

Financial Corporation



FRANKLIN
FINANCIAL
NETWORK



Merger Announcement

January 21, 2020

IMPORTANT INFORMATION FOR SHAREHOLDERS AND INVESTORS

In connection with the proposed merger, FB Financial Corporation (“FB Financial”) will file a registration statement on Form S-4 with the Securities and Exchange Commission (“SEC”). The registration statement will contain the joint proxy statement of Franklin Financial Network, Inc. (“Franklin”) and FB Financial to be sent to the FB Financial and Franklin shareholders seeking their approvals in connection with the merger and the issuance of FB Financial common stock in the merger. The registration statement will also contain the prospectus of FB Financial to register the shares of FB Financial common stock to be issued in connection with the merger. A definitive joint proxy statement/prospectus will also be provided to FB Financial and Franklin shareholders as required by applicable law. Investors and shareholders are encouraged to read the registration statement, including the joint proxy statement/prospectus that will be part of the registration statement, as well as any other relevant documents filed by FB Financial and Franklin with the SEC, including any amendments or supplements to the registration statement and other documents filed with the SEC, because they will contain important information about the proposed merger, Franklin, and FB Financial. The registration statement and other documents filed with the SEC may be obtained for free on the SEC’s website (www.sec.gov). The definitive proxy statement/prospectus will also be made available for free by contacting FB Financial Corporation Investor Relations at (615) 564-1212 or investors@firstbankonline.com, or by contacting Franklin Investor Relations at (615) 236-8327 or investors@franklinsynergy.com. This communication does not constitute an offer to sell, the solicitation of an offer to sell or the solicitation of an offer to buy any securities, or the solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PARTICIPANTS IN THE SOLICITATION

FB Financial, Franklin, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from FB Financial and Franklin shareholders in connection with the proposed merger under the rules of the SEC. Information about the directors and executive officers of FB Financial may be found in the definitive proxy statement for FB Financial’s 2019 annual meeting of shareholders, filed with the SEC by FB Financial on April 16, 2019, and other documents subsequently filed by FB Financial with the SEC. Information about the directors and executive officers of Franklin may be found in the definitive proxy statement for Franklin’s 2019 annual meeting of shareholders, filed with the SEC by Franklin on April 12, 2019, and other documents subsequently filed by Franklin with the SEC. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus when it becomes available. Free copies of these documents may be obtained as described in the paragraph above.

Certain statements contained in this communication may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, statements relating to the timing, benefits, costs, and synergies of the proposed merger with Franklin (which we refer to as the “Franklin merger”), and FB Financial’s and Franklin’s future plans, results, strategies, and expectations. These statements 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, many of which, by their nature, are inherently uncertain and beyond FB Financial’s or Franklin’s control. The inclusion of these forward-looking statements should not be regarded as a representation by FB Financial, Franklin or any other person that such expectations, estimates, and projections will be achieved. Accordingly, FB Financial and Franklin caution shareholders and 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. 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 including, without limitation, (1) the risk that the cost savings and any revenue synergies from the proposed Franklin merger or another acquisition may not be realized or may take longer than anticipated to be realized, (2) disruption from the proposed Franklin merger with customer, supplier, or employee relationships, (3) the occurrence of any event, change, or other circumstances that could give rise to the termination of the merger agreement with Franklin, (4) the failure to obtain necessary regulatory approvals for the Franklin merger, (5) the failure to obtain the approval of FB Financial and Franklin’s shareholders in connection with the Franklin merger, (6) the possibility that the costs, fees, expenses, and charges related to the Franklin merger may be greater than anticipated, including as a result of unexpected or unknown factors, events, or liabilities, (7) the failure of the conditions to the Franklin merger to be satisfied, (8) the risks related to the integration of the combined businesses (Franklin, as well as FB Financial’s pending acquisition of FNB Financial Corp. and any future acquisitions), including the risk that the integration will be materially delayed or will be more costly or difficult than expected, (9) the diversion of management time on merger-related issues, (10) the ability of FB Financial to effectively manage the larger and more complex operations of the combined company following the Franklin merger, (11) the risks associated with FB Financial’s pursuit of future acquisitions, (12) the risk of expansion into new geographic or product markets, (13) reputational risk and the reaction of the parties’ customers to the Franklin merger, (14) FB Financial’s ability to successfully execute its various business strategies, including its ability to execute on potential acquisition opportunities, (15) the risk of potential litigation or regulatory action related to the Franklin merger, and (16) general competitive, economic, political, and market conditions. Further information regarding FB Financial, Franklin and factors which could affect the forward-looking statements contained herein can be found in FB Financial’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, its Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2019, June 30, 2019 and September 30, 2019, and its other filings with the Securities and Exchange Commission (“SEC”), and in Franklin’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, its Quarterly Reports on Form 10-Q for the three-month periods ended March 31, 2019, June 30, 2019 and September 30, 2019, and its other filings with the SEC.

Many of these factors are beyond FB Financial’s and Franklin’s ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if the underlying assumptions prove to be incorrect, actual results may differ materially from the forward-looking statements. Accordingly, shareholders and investors should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this communication, and neither FB Financial nor Franklin undertakes 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 FB Financial or Franklin to predict their occurrence or how they will affect FB Financial or Franklin.

FB Financial and Franklin qualify all forward-looking statements by these cautionary statements.

Highlights of the combination

Strategically compelling

- **Creates the leading community banking franchise in attractive Nashville MSA**
 - Pro forma: #6 in Nashville MSA / #1 in Williamson county / #2 in Rutherford county
 - Adds 20+ high performing, seasoned community bankers—Average of ~20 years experience in the market
- **Core community bank with strong market share in desirable counties in the Nashville MSA**
 - ~25% share in Williamson county / ~10% share in Rutherford county
- **Combination meaningfully accelerates the continuation of Franklin’s core bank improvement**
 - Drive customer deposit growth through enhanced offerings and capabilities
 - Exit remaining non-strategic assets with corresponding pay down of wholesale funding

Attractive financial returns

- **~10% accretion to 2021 EPS (first full year)**—Immediately accretive to 2020 EPS
- **Neutral to tangible book value per share**—Includes 3.9% gross loan mark
- **~100bps improvement in 2021 ROATCE**—Further enhances strong financial return profile
- **Provides scale for continued investments**—Well positioned to cross \$10bn asset threshold

Manageable in-market transaction

- **Well-known, in-market competitor**—Familiarity with bankers, customers and communities; similar customer-focused cultures
- **Substantially de-risking the Franklin balance sheet**
 - Immediately after closing, exit remaining non-strategic loans—SNC / Healthcare / Corporate
 - Pay down a substantial portion of non-core funding with net proceeds—FHLB / Brokered deposits
- **Seasoned acquirer with significant integration experience**—4 announced acquisitions in last 5 years

Combination creates the premier community bank in Tennessee

Company overview

- **Ticker:** FSB (NYSE)
- **Headquarters:** Franklin, Tennessee
- **Franchise highlights:**
 - Top community bank in highly attractive Williamson and Rutherford counties
 - Relationship oriented with local decision making
 - Seasoned team of local bankers—averaging ~20 years of experience

Financial highlights as of 12/31/2019 (\$mm)

Assets	\$3,910
Gross loans held for investment	2,804
Deposits	3,208
Loan-to-deposit ratio	87%
Return on average assets (annualized)	1.01%
Core Efficiency Ratio ¹	62.2%
NPAs / Assets	0.09%
TCE / TA	10.4%
CET1	12.4%

Leading position in Williamson and Rutherford counties within the Nashville MSA

Presence in Nashville MSA



	Institution	Deposit Rank	Deposits (\$mm)	Market Share	Branches	Market demographics
Williamson	PF FirstBank / Franklin	1	\$2,746	26.6%	12	<ul style="list-style-type: none"> ✓ 11.8% 5-year deposit CAGR² ✓ \$133k proj. median HHI ✓ 2.3% median HHI proj. CAGR
	Franklin	1	2,547	24.6%	8	
	Bank of America	2	1,139	11.0%	4	
	First Horizon	3	923	8.9%	10	
	Regions	4	906	8.8%	9	
	Reliant	5	879	8.5%	6	
Rutherford	Pinnacle	1	\$1,122	23.4%	8	<ul style="list-style-type: none"> ✓ 9.2% 5-year deposit CAGR² ✓ \$87k proj. median HHI ✓ 3.0% median HHI proj. CAGR
	PF FirstBank / Franklin	2	716	14.9%	9	
	First Horizon	2	576	12.0%	7	
	Truist	3	539	11.3%	6	
	Regions	4	525	11.0%	9	
	Franklin	5	504	10.5%	6	

Consideration & structure¹

- **Deal value:** \$611 million
- **Consideration:** ~95% stock / ~5% cash
- **Exchange ratio:** Fixed exchange ratio of 0.9650x of FBK stock + \$2.00 per share in cash
- **Pricing:** 1.5x Price to tangible book value / 10x Price to 2021E synergized earnings
- **Pro forma ownership:** 69% FB Financial / 31% Franklin Financial
 - James W. Ayers pro forma ownership: ~28%

Financial impact

- **Earnings per share:**
 - **2020:** ~5% accretion
 - **2021:** ~10% accretion
- **Tangible book value per share:** Neutral at close
- **Revenue synergies:** Not modeled

Board of directors

- **Board of directors:** Three independent members of Franklin Financial’s Board of Directors will be added to the FB Financial Board of Directors

Employees & Community

- **Key employees:** Key Franklin executives have entered into amended employment agreements with FBK
- **Operations center:** Pro forma company’s primary operations center and mortgage headquarters will be located in Franklin, TN

Approvals & timing

- **Approvals:** Customary regulatory and FB Financial and Franklin Financial shareholders
 - James. W Ayers, 43.7% owner of FB Financial, has entered into a customary voting agreement to vote his shares in favor of the transaction
- **Expected closing:** Third quarter of 2020

Key assumptions

Cost savings & transaction expense

- **Achievable cost savings:** ~30% of Franklin's operating non-interest expense
 - Reflects retention of all revenue producers, majority of executive management and operations center in Franklin, TN
 - Planned consolidation of 7 branches
- **Tax savings:** ~\$2.5mm of annual state tax benefit from Franklin's efficient REIT structure
- **One-time costs:** ~\$50mm (pre-tax) of one-time merger related expenses

Preliminary loan mark and CECL impact

- **Total gross loan marks:** ~\$110mm, or 3.9%, of total loans
 - Allowance for credit losses (CECL): ~2.7% of total loans
 - Total accretable mark: ~1.3% of total loans (includes non-PCD fair value credit marks and rate marks)

Balance sheet de-risking

- **Non-strategic loans:** Exit 100% of remaining loans prior to or immediately after close (see appendix)
 - ~\$430mm of SNC, healthcare and corporate loans as of 12/31/2019 (significant reduction expected prior to close)
 - Conservative mark included in ACL assumption above
- **Non-strategic funding:** Pay down FHLB / Brokered CDs with net proceeds
- **Earnings impact:** ~\$10mm reduction to 2021 earnings (no replacement of loans considered in model)

Other fair value marks

- **Core deposit intangibles:** ~1.2% of regulatory core deposits amortized 10 years straight-line
- **Other fair value marks:** ~\$6.5mm write-up of sub-debt and time deposits accreted over 6 years SL / 1 year SYD

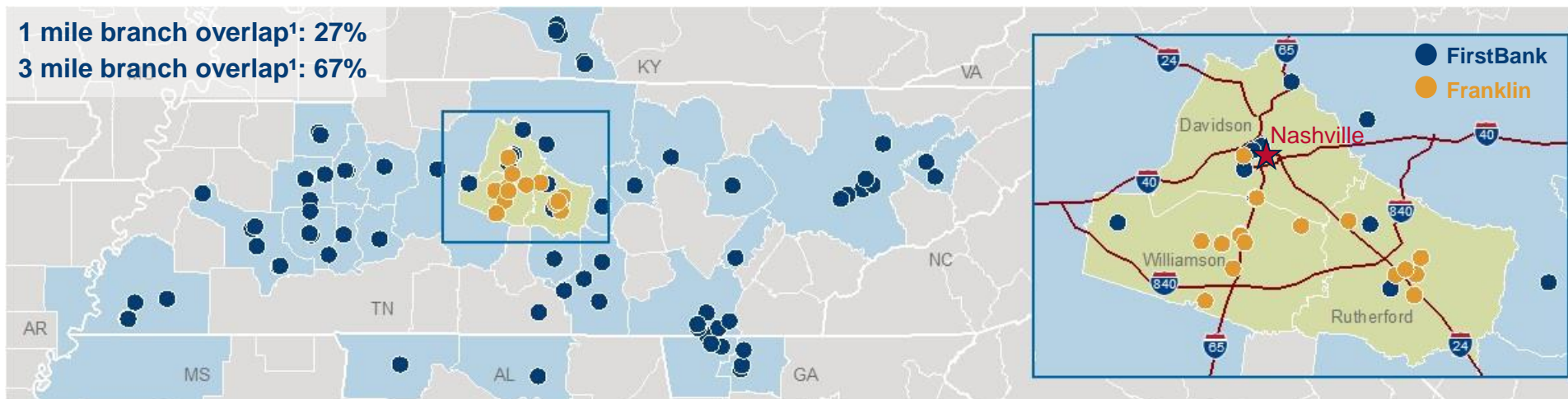
Crossing \$10bn asset threshold

- **Crossing ~\$10bn assets:** Opportunistically cross threshold by 12/31/2020 (included in the model)
- **Incremental operating costs:** Reflected in FBK stand alone expense run-rate and achievable cost save assumptions
- **Durbin amendment impact:** ~\$6mm (pre-tax) annual impact (phased in 50% for 2021 and 100% for 2022)

Capital

- **Pro forma capital ratios:** Remain significantly in excess of "well capitalized" guidelines
 - Common equity tier 1 greater than 10% at close – Targeting +/- 100% C&D concentration 4 quarters post-closing
 - Opportunity to strategically bolster total risk-based capital given current capital structure
- **Share repurchase authorization:** \$50mm remains outstanding

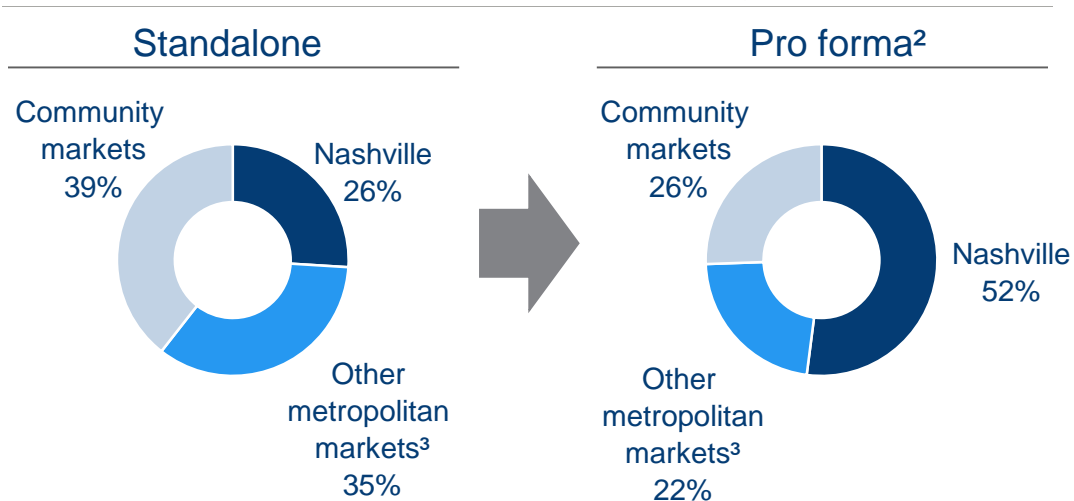
Pro forma franchise is the top community bank in the Nashville MSA



Nashville MSA Deposit Share (\$mm)

Institution	Deposit Rank	Total Deposits	Total Market Share	Total Branches
Pinnacle	1	\$9,898	15.4%	28
Bank of America	2	9,805	15.3%	34
Regions	3	7,767	12.1%	67
Truist	4	6,106	9.5%	41
First Horizon	5	5,308	8.3%	43
PF FirstBank / Franklin²	6	4,056	6.9%	29
Franklin	6	3,148	4.9%	15
U.S. Bancorp	7	2,330	3.6%	49
Fifth Third	8	2,175	3.4%	33
Wilson	9	2,087	3.3%	25
Reliant	10	1,877	2.9%	24
CapStar	11	1,320	2.1%	5
FirstBank	12	1,312	2.0%	14

FirstBank Deposit Composition by Market



Source: SNL Financial; Deposit data as of June 30, 2019; FirstBank pro forma for pending acquisition of FNB Financial

¹ Calculated as the percentage of Franklin branches within 1 and 3 miles of a FirstBank branch

² Pro forma excludes brokered deposits paid down; ³ Other metropolitan markets include: Chattanooga, Huntsville, Jackson, Knoxville and Memphis

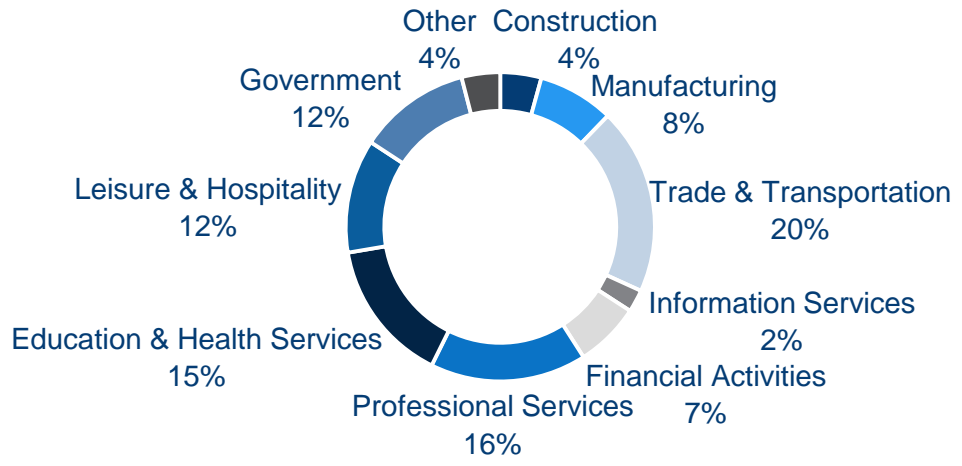
Nashville is one of the most attractive markets in the U.S.

Nashville has excellent demographic trends

	Williamson	Rutherford	Nashville MSA	U.S.
5-yr Projected population growth CAGR	1.6%	1.6%	1.2%	0.6%
2025 Projected median HHI (\$000)	\$133	\$87	\$83	\$73
5-year Projected median HHI CAGR	2.3%	3.0%	2.9%	1.9%
5-year deposit growth CAGR ¹	11.8%	9.2%	7.7%	5.9%

Highly diversified market²

Nashville MSA employment by sector



Attractive environment for businesses³

- ✓ #1 on Forbes' list for metro area job growth in professional and business services⁴
- ✓ #2 on SmartAdvisor's Best Place for New Businesses⁵
- ✓ #5 on MagnifyMoney's America's Biggest Boomtowns⁶
- ✓ #7 on Forbes' list of fastest growing cities⁷
- ✓ #8 City for Tech Jobs by Time Magazine⁸
- ✓ #11 on Inc.'s Best Cities to Start a Business in 2020⁹

Select companies with major Nashville presence

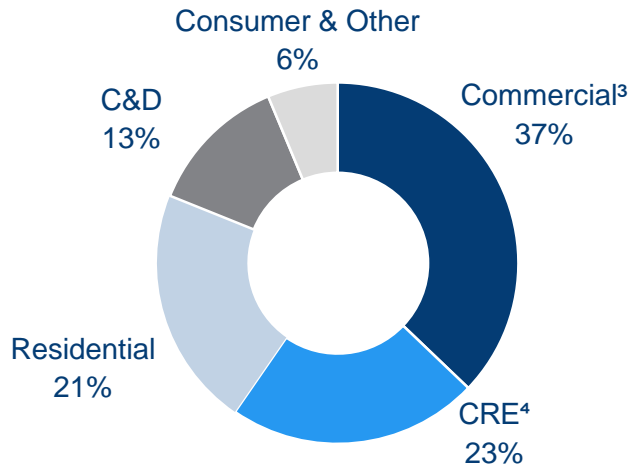


Source: SNL Financial, Nashville Chamber of Commerce
¹ CAGR shown with a deposit cap of \$1bn; ² Bureau of Labor Statistics as of November 2019;
³ Nashville Area Chamber of Commerce; Year of publication: ⁴ 2017; ⁵ 2019; ⁶ 2018; ⁷ 2018; ⁸ 2017; ⁹ 2019

Pro forma franchise is customer focused with a diversified loan portfolio funded by core deposits

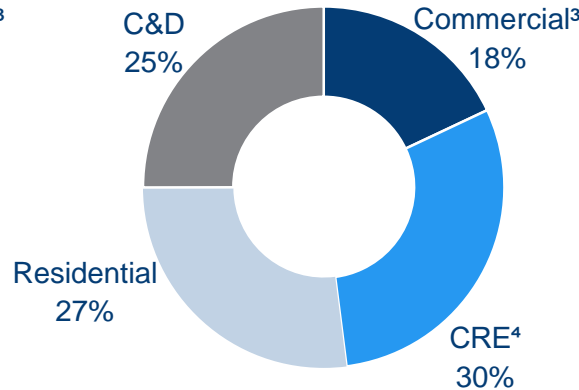
Loans

FirstBank¹



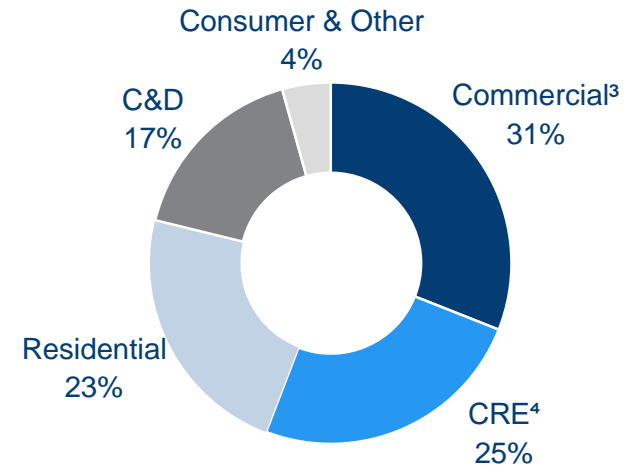
Total Loans HFI: \$4,584
Yield on Loans HFI: 5.80%

Franklin²



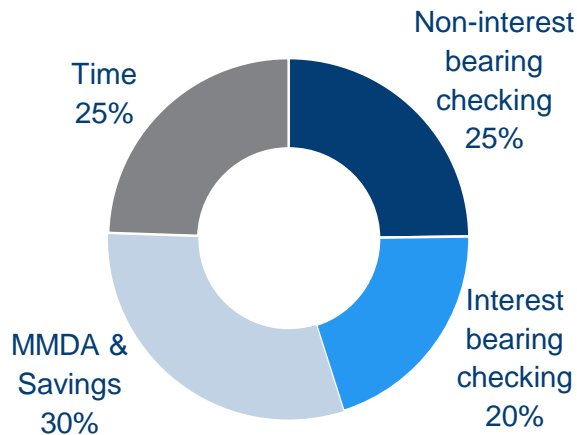
Total Loans HFI: \$2,374
Yield on Loans: 5.38%

Pro Forma⁵

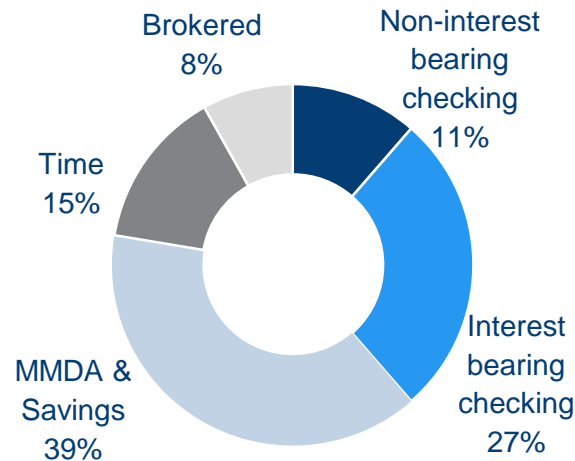


Total Loans HFI: \$6,959
Yield on Loans: 5.65%

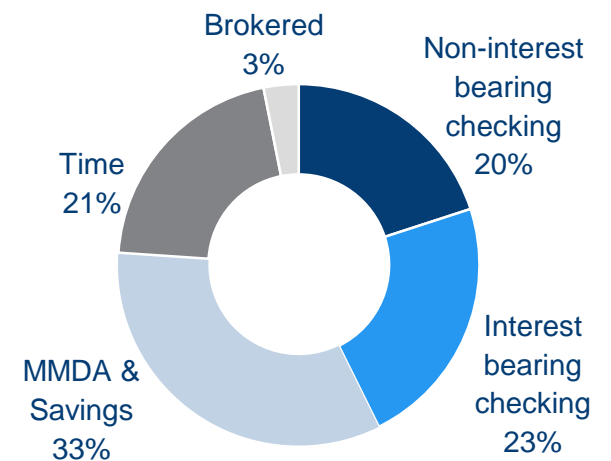
Deposits



Total Deposits: \$5,137
Cost of total deposits: 1.01%



Total Deposits: \$2,803
Cost of total deposits: 1.55%

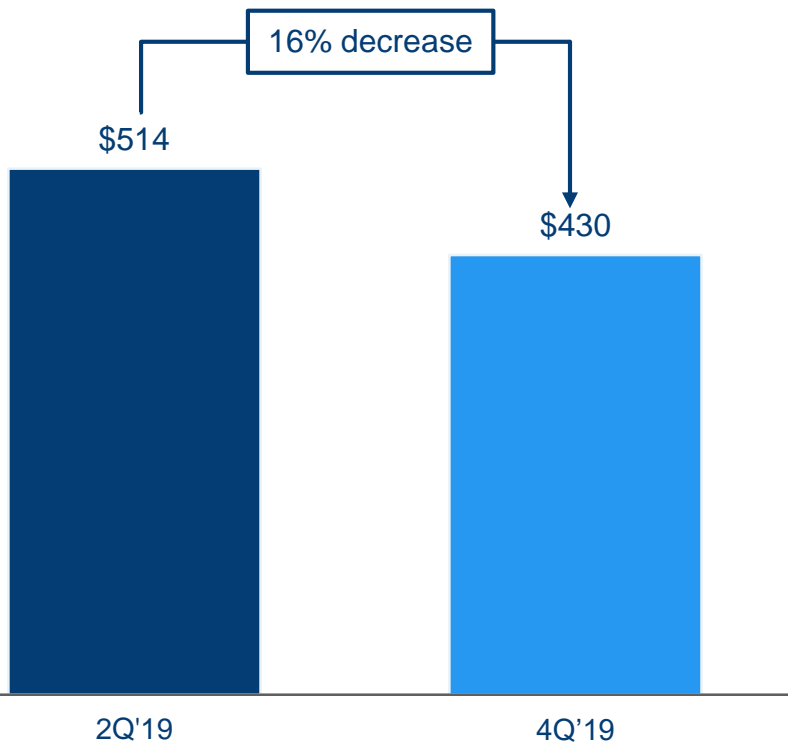


Total Deposits: \$7,940
Cost of total deposits: 1.19%

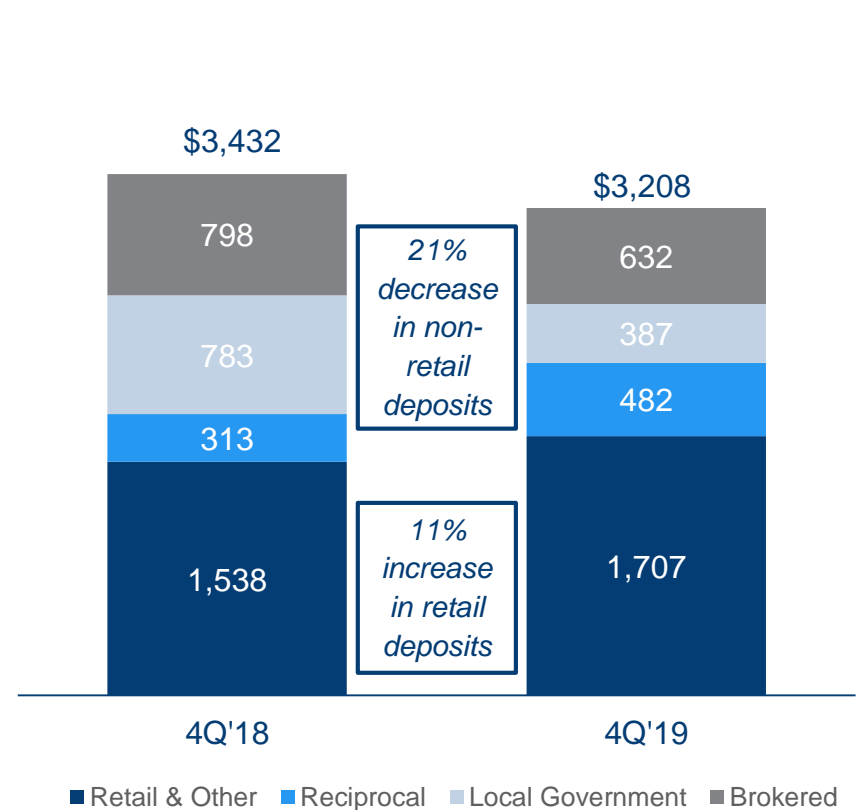
Source: SNL Financial, Company filings; Note: Financial data as of December 31, 2019; ¹ FirstBank pro forma for pending acquisition of FNB Financial Corp (FNB data as of September 30, 2019); ² Franklin pro forma assuming non-strategic assets are divested (includes SNC, Healthcare, other Corporate loans), and brokered deposits paid down with proceeds; ³ Commercial loans include Owner-Occupied CRE; ⁴ CRE includes non-owner occupied CRE and multi-family; ⁵ Excludes purchase accounting adjustments, includes impact of sale of non-strategic assets and pay down of brokered deposits

Accelerates Franklin's strategy of exiting non-strategic assets and funding

Franklin's non-strategic loans¹ (\$mm)



Franklin's total deposits (\$mm)

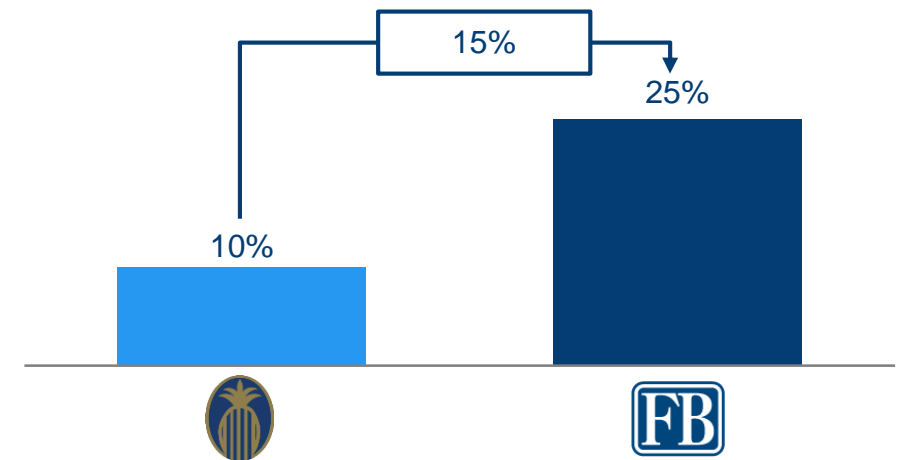


Broader product offering and deposit focus likely to drive revenue enhancements over time

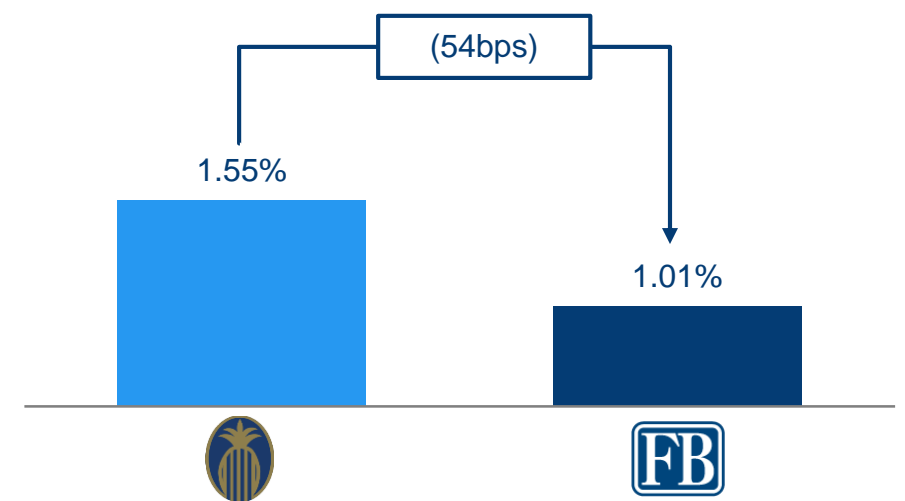
Opportunities for the combined franchise

- ✓ Accelerate core community banking in Nashville MSA
- ✓ Deeper penetration of customer deposit share
- ✓ Increased brand awareness
- ✓ Enhanced ability to recruit talent
- ✓ Accelerate and diversify growth in Nashville MSA through continued focus on:
 - Broader wealth and related offerings
 - Treasury management product improvement
 - Enhanced retail product offerings

Non-interest bearing deposits / total deposits

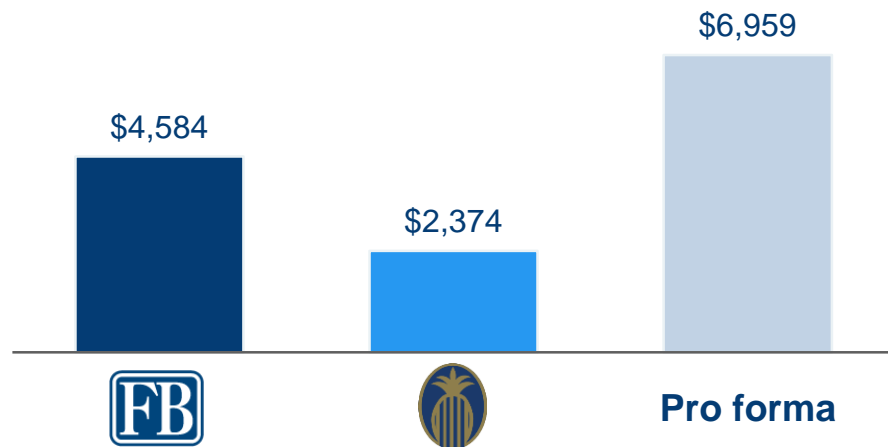


Cost of total deposits¹

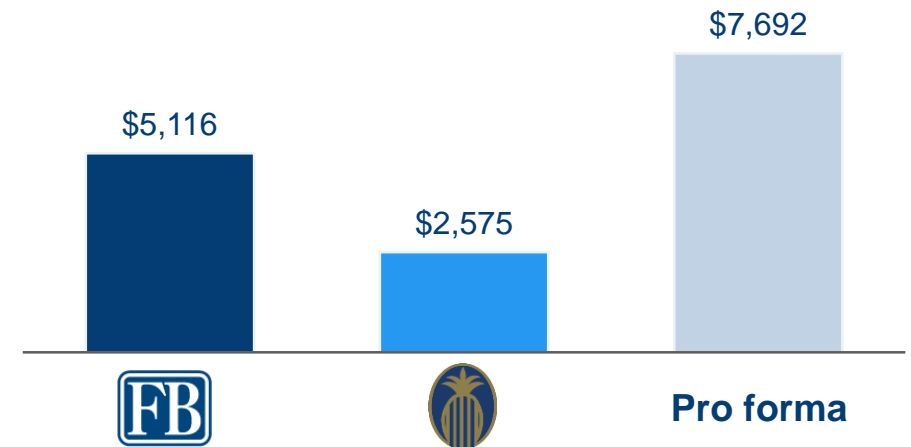


Strong balance sheet and capital position for future growth

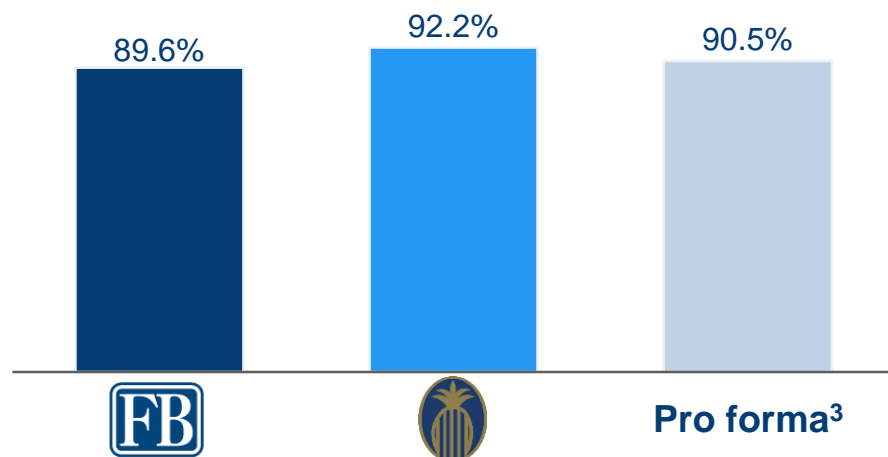
Customer loans (HFI)¹



Customer deposits²



Customer loans (HFI)¹ / Customer deposits²

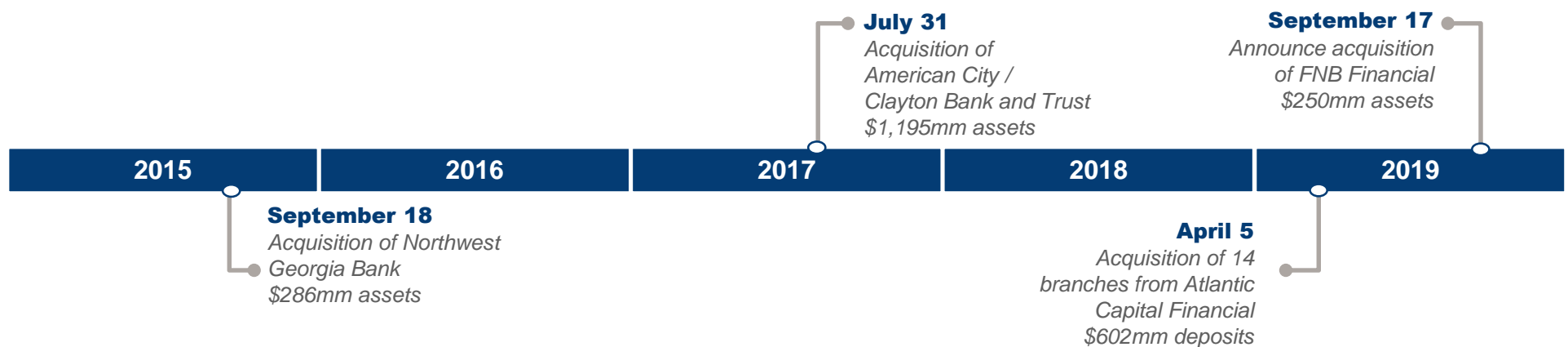


Estimated capital ratios at close⁴

TCE / TA	>9%
Common equity tier 1	~10% - 11%
Total risk based capital	~13% - 14%
C&D concentration	~105% - 115%

- Comprehensive, in-depth due diligence process has been completed
 - 35+ member diligence team spanning credit, finance, tax, compliance, operations and legal
 - Assessment of culture
 - Detailed review of the loan portfolio, credit philosophy and underwriting practices
 - Detailed analysis of funding and liquidity position
 - Review of risk management activities
 - Management review supplemented by third party diligence on loan portfolio
- Disciplined and experienced acquiror
 - FirstBank has completed 3 acquisitions in the past 5 years
 - Integration process will draw on knowledge of best practices from prior acquisitions
 - Supported by strong participation from third parties to supplement resources


FirstBank acquisitions since 2015



- ✓ **Significantly enhances franchise in attractive Nashville MSA, moving to #6 in deposit market share**
- ✓ **Strong community bank with leading share in Williamson and Rutherford counties**
- ✓ **Builds talent base in Nashville MSA and operational resources to support passing \$10bn**
- ✓ **Compelling financial returns, inclusive of de-risking, with potential for additional upside**
- ✓ **No book value dilution and robust pro forma capital ratios**
- ✓ **In-market transaction and comprehensive due diligence are significant risk mitigants**
- ✓ **Protecting the balance sheet with significant loan mark and exiting non-strategic assets and liabilities**

Combination creates the premier community bank in Tennessee

Appendix

	SNC	Non-SNC	Total Non-strategic	Criticized & Classified	Criticized & Classified / Loans
Corporate	\$59,339	\$80,501	\$139,840	\$17,608	12.6%
Healthcare	77,319	212,384	289,703	21,517	7.4%
Total Corporate + Healthcare	\$136,658	\$292,884	\$429,542	\$39,125	9.1%