



# INVESTOR PRESENTATION

TRISTATE CAPITAL HOLDINGS, INC.  
*(NASDAQ:TSC)*

Second quarter ended June 30, 2019

# IMPORTANT INFORMATION

About this presentation

**Financial information and data:** Unless noted otherwise herein, income statement data is for the trailing twelve-months ended June 30, 2019, compared to the same TTM period the year prior; and balance sheet data is as of June 30, 2019, compared to one year prior.

**Forward looking statements:** This presentation may contain “forward-looking” statements. Such forward-looking statements are subject to risks that could cause actual results or outcomes to differ materially from those currently anticipated. TriState Capital has no duty to, and does not intend to, update or revise forward-looking statements after the date on which they are made. For further information about the factors that could affect TriState Capital’s future results, please see the company’s most recent annual and quarterly reports filed on Form 10-K and Form 10-Q.

**Non-GAAP measures:** To the extent non-GAAP financial measures are presented herein, comparable GAAP measures and reconciliations can be found in TriState Capital’s most recent quarterly financial results news release.

# THREE BUSINESSES DRIVE DIFFERENTIATED GROWTH

Sophistication of a super regional financial firm with the high touch of a boutique firm

## Private Banking



Organic growth



Low capital requirements  
Self-funding liquidity management



## Investment Management



Organic & acquisitive growth



Low capital requirements



## Commercial Banking



Organic growth



Traditional capital requirements  
Relationship-driven liquidity and treasury management funding



# THREE BUSINESSES DRIVE DIFFERENTIATED GROWTH

For the trailing twelve-months and period ending June 30, 2019

**20%** Growth in net income available to common stockholders

Asset quality      Operating leverage      Asset sensitive & LIBOR neutral balance sheet

**12%**

Total revenue growth

**28%**

Private banking loan growth

**22%**

Investment management fee contribution to total revenue

**20%**

Commercial loan growth



# UNIQUE MODEL

Sophisticated, high-touch, client-focused approach to financial services positions us to do well while empowering our clients to do well

**29%** of revenue from non-interest income

**16%** organic NII growth YOY driven through lower credit risk and variable rate loans

**24%** organic loan growth YOY

**30%** organic deposit growth YOY

**93%** of loans and **29%** of debt securities variable rate

**55.72%** YTD Bank efficiency ratio

~**\$627k** quarterly revenue/FTE, annualized

~**18%** insider ownership

**0** branches

# STRONG FOUNDATION FOR FUTURE

Growth since 2013 IPO illustrates the strength and effectiveness of strategy

## Among Fortune's 100 Fastest-Growing Companies

Ranked by Fortune<sup>1</sup> in 2018 for 2<sup>nd</sup> consecutive year based on:

- **30%** growth in EPS
- **19%** growth in revenue
- **26%** total return

on a three-year annualized basis

(Dollars in Thousands)	6/30/2019	3/31/2013	% Change since IPO
Assets	\$ 6,846,003	\$ 2,074,287	230%
Total revenue (TTM)	\$ 169,336	\$ 63,548	166%
Net interest income (TTM)	\$ 120,026	\$ 58,487	105%
Non-interest income (TTM)	\$ 49,310	\$ 5,061	874%
Income before tax (TTM)	\$ 65,058	\$ 17,629	269%
EPS <sup>2</sup> (TTM)	\$ 1.92	\$ 0.48	300%

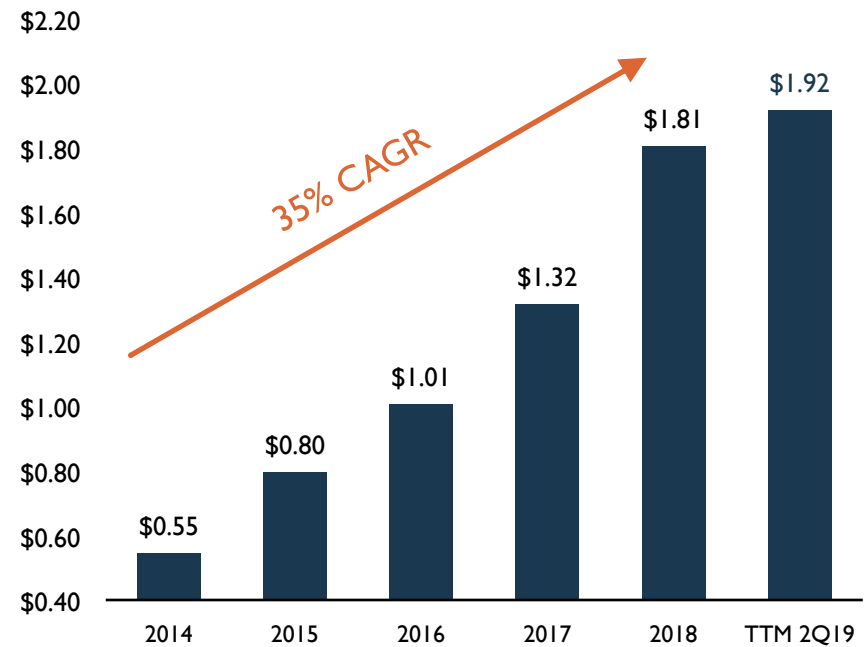
<sup>1</sup> The September 2018 issue of Fortune reported that it ranks the 100 Fastest-Growing Companies listed on major U.S. stock exchanges by "revenue growth rate, EPS growth rate, and total return for the period ended June 29, 2018 on a three-year annualized. (To compute the revenue and EPS growth rates, Fortune uses a trailing-four-quarters log linear least square regression fit.)"

<sup>2</sup> Fully diluted earnings per share.

# RECORD OF GROWTH

Double-digit YOY EPS growth for  
**21 of 25** quarters

DOUBLE -DIGIT EPS GROWTH



# 2019 FINANCIAL PERFORMANCE GOALS

Aimed at sustaining record of double-digit earnings growth over long term



Grow pre-tax income at a double-digit pace of 15%–25%



Organically grow loans at a double-digit pace of 15%–25%



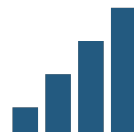
Grow treasury management deposit accounts by \$500 million



Surpass \$7B in bank assets



Deliver double-digit organic growth of Chartwell revenues  
While continuing to evaluate investment management M&A



Surpass \$15B in AUM at Chartwell  
Through a combination of organic and inorganic growth



Drive operating leverage through revenue growth and disciplined expense management  
Maintaining bank efficiency ratio in the low 50s while limiting annual operating expense growth to a single-digit rate



Maintain strong credit quality metrics  
Continuing to distinguish us by driving peer leading risk adjusted returns



# OPERATING LEVERAGE

Driven by revenue growth, exceptional client focus, scalable model and prudent management



Unique branchless model



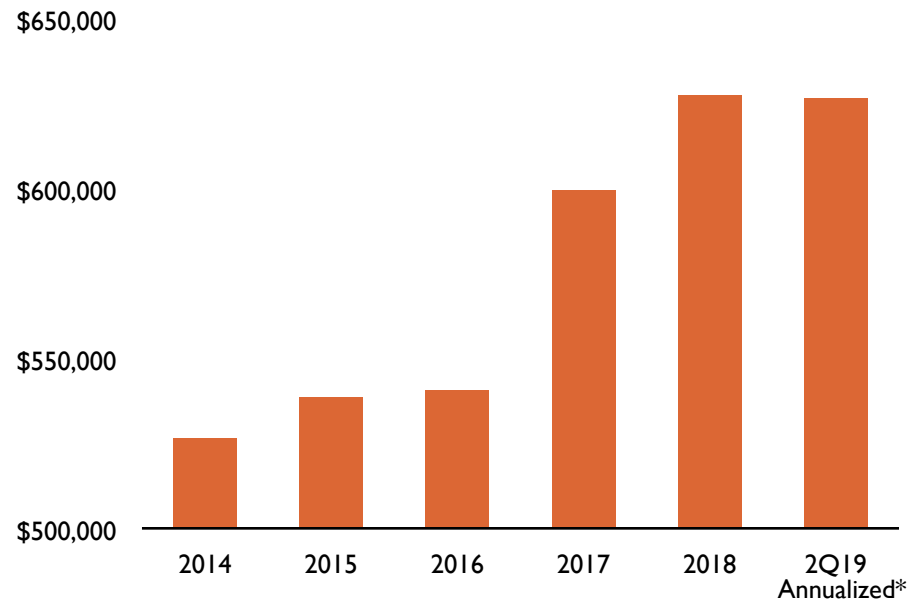
276 FTEs

Highly experienced and high-performing team



55.72% YTD Bank efficiency ratio  
compared to 52.38% in prior year period

SUPERIOR REVENUE / EMPLOYEE



\*Revenue per employee was ~\$627,000 in 2Q19, more than **twice** that of our peer group<sup>1</sup>

<sup>1</sup> Peer data for bank holding companies with \$5B-\$10B in MRQ assets. Analysis of net interest income plus non-interest income, annualized, divided by period-end FTE employees based on data from S&P Global Market Intelligence.

# PRIVATE BANKING

TriState Capital's fastest-growing channel for lending

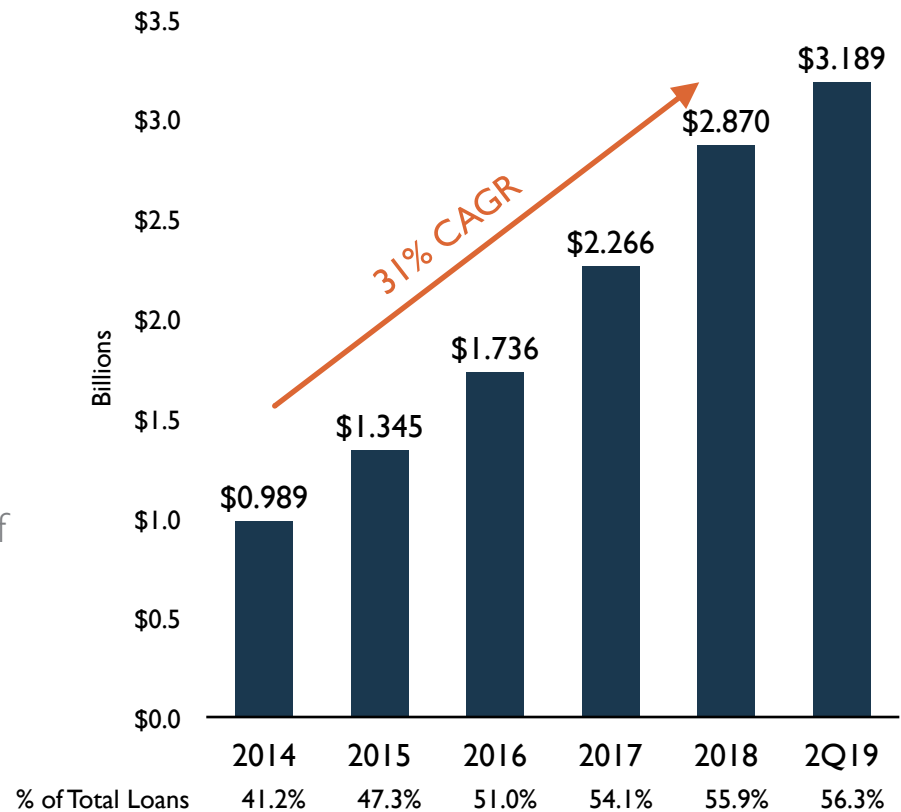
Loans over-collateralized by marketable securities, cash value life insurance policies or cash are monitored utilizing the bank's proprietary technology

- No loss history to date

Favorable regulatory capital treatment given reduced risk weighting enhances capital efficiency

Marketable securities collateral consist of liquid and primarily well-diversified portfolios

PRIVATE BANKING LOANS



# PRIVATE BANKING

TriState Capital's network of financial intermediary referral relationships is steadily expanding

National distribution of private banking loans and other services through financial intermediaries including broker-dealers, regional securities firms, registered investment advisors, wealth managers, family offices and trust companies

- **201** financial intermediaries, providing access to **50,000+** individual financial advisors, up from around 50 at 2013 IPO
- Encompasses those that do not offer banking services themselves

Private banking loans prove attractive to the fast-growing numbers of financial advisors moving from wire houses to independent platforms



High net worth individuals, trusts and businesses



Loans to HNW individuals used for any purpose (except to purchase securities)

**<35%**

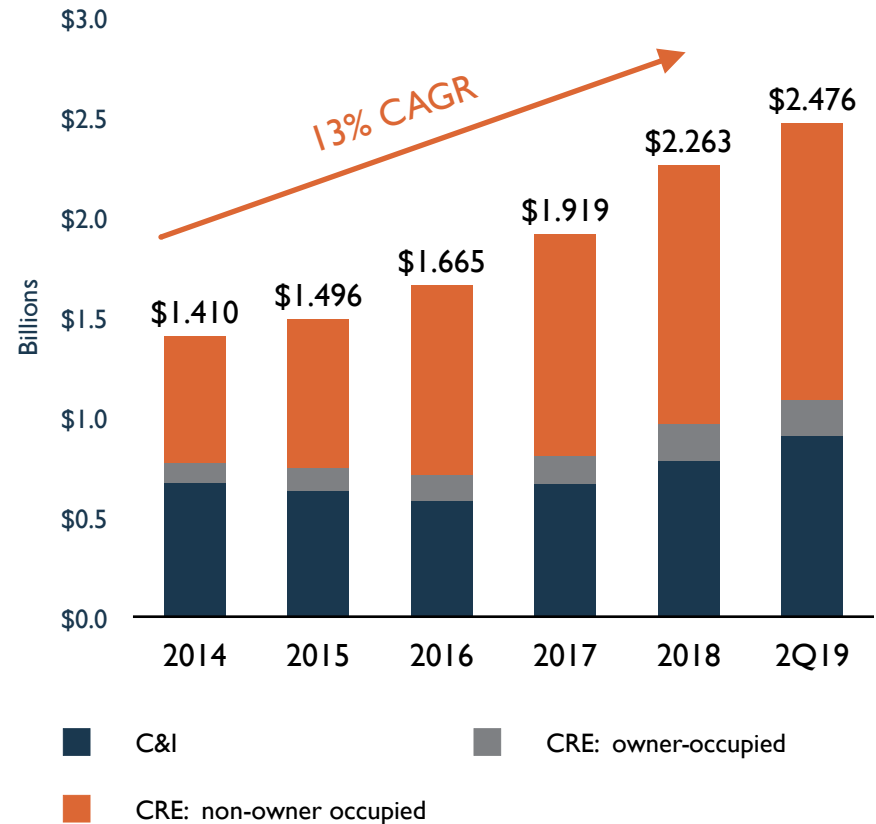
Median LTV of these outstanding loans

# MIDDLE-MARKET COMMERCIAL BANKING

Four-state Mid-Atlantic footprint

**20%** commercial loan  
growth YOY

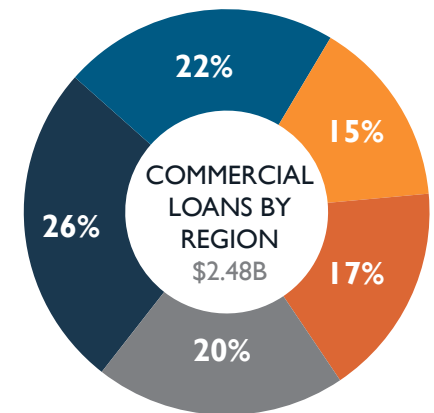
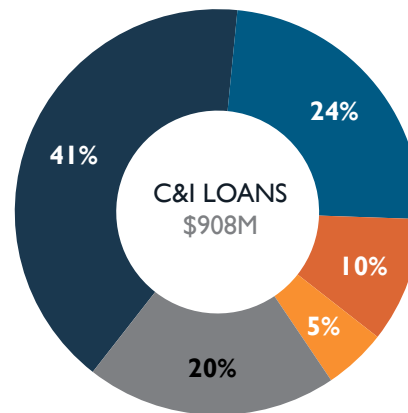
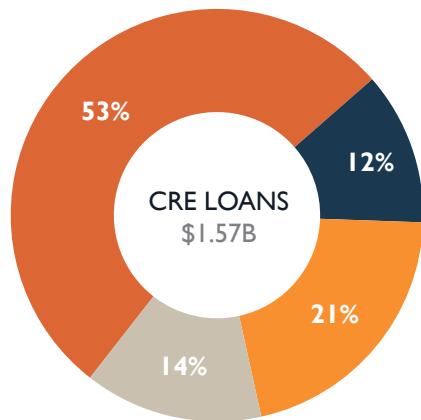
ORGANIC, IN-MARKET COMMERCIAL LOAN GROWTH



# MIDDLE-MARKET COMMERCIAL BANKING

In-market relationships diversified across industries, property type and geographies

Highly experienced in-market regional presidents and relationship managers, with 25+ years average experience, source and serve local clients through our Mid-Atlantic representative offices

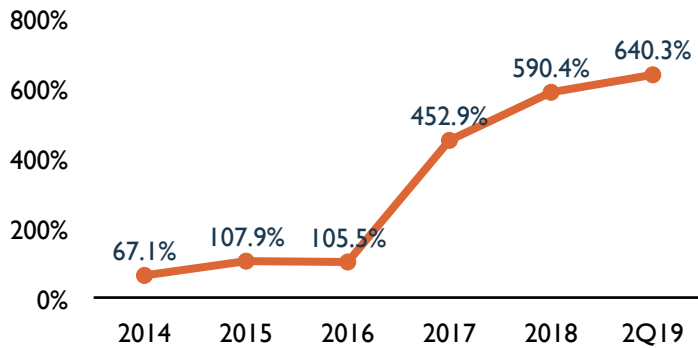


- Income-producing
  Owner-occupied
  Service
  Real estate
  Western PA
  Eastern PA
- Multifamily/apartment
  Construction/land
  Manufacturing
  Transportation
  Ohio
  New Jersey
- All others
  NYC

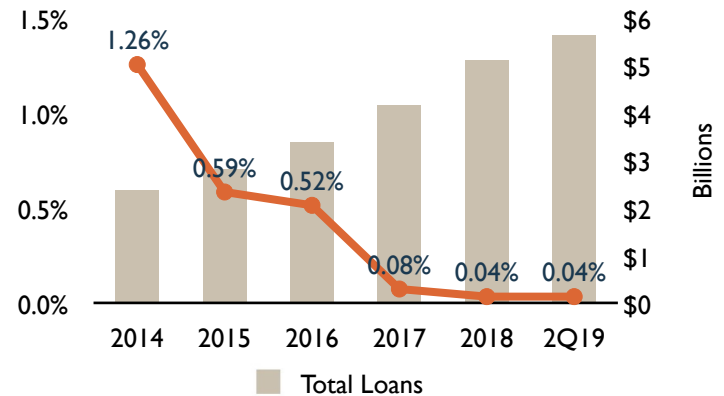
# SUPERIOR CREDIT QUALITY

Drives consistently low annual credit costs

ALLOWANCE / NPLs

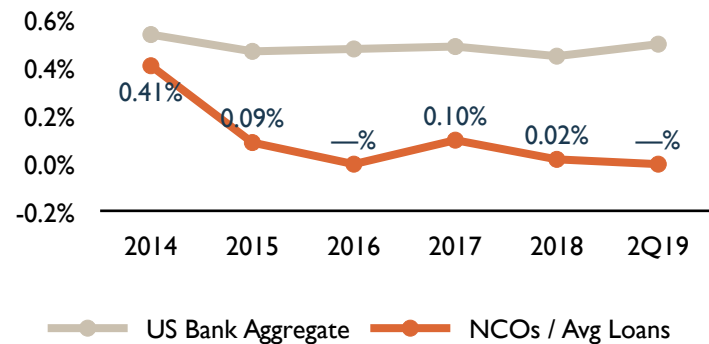


NPLs / TOTAL LOANS



**640.3%** allowance to NPLs ratio

NCOs / AVERAGE LOANS



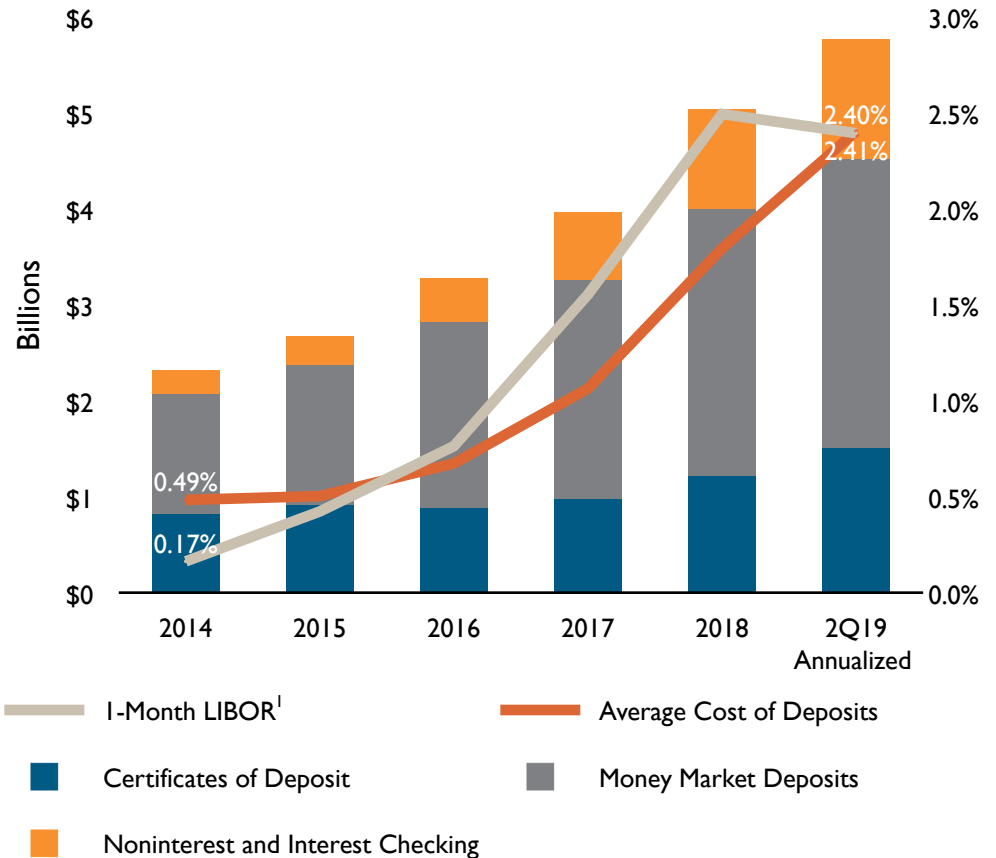
# ORGANIC DEPOSIT GROWTH

World class financial institutions and national deposit team

Treasury management capabilities and team enhanced in 2016

Enhanced capabilities to serve family offices and ultra high net worth clients in 2018

DIVERSE AND HIGH-QUALITY DEPOSIT FRANCHISE



**26%** of deposits are fixed-rate CDs

<sup>1</sup> I-Month London Interbank Offered Rate (LIBOR), based on U.S. dollar, percent, daily, not seasonally adjusted.

# TREASURY MANAGEMENT A STRATEGIC PRIORITY

Investments in best-in-class technology and talent beginning in 2016 are paying off for our clients and our business

Treasury management deposits are up more than **60%** year-to-date

**12** dedicated professionals across regional footprint

Sophisticated and high touch service combined with transparent fee structures driving growth with existing clients and rapid expansion of new clients

**~500** clients and growing, including deposit-only clients with essential need for treasury management services



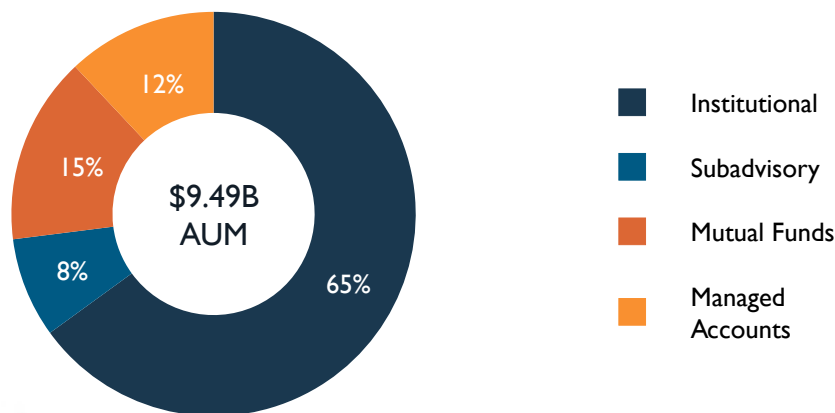
# CHARTWELL

Investment management fees provide significant income diversification

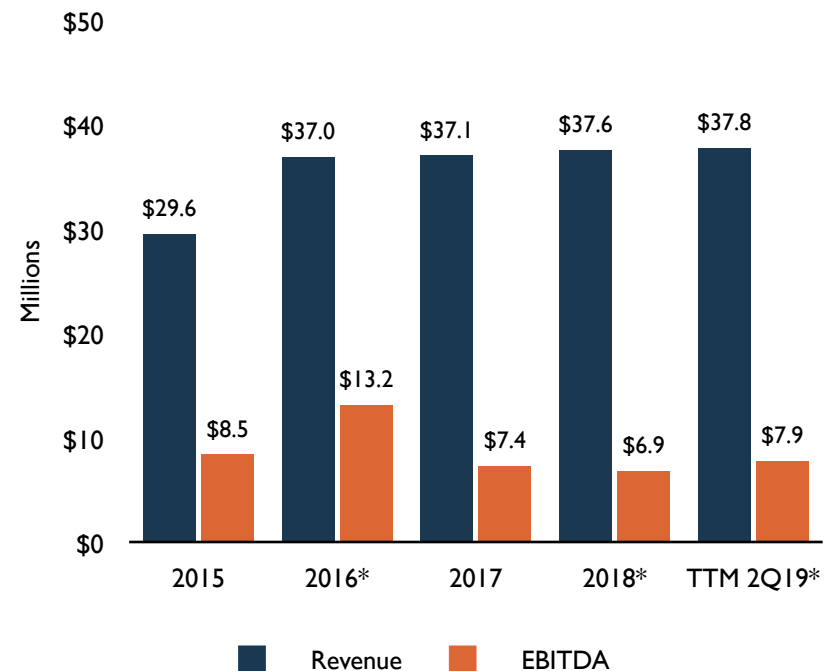
Leveraging TSC's distribution network and expertise to grow Chartwell Investment Partners' AUM

Enhancing institutional inflows while maintaining strong retail momentum

- Retail up to **27%** in MRQ from **8%** when Chartwell was acquired in 2014



CHARTWELL REVENUE AND EBITDA



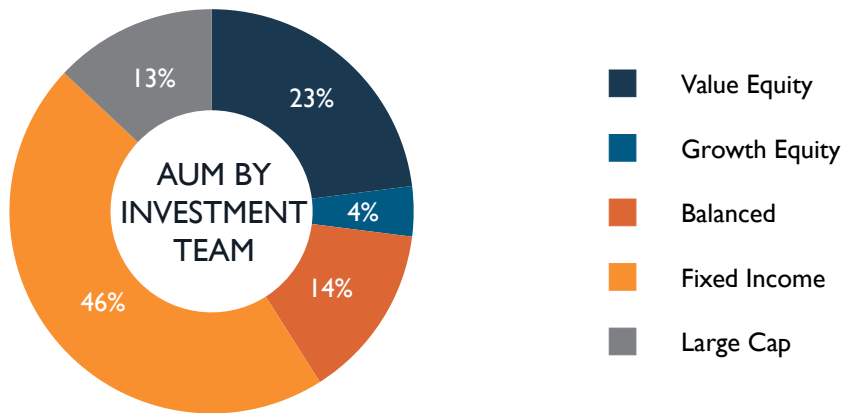
\* EBITDA reflects change in the fair value of acquisition earnout in the period.

# CHARTWELL

Offers strategies not easily replicated by passive products

AUM of **\$9.49B** up **19%** since TSC acquired Chartwell in 2014

Growth driven by superior investment performance



**9** strategies **outperforming** respective benchmarks for 3 and 5 years

- Small Cap Value
- Mid Cap Value
- Smid Cap Value
- Dividend Value
- Covered Call
- Short Duration BB-Rated High Yield Fixed Income
- Intermediate High Grade Fixed Income
- Core High Grade Fixed Income
- Core Plus Fixed Income

- Large Cap Growth
- Small Cap Growth
- Berwyn Income Fund
- High Yield Fixed Income
- Short Duration High Grade Corporate

# CAPITAL AND INVESTMENT PROFILE

History of deploying capital in accretive acquisitions while organically growing balance sheet

**Deployed \$66M** raised in 2013 IPO (last common equity raise) in three accretive investment management acquisitions<sup>1</sup> while organically growing bank's balance sheet by more than \$4B

**Raised** net capital of \$116M in 2018-2019 offerings of non-cumulative perpetual preferred stock, providing additional Tier I capital for the holding company

**Repurchased 2.0M** shares since 4Q14 for \$31.3M (~\$15.25 per share)

## Investment Profile<sup>2</sup>

Closing Price	\$ 19.91
52-Week High	\$ 30.10
52-Week Low	\$ 18.20
Common Shares Outstanding	29.3M
Float	24.2M
Average Daily Volume (3 mos.)	~99
Insider Ownership	~18%

<sup>1</sup> Chartwell acquisition closed 3/5/2014, TKG acquisition closed 4/29/2016, and Columbia acquisition closed 4/6/2018.

<sup>2</sup> Market data as of July 19, 2019.

# APPENDIX

# KEY PERFORMANCE RATIOS

(Dollars in thousands)	As of and For the Three Months Ended					As of and For the Years Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2018	December 31, 2017
<b>Performance ratios:</b>							
Return on average assets <sup>(1)</sup>	0.91%	0.97 %	1.04 %	1.06%	1.16 %	1.04%	0.89%
Return on average common equity <sup>(2)</sup>	11.63%	12.50 %	13.16 %	12.78%	13.57 %	12.57%	10.30%
Net interest margin	2.03%	2.10 %	2.12 %	2.22%	2.38 %	2.26%	2.25%
Total revenue	\$ 43,170	\$ 43,413	\$ 41,183	\$ 41,570	\$ 41,292	\$ 161,391	\$ 138,009
Bank efficiency ratio	55.16%	56.30 %	54.60 %	52.86%	50.49 %	53.09%	57.39%
Non-interest expense to average assets	1.71%	1.77 %	1.81 %	1.90%	2.00 %	1.93%	2.15%
<b>Asset quality:</b>							
Non-performing loans	\$ 2,189	\$ 7,329	\$ 2,237	\$ 2,269	\$ 2,437	\$ 2,237	\$ 3,183
Non-performing assets	\$ 5,213	\$ 10,453	\$ 5,661	\$ 5,845	\$ 6,013	\$ 5,661	\$ 6,759
Other real estate owned	\$ 3,024	\$ 3,124	\$ 3,424	\$ 3,576	\$ 3,576	\$ 3,424	\$ 3,576
Non-performing assets to total assets	0.08%	0.16 %	0.09 %	0.10%	0.11 %	0.09%	0.14%
Non-performing loans to total loan	0.04%	0.14 %	0.04 %	0.05%	0.05 %	0.04%	0.08%
Allowance for loan and lease losses to loans	0.25%	0.28 %	0.26 %	0.29%	0.34 %	0.26%	0.34%
Allowance for loan and lease losses to non-performing loans	640.29%	200.74 %	590.43 %	598.63%	628.68 %	590.43%	452.94%
Net charge-offs (recoveries)	\$ (16)	\$ (1,881)	\$ (206)	\$ 1,504	\$ (88)	\$ 1,004	\$ 3,722
Net charge-offs (recoveries) to average total loans	—%	(0.15)%	(0.02)%	0.13%	(0.01)%	0.02%	0.10%
<b>Investment management segment:</b>							
Assets under management	\$ 9,485,000	\$ 9,732,000	\$ 9,189,000	\$ 9,865,000	\$ 9,554,000	\$ 9,189,000	\$ 8,309,000
EBITDA	\$ 1,557	\$ 2,621	\$ 1,890	\$ 1,867	\$ 1,627	\$ 6,900	\$ 7,421

<sup>(1)</sup> Net income divided by total average assets.

<sup>(2)</sup> Net income available to common shareholders divided by average common equity.

# INCOME STATEMENT

	For the Three Months Ended					For the Years Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2018	December 31, 2017
<i>(Dollars in thousands, except per share data)</i>							
<b>Income statement data:</b>							
Interest income	\$ 66,339	\$ 62,902	\$ 58,162	\$ 52,424	\$ 47,784	\$ 199,786	\$ 134,295
Interest expense	35,036	32,530	28,630	23,605	18,993	86,382	42,942
Net interest income	31,303	30,372	29,532	28,819	28,791	113,404	91,353
Provision (credit) for loan and lease losses	(712)	(377)	(581)	(234)	415	(205)	(623)
Net interest income after provision for loan and lease losses	32,015	30,749	30,113	29,053	28,376	113,609	91,976
Non-interest income:							
Investment management fees	9,254	9,424	9,225	9,828	9,686	37,647	37,100
Net gain (loss) on the sale and call of debt securities	112	28	(76)	—	1	(70)	310
Other non-interest income	2,613	3,617	2,426	2,923	2,815	10,340	9,556
Total non-interest income	11,979	13,069	11,575	12,751	12,502	47,917	46,966
Non-interest expense:							
Intangible amortization expense	502	502	503	502	502	1,968	1,851
Change in fair value of acquisition earn out	—	—	(218)	—	—	(218)	—
Other non-interest expense	27,083	26,170	26,018	25,184	24,816	99,407	89,621
Total non-interest expense	27,585	26,672	26,303	25,686	25,318	101,157	91,472
Income before tax	16,409	17,146	15,385	16,118	15,560	60,369	47,470
Income tax expense	1,718	2,582	265	1,807	968	5,945	9,482
Net income	\$ 14,691	\$ 14,564	\$ 15,120	\$ 14,311	\$ 14,592	\$ 54,424	\$ 37,988
Preferred stock dividends	1,150	679	679	679	762	2,120	—
Net income available to common shareholders	\$ 13,541	\$ 13,885	\$ 14,441	\$ 13,632	\$ 13,830	\$ 52,304	\$ 37,988
<b>Earnings per common share:</b>							
Basic	\$ 0.49	\$ 0.50	\$ 0.52	\$ 0.49	\$ 0.50	\$ 1.90	\$ 1.38
Diluted	\$ 0.47	\$ 0.48	\$ 0.50	\$ 0.47	\$ 0.48	\$ 1.81	\$ 1.32

# PERIOD-END BALANCE SHEET

<i>(Dollars in thousands)</i>	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<b>Period-end balance sheet data:</b>					
Cash and cash equivalents	\$ 458,269	\$ 243,911	\$ 189,985	\$ 186,535	\$ 164,367
Total investment securities	431,426	487,087	466,759	393,139	288,674
Loans and leases held-for-investment	5,664,934	5,336,725	5,132,873	4,758,356	4,552,928
Allowance for loan and lease losses	(14,016)	(14,712)	(13,208)	(13,583)	(15,321)
Loans and leases held-for-investment, net	5,650,918	5,322,013	5,119,665	4,744,773	4,537,607
Goodwill and other intangibles, net	66,859	67,361	67,863	68,365	68,867
Other assets	238,531	223,638	191,383	180,476	174,421
<b>Total assets</b>	<b>\$ 6,846,003</b>	<b>\$ 6,344,010</b>	<b>\$ 6,035,655</b>	<b>\$ 5,573,288</b>	<b>\$ 5,233,936</b>
Deposits	\$ 5,786,983	\$ 5,337,704	\$ 5,050,461	\$ 4,754,588	\$ 4,441,202
Borrowings, net	335,000	398,216	404,166	262,365	264,814
Other liabilities	135,039	111,533	101,674	88,715	74,026
<b>Total liabilities</b>	<b>6,257,022</b>	<b>5,847,453</b>	<b>5,556,301</b>	<b>5,105,668</b>	<b>4,780,042</b>
Preferred stock	116,142	38,468	38,468	38,468	38,432
Common shareholders' equity	472,839	458,089	440,886	429,152	415,462
<b>Total shareholders' equity</b>	<b>588,981</b>	<b>496,557</b>	<b>479,354</b>	<b>467,620</b>	<b>453,894</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 6,846,003</b>	<b>\$ 6,344,010</b>	<b>\$ 6,035,655</b>	<b>\$ 5,573,288</b>	<b>\$ 5,233,936</b>

# CAPITAL RATIOS

	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<b>TSCH capital ratios:</b>					
Tier I leverage ratio	8.21 %	7.13 %	7.28 %	7.53 %	7.68 %
Common equity tier I risk-based capital ratio	9.83 %	9.98 %	9.64 %	10.52 %	10.94 %
Tier I risk-based capital ratio	12.56 %	10.92 %	10.58 %	11.57 %	12.06 %
Total risk-based capital ratio	12.82 %	11.26 %	10.86 %	11.89 %	12.66 %
<b>TSCB capital ratios:</b>					
Tier I leverage ratio	7.43 %	7.29 %	7.49 %	7.71 %	7.87 %
Common equity tier I risk-based capital ratio	11.38 %	11.18 %	10.90 %	11.92 %	12.38 %
Tier I risk-based capital ratio	11.38 %	11.18 %	10.90 %	11.92 %	12.38 %
Total risk-based capital ratio	11.73 %	11.57 %	11.25 %	12.30 %	12.82 %



# LOAN COMPOSITION

(Dollars in thousands)

As of

Loan and Lease Composition	As of				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Private banking	\$ 3,188,668	\$ 2,981,973	\$ 2,869,543	\$ 2,627,749	\$ 2,488,162
C&I	908,054	862,405	785,320	771,546	741,901
CRE	1,568,212	1,492,347	1,478,010	1,359,061	1,322,865
Loans and leases held-for-investment	\$ 5,664,934	\$ 5,336,725	\$ 5,132,873	\$ 4,758,356	\$ 4,552,928
Private banking	56.3%	55.9%	55.9%	55.2%	54.6%
C&I	16.0%	16.1%	15.3%	16.2%	16.3%
CRE	27.7%	28.0%	28.8%	28.6%	29.1%
Loans and leases held-for-investment	100.0%	100.0%	100.0%	100.0%	100.0%

# DEPOSIT COMPOSITION

(Dollars in thousands)

Deposit Composition	As of					
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	
Noninterest-bearing checking accounts	\$ 270,435	\$ 292,188	\$ 258,268	\$ 236,422	\$ 247,705	
Interest-bearing checking accounts	971,081	895,948	778,131	713,833	612,501	
Money market deposit accounts	3,021,610	2,760,147	2,781,870	2,565,561	2,494,927	
Certificates of deposit	1,523,857	1,389,421	1,232,192	1,238,772	1,086,069	
Total deposits	\$ 5,786,983	\$ 5,337,704	\$ 5,050,461	\$ 4,754,588	\$ 4,441,202	
Noninterest-bearing checking accounts	4.7%	5.5%	5.1%	5.0%	5.5%	
Interest-bearing checking accounts	16.8%	16.8%	15.4%	15.0%	13.8%	
Money market deposit accounts	52.2%	51.7%	55.1%	53.9%	56.2%	
Certificates of deposit	26.3%	26.0%	24.4%	26.1%	24.5%	
Total deposits	100.0%	100.0%	100.0%	100.0%	100.0%	

# AVERAGE BALANCE SHEET

Three Months Ended

	June 30, 2019			March 31, 2019			June 30, 2018		
	Average Balance	Interest Income <sup>(1)</sup> / Expense	Average Yield/ Rate	Average Balance	Interest Income <sup>(1)</sup> / Expense	Average Yield/ Rate	Average Balance	Interest Income <sup>(1)</sup> / Expense	Average Yield/ Rate
<i>(Dollars in thousands)</i>									
<b>Assets</b>									
Interest-earning deposits	\$ 255,697	\$ 1,542	2.42%	\$ 202,474	\$ 1,256	2.52%	\$ 186,009	\$ 842	1.82%
Federal funds sold	11,218	67	2.40%	8,595	31	1.46%	6,650	28	1.69%
Debt securities available-for-sale	249,281	2,053	3.30%	236,235	1,986	3.41%	181,718	1,356	2.99%
Debt securities held-to-maturity	181,495	1,712	3.78%	211,833	2,018	3.86%	72,166	678	3.77%
Equity securities	7,701	28	1.46%	12,755	72	2.29%	8,620	64	2.98%
FHLB stock	20,235	385	7.63%	20,498	305	6.03%	19,061	230	4.84%
Total loans and leases	5,462,489	60,579	4.45%	5,177,844	57,262	4.49%	4,378,514	44,614	4.09%
Total interest-earning assets	6,188,116	66,366	4.30%	5,870,234	62,930	4.35%	4,852,738	47,812	3.95%
Other assets	266,905			242,553			213,320		
Total assets	\$ 6,455,021			\$ 6,112,787			\$ 5,066,058		
<b>Liabilities and Shareholders' Equity</b>									
Interest-bearing deposits:									
Interest-bearing checking accounts	\$ 868,721	4,965	2.29%	\$ 792,690	\$ 4,542	2.32%	\$ 604,324	\$ 2,576	1.71%
Money market deposit accounts	2,855,795	18,200	2.56%	2,682,390	16,540	2.50%	2,319,320	9,722	1.68%
Certificates of deposit	1,361,372	8,990	2.65%	1,300,296	8,251	2.57%	928,210	4,398	1.90%
Borrowings:									
FHLB borrowings	430,770	2,334	2.17%	459,333	2,585	2.28%	418,187	1,743	1.67%
Line of credit borrowings	857	10	4.68%	4,139	58	5.68%	—	—	—%
Subordinated notes payable, net	34,984	537	6.16%	34,933	554	6.43%	34,781	554	6.39%
Total interest-bearing liabilities	5,552,499	35,036	2.53%	5,273,781	32,530	2.50%	4,304,822	18,993	1.77%
Noninterest-bearing deposits	256,404			261,682			245,412		
Other liabilities	113,031			88,485			68,491		
Shareholders' equity	533,087			488,839			447,333		
Total liabilities and shareholders' equity	\$ 6,455,021			\$ 6,112,787			\$ 5,066,058		
Net interest income <sup>(1)</sup>		\$ 31,330			\$ 30,400			\$ 28,819	
Net interest spread <sup>(1)</sup>			1.77%			1.85%			2.18%
Net interest margin <sup>(1)</sup>			2.03%			2.10%			2.38%

<sup>(1)</sup> Calculated on a fully taxable equivalent basis.

# AVERAGE BALANCE SHEET

Years Ended December 31,

	2018			2017		
	Average Balance	Interest Income <sup>(1)</sup> / Expense	Average Yield/ Rate	Average Balance	Interest Income <sup>(1)</sup> / Expense	Average Yield/ Rate
<i>(Dollars in thousands)</i>						
<b>Assets</b>						
Interest-earning deposits	\$ 188,921	\$ 3,598	1.90%	\$ 126,888	\$ 1,466	1.16%
Federal funds sold	8,315	156	1.88%	6,923	68	0.98%
Debt securities available-for-sale	205,652	6,195	3.01%	144,735	3,122	2.16%
Debt securities held-to-maturity	90,895	3,399	3.74%	58,635	2,463	4.20%
Debt securities trading	—	—	—%	188	4	2.13%
Equity securities	10,517	277	2.63%	8,539	266	3.12%
FHLB stock	15,136	924	6.10%	13,286	603	4.54%
Total loans and leases	4,500,117	185,349	4.12%	3,711,701	126,544	3.41%
Total interest-earning assets	5,019,553	199,898	3.98%	4,070,895	134,536	3.30%
Other assets	221,467			193,532		
Total assets	\$ 5,241,020			\$ 4,264,427		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits:						
Interest-bearing checking accounts	\$ 612,921	\$ 11,440	1.87%	\$ 336,337	\$ 3,706	1.10%
Money market deposit accounts	2,429,203	45,106	1.86%	1,999,399	22,350	1.12%
Certificates of deposit	1,071,556	21,947	2.05%	967,503	11,429	1.18%
Borrowings:						
FHLB borrowings	325,356	5,555	1.71%	295,315	3,152	1.07%
Line of credit borrowings	2,568	119	4.63%	2,214	90	4.07%
Subordinated notes payable, net	34,807	2,215	6.36%	34,605	2,215	6.40%
Total interest-bearing liabilities	4,476,411	86,382	1.93%	3,635,373	42,942	1.18%
Noninterest-bearing deposits	244,090			210,860		
Other liabilities	75,473			49,279		
Shareholders' equity	445,046			368,915		
Total liabilities and shareholders' equity	\$ 5,241,020			\$ 4,264,427		
Net interest income <sup>(1)</sup>		\$ 113,516			\$ 91,594	
Net interest spread <sup>(1)</sup>			2.05%			2.12%
Net interest margin <sup>(1)</sup>			2.26%			2.25%

<sup>(1)</sup> Calculated on a fully taxable equivalent basis.

# SEGMENTS

	Three Months Ended June 30, 2019				Three Months Ended June 30, 2018			
	Bank	Investment Management	Parent and Other	Consolidated	Bank	Investment Management	Parent and Other	Consolidated
<i>(Dollars in thousands)</i>								
<b>Income statement data:</b>								
Interest income	\$ 66,311	\$ —	\$ 28	\$ 66,339	\$ 47,720	\$ —	\$ 64	\$ 47,784
Interest expense	34,517	—	519	35,036	18,440	—	553	18,993
Net interest income (loss)	31,794	—	(491)	31,303	29,280	—	(489)	28,791
Provision (credit) for loan and lease losses	(712)	—	—	(712)	415	—	—	415
Net interest income (loss) after provision for loan and lease losses	32,506	—	(491)	32,015	28,865	—	(489)	28,376
Non-interest income:								
Investment management fees	—	9,364	(110)	9,254	—	9,743	(57)	9,686
Net gain on the sale and call of debt securities	112	—	—	112	1	—	—	1
Other non-interest income	2,478	4	131	2,613	2,849	1	(35)	2,815
Total non-interest income	2,590	9,368	21	11,979	2,850	9,744	(92)	12,502
Non-interest expense:								
Intangible amortization expense	—	502	—	502	—	502	—	502
Other non-interest expense	18,903	7,930	250	27,083	16,223	8,242	351	24,816
Total non-interest expense	18,903	8,432	250	27,585	16,223	8,744	351	25,318
Income (loss) before tax	16,193	936	(720)	16,409	15,492	1,000	(932)	15,560
Income tax expense (benefit)	1,658	264	(204)	1,718	955	277	(264)	968
Net income (loss)	\$ 14,535	\$ 672	\$ (516)	\$ 14,691	\$ 14,537	\$ 723	\$ (668)	\$ 14,592

# SEGMENTS

	Six Months Ended June 30, 2019				Six Months Ended June 30, 2018			
	Bank	Investment Management	Parent and Other	Consolidated	Bank	Investment Management	Parent and Other	Consolidated
<i>(Dollars in thousands)</i>								
<b>Income statement data:</b>								
Interest income	\$ 129,142	\$ —	\$ 99	\$ 129,241	\$ 89,071	\$ —	\$ 129	\$ 89,200
Interest expense	66,436	—	1,130	67,566	32,990	—	1,157	34,147
Net interest income (loss)	62,706	—	(1,031)	61,675	56,081	—	(1,028)	55,053
Provision (credit) for loan and lease losses	(1,089)	—	—	(1,089)	610	—	—	610
Net interest income (loss) after provision for loan and lease losses	63,795	—	(1,031)	62,764	55,471	—	(1,028)	54,443
Non-interest income:								
Investment management fees	—	18,896	(218)	18,678	—	18,707	(113)	18,594
Net gain on the sale and call of debt securities	140	—	—	140	6	—	—	6
Other non-interest income	5,355	25	850	6,230	5,026	1	(36)	4,991
Total non-interest income	5,495	18,921	632	25,048	5,032	18,708	(149)	23,591
Non-interest expense:								
Intangible amortization expense	—	1,004	—	1,004	—	963	—	963
Other non-interest expense	37,923	14,987	343	53,253	32,010	15,815	380	48,205
Total non-interest expense	37,923	15,991	343	54,257	32,010	16,778	380	49,168
Income (loss) before tax	31,367	2,930	(742)	33,555	28,493	1,930	(1,557)	28,866
Income tax expense (benefit)	3,683	827	(210)	4,300	3,809	504	(440)	3,873
Net income (loss)	\$ 27,684	\$ 2,103	\$ (532)	\$ 29,255	\$ 24,684	\$ 1,426	\$ (1,117)	\$ 24,993

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP INCOME STATEMENT ITEMS

	For the Three Months Ended					For the Years Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2018	December 31, 2017
<i>(Dollars in thousands)</i>							
<b>Total revenue:</b>							
Net interest income	\$ 31,303	\$ 30,372	\$ 29,532	\$ 28,819	\$ 28,791	\$ 113,404	\$ 91,353
Total non-interest income	11,979	13,069	11,575	12,751	12,502	47,917	46,966
Less: net gain (loss) on the sale and call of debt securities	112	28	(76)	—	1	(70)	310
<b>Total revenue</b>	<b>\$ 43,170</b>	<b>\$ 43,413</b>	<b>\$ 41,183</b>	<b>\$ 41,570</b>	<b>\$ 41,292</b>	<b>\$ 161,391</b>	<b>\$ 138,009</b>

	For the Three Months Ended					For the Years Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2018	December 31, 2017
<i>(Dollars in thousands)</i>							
<b>Bank total revenue:</b>							
Net interest income	\$ 31,794	\$ 30,911	\$ 30,058	\$ 29,316	\$ 29,280	\$ 115,455	\$ 93,380
Total non-interest income	2,590	2,905	3,161	2,850	2,850	11,042	9,864
Less: net gain (loss) on the sale and call of debt securities	112	28	(76)	—	1	(70)	310
<b>Bank total revenue</b>	<b>\$ 34,272</b>	<b>\$ 33,788</b>	<b>\$ 33,295</b>	<b>\$ 32,166</b>	<b>\$ 32,129</b>	<b>\$ 126,567</b>	<b>\$ 102,934</b>
<b>Bank efficiency ratio:</b>							
Total non-interest expense (numerator)	\$ 18,903	\$ 19,021	\$ 18,179	\$ 17,002	\$ 16,223	\$ 67,190	\$ 59,073
Total revenue (denominator)	\$ 34,272	\$ 33,788	\$ 33,295	\$ 32,166	\$ 32,129	\$ 126,567	\$ 102,934
<b>Bank efficiency ratio</b>	<b>55.16%</b>	<b>56.30%</b>	<b>54.60%</b>	<b>52.86%</b>	<b>50.49%</b>	<b>53.09%</b>	<b>57.39%</b>

For a comprehensive discussion on the use of non-GAAP data, please refer to the Company's most recent quarterly financial results news release filed with the Securities and Exchange Commission and available at [www.tscbank.com](http://www.tscbank.com)

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP INCOME STATEMENT ITEMS

	For the Three Months Ended				For the Years Ended		
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	December 31, 2018	December 31, 2017
<i>(Dollars in thousands)</i>							
<b>Investment Management EBITDA:</b>							
Net income	\$ 672	\$ 1,431	\$ 1,468	\$ 957	\$ 723	\$ 3,851	\$ 4,551
Interest expense	—	—	—	—	—	—	—
Income taxes expense (benefit)	264	563	(207)	282	277	579	522
Depreciation expense	119	125	126	126	125	502	497
Intangible amortization expense	502	502	503	502	502	1,968	1,851
<b>EBITDA</b>	<b>\$ 1,557</b>	<b>\$ 2,621</b>	<b>\$ 1,890</b>	<b>\$ 1,867</b>	<b>\$ 1,627</b>	<b>\$ 6,900</b>	<b>\$ 7,421</b>

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# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO GAAP BALANCE SHEET ITEMS

	<b>As of</b>				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
<i>(Dollars in thousands, except per share data)</i>					
<b>Tangible book value per common share:</b>					
Common shareholders' equity	\$ 472,839	\$ 458,089	\$ 440,886	\$ 429,152	\$ 415,462
Less: goodwill and intangible assets	66,859	67,361	67,863	68,365	68,867
Tangible common equity	\$ 405,980	\$ 390,728	\$ 373,023	\$ 360,787	\$ 346,595
Common shares outstanding	29,339,152	29,351,833	28,878,674	28,920,978	28,947,883
Tangible book value per common share	\$ 13.84	\$ 13.31	\$ 12.92	\$ 12.47	\$ 11.97

For a comprehensive discussion on the use of non-GAAP data, please refer to the Company's most recent quarterly financial results news release filed with the Securities and Exchange Commission and available at [www.tscbank.com](http://www.tscbank.com)