FB Financial Corporation

First Quarter 2018 Earnings Presentation

April 24, 2018

Forward looking statements

Certain statements contained in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, statements relating to the Company's business, cash flows, condition (financial or otherwise), credit quality, financial performance, liquidity, long-term performance goals, prospects, results of operations, strategic initiatives and the timing, benefits, costs and synergies of future acquisition, disposition and other growth opportunities. These statements, which are based upon certain assumptions and estimates and describe the Company's future plans, results, strategies and expectations, can generally be identified by the use of the words and phrases "may," "will," "should," "could," "would," "goal," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target," "aim," "predict," "continue," "seek," "projection" and other variations of such words and phrases and similar expressions. These forward-looking statements are not historical facts, and are based upon current expectations, estimates and projections about the Company's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond the Company's control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates and projections will be achieved. Accordingly, the Company cautions investors that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict and that are beyond the Company's control. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable as of the date of this presentation, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements in this presentation including, without limitation, the risks and other factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on March 16, 2018 under the captions "Cautionary note regarding forward-looking statements" and "Risk factors." Many of these factors are beyond the Company's ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if the Company's underlying assumptions prove to be incorrect, actual results may differ materially from the forward-looking statements. Accordingly, investors should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this presentation, and the Company does not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for the Company to predict their occurrence or how they will affect the Company.

Use of non-GAAP financial measures

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 and earnings per share, pro forma adjusted net income and earnings per share, core efficiency ratio (tax equivalent basis), Banking segment core efficiency ratio (tax equivalent basis), Mortgage segment core efficiency ratio (tax equivalent basis), adjusted return on average assets and equity, pro forma adjusted return on average assets and equity, and pro forma adjusted total revenue. Each of these non-GAAP metrics excludes certain income and expense items that the Company's management considers to be non-core in nature. The Company refers to these non-GAAP measures as adjusted measures. This presentation also presents tangible assets, tangible common equity, tangible book value per common share, tangible common equity to tangible assets, 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 following tables in the Appendix provide a reconciliation of these measures to the most directly comparable GAAP financial measures.

1Q 2018 highlights

Key highlights

- Adjusted diluted EPS of $0.66, resulting in adjusted ROAA of 1.79%
- Loans (HFI) grew to $3.24 billion, a 70.7% increase from 1Q 2017; grew 10.0% annualized from 4Q 2017
- Customer deposits grew to $3.68 billion, a 36.5% increase from 1Q 2017; grew 12.0% annualized from 4Q 2017
- Continued customer-focused balance sheet growth resulting in a net interest margin of 4.64% for 1Q 2018
- Banking Segment core efficiency ratio[1] improved to 55.2% in 1Q 2018, down 921 basis points from 1Q 2017
- Mortgage banking revenue of $26.5 million, a 5.5% increase from 1Q 2017, driven by interest rate lock commitment (IRLC) volume of $2.1 billion for the quarter, up 33.2% from 1Q 2017
- Initiating quarterly dividend of $0.06 per common share in 2Q, driven by robust capital generation

Financial results

	Three months ended March 31, 2018	
	Non-GAAP adjusted results[1]	Reported GAAP results
Diluted earnings per share	$0.66	$0.63
Net income ($million)	$20.6	$19.8
Net interest margin	4.64%[2]	4.64%
Return on average assets	1.79%	1.71%
Return on average equity	14.0%	13.4%
Return on average tangible common equity	18.7%	17.9%
Efficiency ratio	65.5%	68.7%

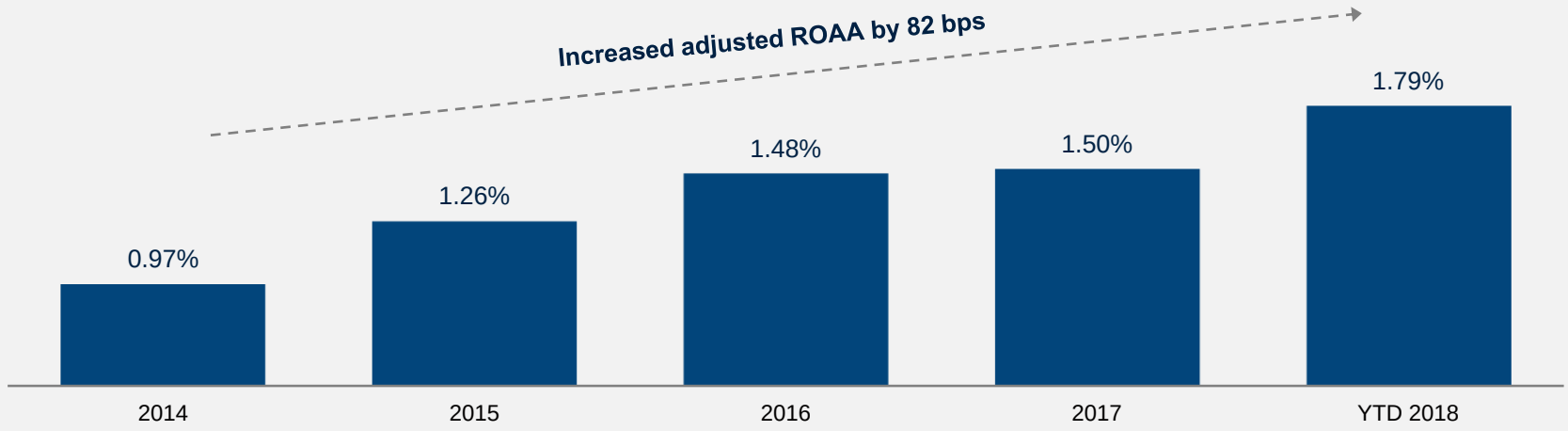
[1] Adjusted results are non-GAAP financial measures that adjust GAAP reported net income and other metrics for certain income and expense items as outlined in the non-GAAP reconciliation calculations, using a combined marginal income tax rate of 26.06% excluding one-time items. See “Use of non-GAAP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

[2] Includes accretion from acquired / purchased loans and collection of interest income on nonaccrual loans, which result in 20 basis points of net interest margin.

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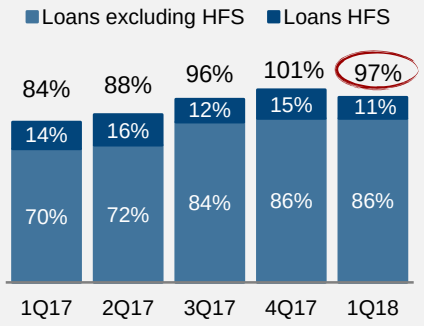
Consistently delivering balanced profitability and growth

Pro forma return on average assets, adjusted[1]

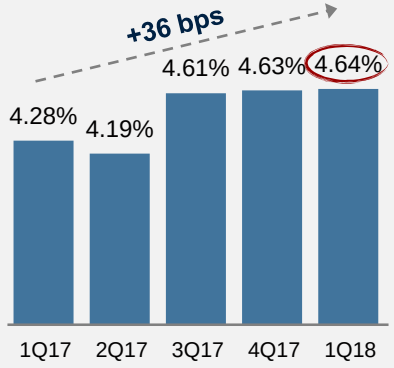


Drivers of profitability

Loans / deposits



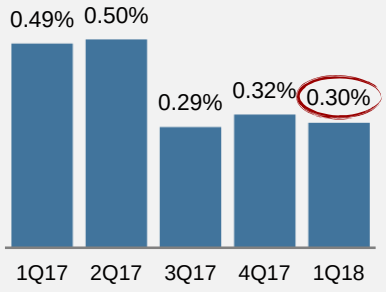
Net interest margin



Noninterest income ($mn)



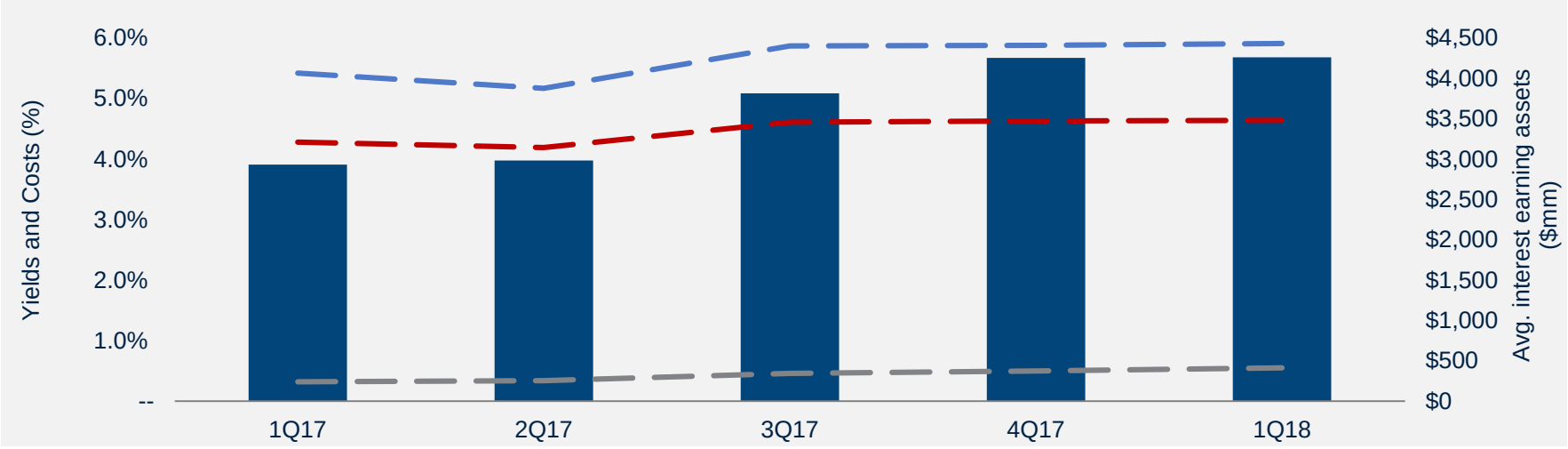
NPLs (HFI) / loans (HFI) (%)



[1] Our pro forma net income includes a pro forma provision for federal income taxes using a combined effective income tax rate of 35.63%, 35.08% and 36.75% for the years ended December 31, 2014, 2015 and 2016, respectively, and also includes the exclusion of a one-time tax charge from C Corp conversion in 3Q 2016 and the 4Q 2017 benefit from the 2017 Tax Cuts and Jobs Act. The years ended December 31 2014, 2015, 2016 and 2017 are annual percentages.

Peer-leading net interest margin remains strong

Historical yield and costs



	1Q17	2Q17	3Q17	4Q17	1Q18
NIM (%)	4.28%	4.19%	4.61%	4.63%	4.64%
Impact of accretion and nonaccrual interest collections (bps)	25	15	28	28	20
Deposit cost (%)	0.32%	0.34%	0.46%	0.50%	0.55%

Average interest earning assets · Yield on loans · Cost of deposits · NIM

[1] Includes tax-equivalent adjustment

Loan (HFI) yield

	1Q 2017	4Q 2017	1Q 2018
Contractual interest rate on loans HFI[1]	4.65%	5.20%	5.28%
Origination and other loan fee income	0.33%	0.26%	0.37%
	4.98%	5.46%	5.65%
Nonaccrual interest collections	0.13%	0.15%	0.05%
Accretion on purchased loans	0.25%	0.24%	0.21%
Syndication fee income	0.08%	0.03%	0.01%
Total loan yield (HFI)	**5.44%**	**5.88%**	**5.92%**

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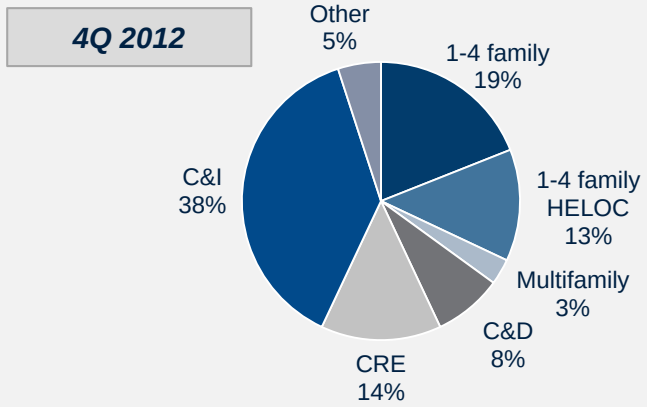
Consistent loan growth and balanced portfolio

Total loan growth[1] ($million) and commercial real estate concentration

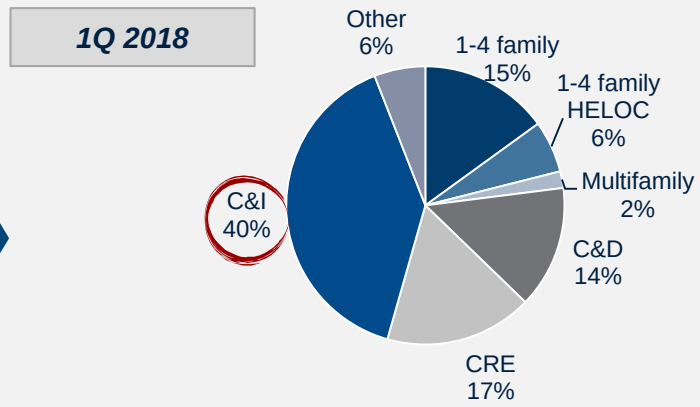


Commercial real estate (CRE) concentrations[2]	% of Risk-Based Capital	
	4Q 2017	1Q 2018 (preliminary)
C&D loans subject to 100% risk-based capital threshold[3]	96%	98%
Total CRE loans subject to 300% risk-based capital threshold[3]	228%	229%

Loan portfolio breakdown[1]



Total HFI loans: $1,240 million



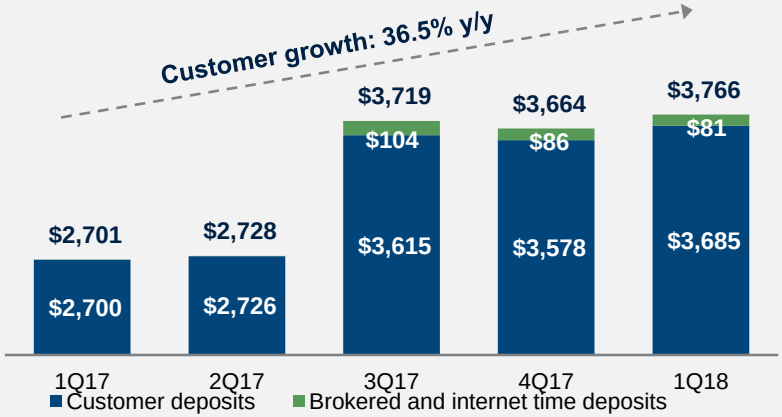
Total HFI loans: $3,245 million

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

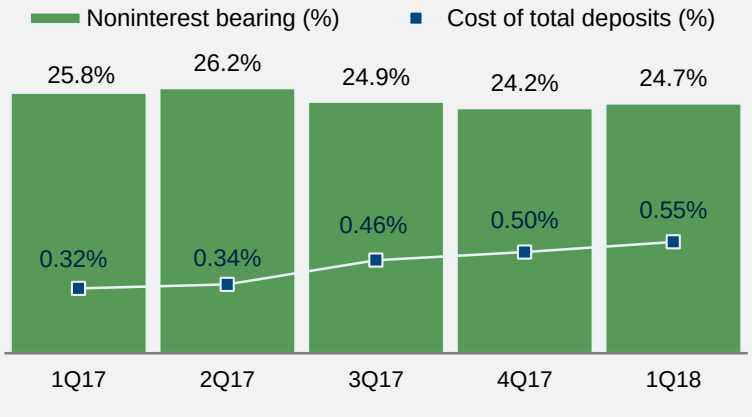
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Stable, low cost core deposit franchise

Total deposits ($million)



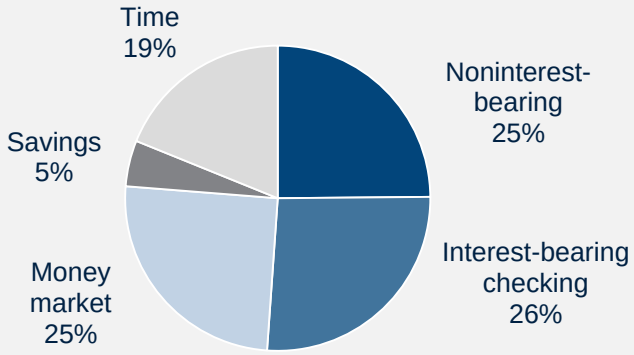
Cost of deposits



Noninterest bearing deposits ($million)[1]



Deposit composition



51% Checking accounts

[1] Includes mortgage servicing-related escrow deposits of $43.7 million, $49.9 million, $56.8 million, $53.7 and $74.1 million for the quarters ended March 31, 2017, June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018 respectively.

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Mortgage banking continues to execute across channels

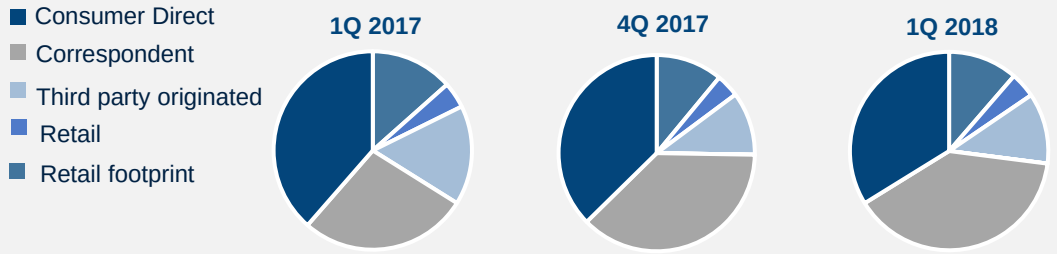
Highlights

- 1Q 2018 Mortgage Segment pre-tax contribution of $1.1 million. Total mortgage pre-tax contribution (including retail footprint) of $2.1 million
- Mortgage banking income $26.5 million, up 5.5% from 1Q 2017
- IRLC volume of $2.1 billion during 1Q 2018 from $1.6 billion during 1Q 2017
- Continuing to focus on increasing operational leverage as business model develops. We expect overall direct contribution to be similar in 2018 to 2017

Mortgage banking income ($million)

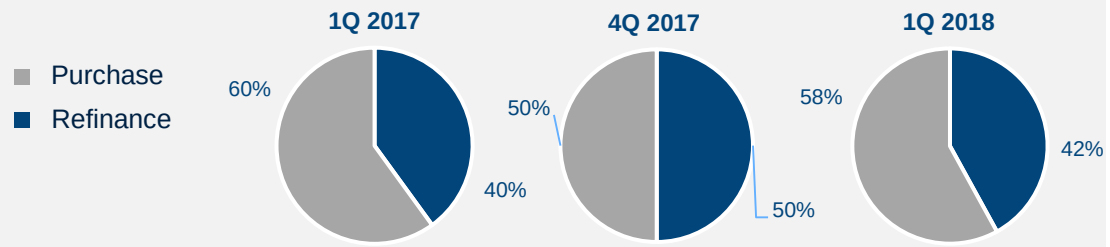
	1Q 2017	4Q 2017	1Q 2018
Gain on Sale	$27.6	$29.6	$23.5
Fair value changes	($4.7)	($3.3)	($0.1)
Servicing Revenue	$2.7	$4.2	$4.8
Fair value MSR change	($0.5)	($0.2)	($1.7)
Total	$25.1	$30.3	$26.5

IRLC volume by line of business (%)



	1Q 2017	4Q 2017	1Q 2018
IRLC volume:	$1,598mn	$1,814mn	$2,129mn
IRLC pipeline:	$449mn	$504mn	$693mn

IRLC volume mix by purpose (%)



Note: Values by channel in dollars are included on page 7 of the Quarterly Financial Supplement for IRLC volume, IRLC pipeline and Mortgage sales.

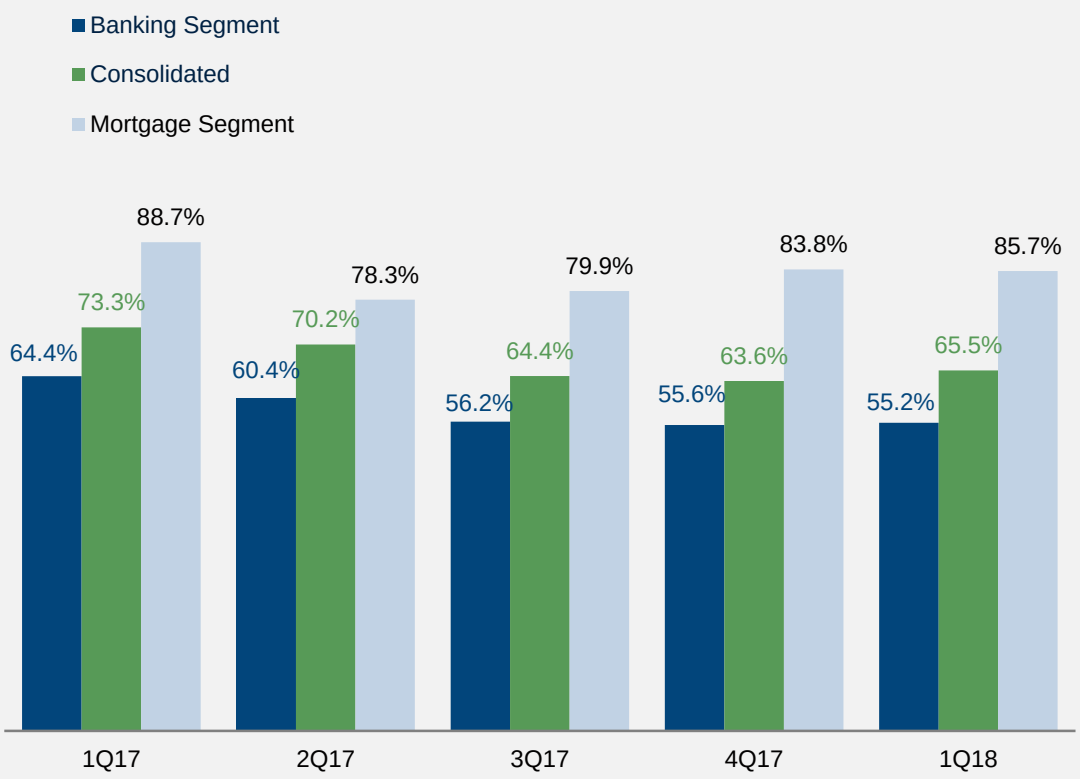
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Improving operating leverage remains a key objective

Improving operating efficiency

- Consolidated 1Q 2018 core efficiency ratio of 65.5% driven by Banking Segment core efficiency ratio of 55.2%
- 1Q 2018 reflects the first quarter with cost savings from the Clayton Banks acquisition fully phased-in; partially offset by seasonal incentive compensation and related costs
- Banking Segment core efficiency ratio has decreased 921 basis points since 1Q 2017, driven by investments in IT systems and synergies realized from the Clayton Banks acquisition
- Continuing to refine mortgage banking with operational efficiency improvements while maintaining contribution

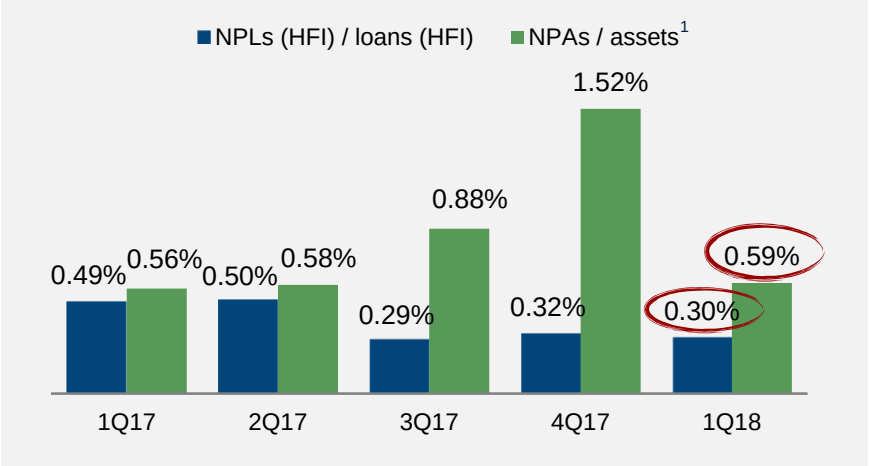
Core efficiency ratio (tax-equivalent basis)[1]



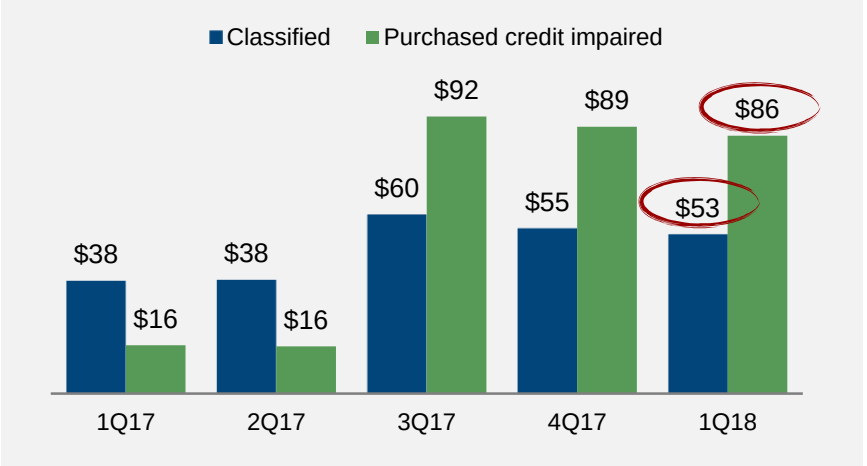
[1] See "Use of non-GAAP financial measures" and the Appendix hereto.

Asset quality remains strong

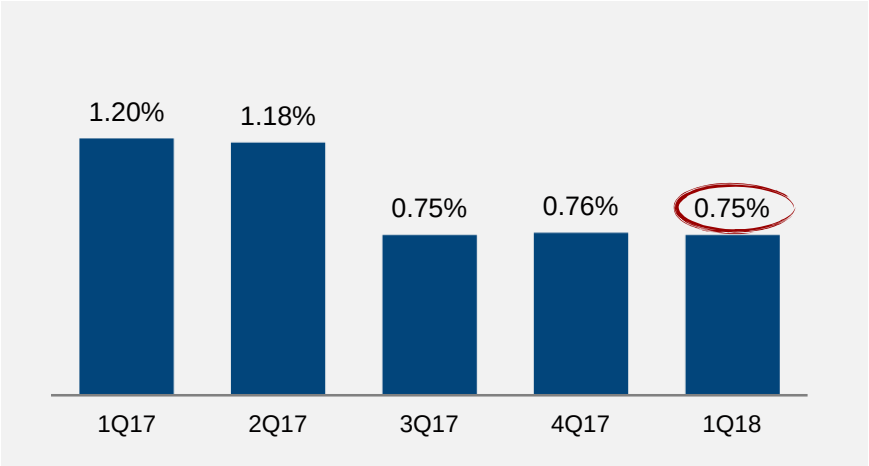
Nonperforming ratios



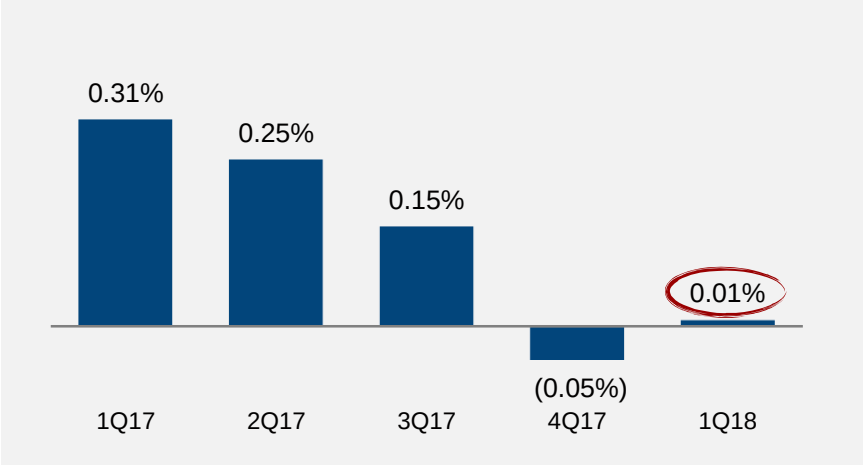
Classified & PCI loans ($million)



LLR / loans



Net (charge-offs) recoveries / average loans



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

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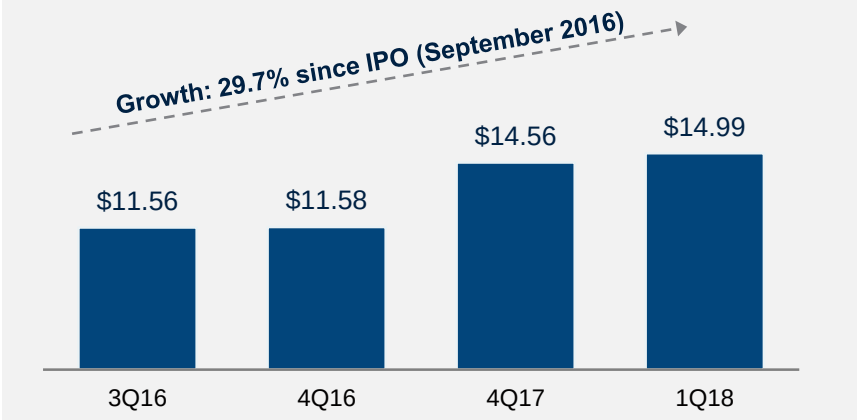
Strong capital position for future growth

Capital position

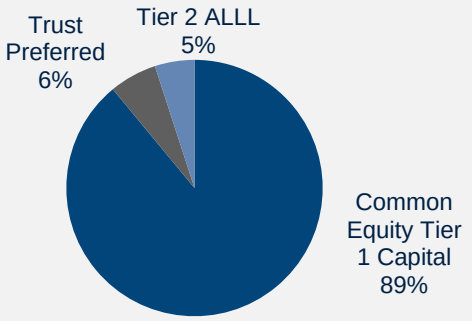
	1Q 2017	4Q 2017	1Q 2018[1]
Shareholder's equity / Assets	10.8%	12.6%	12.9%
TCE / TA[2]	9.3%	9.7%	10.1%
Common equity tier 1 / Risk-weighted assets	11.7%	10.7%	11.0%
Tier 1 capital / Risk-weighted assets	12.9%	11.4%	11.7%
Total capital / Risk-weighted assets	13.8%	12.0%	12.3%
Tier 1 capital / Average assets	10.5%	10.5%	10.7%

[1] Total regulatory capital, FB Financial Corporation. 1Q 2018 calculation is preliminary and subject to change.
[2] See "Use of non-GAAP financial measures" and the Appendix hereto.

Tangible book value per share



Simple capital structure



Total capital[1]: $507 million

Appendix

GAAP reconciliation and use of non-GAAP financial measures

Net income, adjusted

Net income, adjusted (a)	2018 First Quarter	2017 Fourth Quarter	2017 Third Quarter	2017 Second Quarter	2017 First Quarter
Pre-tax net income	**$ 25,236**	**$ 27,504**	**$ 12,990**	**$ 17,813**	**$ 15,178**
Plus merger and conversion costs	1,193	2,069	15,711	767	487
Less signficant gains (losses) on securities, other real estate owned and other items	-	-	-	-	748
Pre-tax net income, adjusted	**$ 26,429**	**$ 29,573**	**$ 28,701**	**$ 18,580**	**$ 14,917**
Income tax expense, adjusted	5,793	11,308	12,737	5,726	4,685
Net income, adjusted	**$ 20,636**	**$ 18,265**	**$ 15,964**	**$ 12,854**	**$ 10,232**
Weighted average common shares outstanding fully diluted	31,421,830	31,166,080	30,604,537	26,301,458	24,610,991
Earnings per share, adjusted					
Diluted earning per share	**$ 0.63**	**$ 0.74**	**$ 0.27**	**$ 0.43**	**$ 0.40**
Plus merger and conversion costs	0.04	0.07	0.51	0.03	0.02
Less signficant gains (losses) on securities, other real estate owned and other items	-	-	-	-	0.03
Tax effect	(0.01)	(0.22)	(0.27)	0.03	0.03
Diluted earnings per share, adjusted	**$ 0.66**	**$ 0.59**	**$ 0.52**	**$ 0.49**	**$ 0.42**

(a) Previously, the Company adjusted reported net income for the following items: (i) change in fair value in MSRs, net, and (ii) Gains (losses) from securities, OREO, MSRs, other assets, and other items. Beginning with the first quarter of 2018, the Company is only adjusting reported earnings for (i) merger and conversion costs, (ii) impact of tax return (fourth quarter 2017); and (iii) other significant items impacting comparability between quarterly and annual periods. Prior periods have been adjusted to conform to this presentation.

(Dollars in thousands) Previously reported core results*	2017 Fourth Quarter	2017 Third Quarter	2017 Second Quarter	2017 First Quarter
Core net income	$ 18,677	$ 18,516	$ 12,919	$ 10,284
Core diluted earnings per share	$ 0.60	$ 0.60	$ 0.49	$ 0.42

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

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GAAP reconciliation and use of non-GAAP financial measures

Pro forma net income, adjusted

(Dollars in thousands)

Pro forma net income, adjusted	YTD 2018	2017	2016	2015	2014
Pre-tax net income	**$ 25,236**	**$ 73,485**	**$ 62,324**	**$ 50,824**	**$ 34,731**
Plus merger and conversion costs	1,193	19,034	3,268	3,543	-
Less signficant gains (losses) on securities, other real estate owned and other items	-	748	(4,447)	2,794	-
Pre tax net income, adjusted	**$ 26,429**	**$ 91,771**	**$ 70,039**	**$ 51,573**	**$ 34,731**
Pro forma income tax expense, adjusted	5,793	34,456	25,737	19,072	12,375
Pro forma net income, adjusted	**$ 20,636**	**$ 57,315**	**$ 44,302**	**$ 32,501**	**$ 22,356**
Weighted average common shares outstanding fully diluted	31,421,830	28,207,602	19,312,174	17,180,000	17,180,000
Pro forma diluted earnings per share, adjusted					
Diluted earning per share	**$ 0.63**	**$ 1.86**	**$ 2.10**	**$ 2.79**	**$ 1.89**
Plus merger and conversion costs	0.04	0.67	0.17	0.21	-
Less signficant gains (losses) on securities, other real estate owned and other items	-	0.03	(0.23)	0.16	-
Tax effect	0.1	0.8	0.6	(0.9)	(0.6)
Pro forma diluted earnings per share, adjusted	**$ 0.66**	**$ 2.03**	**$ 2.29**	**$ 1.89**	**$ 1.30**

(Dollars in thousands)

Previously reported pro forma core results*	2017	2016	2015	2014
Pro forma core net income	$ 60,396	$ 46,120	$ 34,577	$ 22,872
Pro forma core diluted earnings per share	$ 2.14	$ 2.39	$ 2.01	$ 1.33

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

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GAAP reconciliation and use of non-GAAP financial measures

Tax-equivalent efficiency ratio

(Dollars in thousands)	2018	2017			
Core efficiency ratio (tax-equivalent basis)	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Total noninterest expense	$ 56,151	$ 57,540	$ 69,224	$ 49,136	$ 46,417
Less variable compensation charge related to cash settled equity awards	-	-	-	-	635
Less merger and conversion expenses	1,193	2,069	15,711	767	487
Less loss on sale of mortgage servicing rights	-	-	-	249	-
Core noninterest expense	$ 54,958	$ 55,471	$ 53,513	$ 48,120	$ 45,295
Net interest income (tax-equivalent basis)	48,799	49,692	44,281	31,158	30,963
Total noninterest income	33,275	37,017	37,820	35,657	31,087
Less change in fair value on mortgage servicing rights	(1,713)	(190)	(893)	(1,840)	(501)
Less gain on sales or write-downs of other real estate owned and other assets	(118)	(386)	(314)	62	748
Less gain from securities, net	(47)	1	254	29	1
Core noninterest income	35,153	37,592	38,773	37,406	30,839
Core revenue	$ 83,952	$ 87,284	$ 83,054	$ 68,564	$ 61,802
Efficiency ratio (GAAP)[(1)]	68.72%	66.91%	85.01%	74.35%	75.67%
Core efficiency ratio (tax-equivalent basis)	65.46%	63.55%	64.43%	70.18%	73.29%

(1) Efficiency ratio (GAAP) is calculated by dividing non-interest expense by total revenue

GAAP reconciliation and use of non-GAAP financial measures

Segment tax-equivalent efficiency ratio

(Dollars in thousands)	2018	2017			
Banking segment core efficiency ratio (tax equivalent)	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Core consolidated noninterest expense	$ 54,958	$ 55,471	$ 53,513	$ 48,120	$ 45,295
Less Mortgage segment noninterest expense	18,910	20,117	19,757	19,802	17,670
Add (recovery of) impairment of mortgage servicing rights	-	-	-	-	-
Add loss on sale of mortgage servicing rights	-	-	-	249	-
Adjusted Banking segment noninterest expense	36,048	35,354	33,756	28,567	27,625
Adjusted core revenue	83,952	87,284	83,054	68,564	61,802
Less Mortgage segment noninterest income	20,363	23,825	23,836	23,121	19,414
Less change in fair value on mortgage servicing rights	(1,713)	(190)	(893)	(1,840)	(501)
Adjusted Banking segment total revenue	$ 65,302	$ 63,649	$ 60,111	$ 47,283	$ 42,889
Banking segment core efficiency ratio (tax-equivalent basis)	55.20%	55.55%	56.16%	60.42%	64.41%
Mortgage segment core efficiency ratio (tax equivalent)					
Consolidated noninterest expense	$ 56,151	$ 57,540	$ 69,224	$ 49,136	$ 46,417
Less loss on sale of mortgage servicing rights	-	-	-	249	-
Less Banking segment noninterest expense	37,241	37,423	49,467	29,334	28,747
Adjusted Mortgage segment noninterest expense	$ 18,910	$ 20,117	$ 19,757	$ 19,553	$ 17,670
Total noninterest income	33,275	37,017	37,820	35,657	31,087
Less Banking segment noninterest income	12,912	13,192	13,984	12,536	11,673
Less change in fair value on mortgage servicing rights	(1,713)	(190)	(893)	(1,840)	(501)
Adjusted Mortgage segment total revenue	$ 22,076	$ 24,015	$ 24,729	$ 24,961	$ 19,915
Mortgage segment core efficiency ratio (tax-equivalent basis)	85.66%	83.77%	79.89%	78.33%	88.73%

FirstBank

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity

(Dollars in thousands)	2018	2017			
Tangible assets and equity	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Tangible Assets					
Total assets	$ 4,725,416	$ 4,727,713	$ 4,581,943	$ 3,346,570	$ 3,166,459
Less goodwill	137,190	137,190	138,910	46,867	46,867
Less intangibles, net	14,027	14,902	12,550	4,048	4,171
Tangible assets	$ 4,574,199	$ 4,575,621	$ 4,430,483	$ 3,295,655	$ 3,115,421
Tangible Common Equity					
Total shareholders' equity	$ 611,036	$ 596,729	$ 572,528	$ 509,517	$ 342,142
Less goodwill	137,190	137,190	138,910	46,867	46,867
Less intangibles, net	14,027	14,902	12,550	4,048	4,171
Tangible common equity	$ 459,819	$ 444,637	$ 421,068	$ 458,602	$ 291,104
Common shares outstanding	30,671,763	30,535,517	30,526,592	28,968,160	24,154,323
Book value per common share	$ 19.92	$ 19.54	$ 18.76	$ 17.59	$ 14.16
Tangible book value per common share	$ 14.99	$ 14.56	$ 13.79	$ 15.83	$ 12.05
Total shareholders' equity to total assets	12.93%	12.62%	12.50%	15.23%	10.81%
Tangible common equity to tangible assets	10.05%	9.72%	9.50%	13.92%	9.34%
Net income	$ 19,754	$ 23,018	$ 8,388	$ 11,239	$ 9,753
Return on tangible common equity	17.42%	20.54%	7.90%	9.83%	13.59%

Return on average tangible equity

(Dollars in thousands)	2018	2017			
Return on average tangible common equity	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Total average shareholders' equity	$ 599,198	$ 578,856	$ 550,409	$ 398,805	$ 333,178
Less average goodwill	137,190	137,190	108,220	46,839	46,839
Less intangibles, net	14,465	13,726	9,983	4,124	4,353
Average tangible common equity	$ 447,544	$ 427,940	$ 432,206	$ 347,842	$ 281,986
Net income	$ 19,754	$ 23,018	$ 8,388	$ 11,239	$ 9,753
Return on average tangible common equity	17.90%	21.34%	7.70%	12.96%	14.03%

FirstBank

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible equity, adjusted

(Dollars in thousands)	2018	2017			
Return on average tangible equity, adjusted	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Pre-tax net income	$ 25,236	$ 27,504	$ 12,990	$ 17,813	$ 15,178
Adjustments:					
Add merger and conversion costs	1,193	2,069	15,711	767	487
Less signficant gains (losses) on securities, other real estate owned and other items	-	-	-	-	748
Less income tax expense, adjusted	5,793	11,308	12,737	5,726	4,685
Net income, adjusted	$ 20,636	$ 18,265	$ 15,964	$ 12,854	$ 10,232
Return on average tangible common equity, adjusted	18.70%	16.93%	14.65%	14.82%	14.72%

Return on average assets and equity, adjusted

(Dollars in thousands)	2018	2017			
Return on average assets and equity, adjusted	**First Quarter**	**Fourth Quarter**	**Third Quarter**	**Second Quarter**	**First Quarter**
Net income	$ 19,754	$ 23,018	$ 8,388	$ 11,239	$ 9,753
Average assets	4,678,494	4,664,669	4,162,478	3,224,783	3,172,149
Average equity	599,198	578,856	550,409	398,805	333,178
Return on average assets	1.71%	1.96%	0.80%	1.40%	1.25%
Return on average equity	13.37%	15.78%	6.05%	11.30%	11.87%
Net income, adjusted	20,636	18,265	15,964	12,854	10,232
Return on average assets, adjusted	1.79%	1.55%	1.52%	1.60%	1.31%
Return on average equity, adjusted	13.97%	12.52%	11.51%	12.93%	12.45%

GAAP reconciliation and use of non-GAAP financial measures

Return on average assets and equity, adjusted

(Dollars in thousands)

Pro forma return on average assets and equity, adjusted	YTD 2018	2017	2016	2015	2014
Pro forma Net income	$ 19,754	$ 52,398	$ 39,422	$ 32,995	$ 22,356
Average assets	4,678,494	3,811,158	3,001,275	2,577,895	2,311,297
Average equity	599,198	466,219	276,587	228,844	203,615
Pro forma return on average assets	1.71%	1.37%	1.31%	1.28%	0.97%
Pro forma return on average equity	13.37%	11.24%	14.25%	14.42%	10.98%
Pro forma net income, adjusted	$ 20,636	$ 57,315	$ 44,302	$ 32,501	$ 22,356
Pro forma return on average assets, adjusted	1.79%	1.50%	1.48%	1.26%	0.97%
Pro forma return on average equity, adjusted	13.97%	12.29%	16.02%	14.20%	10.98%

(Dollars in thousands)

Previously reported core metrics*	2017	2016	2015	2014
Pro forma core return on average assets	1.56%	1.54%	1.34%	0.99%
Pro forma core return on average equity	12.95%	16.67%	15.11%	11.23%

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

Total revenue, adjusted

(Dollars in thousands)

	2018	2017			
Total revenue, adjusted	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Net interest income	$ 48,429	$ 48,983	$ 43,610	$ 30,427	$ 30,251
Noninterest income	33,275	37,017	37,820	35,657	31,087
Less signficant gains (losses) on securities, other real estate owned and other items	-	-	-	-	748
Total revenue, adjusted	$ 81,704	$ 86,000	$ 81,430	$ 66,084	$ 60,590