



First Quarter 2019 Earnings Presentation

April 23, 2019

Forward looking statements

This presentation contains “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, that have been made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements in some cases through the use of words such as “believes,” “anticipates,” “expects,” “may,” “will,” “assumes,” “should,” “predicts,” “could,” “would,” “intends,” “targets,” “estimates,” “projects,” “plans,” “potential” and other similar words and expressions of the future or otherwise regarding the proposed acquisition, including the timing, anticipated benefits and financial impact thereof, and the outlook for our future business and financial performance.

These forward-looking statements include, without limitation, statements relating to FB Financial’s assets, 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, as well as statements relating to the anticipated benefits and financial impact of FB Financial’s mortgage segment restructuring and the acquisition by FirstBank of the Atlantic Capital branches, including: acceptance by the customers of the acquired Atlantic Capital branches of FB Financial’s products and services, the opportunities to enhance market share in certain markets, market acceptance of FB Financial generally in new markets, expectations regarding future investment in the acquired Atlantic Capital branches’ markets and the integration of the acquired Atlantic Capital branches’ operations, disposition, and other growth opportunities. Forward-looking statements are based on the information known to, and current beliefs and expectations of, FB Financial’s management and are subject to significant risks and uncertainties. Actual results may differ materially from those contemplated by such forward-looking statements. A number of important factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this presentation including, without limitation: FB Financial’s ability to achieve the anticipated benefits and cost synergies of the mortgage segment restructuring, the parties’ ability to meet expectations regarding the accounting and tax treatment of the Atlantic Capital acquisition; the possibility that any of the anticipated benefits of the Atlantic Capital acquisition will not be fully realized or will not be realized within the expected time period; the risk that integration of the acquired Atlantic Capital branches’ operations with those of FB Financial or will be more costly than expected; the effect of the announcement of the closing of the Atlantic Capital acquisition on employee and customer relationships and operating results (including, without limitation, difficulties in maintaining relationships with employees and customers); general competitive, economic, political and market conditions and fluctuations; and the other risk factors set forth in our December 31, 2018 Form 10-K, filed with the Securities and Exchange Commission on March 12, 2019, under the captions “Cautionary note regarding forward-looking statements” and “Risk factors”. Many of these factors are difficult to foresee and are beyond our ability to control or predict. We believe the forward-looking statements contained herein are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations and speak only as of the date that they are made. We do not assume any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as otherwise may be required by law.

Use of non-GAAP financial measures

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, adjusted pro forma net income, adjusted pro forma diluted earnings per share, core noninterest expense, core revenue, 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. 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, adjusted return on average tangible common equity, pro forma return on average assets and equity, pro forma adjusted 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.

1Q 2019 highlights

Key highlights

- Adjusted diluted EPS¹ of \$0.66, resulting in adjusted ROAA¹ of 1.63%
- Loans (HFI) grew to \$3.8 billion, a 16.7% increase from 1Q 2018; grew 13.2% annualized from 4Q 2018
- Customer deposits grew to \$4.2 billion, a 14.9% increase from 1Q 2018; grew 16.5% annualized from 4Q 2018
- Continued customer-focused balance sheet growth resulting in a net interest margin of 4.61% for 1Q 2019, compared to 4.50% for 4Q 2018 and 4.64% for 1Q 2018
- Announced planned exit of wholesale mortgage channels to be completed in 2Q 2019; total mortgage contribution, adjusted¹ of \$0.7 million in 1Q 2019, compared to loss of \$1.8 million in 4Q 2018 and contribution of \$2.1 million in 1Q 2018
- Continuing enhancing positive operating leverage; Banking Segment core efficiency ratio was 54.7%^{1,2} in 1Q 2019, down 319 basis points from 1Q 2018
- Completed acquisition of branches from Atlantic Capital Bank with ~\$385 million in loans and ~\$598 million in deposits on April 5, 2019

Financial results

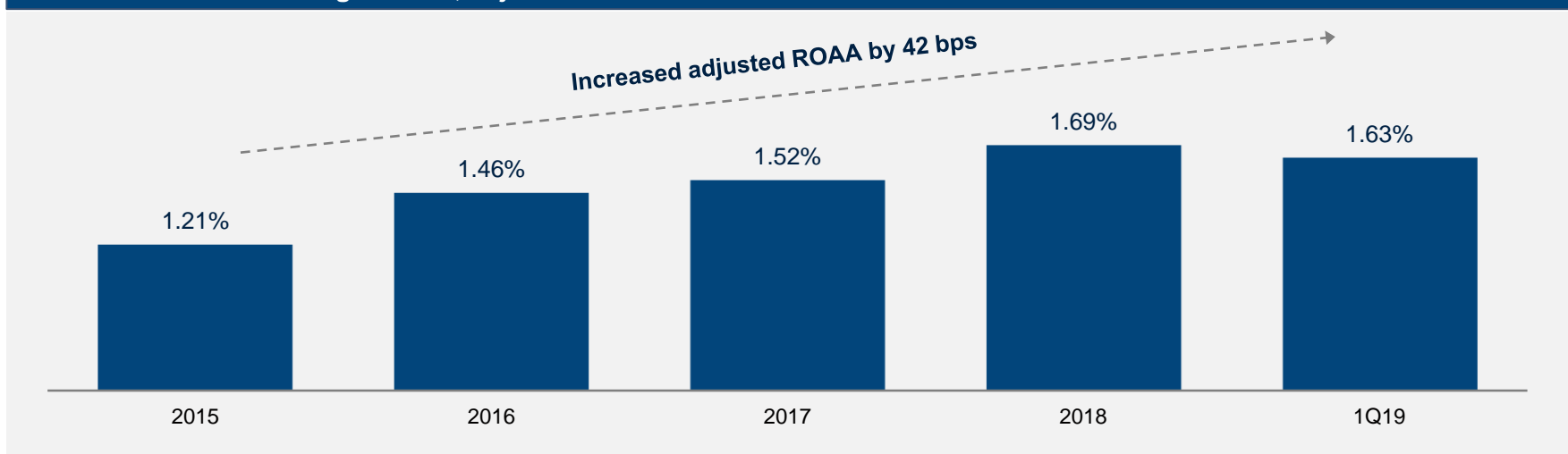
	1Q 2019
Diluted earnings per share	\$0.62
<i>Adjusted diluted earnings per share¹</i>	<i>\$0.66</i>
Net income (\$million)	\$19.6
<i>Adjusted net income¹ (\$million)</i>	<i>\$20.8</i>
Net interest margin	4.61%
<i>Impact of accretion and nonaccrual interest (bps)</i>	<i>17</i>
Return on average assets	1.54%
<i>Adjusted return on average assets¹</i>	<i>1.63%</i>
Return on average equity	11.6%
<i>Adjusted return on average equity¹</i>	<i>12.3%</i>
Return on average tangible common equity ¹	14.8%
<i>Adjusted return on average tangible common equity¹</i>	<i>15.7%</i>
Efficiency ratio	67.2%
<i>Core efficiency ratio^{1,2}</i>	<i>64.9%</i>
<i>Banking Segment core efficiency ratio^{1,2}</i>	<i>54.7%</i>

¹ Results are non-GAAP financial measures that adjust GAAP reported net income, total assets, equity and other metrics for certain intangibles, 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.

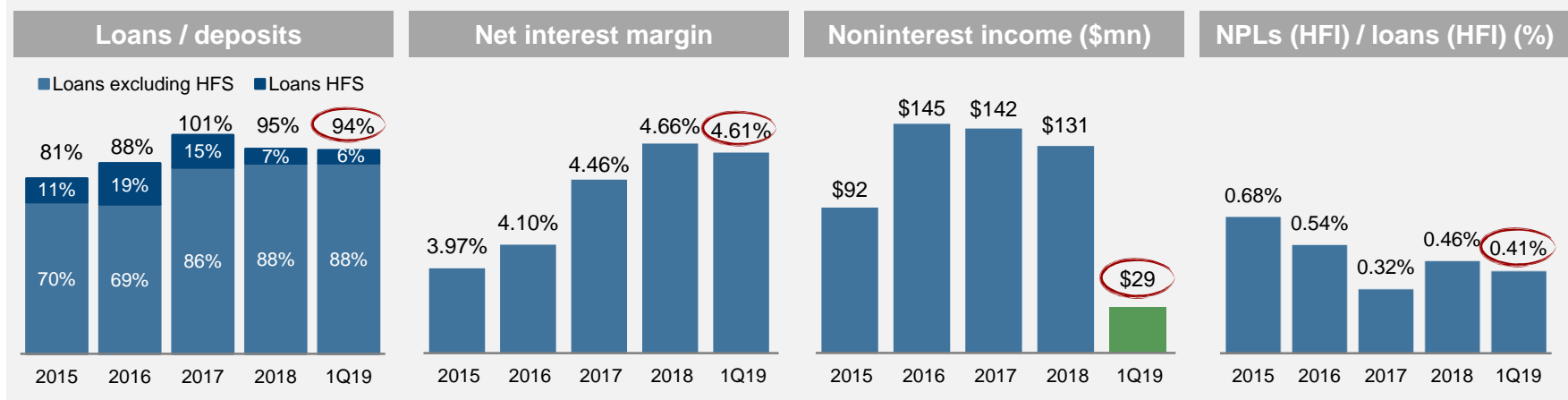
² During the first quarter of 2019, the Company changed its presentation of the total and operating segments core efficiency ratio calculation to no longer exclude the change in fair value of MSRs; therefore, prior periods have been revised to reflect this change.

Delivering balanced profitability and growth

Pro forma return on average assets, adjusted¹



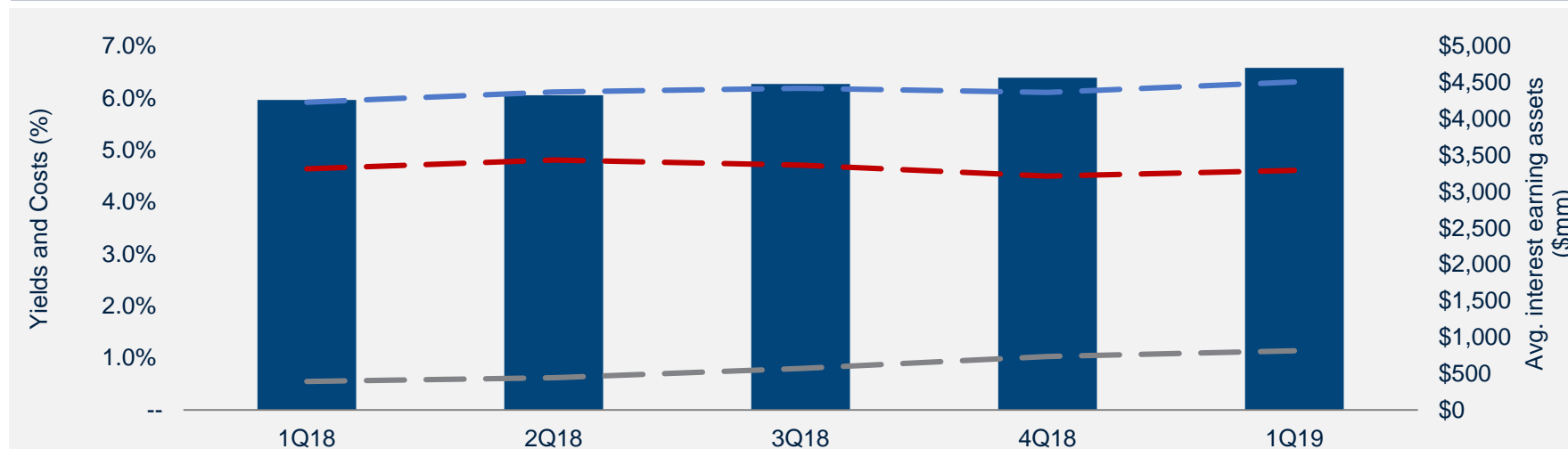
Drivers of profitability



¹ Our pro forma net income includes a pro forma provision for federal income taxes using a combined effective income tax rate of 35.08% and 36.75% for the years ended December 31, 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, 2015, 2016, 2017 and 2018 are annual percentages. See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

Net interest margin remains strong

Historical yield and costs



	1Q18	2Q18	3Q18	4Q18	1Q19
NIM (%)	4.64%	4.81%	4.71%	4.50%	4.61%
Impact of accretion and nonaccrual interest (bps)	20	20	25	17	17
Total deposit cost (%)	0.55%	0.62%	0.80%	1.03%	1.14%

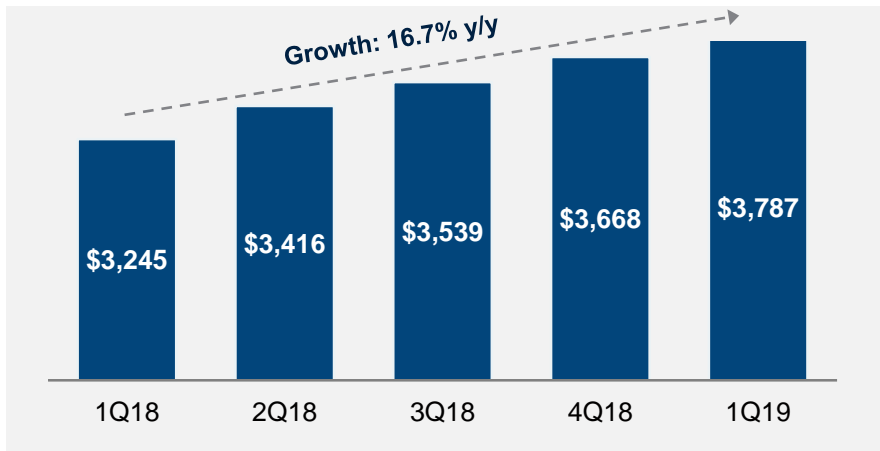
■ Average interest earning assets — Yield on loans
— Cost of deposits — NIM

Loan (HFI) yield			
	1Q18	4Q18	1Q19
Contractual interest rate on loans HFI ¹	5.28%	5.56%	5.66%
Origination and other loan fee income	0.37%	0.33%	0.42%
	5.65%	5.89%	6.08%
Nonaccrual interest	0.05%	0.01%	0.01%
Accretion on purchased loans	0.21%	0.21%	0.20%
Syndication fee income	0.01%	0.00%	0.02%
Total loan yield (HFI)	5.92%	6.11%	6.31%

¹ Includes tax-equivalent adjustment

Consistent loan growth and balanced portfolio

Total loan growth¹ (\$million) and commercial real estate concentration



Commercial real estate (CRE) concentrations ²	% of Risk-Based Capital	
	4Q18	1Q19 (preliminary)
C&D loans subject to 100% risk-based capital threshold ³	99%	91%
Total CRE loans subject to 300% risk-based capital threshold ³	238%	242%

Loan portfolio breakdown¹



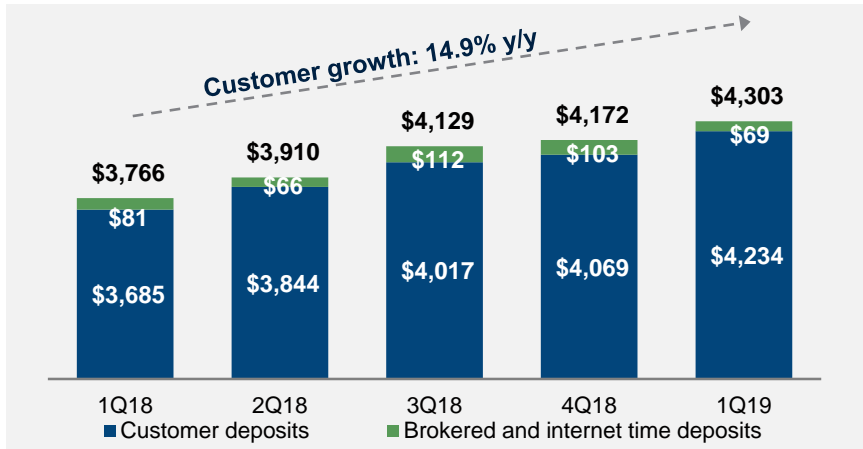
¹ Exclude HFS loans, C&I includes owner-occupied CRE.

² Risk-based capital at FirstBank as defined in Call Report. 1Q 2019 calculation is preliminary and subject to change.

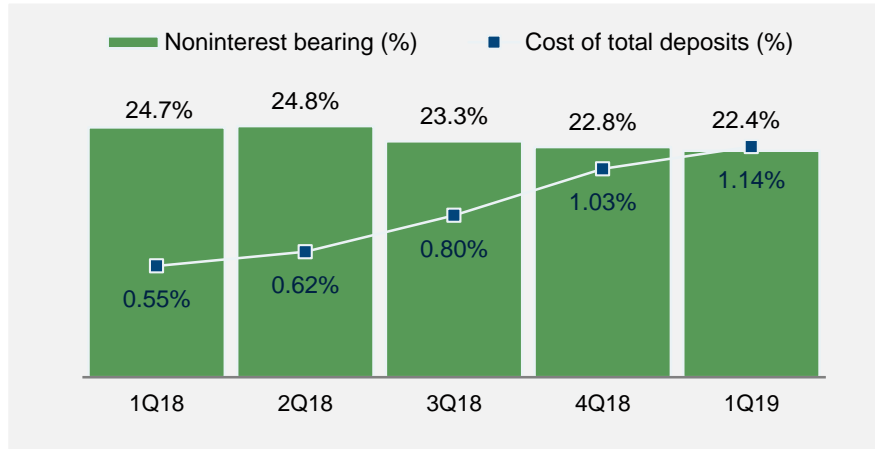
³ Excludes owner-occupied CRE.

Stable core deposit franchise

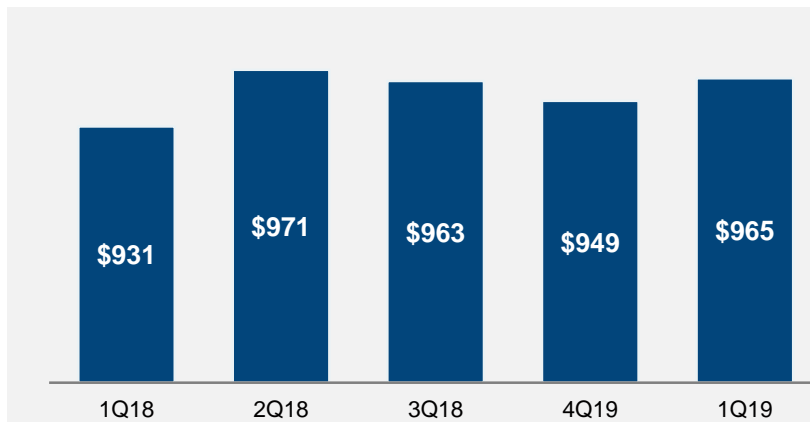
Total deposits (\$million)



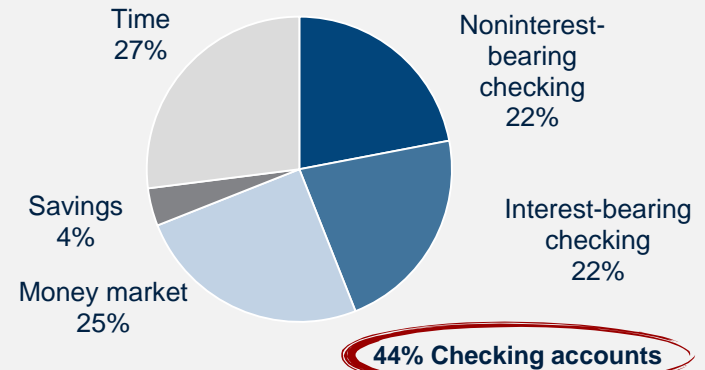
Cost of deposits



Noninterest bearing deposits (\$million)¹



Deposit composition



¹ Includes mortgage servicing-related escrow deposits of \$74.1 million, \$88.4 million, \$78.0 million, \$53.5 million and \$70.1 million for the quarters ended March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018 and March 31, 2019, respectively.

Mortgage operations overview

Highlights

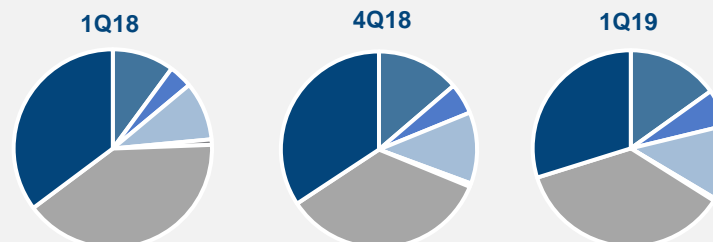
- Total Mortgage adjusted pre-tax contribution¹ of \$0.7 million for 1Q 2019; adjusted for \$1.1 million of restructuring related expenses
- Mortgage banking income \$21.0 million, down 20.6% from 1Q 2018 and 10.7% from 4Q 2018
- Announced the exit of wholesale origination channels (TPO & Correspondent); closing expected in 2Q 2019 with estimated total restructuring charges of up to \$2.5 million² (\$1.1 million included in 1Q 2019)
- Exit of wholesale origination channels allows additional focus on enhancing retail channels and improving operating efficiency moving forward

Mortgage banking income (\$mm)

	1Q18	4Q18	1Q19
Gain on Sale	\$23.5	\$21.5	\$15.9
Fair value changes	\$(0.1)	\$(4.6)	\$2.2
Servicing Revenue	\$4.8	\$4.6	\$4.8
Fair value MSR change	\$(1.7)	\$(2.5)	\$(1.9)
Total Income	\$26.5	\$19.0	\$21.0

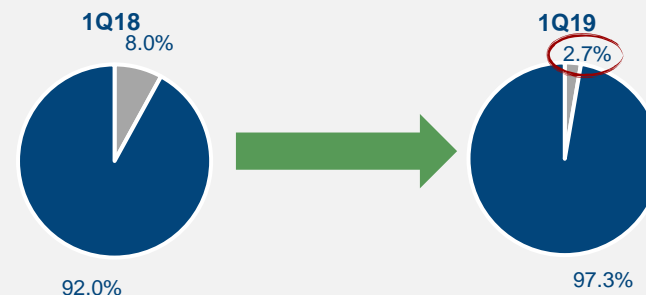
Quarterly mortgage production

- Consumer Direct
- Correspondent
- Third party originated (TPO)
- Retail
- Retail footprint



Total pre-tax contribution, adjusted¹ (%)

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



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

² See Forward Looking Statements on Slide 1.

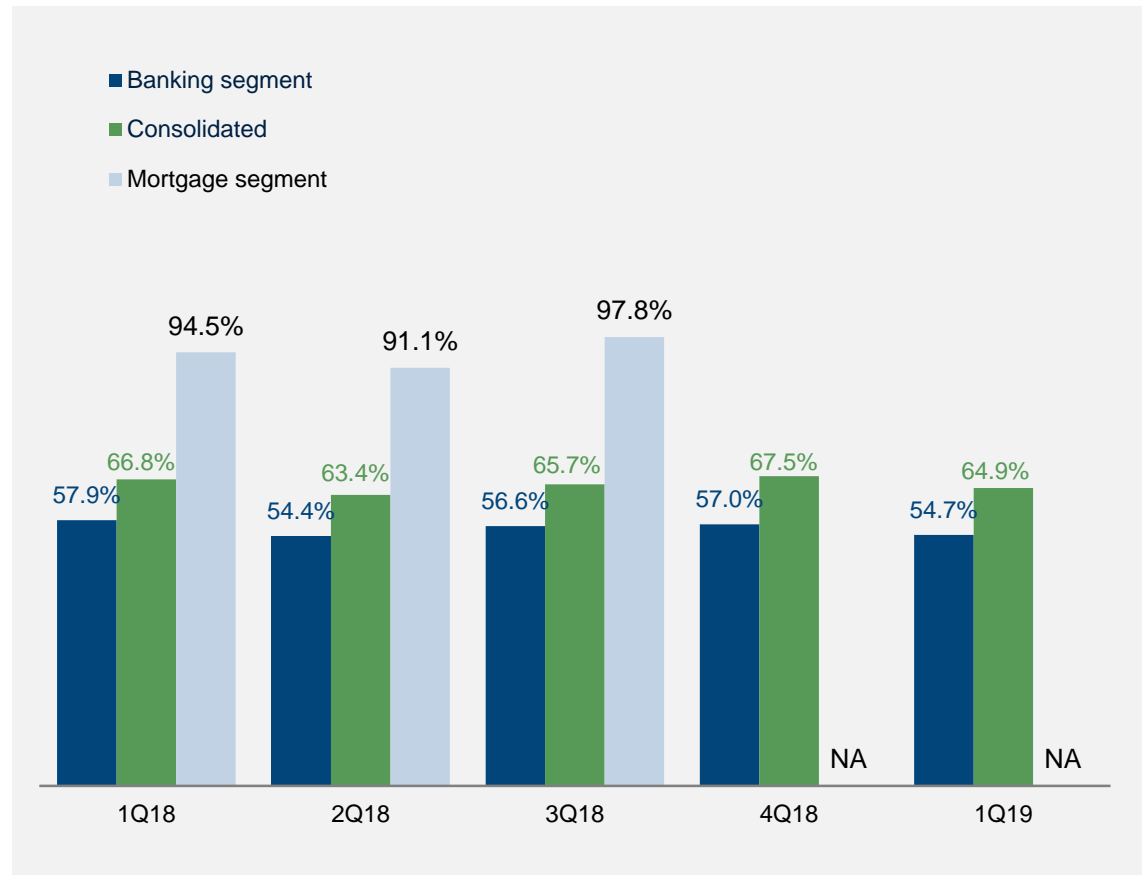
³ As of the respective period-end.

Improving operating leverage

Improving operating efficiency

- Consolidated 1Q 2019 core efficiency ratio¹ of 64.9% driven by Banking segment core efficiency ratio¹ of 54.7%, which has decreased by 319 basis points since 1Q 2018
- 1Q 2019 illustrates solidified operating leverage achieved through organic growth, merger and ongoing cost efficiencies
- Continued investment in revenue producers, technology and operational capabilities to improve on scalable platform

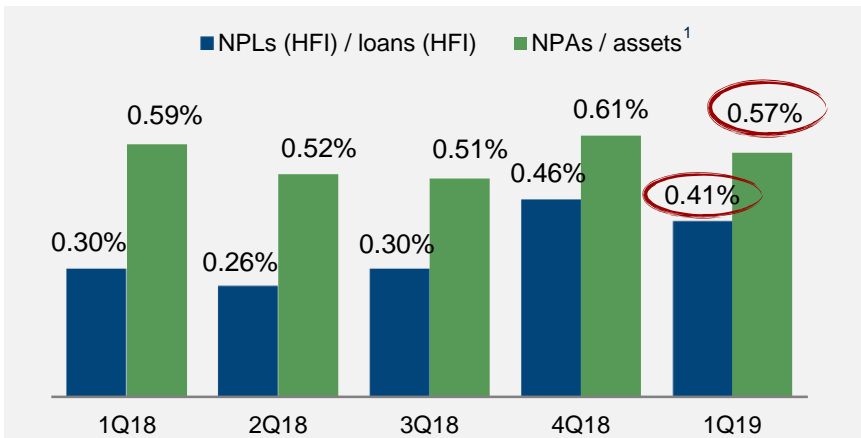
Core efficiency ratio (tax-equivalent basis)¹



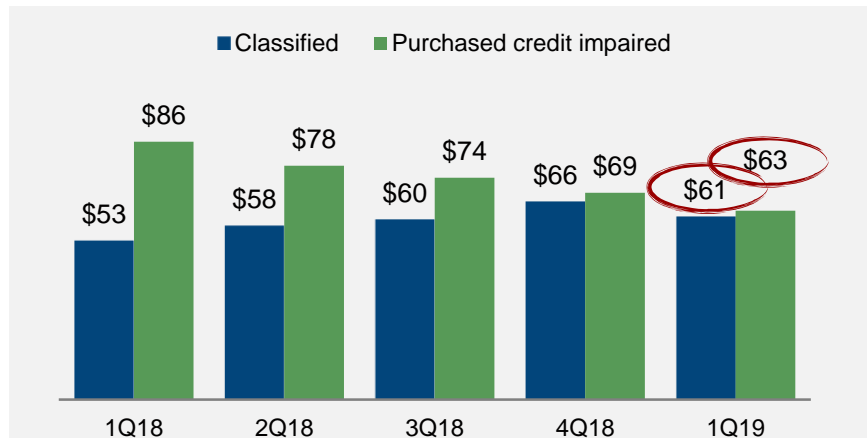
¹ See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures. During the first quarter of 2019, the Company changed its presentation of the total and operating segments core efficiency ratio calculation to no longer exclude the change in fair value of MSRs; therefore, prior periods have been revised to reflect this change.

Asset quality remains stable

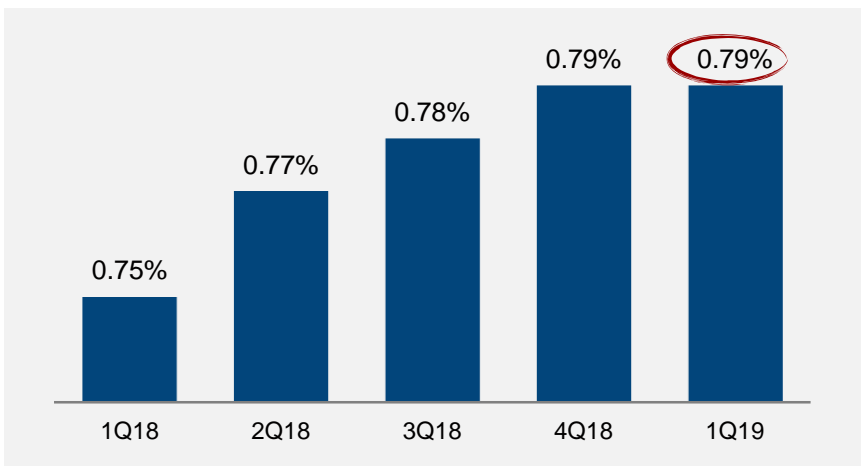
Nonperforming ratios



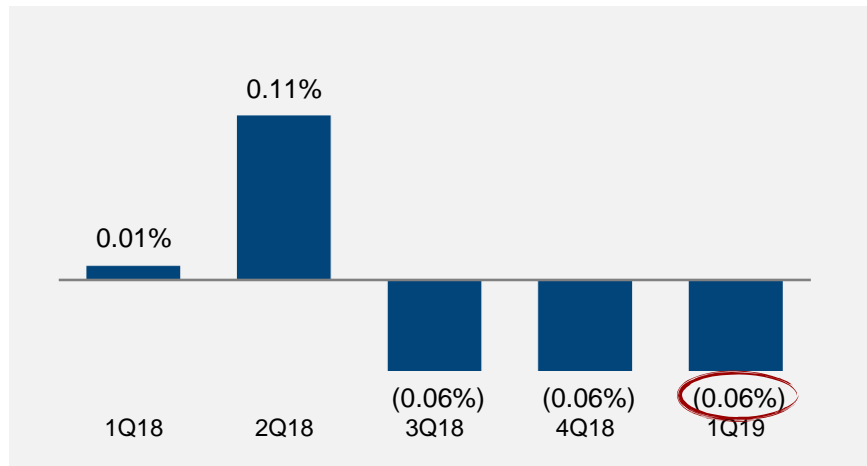
Classified & PCI loans (\$million)



LLR / loans



Net recoveries (charge-offs) / average loans

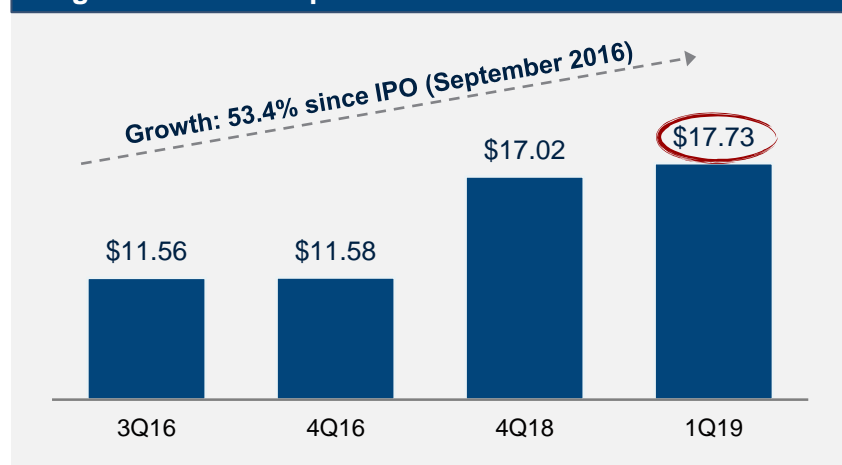


¹ Includes acquired excess land and facilities held for sale – see page 11 of the Quarterly Financial Supplement.

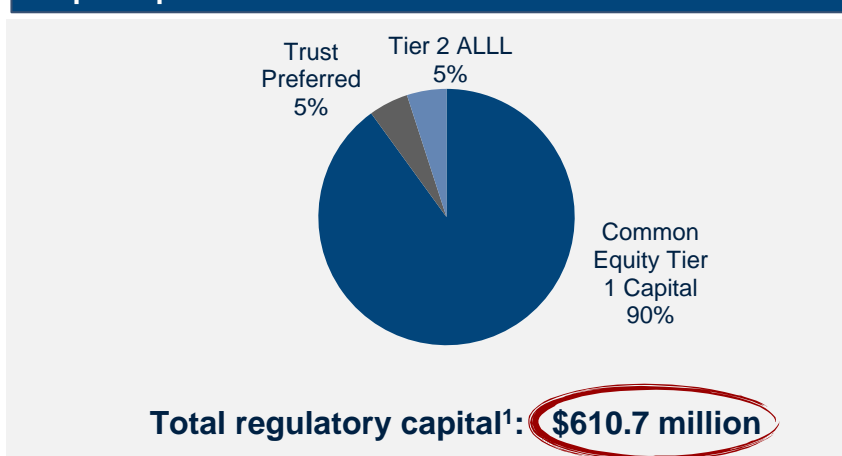
Strong capital position for future growth

Capital position			
	1Q18	4Q18	1Q19 ¹
Shareholder's equity / Assets	12.9%	13.1%	13.0%
TCE / TA ²	10.1%	10.5%	10.5%
Common equity tier 1 / Risk-weighted assets	11.0%	11.7%	12.0%
Tier 1 capital / Risk-weighted assets	11.8%	12.4%	12.7%
Total capital / Risk-weighted assets	12.3%	13.0%	13.4%
Tier 1 capital / Average assets	10.7%	11.4%	11.5%

Tangible book value per share



Simple capital structure



¹ Total regulatory capital, FB Financial Corporation. 1Q 2019 calculation is preliminary and subject to change.

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

Appendix

GAAP reconciliation and use of non-GAAP financial measures

Net income and diluted earnings per share, adjusted

<i>(Dollars in thousands, except share data)</i>	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Pre-tax net income	\$ 25,563	\$ 22,680	\$ 28,079	\$ 29,859	\$ 25,236
Plus merger, offering, and mortgage restructuring-related expenses	1,675	401	—	671	1,193
Pre-tax net income, adjusted	\$ 27,238	\$ 23,081	\$ 28,079	\$ 30,530	\$ 26,429
Income tax expense, adjusted	6,412	5,745	6,702	7,794	5,793
Net income, adjusted	\$ 20,826	\$ 17,336	\$ 21,377	\$ 22,736	\$ 20,636
Weighted average common shares outstanding fully diluted	31,349,198	31,344,949	31,339,628	31,294,044	31,421,830
Diluted earnings per share, adjusted					
Diluted earning per common share	\$ 0.62	\$ 0.54	\$ 0.68	\$ 0.70	\$ 0.63
Plus merger, offering, and mortgage restructuring-related expenses	0.05	0.01	—	0.02	0.04
Less tax effect	0.01	—	—	—	(0.01)
Diluted earnings per share, adjusted	\$ 0.66	\$ 0.55	\$ 0.68	\$ 0.72	\$ 0.66

GAAP reconciliation and use of non-GAAP financial measures

Pro forma net income and diluted earnings per share, adjusted

<i>(Dollars in thousands, except share data)</i>	YTD 2019	2018	2017	2016	2015
Pre-tax net income	\$ 25,563	\$ 105,854	\$ 73,485	\$ 62,324	\$ 50,824
Plus merger, conversion, offering, and mortgage restructuring-related expenses	1,675	2,265	19,034	3,268	3,543
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	(3,539)	4,638
Pre tax net income, adjusted	\$ 27,238	\$ 108,119	\$ 92,519	\$ 69,131	\$ 49,729
Pro forma income tax expense, adjusted	6,412	26,034	34,749	25,404	18,425
Pro forma net income, adjusted	\$ 20,826	\$ 82,085	\$ 57,770	\$ 43,727	\$ 31,304
Weighted average common shares outstanding fully diluted	31,349,198	31,314,981	28,207,602	19,312,174	17,180,000
Pro forma diluted earnings per share, adjusted					
Diluted earning per share	\$ 0.62	\$ 2.55	\$ 1.86	\$ 2.10	\$ 2.79
Plus merger, conversion, offering, and mortgage restructuring-related expenses	0.05	0.07	0.67	0.17	0.21
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	(0.18)	0.27
Tax effect and benefit of enacted tax laws	(0.01)	(0.01)	(0.48)	(0.19)	(0.91)
Pro forma diluted earnings per share, adjusted	\$ 0.66	\$ 2.61	\$ 2.05	\$ 2.26	\$ 1.82

GAAP reconciliation and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)^(a)

	2019		2018		
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<i>(Dollars in thousands)</i>					
Total noninterest expense	\$ 55,101	\$ 53,736	\$ 57,213	\$ 56,358	\$ 56,151
Less merger, offering, and mortgage restructuring-related expenses	1,675	401	—	671	1,193
Core noninterest expense	53,426	53,335	57,213	55,687	54,958
Net interest income (tax-equivalent basis)	53,461	51,799	53,161	51,909	48,799
Total noninterest income	29,039	27,249	34,355	35,763	33,275
Less gain on sales or write-downs of other real estate owned and other assets	152	33	446	(132)	(118)
Less gain from securities, net	43	—	(27)	(42)	(47)
Core noninterest income	28,844	27,216	33,936	35,937	33,440
Core revenue	\$ 82,305	\$ 79,015	\$ 87,097	\$ 87,846	\$ 82,239
Efficiency ratio (GAAP) ^(b)	67.2 %	68.4 %	65.7 %	64.6 %	68.7 %
Core efficiency ratio (tax-equivalent basis)	64.9 %	67.5 %	65.7 %	63.4 %	66.8 %

(a) During the first quarter of 2019, the Company changed its presentation of the total and operating segments core efficiency ratio calculation to no longer exclude the change in fair value of MSRs; therefore, prior periods have been revised to reflect this change.

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

GAAP reconciliation and use of non-GAAP financial measures

Segment core efficiency ratios (tax-equivalent basis)^(a)

(Dollars in thousands)	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Banking segment core efficiency ratio (tax-equivalent basis)					
Core consolidated noninterest expense	\$ 53,426	\$ 53,335	\$ 57,213	\$ 55,687	\$ 54,958
Less Mortgage segment core noninterest expense	17,486	16,262	18,821	19,582	18,910
Core Banking segment noninterest expense	<u>35,940</u>	<u>37,073</u>	<u>38,392</u>	<u>36,105</u>	<u>36,048</u>
Core revenue	82,305	79,015	87,097	87,846	82,239
Less Mortgage segment total revenue	16,658	13,979	19,254	21,498	20,021
Core Banking segment total revenue	<u>\$ 65,647</u>	<u>\$ 65,036</u>	<u>\$ 67,843</u>	<u>\$ 66,348</u>	<u>\$ 62,218</u>
Banking segment core efficiency ratio (tax-equivalent basis)	54.7 %	57.0 %	56.6 %	54.4 %	57.9 %
Mortgage segment core efficiency ratio (tax-equivalent basis)					
Mortgage segment noninterest expense	\$ 18,540	\$ 16,262	\$ 18,821	\$ 19,582	\$ 18,910
Less mortgage restructuring expense	1,054	—	—	—	—
Core Mortgage segment noninterest expense	<u>\$ 17,486</u>	<u>\$ 16,262</u>	<u>\$ 18,821</u>	<u>\$ 19,582</u>	<u>\$ 18,910</u>
Mortgage segment total revenue	<u>\$ 16,658</u>	<u>\$ 13,979</u>	<u>\$ 19,254</u>	<u>\$ 21,498</u>	<u>\$ 20,021</u>
Mortgage segment core efficiency ratio (tax-equivalent basis)	N/A	N/A	97.8 %	91.1 %	94.5 %

(a) During the first quarter of 2019, the Company changed its presentation of the total and operating segments core efficiency ratio calculation to no longer exclude the change in fair value of MSRs; therefore, prior periods have been revised to reflect this change.

GAAP reconciliation and use of non-GAAP financial measures

Mortgage contribution, adjusted					
	2019		2018		
<i>(Dollars in thousands)</i>	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Mortgage segment pre-tax net contribution	\$ (1,882)	\$ (2,283)	\$ 433	\$ 1,916	\$ 1,111
Retail footprint:					
Mortgage banking income	4,386	5,041	7,417	6,894	6,108
Mortgage banking expenses	2,831	4,542	6,383	5,649	5,097
Retail footprint pre-tax net contribution	1,555	499	1,034	1,245	1,011
Total mortgage banking pre-tax net (loss) contribution	\$ (327)	\$ (1,784)	\$ 1,467	\$ 3,161	\$ 2,122
Plus mortgage restructuring expense	1,054	—	—	—	—
Total mortgage banking pre-tax net contribution (loss), adjusted	\$ 727	\$ (1,784)	\$ 1,467	\$ 3,161	\$ 2,122
Pre-tax net income	\$ 25,563	\$ 22,680	\$ 28,079	\$ 29,859	\$ 25,236
% total mortgage banking pre-tax net contribution	N/A	N/A	5.2 %	10.6 %	8.4 %
Pre-tax net income, adjusted	\$ 27,238	\$ 23,081	\$ 28,079	\$ 30,530	\$ 26,429
% total mortgage banking pre-tax net contribution, adjusted	2.7 %	N/A	5.2 %	10.4 %	8.0 %

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity

<i>(Dollars in thousands, except share data)</i>	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Tangible Assets					
Total assets	\$ 5,335,156	\$ 5,136,764	\$ 5,058,167	\$ 4,923,249	\$ 4,725,416
Less goodwill	137,190	137,190	137,190	137,190	137,190
Less intangibles, net	10,439	11,628	12,403	13,203	14,027
Tangible assets	<u>\$ 5,187,527</u>	<u>\$ 4,987,946</u>	<u>\$ 4,908,574</u>	<u>\$ 4,772,856</u>	<u>\$ 4,574,199</u>
Tangible Common Equity					
Total shareholders' equity	\$ 694,577	\$ 671,857	\$ 648,731	\$ 630,959	\$ 611,075
Less goodwill	137,190	137,190	137,190	137,190	137,190
Less intangibles, net	10,439	11,628	12,403	13,203	14,027
Tangible common equity	<u>\$ 546,948</u>	<u>\$ 523,039</u>	<u>\$ 499,138</u>	<u>\$ 480,566</u>	<u>\$ 459,858</u>
Common shares outstanding	30,852,665	30,724,532	30,715,792	30,683,353	30,671,763
Book value per common share	\$ 22.51	\$ 21.87	\$ 21.12	\$ 20.56	\$ 19.92
Tangible book value per common share	\$ 17.73	\$ 17.02	\$ 16.25	\$ 15.66	\$ 14.99
Total shareholders' equity to total assets	13.0 %	13.1 %	12.8 %	12.8 %	12.9 %
Tangible common equity to tangible assets	10.5 %	10.5 %	10.2 %	10.1 %	10.1 %
Net income	\$ 19,588	\$ 17,040	\$ 21,377	\$ 22,065	\$ 19,754
Return on tangible common equity	14.5 %	12.9 %	17.0 %	18.4 %	17.4 %

Return on average tangible common equity

<i>(Dollars in thousands)</i>	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Total average shareholders' equity	\$ 684,545	\$ 659,050	\$ 638,388	\$ 615,950	\$ 599,198
Less average goodwill	137,190	137,190	137,190	137,190	137,190
Less intangibles, net	10,856	12,016	12,803	13,615	14,465
Average tangible common equity	<u>\$ 536,499</u>	<u>\$ 509,845</u>	<u>\$ 488,395</u>	<u>\$ 465,145</u>	<u>\$ 447,544</u>
Net income	\$ 19,588	\$ 17,040	\$ 21,377	\$ 22,065	\$ 19,754
Return on average tangible common equity	14.8 %	13.3 %	17.4 %	19.0 %	17.9 %

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible equity, adjusted

<i>(Dollars in thousands)</i>	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Average tangible common equity	\$ 536,499	\$ 509,845	\$ 488,395	\$ 465,145	\$ 447,544
Net income, adjusted	20,826	17,336	21,377	22,736	20,636
Return on average tangible common equity, adjusted	15.7 %	13.5 %	17.4 %	19.6 %	18.7 %

Return on average assets and equity, adjusted

<i>(Dollars in thousands)</i>	2019	2018			
	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Net income	\$ 19,588	\$ 17,040	\$ 21,377	\$ 22,065	\$ 19,754
Average assets	5,174,918	5,005,158	4,932,197	4,763,991	4,678,494
Average equity	684,545	659,050	638,388	615,950	599,198
Return on average assets	1.54 %	1.35 %	1.72 %	1.86 %	1.71 %
Return on average equity	11.6 %	10.3 %	13.3 %	14.4 %	13.4 %
Net income, adjusted	\$ 20,826	\$ 17,336	\$ 21,377	\$ 22,736	\$ 20,636
Return on average assets, adjusted	1.63 %	1.37 %	1.72 %	1.91 %	1.79 %
Return on average equity, adjusted	12.3 %	10.4 %	13.3 %	14.8 %	14.0 %

GAAP reconciliation and use of non-GAAP financial measures

Pro forma return on average assets and equity, adjusted

<i>(Dollars in thousands)</i>	YTD 2019	2018	2017	2016	2015
Pro forma net income	\$ 19,588	\$ 80,236	\$ 52,398	\$ 39,422	\$ 32,995
Average assets	5,174,918	4,844,865	3,811,158	3,001,275	2,577,895
Average equity	684,545	629,922	466,219	276,587	228,844
Pro forma return on average assets	1.54 %	1.66 %	1.37 %	1.31 %	1.28 %
Pro forma return on average equity	11.6 %	12.7 %	11.2 %	14.3 %	14.4 %
Pro forma net income, adjusted	\$ 20,826	\$ 82,085	\$ 57,770	\$ 43,727	\$ 31,304
Pro forma return on average assets, adjusted	1.63 %	1.69 %	1.52 %	1.46 %	1.21 %
Pro forma return on average equity, adjusted	12.3 %	13.0 %	12.4 %	15.8 %	13.7 %