

 **Financial Corporation**

**Fourth Quarter 2019
Financial Supplement**

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| Financial Summary and Key Metrics | 4 |
| Consolidated Statements of Income | 5 |
| Consolidated Balance Sheets | 7 |
| Average Balance, Average Yield Earned and Average Rate Paid | 8 |
| Loans and Deposits by Market | 11 |
| Segment Data | 12 |
| Loan Portfolio and Asset Quality | 13 |
| Preliminary Capital Ratios | 15 |
| Investment Portfolio | 16 |
| Non-GAAP Reconciliation | 17 |

Use of non-GAAP Financial Measures

This Supplemental Financial Information 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 noninterest expense and core noninterest income, core efficiency ratio (tax equivalent basis), Banking segment core efficiency ratio (tax equivalent basis), Mortgage segment core efficiency ratio (tax equivalent basis), adjusted mortgage contribution, adjusted return on average assets and equity, pro forma return on average assets and equity, adjusted pro forma 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 measures. The corresponding Earnings Release and Earnings Release Presentation 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, pro forma return on average tangible common equity, adjusted return on average tangible common equity and pro forma adjusted return on average tangible common 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 Company includes tables under the Non-GAAP reconciliation section of this document to provide a reconciliation of these measures to the most directly comparable GAAP financial measures.

Financial Summary and Key Metrics
(Unaudited)
(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 |
|--|-------------------|------------------|-------------------|------------------|-------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Statement of Income Data | | | | | |
| Total interest income | \$ 71,643 | \$ 73,242 | \$ 71,719 | \$ 65,933 | \$ 63,068 |
| Total interest expense | 13,951 | 14,937 | 14,696 | 12,917 | 11,701 |
| Net interest income | 57,692 | 58,305 | 57,023 | 53,016 | 51,367 |
| Provision for loan losses | 2,950 | 1,831 | 881 | 1,391 | 2,200 |
| Total noninterest income | 35,234 | 38,145 | 32,979 | 29,039 | 27,249 |
| Total noninterest expense | 62,686 | 62,935 | 64,119 | 55,101 | 53,736 |
| Net income before income taxes | 27,290 | 31,684 | 25,002 | 25,563 | 22,680 |
| Income tax expense | 5,718 | 7,718 | 6,314 | 5,975 | 5,640 |
| Net income | <u>\$ 21,572</u> | <u>\$ 23,966</u> | <u>\$ 18,688</u> | <u>\$ 19,588</u> | <u>\$ 17,040</u> |
| Net interest income (tax—equivalent basis) | <u>\$ 58,212</u> | <u>\$ 58,769</u> | <u>\$ 57,488</u> | <u>\$ 53,461</u> | <u>\$ 51,799</u> |
| Net income, adjusted* | <u>\$ 22,079</u> | <u>\$ 24,267</u> | <u>\$ 22,098</u> | <u>\$ 20,826</u> | <u>\$ 17,336</u> |
| Per Common Share | | | | | |
| Diluted net income | \$ 0.68 | \$ 0.76 | \$ 0.59 | \$ 0.62 | \$ 0.54 |
| Diluted net income, adjusted* | 0.70 | 0.77 | 0.70 | 0.66 | 0.55 |
| Book value | 24.56 | 24.08 | 23.29 | 22.51 | 21.87 |
| Tangible book value* | 18.55 | 18.03 | 17.18 | 17.73 | 17.02 |
| Weighted average number of shares outstanding- fully diluted | 31,470,565 | 31,425,573 | 31,378,018 | 31,349,198 | 31,344,949 |
| Period-end number of shares | 31,034,315 | 30,927,664 | 30,865,636 | 30,852,665 | 30,724,532 |
| Selected Balance Sheet Data | | | | | |
| Cash and cash equivalents | \$ 232,681 | \$ 242,997 | \$ 164,336 | \$ 195,414 | \$ 125,356 |
| Loans held for investment (HFI) | 4,409,642 | 4,345,344 | 4,289,516 | 3,786,791 | 3,667,511 |
| Allowance for loan losses | (31,139) | (31,464) | (30,138) | (29,814) | (28,932) |
| Loans held for sale | 262,518 | 305,493 | 294,699 | 248,054 | 278,815 |
| Investment securities, at fair value | 691,676 | 671,781 | 678,457 | 670,835 | 658,805 |
| Other real estate owned, net | 18,939 | 16,076 | 15,521 | 12,828 | 12,643 |
| Total assets | 6,124,921 | 6,088,895 | 5,940,402 | 5,335,156 | 5,136,764 |
| Customer deposits | 4,914,587 | 4,896,327 | 4,812,962 | 4,242,349 | 4,068,610 |
| Brokered and internet time deposits | 20,351 | 25,436 | 29,864 | 60,842 | 103,107 |
| Total deposits | 4,934,938 | 4,921,763 | 4,842,826 | 4,303,191 | 4,171,717 |
| Borrowings | 304,675 | 307,129 | 257,299 | 229,178 | 227,776 |
| Total shareholders' equity | 762,329 | 744,835 | 718,759 | 694,577 | 671,857 |
| Selected Ratios | | | | | |
| Return on average: | | | | | |
| Assets | 1.39% | 1.59% | 1.30% | 1.54% | 1.35% |
| Shareholders' equity | 11.2% | 13.0% | 10.6% | 11.6% | 10.3% |
| Tangible common equity* | 14.9% | 17.5% | 14.4% | 14.8% | 13.3% |
| Average shareholders' equity to average assets | 12.4% | 12.2% | 12.3% | 13.2% | 13.2% |
| Net interest margin (NIM) (tax-equivalent basis) | 4.12% | 4.28% | 4.39% | 4.61% | 4.50% |
| Efficiency ratio (GAAP) | 67.5% | 65.3% | 71.2% | 67.2% | 68.4% |
| Core efficiency ratio (tax-equivalent basis)* | 66.5% | 64.5% | 65.9% | 64.9% | 67.5% |
| Loans HFI to deposit ratio | 89.4% | 88.3% | 88.6% | 88.0% | 87.9% |
| Total loans to deposit ratio | 94.7% | 94.5% | 94.7% | 93.8% | 94.6% |
| Yield on interest-earning assets | 5.11% | 5.37% | 5.52% | 5.73% | 5.52% |
| Cost of interest-bearing liabilities | 1.38% | 1.50% | 1.54% | 1.52% | 1.40% |
| Cost of total deposits | 1.02% | 1.11% | 1.14% | 1.14% | 1.03% |
| Credit Quality Ratios | | | | | |
| Allowance for loan losses as a percentage of loans HFI | 0.71% | 0.72% | 0.70% | 0.79% | 0.79% |
| Net charge-offs as a percentage of average loans HFI | 0.30% | 0.05% | 0.05% | 0.06% | 0.06% |
| Nonperforming loans HFI as a percentage of total loans HFI | 0.60% | 0.47% | 0.43% | 0.41% | 0.46% |
| Nonperforming assets as a percentage of total assets | 0.77% | 0.62% | 0.59% | 0.57% | 0.61% |
| Preliminary capital ratios (Consolidated) | | | | | |
| Shareholders' equity to assets | 12.4% | 12.2% | 12.1% | 13.0% | 13.1% |
| Tangible common equity to tangible assets* | 9.69% | 9.45% | 9.22% | 10.5% | 10.5% |
| Tier 1 capital (to average assets) | 10.1% | 10.1% | 10.0% | 11.5% | 11.4% |
| Tier 1 capital (to risk-weighted assets) | 11.6% | 11.3% | 11.0% | 12.7% | 12.4% |
| Total capital (to risk-weighted assets) | 12.2% | 12.0% | 11.6% | 13.4% | 13.0% |
| Common Equity Tier 1 (to risk-weighted assets) (CET1) | 11.1% | 10.8% | 10.4% | 12.0% | 11.7% |

*These measures are considered non-GAAP financial measures. See "GAAP Reconciliation and Use of Non-GAAP Financial Measures" and the corresponding financial tables below for reconciliations of these Non-GAAP measures. Investors are encouraged to refer to the discussion of non-GAAP measures included in the corresponding earnings release.

Consolidated Statements of Income
(Unaudited)
(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 | Q4 2019 vs. Q3 2019 | Q4 2019 vs. Q4 2018 |
|--|-------------------|------------------|-------------------|------------------|-------------------|---------------------------|---------------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter | Percent variance | Percent variance |
| Interest income: | | | | | | | |
| Interest and fees on loans | \$ 66,095 | \$ 67,639 | \$ 66,276 | \$ 60,448 | \$ 57,875 | (2.28)% | 14.2 % |
| Interest on securities | | | | | | | |
| Taxable | 2,969 | 3,137 | 3,548 | 3,569 | 3,260 | (5.36)% | (8.93)% |
| Tax-exempt | 1,327 | 1,174 | 1,160 | 1,144 | 1,110 | 13.0 % | 19.5 % |
| Other | 1,252 | 1,292 | 735 | 772 | 823 | (3.10)% | 52.1 % |
| Total interest income | <u>71,643</u> | <u>73,242</u> | <u>71,719</u> | <u>65,933</u> | <u>63,068</u> | (2.18)% | 13.6 % |
| Interest expense: | | | | | | | |
| Deposits | 12,703 | 13,522 | 13,488 | 11,855 | 10,703 | (6.06)% | 18.7 % |
| Borrowings | 1,248 | 1,415 | 1,208 | 1,062 | 998 | (11.8)% | 25.1 % |
| Total interest expense | <u>13,951</u> | <u>14,937</u> | <u>14,696</u> | <u>12,917</u> | <u>11,701</u> | (6.60)% | 19.2 % |
| Net interest income | 57,692 | 58,305 | 57,023 | 53,016 | 51,367 | (1.05)% | 12.3 % |
| Provision for loan losses | 2,950 | 1,831 | 881 | 1,391 | 2,200 | 61.1 % | 34.09 % |
| Net interest income after provision for loan losses | 54,742 | 56,474 | 56,142 | 51,625 | 49,167 | (3.07)% | 11.3 % |
| Noninterest income: | | | | | | | |
| Mortgage banking income | 26,176 | 29,193 | 24,526 | 21,021 | 18,997 | (10.3)% | 37.79 % |
| Service charges on deposit accounts | 2,657 | 2,416 | 2,327 | 2,079 | 2,286 | 9.98 % | 16.23 % |
| ATM and interchange fees | 3,315 | 3,188 | 3,002 | 2,656 | 2,660 | 3.98 % | 24.6 % |
| Investment services and trust income | 1,326 | 1,336 | 1,287 | 1,295 | 1,384 | (0.75)% | (4.19)% |
| (Loss) gain from securities, net | (18) | (20) | 52 | 43 | — | (10.0)% | 100.0 % |
| Gain (loss) on sales or write-downs of other real estate owned | 433 | (126) | 277 | (39) | (56) | (443.7)% | (873.2)% |
| (Loss) gain from other assets | (156) | 44 | (183) | 191 | 89 | (454.5)% | (275.3)% |
| Other income | 1,501 | 2,114 | 1,691 | 1,793 | 1,889 | (29.00)% | (20.54)% |
| Total noninterest income | <u>35,234</u> | <u>38,145</u> | <u>32,979</u> | <u>29,039</u> | <u>27,249</u> | (7.63)% | 29.3 % |
| Total revenue | <u>92,926</u> | <u>96,450</u> | <u>90,002</u> | <u>82,055</u> | <u>78,616</u> | (3.65)% | 18.2 % |
| Noninterest expenses: | | | | | | | |
| Salaries, commissions and employee benefits | 39,589 | 40,880 | 37,918 | 33,697 | 33,286 | (3.16)% | 18.9 % |
| Occupancy and equipment expense | 3,534 | 4,058 | 4,319 | 3,730 | 3,493 | (12.9)% | 1.17 % |
| Legal and professional fees | 2,074 | 1,993 | 1,694 | 1,725 | 1,978 | 4.06 % | 4.85 % |
| Data processing | 2,746 | 2,816 | 2,643 | 2,384 | 2,365 | (2.49)% | 16.1 % |
| Merger costs | 686 | 295 | 3,783 | 621 | 401 | 132.5 % | 71.1 % |
| Amortization of core deposits and other intangibles | 1,159 | 1,197 | 1,254 | 729 | 753 | (3.17)% | 53.9 % |
| Advertising | 2,072 | 1,895 | 2,434 | 2,737 | 2,639 | 9.34 % | (21.5)% |
| Mortgage restructuring expense | — | 112 | 829 | 1,054 | — | (100.0)% | — % |
| Other expense | 10,826 | 9,689 | 9,245 | 8,424 | 8,821 | 11.7 % | 22.7 % |
| Total noninterest expense | <u>62,686</u> | <u>62,935</u> | <u>64,119</u> | <u>55,101</u> | <u>53,736</u> | (0.40)% | 16.7 % |
| Income before income taxes | 27,290 | 31,684 | 25,002 | 25,563 | 22,680 | (13.9)% | 20.3 % |
| Income tax expense | 5,718 | 7,718 | 6,314 | 5,975 | 5,640 | (25.9)% | 1.38 % |
| Net income | <u>\$ 21,572</u> | <u>\$ 23,966</u> | <u>\$ 18,688</u> | <u>\$ 19,588</u> | <u>\$ 17,040</u> | (10.0)% | 26.6 % |
| Earnings available to common shareholders | <u>\$ 21,458</u> | <u>\$ 23,838</u> | <u>\$ 18,588</u> | <u>\$ 19,483</u> | <u>\$ 16,949</u> | | |
| Weighted average common shares outstanding: | | | | | | | |
| Basic | 30,934,092 | 30,899,583 | 30,859,596 | 30,786,684 | 30,717,008 | 0.11 % | 0.71 % |
| Fully diluted | 31,470,565 | 31,425,573 | 31,378,018 | 31,349,198 | 31,344,949 | 0.14 % | 0.40 % |
| Earnings per common share: | | | | | | | |
| Basic | \$ 0.69 | \$ 0.77 | \$ 0.60 | \$ 0.63 | \$ 0.55 | (10.4)% | 25.5 % |
| Fully diluted | 0.68 | 0.76 | 0.59 | 0.62 | 0.54 | (10.5)% | 25.9 % |
| Fully diluted- adjusted* | 0.70 | 0.77 | 0.70 | 0.66 | 0.55 | (9.09)% | 27.3 % |

*These measures are considered non-GAAP financial measures. See "GAAP Reconciliation and Use of Non-GAAP Financial Measures" and the corresponding financial tables below for reconciliations of these Non-GAAP measures. Investors are encouraged to refer to the discussion of non-GAAP measures included in the corresponding earnings release.

Consolidated Statements of Income
(Unaudited)
(In Thousands, Except Share Data and %)

| | For the year ended December 31, | | YTD 2019 vs. YTD 2018 |
|--|------------------------------------|------------------|-----------------------------|
| | 2019 | 2018 | Percent variance |
| Interest income: | | | |
| Interest and fees on loans | \$ 260,458 | \$ 221,001 | 17.9 % |
| Interest on securities | | | |
| Taxable | 13,223 | 12,397 | 6.66 % |
| Tax-exempt | 4,805 | 4,047 | 18.7 % |
| Other | 4,051 | 2,126 | 90.5 % |
| Total interest income | <u>282,537</u> | <u>239,571</u> | 17.9 % |
| Interest expense: | | | |
| Deposits | 51,568 | 29,536 | 74.6 % |
| Borrowings | 4,933 | 5,967 | (17.3)% |
| Total interest expense | <u>56,501</u> | <u>35,503</u> | 59.1 % |
| Net interest income | 226,036 | 204,068 | 10.8 % |
| Provision for loan losses | 7,053 | 5,398 | 30.7 % |
| Net interest income after provision for loan losses | <u>218,983</u> | <u>198,670</u> | 10.2 % |
| Noninterest income: | | | |
| Mortgage banking income | 100,916 | 100,661 | 0.25 % |
| Service charges on deposit accounts | 9,479 | 8,502 | 11.5 % |
| ATM and interchange fees | 12,161 | 10,013 | 21.5 % |
| Investment services and trust income | 5,244 | 5,181 | 1.22 % |
| Gain (loss) from securities, net | 57 | (116) | 149.1 % |
| Gain (loss) on sales or write-downs of other real estate | 545 | (99) | 650.5 % |
| (Loss) gain on other assets | (104) | 328 | (131.7)% |
| Other income | 7,099 | 6,172 | 15.0 % |
| Total noninterest income | <u>135,397</u> | <u>130,642</u> | 3.64 % |
| Total revenue | <u>361,433</u> | <u>334,710</u> | 7.98 % |
| Noninterest expenses: | | | |
| Salaries, commissions and employee benefits | 152,084 | 136,892 | 11.10 % |
| Occupancy and equipment expense | 15,641 | 13,976 | 11.9 % |
| Legal and professional fees | 7,486 | 7,903 | (5.28)% |
| Data processing | 10,589 | 9,100 | 16.4 % |
| Merger expense | 5,385 | 1,594 | 237.8 % |
| Amortization of core deposit and other intangibles | 4,339 | 3,185 | 36.2 % |
| Advertising | 9,138 | 13,139 | (30.5)% |
| Mortgage restructuring expense | 1,995 | — | 100.0 % |
| Other expense | 38,184 | 37,669 | 1.37 % |
| Total noninterest expense | <u>244,841</u> | <u>223,458</u> | 9.57 % |
| Net income before income taxes | 109,539 | 105,854 | 3.48 % |
| Income tax expense | 25,725 | 25,618 | 0.42 % |
| Net income | <u>\$ 83,814</u> | <u>\$ 80,236</u> | 4.46 % |
| Earnings available to common shareholders | <u>\$ 83,367</u> | <u>\$ 79,808</u> | |
| Weighted average common shares outstanding: | | | |
| Basic | 30,870,474 | 30,675,755 | 0.63 % |
| Fully diluted | 31,402,897 | 31,314,981 | 0.28 % |
| Earnings per common share: | | | |
| Basic | \$ 2.70 | \$ 2.60 | 3.85 % |
| Fully diluted | 2.65 | 2.55 | 3.92 % |
| Fully diluted- adjusted* | 2.83 | 2.61 | 8.43 % |

*These measures are considered non-GAAP financial measures. See "GAAP Reconciliation and Use of Non-GAAP Financial Measures" and the corresponding financial tables below for reconciliations of these Non-GAAP measures. Investors are encouraged to refer to the discussion of non-GAAP measures included in the corresponding earnings release.

Consolidated Balance Sheets

(Unaudited)

(In Thousands, Except %)

| | 2019 | | | | 2018 | Annualized | Q4 2019 |
|---|--------------|--------------|--------------|--------------|--------------|------------|----------|
| | Fourth | Third | Second | First | Fourth | vs. | Q4 2019 |
| | Quarter | Quarter | Quarter | Quarter | Quarter | Q3 2019 | vs. |
| | | | | | | Percent | Q4 2018 |
| | | | | | | variance | Percent |
| | | | | | | | variance |
| ASSETS | | | | | | | |
| Cash and due from banks | \$ 48,806 | \$ 31,594 | \$ 64,458 | \$ 60,253 | \$ 38,381 | 216.1 % | 27.2 % |
| Federal funds sold | 131,119 | 50,532 | 9,781 | 6,600 | 31,364 | 632.7 % | 318.1 % |
| Interest bearing deposits in financial institutions | 52,756 | 160,871 | 90,097 | 128,561 | 55,611 | (266.6)% | (5.13)% |
| Cash and cash equivalents | 232,681 | 242,997 | 164,336 | 195,414 | 125,356 | (16.8)% | 85.6 % |
| Investments: | | | | | | | |
| Available-for-sale debt securities, at fair value | 688,381 | 668,531 | 675,215 | 667,654 | 655,698 | 11.8 % | 4.98 % |
| Equity securities, at fair value | 3,295 | 3,250 | 3,242 | 3,181 | 3,107 | 5.49 % | 6.05 % |
| Federal Home Loan Bank stock, at cost | 15,976 | 15,976 | 15,976 | 13,432 | 13,432 | — % | 18.9 % |
| Loans held for sale, at fair value | 262,518 | 305,493 | 294,699 | 248,054 | 278,815 | (55.8)% | (5.85)% |
| Loans | 4,409,642 | 4,345,344 | 4,289,516 | 3,786,791 | 3,667,511 | 5.87 % | 20.2 % |
| Less: allowance for loan losses | 31,139 | 31,464 | 30,138 | 29,814 | 28,932 | (4.10)% | 7.63 % |
| Net loans | 4,378,503 | 4,313,880 | 4,259,378 | 3,756,977 | 3,638,579 | 5.94 % | 20.3 % |
| Premises and equipment, net | 90,131 | 91,815 | 92,407 | 87,013 | 86,882 | (7.28)% | 3.74 % |
| Other real estate owned, net | 18,939 | 16,076 | 15,521 | 12,828 | 12,643 | 70.7 % | 49.8 % |
| Operating lease right-of-use assets | 32,539 | 34,812 | 35,872 | 32,694 | — | (25.9)% | 100.0 % |
| Interest receivable | 17,083 | 17,729 | 17,952 | 16,611 | 14,503 | (14.5)% | 17.8 % |
| Mortgage servicing rights, at fair value | 75,521 | 66,156 | 66,380 | 64,031 | 88,829 | 56.2 % | (15.0)% |
| Goodwill ^(a) | 169,051 | 168,486 | 168,486 | 137,190 | 137,190 | 1.33 % | 23.2 % |
| Core deposit and other intangibles, net | 17,589 | 18,748 | 19,945 | 10,439 | 11,628 | (24.5)% | 51.3 % |
| Other assets | 122,714 | 124,946 | 110,993 | 89,638 | 70,102 | (7.09)% | 75.1 % |
| Total assets | \$ 6,124,921 | \$ 6,088,895 | \$ 5,940,402 | \$ 5,335,156 | \$ 5,136,764 | 2.35 % | 19.2 % |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | |
| Liabilities: | | | | | | | |
| Deposits | | | | | | | |
| Noninterest-bearing | \$ 1,208,175 | \$ 1,214,373 | \$ 1,111,921 | \$ 964,745 | \$ 949,135 | (2.02)% | 27.3 % |
| Interest-bearing checking | 1,014,875 | 1,029,430 | 984,847 | 937,323 | 863,706 | (5.61)% | 17.5 % |
| Money market and savings | 1,520,035 | 1,481,697 | 1,468,867 | 1,257,863 | 1,239,131 | 10.3 % | 22.7 % |
| Customer time deposits | 1,171,502 | 1,170,827 | 1,247,327 | 1,082,418 | 1,016,638 | 0.23 % | 15.2 % |
| Brokered and internet time deposits | 20,351 | 25,436 | 29,864 | 60,842 | 103,107 | (79.3)% | (80.3)% |
| Total deposits | 4,934,938 | 4,921,763 | 4,842,826 | 4,303,191 | 4,171,717 | 1.06 % | 18.3 % |
| Borrowings | 304,675 | 307,129 | 257,299 | 229,178 | 227,776 | (3.17)% | 33.8 % |
| Operating lease liabilities | 35,525 | 37,760 | 38,722 | 35,093 | — | (23.5)% | 100.0 % |
| Accrued expenses and other liabilities | 87,454 | 77,408 | 82,796 | 73,117 | 65,414 | 51.5 % | 33.7 % |
| Total liabilities | 5,362,592 | 5,344,060 | 5,221,643 | 4,640,579 | 4,464,907 | 1.38 % | 20.1 % |
| Shareholders' equity: | | | | | | | |
| Common stock, \$1 par value | 31,034 | 30,928 | 30,866 | 30,853 | 30,725 | 1.36 % | 1.01 % |
| Additional paid-in capital | 425,633 | 426,816 | 425,644 | 423,647 | 424,146 | (1.10)% | 0.35 % |
| Retained earnings | 293,524 | 274,491 | 253,080 | 236,947 | 221,213 | 27.5 % | 32.7 % |
| Accumulated other comprehensive income (loss), net | 12,138 | 12,600 | 9,169 | 3,130 | (4,227) | (14.5)% | (387.2)% |
| Total shareholders' equity | 762,329 | 744,835 | 718,759 | 694,577 | 671,857 | 9.32 % | 13.5 % |
| Total liabilities and shareholders' equity | \$ 6,124,921 | \$ 6,088,895 | \$ 5,940,402 | \$ 5,335,156 | \$ 5,136,764 | 2.35 % | 19.2 % |

^(a) Increase of \$565 attributable to finalization of purchase accounting on the Atlantic Capital branch acquisition during the fourth quarter of 2019.

**Average Balance, Average Yield Earned and Average Rate Paid
For the Quarters Ended
(Unaudited)**

(In Thousands, Except %)

| | Three Months Ended December 31, 2019 | | | Three Months Ended September 30, 2019 | | |
|--|---|--------------------------------|---------------------------|--|--------------------------------|---------------------------|
| | Average balances | Interest income/ expense | Average yield/ rate | Average balances | Interest income/ expense | Average yield/ rate |
| Interest-earning assets: | | | | | | |
| Loans HFI ^(a) | \$ 4,384,180 | \$ 64,053 | 5.80% | \$ 4,306,725 | \$ 65,241 | 6.01% |
| Loans held for sale | 257,833 | 2,095 | 3.22% | 262,896 | 2,448 | 3.69% |
| Securities: | | | | | | |
| Taxable | 505,299 | 2,969 | 2.33% | 508,924 | 3,137 | 2.45% |
| Tax-exempt ^(a) | 181,922 | 1,794 | 3.91% | 153,633 | 1,588 | 4.10% |
| Total securities ^(a) | <u>687,221</u> | <u>4,763</u> | <u>2.75%</u> | <u>662,557</u> | <u>4,725</u> | <u>2.83%</u> |
| Federal funds sold | 69,749 | 301 | 1.71% | 24,388 | 166 | 2.70% |
| Interest-bearing deposits with other financial institutions | 185,319 | 790 | 1.69% | 176,708 | 950 | 2.13% |
| FHLB stock | 15,976 | 161 | 4.00% | 15,976 | 176 | 4.37% |
| Total interest-earning assets ^(a) | <u>5,600,278</u> | <u>72,163</u> | <u>5.11%</u> | <u>5,449,250</u> | <u>73,706</u> | <u>5.37%</u> |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 49,318 | | | 51,433 | | |
| Allowance for loan losses | (31,631) | | | (30,484) | | |
| Other assets | 539,966 | | | 518,373 | | |
| Total noninterest-earning assets | <u>557,653</u> | | | <u>539,322</u> | | |
| Total assets | <u>\$ 6,157,931</u> | | | <u>\$ 5,988,572</u> | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| Interest-bearing checking | \$ 981,572 | \$ 2,068 | 0.84% | \$ 971,686 | \$ 2,338 | 0.95% |
| Money market | 1,320,268 | 4,309 | 1.29% | 1,260,555 | 4,607 | 1.45% |
| Savings deposits | 210,550 | 79 | 0.15% | 207,221 | 78 | 0.15% |
| Customer time deposits | 1,175,467 | 6,133 | 2.07% | 1,184,737 | 6,362 | 2.13% |
| Brokered and internet time deposits | 23,219 | 114 | 1.95% | 28,273 | 137 | 1.92% |
| Time deposits | <u>1,198,686</u> | <u>6,247</u> | <u>2.07%</u> | <u>1,213,010</u> | <u>6,499</u> | <u>2.13%</u> |
| Total interest-bearing deposits | <u>3,711,076</u> | <u>12,703</u> | <u>1.36%</u> | <u>3,652,472</u> | <u>13,522</u> | <u>1.47%</u> |
| Other interest-bearing liabilities: | | | | | | |
| Securities sold under agreements to repurchase and federal funds purchased | 27,610 | 59 | 0.85% | 30,585 | 80 | 1.04% |
| Federal Home Loan Bank advances | 250,000 | 788 | 1.25% | 248,315 | 918 | 1.47% |
| Subordinated debt | 30,930 | 401 | 5.14% | 30,930 | 417 | 5.35% |
| Total other interest-bearing liabilities | <u>308,540</u> | <u>1,248</u> | <u>1.60%</u> | <u>309,830</u> | <u>1,415</u> | <u>1.81%</u> |
| Total interest-bearing liabilities | <u>4,019,616</u> | <u>13,951</u> | <u>1.38%</u> | <u>3,962,302</u> | <u>14,937</u> | <u>1.50%</u> |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 1,253,311 | | | 1,180,685 | | |
| Other liabilities | 123,055 | | | 113,884 | | |
| Total noninterest-bearing liabilities | <u>1,376,366</u> | | | <u>1,294,569</u> | | |
| Total liabilities | 5,395,982 | | | 5,256,871 | | |
| Shareholders' equity | 761,949 | | | 731,701 | | |
| Total liabilities and shareholders' equity | <u>\$ 6,157,931</u> | | | <u>\$ 5,988,572</u> | | |
| Net interest income ^(a) | | <u>\$ 58,212</u> | | | <u>\$ 58,769</u> | |
| Interest rate spread ^(a) | | | 3.74% | | | 3.87% |
| Net interest margin ^(a) | | | 4.12% | | | 4.28% |
| Cost of total deposits | | | 1.02% | | | 1.11% |
| Average interest-earning assets to average interest-bearing liabilities | | | 139.3% | | | 137.5% |
| Tax-equivalent adjustment | | \$ 520 | | | \$ 464 | |
| Loans HFI yield components: | | | | | | |
| Contractual interest rate ^(a) | | \$ 58,219 | 5.27% | | \$ 59,645 | 5.50% |
| Origination and other loan fee income | | 2,863 | 0.26% | | 3,293 | 0.30% |
| Accretion on purchased loans | | 2,526 | 0.23% | | 2,102 | 0.19% |
| Nonaccrual interest | | 439 | 0.04% | | 201 | 0.02% |
| Syndication fee income | | 6 | —% | | — | —% |
| Total loans HFI yield | | <u>\$ 64,053</u> | <u>5.80%</u> | | <u>\$ 65,241</u> | <u>6.01%</u> |

(a) Includes tax equivalent adjustment using combined marginal tax rate of 26.060%.

Average Balance, Average Yield Earned and Average Rate Paid

For the Quarters Ended

(Unaudited)

(In Thousands, Except %)

| | Three Months Ended | | | Three Months Ended | | | Three Months Ended | | |
|--|--------------------|-------------------------|--------------------|---------------------|-------------------------|--------------------|---------------------|-------------------------|--------------------|
| | June 30, 2019 | | | March 31, 2019 | | | December 31, 2018 | | |
| | Average balances | Interest income/expense | Average yield/rate | Average balances | Interest income/expense | Average yield/rate | Average balances | Interest income/expense | Average yield/rate |
| Interest-earning assets: | | | | | | | | | |
| Loans HFI ^(a) | 4,177,701 | 63,262 | 6.07% | \$ 3,720,739 | \$ 58,137 | 6.34% | \$ 3,559,587 | \$ 54,858 | 6.11% |
| Loans held for sale | 281,252 | 3,070 | 4.38% | 216,227 | 2,353 | 4.41% | 260,763 | 3,058 | 4.65% |
| Securities: | | | | | | | | | |
| Taxable | 532,500 | 3,548 | 2.67% | 518,504 | 3,569 | 2.79% | 487,843 | 3,260 | 2.65% |
| Tax-exempt ^(a) | 146,282 | 1,569 | 4.30% | 138,847 | 1,547 | 4.52% | 130,465 | 1,501 | 4.56% |
| Total securities ^(a) | <u>678,782</u> | <u>5,117</u> | <u>3.02%</u> | <u>657,351</u> | <u>5,116</u> | <u>3.16%</u> | <u>618,308</u> | <u>4,761</u> | <u>3.05%</u> |
| Federal funds sold | 12,219 | 88 | 2.89% | 18,392 | 123 | 2.71% | 27,835 | 160 | 2.28% |
| Interest-bearing deposits with other financial | 81,540 | 465 | 2.29% | 75,291 | 446 | 2.40% | 86,421 | 464 | 2.13% |
| FHLB stock | 15,165 | 182 | 4.81% | 13,432 | 203 | 6.13% | 13,432 | 199 | 5.88% |
| Total interest-earning assets ^(a) | <u>5,246,659</u> | <u>72,184</u> | <u>5.52%</u> | <u>4,701,432</u> | <u>66,378</u> | <u>5.73%</u> | <u>4,566,346</u> | <u>63,500</u> | <u>5.52%</u> |
| Noninterest-earning assets: | | | | | | | | | |
| Cash and due from banks | 54,659 | | | 50,218 | | | 53,067 | | |
| Allowance for loan losses | (30,092) | | | (29,537) | | | (27,369) | | |
| Other assets | 500,145 | | | 452,805 | | | 413,114 | | |
| Total noninterest-earning assets | <u>524,712</u> | | | <u>473,486</u> | | | <u>438,812</u> | | |
| Total assets | <u>5,771,371</u> | | | <u>\$ 5,174,918</u> | | | <u>\$ 5,005,158</u> | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Interest-bearing deposits: | | | | | | | | | |
| Interest-bearing checking | 968,081 | 2,295 | 0.95% | \$ 878,167 | \$ 2,054 | 0.95% | \$ 828,507 | \$ 1,870 | 0.90% |
| Money market | 1,221,450 | 4,508 | 1.48% | 1,073,170 | 3,956 | 1.49% | 1,058,172 | 3,568 | 1.34% |
| Savings deposits | 203,602 | 76 | 0.15% | 176,305 | 68 | 0.16% | 174,199 | 67 | 0.15% |
| Customer time deposits | 1,185,451 | 6,299 | 2.13% | 1,053,958 | 5,309 | 2.04% | 983,204 | 4,649 | 1.88% |
| Brokered and internet time deposits | 56,242 | 310 | 2.21% | 93,434 | 468 | 2.03% | 107,129 | 549 | 2.03% |
| Time deposits | <u>1,241,693</u> | <u>6,609</u> | <u>2.13%</u> | <u>1,147,392</u> | <u>5,777</u> | <u>2.04%</u> | <u>1,090,333</u> | <u>5,198</u> | <u>1.89%</u> |
| Total interest-bearing deposits | <u>3,634,826</u> | <u>13,488</u> | <u>1.49%</u> | <u>3,275,034</u> | <u>11,855</u> | <u>1.47%</u> | <u>3,151,211</u> | <u>10,703</u> | <u>1.35%</u> |
| Other interest-bearing liabilities: | | | | | | | | | |
| Securities sold under agreements to repurchase and federal funds purchased | 31,905 | 117 | 1.47% | 15,319 | 35 | 0.93% | 18,378 | 29 | 0.63% |
| Federal Home Loan Bank advances | 131,726 | 664 | 2.02% | 117,875 | 634 | 2.18% | 106,468 | 554 | 2.06% |
| Subordinated debt | 30,930 | 427 | 5.54% | 30,930 | 393 | 5.15% | 30,930 | 415 | 5.32% |
| Total other interest-bearing liabilities | <u>194,561</u> | <u>1,208</u> | <u>2.49%</u> | <u>164,124</u> | <u>1,062</u> | <u>2.62%</u> | <u>155,776</u> | <u>998</u> | <u>2.54%</u> |
| Total interest-bearing liabilities | <u>3,829,387</u> | <u>14,696</u> | <u>1.54%</u> | <u>3,439,158</u> | <u>12,917</u> | <u>1.52%</u> | <u>3,306,987</u> | <u>11,701</u> | <u>1.40%</u> |
| Noninterest-bearing liabilities: | | | | | | | | | |
| Demand deposits | 1,128,311 | | | 955,156 | | | 987,127 | | |
| Other liabilities | 105,116 | | | 96,059 | | | 51,994 | | |
| Total noninterest-bearing liabilities | <u>1,233,427</u> | | | <u>1,051,215</u> | | | <u>1,039,121</u> | | |
| Total liabilities | <u>5,062,814</u> | | | <u>4,490,373</u> | | | <u>4,346,108</u> | | |
| Shareholders' equity | 708,557 | | | 684,545 | | | 659,050 | | |
| Total liabilities and shareholders' equity | <u>5,771,371</u> | | | <u>\$ 5,174,918</u> | | | <u>\$ 5,005,158</u> | | |
| Net interest income ^(a) | | <u>57,488</u> | | | <u>\$ 53,461</u> | | | <u>\$ 51,799</u> | |
| Interest rate spread ^(a) | | | 3.98% | | | 4.21% | | | 4.11% |
| Net interest margin ^(a) | | | 4.39% | | | 4.61% | | | 4.50% |
| Cost of total deposits | | | 1.14% | | | 1.14% | | | 1.03% |
| Average interest-earning assets to average | | | 137.0% | | | 136.7% | | | 138.1% |
| Tax-equivalent adjustment | | 465 | | | \$ 445 | | | \$ 432 | |
| Loans HFI yield components: | | | | | | | | | |
| Contractual interest rate ^(a) | | 58,028 | 5.57% | | \$ 52,177 | 5.69% | | \$ 49,873 | 5.56% |
| Origination and other loan fee income | | 2,981 | 0.29% | | 3,840 | 0.42% | | 2,998 | 0.33% |
| Accretion on purchased loans | | 2,097 | 0.20% | | 1,831 | 0.20% | | 1,863 | 0.21% |
| Nonaccrual interest | | 156 | 0.01% | | 89 | 0.01% | | 96 | 0.01% |
| Syndication fee income | | — | —% | | 200 | 0.02% | | 28 | —% |
| Total loans HFI yield | | <u>63,262</u> | <u>6.07%</u> | | <u>\$ 58,137</u> | <u>6.34%</u> | | <u>\$ 54,858</u> | <u>6.11%</u> |

(a) Includes tax equivalent adjustment using combined marginal tax rate of 26.060%.

Average Balance, Average Yield Earned and Average Rate Paid

For the Years Ended

(Unaudited)

(In Thousands, Except %)

| | December 31, 2019 | | | December 31, 2018 | | |
|--|-------------------|-------------------------|--------------------|-------------------|-------------------------|--------------------|
| | Average balances | Interest income/expense | Average yield/rate | Average balances | Interest income/expense | Average yield/rate |
| Interest-earning assets: | | | | | | |
| Loans HFI ^(a) | \$ 4,149,590 | \$ 250,693 | 6.04% | \$ 3,376,203 | \$ 205,543 | 6.09% |
| Loans held for sale | 254,689 | 9,966 | 3.91% | 352,370 | 15,632 | 4.44% |
| Securities: | | | | | | |
| Taxable | 516,250 | 13,223 | 2.56% | 478,034 | 12,397 | 2.59% |
| Tax-exempt ^(a) | 155,306 | 6,498 | 4.18% | 119,295 | 5,473 | 4.59% |
| Total securities ^(a) | 671,556 | 19,721 | 2.94% | 597,329 | 17,870 | 2.99% |
| Federal funds sold | 31,309 | 678 | 2.17% | 21,466 | 412 | 1.92% |
| Interest-bearing deposits with other financial | 130,145 | 2,651 | 2.04% | 49,549 | 998 | 2.01% |
| FHLB stock | 15,146 | 722 | 4.77% | 12,742 | 716 | 5.62% |
| Total interest-earning assets ^(a) | 5,252,435 | 284,431 | 5.42% | 4,409,659 | 241,171 | 5.47% |
| Noninterest-earning assets: | | | | | | |
| Cash and due from banks | 51,194 | | | 49,410 | | |
| Allowance for loan losses | (30,442) | | | (25,747) | | |
| Other assets | 504,485 | | | 411,543 | | |
| Total noninterest-earning assets | 525,237 | | | 435,206 | | |
| Total assets | \$ 5,777,672 | | | \$ 4,844,865 | | |
| Interest-bearing liabilities: | | | | | | |
| Interest-bearing deposits: | | | | | | |
| Interest-bearing checking | \$ 950,219 | \$ 8,755 | 0.92% | \$ 894,252 | \$ 6,488 | 0.73% |
| Money market | 1,219,652 | 17,380 | 1.42% | 1,027,047 | 10,895 | 1.06% |
| Savings deposits | 199,535 | 301 | 0.15% | 178,303 | 272 | 0.15% |
| Customer time deposits | 1,155,058 | 24,103 | 2.09% | 744,834 | 10,409 | 1.40% |
| Brokered and internet time deposits | 45,313 | 1,029 | 2.27% | 82,113 | 1,472 | 1.79% |
| Time deposits | 1,200,371 | 25,132 | 2.09% | 826,947 | 11,881 | 1.44% |
| Total interest-bearing deposits | 3,569,777 | 51,568 | 1.44% | 2,926,549 | 29,536 | 1.01% |
| Other interest-bearing liabilities: | | | | | | |
| Securities sold under agreements to repurchase and federal funds purchased | 26,400 | 291 | 1.10% | 19,528 | 150 | 0.77% |
| Federal Home Loan Bank advances | 187,509 | 3,004 | 1.60% | 216,011 | 4,166 | 1.93% |
| Subordinated debt | 30,930 | 1,638 | 5.30% | 30,930 | 1,651 | 5.34% |
| Total other interest-bearing liabilities | 244,839 | 4,933 | 2.01% | 266,469 | 5,967 | 2.24% |
| Total interest-bearing liabilities | 3,814,616 | 56,501 | 1.48% | 3,193,018 | 35,503 | 1.11% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 1,130,113 | | | 967,663 | | |
| Other liabilities | 109,449 | | | 54,262 | | |
| Total noninterest-bearing liabilities | 1,239,562 | | | 1,021,925 | | |
| Total liabilities | 5,054,178 | | | 4,214,943 | | |
| Shareholders' equity | 723,494 | | | 629,922 | | |
| Total liabilities and shareholders' equity | \$ 5,777,672 | | | \$ 4,844,865 | | |
| Net interest income ^(a) | | \$ 227,930 | | | \$ 205,668 | |
| Interest rate spread ^(a) | | | 3.94% | | | 4.36% |
| Net interest margin ^(a) | | | 4.34% | | | 4.66% |
| Cost of total deposits | | | 1.10% | | | 0.76% |
| Average interest-earning assets to average interest-bearing liabilities | | | 137.7% | | | 138.1% |
| Tax equivalent adjustment | | \$ 1,894 | | | \$ 1,600 | |
| Loans HFI yield components: | | | | | | |
| Contractual interest rate ^(a) | | \$ 228,069 | 5.50% | | \$ 183,116 | 5.42% |
| Origination and other loan fee income | | 12,977 | 0.31% | | 13,093 | 0.39% |
| Accretion on purchased loans | | 8,556 | 0.21% | | 7,608 | 0.23% |
| Nonaccrual interest | | 885 | 0.02% | | 1,375 | 0.04% |
| Syndication fee income | | 206 | —% | | 351 | 0.01% |
| Total loans HFI yield | | \$ 250,693 | 6.04% | | \$ 205,543 | 6.09% |

(a) Includes tax equivalent adjustment using combined marginal tax rate of 26.060%.

Loans and Deposits by Market
For the Quarters Ended
(Unaudited)
(In Thousands)

| | 2019 | | | | 2018 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Loans by market | | | | | |
| Metropolitan | \$ 3,061,183 | \$ 3,011,118 | \$ 2,970,794 | \$ 2,516,582 | \$ 2,413,674 |
| Community | 817,380 | 802,923 | 803,306 | 784,671 | 788,619 |
| Specialty lending and other | 531,079 | 531,303 | 515,416 | 485,538 | 465,218 |
| Total | <u>\$ 4,409,642</u> | <u>\$ 4,345,344</u> | <u>\$ 4,289,516</u> | <u>\$ 3,786,791</u> | <u>\$ 3,667,511</u> |
| Deposits by market | | | | | |
| Metropolitan | \$ 2,963,524 | \$ 2,869,049 | \$ 2,794,977 | \$ 2,350,421 | \$ 2,283,983 |
| Community | 1,642,949 | 1,620,153 | 1,612,885 | 1,482,877 | 1,451,494 |
| Mortgage and other ^(a) | 328,465 | 432,561 | 434,964 | 469,893 | 436,240 |
| Total | <u>\$ 4,934,938</u> | <u>\$ 4,921,763</u> | <u>\$ 4,842,826</u> | <u>\$ 4,303,191</u> | <u>\$ 4,171,717</u> |

(a) Includes deposits related to escrow balances from mortgage servicing portfolio and wholesale/other deposits.

Segment Data
For the Quarters Ended
(Unaudited)

(In Thousands, Except %)

| | 2019 | | | | 2018 |
|---|-------------------|------------------|-------------------|------------------|-------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Banking segment | | | | | |
| Net interest income | \$ 57,776 | \$ 58,350 | \$ 56,979 | \$ 52,993 | \$ 51,344 |
| Provision for loan losses | 2,950 | 1,831 | 881 | 1,391 | 2,200 |
| Mortgage banking income retail footprint | 9,899 | 10,693 | 5,451 | 4,386 | 5,041 |
| Other noninterest income | 9,058 | 8,952 | 8,453 | 8,018 | 8,252 |
| Other noninterest mortgage banking expenses | 8,126 | 8,087 | 4,172 | 2,831 | 4,542 |
| Merger expense | 686 | 295 | 3,783 | 621 | 401 |
| Other noninterest expense | 38,918 | 38,755 | 37,500 | 33,109 | 32,531 |
| Pre-tax income after allocations | \$ 26,053 | \$ 29,027 | \$ 24,547 | \$ 27,445 | \$ 24,963 |
| Total assets | \$ 5,795,888 | \$ 5,730,492 | \$ 5,552,893 | \$ 4,987,744 | \$ 4,752,111 |
| Intracompany funding income included in net interest income | 2,460 | 2,875 | 3,290 | 2,558 | 3,035 |
| Core efficiency ratio* | 61.1% | 59.6% | 58.5% | 54.7% | 57.0% |
| Mortgage segment | | | | | |
| Net interest income | \$ (84) | \$ (45) | \$ 44 | \$ 23 | \$ 23 |
| Noninterest income | 16,277 | 18,500 | 19,075 | 16,635 | 13,956 |
| Mortgage restructuring expense | — | 112 | 829 | 1,054 | — |
| Noninterest expense | 14,956 | 15,686 | 17,835 | 17,486 | 16,262 |
| Direct (loss) contribution | \$ 1,237 | \$ 2,657 | \$ 455 | \$ (1,882) | \$ (2,283) |
| Total assets | \$ 329,033 | \$ 358,403 | \$ 387,509 | \$ 347,412 | \$ 384,653 |
| Intracompany funding expense included in net interest income | 2,460 | 2,875 | 3,290 | 2,558 | 3,035 |
| Core efficiency ratio* | 92.4% | 85.0% | 93.3% | N/A | N/A |
| Interest rate lock commitments volume during the period | | | | | |
| Consumer direct | \$ 679,096 | \$ 973,142 | \$ 805,970 | \$ 521,603 | \$ 463,669 |
| Third party origination (TPO) | — | — | 156,844 | 170,529 | 168,139 |
| Retail | 402,490 | 503,861 | 407,007 | 291,800 | 242,059 |
| Correspondent | — | 159,263 | 450,529 | 380,854 | 437,482 |
| Total | \$ 1,081,586 | \$ 1,636,266 | \$ 1,820,350 | \$ 1,364,786 | \$ 1,311,349 |
| Interest rate lock commitments pipeline (period end) | | | | | |
| Consumer direct | \$ 348,389 | \$ 519,698 | \$ 397,150 | \$ 235,505 | \$ 147,297 |
| Third party origination (TPO) | — | — | — | 73,218 | 53,080 |
| Retail | 104,809 | 159,826 | 135,655 | 110,480 | 70,389 |
| Correspondent | — | — | 75,925 | 73,304 | 47,940 |
| Total | \$ 453,198 | \$ 679,524 | \$ 608,730 | \$ 492,507 | \$ 318,706 |
| Mortgage sales | | | | | |
| Consumer direct | \$ 718,624 | \$ 588,535 | \$ 428,886 | \$ 287,720 | \$ 421,897 |
| Third party origination (TPO) | — | 31,015 | 129,511 | 118,563 | 145,385 |
| Retail | 120,487 | 94,735 | 81,849 | 59,084 | 63,261 |
| Retail footprint | 266,328 | 256,060 | 205,698 | 146,312 | 168,554 |
| Reverse | — | — | 704 | 4,111 | 7,262 |
| Correspondent | 652 | 253,640 | 412,014 | 350,435 | 424,717 |
| Total | \$ 1,106,091 | \$ 1,223,985 | \$ 1,258,662 | \$ 966,225 | \$ 1,231,076 |
| Gains and fees from origination and sale of mortgage | \$ 31,807 | \$ 28,020 | \$ 20,976 | \$ 15,907 | \$ 21,483 |
| Net change in fair value of loans | (4,328) | 2,304 | 3,298 | 2,244 | (4,623) |
| Mortgage servicing income | 4,914 | 3,960 | 4,052 | 4,751 | 4,618 |
| Change in fair value of mortgage servicing rights, net of hedging | (6,217) | (5,091) | (3,800) | (1,881) | (2,481) |
| Total mortgage banking income | \$ 26,176 | \$ 29,193 | \$ 24,526 | \$ 21,021 | \$ 18,997 |
| Mortgage sale margin ^(a) | 2.88% | 2.29% | 1.67% | 1.65% | 1.75% |

*These measures are considered non-GAAP financial measures. See "GAAP Reconciliation and Use of Non-GAAP financial measures" and the corresponding financial tables below for a reconciliation and discussion of these non-GAAP measures for a reconciliation and discussion of this non-GAAP measure.

(a) Calculated by dividing gains and fees from origination and sale of mortgage loans held for sale by total mortgage sales.

Loan Portfolio and Asset Quality

For the Quarters Ended

(Unaudited)

(In Thousands, Except %)

| | 2019 | | | | | | 2018 | | | |
|--|--------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|-------------|--------------------|-------------|
| | Fourth Quarter | % of Total | Third Quarter | % of Total | Second Quarter | % of Total | First Quarter | % of Total | Fourth Quarter | % of Total |
| Loan portfolio | | | | | | | | | | |
| Commercial and industrial | \$ 1,034,036 | 23% | \$ 997,921 | 23% | \$ 989,288 | 23% | \$ 888,345 | 23% | \$ 867,083 | 24% |
| Construction | 551,101 | 13% | 537,784 | 12% | 525,954 | 12% | 539,065 | 14% | 556,051 | 15% |
| Residential real estate: | | | | | | | | | | |
| 1-to-4 family mortgage | 710,724 | 16% | 710,077 | 17% | 688,984 | 16% | 552,239 | 15% | 555,815 | 16% |
| Residential line of credit | 221,530 | 5% | 215,493 | 5% | 218,006 | 5% | 187,415 | 5% | 190,480 | 5% |
| Multi-family mortgage | 69,429 | 2% | 80,352 | 2% | 82,945 | 2% | 71,532 | 2% | 75,457 | 2% |
| Commercial real estate: | | | | | | | | | | |
| Owner occupied | 630,270 | 14% | 620,635 | 14% | 602,723 | 14% | 499,123 | 13% | 493,524 | 13% |
| Non-owner occupied | 920,744 | 21% | 914,502 | 21% | 922,150 | 22% | 816,880 | 22% | 700,248 | 19% |
| Consumer and other | 271,808 | 6% | 268,580 | 6% | 259,466 | 6% | 232,192 | 6% | 228,853 | 6% |
| Total loans HFI | <u>\$4,409,642</u> | <u>100%</u> | <u>\$ 4,345,344</u> | <u>100%</u> | <u>\$ 4,289,516</u> | <u>100%</u> | <u>\$ 3,786,791</u> | <u>100%</u> | <u>\$3,667,511</u> | <u>100%</u> |
| Allowance for loan losses rollforward | | | | | | | | | | |
| Allowance for loan losses at the beginning of the period | \$ 31,464 | | \$ 30,138 | | \$ 29,814 | | \$ 28,932 | | \$ 27,608 | |
| Charge-offs | (3,594) | | (717) | | (770) | | (871) | | (806) | |
| Recoveries | 319 | | 212 | | 213 | | 362 | | 279 | |
| Provision for loan losses | 2,950 | | 1,831 | | 881 | | 1,391 | | 2,200 | |
| Adjustment for transfers to loans HFS | — | | — | | — | | — | | (349) | |
| Allowance for loan losses at the end of the period | <u>\$ 31,139</u> | | <u>\$ 31,464</u> | | <u>\$ 30,138</u> | | <u>\$ 29,814</u> | | <u>\$ 28,932</u> | |
| Allowance for loan losses as a percentage of total loans HFI | <u>0.71%</u> | | <u>0.72%</u> | | <u>0.70%</u> | | <u>0.79%</u> | | <u>0.79%</u> | |
| Charge-offs | | | | | | | | | | |
| Commercial and Industrial | \$ (2,669) | | \$ (3) | | \$ (79) | | \$ (179) | | \$ (340) | |
| Construction | — | | — | | — | | — | | — | |
| Residential real estate: | | | | | | | | | | |
| 1-to-4 family mortgage | (138) | | — | | (1) | | (81) | | (69) | |
| Residential line of credit | (4) | | (170) | | (103) | | (32) | | (3) | |
| Multi-family mortgage | — | | — | | — | | — | | — | |
| Commercial real estate: | | | | | | | | | | |
| Owner occupied | — | | — | | — | | — | | (36) | |
| Non-owner occupied | — | | (12) | | — | | — | | — | |
| Consumer and other | (783) | | (532) | | (587) | | (579) | | (358) | |
| Total charge-offs | <u>(3,594)</u> | | <u>(717)</u> | | <u>(770)</u> | | <u>(871)</u> | | <u>(806)</u> | |
| Recoveries | | | | | | | | | | |
| Commercial and Industrial | 70 | | 16 | | 38 | | 12 | | 16 | |
| Construction | 3 | | 1 | | 6 | | 1 | | 37 | |
| Residential real estate: | | | | | | | | | | |
| 1-to-4 family mortgage | 17 | | 25 | | 24 | | 13 | | 14 | |
| Residential line of credit | 17 | | 75 | | 21 | | 25 | | 76 | |
| Multi-family mortgage | — | | — | | — | | — | | — | |
| Commercial real estate: | | | | | | | | | | |
| Owner occupied | 13 | | 3 | | 5 | | 87 | | 2 | |
| Non-owner occupied | — | | — | | — | | — | | — | |
| Consumer and other | 199 | | 92 | | 119 | | 224 | | 134 | |
| Total recoveries | <u>319</u> | | <u>212</u> | | <u>213</u> | | <u>362</u> | | <u>279</u> | |
| Net charge-offs | <u>\$ (3,275)</u> | | <u>\$ (505)</u> | | <u>\$ (557)</u> | | <u>\$ (509)</u> | | <u>\$ (527)</u> | |
| Net charge-offs as a percentage of average total loans | <u>0.30%</u> | | <u>0.05%</u> | | <u>0.05%</u> | | <u>0.06%</u> | | <u>0.06%</u> | |
| Loans classified as substandard | \$ 80,346 | | \$ 78,881 | | \$ 68,828 | | \$ 60,746 | | \$ 66,487 | |
| Purchased credit impaired loans | 57,152 | | 63,069 | | 67,450 | | 62,564 | | 68,999 | |

Loan Portfolio and Asset Quality

For the Quarters Ended

(Unaudited)

(In Thousands, Except %)

| | 2019 | | | | 2018 |
|--|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Nonperforming assets^{(a)(b)} | | | | | |
| Past due 90 days or more and accruing interest | \$ 5,543 | \$ 2,452 | \$ 2,100 | \$ 1,885 | \$ 3,041 |
| Nonaccrual | 21,062 | 17,911 | 16,135 | 13,721 | 13,685 |
| Total nonperforming loans held for investment | 26,605 | 20,363 | 18,235 | 15,606 | 16,726 |
| Loans held for sale | — | — | — | 196 | 397 |
| Other real estate owned: | | | | | |
| Foreclosed | 9,983 | 8,771 | 7,830 | 7,447 | 7,262 |
| Excess land and facilities | 8,956 | 7,305 | 7,691 | 5,381 | 5,381 |
| Other assets | 1,580 | 1,519 | 1,499 | 1,779 | 1,637 |
| Total nonperforming assets | \$ 47,124 | \$ 37,958 | \$ 35,255 | \$ 30,409 | \$ 31,403 |
| Total nonperforming loans as a percentage of loans held for investment | 0.60% | 0.47% | 0.43% | 0.41% | 0.46% |
| Total nonperforming assets as a percentage of total assets | 0.77% | 0.62% | 0.59% | 0.57% | 0.61% |
| Total accruing loans over 90 days delinquent as a percentage of total assets | 0.09% | 0.04% | 0.04% | 0.04% | 0.06% |
| Loans restructured as troubled debt restructurings | \$ 12,206 | \$ 11,460 | \$ 8,714 | \$ 8,953 | \$ 6,794 |
| Troubled debt restructurings as a percentage of loans held for investment | 0.28% | 0.26% | 0.20% | 0.24% | 0.19% |

(a) Nonperforming assets excludes purchase credit impaired loans.

(b) Nonperforming assets includes guaranteed repurchased loans previously sold of \$2.7 million, \$2.6 million, \$1.5 million, \$3.4 million, and \$1.3 million for the quarters ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

Preliminary Capital Ratios
(Unaudited)
(In Thousands, Except %)

| Computation of Tangible Common Equity to Tangible Assets: | December 31, 2019 | December 31, 2018 |
|--|--------------------------|--------------------------|
| Total Equity | \$ 762,329 | \$ 671,857 |
| Less: | | |
| Goodwill | 169,051 | 137,190 |
| Other intangibles | 17,589 | 11,628 |
| Tangible Common Equity | \$ 575,689 | \$ 523,039 |
| Total Assets | \$ 6,124,921 | \$ 5,136,764 |
| Less: | | |
| Goodwill | 169,051 | 137,190 |
| Other intangibles | 17,589 | 11,628 |
| Tangible Assets | \$ 5,938,281 | \$ 4,987,946 |
| Preliminary Total Risk-Weighted Assets | \$ 5,172,450 | \$ 4,480,921 |
| Total Common Equity to Total Assets | 12.4% | 13.1% |
| Tangible Common Equity to Tangible Assets* | 9.69% | 10.5% |
| | December 31, 2019 | December 31, 2018 |
| Preliminary Regulatory Capital: | | |
| Common Equity Tier 1 Capital | \$ 572,410 | \$ 524,013 |
| Tier 1 Capital | 602,410 | 554,013 |
| Total Capital | 633,549 | 582,945 |
| Preliminary Regulatory Capital Ratios: | | |
| Common Equity Tier 1 | 11.1 % | 11.7 % |
| Tier 1 Risk-Based | 11.6 % | 12.4 % |
| Total Risk-Based | 12.2 % | 13.0 % |
| Tier 1 Leverage | 10.1 % | 11.4 % |

*These measures are considered non-GAAP financial measures. See "GAAP Reconciliation and Use of Non-GAAP financial measures" and the corresponding financial tables below for a reconciliation and discussion of these non-GAAP measures.

Investment Portfolio
For the Quarters Ended
(Unaudited)

(In Thousands, Except %)

| Securities (at fair value) | 2019 | | | | | | | | 2018 | | | |
|--|-----------------------|------------------|----------------------|----|-----------------------|-------------|----------------------|------------------|-----------------------|----|------------------|-------------|
| | Fourth Quarter | | Third Quarter | | Second Quarter | | First Quarter | | Fourth Quarter | | | |
| Available-for-sale debt securities | | | | | | | | | | | | |
| U.S. government agency securities | \$ | — | —% | \$ | 999 | —% | \$ | 996 | —% | \$ | 993 | —% |
| Mortgage-backed securities - residential | | 490,676 | 71% | | 485,300 | 72% | | 517,505 | 77% | | 511,716 | 77% |
| Municipals, tax exempt | | 189,235 | 27% | | 173,785 | 26% | | 149,305 | 22% | | 147,640 | 22% |
| Treasury securities | | 7,448 | 1% | | 7,432 | 1% | | 7,409 | 1% | | 7,305 | 1% |
| Corporate securities | | 1,022 | —% | | 1,015 | —% | | — | —% | | — | —% |
| Total available-for-sale debt securities | | 688,381 | 99% | | 668,531 | 99% | | 675,215 | 100% | | 667,654 | 100% |
| Equity securities | | 3,295 | 1% | | 3,250 | 1% | | 3,242 | —% | | 3,181 | —% |
| Total securities | | <u>\$691,676</u> | <u>100%</u> | | <u>\$671,781</u> | <u>100%</u> | | <u>\$678,457</u> | <u>100%</u> | | <u>\$670,835</u> | <u>100%</u> |
| Securities to total assets | | 11.3% | | | 11.0% | | | 11.4% | | | 12.6% | |
| | | | | | | | | | | | 12.8% | |

Non-GAAP Reconciliation

For the Periods Ended

(Unaudited)

(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 |
|--|------------------|---------------|------------------|----------------|------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Net income, adjusted | | | | | |
| Pre-tax net income | \$ 27,290 | \$ 31,684 | \$ 25,002 | 25,563 | \$ 22,680 |
| Plus merger and mortgage restructuring expenses | 686 | 407 | 4,612 | 1,675 | 401 |
| Pre-tax net income, adjusted | 27,976 | 32,091 | 29,614 | 27,238 | 23,081 |
| Income tax expense, adjusted | 5,897 | 7,824 | 7,516 | 6,412 | 5,745 |
| Net income, adjusted | \$ 22,079 | 24,267 | \$ 22,098 | 20,826 | \$ 17,336 |
| Weighted average common shares outstanding-fully diluted | 31,470,565 | 31,425,573 | 31,378,018 | 31,349,198 | 31,344,949 |
| Diluted earnings per share, adjusted | | | | | |
| Diluted earnings per common share | \$ 0.68 | \$ 0.76 | \$ 0.59 | 0.62 | \$ 0.54 |
| Plus merger and mortgage restructuring expenses | 0.02 | 0.01 | 0.15 | 0.05 | 0.01 |
| Less tax effect | — | — | 0.04 | 0.01 | — |
| Diluted earnings per share, adjusted | \$ 0.70 | 0.77 | \$ 0.70 | \$ 0.66 | \$ 0.55 |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------------|------------------|------------------|------------------|------------------|
| Pro forma net income, adjusted* | | | | | |
| Pre-tax net income | \$ 109,539 | \$ 105,854 | \$ 73,485 | \$ 62,324 | \$ 50,824 |
| Plus merger, conversion, offering, and mortgage restructuring expenses | 7,380 | 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 | 116,919 | 108,119 | 92,519 | 69,131 | 49,729 |
| Pro forma income tax expense, adjusted | 27,648 | 26,034 | 34,749 | 25,404 | 18,425 |
| Pro forma net income, adjusted | \$ 89,271 | \$ 82,085 | \$ 57,770 | \$ 43,727 | \$ 31,304 |
| Weighted average common shares outstanding-fully diluted | 31,402,897 | 31,314,981 | 28,207,602 | 19,312,174 | 17,180,000 |
| Pro forma diluted earnings per share, adjusted* | | | | | |
| Diluted earning per share | \$ 2.65 | \$ 2.55 | \$ 1.86 | \$ 2.10 | \$ 2.79 |
| Plus merger, conversion, offering, and mortgage restructuring expenses | 0.24 | 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 |
| Less tax effect and benefit of enacted tax laws | 0.06 | 0.01 | 0.48 | 0.19 | 0.91 |
| Pro forma diluted earnings per share, adjusted | \$ 2.83 | \$ 2.61 | \$ 2.05 | \$ 2.26 | 1.82 |

**Prior to the IPO in the third quarter of 2016, the Company was an S corporation and did not incur federal income taxes. In conjunction with the IPO, the Company converted to a C corporation. These results are on a pro forma basis to reflect the results of the Company on a C corporation basis and combined effective tax rates of 35.08% and 36.75% for the years ended December 31, 2015 and 2016, respectively.*

Non-GAAP Reconciliation

For the Periods Ended

(Unaudited)

(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Core efficiency ratio (tax-equivalent basis) | | | | | |
| Total noninterest expense | \$ 62,686 | \$ 62,935 | \$ 64,119 | \$ 55,101 | \$ 53,736 |
| Less merger and mortgage restructuring expenses | 686 | 407 | 4,612 | 1,675 | 401 |
| Core noninterest expense | <u>\$ 62,000</u> | <u>\$ 62,528</u> | <u>\$ 59,507</u> | <u>\$ 53,426</u> | <u>\$ 53,335</u> |
| Net interest income (tax-equivalent basis) | \$ 58,212 | \$ 58,769 | \$ 57,488 | \$ 53,461 | \$ 51,799 |
| Total noninterest income | 35,234 | 38,145 | 32,979 | 29,039 | 27,249 |
| Less gain (loss) on sales or write-downs of other real estate owned and other assets | 277 | (82) | 94 | 152 | 33 |
| Less (loss) gain from securities, net | (18) | (20) | 52 | 43 | — |
| Core noninterest income | <u>34,975</u> | <u>38,247</u> | <u>32,833</u> | <u>28,844</u> | <u>27,216</u> |
| Core revenue | <u>\$ 93,187</u> | <u>\$ 97,016</u> | <u>\$ 90,321</u> | <u>\$ 82,305</u> | <u>\$ 79,015</u> |
| Efficiency ratio (GAAP) ^(a) | 67.5% | 65.3% | 71.2% | 67.2% | 68.4% |
| Core efficiency ratio (tax-equivalent basis) | <u>66.5%</u> | <u>64.5%</u> | <u>65.9%</u> | <u>64.9%</u> | <u>67.5%</u> |

(a) Efficiency ratio (GAAP) is calculated by dividing reported noninterest expense by reported total revenue.

| | 2019 | | | | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Banking segment core efficiency ratio (tax equivalent) | | | | | |
| Core consolidated noninterest expense | \$ 62,000 | \$ 62,528 | \$ 59,507 | \$ 53,426 | \$ 53,335 |
| Less Mortgage segment core noninterest expense | 14,956 | 15,686 | 17,835 | 17,486 | 16,262 |
| Core Banking segment noninterest expense | <u>\$ 47,044</u> | <u>\$ 46,842</u> | <u>\$ 41,672</u> | <u>\$ 35,940</u> | <u>\$ 37,073</u> |
| Core revenue | \$ 93,187 | \$ 97,016 | \$ 90,321 | \$ 82,305 | \$ 79,015 |
| Less Mortgage segment total revenue | 16,193 | 18,455 | 19,119 | 16,658 | 13,979 |
| Core Banking segment total revenue | <u>\$ 76,994</u> | <u>\$ 78,561</u> | <u>\$ 71,202</u> | <u>\$ 65,647</u> | <u>\$ 65,036</u> |
| Banking segment core efficiency ratio (tax-equivalent basis) | 61.1% | 59.6% | 58.5% | 54.7% | 57.0% |
| Mortgage segment core efficiency ratio (tax equivalent) | | | | | |
| Mortgage segment noninterest expense | \$ 14,956 | \$ 15,798 | \$ 18,664 | \$ 18,540 | \$ 16,262 |
| Less mortgage restructuring expense | — | 112 | 829 | 1,054 | — |
| Core Mortgage segment noninterest expense | <u>\$ 14,956</u> | <u>\$ 15,686</u> | <u>\$ 17,835</u> | <u>\$ 17,486</u> | <u>\$ 16,262</u> |
| Mortgage segment total revenue | <u>\$ 16,193</u> | <u>\$ 18,455</u> | <u>\$ 19,119</u> | <u>\$ 16,658</u> | <u>\$ 13,979</u> |
| Mortgage segment core efficiency ratio (tax-equivalent basis) | 92.4% | 85.0% | 93.3% | N/A | N/A |

Non-GAAP Reconciliation

For the Periods Ended

(Unaudited)

(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 |
|---|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Mortgage contribution, adjusted | | | | | |
| Mortgage segment pre-tax net contribution | \$ 1,237 | \$ 2,657 | \$ 455 | \$ (1,882) | \$ (2,283) |
| Retail footprint: | | | | | |
| Mortgage banking income | 9,899 | 10,693 | 5,451 | 4,386 | 5,041 |
| Mortgage banking expenses | 8,126 | 8,087 | 4,172 | 2,831 | 4,542 |
| Retail footprint pre-tax net contribution | 1,773 | 2,606 | 1,279 | 1,555 | 499 |
| Total mortgage banking pre-tax net (loss) contribution | \$ 3,010 | \$ 5,263 | \$ 1,734 | \$ (327) | \$ (1,784) |
| Plus mortgage restructuring expense | — | 112 | 829 | 1,054 | — |
| Total mortgage banking pre-tax net contribution (loss), adjusted | \$ 3,010 | \$ 5,375 | \$ 2,563 | \$ 727 | \$ (1,784) |
| Pre-tax net income | \$ 27,290 | \$ 31,684 | \$ 25,002 | \$ 25,563 | \$ 22,680 |
| % total mortgage banking pre-tax net contribution | 11.0% | 16.6% | 6.94% | NM | NM |
| Pre-tax net income, adjusted | \$ 27,976 | \$ 32,091 | \$ 29,614 | \$ 27,238 | \$ 23,081 |
| % total mortgage banking pre-tax net contribution, adjusted | 10.8% | 16.7% | 8.65% | 2.67% | NM |

| | 2019 | | | | 2018 |
|--|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Tangible assets and equity | | | | | |
| Tangible Assets | | | | | |
| Total assets | \$ 6,124,921 | \$ 6,088,895 | \$ 5,940,402 | \$ 5,335,156 | \$ 5,136,764 |
| Less goodwill | 169,051 | 168,486 | 168,486 | 137,190 | 137,190 |
| Less intangibles, net | 17,589 | 18,748 | 19,945 | 10,439 | 11,628 |
| Tangible assets | \$ 5,938,281 | \$ 5,901,661 | \$ 5,751,971 | \$ 5,187,527 | \$ 4,987,946 |
| Tangible Common Equity | | | | | |
| Total shareholders' equity | \$ 762,329 | \$ 744,835 | \$ 718,759 | \$ 694,577 | \$ 671,857 |
| Less goodwill | 169,051 | 168,486 | 168,486 | 137,190 | 137,190 |
| Less intangibles, net | 17,589 | 18,748 | 19,945 | 10,439 | 11,628 |
| Tangible common equity | \$ 575,689 | \$ 557,601 | \$ 530,328 | \$ 546,948 | \$ 523,039 |
| Common shares outstanding | 31,034,315 | 30,927,664 | 30,865,636 | 30,852,665 | 30,724,532 |
| Book value per common share | \$ 24.56 | \$ 24.08 | \$ 23.29 | \$ 22.51 | \$ 21.87 |
| Tangible book value per common share | \$ 18.55 | \$ 18.03 | \$ 17.18 | \$ 17.73 | \$ 17.02 |
| Total shareholders' equity to total assets | 12.4% | 12.2% | 12.1% | 13.0% | 13.1% |
| Tangible common equity to tangible assets | 9.69% | 9.45% | 9.22% | 10.5% | 10.5% |

| | 2019 | | | | 2018 |
|---|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Return on average tangible common equity | | | | | |
| Total average shareholders' equity | \$ 761,949 | \$ 731,701 | \$ 708,557 | \$ 684,545 | \$ 659,050 |
| Less average goodwill | 168,492 | 168,486 | 167,781 | 137,190 | 137,190 |
| Less average intangibles, net | 18,242 | 19,523 | 20,214 | 10,856 | 12,016 |
| Average tangible common equity | \$ 575,215 | \$ 543,692 | \$ 520,562 | \$ 536,499 | \$ 509,845 |
| Net income | \$ 21,572 | \$ 23,966 | \$ 18,688 | \$ 19,588 | \$ 17,040 |
| Return on average tangible common equity | 14.9% | 17.5% | 14.4% | 14.8% | 13.3% |

Non-GAAP Reconciliation
For the Periods Ended
(Unaudited)
(In Thousands, Except Share Data and %)

| | 2019 | | | | 2018 |
|---|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Return on average tangible common equity, adjusted | | | | | |
| Average tangible common equity | \$ 575,215 | \$ 543,692 | \$ 520,562 | \$ 536,499 | \$ 509,845 |
| Net income, adjusted | 22,079 | 24,267 | 22,098 | 20,826 | 17,336 |
| Return on average tangible common equity, adjusted | 15.2% | 17.7% | 17.0% | 15.7% | 13.5% |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Pro forma return on average tangible common equity | | | | | |
| Total average shareholders' equity | \$ 723,494 | \$ 629,922 | \$ 466,219 | \$ 276,587 | \$ 228,844 |
| Less average goodwill | 160,587 | 137,190 | 84,997 | 46,867 | 46,904 |
| Less average intangibles, net | 17,236 | 12,815 | 8,047 | 5,353 | 5,095 |
| Average tangible common equity | <u>\$ 545,671</u> | <u>\$ 479,917</u> | <u>\$ 373,175</u> | <u>\$ 224,367</u> | <u>\$ 176,845</u> |
| Pro forma net income | \$ 83,814 | \$ 80,236 | \$ 52,398 | \$ 39,422 | \$ 32,995 |
| Pro forma return on average tangible common equity | 15.4% | 16.7% | 14.0% | 17.6% | 18.7% |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|------------|
| Pro forma return on average tangible common equity, adjusted | | | | | |
| Average tangible common equity | \$ 545,671 | \$ 479,917 | \$ 373,175 | \$ 224,367 | \$ 176,845 |
| Pro forma net income, adjusted | 89,271 | 82,085 | 57,770 | 43,727 | 31,304 |
| Pro forma return on average tangible common equity, adjusted | 16.4% | 17.1% | 15.5% | 19.5% | 17.7% |

| | 2019 | | | | 2018 |
|--|----------------|---------------|----------------|---------------|----------------|
| | Fourth Quarter | Third Quarter | Second Quarter | First Quarter | Fourth Quarter |
| Return on average assets and equity, adjusted | | | | | |
| Net income | \$ 21,572 | \$ 23,966 | \$ 18,688 | \$ 19,588 | \$ 17,040 |
| Average assets | 6,157,931 | 5,988,572 | 5,771,371 | 5,174,918 | 5,005,158 |
| Average equity | 761,949 | 731,701 | 708,557 | 684,545 | 659,050 |
| Return on average assets | 1.39% | 1.59% | 1.30% | 1.54% | 1.35% |
| Return on average equity | 11.2% | 13.0% | 10.6% | 11.6% | 10.3% |
| Net income, adjusted | \$ 22,079 | \$ 24,267 | \$ 22,098 | \$ 20,826 | \$ 17,336 |
| Return on average assets, adjusted | 1.42% | 1.61% | 1.54% | 1.63% | 1.37% |
| Return on average equity, adjusted | 11.5% | 13.2% | 12.5% | 12.3% | 10.4% |

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|-----------|-----------|
| Pro forma return on average assets and equity, adjusted | | | | | |
| Pro forma net income | \$ 83,814 | \$ 80,236 | \$ 52,398 | \$ 39,422 | \$ 32,995 |
| Average assets | 5,777,672 | 4,844,865 | 3,811,158 | 3,001,275 | 2,577,895 |
| Average equity | 723,494 | 629,922 | 466,219 | 276,587 | 228,844 |
| Pro forma return on average assets | 1.45% | 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 | \$ 89,271 | \$ 82,085 | \$ 57,770 | \$ 43,727 | \$ 31,304 |
| Pro forma return on average assets, adjusted | 1.55% | 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% |