



**Third Quarter 2018 Earnings Presentation**

October 23, 2018

## Forward looking statements

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Certain statements contained in this presentation are 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. These forward-looking statements include, without limitation, statements relating to the Company's business, cash flows, condition (financial or otherwise), credit quality, financial performance, liquidity, short and long-term performance goals, prospects, results of operations, strategic initiatives and the timing, benefits, costs and synergies of recently completed and future acquisition, disposition and other growth opportunities. These statements, which are based upon certain assumptions and estimates and describe the Company's future plans, results, strategies and expectations, can generally be identified by the use of the words and phrases "may," "will," "should," "could," "would," "goal," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target," "aim," "predict," "continue," "seek," "projection" and other variations of such words and phrases and similar expressions. These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company's control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates and projections will be achieved. Accordingly, the Company cautions investors that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and that are beyond the Company's control. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this presentation, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this presentation including, without limitation, the risks and other factors set forth in the Company's most recent Annual Report on Form 10-K under the captions "Cautionary note regarding forward-looking statements" and "Risk factors" and periodic and current reports on Forms 10-Q and 8-K. Many of these factors are beyond the Company's ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from the forward-looking statements. Accordingly, investors should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company.

## Use of non-GAAP financial measures

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This presentation contains certain financial measures that are not measures recognized under U.S. generally accepted accounting principles (“GAAP”) and therefore are considered non-GAAP financial measures. These non-GAAP financial measures include, without limitation, adjusted net income, adjusted diluted earnings per share, core net income, core diluted earnings per share, adjusted pro forma net income, adjusted pro forma diluted earnings per share, pro forma core net income, pro forma core diluted earnings per share, core noninterest expense, core noninterest income, core efficiency ratio (tax-equivalent basis), banking segment core efficiency ratio (tax-equivalent basis), mortgage segment core efficiency ratio (tax-efficiency basis), adjusted mortgage contribution, adjusted return on average assets and equity, core return on average assets and equity and core total revenue. Each of these non-GAAP metrics excludes certain income and expense items that the Company’s management considers to be non-core/adjusted in nature. The Company refers to these non-GAAP measures as adjusted or core measures. The corresponding Earnings Release also presents tangible assets, tangible common equity, tangible book value per common share, tangible common equity to tangible assets, return on tangible common equity, return on average tangible common equity, adjusted return on average assets, adjusted return on average equity, core return on average tangible common equity, adjusted return on average tangible common equity, pro forma return on average assets and equity, pro forma adjusted return on average assets and equity and pro forma core return on average assets and equity. Each of these non-GAAP metrics excludes the impact of goodwill and other intangibles.

The Company’s management uses these non-GAAP financial measures in their analysis of the Company’s performance, financial condition and the efficiency of its operations as management believes such measures facilitate period-to-period comparisons and provide meaningful indications of its operating performance as they eliminate both gains and charges that management views as non-recurring or not indicative of operating performance. Management believes that these non-GAAP financial measures provide a greater understanding of ongoing operations and enhance comparability of results with prior periods as well as demonstrating the effects of significant non-core gains and charges in the current and prior periods. The Company’s management also believes that investors find these non-GAAP financial measures useful as they assist investors in understanding the Company’s underlying operating performance and in the analysis of ongoing operating trends. In addition, because intangible assets such as goodwill and other intangibles, and the other items excluded each vary extensively from company to company, the Company believes that the presentation of this information allows investors to more easily compare the Company’s results to the results of other companies. However, the non-GAAP financial measures discussed herein should not be considered in isolation or as a substitute for the most directly comparable or other financial measures calculated in accordance with GAAP. Moreover, the manner in which the Company calculates the non-GAAP financial measures discussed herein may differ from that of other companies reporting measures with similar names. You should understand how such other banking organizations calculate their financial measures similar or with names similar to the non-GAAP financial measures the Company has discussed herein when comparing such non-GAAP financial measures. The following tables provide a reconciliation of these measures to the most directly comparable GAAP financial measures.

## 3Q 2018 highlights

### Key highlights

- Diluted EPS of \$0.68, resulting in ROAA of 1.72%
- Loans (HFI) grew to \$3.5 billion, a 13.6% increase from 3Q 2017; grew 14.3% annualized from 2Q 2018
- Customer deposits grew to \$4.0 billion, a 11.2% increase from 3Q 2017; grew 17.9% annualized from 2Q 2018
- Continued customer-focused balance sheet growth resulting in a net interest margin of 4.71% for 3Q 2018, compared to 4.81% for 2Q 2018 and 4.61% for 3Q 2017
- Mortgage banking income of \$26.6 million, a 15.0% decrease from 3Q 2017, driven by lower interest rate lock commitment (IRLC) volumes and lower gain on sale margins
- Continuing enhancing positive operating leverage; Banking Segment core efficiency ratio was 52.4%<sup>1</sup> in 3Q 2018, down 376 basis points from 3Q 2017
- Continued to position the balance sheet for the current rate environment; grew customer time deposits by \$276.3 million and substituted cheaper brokered deposits of \$53.9 million for short-term borrowings

### Financial results

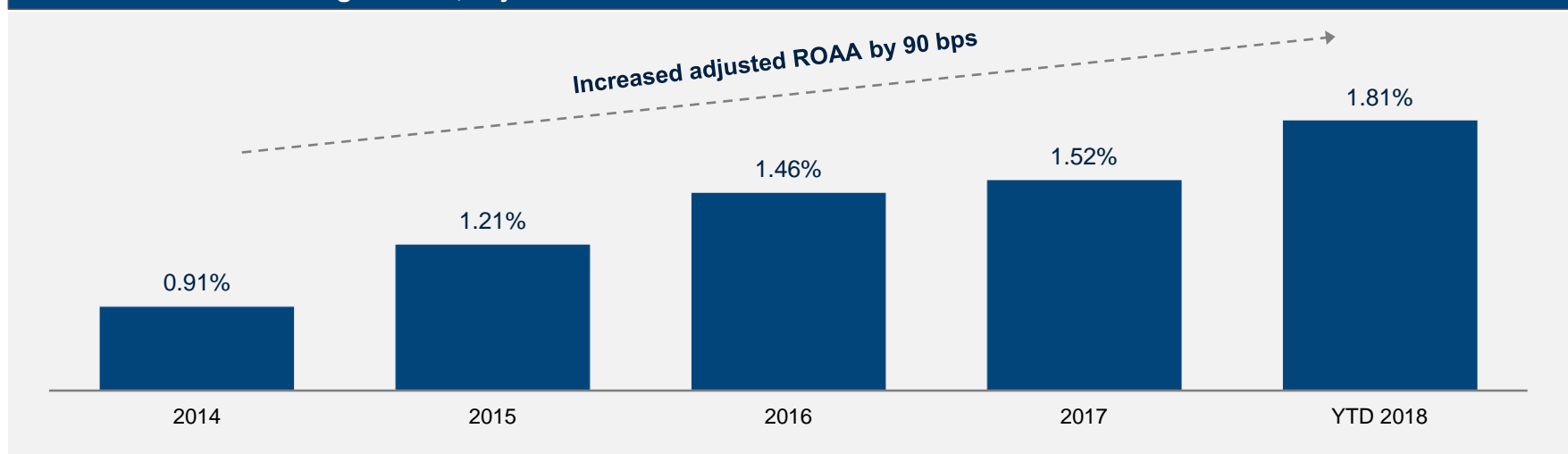
	Three months ended September 30, 2018	
	Non-GAAP adjusted results <sup>1</sup>	Reported GAAP results
Diluted earnings per share	\$0.68	\$0.68
Net income (\$million)	\$21.4	\$21.4
Net interest margin	4.71% <sup>2</sup>	4.71%
Return on average assets	1.72%	1.72%
Return on average equity	13.3%	13.3%
Return on average tangible common equity	17.4%	17.4%
Efficiency ratio	63.7%	65.7%

<sup>1</sup> Adjusted results are non-GAAP financial measures that adjust GAAP reported net income and other metrics for certain income and expense items as outlined in the non-GAAP reconciliation calculations, using a combined marginal income tax rate of 26.06% excluding one-time items. See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP financial measures.

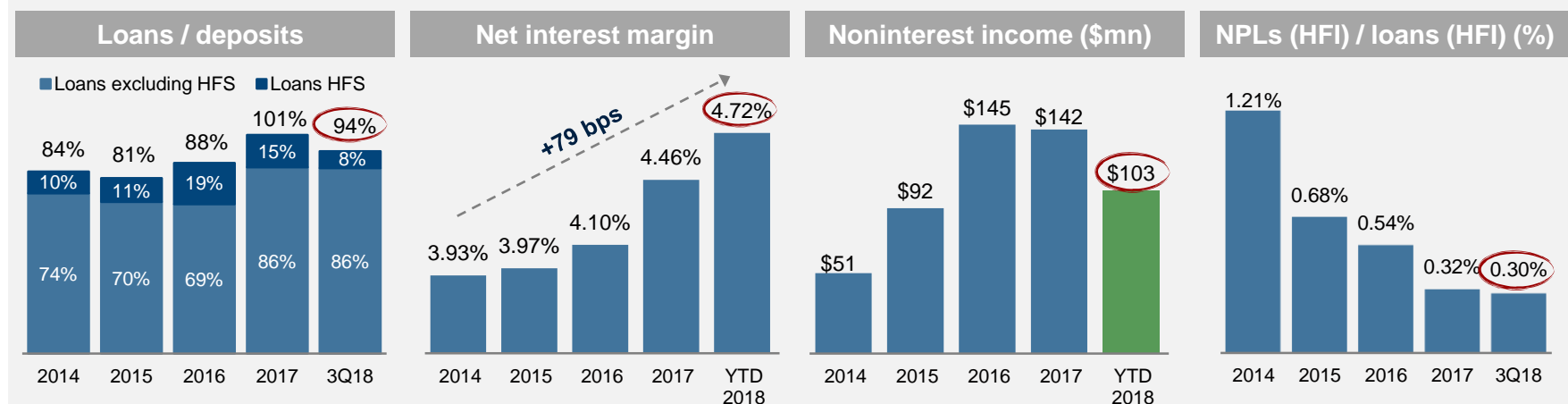
<sup>2</sup> Includes accretion from acquired / purchased loans and collection of interest income on nonaccrual loans, which contributed 25 basis points to net interest margin.

# Consistently delivering balanced profitability and growth

## Pro forma return on average assets, adjusted<sup>1</sup>



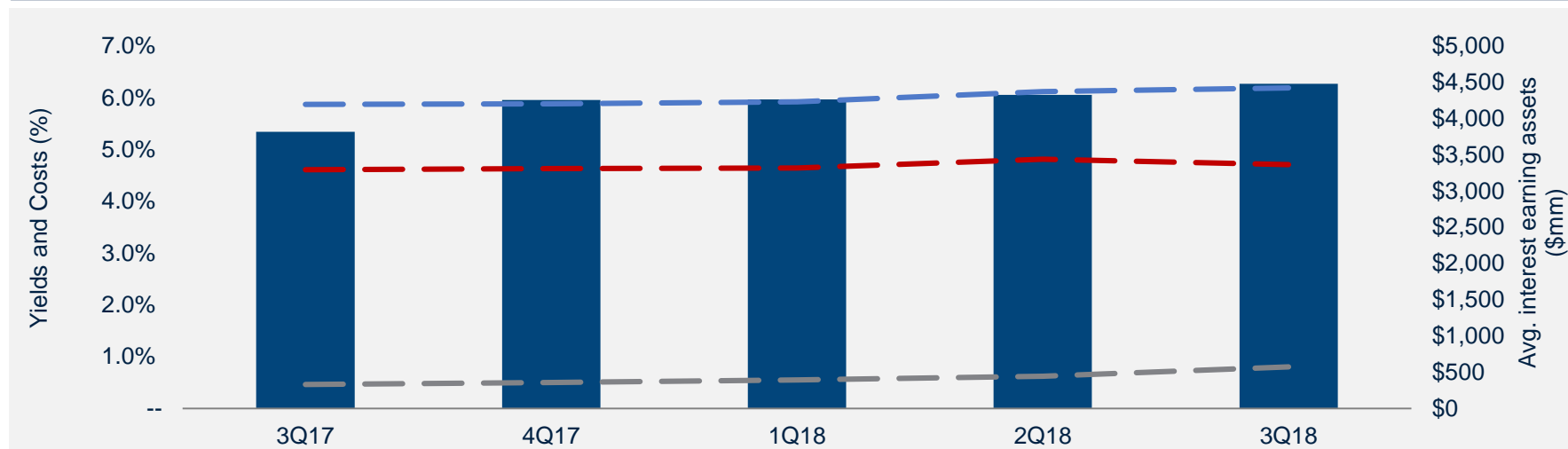
## Drivers of profitability



<sup>1</sup> Our pro forma net income includes a pro forma provision for federal income taxes using a combined effective income tax rate of 35.63%, 35.08% and 36.75% for the years ended December 31, 2014, 2015 and 2016, respectively, and also includes the exclusion of a one-time tax charge from C Corp conversion in 3Q 2016 and the 4Q 2017 benefit from the 2017 Tax Cuts and Jobs Act. The years ended December 31 2014, 2015, 2016 and 2017 are annual percentages. See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

## Peer-leading net interest margin remains strong

### Historical yield and costs



NIM (%)	4.61%	4.63%	4.64%	4.81%	4.71%
Impact of accretion and nonaccrual interest collections (bps)	28	29	20	20	25
Deposit cost (%)	0.46%	0.50%	0.55%	0.62%	0.80%

■ Average interest earning assets    - - - Yield on loans  
- - - Cost of deposits                      - - - NIM

Loan (HFI) yield			
	3Q17	2Q18	3Q18
Contractual interest rate on loans HFI <sup>1</sup>	5.08%	5.37%	5.47%
Origination and other loan fee income	0.38%	0.46%	0.40%
	5.46%	5.83%	5.87%
Nonaccrual interest collections	0.16%	0.03%	0.07%
Accretion on purchased loans	0.23%	0.23%	0.25%
Syndication fee income	0.05%	0.03%	0.00%
<b>Total loan yield (HFI)</b>	<b>5.90%</b>	<b>6.12%</b>	<b>6.19%</b>

<sup>1</sup> Includes tax-equivalent adjustment

# Consistent loan growth and balanced portfolio

## Total loan growth<sup>1</sup> (\$million) and commercial real estate concentration



Commercial real estate (CRE) concentrations <sup>2</sup>	% of Risk-Based Capital	
	2Q18	3Q18 (preliminary)
C&D loans subject to 100% risk-based capital threshold <sup>3</sup>	105%	91%
Total CRE loans subject to 300% risk-based capital threshold <sup>3</sup>	239%	223%

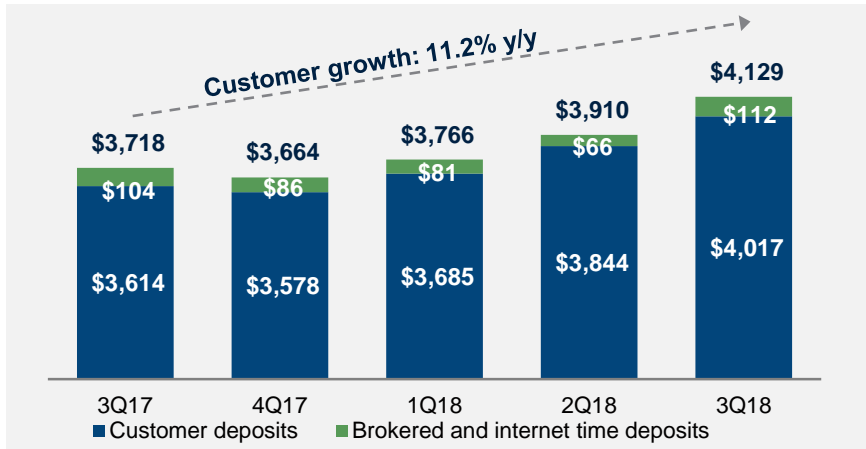
## Loan portfolio breakdown<sup>1</sup>



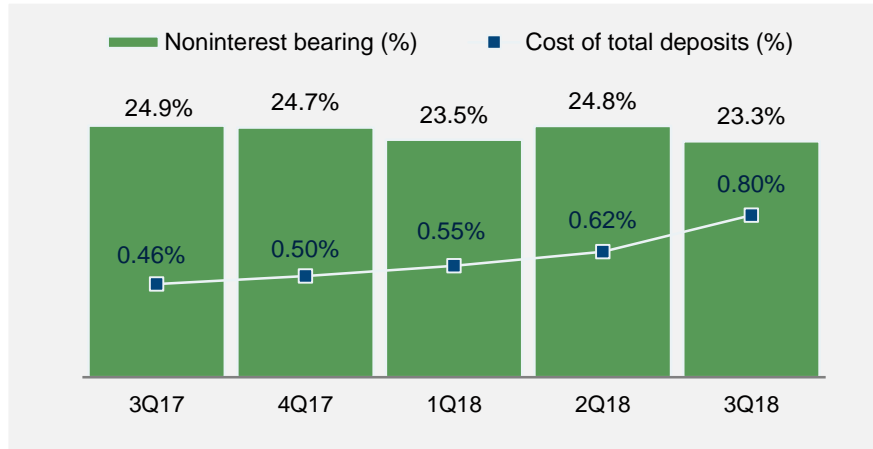
<sup>1</sup> Exclude HFS loans, C&I includes owner-occupied CRE.  
<sup>2</sup> Risk-based capital at FirstBank as defined in Call Report. 3Q 2018 calculation is preliminary and subject to change.  
<sup>3</sup> Excludes owner-occupied CRE.

# Stable, low cost core deposit franchise

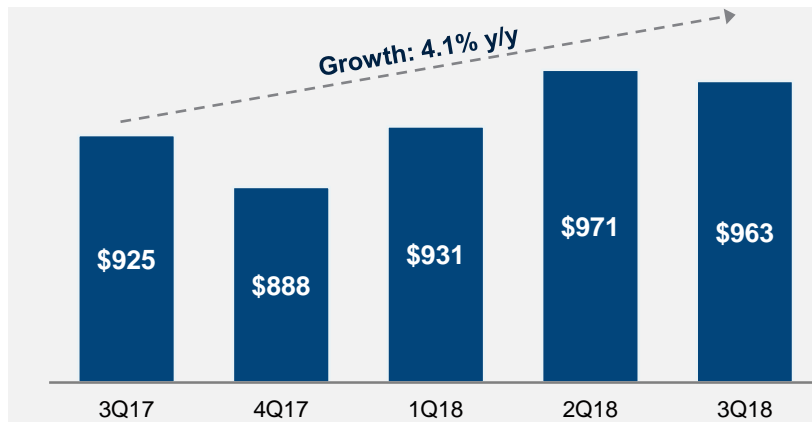
## Total deposits (\$million)



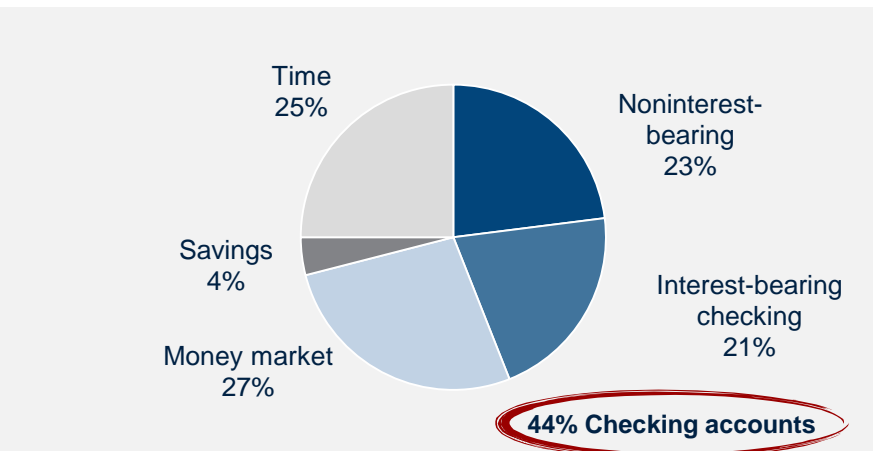
## Cost of deposits



## Noninterest bearing deposits (\$million)<sup>1</sup>



## Deposit composition



<sup>1</sup> Includes mortgage servicing-related escrow deposits of \$56.8 million, \$53.7 million, \$74.1 million, \$88.4 million and \$78.0 million for the quarters ended September 30, 2017, December 31, 2017, March 31, 2018, June 30, 2018 and September 30, 2018 respectively.



# Mortgage operations overview

## Highlights

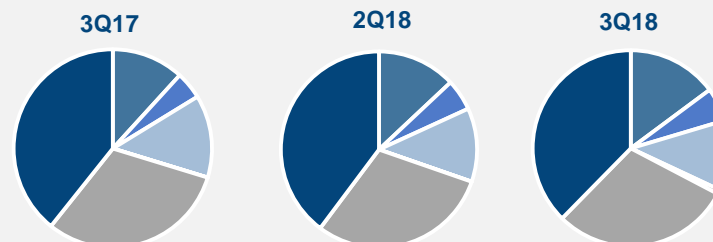
- Total mortgage pre-tax contribution (including retail footprint) of \$1.5 million for 3Q18, in-line with prior guidance, and \$6.8 million YTD
- Mortgage banking income \$26.6 million, down 15.0% from 3Q 2017 and 6.6% from 2Q 2018
- Actively reducing operational expenses and repositioning origination channels for projected future volumes
- Volumes and profitability will adjust similarly to industry volumes<sup>3</sup>

## Mortgage banking income (\$mm)

	3Q17	2Q18	3Q18
Gain on Sale	\$29.6	\$27.0	\$26.0
Fair value changes	(\$0.8)	(\$2.3)	(\$2.3)
Servicing Revenue	\$3.4	\$5.6	\$5.6
Fair value MSR change	(\$0.9)	(\$1.8)	(\$2.7)
<b>Total Income</b>	<b>\$31.3</b>	<b>\$28.5</b>	<b>\$26.6</b>

## Mortgage production

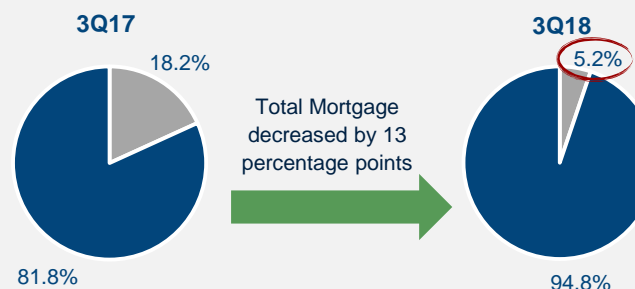
- Consumer Direct
- Correspondent
- Third party originated
- Retail
- Retail footprint



IRLC volume:	\$2,001mm	\$1,976mm	\$1,705mm
IRLC pipeline <sup>1</sup> :	\$541mm	\$598mm	\$453mm
Refinance %:	45%	29%	31%
Purchase %:	55%	71%	69%

## Total pre-tax contribution, adjusted<sup>2</sup> (%)

- Banking (excluding retail footprint)
- Total Mortgage (including retail footprint)



<sup>1</sup> As of the respective period end.

<sup>2</sup> See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

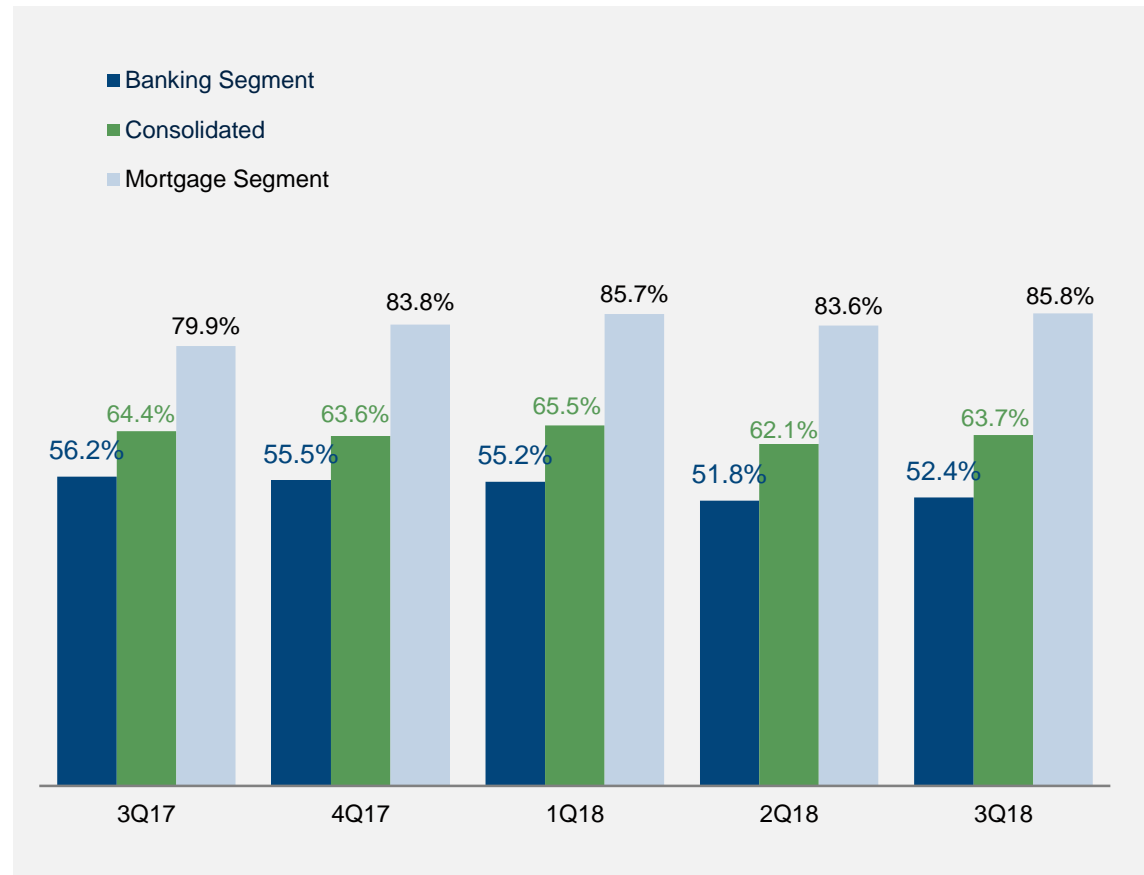
<sup>3</sup> See Forward Looking Statements on Slide 1.

# Improving operating leverage

## Improving operating efficiency

- Consolidated 3Q 2018 core efficiency ratio of 63.7% driven by Banking Segment core efficiency ratio of 52.4%, which has decreased by 376 basis points since 3Q 2017
- 3Q 2018 illustrates solidified operating leverage achieved through organic growth, merger and ongoing cost efficiencies; expect the Banking Segment operating leverage to continue to incrementally improve
- Continued investment in revenue producers, IT systems and back office skills to improve on scalable platform
- Expect structural and operational changes in Mortgage Segment to improve efficiency ratio in the intermediate term

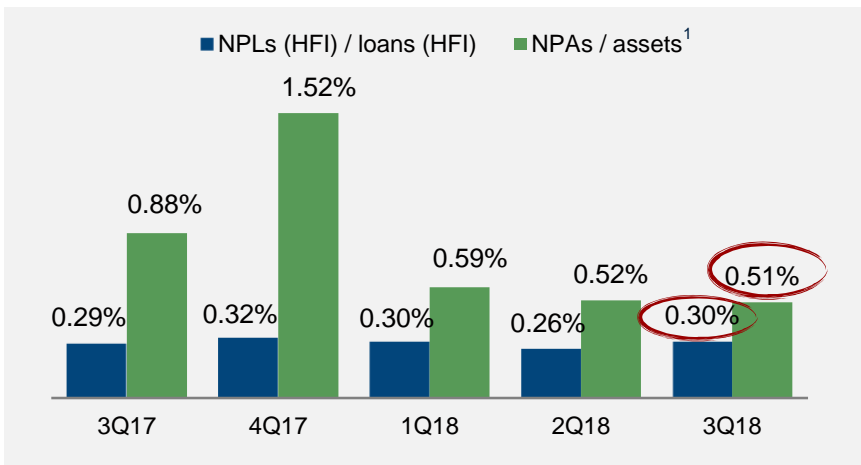
## Core efficiency ratio (tax-equivalent basis)<sup>1</sup>



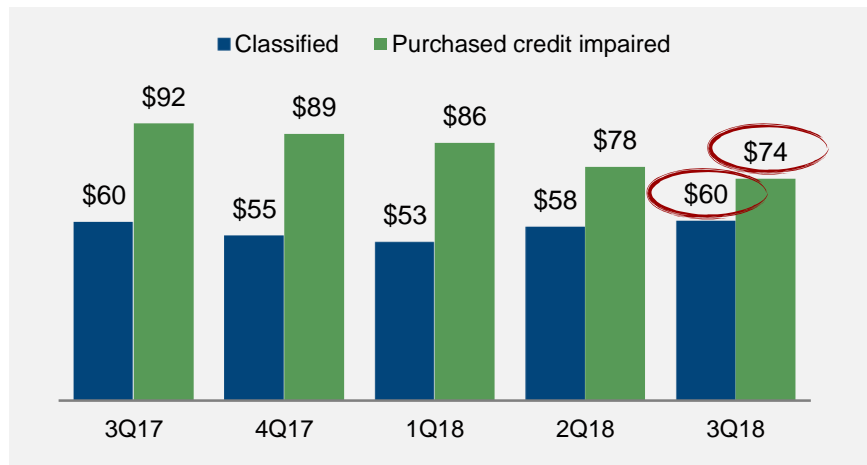
<sup>1</sup> See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

# Asset quality remains stable

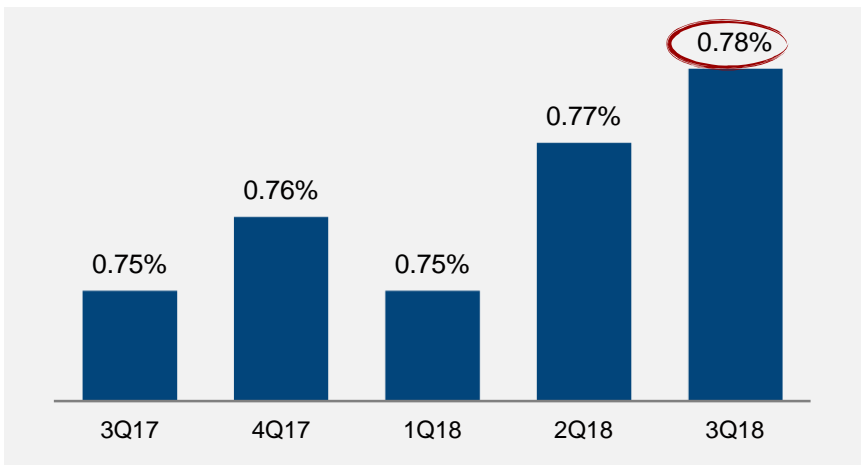
## Nonperforming ratios



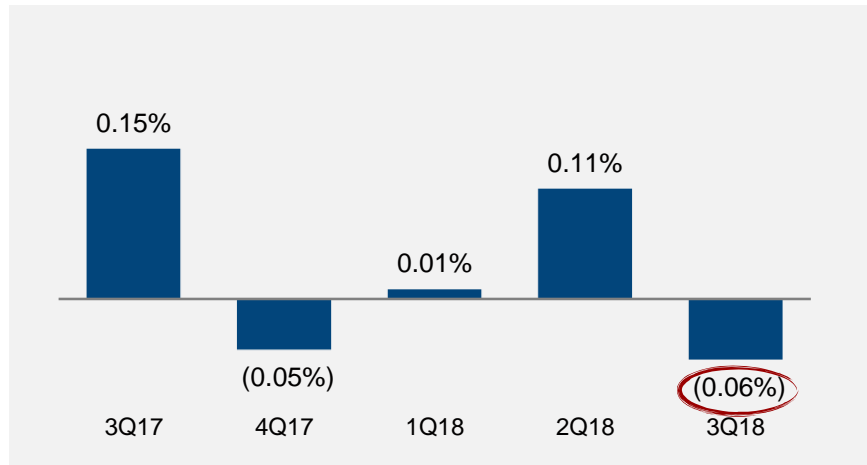
## Classified & PCI loans (\$million)



## LLR / loans



## Net recoveries (charge-offs) / average loans

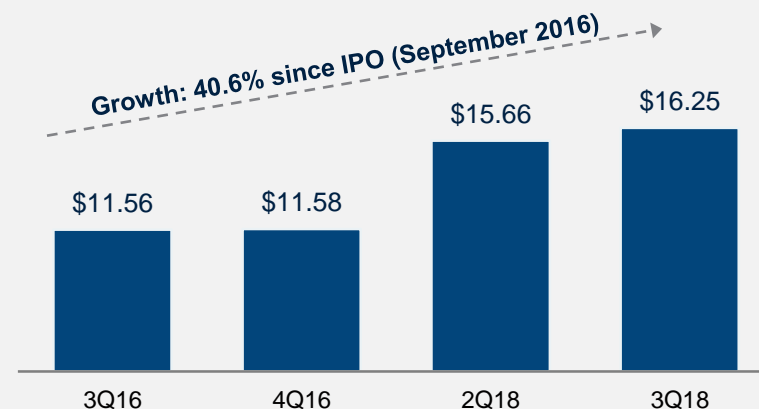


<sup>1</sup> Includes acquired excess land and facilities for all periods subsequent to the acquisition of the Clayton Banks and GNMA rebooked loans for the third and fourth quarters of 2017 – see page 8 of the Quarterly Financial Supplement.

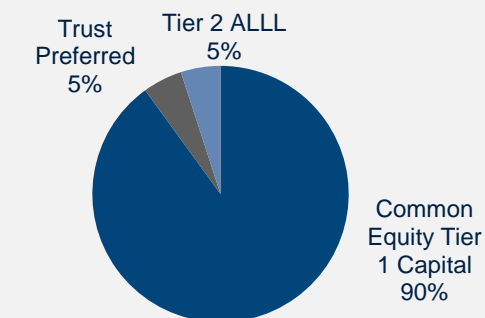
## Strong capital position for future growth

Capital position			
	3Q17	2Q18	3Q18 <sup>1</sup>
Shareholder's equity / Assets	12.5%	12.8%	12.8%
<b>TCE / TA<sup>2</sup></b>	<b>9.5%</b>	<b>10.1%</b>	<b>10.2%</b>
Common equity tier 1 / Risk-weighted assets	10.8%	10.6%	11.5%
Tier 1 capital / Risk-weighted assets	11.6%	11.3%	12.2%
Total capital / Risk-weighted assets	12.2%	11.9%	12.8%
Tier 1 capital / Average assets	11.4%	10.9%	11.3%

### Tangible book value per share



### Simple capital structure



Total capital<sup>1</sup>: \$567.9 million

<sup>1</sup> Total regulatory capital, FB Financial Corporation. 3Q 2018 calculation is preliminary and subject to change.

<sup>2</sup> See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

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**Appendix**

## GAAP reconciliation and use of non-GAAP financial measures

### Net income, adjusted

Net income, adjusted	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Net income, adjusted</b>					
Pre-tax net income	\$ 28,079	\$ 29,859	\$ 25,236	\$ 27,504	\$ 12,990
Plus merger and offering-related expenses	-	671	1,193	2,069	15,711
Less significant gains (losses) on securities, other real estate owned and other items	-	-	-	-	-
<b>Pre-tax net income, adjusted</b>	<b>\$ 28,079</b>	<b>\$ 30,530</b>	<b>\$ 26,429</b>	<b>\$ 29,573</b>	<b>\$ 28,701</b>
Income tax expense, adjusted	6,702	7,794	5,793	11,308	10,765
<b>Net income, adjusted</b>	<b>\$ 21,377</b>	<b>\$ 22,736</b>	<b>\$ 20,636</b>	<b>\$ 18,265</b>	<b>\$ 17,936</b>
Weighted average common shares outstanding fully diluted	31,339,628	31,294,044	31,421,830	31,166,080	30,604,537
<b>Earnings per share, adjusted</b>					
Diluted earning per share	\$ 0.68	\$ 0.70	\$ 0.63	\$ 0.74	\$ 0.27
Plus merger and offering-related expenses	-	0.02	0.04	0.07	0.51
Less significant gains (losses) on securities, other real estate owned and other items	-	-	-	-	-
Tax effect	-	-	(0.01)	(0.22)	(0.20)
<b>Diluted earnings per share, adjusted</b>	<b>\$ 0.68</b>	<b>\$ 0.72</b>	<b>\$ 0.66</b>	<b>\$ 0.59</b>	<b>\$ 0.58</b>

Previously, the Company adjusted reported net income for the following items: (i) change in fair value in MSRs, net, and (ii) Gains (losses) from securities, OREO, MSRs, other assets, and other items. Beginning with the first quarter of 2018, the Company is only adjusting reported earnings for (i) merger and conversion costs, (ii) impact of tax reform (fourth quarter 2017); and (iii) other significant items impacting comparability between quarterly and annual periods including costs related to the secondary stock offering completed by our primary shareholder during the second quarter of 2018. Prior periods have been adjusted to conform to this presentation, see below for

Previously reported core results*	2017	
	Fourth Quarter	Third Quarter
Core net income	\$ 18,677	\$ 18,516
Core diluted earnings per share	\$ 0.60	\$ 0.60

\*Non-GAAP reconciliations of previously reported core results are included in previously issued earnings release supplements.

## GAAP reconciliation and use of non-GAAP financial measures

### Pro forma net income, adjusted

<b>Pro forma net income, adjusted</b>	<b>YTD 2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Pre-tax net income	\$ 83,174	\$ 73,485	\$ 62,324	\$ 50,824	\$ 34,731
Plus merger and offering-related expenses	1,864	19,034	3,268	3,543	-
Less significant gains (losses) on securities, other real estate owned and other items	-	-	(3,539)	4,638	2,000
<b>Pre tax net income, adjusted</b>	<b>\$ 85,038</b>	<b>\$ 92,519</b>	<b>\$ 69,131</b>	<b>\$ 49,729</b>	<b>\$ 32,731</b>
Pro forma income tax expense, adjusted	20,289	34,749	25,404	18,425	11,662
<b>Pro forma net income, adjusted</b>	<b>\$ 64,749</b>	<b>\$ 57,770</b>	<b>\$ 43,727</b>	<b>\$ 31,304</b>	<b>\$ 21,069</b>
Weighted average common shares outstanding fully diluted	31,298,654	28,207,602	19,312,174	17,180,000	17,180,000
<b>Pro forma diluted earnings per share, adjusted</b>					
Diluted earning per share	\$ 2.01	\$ 1.86	\$ 2.10	\$ 2.79	\$ 1.89
Plus merger and offering-related expenses	\$ 0.07	0.67	0.17	0.21	-
Less significant gains (losses) on securities, other real estate owned and other items	\$ -	-	(0.18)	0.27	0.12
Tax effect	\$ (0.01)	(0.48)	(0.19)	(0.91)	(0.54)
<b>Pro forma diluted earnings per share, adjusted</b>	<b>\$ 2.07</b>	<b>\$ 2.05</b>	<b>\$ 2.26</b>	<b>\$ 1.82</b>	<b>\$ 1.23</b>

### Previously reported pro forma core results\*

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Pro forma core net income	\$ 60,396	\$ 46,120	\$ 34,577	\$ 22,872
Pro forma core diluted earnings per share	\$ 2.14	\$ 2.39	\$ 2.01	\$ 1.33

\* Non-GAAP reconciliations of previously reported core results are included in previously issued earnings release supplements.

## GAAP reconciliation and use of non-GAAP financial measures

### Tax-equivalent efficiency ratio

	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Core efficiency ratio (tax-equivalent basis)</b>					
Total noninterest expense	\$ 57,213	\$ 56,358	\$ 56,151	\$ 57,540	\$ 69,224
Less merger and offering-related expenses	-	671	1,193	2,069	15,711
<b>Core noninterest expense</b>	<b>\$ 57,213</b>	<b>\$ 55,687</b>	<b>\$ 54,958</b>	<b>\$ 55,471</b>	<b>\$ 53,513</b>
Net interest income (tax-equivalent basis)	53,161	51,909	48,799	49,692	44,281
Total noninterest income	34,355	35,763	33,275	37,017	37,820
Less change in fair value on mortgage servicing rights	(2,701)	(1,778)	(1,713)	(190)	(893)
Less gain on sales or write-downs of other real estate owned and other assets	446	(132)	(118)	(386)	(314)
Less gain from securities, net	(27)	(42)	(47)	1	254
<b>Core noninterest income</b>	<b>36,637</b>	<b>37,715</b>	<b>35,153</b>	<b>37,592</b>	<b>38,773</b>
Core revenue	\$ 89,798	\$ 89,624	\$ 83,952	\$ 87,284	\$ 83,054
Efficiency ratio (GAAP) <sup>(1)</sup>	65.7%	64.6%	68.7%	66.9%	85.0%
<b>Core efficiency ratio (tax-equivalent basis)</b>	<b>63.7%</b>	<b>62.1%</b>	<b>65.5%</b>	<b>63.6%</b>	<b>64.4%</b>

(1) Efficiency ratio (GAAP) is calculated by dividing noninterest expense by total revenue



## GAAP reconciliation and use of non-GAAP financial measures

### Segment tax-equivalent efficiency ratio

Banking segment core efficiency ratio (tax equivalent)	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Core consolidated noninterest expense	\$ 57,213	\$ 55,687	\$ 54,958	\$ 55,471	\$ 53,513
Less Mortgage segment noninterest expense	18,821	19,582	18,910	20,117	19,757
Add loss on sale of mortgage servicing rights	-	-	-	-	-
Adjusted Banking segment noninterest expense	38,392	36,105	36,048	35,354	33,756
Adjusted core revenue	89,798	89,624	83,952	87,284	83,054
Less Mortgage segment noninterest income	19,232	21,650	20,363	23,825	23,836
Less change in fair value on mortgage servicing rights	(2,701)	(1,778)	(1,713)	(190)	(893)
Adjusted Banking segment total revenue	\$ 73,267	\$ 69,752	\$ 65,302	\$ 63,649	\$ 60,111
<b>Banking segment core efficiency ratio (tax-equivalent basis)</b>	52.4%	51.8%	55.2%	55.5%	56.2%
<b>Mortgage segment core efficiency ratio (tax equivalent)</b>					
Consolidated noninterest expense	\$ 57,213	\$ 56,358	\$ 56,151	\$ 57,540	\$ 69,224
Less loss on sale of mortgage servicing rights	-	-	-	-	-
Less Banking segment noninterest expense	38,392	36,721	37,241	37,423	49,467
Adjusted Mortgage segment noninterest expense	\$ 18,821	\$ 19,637	\$ 18,910	\$ 20,117	\$ 19,757
Total noninterest income	34,355	35,763	33,275	37,017	37,820
Less Banking segment noninterest income	15,123	14,058	12,912	13,192	13,984
Less change in fair value on mortgage servicing rights	(2,701)	(1,778)	(1,713)	(190)	(893)
Adjusted Mortgage segment total revenue	\$ 21,933	\$ 23,483	\$ 22,076	\$ 24,015	\$ 24,729
<b>Mortgage segment core efficiency ratio (tax-equivalent basis)</b>	85.8%	83.6%	85.7%	83.8%	79.9%

## GAAP reconciliation and use of non-GAAP financial measures

### Mortgage contribution, adjusted

Mortgage contribution, adjusted	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Mortgage segment pre-tax net contribution	\$ 433	\$ 1,916	\$ 1,111	\$ 3,269	\$ 3,948
Retail footprint:					
Mortgage banking income	7,417	6,894	6,108	6,455	7,498
Mortgage banking expenses	6,383	5,649	5,097	5,294	6,216
Retail footprint pre-tax net contribution	1,034	1,245	1,011	1,161	1,282
Total mortgage banking pre-tax net contribution	\$ 1,467	\$ 3,161	\$ 2,122	\$ 4,430	\$ 5,230
Pre-tax net income	28,079	29,859	25,236	27,504	12,990
% total mortgage banking pre-tax net contribution	5.2%	10.6%	8.4%	16.1%	40.3%
Pre-tax net income, adjusted	28,079	30,530	26,429	29,573	28,701
% total mortgage banking pre-tax net contribution, adjusted	5.2%	10.4%	8.0%	15.0%	18.2%

Mortgage contribution, adjusted	YTD 2018	YTD 2017
Mortgage segment pre-tax net contribution	\$ 3,460	9,834
Retail footprint:		
Mortgage banking income	20,419	20,282
Mortgage banking expenses	17,129	16,420
Retail footprint pre-tax net contribution	3,290	3,862
Total mortgage banking pre-tax net contribution	\$ 6,750	13,696
Pre-tax net income	83,174	45,981
% total mortgage banking pre-tax net contribution	8.1%	29.8%
Pre-tax net income, adjusted	85,038	62,198
% total mortgage banking pre-tax net contribution, adjusted	7.9%	22.0%

## GAAP reconciliation and use of non-GAAP financial measures

### Tangible assets and equity

Tangible assets and equity	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
<b>Tangible Assets</b>					
Total assets	\$ 5,058,167	\$ 4,923,249	\$ 4,725,416	\$ 4,727,713	\$ 4,581,943
Less goodwill	137,190	137,190	137,190	137,190	138,910
Less intangibles, net	12,403	13,203	14,027	14,902	12,550
<b>Tangible assets</b>	<b>\$ 4,908,574</b>	<b>\$ 4,772,856</b>	<b>\$ 4,574,199</b>	<b>\$ 4,575,621</b>	<b>\$ 4,430,483</b>
<b>Tangible Common Equity</b>					
Total shareholders' equity	\$ 648,731	\$ 630,959	\$ 611,075	\$ 596,729	\$ 572,528
Less goodwill	137,190	137,190	137,190	137,190	138,910
Less intangibles, net	12,403	13,203	14,027	14,902	12,550
<b>Tangible common equity</b>	<b>\$ 499,138</b>	<b>\$ 480,566</b>	<b>\$ 459,858</b>	<b>\$ 444,637</b>	<b>\$ 421,068</b>
Common shares outstanding	30,715,792	30,683,353	30,671,763	30,535,517	30,526,592
Book value per common share	\$ 21.12	\$ 20.56	\$ 19.92	\$ 19.54	\$ 18.76
<b>Tangible book value per common share</b>	<b>\$ 16.25</b>	<b>\$ 15.66</b>	<b>\$ 14.99</b>	<b>\$ 14.56</b>	<b>\$ 13.79</b>
Total shareholders' equity to total assets	12.8%	12.8%	12.9%	12.6%	12.5%
<b>Tangible common equity to tangible assets</b>	<b>10.2%</b>	<b>10.1%</b>	<b>10.1%</b>	<b>9.7%</b>	<b>9.5%</b>
Net income	\$ 21,377	\$ 22,065	\$ 19,754	\$ 23,018	\$ 8,388
<b>Return on tangible common equity</b>	<b>17.0%</b>	<b>18.4%</b>	<b>17.4%</b>	<b>20.5%</b>	<b>7.9%</b>

### Return on average tangible equity

Return on average tangible common equity	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Total average shareholders' equity	\$ 638,388	\$ 615,950	\$ 599,198	\$ 578,856	\$ 550,409
Less average goodwill	137,190	137,190	137,190	137,190	108,220
Less intangibles, net	12,803	13,615	14,465	13,726	9,983
<b>Average tangible common equity</b>	<b>\$ 488,395</b>	<b>\$ 465,145</b>	<b>\$ 447,544</b>	<b>\$ 427,940</b>	<b>\$ 432,206</b>
Net income	\$ 21,377	\$ 22,065	\$ 19,754	\$ 23,018	\$ 8,388
<b>Return on average tangible common equity</b>	<b>17.4%</b>	<b>19.0%</b>	<b>17.9%</b>	<b>21.3%</b>	<b>7.7%</b>

## GAAP reconciliation and use of non-GAAP financial measures

### Return on average tangible equity, adjusted

Return on average tangible equity, adjusted	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Average tangible common equity	488,395	465,145	447,544	427,940	432,206
Net income, adjusted	\$ 21,377	\$ 22,736	\$ 20,636	\$ 18,265	\$ 17,936
<b>Return on average tangible common equity, adjusted</b>	<b>17.4%</b>	<b>19.6%</b>	<b>18.7%</b>	<b>16.9%</b>	<b>16.5%</b>

### Return on average assets and equity, adjusted

Return on average assets and equity, adjusted	2018			2017	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Net income	\$ 21,377	\$ 22,065	\$ 19,754	\$ 23,018	\$ 8,388
Average assets	4,932,197	4,763,991	4,678,494	4,664,669	4,162,478
Average equity	638,388	615,950	599,198	578,856	550,409
Return on average assets	1.72%	1.86%	1.71%	1.96%	0.80%
Return on average equity	13.3%	14.4%	13.4%	15.8%	6.0%
Net income, adjusted	21,377	22,736	20,636	18,265	17,936
Return on average assets, adjusted	1.72%	1.91%	1.79%	1.55%	1.71%
Return on average equity, adjusted	13.3%	14.8%	14.0%	12.5%	12.9%

Previously reported core metrics*	2017	
	Fourth Quarter	Third Quarter
Core return on average tangible common equity	17.4%	17.0%
Core return on average assets	1.59%	1.76%
Core return on average equity	12.8%	13.3%
Core total revenue	\$ 86,575	\$ 82,383

\* Non-GAAP reconciliations of previously reported core results are included in previously issued earnings release supplements.

## GAAP reconciliation and use of non-GAAP financial measures

### Return on average assets and equity, adjusted

Pro forma return on average assets and equity, adjusted	YTD 2018	2017	2016	2015	2014
Pro forma Net income	\$ 63,196	\$ 52,398	\$ 39,422	\$ 32,995	\$ 22,356
Average assets	4,791,465	3,811,158	3,001,275	2,577,895	2,311,297
Average equity	618,046	466,219	276,587	228,844	203,615
Pro forma return on average assets	1.76%	1.37%	1.31%	1.28%	0.97%
Pro forma return on average equity	13.7%	11.2%	14.3%	14.4%	11.0%
Pro forma net income, adjusted	\$ 64,749	\$ 57,770	\$ 43,727	\$ 31,304	\$ 21,069
Pro forma return on average assets, adjusted	1.81%	1.52%	1.46%	1.21%	0.91%
Pro forma return on average equity, adjusted	14.0%	12.4%	15.8%	13.7%	10.3%

Previously reported core metrics*	2017	2016	2015	2014
Pro forma core return on average assets	1.56%	1.54%	1.34%	0.99%
Pro forma core return on average equity	13.0%	16.7%	15.1%	11.2%

\* Non-GAAP reconciliations of previously reported core results are included in previously issued earnings release supplements.