FB Financial Corporation



First Quarter 2020 Earnings Presentation

April 28, 2020

IMPORTANT INFORMATION FOR SHAREHOLDERS AND INVESTORS

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

PARTICIPANTS IN THE SOLICITATION

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

Forward–Looking Statements

Certain statements contained in this press release may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements include, without limitation, statements regarding the projected impact of the COVID-19 global pandemic on our business operations, statements relating to the timing, benefits, costs, and synergies of the proposed merger with Franklin Financial Network, Inc. (“Franklin”) (the “Franklin merger”) and of the recent merger with FNB Financial Corp. (“FNB”) (together with the Franklin merger, the “mergers”), and FB Financial’s future plans, results, strategies, and expectations. These statements can generally be identified by the use of the words and phrases “may,” “will,” “should,” “could,” “would,” “goal,” “plan,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” “target,” “aim,” “predict,” “continue,” “seek,” “projection,” and other variations of such words and phrases and similar expressions. These forward-looking statements are not historical facts, and are based upon current expectations, estimates, and projections, many of which, by their nature, are inherently uncertain and beyond FB Financial’s control. The inclusion of these forward-looking statements should not be regarded as a representation by FB Financial or any other person that such expectations, estimates, and projections will be achieved. Accordingly, FB Financial cautions shareholders and investors that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict. Actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from those contemplated by the forward-looking statements including, without limitation, (1) current and future economic conditions, including the effects of declines in housing and commercial real estate prices, high unemployment rates, and any slowdown in economic growth in the local or regional economies in which we operate and/or the US economy generally, (2) the effects of the COVID-19 pandemic, including the magnitude and duration of the pandemic and its impact on general economic and financial market conditions and on our business and our customers' business, results of operations, asset quality and financial condition, (3) changes in government interest rate policies, (4) our ability to effectively manage problem credits, (5) the risk that the cost savings and any revenue synergies from the mergers or another acquisition may not be realized or may take longer than anticipated to be realized, (6) disruption from the mergers with customer, supplier, or employee relationships, (7) the occurrence of any event, change, or other circumstances that could give rise to the termination of the merger agreement with Franklin, (8) the failure to obtain necessary regulatory approvals for the Franklin merger, (9) the failure to obtain the approval of FB Financial and Franklin’s shareholders in connection with the Franklin merger, (10) the possibility that the costs, fees, expenses, and charges related to the mergers may be greater than anticipated, including as a result of unexpected or unknown factors, events, or liabilities, (11) the failure of the conditions to the Franklin merger to be satisfied, (12) the risks related to the integrations of the combined businesses following the mergers, including the risk that the integrations will be materially delayed or will be more costly or difficult than expected, (13) the diversion of management time on issues related to the mergers, (14) the ability of FB Financial to effectively manage the larger and more complex operations of the combined company following the Franklin merger, (15) the risks associated with FB Financial’s pursuit of future acquisitions, (16) reputational risk and the reaction of the parties’ respective customers to the mergers, (17) FB Financial’s ability to successfully execute its various business strategies, including its ability to execute on potential acquisition opportunities, (18) the risk of potential litigation or regulatory action related to the Franklin merger, and (19) general competitive, economic, political, and market conditions. Further information regarding FB Financial and factors that could affect the forward-looking statements contained herein can be found in FB Financial's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and its other filings with the Securities and Exchange Commission (the “SEC”). Many of these factors are beyond FB Financial’s ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if the underlying assumptions prove to be incorrect, actual results may differ materially from the forward-looking statements. Accordingly, shareholders and investors should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date of this press release, and FB Financial undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law. New risks and uncertainties may emerge from time to time, and it is not possible for FB Financial to predict their occurrence or how they will affect the company. FB Financial qualifies all forward-looking statements by these cautionary statements.

Use of non-GAAP financial measures

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

Aggressively managing for impact of COVID-19

Prepared for Downturn	▪ Reprioritized objectives early: 1. Health and Safety 2. Liquidity 3. Capital 4. Profitability 5. Growth ▪ Liquidity: $4.2 billion of on-balance sheet and contingent liquidity; Loans HFI / Deposits of 85% ▪ Capital: Strong current capital levels and fortified allowance for credit losses ▪ Profitability: Aggressively lowered rates on interest-bearing deposits across all products on March 17, 2020; $806 million, or 37%, of variable rate loans at floors at March 31, 2020 ▪ Growth: Focused on core customer deposit growth to support liquidity; cautious loan growth with a focus on customers
Protecting Associates	▪ Have retained all employees; engaging underutilized associates with special projects, such as Paycheck Protection Program involvement. Employee morale is high ▪ Associates unable to work from home and not essential to day-to-day activities receiving normal pay ▪ Implemented a remote working environment for associates on March 16th ▪ Suspended branch lobby service on March 19th; serving customers through drive throughs; in-person meetings by appointment only
Serving Customers	▪ Accepting PPP applications since April 4th; $267 million of loans approved by the SBA through April 16th; preparing for the second round of PPP to open ▪ Offering payment deferrals since mid-March: $594 million in commercial and $87 million in consumer deferrals through April 23[1] ▪ Playing a leadership role in our communities: providing meals to frontline workers, donating to foodbanks, assisting local governments ▪ Have never stopped facilitating commerce in our communities

[1] Balances based on deferral participants' loan balances outstanding as of March 31, 2020

Assisting customers in the face of uncertainty

Deferral Programs

- Offering relief in the form of deferral programs for all customers who request assistance
- Began proactively reaching out to consumer and commercial customers in mid-March
- Standard consumer loan receiving 2-payment relief; maintaining dialogue in the interim for decisions on extensions
  - 726 consumer, residential mortgage, and HELOC loans have received modifications as of April 23rd
  - $87 million of loans participating[1], or 6.9% of outstanding balances as of March 31st
- Of $7 billion unpaid principal balance in mortgage servicing portfolio, ~5% have received forbearances
- Standard commercial loan receiving 90 day principal and interest forbearance, maintaining dialogue in the interim for decisions on extensions
  - 692 C&I, Construction, Multifamily and CRE loans have received modifications as of April 23rd
  - $594 million of loans participating[1], or 17.9% of outstanding balances as of March 31st

Paycheck Protection Program

- Began accepting applications on April 4th
- Over 300 associates involved in application, approval and SBA submission process, or ~50% of banking segment teammates
- Received SBA approvals on over 1,500 applications representing $267 million prior to funding running out on April 16th
- Approximately 29 thousand employed by companies receiving PPP loans from FirstBank
- Average loan size of $177 thousand
  - $66 million in loans above $2 million
  - $102 million between $350 thousand and $2 million
  - $99 million below $350 thousand
- Expect fees of approximately $5.7 million, net of direct costs of origination, deferred over the life of the loan

[1] Balances based on deferral participants' loan balances outstanding as of March 31, 2020

1Q 2020 highlights

Key highlights

- Proactively addressing the impact of the COVID-19 virus on our associates, customers, communities and stakeholders
- Increased on-balance sheet liquidity to 12.0% of tangible assets from 9.2% in 4Q 2019; lowered loans HFI / deposits to 85%
- Adopted CECL, increased ACL / Gross Loans HFI to 1.95%
- Adjusted pre-tax, pre-provision earnings[1] of $33.4 million, up 8.1% over 4Q 2019, resulting in adjusted pre-tax, pre-provision ROAA[1] of 2.10%
- Continued customer-focused balance sheet growth resulting in a net interest margin of 3.92% for 1Q 2020
  - Contractual yield on loans of 5.14%, down 13 bps from 4Q 2019
  - Cost of total deposits of 0.94%, down 8 bps from 4Q 2019
- Total pre-tax mortgage contribution of $8.0 mm in 1Q 2020
- Loans (HFI) grew to $4.6 bn, a 20.6% increase from 1Q 2019
  - 5.9% year-over-year organic growth
- Customer deposits grew to $5.4 bn, a 26.3% increase from 1Q 2019
  - 7.4% year-over-year organic growth
- Completed acquisition of FNB Financial Corporation on February 14, 2020; announced acquisition of Franklin Financial Network, Inc. on January 21, 2020

Financial results

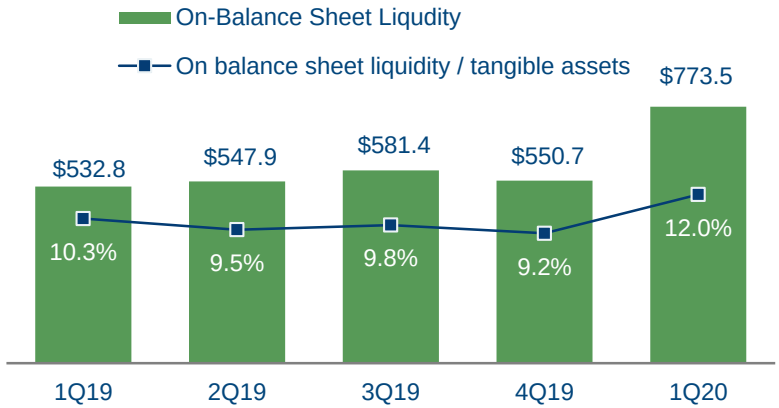
	1Q 2020
Diluted earnings per share	$0.02
Adjusted diluted earnings per share[1]	$0.17
Net income ($mm)	$0.7
Adjusted net income[1] ($mm)	$5.3
Return on average assets	0.05%
Return on average equity	0.4%
Adjusted pre-tax, pre-provision earnings[1] ($mm)	$33.4
Adjusted pre-tax, pre-provision return on average assets[1]	2.10%
Adjusted pre-tax, pre-provision return on average tangible common equity[1]	23.2%
Net interest margin	3.92%
Impact of accretion and nonaccrual interest (bps)	13
Efficiency ratio	69.3%
Core efficiency ratio[1]	65.7%
Tangible common equity / tangible assets[1]	9.1%

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

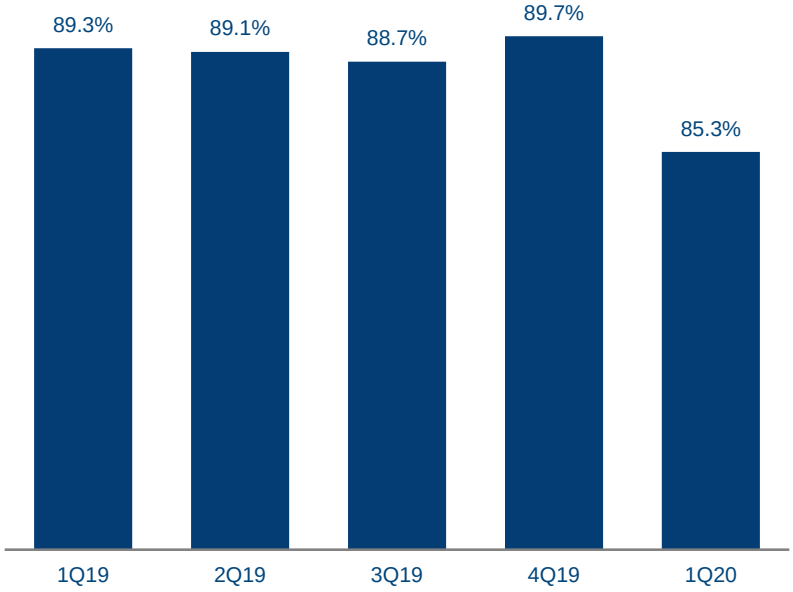
Strong liquidity position

- Customer deposit base has seen consistent growth over the past 12 months and remains a stable base of funding and liquidity
- Utilizing Federal Reserve PPP Lending Facility to fund PPP loans as needed
- Monitoring liquidity in secondary mortgage markets and impact of servicing requirements
- Isolated and limited draw downs on commercial lines and HELOC since mid-March, continue daily monitoring

On Balance Sheet Liquidity



Loans HFI / Customer Deposits

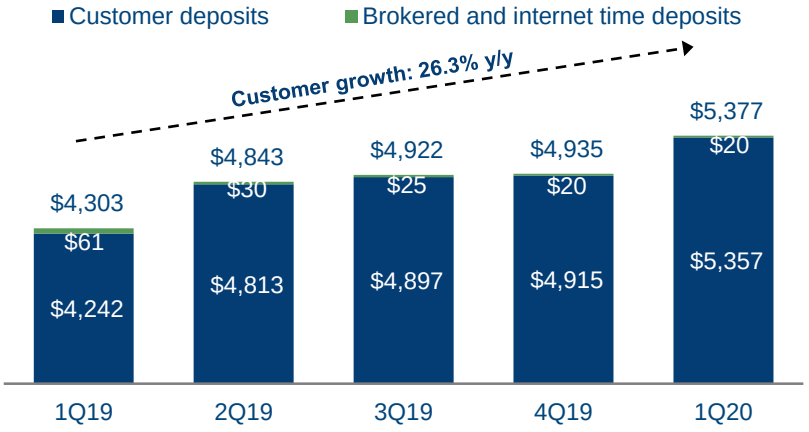


Sources of Liquidity

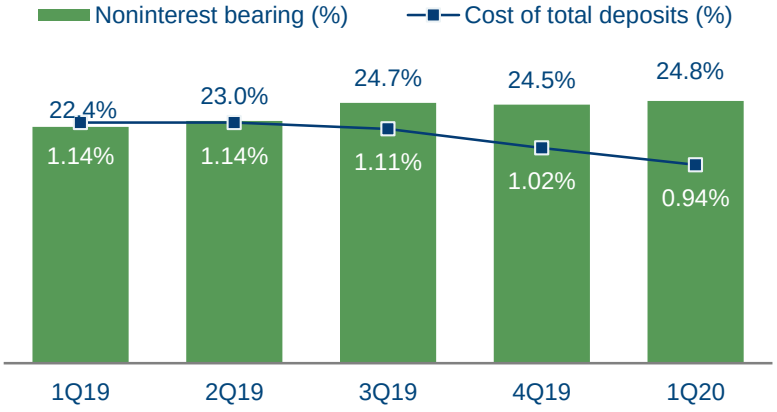
	1Q 2020
Current On-Balance Sheet:	
Cash and Equivalents	$425.1
Unpledged Securities	345.0
Equity Securities	3.4
Total On-Balance Sheet	**$773.5**
Available Sources of Liquidity:	
Brokered CDs and Unsecured Lines	$1,911.1
FHLB	466.1
Discount Window	1,056.4
Total Available Sources	**$3,433.6**

Core deposit franchise provides stable liquidity

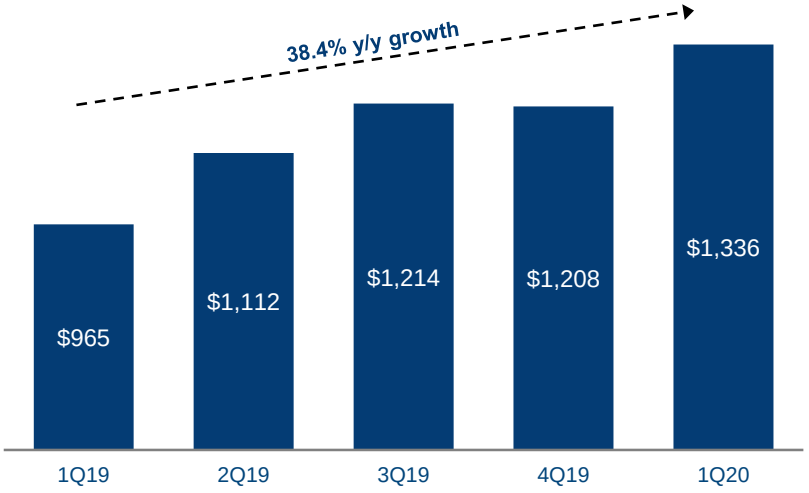
Total deposits ($mm)



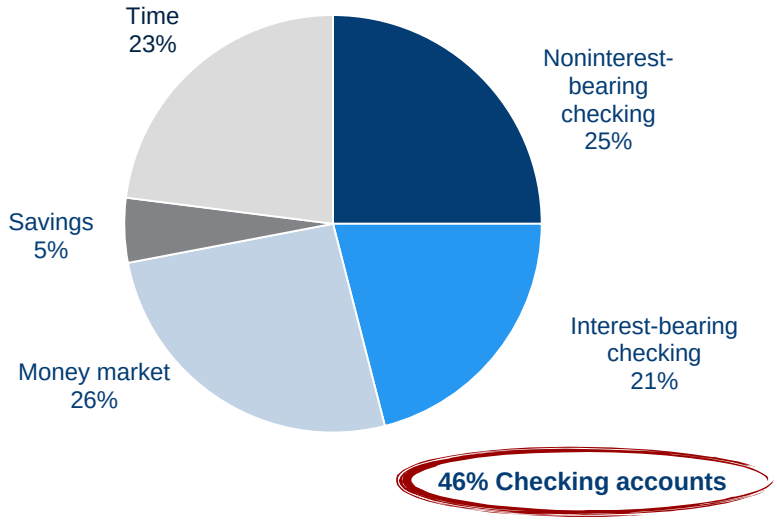
Cost of deposits



Noninterest bearing deposits ($mm)



Deposit composition



46% Checking accounts

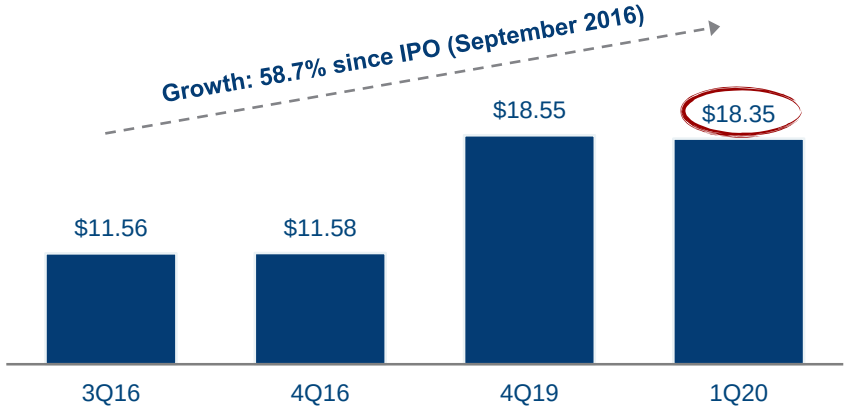
[1] Includes mortgage servicing-related deposits of $70.1mm, $70.4mm, $121.4mm, $92.6mm and $110.1mm for the quarters ended March 31, 2019, June 30, 2019, September 30, 2019, December 31, 2019 and March 31, 2020, respectively.

Well-capitalized headed into recession

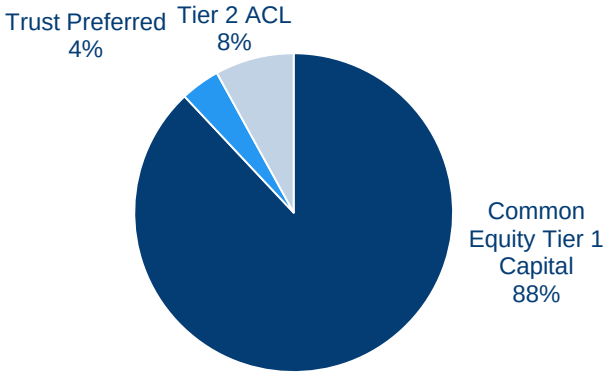
Capital position

	1Q19	4Q19	1Q20[1]
Shareholder's equity/Assets	13.0%	12.4%	11.8%
TCE/TA[2]	10.5%	9.7%	9.1%
Common equity tier 1/Risk-weighted assets	12.0%	11.1%	11.0%
Tier 1 capital/Risk-weighted assets	12.7%	11.6%	11.6%
Total capital/Risk-weighted assets	13.4%	12.2%	12.5%
Tier 1 capital /Average assets	11.5%	10.1%	10.3%

Tangible book value per share[2]



Simple capital structure



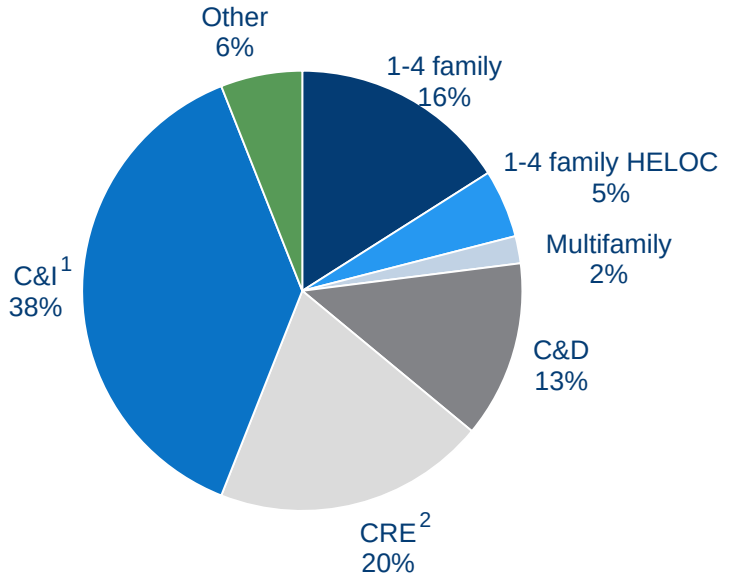
Total regulatory capital $688[1] mm

[1] Total regulatory capital, FB Financial Corporation. 1Q 2020 calculation is preliminary and subject to change. For regulatory capital purposes, the CECL impact over 2020 and 2021 is gradually phased-in from Common Equity Tier 1 Capital to Tier 2 capital. As of March 31, 2020, $31.8 million is being added back to CET 1 and Tier 1 Capital, and $37.7 million is being taken out of Tier 2 capital.

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

Consistent loan growth and balanced portfolio

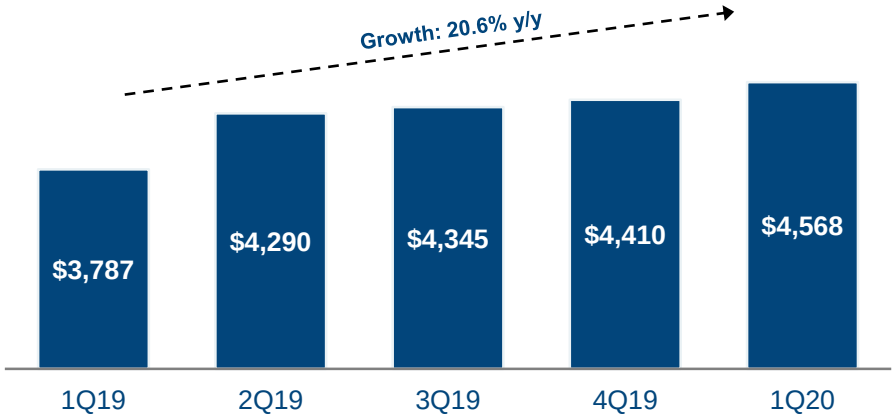
Portfolio mix



C&I[1] Exposure by Industry

	Balance			
	C&I	CRE-OO	Total	% of Total
Real Estate Rental and Leasing	$ 286.8	$ 103.8	$ 390.6	22.9%
Retail Trade	70.5	101.9	172.4	10.1%
Wholesale Trade	115.2	45.1	160.3	9.4%
Manufacturing	80.0	55.0	135.0	7.9%
Finance and Insurance	116.8	14.3	131.1	7.7%
Health Care and Social Assistance	56.1	73.4	129.5	7.6%
Other Services (except Public Administration)	16.2	79.8	95.9	5.6%
Transportation and Warehousing	61.8	13.9	75.7	4.4%
Accomodation and Food Services	23.5	51.2	74.6	4.4%
Construction	42.7	22.5	65.1	3.8%
Arts, Entertainment and Recreation	22.8	35.1	57.9	3.4%
Professional, Scientific and Technical Services	26.0	15.6	41.6	2.4%
Other	102.1	75.0	177.1	10.4%
Total	**$ 1,020.5**	**$ 686.5**	**$ 1,707.0**	**100.0%**

Total loan growth[3] ($million) and commercial real estate concentration



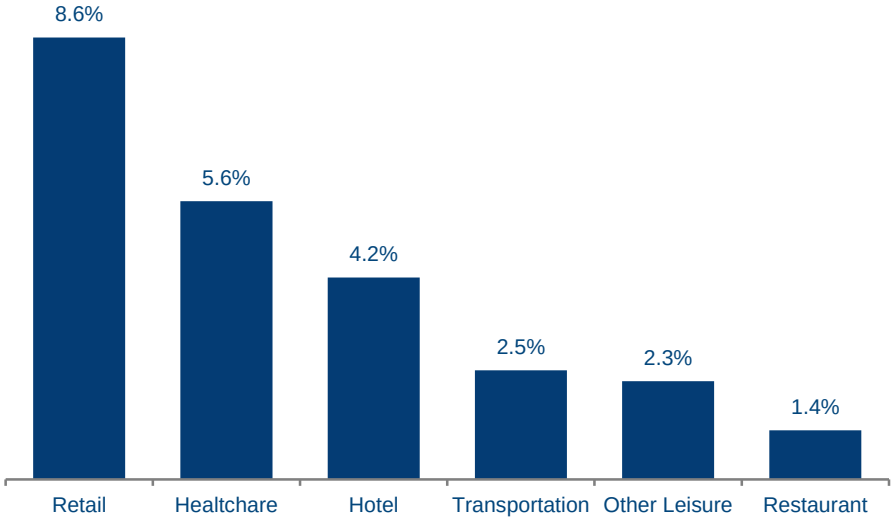
Commercial real estate (CRE) concentrations[4]	% of Risk-Based Capital	
	4Q19	1Q20 (preliminary)
C&D loans subject to 100% risk-based capital threshold	88%	86%
Total CRE loans subject to 300% risk-based capital threshold[2]	247%	231%

[1] C&I includes owner-occupied CRE. [2] Excludes owner-occupied CRE. [3] Exclude HFS loans. [4] Risk-based capital at FirstBank as defined in Call Report. 1Q 2020 calculation is preliminary and subject to change.

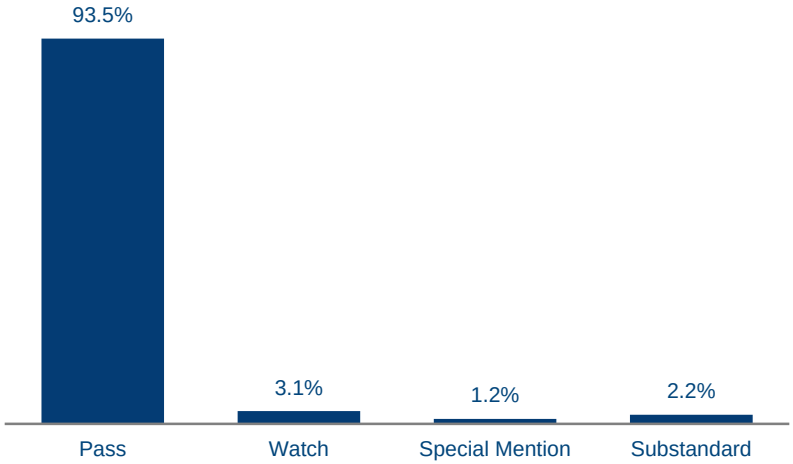
Industries of concern

- Concentrations representative of community bankers serving customers across our communities
- Focused on in-market relationship banking
- Diversified portfolio across the footprint with solid asset quality entering 2020
- 3 SNC credits in entire portfolio with less than $75 million in total balances – all were existing FirstBank customers prior to joining the syndication
- Limited direct energy exposure, less than $10 million; monitoring manufactured housing's performance in impacted regions

Industry exposures / gross loans (HFI)



Credit quality



Deferral participants

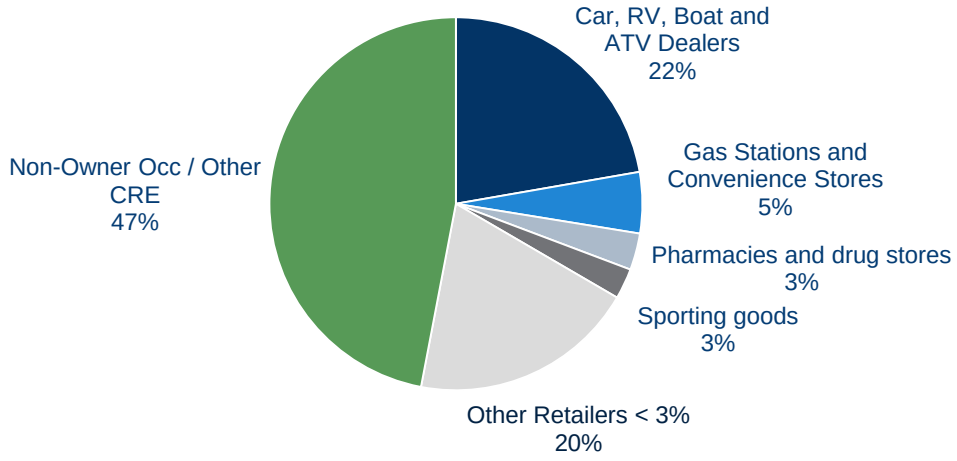
	Deferral Program	
	4/23/20 Participants	3/31/20 Balances
Retail	103	$ 131.8
Healthcare	79	38.9
Hotel	33	122.7
Transportation	29	3.7
Other Leisure	28	33.5
Restaurant	68	39.5
Total Industries of Concern	340	370.2
Other Loans HFI	1,078	310.3
Total Loans HFI	1,418	$ 680.5
Industries of Concern / Total	24.0%	54.4%

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

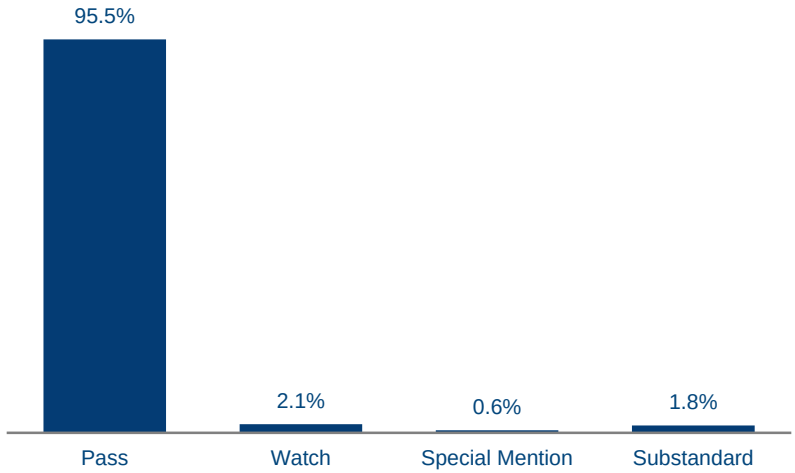
Retail portfolio – 8.6% of gross loans HFI

- 53% C&I/CRE-OO and 47% CRE Non-OO and Other
- CRE Non-owner occupied and Other has no major concentrations by tenant
  - Portfolio benefits from conservative underwriting parameters which typically require personal guaranties
  - Largest non-owner occupied loan is ~$8 million, fully leased with 69% LTV. Tenants include national retailers and fitness franchise
- C&I / CRE-OO portfolio well-diversified across industries and footprint
  - Largest relationship ~$20 million auto dealer across multiple dealerships

Portfolio overview



Credit quality



Deferral participants

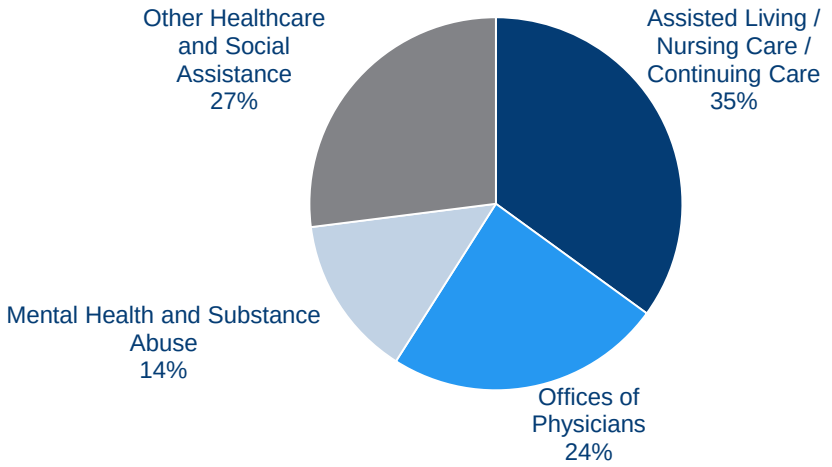
	Deferral Program	
	4/23/20 Participants	3/31/20 Balances
CRE Non-OO and Other	47	$ 74.5
C&I and CRE-OO:		
Car, RV, Boat & ATV Dealers	14	$ 42.2
Gas Stations and C-Stores	7	3.5
Pharmacies & Drug Stores	1	0.4
Sporting Goods	1	0.1
Other Retailers	33	11.2
Total C&I and CRE-OO	56	$ 57.4
Total Retail Deferrals	103	$ 131.8

Note: Exposures included will differ from “C&I Exposure by Industry” table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

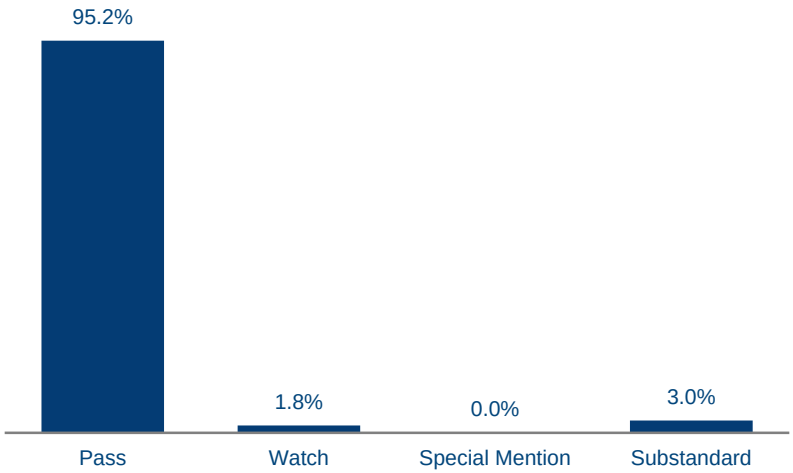
Healthcare & social assistance portfolio – 5.6% of loans HFI

- Portfolio diversified over several segments across the footprint
- Assisted Living / Nursing Care / Continuing Care property types include assisted living with the largest loan ~$10M, one continuing care facility loan ~$21M, and skilled nursing care operators with the largest loan outstanding of ~$11M
- Loans to offices of physicians are spread across the franchise
- Mental health and substance abuse includes a ~$28 million credit in good standing

Portfolio overview



Credit quality



Deferral participants

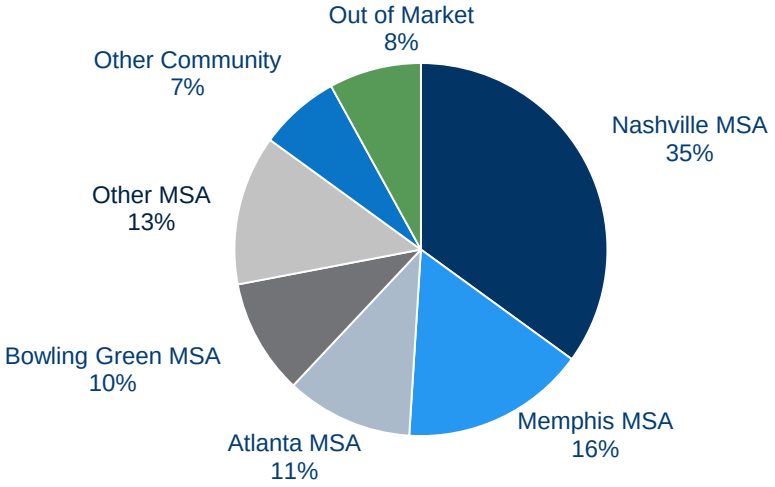
	Deferral Program	
	4/23/20 Participants	3/31/20 Balances
Assisted Living / Nursing Care / Continuing Care	-	$ -
Offices of Physicians	66	23.8
Mental Health and Substance Abuse	4	5.3
Other Healthcare and Social Assistance	9	9.8
Total Healthcare and Social Assistance Deferrals	79	$ 38.9

Note: Exposures included will differ from “C&I Exposure by Industry” table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

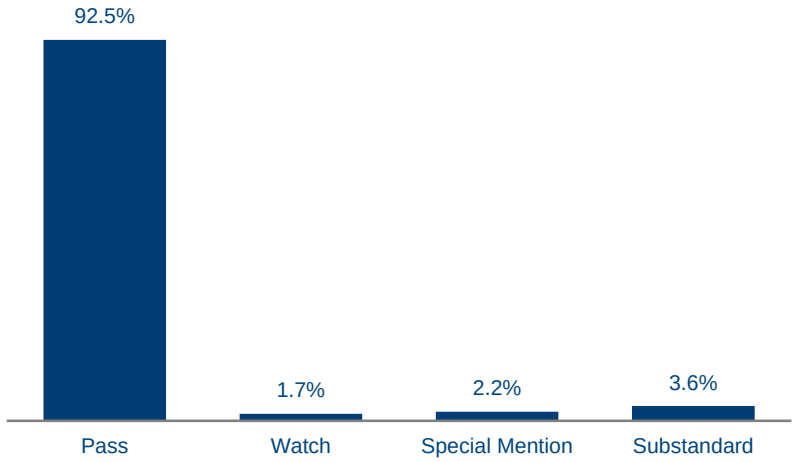
Hotel portfolio – 4.2% of gross loans HFI

- Portfolio built around long-term successful hotel operators and strong flags
- Properties concentrated in limited service facilities with reduced reliance on food and beverage revenues
- Project exposure risk reduced based upon conservative hold levels and participations sold strategies
  - Largest single project exposure is $23 million
  - $75 million outstanding to 5 loans with $10 million - $23 million in balances
  - Remaining $117 million in outstandings spread across 79 properties
- 33 deferral participants as of April 23rd with $122.7 million outstanding based on March 31 balances

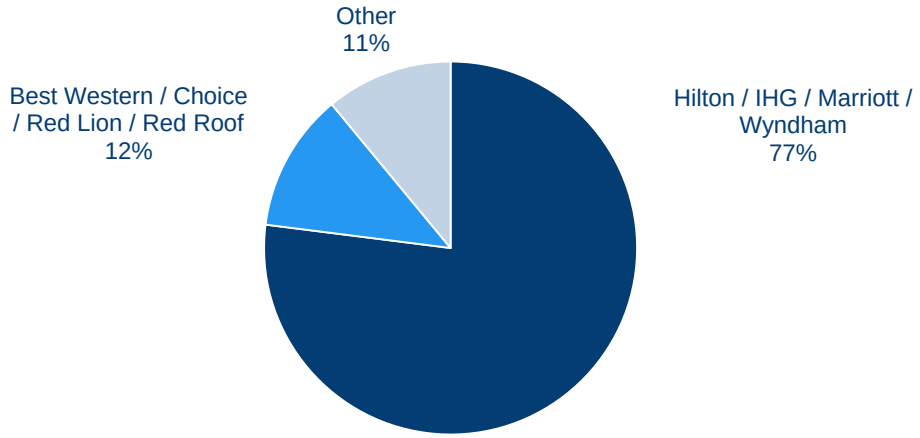
Outstanding by location



Credit quality



Outstanding by flag

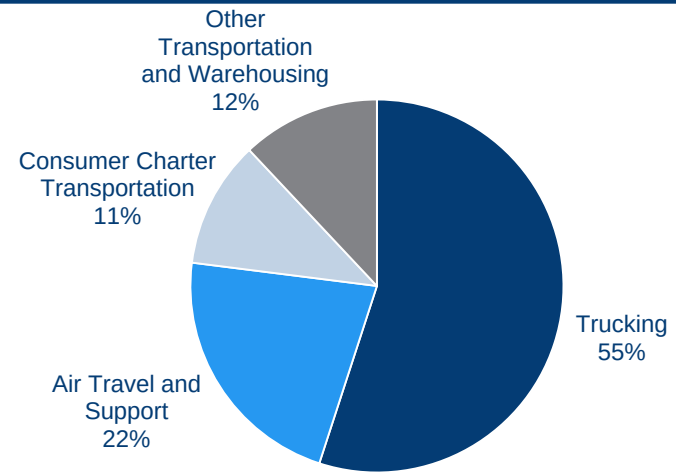


Note: Exposures included will differ from “C&I Exposure by Industry” table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

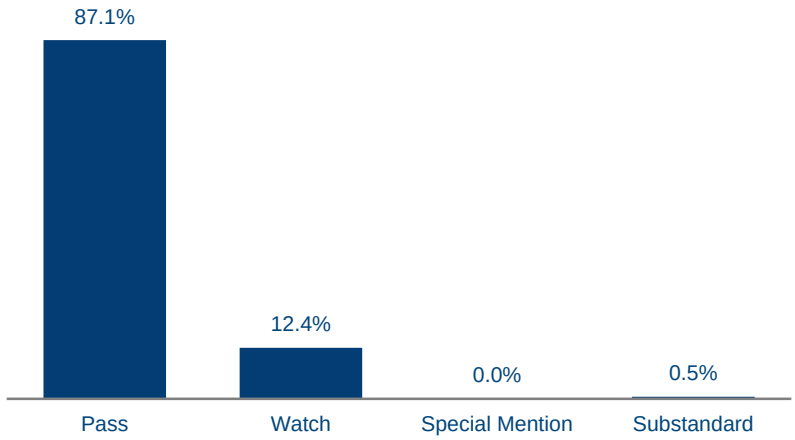
Transportation and warehousing – 2.5% of gross loans HFI

- Trucking related exposure includes truckload operators, equipment lessors to owner/operators, and local franchisees of major national trucking companies. Largest relationship ~$26 million
- Air travel and support related is primarily diversified across multiple owners and/or operators. No commercial airline exposure. Largest loan ~$12M to an in-market operator with strong financial wherewithal
- Consumer charter transportation is largely associated with an in-market operator with strong financial wherewithal

Portfolio overview



Credit quality



Deferral participants

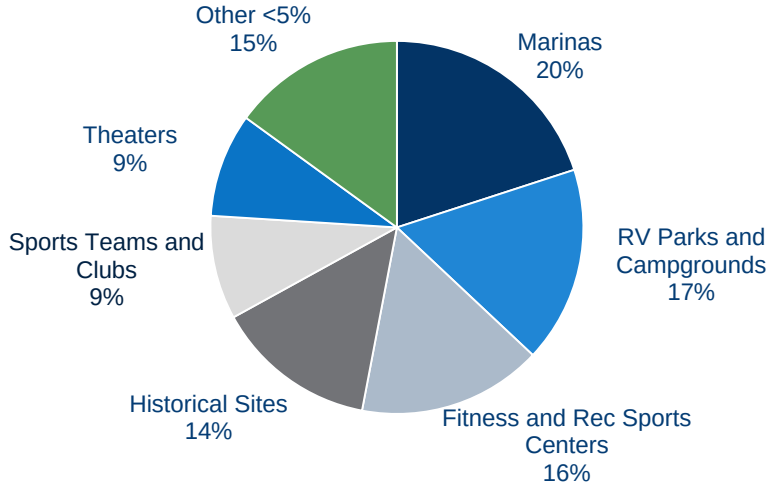
	Deferral Program	
	4/23/20 Participants	3/31/20 Balances ($m)
Trucking	23	$ 2.4
Air Travel and Support	-	-
Consumer Charter Transportation	1	0.3
Other	5	0.9
Total Transportation and Warehousing	29	$ 3.7

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

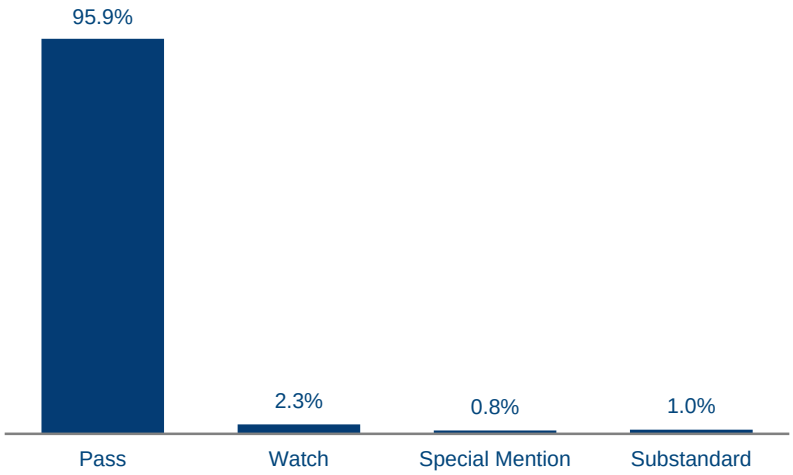
Other Leisure – 2.3% of gross loans HFI

- Diversified portfolio across the footprint encompassing a myriad of customers and types
- Largest exposures include:
  - ~$15M to an entertainment venue with strong collateral
  - Multiple marinas across the franchise with the largest ~$8M
  - ~$11M to professional sports teams, well-secured
  - One theater location ~$9M

Portfolio overview



Credit quality



Deferral participants

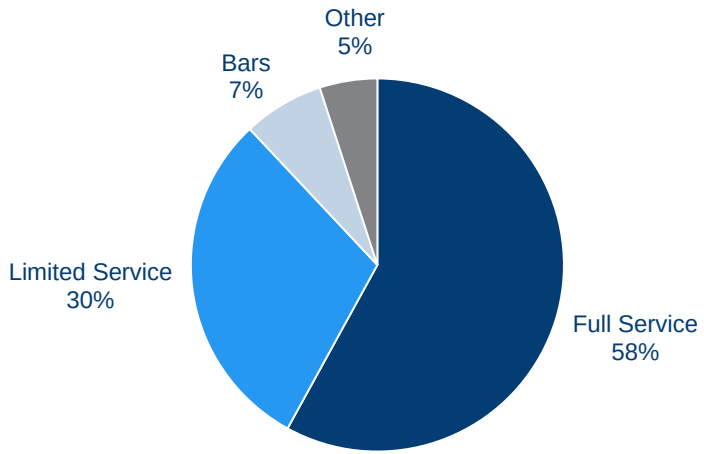
	Deferral Program	
	4/23/20 Participants	3/31/20 Balances
Marinas	4	$ 14.0
RV Parks and Campgrounds	2	1.0
Fitness and Recreational Sports Centers	5	2.5
Historical Sites	-	-
Sports Teams and Clubs	-	-
Theaters	4	9.4
Other	13	6.6
Total Other Leisure	28	$ 33.5

Note: Exposures included will differ from “C&I Exposure by Industry” table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

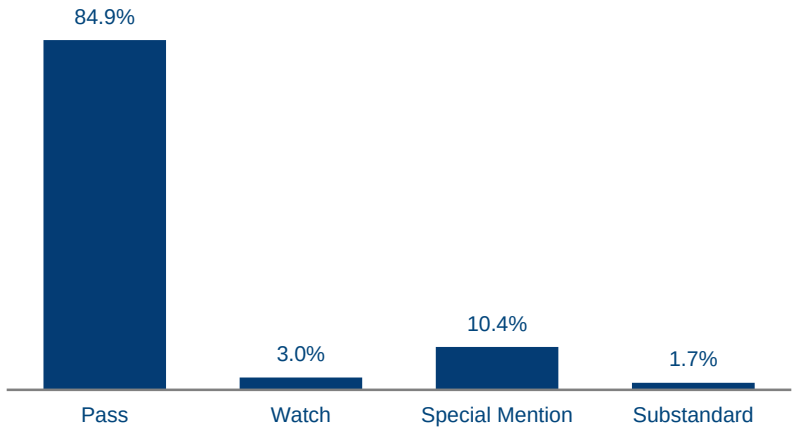
Restaurant – 1.4% of gross loans HFI

- No major concentration by operator or brand
- Largest single customer ~$4M, secured by real estate. Strong local independent operator
- Portfolio distributed across the footprint
- Expectations include varying levels of impact by operator. Ability to adapt to their local restrictions on service and length of restrictions will determine their success
- Not included in this exposure disclosure is a diversified food company which derives a majority of its revenues from direct to consumer sales, but does also own certain retail outlets, exposure ~$25M

Portfolio overview



Credit quality



Deferral participants

	Deferral Program	
	4/23/20 Participants	3/31/20 Balances ($m)
Full Service Restaurants	36	$ 23.6
Limited-Service Restaurants	23	13.4
Bars	6	2.1
Other	-	0.4
Total Restaurants	68	$ 39.5

Note: Exposures included will differ from “C&I Exposure by Industry” table on slide 10 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

Allowance for credit losses overview

- Current Expected Credit Loss (CECL) Allowance for Credit Losses (ACL) model utilizes Moody's baseline economic forecast issued on April 4, 2020 and a 3 year forecast period, summary below[1]:

	FQE,			FYE 12/31,		
	2Q 2020	3Q 2020	4Q 2020	2020	2021	2022
GDP (bcw$)	$ 18,156.3	$ 18,634.0	$ 18,744.0	$ 18,658.3	$ 19,158.2	$ 20,063.4
Annualized % Change	(18.3%)	10.9%	2.4%	(2.2%)	2.7%	4.7%
Total Employment (millions)	144.2	148.0	147.8	148.0	148.4	151.7
Unemployment Rate	8.7%	6.3%	6.5%	6.3%	6.6%	5.2%
CRE Price Index	287.2	271.4	265.5	265.5	284.7	318.3
NCREIF Property Index: Rate of Return	(3.4%)	(10.1%)	3.1%	(2.3%)	2.7%	3.8%

- Initial adoption of CECL, increased ACL from $31.1 million at December 31, 2019 to $62.6 million at January 1, 2020 with a net adjustment to retained earnings of $25.0 million, net of tax
- CECL adoption led to NPL increase of approximately $5.5 million as former PCI loans now reportable in nonperforming loans

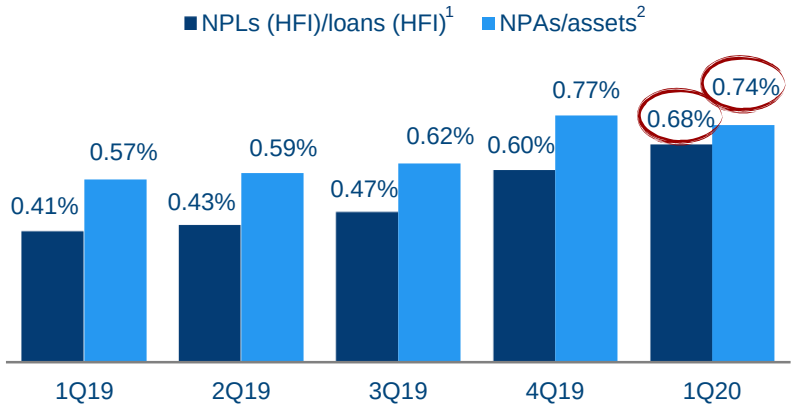
4Q 2019 ALLL to 1Q 2020 ACL Bridge



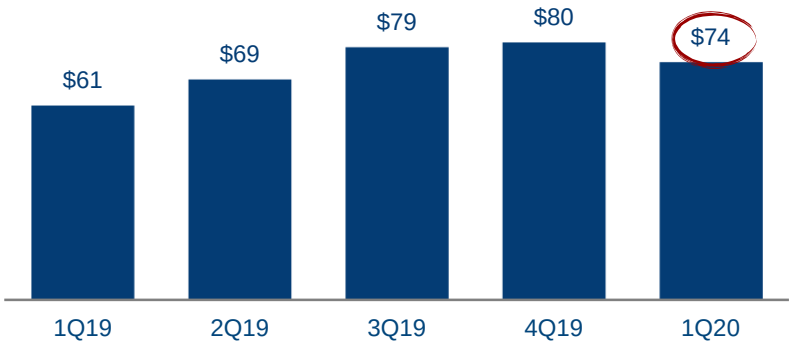
[1]Source: Moody's "March 2020 U.S. Macroeconomic Outlook Baseline and Alternative Scenarios Updated" published April 4, 2020.

Asset quality remains solid

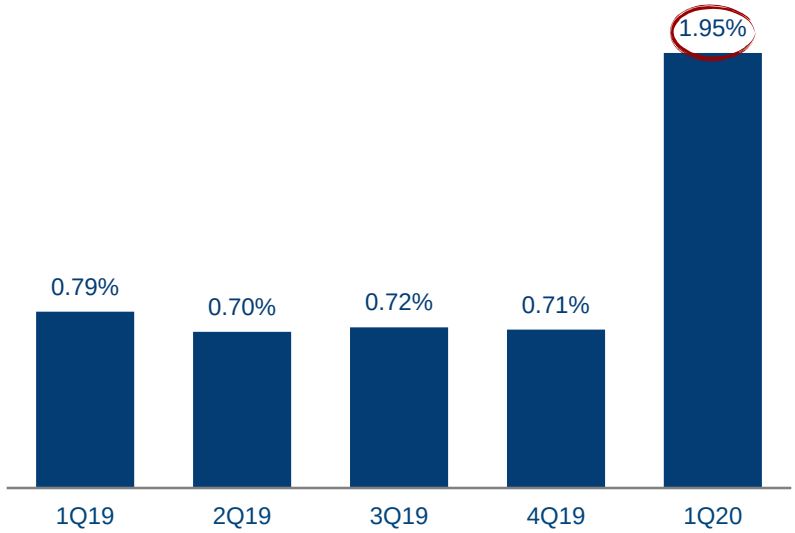
Nonperforming ratios



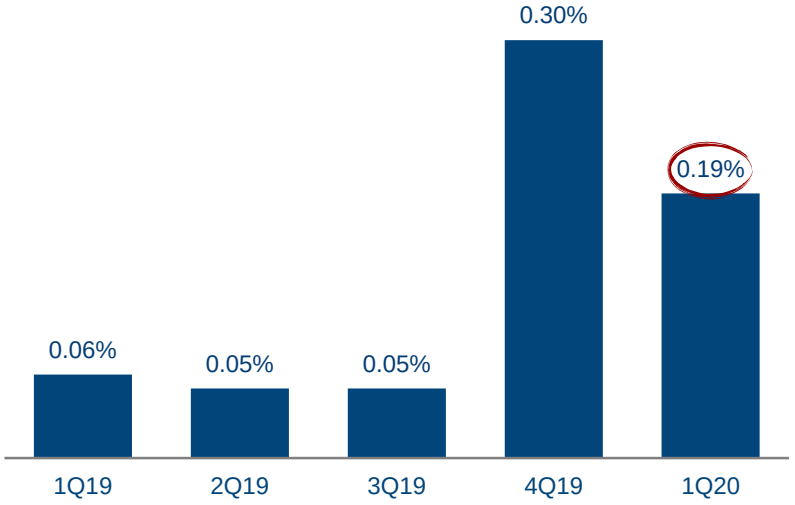
Classified loans ($mm)



LLR/loans



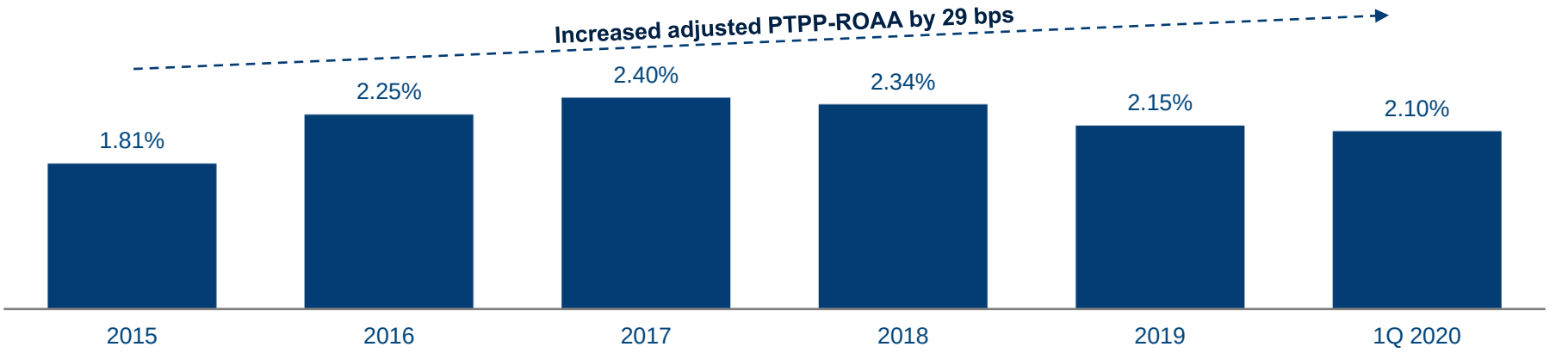
Net charge-offs/average loans



[1] Adoption of CECL resulted in approximately $5.5 million of former PCI loans being reportable as nonperforming loans in 1Q 2020.
[2] Includes acquired excess land and facilities held for sale–see page 14 of the Quarterly Financial Supplement.

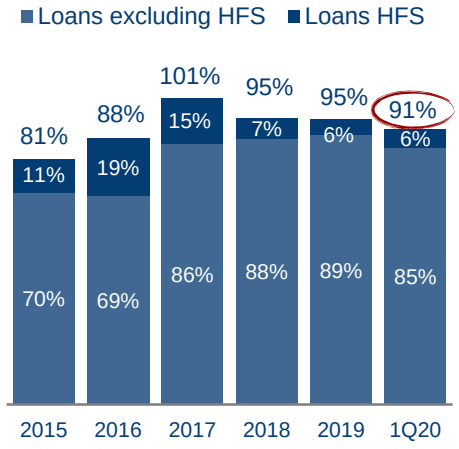
Core earnings power remains intact

Adjusted pre-tax, pre-provision return on average assets[1]

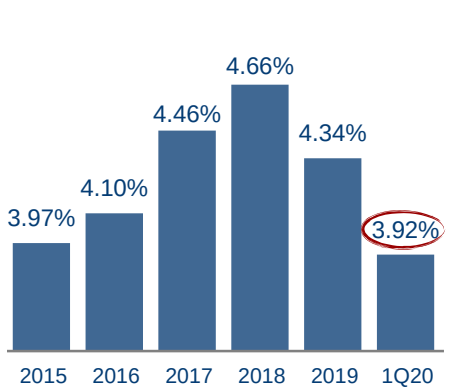


Drivers of profitability

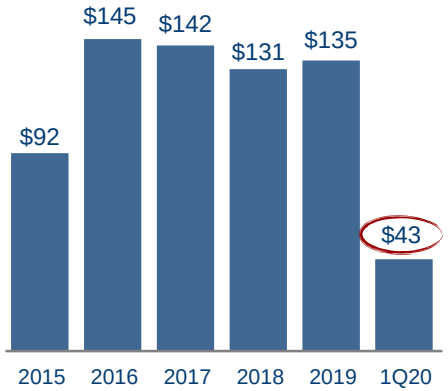
Loans/deposits



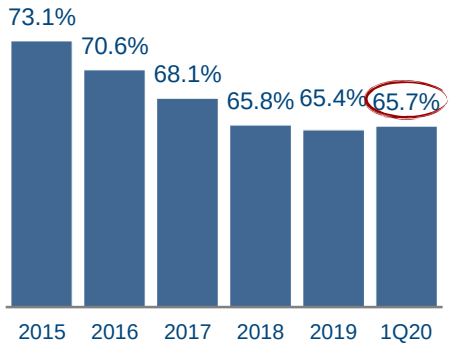
Net interest margin



Noninterest income ($mm)



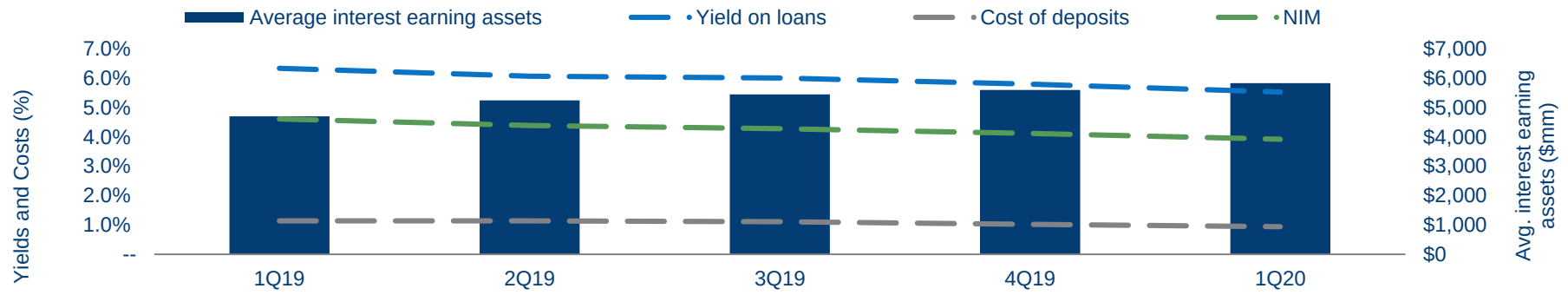
Core efficiency ratio[1]



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

Managing net interest margin through falling rates

Historical yield and costs



	1Q19	2Q19	3Q19	4Q19	1Q20
NIM	**4.61%**	**4.39%**	**4.28%**	**4.12%**	**3.92%**
Impact of accretion and nonaccrual interest (bps)	17	17	16	21	13
Deposit Cost:					
Cost of MMDA	1.49%	1.48%	1.45%	1.29%	1.15%
Cost of customer time	2.04%	2.13%	2.13%	2.07%	1.95%
Cost of interest-bearing	1.47%	1.49%	1.47%	1.36%	1.25%
Total deposit cost	**1.14%**	**1.14%**	**1.11%**	**1.02%**	**0.94%**
Loans HFI Yield:					
Contractual interest	5.69%	5.57%	5.50%	5.27%	5.14%
Origination and other loan fee income	0.42%	0.29%	0.30%	0.26%	0.23%
Nonaccrual interest	0.01%	0.01%	0.02%	0.04%	0.02%
Accretion on purchased loans	0.20%	0.20%	0.19%	0.23%	0.14%
Syndication fee income	0.02%	0.00%	0.00%	0.00%	0.00%
Total loan (HFI) yield	**6.34%**	**6.07%**	**6.01%**	**5.80%**	**5.53%**

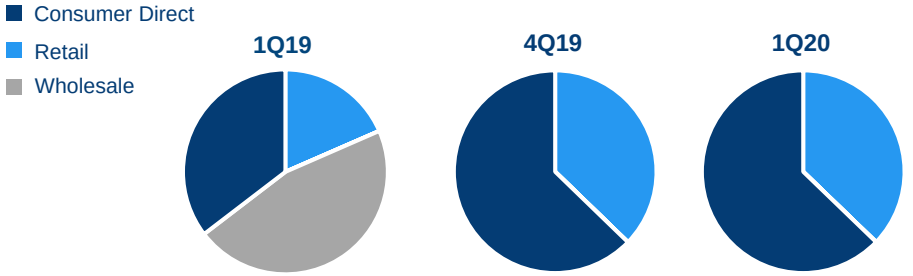
[1] Includes tax-equivalent adjustment

Mortgage operations overview

Highlights

- Record total Mortgage pre-tax contribution of $8.0mm for 1Q 2020
- Mortgage sale margins continue to be elevated due to industry capacity constraints and low interest rates
- Mortgage banking income $32.7 mm, up 55.8% from 1Q 2019 and 25.1% from 4Q 2019
- MSR hedging offset $14.9 million of the $16.1 million of MSR valuation decrease in the quarter
- 2019 mortgage restructuring allows team to capitalize on attractive rate environments while weathering downturns

Quarterly mortgage production

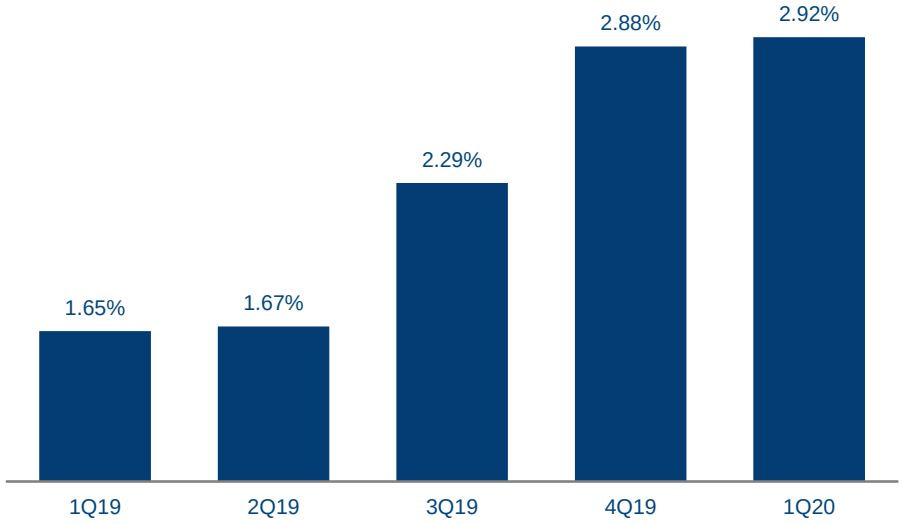


	1Q19	4Q19	1Q20
IRLC volume:	$1,365mm	$1,082mm	$2,094mm
IRLC pipeline[2]:	$493mm	$453mm	$1,085mm
Refinance %:	42%	67%	78%
Purchase %:	58%	33%	22%

Mortgage banking income ($mm)

	1Q19	4Q19	1Q20
Gain on Sale	$15.9	$31.8	$30.4
Fair value changes	$2.2	($4.3)	$3.2
Servicing Revenue	$4.8	$4.9	$5.0
Fair value MSR changes	($1.9)	($6.2)	($5.9)
Total Income	**$21.0**	**$26.2**	**$32.7**

Mortgage sale margin



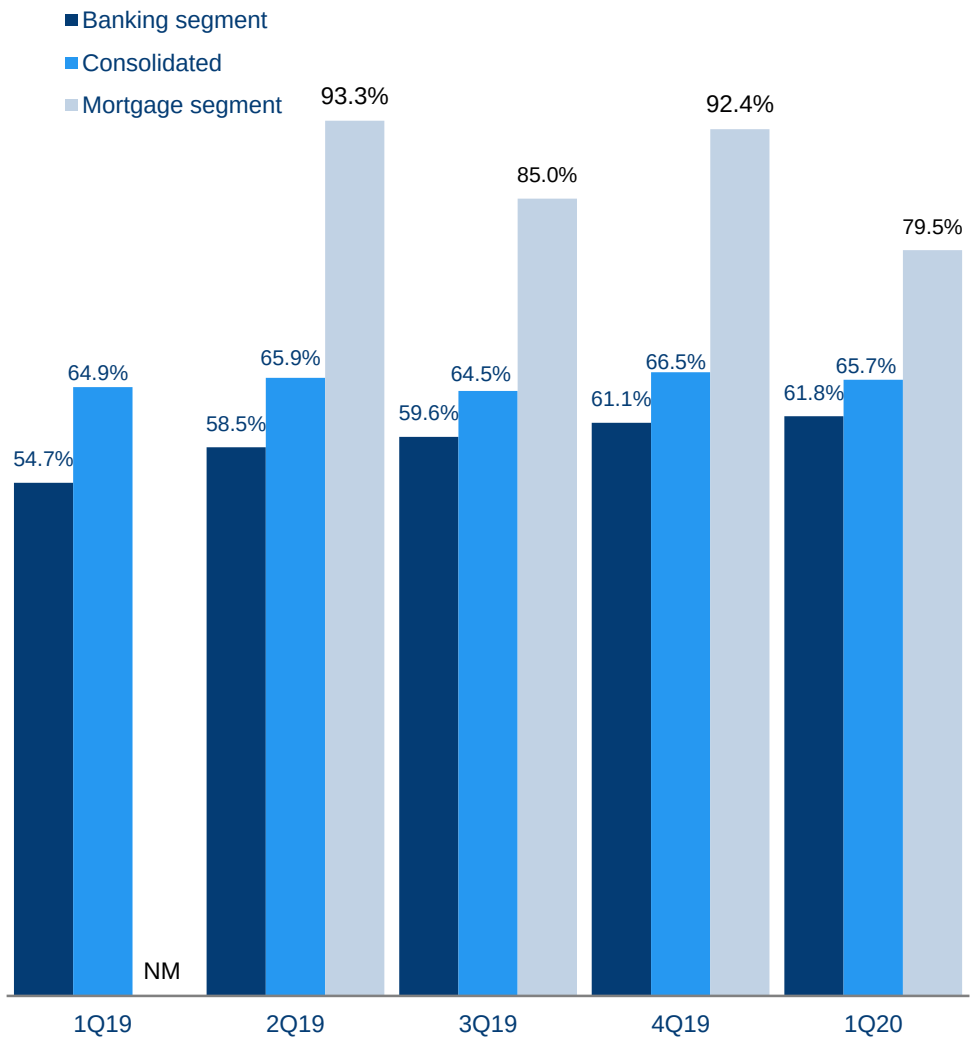
[1] See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP financial measures
[2] As of the respective period-end

Managing operating leverage

Highlights

- Consolidated 1Q 2020 core efficiency ratio[1] of 65.7%
- Integration of FNB Financial Corp acquisition underway and in line with expectations; anticipate May 2020 conversion date
- Record quarterly mortgage contribution in low rate environment
- Expense control to be a focus for 2020 with margin headwinds

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



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

Appendix

GAAP reconciliation and use of non-GAAP financial measures

Adjusted net income and diluted earnings per share

	2020	2019			
(Dollars in thousands, except share data)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Pre-tax net income	$ 825	$ 27,290	$ 31,684	$ 25,002	$ 25,563
Plus merger and mortgage restructuring expenses	3,050	686	407	4,612	1,675
Plus initial provision for credit losses on acquired loans	2,885	—	—	—	—
Adjusted pre-tax earnings	6,760	27,976	32,091	29,614	27,238
Income tax expense, adjusted	1,464	5,897	7,824	7,516	6,412
Adjusted net income	$ 5,296	$ 22,079	$ 24,267	$ 22,098	$ 20,826
Weighted average common shares outstanding- fully diluted	31,734,112	31,470,565	31,425,573	31,378,018	31,349,198
Adjusted diluted earnings per share					
Diluted earning per common share	$ 0.02	$ 0.68	$ 0.76	$ 0.59	$ 0.62
Plus merger and mortgage restructuring expenses	0.10	0.02	0.01	0.15	0.05
Plus initial provision for credit losses on acquired loans	0.09	—	—	—	—
Less tax effect	0.04	—	—	0.04	0.01
Adjusted diluted earnings per share	$ 0.17	$ 0.70	$ 0.77	$ 0.70	$ 0.66

GAAP reconciliation and use of non-GAAP financial measures

Pre-tax, pre-provision earnings and diluted earnings per share

	2020	2019			
(Dollars in thousands, except share data)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Pre-tax net income	$ 825	$ 27,290	$ 31,684	$ 25,002	$ 25,563
Plus provisions for credit losses	29,565	2,950	1,831	881	1,391
Pre-tax pre-provision earnings	30,390	30,240	33,515	25,883	26,954
Plus merger and mortgage restructuring expenses	3,050	686	407	4,612	1,675
Adjusted pre-tax pre-provision earnings	$ 33,440	$ 30,926	$ 33,922	$ 30,495	$ 28,629
Weighted average common shares outstanding-fully diluted	31,734,112	31,470,565	31,425,573	31,378,018	31,349,198
Adjusted pre-tax pre-provision diluted earnings per share					
Diluted earnings per common share	$ 0.02	$ 0.68	$ 0.76	$ 0.59	$ 0.62
Plus income tax expense	—	0.18	0.25	0.20	0.19
Plus provisions for credit losses	0.93	0.10	0.06	0.03	0.05
Pre-tax pre-provision earnings per share	$ 0.95	$ 0.96	$ 1.07	$ 0.82	$ 0.86
Plus merger and mortgage restructuring expenses	0.10	0.02	0.01	0.15	0.05
Adjusted pre-tax pre-provision earnings per share	$ 1.05	$ 0.98	$ 1.08	$ 0.97	$ 0.91

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pro forma net income and diluted earnings per share*

(Dollars in thousands, except share data)	YTD 2020	2019	2018	2017	2016
Pre-tax net income	$ 825	$ 109,539	$ 105,854	$ 73,485	$ 62,324
Plus merger, conversion, offering, and mortgage restructuring expenses	3,050	7,380	2,265	19,034	3,268
Plus initial provision for credit losses on acquired loans	2,885	—	—	—	—
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	—	(3,539)
Adjusted pre tax net income	6,760	116,919	108,119	92,519	69,131
Adjusted pro forma income tax expense	1,464	27,648	26,034	34,749	25,404
Adjusted pro forma net income	$ 5,296	$ 89,271	$ 82,085	$ 57,770	$ 43,727
Weighted average common shares outstanding-fully diluted	31,734,112	31,402,897	31,314,981	28,207,602	19,312,174
Adjusted pro forma diluted earnings per share*					
Diluted earning per share	$ 0.02	$ 2.65	$ 2.55	$ 1.86	$ 2.10
Plus merger, conversion, offering, and mortgage restructuring expenses	0.10	0.24	0.07	0.67	0.17
Plus initial provision for credit losses on acquired loans	0.09	—	—	—	—
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	—	(0.18)
Less tax effect and benefit of enacted tax laws	0.04	0.06	0.01	0.48	0.19
Adjusted pro forma diluted earnings per share	$ 0.17	$ 2.83	$ 2.61	$ 2.05	$ 2.26

**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 rate of 36.75% for the year ended December 31, 2016*

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pre-tax, pre-provision earnings and diluted earnings per share

(Dollars in thousands, except share data)	YTD 2020	2019	2018	2017	2016
Pre-tax net income	$ 825	$ 109,539	$ 105,854	$ 73,485	$ 62,324
Plus provisions for credit losses	29,565	7,053	5,398	(950)	(1,479)
Pre-tax pre-provision earnings	**30,390**	**116,592**	**111,252**	**72,535**	**60,845**
Plus merger, conversion, offering, and mortgage restructuring expenses	3,050	7,380	2,265	19,034	3,268
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	—	(3,539)
Adjusted pre-tax pre-provision earnings	$ 33,440	$ 123,972	$ 113,517	$ 91,569	$ 67,652
Weighted average common shares outstanding- fully diluted	31,734,112	31,402,897	31,314,981	28,207,602	19,312,174
Adjusted pre-tax pre-provision diluted earnings per share					
Diluted earnings per common share	$ 0.02	$ 2.65	$ 2.55	$ 1.86	$ 2.10
Plus income tax expense	—	0.82	0.83	0.75	1.13
Plus provisions for credit losses	0.93	0.23	0.17	(0.03)	(0.08)
Pre-tax pre-provision earnings per share	**0.95**	**3.70**	**3.55**	**2.58**	**3.15**
Plus merger, conversion, offering, and mortgage restructuring expenses	0.10	0.24	0.07	0.67	0.17
Less significant (losses) gains on securities, other real estate owned and other items	—	—	—	—	(0.18)
Adjusted pre-tax pre-provision diluted earnings per share	$ 1.05	$ 3.94	$ 3.62	$ 3.25	$ 3.50

GAAP reconciliation and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Total noninterest expense	$ 68,559	$ 62,686	$ 62,935	$ 64,119	$ 55,101
Less merger and mortgage restructuring expenses	3,050	686	407	4,612	1,675
Core noninterest expense	$ 65,509	$ 62,000	$ 62,528	$ 59,507	$ 53,426
Net interest income (tax-equivalent basis)	$ 56,784	$ 58,212	$ 58,769	$ 57,488	$ 53,461
Total noninterest income	42,700	35,234	38,145	32,979	29,039
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(277)	277	(82)	94	152
Less (loss) gain from securities, net	63	(18)	(20)	52	43
Core noninterest income	42,914	34,975	38,247	32,833	28,844
Core revenue	$ 99,698	$ 93,187	$ 97,016	$ 90,321	$ 82,305
Efficiency ratio (GAAP)[(a)]	69.3 %	67.5 %	65.3 %	71.2 %	67.2 %
Core efficiency ratio (tax-equivalent basis)	65.7 %	66.5 %	64.5 %	65.9 %	64.9 %

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

GAAP reconciliation and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)

(Dollars in thousands)	YTD 2020	2019	2018	2017	2016
Core efficiency ratio (tax-equivalent basis)					
Total noninterest expense	$ 68,559	$ 244,841	$ 223,458	$ 222,317	$ 194,790
Less merger, offering, and mortgage restructuring-related expenses	3,050	7,380	2,265	19,034	3,268
Less one-time equity grants	—	—	—	—	2,960
Less variable compensation charge related to cash settled equity awards	—	—	—	635	1,254
Less impairment and loss on sale of mortgage servicing rights			—	249	9,125
Core noninterest expense	$ 65,509	$ 237,461	$ 221,193	$ 202,399	$ 178,183
Net interest income (tax-equivalent basis)	56,784	227,930	205,668	156,094	113,311
Total noninterest income	42,700	135,397	130,642	141,581	144,685
Less gain (loss) on sales or write-downs of other real estate owned and other assets	(277)	441	229	110	1,179
Less gain from securities, net	63	57	(116)	285	4,407
Core noninterest income	42,914	134,899	130,529	141,186	139,099
Core revenue	$ 99,698	$ 362,829	$ 336,197	$ 297,280	$ 252,410
Efficiency ratio (GAAP)[a]	69.3 %	67.7 %	66.8 %	75.4 %	76.2 %
Core efficiency ratio (tax-equivalent basis)	65.7 %	65.4 %	65.8 %	68.1 %	70.6 %

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

GAAP reconciliation and use of non-GAAP financial measures

Segment core efficiency ratios (tax-equivalent basis)

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Banking segment core efficiency ratio (tax-equivalent basis)					
Core consolidated noninterest expense	$ 65,509	$ 62,000	$ 62,528	$ 59,507	$ 53,426
Less Mortgage segment core noninterest expense	17,567	14,956	15,686	17,835	17,486
Core Banking segment noninterest expense	$ 47,942	$ 47,044	$ 46,842	$ 41,672	$ 35,940
Core revenue	$ 99,698	$ 93,187	$ 97,016	$ 90,321	$ 82,305
Less Mortgage segment total revenue	22,110	16,193	18,455	19,119	16,658
Core Banking segment total revenue	$ 77,588	$ 76,994	$ 78,561	$ 71,202	$ 65,647
Banking segment core efficiency ratio (tax-equivalent basis)	61.8 %	61.1 %	59.6 %	58.5 %	54.7 %
Mortgage segment core efficiency ratio (tax-equivalent basis)					
Mortgage segment noninterest expense	$ 17,567	$ 14,956	$ 15,798	$ 18,664	$ 18,540
Less mortgage restructuring expense	—	—	112	829	1,054
Core Mortgage segment noninterest expense	$ 17,567	$ 14,956	$ 15,686	$ 17,835	$ 17,486
Mortgage segment total revenue	$ 22,110	$ 16,193	$ 18,455	$ 19,119	$ 16,658
Mortgage segment core efficiency ratio (tax-equivalent basis)	79.5 %	92.4 %	85.0 %	93.3 %	N/M

GAAP reconciliation and use of non-GAAP financial measures

Adjusted mortgage contribution

(Dollars in thousands)	2020 First Quarter	2019 Fourth Quarter	2019 Third Quarter	2019 Second Quarter	2019 First Quarter
Mortgage segment pre-tax net contribution (loss)	$ 4,543	$ 1,237	$ 2,657	$ 455	$ (1,882)
Retail footprint:		—		—	
Mortgage banking income	10,651	9,899	10,693	5,451	4,386
Mortgage banking expenses	7,175	8,126	8,087	4,172	2,831
Retail footprint pre-tax net contribution	3,476	1,773	2,606	1,279	1,555
Total mortgage banking pre-tax net contribution (loss)	$ 8,019	$ 3,010	$ 5,263	$ 1,734	$ (327)
Plus mortgage restructuring expense	—	—	112	829	1,054
Total adjusted mortgage banking pre-tax net contribution	$ 8,019	$ 3,010	$ 5,375	$ 2,563	$ 727
Pre-tax pre-provision earnings	$ 30,390	$ 30,240	$ 33,515	$ 25,883	$ 26,954
% total mortgage banking pre-tax pre-provision net contribution	26.4 %	10.0 %	15.7 %	6.70 %	N/M
Adjusted pre-tax pre-provision earnings	$ 33,440	$ 30,926	$ 33,922	$ 30,495	$ 28,629
% total adjusted mortgage banking pre-tax net contribution	24.0 %	9.73 %	15.8 %	8.40 %	2.54 %

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity

	2020	2019			
(Dollars in thousands, except share data)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Tangible Assets					
Total assets	$ 6,655,687	$ 6,124,921	$ 6,088,895	$ 5,940,402	$ 5,335,156
Less goodwill	174,859	169,051	168,486	168,486	137,190
Less intangibles, net	18,876	17,589	18,748	19,945	10,439
Tangible assets	$ 6,461,952	$ 5,938,281	$ 5,901,661	$ 5,751,971	$ 5,187,527
Tangible Common Equity					
Total shareholders' equity	$ 782,330	$ 762,329	$ 744,835	$ 718,759	$ 694,577
Less goodwill	174,859	169,051	168,486	168,486	137,190
Less intangibles, net	18,876	17,589	18,748	19,945	10,439
Tangible common equity	$ 588,595	$ 575,689	$ 557,601	$ 530,328	$ 546,948
Common shares outstanding	32,067,356	31,034,315	30,927,664	30,865,636	30,852,665
Book value per common share	$ 24.40	$ 24.56	$ 24.08	$ 23.29	$ 22.51
Tangible book value per common share	$ 18.35	$ 18.55	$ 18.03	$ 17.18	$ 17.73
Total shareholders' equity to total assets	11.8 %	12.4 %	12.2 %	12.1 %	13.0 %
Tangible common equity to tangible assets	9.11 %	9.69 %	9.45 %	9.22 %	10.5 %

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible common equity

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Total average shareholders' equity	$ 768,929	$ 761,949	$ 731,701	$ 708,557	$ 684,545
Less average goodwill	171,532	168,492	168,486	167,781	137,190
Less average intangibles, net	18,152	18,242	19,523	20,214	10,856
Average tangible common equity	$ 579,245	$ 575,215	$ 543,692	$ 520,562	$ 536,499
Net income	$ 745	$ 21,572	$ 23,966	$ 18,688	$ 19,588
Return on average tangible common equity	0.52 %	14.9 %	17.5 %	14.4 %	14.8 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted return on average tangible common equity

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Average tangible common equity	$ 579,245	$ 575,215	$ 543,692	$ 520,562	$ 536,499
Adjusted net income	5,296	22,079	24,267	22,098	20,826
Adjusted return on average tangible common equity	3.68 %	15.2 %	17.7 %	17.0 %	15.7 %

Adjusted return on average assets and equity

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Net income	$ 745	$ 21,572	$ 23,966	$ 18,688	$ 19,588
Average assets	6,409,417	6,157,931	5,988,572	5,771,371	5,174,918
Average equity	768,929	761,949	731,701	708,557	684,545
Return on average assets	0.05 %	1.39 %	1.59 %	1.30 %	1.54 %
Return on average equity	0.39 %	11.23 %	12.99 %	10.58 %	11.60 %
Adjusted net income	$ 5,296	$ 22,079	$ 24,267	$ 22,098	$ 20,826
Adjusted return on average assets	0.33 %	1.42 %	1.61 %	1.54 %	1.63 %
Adjusted return on average equity	2.77 %	11.5 %	13.2 %	12.5 %	12.3 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pre-tax, pre-provision return on average tangible common equity

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Average tangible common equity	$ 579,245	$ 575,215	$ 543,692	$ 520,562	$ 536,499
Adjusted pre-tax pre-provision earnings	33,440	30,926	33,922	30,495	28,629
Adjusted pre-tax pre-provision return on average tangible common equity	23.2 %	21.3 %	24.8 %	23.5 %	21.6 %

Adjusted pre-tax, pre-provision return on average assets and equity

	2020	2019			
(Dollars in thousands)	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Net income	$ 745	$ 21,572	$ 23,966	$ 18,688	$ 19,588
Average assets	6,409,417	6,157,931	5,988,572	5,771,371	5,174,918
Average equity	768,929	761,949	731,701	708,557	684,545
Return on average assets	0.05 %	1.39 %	1.59 %	1.30 %	1.54 %
Return on average equity	0.39 %	11.23 %	12.99 %	10.58 %	11.60 %
Adjusted pre-tax pre-provision earnings	$ 33,440	$ 30,926	$ 33,922	$ 30,495	$ 28,629
Adjusted pre-tax pre-provision return on average assets	2.10 %	1.99 %	2.25 %	2.12 %	2.24 %
Adjusted pre-tax pre-provision return on average equity	17.5 %	16.1 %	18.4 %	17.3 %	17.0 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pro forma return on average assets and equity

(Dollars in thousands)	YTD 2020	2019	2018	2017	2016
Pro forma net income	$ 745	$ 83,814	$ 80,236	$ 52,398	$ 39,422
Average assets	6,409,417	5,777,672	4,844,865	3,811,158	3,001,275
Average equity	768,929	723,494	629,922	466,219	276,587
Pro forma return on average assets	0.05 %	1.45 %	1.66 %	1.37 %	1.31 %
Pro forma return on average equity	0.39 %	11.60 %	12.74 %	11.24 %	14.25 %
Adjusted pro forma net income	$ 5,296	$ 89,271	$ 82,085	$ 57,770	$ 43,727
Adjusted pro forma return on average assets	0.33 %	1.55 %	1.69 %	1.52 %	1.46 %
Adjusted pro forma return on average equity	2.77 %	12.3 %	13.0 %	12.4 %	15.8 %

Adjusted pre-tax, pre-provision return on average assets and equity

(Dollars in thousands)	YTD 2020	2019	2018	2017	2016
Pro forma net income	$ 745	$ 83,814	$ 80,236	$ 52,398	$ 39,422
Average assets	6,409,417	5,777,672	4,844,865	3,811,158	3,001,275
Average equity	768,929	723,494	629,922	466,219	276,587
Pro forma return on average assets	0.05 %	1.45 %	1.66 %	1.37 %	1.31 %
Pro forma return on average equity	0.39 %	11.6 %	12.7 %	11.2 %	14.3 %
Adjusted pre-tax pre-provision earnings	$ 33,440	$ 123,972	$ 113,517	$ 91,569	$ 67,652
Adjusted pre-tax pre-provision return on average assets	2.10 %	2.15 %	2.34 %	2.40 %	2.25 %
Adjusted pre-tax pre-provision return on average equity	17.5 %	17.1 %	18.0 %	19.6 %	24.5 %