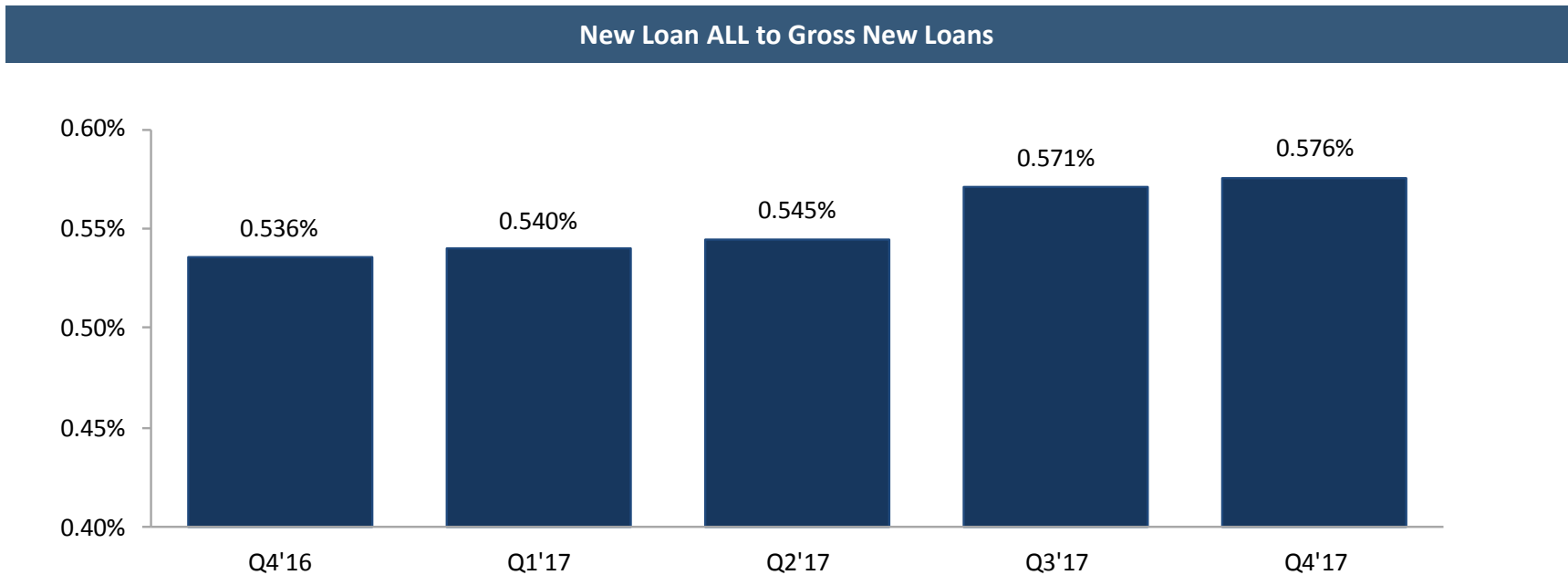
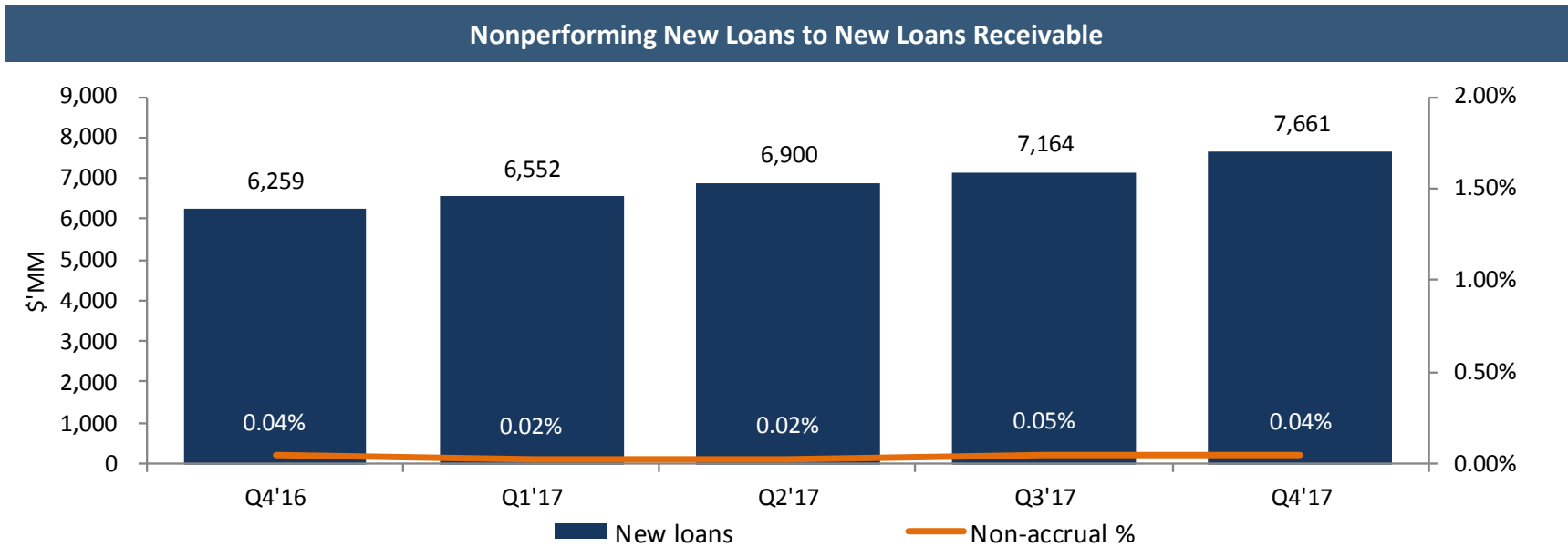
- **Prior Quarter Comparison:** Q4'17 adjusted net income increased \$1.1 million, or 3%, compared with Q3'17
- **Prior-Year Quarter Comparison:** Q4'17 adjusted net income increased \$8.1 million, or 30%, compared with Q4'16

Note: Adjusted metrics are non-GAAP measures that exclude non-recurring items, including but not limited to merger related and restructuring charges and gain/(loss) on investment securities.
 Note: Adjusted net interest margin is a non-GAAP metric that reflects FTE adjustments and removal of accretion discount in excess of contractual interest on acquired loans.
 Note: See pages 14 through 18 for reconciliation of non-GAAP / adjusted financial measures.

New Loan Growth of 22% Year-over-Year



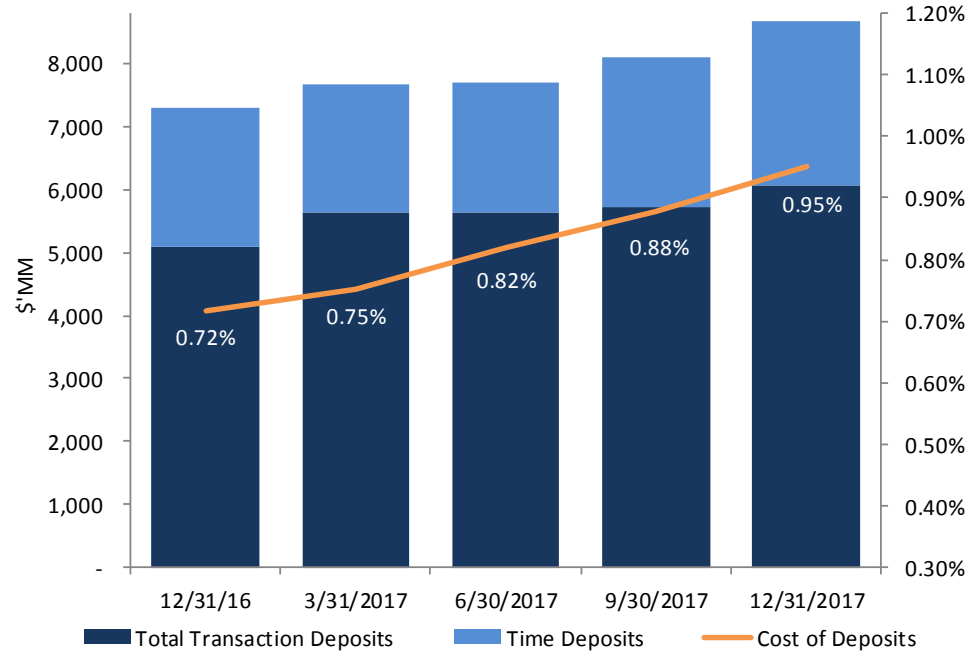
Continued Strong New Loan Asset Quality



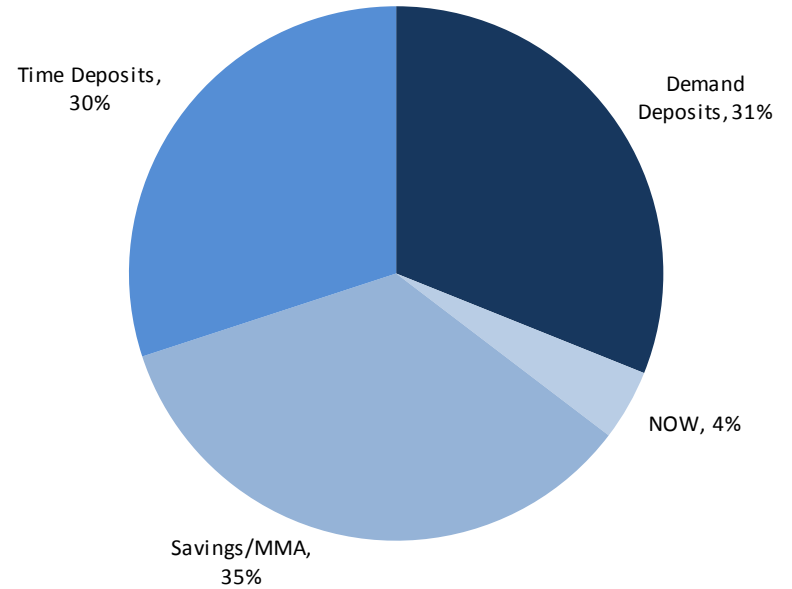
Continued Migration to Noninterest-Bearing and Core Deposits

Deposit Growth

19% Total Deposit CAGR

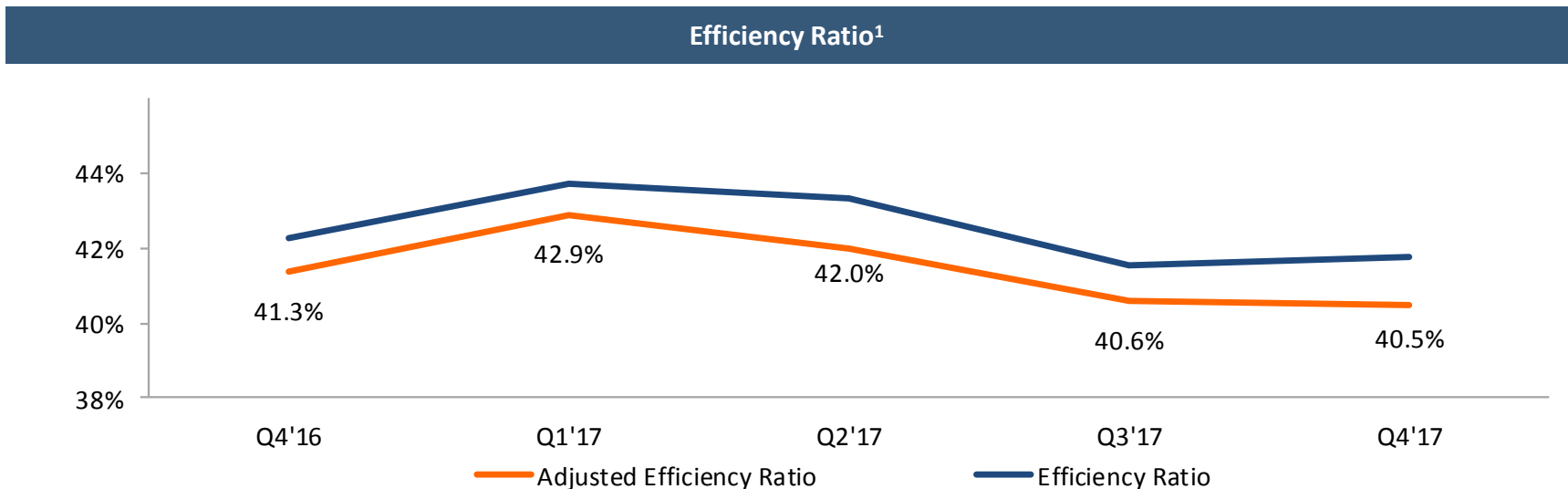
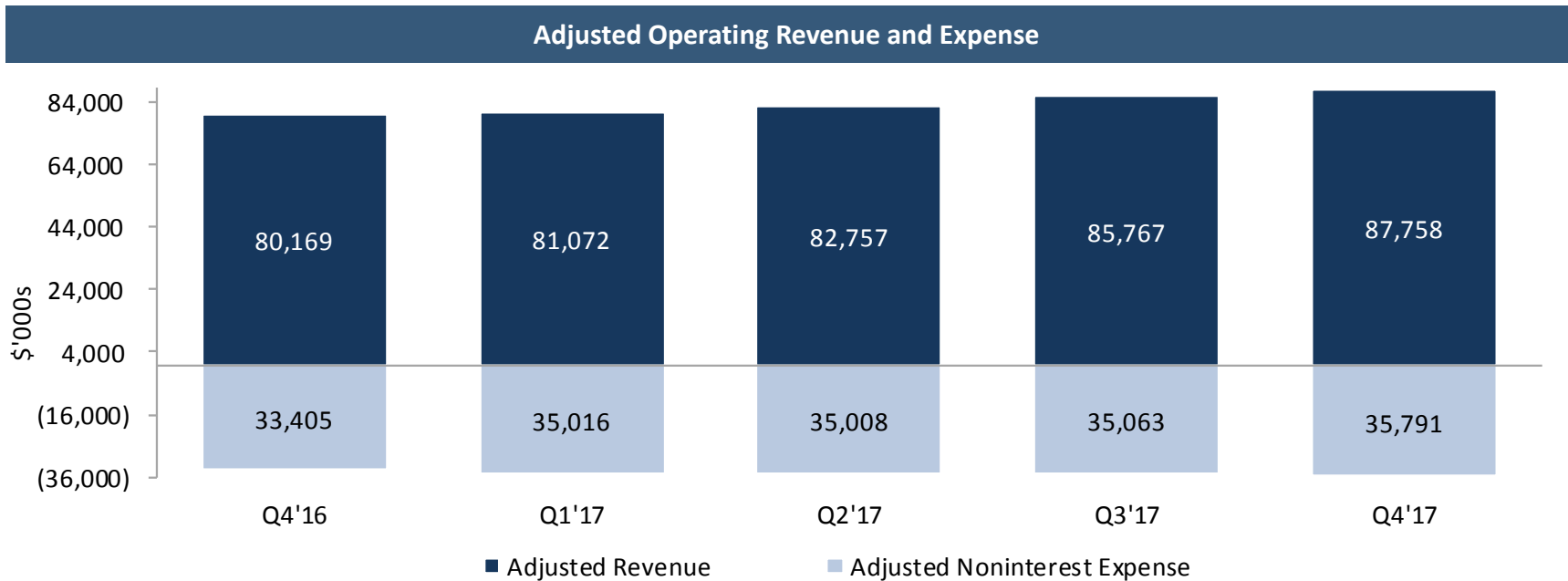


12/31/17 Deposit Composition



\$'MM	12/31/16	3/31/2017	6/30/2017	9/30/2017	12/31/2017
Demand Deposits	1,910,357	2,127,284	2,253,202	2,474,678	2,690,782

Leverage Our Platform with Increased Scale



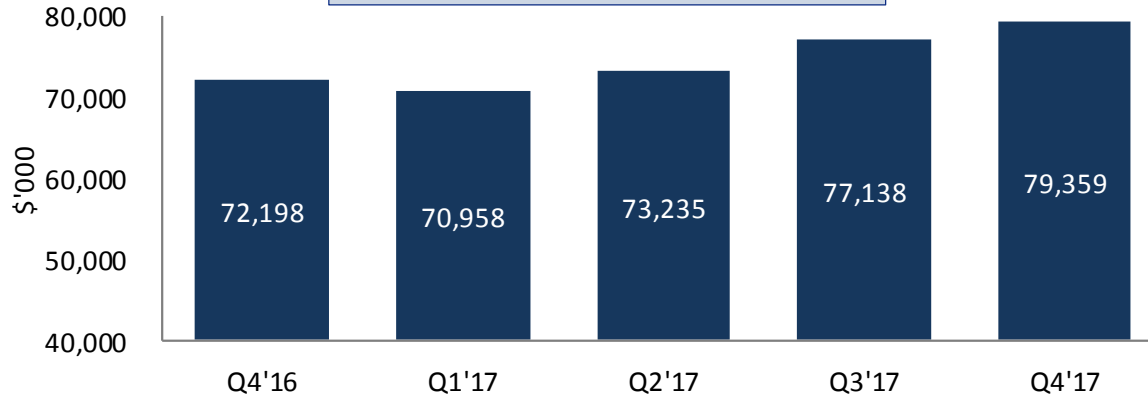
¹ Efficiency Ratio is calculated by dividing noninterest expense less amortization of intangibles by the sum of net interest income and noninterest income. Adjusted Efficiency Ratio is a non-GAAP financial measure that excludes non-recurring items, including, but not limited to merger related and restructuring charges and gain/(loss) on investment securities.

Note: See pages 14 through 18 for reconciliation of non-GAAP / adjusted financial measures.

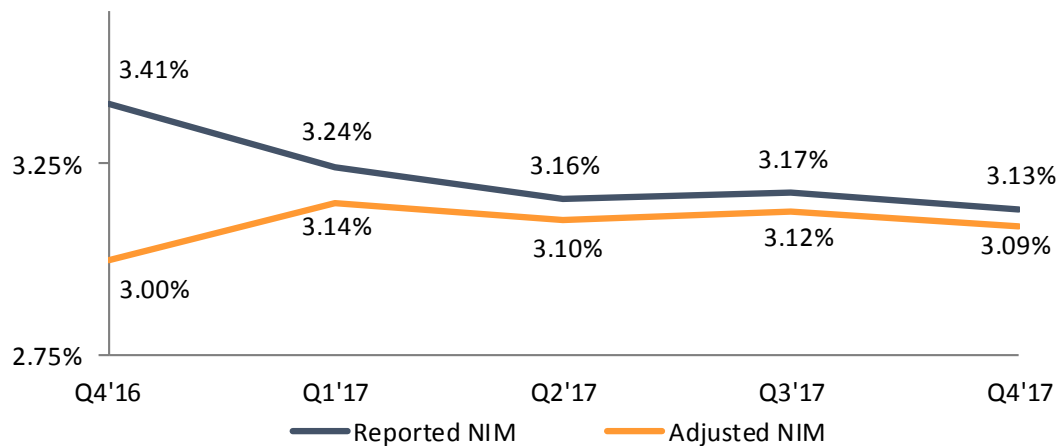
Net Interest Income and NIM

Adjusted Net Interest Income

10% Adjusted Net Interest Income CAGR



Adjusted Net Interest Margin¹



Financial Highlights

- Q4-17 Adjusted Net Interest Income of \$79.4 million
 - Up 3% from \$77.1 million in Q3 2017
 - Up 10% from \$72.2 million in Q4 2016

- Q4-17 Interest Income from new loans of \$74.6 million
 - Up 7% from \$69.7 million in Q3 2017
 - Up 38% from \$54.0 million in Q4 2016

- Q4-17 Interest Income from acquired loans of \$6.3 million
 - Down 7% from \$6.8 million in Q3 2017
 - Down 57% from \$14.6 million in Q4 2016

- Q4-17 Net Interest Margin of 3.13%
 - Down 4 bps from Q3 2017
 - Down 28 bps from Q4 2016

- Q4-17 Adjusted Net Interest Margin of 3.09%
 - Down 3 bps from Q3 2017
 - Up 9 bps from Q4 2016

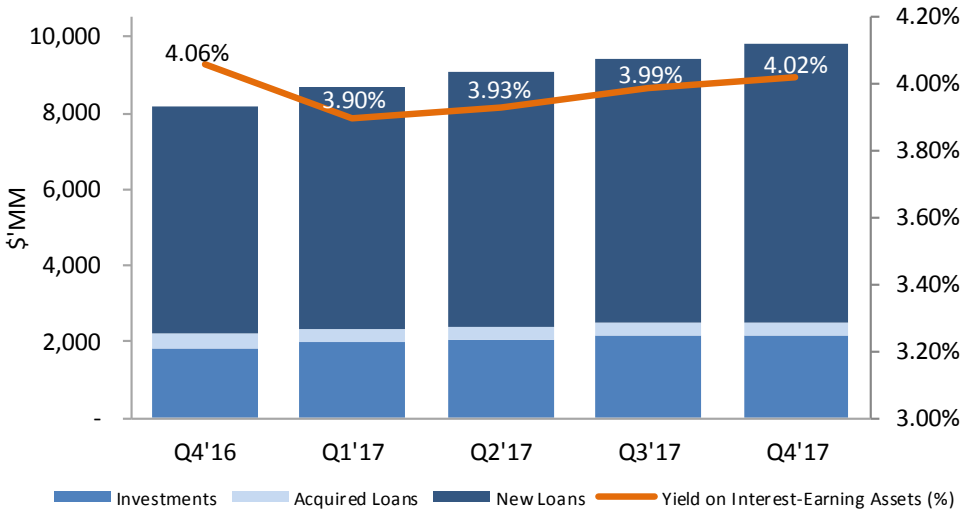
- Excess accretion in Q4 2017
 - Excess accretion of \$2.3 million

¹ Adjusted net interest margin is a non-GAAP metric that reflects FTE adjustments and removal of accretion discount in excess of contractual interest on acquired loans.

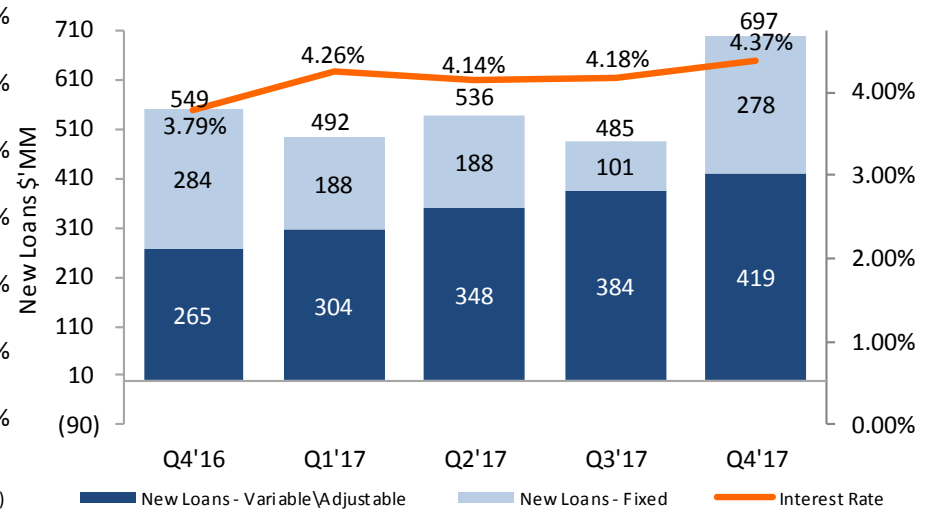
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Yield and Cost

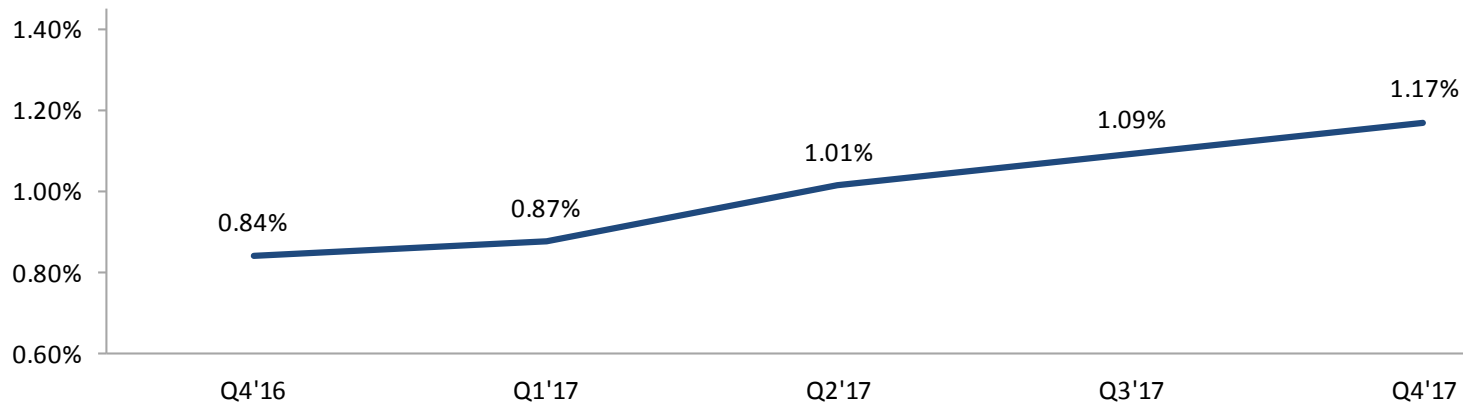
Yield on Interest-Earning Assets



New Loan Production Rate and Rate Structure

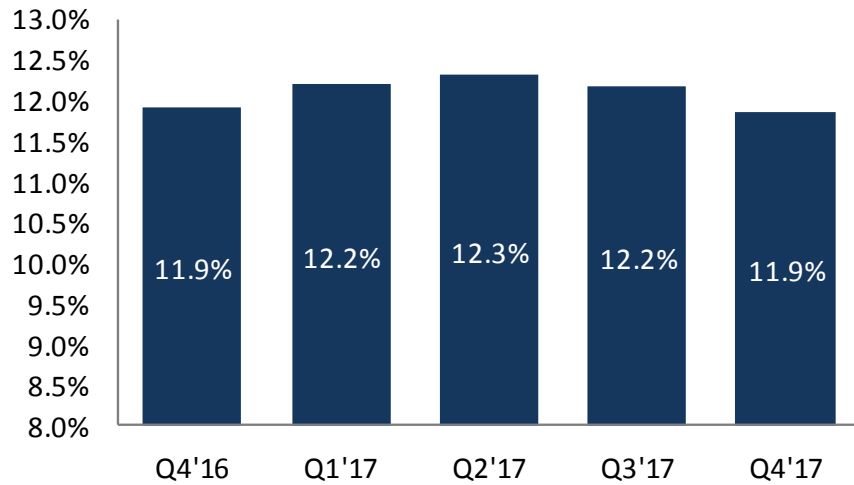


Cost of Interest-Bearing Liabilities

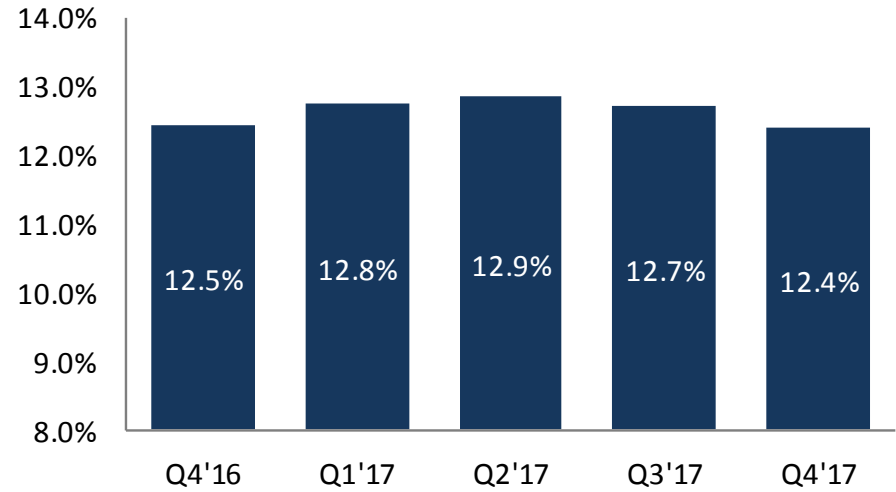


Well Positioned for Growth

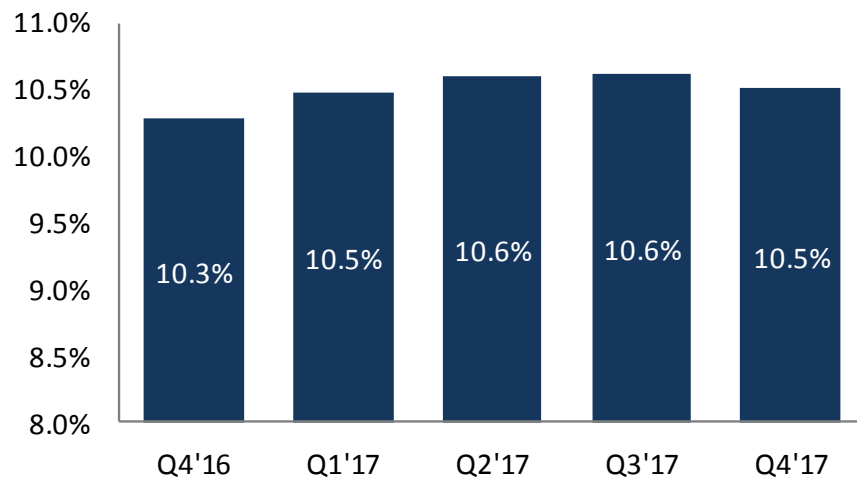
Tier 1 Capital



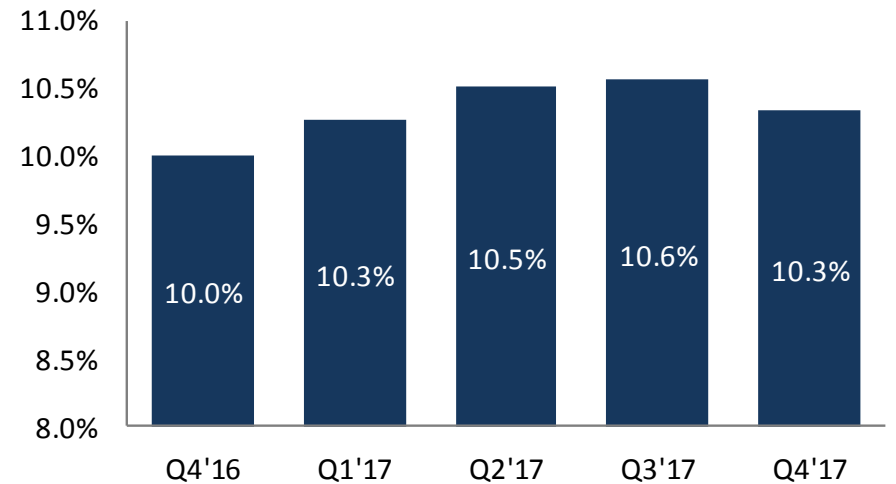
Total Capital



Leverage Ratio

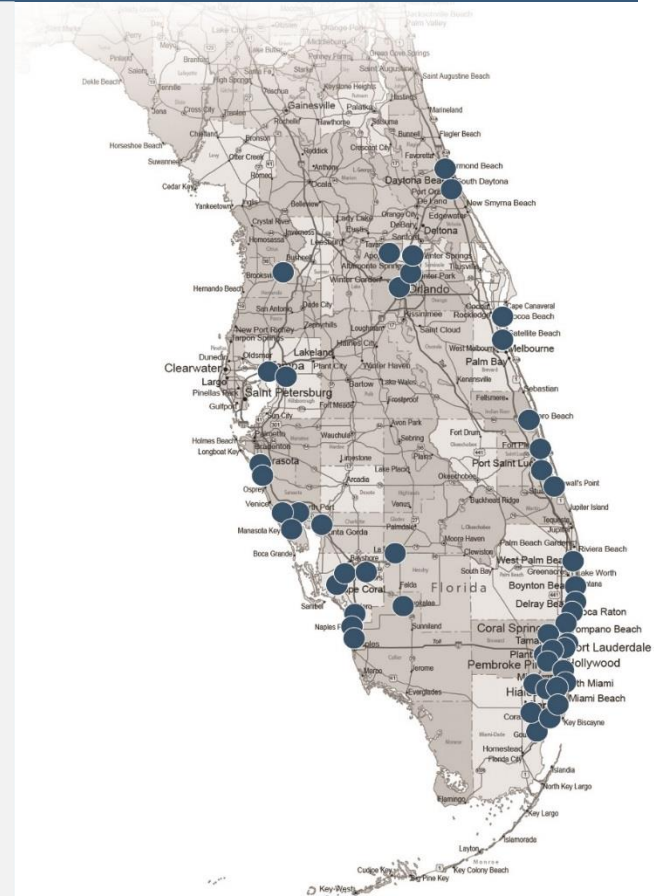


TCE / TA



Sustainable Competitive Advantage

- Industry leading organic growth
- Strong position in the attractive Florida market
- Franchise built into a single, quality brand
- Experienced management team
- Capital and liquidity positioned to support growth



Appendix



Detailed Income Statement

\$'000	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Interest income:					
Interest and fees on loans	68,583	66,589	71,516	76,465	80,830
Interest and dividends on investment securities	16,907	18,561	18,921	20,215	20,479
Other interest income	90	72	136	136	181
Total interest income	<u>85,580</u>	<u>85,222</u>	<u>90,573</u>	<u>96,816</u>	<u>101,490</u>
Interest expense:					
Interest on deposits	12,960	13,518	15,625	17,134	19,789
Interest on borrowings	1,554	2,034	3,061	3,901	3,587
Total interest expense	<u>14,514</u>	<u>15,552</u>	<u>18,686</u>	<u>21,035</u>	<u>23,376</u>
Net interest income	71,066	69,670	71,887	75,781	78,114
Provision for loan losses	2,249	1,643	2,115	2,871	2,786
Net interest income after provision for loan losses	68,817	68,027	69,772	72,910	75,328
Noninterest income:					
Service charges and fees	935	915	902	941	978
Loan and other fees	2,488	2,495	3,048	2,831	3,041
Bank-owned life insurance income	1,333	1,414	1,414	1,422	1,397
Income from resolution of acquired assets	1,135	762	320	466	425
Gain (loss) on sales of other real estate owned	209	45	(23)	(143)	(55)
Gain on investment securities	800	777	255	690	211
Other noninterest income	1,019	3,579	2,957	2,218	1,734
Total noninterest income	<u>7,919</u>	<u>9,987</u>	<u>8,873</u>	<u>8,425</u>	<u>7,731</u>
Noninterest expense:					
Salaries and employee benefits	19,261	20,497	21,486	20,860	21,987
Occupancy and equipment expenses	3,505	3,397	3,336	3,283	3,447
Loan and other real estate related expenses	1,467	1,227	1,188	837	371
Professional services	1,585	1,352	1,508	1,390	1,690
Data processing and network	2,920	2,965	3,090	3,397	3,113
Regulatory assessments and insurance	2,055	2,177	2,184	2,330	2,280
Amortization of intangibles	256	256	256	256	255
Other operating expenses	2,597	3,213	2,204	2,886	2,976
Total noninterest expense	<u>33,646</u>	<u>35,084</u>	<u>35,252</u>	<u>35,239</u>	<u>36,119</u>
Income before income tax expense	43,090	42,930	43,393	46,096	46,940
Income tax expense	15,194	3,941	8,312	13,936	27,976
Net income	27,896	38,989	35,081	32,160	18,964
Memo:					
Accretion of discount on loans in excess of contractual interest	9,663	3,424	2,599	2,551	2,307

Detailed Balance Sheet

\$'000	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Assets:					
Cash and due from banks	52,903	70,908	62,578	62,695	60,787
Interest-earning deposits in other banks	30,973	62,929	37,424	49,732	55,134
Investment securities:					
Available for sale securities, at fair value	1,876,434	1,976,252	2,046,488	2,102,711	2,120,803
Federal Home Loan Bank and other bank stock, at cost	51,656	55,652	68,372	61,838	56,881
Total investment securities	1,928,090	2,031,904	2,114,860	2,164,549	2,177,684
Loans held for sale	20,220	21,251	24,145	13,503	12,736
Loans:					
New loans	6,259,406	6,552,214	6,900,380	7,164,480	7,661,385
Acquired loans	375,488	366,156	351,021	333,725	316,399
Allowance for loan losses	(37,897)	(39,431)	(41,334)	(44,291)	(47,145)
Loans, net	6,596,997	6,878,939	7,210,067	7,453,914	7,930,639
Premises and equipment, net	36,652	36,278	36,111	35,741	36,144
Other real estate owned	19,228	18,761	18,540	17,599	14,906
Goodwill and other intangible assets	85,895	85,639	85,383	85,127	84,872
Deferred tax assets, net	61,391	56,178	50,612	51,521	27,043
Bank-owned life insurance	198,438	198,089	198,250	199,672	201,069
Other assets	59,347	72,346	63,422	95,279	76,065
Total assets	9,090,134	9,533,222	9,901,392	10,229,332	10,677,079
Liabilities and stockholders' equity:					
Liabilities:					
Deposits:					
Noninterest-bearing	905,905	1,069,745	1,135,922	1,242,562	1,236,685
Interest-bearing	4,183,972	4,571,833	4,489,554	4,486,085	4,830,525
Total transaction accounts	5,089,877	5,641,578	5,625,476	5,728,647	6,067,210
Time deposits	2,215,794	2,032,793	2,069,714	2,377,446	2,606,717
Total deposits	7,305,671	7,674,371	7,695,190	8,106,093	8,673,927
Borrowings	751,103	739,519	1,019,494	874,222	749,113
Other liabilities	50,919	64,085	69,430	92,944	74,867
Total liabilities	8,107,693	8,477,975	8,784,114	9,073,259	9,497,907
Stockholders' equity:					
Total stockholders' equity	982,441	1,055,247	1,117,278	1,156,073	1,179,172
Total liabilities and stockholders' equity	9,090,134	9,533,222	9,901,392	10,229,332	10,677,079

Reconciliation of Non-GAAP Financial Measures - Adjusted Net Income

(\$000, except share and per share data)	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Net income	27,896	38,989	35,081	32,160	18,964
<u>Pre-tax adjustments</u>					
Noninterest income					
Less: Gain on investment securities	800	777	255	690	211
Noninterest expense					
Salaries and employee benefits	132	56	223	51	115
Occupancy and equipment	43	-	-	-	-
Loan and other real estate related expenses	-	-	-	-	-
Professional services	-	-	-	-	148
Data processing and network fees	-	-	-	-	-
Regulatory assessments and insurance	-	-	-	-	-
Amortization of intangibles	-	-	-	-	-
Other operating expenses	66	12	21	125	66
<u>Taxes</u>					
Tax effect of adjustments	(160)	(9,147)	(2,534)	2,541	16,212
Adjusted net income	27,177	29,133	32,536	34,187	35,293
Diluted shares outstanding	43,728,282	45,573,213	46,042,552	46,189,468	46,565,052
Adjusted diluted EPS	0.62	0.64	0.71	0.74	0.76
Average assets	8,764,938	9,196,483	9,602,354	9,971,003	10,382,043
Average equity	974,544	1,014,839	1,086,554	1,137,834	1,173,488
Average interest earning assets	8,271,451	8,730,866	9,127,239	9,497,022	9,904,874
ROAA	1.26%	1.72%	1.47%	1.28%	0.72%
Adjusted ROAA	1.23%	1.28%	1.36%	1.36%	1.35%
ROAE	11.36%	15.58%	12.95%	11.21%	6.41%
Adjusted ROAE	11.06%	11.64%	12.01%	11.92%	11.93%
NIM	3.41%	3.24%	3.16%	3.17%	3.13%
Adjusted NIM	3.00%	3.14%	3.10%	3.12%	3.09%

Reconciliation of Non-GAAP Financial Measures - Adjusted Efficiency Ratio

\$'000	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Reported: Net interest income	71,066	69,670	71,887	75,781	78,114
FTE adjustment	1,132	1,288	1,348	1,357	1,245
Adjusted net interest income	72,198	70,958	73,235	77,138	79,359
Reported: Noninterest income	7,919	9,987	8,873	8,425	7,731
FTE adjustment	852	904	904	894	879
Less: Gain on investment securities	800	777	255	690	211
Adjusted noninterest income	7,971	10,114	9,522	8,629	8,399
Reported: Noninterest expense	33,646	35,084	35,252	35,239	36,119
Less:					
Salaries and employee benefits	132	56	223	51	115
Occupancy and equipment	43	-	-	-	-
Loan and other real estate related expenses	-	-	-	-	-
Professional services	-	-	-	-	148
Data processing and network fees	-	-	-	-	-
Regulatory assessments and insurance	-	-	-	-	-
Amortization of intangibles	-	-	-	-	-
Other operating expenses	66	12	21	125	65
Adjusted noninterest expense	33,405	35,016	35,008	35,063	35,791
Efficiency ratio	42.27%	43.72%	43.33%	41.54%	41.78%
Adjusted efficiency ratio	41.35%	42.88%	41.99%	40.58%	40.49%

Reconciliation of Non-GAAP Measures - Tangible Book Value Per Share

(\$000, except share and per share data)	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total assets	9,090,134	9,533,222	9,901,392	10,229,332	10,677,079
Less:					
Goodwill and other intangible assets	85,895	85,639	85,383	85,127	84,872
Tangible assets	9,004,239	9,447,583	9,816,009	10,144,205	10,592,207
Total stockholders' equity	982,441	1,055,247	1,117,278	1,156,073	1,179,172
Less:					
Goodwill and other intangible assets	85,895	85,639	85,383	85,127	84,872
Tangible stockholders' equity	896,546	969,608	1,031,895	1,070,946	1,094,300
Shares outstanding	41,157,571	42,432,062	43,208,418	43,728,302	44,380,580
Tangible book value per share	21.78	22.85	23.88	24.49	24.66
Average assets	8,764,938	9,196,483	9,602,354	9,971,003	10,382,043
Average equity	974,544	1,014,839	1,086,554	1,137,834	1,173,488
Average goodwill and other intangible assets	86,029	85,766	85,511	85,257	84,996
Tangible common equity ratio	10.0%	10.3%	10.5%	10.6%	10.3%

Reconciliation of Non-GAAP Measures – Adjusted Net Interest Margin

\$'000	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Reported: Net interest income	71,066	69,670	71,887	75,781	78,114
FTE adjustment	1,132	1,288	1,348	1,357	1,245
Less: Accretion of discount in excess of contractual interest	9,663	3,424	2,599	2,551	2,307
Adjusted Net interest income, net of discount accretion	62,535	67,534	70,636	74,587	77,052
Average earnings assets	8,271,451	8,730,866	9,127,239	9,497,022	9,904,874
NIM	3.41%	3.24%	3.16%	3.17%	3.13%
Adjusted NIM	3.00%	3.14%	3.10%	3.12%	3.09%

Reconciliation of Non-GAAP Measures – Acquired Asset Contribution

\$'000	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Acquired Portfolio					
Interest Income on Acquired Loans ⁽¹⁾	15,329	8,305	7,132	7,187	6,679
Gain on Resolution of Acquired Assets	1,135	762	320	466	425
Gain on REO Sales	209	45	(23)	(143)	(55)
Acquired Asset Income	16,673	9,112	7,429	7,510	7,049
Interest Income on Purchased Residential Mortgages ⁽²⁾	2,263	2,225	2,114	2,008	1,907
Total Acquired Portfolio Income	18,936	11,337	9,543	9,518	8,956
Acquired Portfolio Balance Sheet					
Acquired Loans Total	375,488	366,156	351,021	333,725	316,399
REO	19,228	18,761	18,540	17,599	14,906
Total Acquired Assets	394,716	384,917	369,561	351,324	331,305
% of Assets	4.3%	4.0%	3.7%	3.4%	3.1%
Total Assets	9,090,134	9,533,222	9,901,392	10,229,332	10,677,079
Quarterly Asset Growth	6.6%	4.9%	3.9%	3.3%	4.4%

(1) Includes acquired loan recovery activity recorded as recoupment of valuation allowance.

(2) Represents estimated interest income on residential mortgages purchased in prior quarters identified to replace lost accretable yield from the acquired loan portfolio.

DFAST Related Expenses for 2018

\$000,000	Annualized	Q1'18	Q2'18	Q3'18	Q4'18	Total'18
1 FDIC Large Bank Assessment Fee	0.80	-	-	0.20	0.20	0.40
2 Durbin Debit Card Fee Cap	1.20	-	-	0.30	0.30	0.60
3 Federal Reserve Stock-Dividend Rate Cap	0.74	0.18	0.18	0.18	0.18	0.74
4 Derivative Clearing	0.21	0.05	0.05	0.05	0.05	0.21
5 DFAST Stress Testing	0.40	0.10	0.10	0.10	0.10	0.40
6 CFPB Supervision Impact Cost	-----TBD-----					
Total	3.35	0.34	0.34	0.84	0.84	2.35

Amounts hereon represent estimates based upon our financial condition and results of operation as of and for the quarter ended December 31, 2017.