

Financial Corporation



Second Quarter 2020 Earnings Presentation

July 21, 2020

Certain statements contained in this presentation 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 a continued 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 possibility that the costs, fees, expenses, and charges related to the Franklin merger may be greater than anticipated, including as a result of unexpected or unknown factors, events, or liabilities, (10) the failure of the conditions to the Franklin merger to be satisfied, (11) the risks related to the integrations of the combined businesses following the Franklin merger, including the risk that the integration will be materially delayed or will be more costly or difficult than expected, (12) the diversion of management time on issues related to the mergers, (13) the ability of FB Financial to effectively manage the larger and more complex operations of the combined company following the Franklin merger, (14) the risks associated with FB Financial’s pursuit of future acquisitions, (15) reputational risk and the reaction of the parties’ respective customers to the mergers, (16) FB Financial’s ability to successfully execute its various business strategies, including its ability to execute on potential acquisition opportunities, (17) the risk of potential litigation or regulatory action related to the Franklin merger, and (18) general competitive, economic, political, and market conditions. Further information regarding FB Financial and factors which could affect the forward-looking statements contained herein can be found in FB Financial’s Annual Report on Form 10-K for the fiscal year ended December 31, 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 presentation, 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, adjusted allowance for credit losses, adjusted loans held for investment, and adjusted allowance for credit losses as a percentage of loans held for investment, which excludes the impact of PPP loans. 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.

Health and Safety

- No pandemic related reductions in force, and remote work environment has been effective
- Branch lobby service had been reinstated across the footprint with sneeze guards and social distancing methods in place
- Re-suspending lobby access in selected facilities as case counts rise

Liquidity

- Annualized deposit growth of 43.1% in 2Q 2020, resulting in Loans HFI / Deposits of 81.1%
- On balance sheet and contingent liquidity increased to \$4.7 billion, an increase of \$0.4 billion from March 31, 2020
- Monitoring movement of recent influx of deposits

Capital

- Total Risk Based Capital ratio increased to 13.2% as of June 30, 2020 from 12.5% as of March 31, 2020 on the strength of \$57.8 million in adjusted pre-tax, pre-provision earnings¹ for the quarter
- Increased Allowance for Credit Losses to 2.34% of Loans HFI, or 2.51% adjusted to exclude PPP loans¹
- Received investment grade rating from Kroll Bond Rating Agency

Profitability

- Mortgage continues to capitalize on low rate environment, delivered \$33.6 million in total mortgage direct contribution in the second quarter
- Cost of interest bearing deposits declined by 33 bps from 1Q 2020 to 2Q 2020
- \$560.2 million in time deposits with a weighted average cost of 1.75% mature in 2H 2020

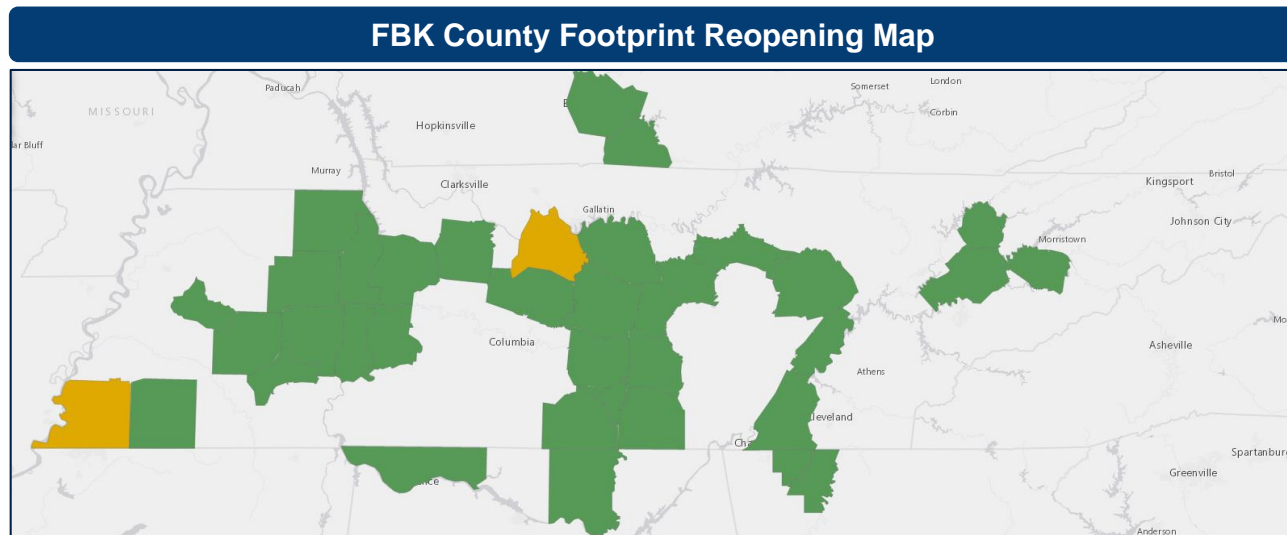
Growth

- Assessing growth opportunities while balancing capital preservation and asset quality
- Continue to prioritize serving existing customer base
- Successful in converting select prospects into customers in various markets
- Seeing anecdotal buoyancy in certain markets as re-opening efforts have been initiated

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

Markets have reopened for economic activity

Government Guidance on Economic Activity							
Market	Retail	Restaurant	Close Contact Providers	Entertainment Venues	Gyms	Mask Orders	Map Key
Tennessee ¹	Open w/ Distancing	Open w/ Distancing	Open w/ Distancing	50% Capacity	Open w/ Distancing	County by county, no mandate	Green
Georgia ²	50% Capacity	Open w/ Distancing	Open w/ Distancing	Open w/ Distancing	Open w/ Distancing	Encourages, no mandate	
Kentucky ³	50% Capacity	50% Capacity	Open w/ Distancing	50% Capacity	50% Capacity	Yes, effective July 9	Green
Alabama ⁴	50% Capacity	Open w/ Distancing	Open w/ Distancing	50% Capacity	50% Capacity	Yes, effective July 7	Green
Davidson County ⁵	75% Capacity	50% Capacity	50% Capacity	Open w/ Distancing	50% Capacity	Yes, effective June 28	Yellow
Shelby County ⁶	50% Capacity	Open w/ Distancing	Open w/ Distancing	Open, 18 ft of Distance	50% Capacity	Yes, effective July 3	Yellow



¹ Source: tn.gov/governor/covid-19. Tennessee Pledge ² Source: georgia.org/covid19bizguide#other. Governor Kemp's Statewide Executive Order: Guidelines for Businesses. ³ Source: govstatus.egov.com. Healthy at Work – Reopening Kentucky. ⁴ Source: alabamapublichealth.gov. Order of the State Health Officer Amended June 30, 2020. ⁵ Source: huschblackwell.com. Tennessee: State-by-State COVID-19 Guidance July 3, 2020 ⁶ Source: shelbycountyn.gov. Public Health Directive Updated July 9, 2020.

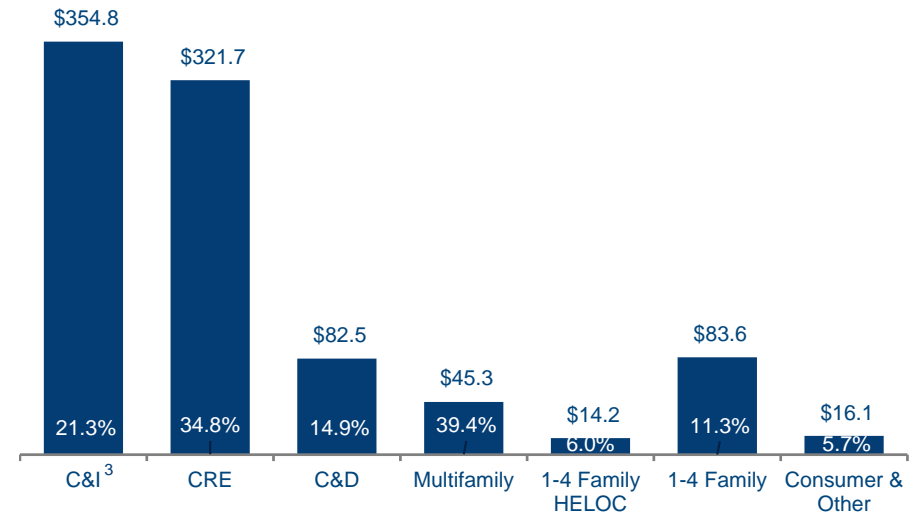
Color from the field

- “On the whole, our market is performing well. We do a fair amount of business with trucking operators, which we view as a leading indicator of the economy. May was a down month for that group, but they have bounced back and are near full capacity in June and July. Homebuilders in our area are also having solid years. Our C&I clients are generally performing well and are cautiously optimistic, but they are continuing to build liquidity in the face of uncertainty. Our hospitality loans are still dealing with a lack of travel, but we’re not seeing any signs of permanent weakness there yet.” – Jim Mosby, Nashville Regional President
- “The East Region is doing well. We are seeing continued demand on real estate transactions that have had prior momentum, but less demand for new business as prospecting meetings have been hampered by work from home policies. On the credit side, we did a survey for all of our clients above \$250 thousand in balances that received either stimulus money or a deferral. The strong majority of those customers thought that things would be fine, and many took the funding as a security blanket and they were facing uncertain times. As PPP and stimulus money starts to run out, we are increasingly monitoring those smaller credits that have had to rely on the government aid.” – Nathan Hunter, East Tennessee Regional President
- “The Region has performed well in the first half of 2020. Loan demand continues to be solid across the footprint, with real estate as the top area of demand in most markets, particularly the smaller markets. Deposit production has remained robust in all markets, in part due to some clients postponing planned expansions and equipment purchases because of the current state of economic uncertainty. Competition for stronger credits is fierce, and we are winning our share of these deals but remain unwilling to sacrifice prudent underwriting standards in the process. Reasonable competition on pricing is acceptable and necessary; however, losing our credit discipline is not an option.” – David Burden, West Tennessee Regional President
- “Our customers are optimistic and generally are having good years. Loan demand remains active and strong, but we’re not seeing many large deals. COVID has not impacted our area of Tennessee as much as some of the larger metropolitan markets. We are still waiting to see if we’ll be more impacted, but generally the portfolio is performing very well.” – Troy Martin, South Central Tennessee Area President
- “Loan demand is good for small to mid-size deals. Our customers are optimistic, and economic activity has remained robust in Huntsville and Northwest Alabama. Despite a good market backdrop, prospecting efforts have been somewhat impacted by the lack of ability to have face-to-face meetings, and we are getting a few regrettable payoffs as customers sell buildings / properties due to the lack of inventory in our footprint. I would expect a steady second half for us.” – Mike McCrary, North Alabama Area President

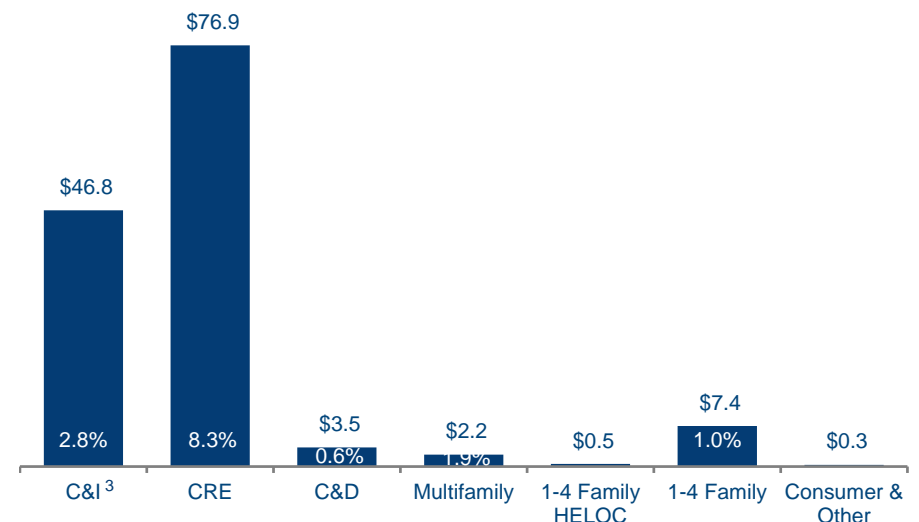
Deferral programs

- First deferral held no requirements; granting of second deferrals are being decided on a case-by-case basis
- Standard consumer loan received 2-payment relief; standard commercial loan received 90 day principal and interest forbearance; relationship managers had authority to offer plans that varied from the standard
- Continuing to monitor as first deferral periods expire
- Working with customers in industries disproportionately affected by social distancing restrictions, including hospitality and restaurants
- Of \$918 million loans given a first deferral, approximately 61% are still in the first deferral period
- Approximately 15% of loans initially deferred have requested and been approved for a second deferral
- Approximately 5.5% of loans held in our mortgage servicing portfolio were in forbearance as of June 30, 2020

Total first deferrals by type (\$918 million¹)



Second deferrals by type (\$138 million²)



¹ Balances based on deferral participants' loan balances outstanding as of June 30, 2020. %'s are deferrals as a percentage of total outstanding balances in each reporting category as of June 30, 2020.

² Balances based on deferral participants' as of July 15, 2020 and loan balances outstanding as of June 30, 2020. %'s are deferrals as a percentage of each reporting category as of June 30, 2020.

³ Includes owner-occupied CRE, excludes PPP loans.

Key highlights

- Originated and funded \$314.7 million in Paycheck Protection Program loans, expected to create \$5.5 million¹ in fee income over the remaining life of the loans
- Increased on-balance sheet liquidity to 14.0% of tangible assets from 12.0% in 1Q 2020; lowered loans HFI / deposits to 81.1%
- Additional provisioning increased Adjusted ACL / Gross Loans HFI (excluding PPP loans)² of 2.51%
- Adjusted pre-tax, pre-provision earnings² of \$57.8 million, up 73.0% over 1Q 2020, resulting in adjusted pre-tax, pre-provision ROAA² of 3.29%
- Continued customer-focused balance sheet growth resulting in a net interest margin of 3.50% for 2Q 2020
 - Contractual yield on loans of 4.57%, down 39 bps from 1Q 2020; PPP loans had an 18 bps impact on contractual yield
 - Cost of total deposits of 0.65%, down 29 bps from 1Q 2020
- Total pre-tax mortgage contribution of \$33.6 mm in 2Q 2020
- Customer deposits grew to \$5.94 bn, a 43.6% annualized increase from 1Q 2020
 - 23.4% year-over-year growth
- Loans (HFI) of \$4.83 bn, a 22.8% annualized increase from 1Q 2020
 - 5.2% year-over-year growth, excluding impact of \$314.7 million in PPP loans
- Received shareholder approval on Franklin Financial Network acquisition on June 15, 2020

¹ Fee income is net of 3rd party origination fees and allocated deferred salaries and incentives.

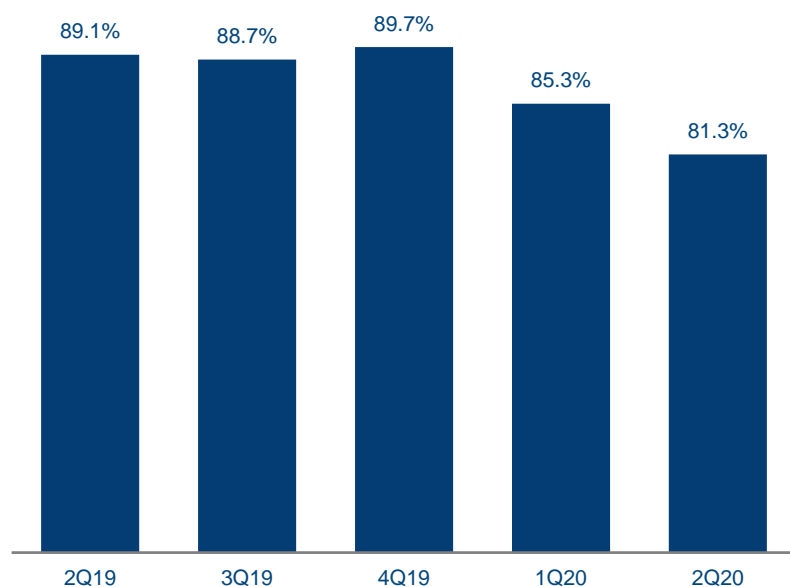
² Results are non-GAAP financial measures that adjust GAAP reported net income, total assets, equity and other metrics for certain intangibles, income and expense items as outlined in the non-GAAP reconciliation calculations, using a combined marginal income tax rate of 26.06% excluding one-time items. See “Use of non-GAAP financial measures” and the Appendix hereto for a discussion and reconciliation of non-GAAP financial measures.

Financial results

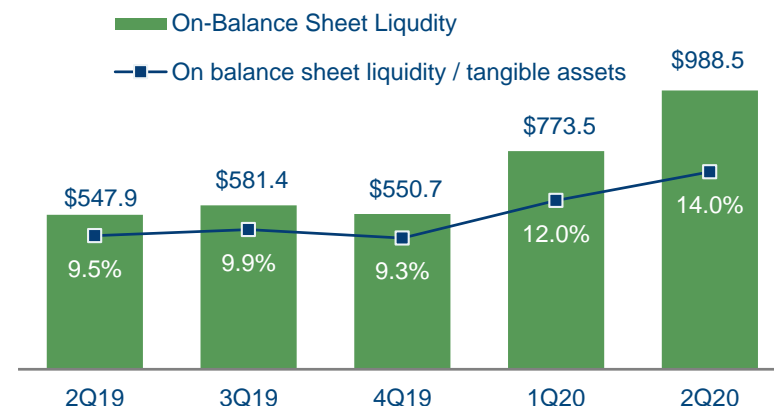
	2Q 2020
Diluted earnings per share	\$0.70
<i>Adjusted diluted earnings per share²</i>	<i>\$0.74</i>
Net income (\$mm)	\$22.9
<i>Adjusted net income² (\$mm)</i>	<i>\$24.1</i>
Return on average assets	1.30%
Return on average equity	11.6%
Adjusted pre-tax, pre-provision earnings ² (\$mm)	\$57.8
Adjusted pre-tax, pre-provision return on average assets ²	3.29%
Adjusted pre-tax, pre-provision return on average tangible common equity ²	38.6%
Net interest margin	3.50%
<i>Impact of accretion and nonaccrual interest (bps)</i>	<i>7</i>
Efficiency ratio	58.9%
<i>Core efficiency ratio²</i>	<i>57.5%</i>
Tangible common equity / tangible assets ²	8.7%

- Customer deposit base has seen consistent growth in balances over the past 12 months and remains a stable base of funding and liquidity
- 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
- Monitoring movement of recent influx of deposits

Loans HFI / Customer Deposits



On Balance Sheet Liquidity

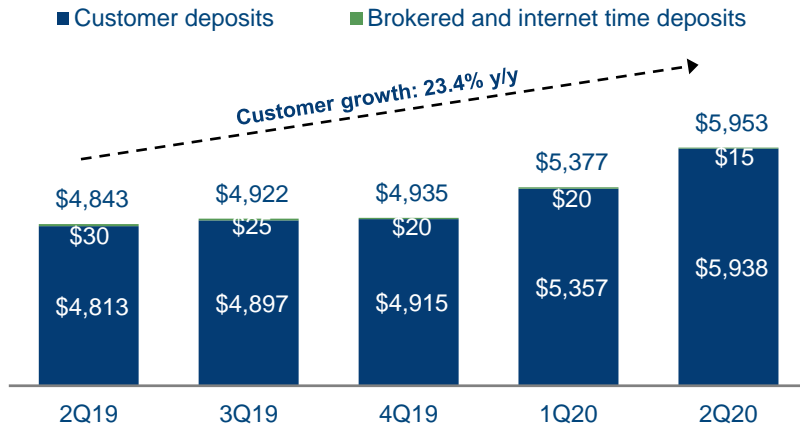


Sources of Liquidity

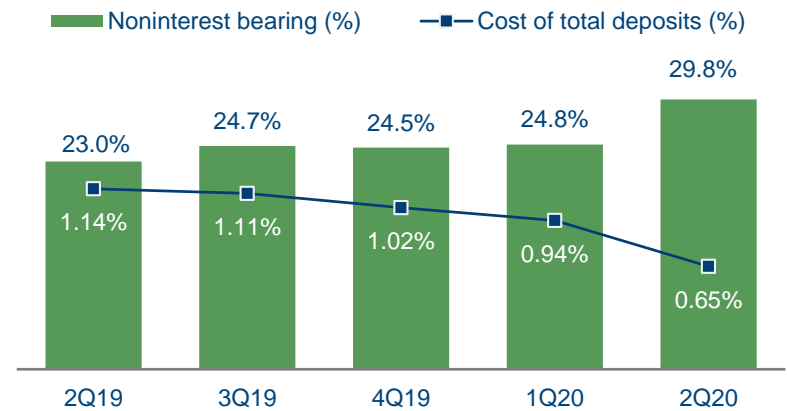
2Q 2020	
Current On-Balance Sheet:	
Cash and Equivalents	\$717.6
Unpledged Securities	266.6
Equity Securities	4.3
Total On-Balance Sheet	\$988.5
Available Sources of Liquidity:	
Brokered CDs and Unsecured Lines	\$2,083.0
FHLB	524.7
Discount Window	1,055.3
Total Available Sources	\$3,663.0

Core deposit franchise provides stable liquidity

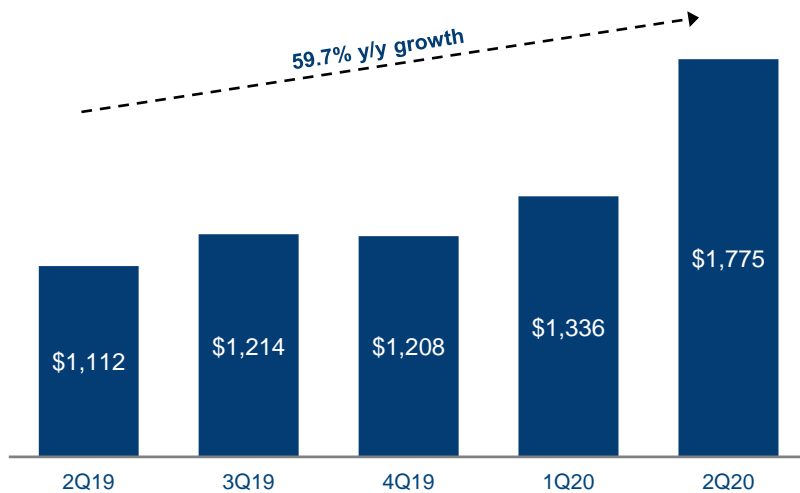
Total deposits (\$mm)



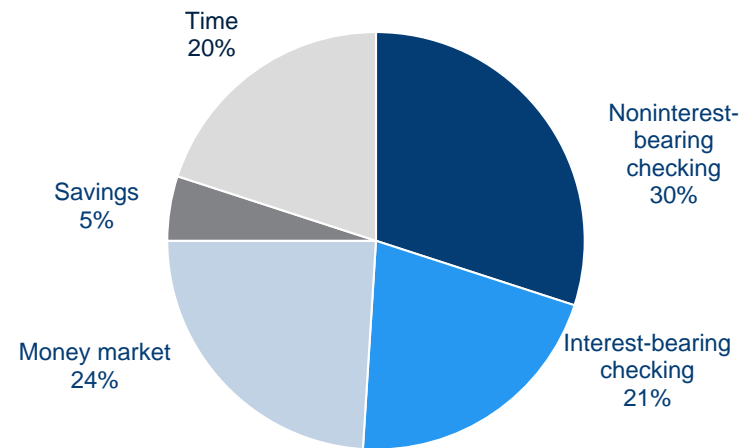
Cost of deposits



Noninterest bearing deposits¹ (\$mm)



Deposit composition



51% Checking accounts

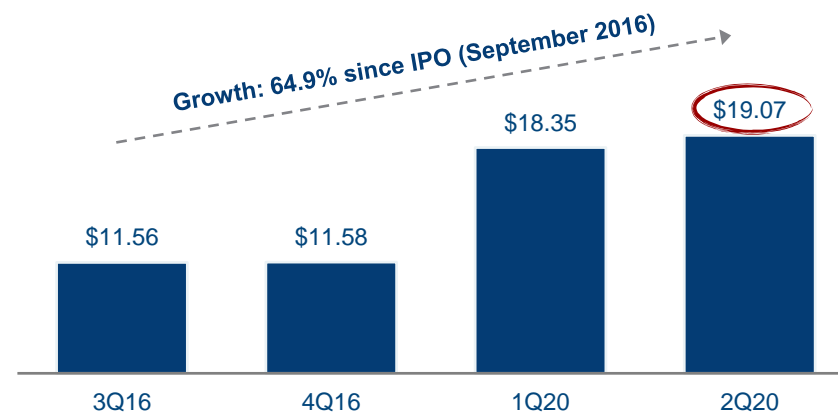
¹ Includes mortgage servicing-related deposits of \$70.4mm, \$121.4mm, \$92.6mm, \$110.1mm and \$149.1mm for the quarters ended June 30, 2019, September 30, 2019, December 31, 2019, March 31, 2020 and June 30, 2020, respectively.

Well-capitalized headed into recession

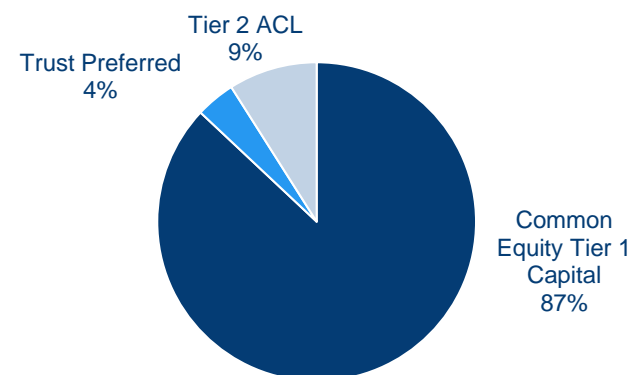
Capital position

	2Q19	1Q20 ²	2Q20 ^{1,2}
Shareholder's equity/Assets	12.1%	11.8%	11.1%
TCE/TA²	9.2%	9.1%	8.7%
Common equity tier 1/Risk-weighted assets	10.4%	11.0%	11.4%
Tier 1 capital/Risk-weighted assets	11.0%	11.6%	11.9%
Total capital/Risk-weighted assets	11.6%	12.5%	13.2%
Tier 1 capital /Average assets	10.0%	10.3%	9.7%
C&D loans subject to 100% risk-based capital threshold ⁴	92%	86%	75%
CRE loans subject to 100% risk-based capital threshold ⁴	267%	231%	215%

Tangible book value per share³



Simple capital structure

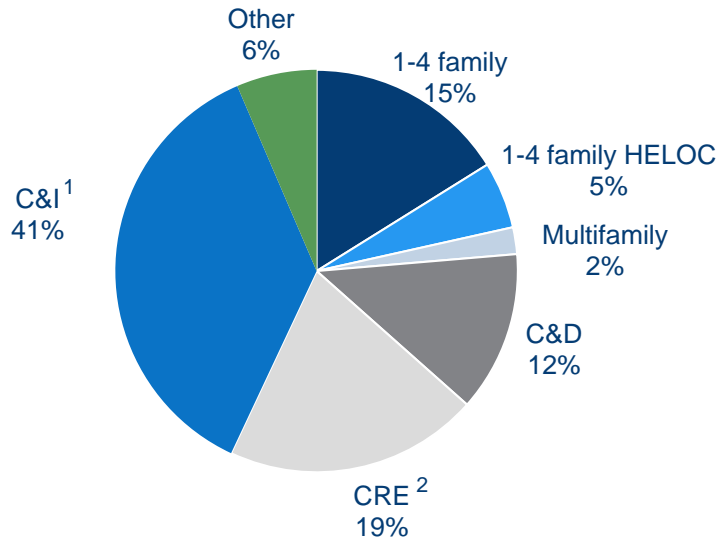


Total regulatory capital **\$736¹ mm**

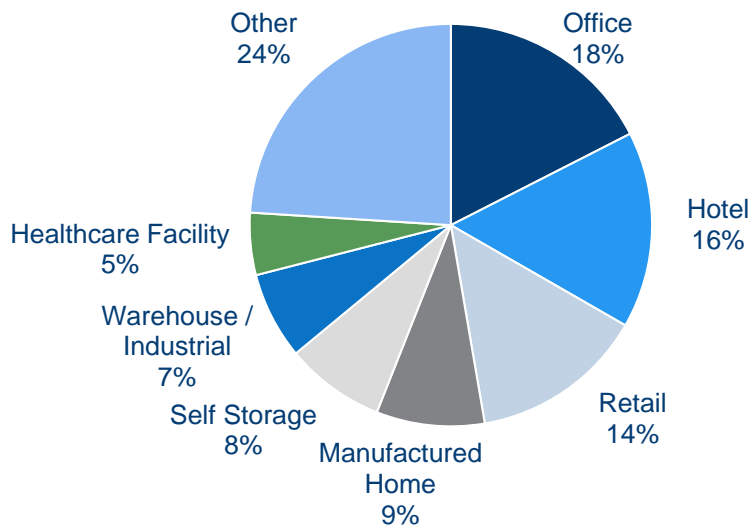
¹ Total regulatory capital, FB Financial Corporation. 2Q 2020 calculation is preliminary and subject to change. ² For regulatory capital purposes, the CECL impact over 2020 and 2021 is gradually phased-in from Common Equity Tier 1 Capital to Tier 2 capital. As of March 31 2020 and June 30, 2020, respectively, \$31.8 million and \$37.8 million are being added back to CET 1 and Tier 1 Capital, and \$37.7 million and \$43.7 million are being taken out of Tier 2 capital. ³ See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

⁴ Risk-based capital at FirstBank as defined in Call Report.

Portfolio mix



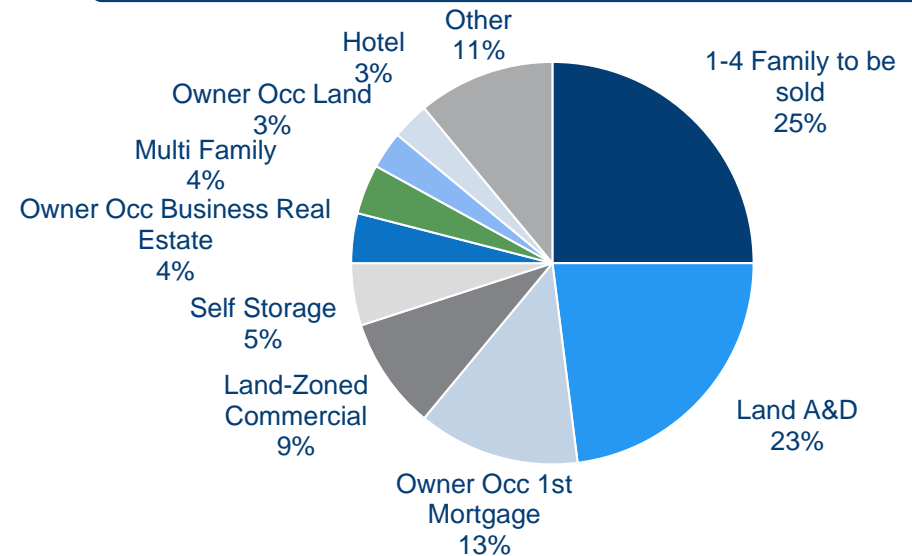
CRE² exposure by collateral



C&I¹ exposure by industry

	Balance Ex. PPP				PPP Loans
	C&I	CRE-OO	Total	% of Total	
Real Estate Rental and Leasing	\$ 278.7	\$ 97.2	\$ 375.9	22.7%	\$ 11.5
Retail Trade	65.3	101.1	166.4	10.0%	23.3
Wholesale Trade	100.3	41.8	142.1	8.6%	24.6
Finance and Insurance	125.5	14.6	140.1	8.4%	7.0
Health Care and Social Assistance	52.8	76.8	129.6	7.8%	41.6
Manufacturing	70.7	56.4	127.1	7.7%	44.6
Other Services (except Public Administration)	16.8	78.3	95.1	5.7%	17.0
Accommodation and Food Services	23.7	53.3	76.9	4.6%	15.3
Transportation and Warehousing	51.2	13.3	64.5	3.9%	11.8
Arts, Entertainment and Recreation	27.4	35.2	62.7	3.8%	7.4
Construction	37.3	26.1	63.3	3.8%	39.0
Professional, Scientific and Technical Services	22.6	16.9	39.5	2.4%	29.8
Information	18.1	12.9	30.9	1.9%	3.9
Other	84.8	59.2	144.0	8.7%	37.9
Total	\$ 975.0	\$ 683.2	\$ 1,658.2	100.0%	\$ 314.7

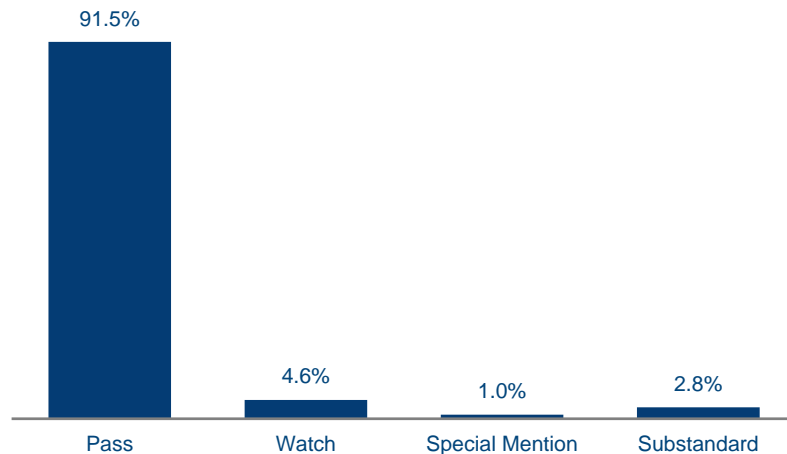
C&D exposure by collateral



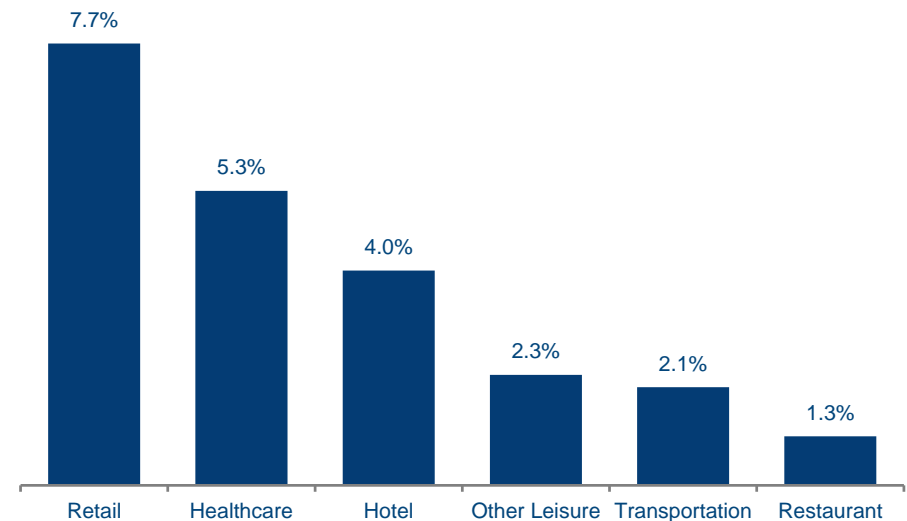
¹ C&I includes owner-occupied CRE. PPP Loans comprise 16% of C&I loans, or 7% of gross loans (HFI). ² Excludes owner-occupied CRE.

- Concentrations representative of community bankers serving customers across our communities
- Focused on in-market relationship banking
- Trends better than expected to date as markets reopened in late April / early May, continue monitoring in light of COVID case increases
- Limited SNC exposure overall at 3 credits less than \$100 million in aggregate, and none are in these industries of concern
- Summary: While satisfactory to date, continue to monitor closely

Industries of concern credit quality



Industry exposures / gross loans (HFI)



Deferral participants

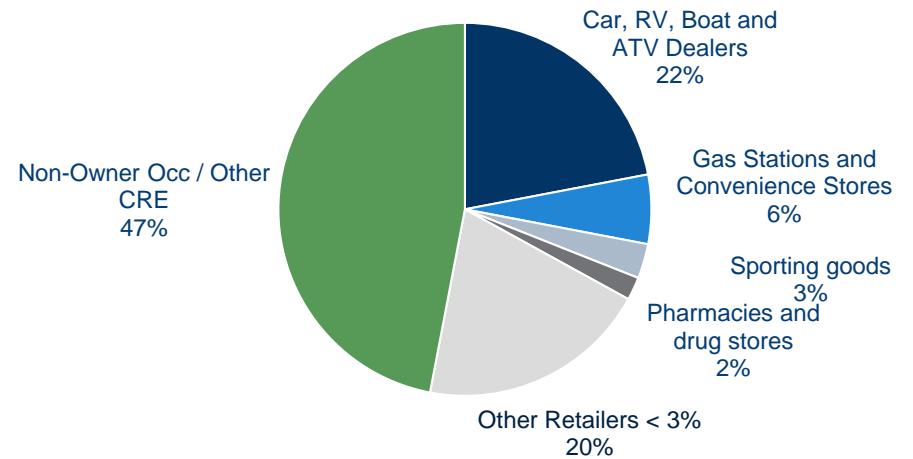
	First Deferrals		Second Deferrals	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
Retail	117	\$ 142.2	12	\$ 20.8
Healthcare	85	41.4	4	3.7
Hotel	53	146.6	19	57.4
Other Leisure	36	39.0	5	9.9
Transportation	114	10.7	5	0.8
Restaurant	75	43.8	6	7.1
Total Industries of Concern	480	\$ 423.7	51	\$ 99.8
Other Loans HFI	1,472	494.6	43	37.8
Total Loans HFI	1,952	\$ 918.3	94	\$ 137.6
Industries of Concern / Total	24.6%	46.1%	54.3%	72.5%

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

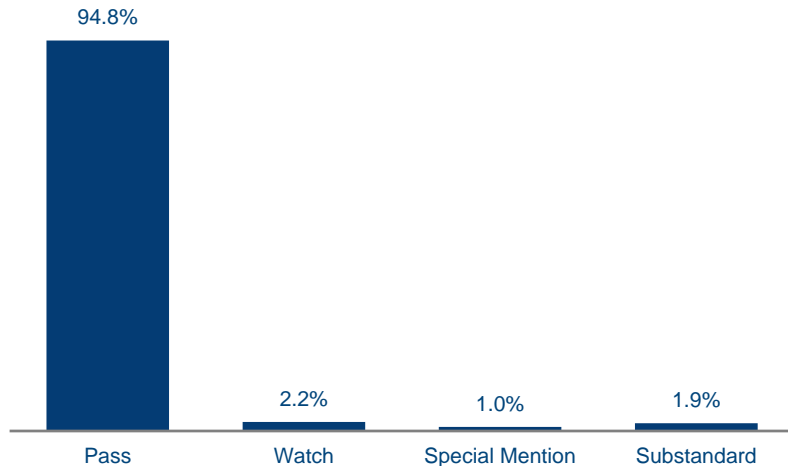
Retail portfolio – 7.7% of gross loans HFI

- 53% C&I / CRE-OO and 47% CRE Non-OO and Other
- CRE Non-owner occupied and Other
 - Generally smaller strip centers with backing of good guarantors; largest single loan <\$8 million
 - High level of tenants paying as agreed; those not paying are working with our borrowers in developing payment plans as locales have reopened
 - Summary: Continue to monitor for issues, so far continued satisfactory performance
- C&I / CRE-OO portfolio
 - Auto dealerships are weathering the downturn; limited supply creating shortages in inventory
 - Summary: Satisfactory performance, continue to monitor, especially regarding reopening trends

Portfolio overview



Credit quality



Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

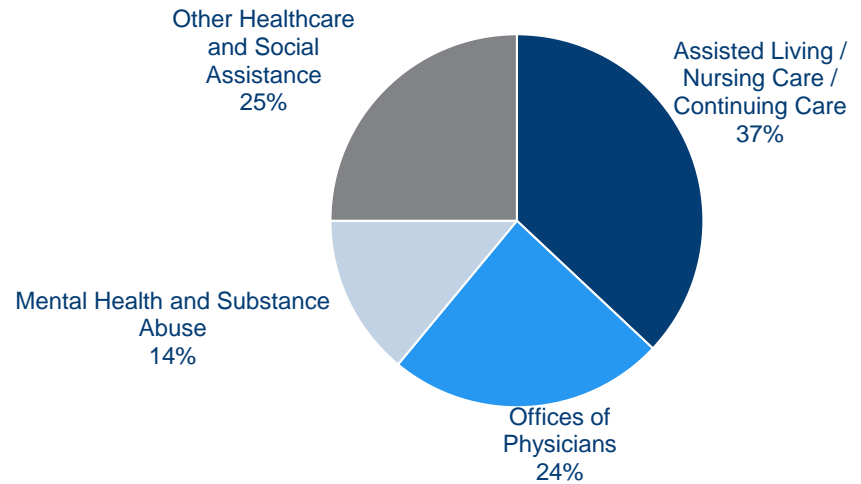
Deferral participants

	First Deferral		Second Deferral	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
CRE Non-OO and Other	55	\$ 82,448	9	\$ 17,605
C&I and CRE-OO:				
Car, RV, Boat & ATV Dealers	15	\$ 43,285	-	\$ -
Gas Stations and C-Stores	7	3,394	-	-
Pharmacies & Drug Stores	2	1,040	-	-
Sporting Goods	1	88	-	-
Other Miscellaneous Retailers	37	11,964	3	3,178
Total C&I and CRE-OO	62	\$ 59,771	3	\$ 3,178
Total Retail Exposure	117	\$ 142,218	12	\$ 20,783

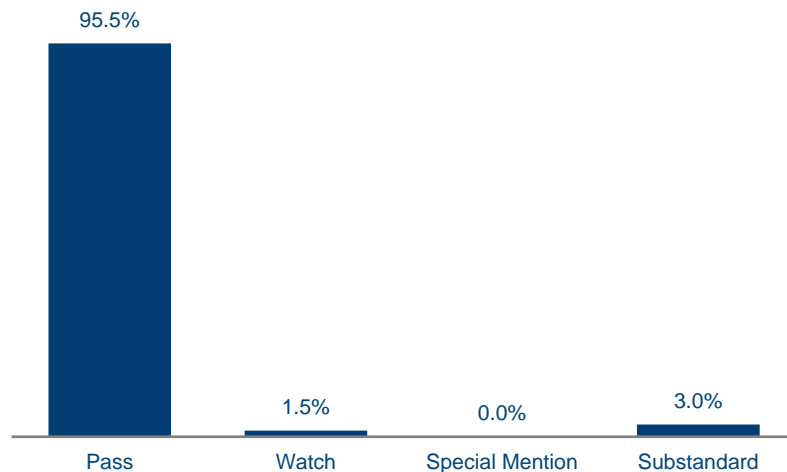
Healthcare portfolio – 5.3% of loans HFI

- Assisted Living / Nursing Care continues to perform well; no known COVID-19 outbreaks at this time
- Offices of Physicians benefitted from the majority of our markets reopening in late April / early May
- Summary: Satisfactory performance to date, continue to monitor

Portfolio overview



Credit quality



Deferral participants

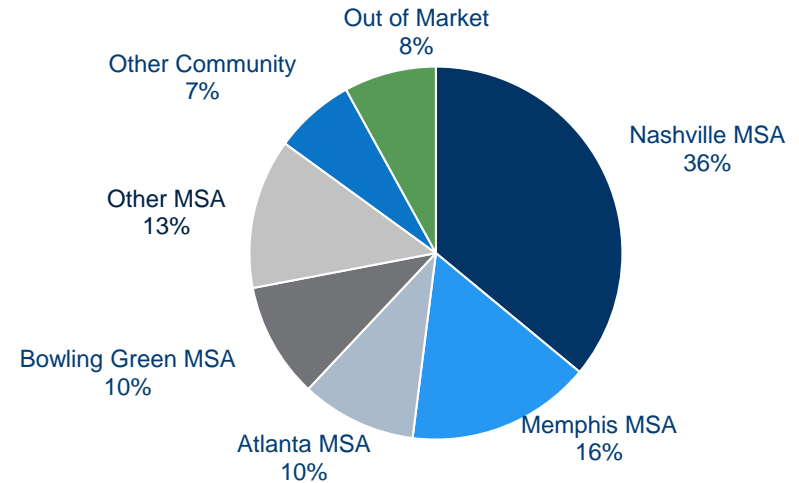
	First Deferral		Second Deferral	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
Assisted Living / Nursing Care / Continuing Care	-	\$ -	-	\$ -
Offices of Physicians	74	27,938	4	3,708
Mental Health and Substance Abuse	4	5,747	-	-
Other Healthcare and Social Assistance	7	7,713	-	-
Total Healthcare and Social Assistance	85	\$ 41,398	4	\$ 3,708

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

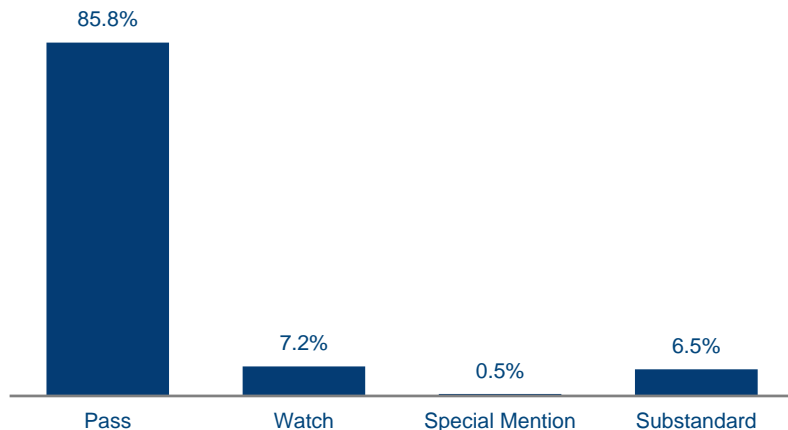
Hotel portfolio – 4.0% of gross loans HFI

- Occupancy rates vary widely across footprint, with Nashville hotels at approximately 30% - 40%, while other geographies are as high as 80%
- Reports from operators reference leisure properties lead the way, Thursday through Sunday business has picked up
- Confident in the underwriting of our portfolio and the strength of our borrowers
- Two legacy credits acquired in prior acquisitions totalling \$4.8 million in outstanding balances accounted for the majority of the increase in substandard loans between 1Q 2020 and 2Q 2020. One other legacy property, highlighted in prior earnings call, continues to be reflected within substandard category with significant reserves recorded
- 53 first deferral participants as of June 30th with \$147 million outstanding; 19 second deferral participants as of July 15th with \$57 million in outstanding balances
- Summary: Continue to remain concerned about the space, with heavy attention from our teams

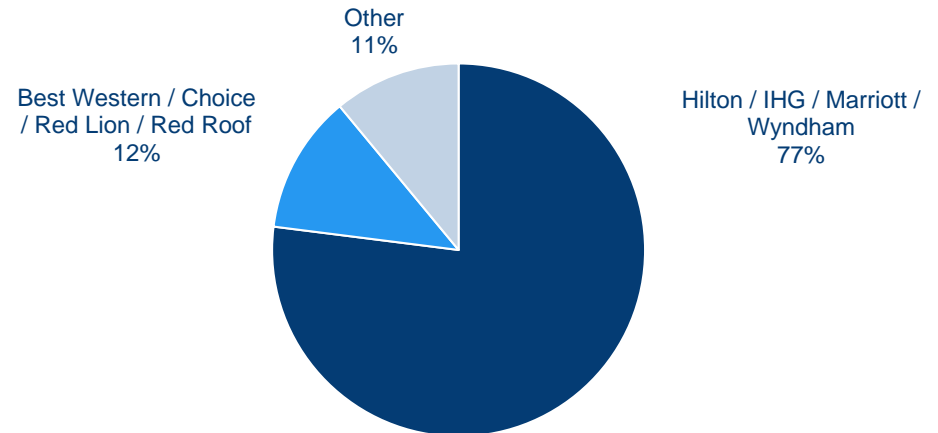
Outstanding by location



Credit quality



Outstanding by flag

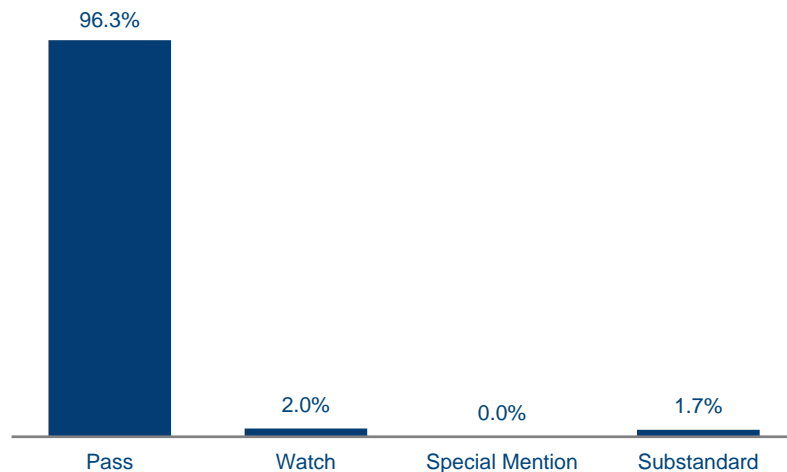


Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

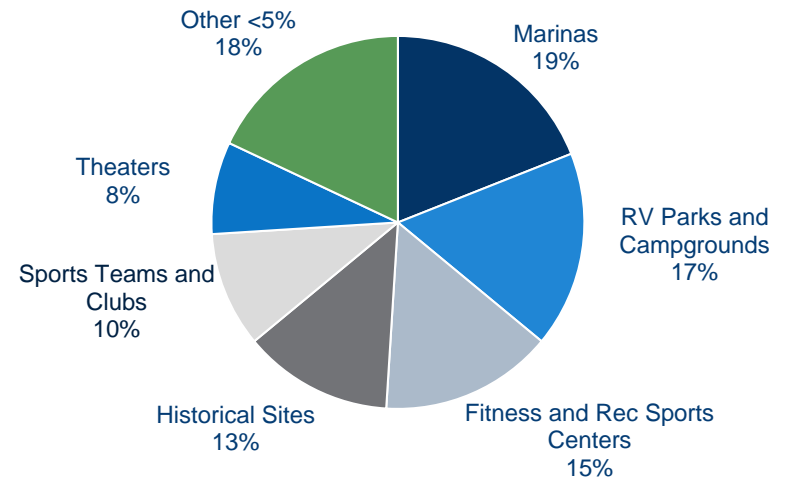
Other Leisure – 2.3% of gross loans HFI

- Confidence in portfolio due to current performance and strong guarantors
- Certain categories, such as marinas, have actually benefitted from current backdrop as safe recreational activities are sought
- Exercise operators report improved results since re-openings
- Discussions with clients associated with professional sports or theater operators indicate plans to perform as agreed upon coming out of deferral periods, including specific identified capital calls
- Summary: Satisfactory performance, continue to monitor

Credit quality



Portfolio overview



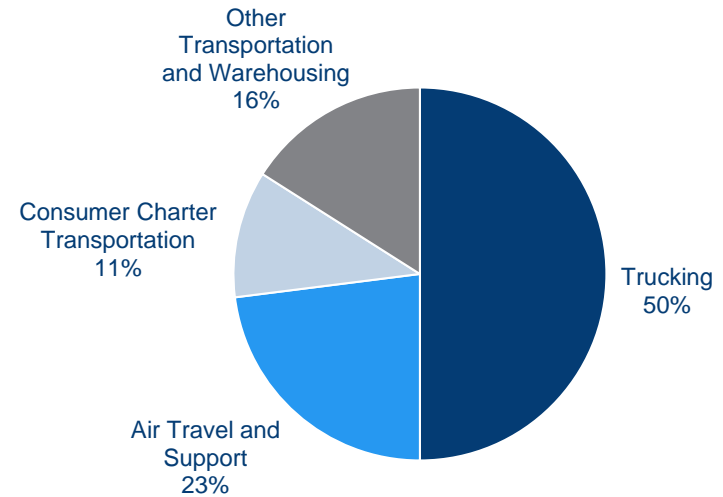
Deferral participants

	First Deferral		Second Deferral	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
Marinas	4	\$ 13,980	3	\$ 8,005
RV Parks and Campgrounds	3	1,768	-	-
Fitness and Recreational Sports Centers	7	5,510	-	-
Historical Sites	-	-	-	-
Sports Teams and Clubs	-	-	-	-
Theaters	4	9,444	-	-
Other	18	8,277	2	1,902
Total Other Leisure	36	\$ 38,978	5	\$ 9,908

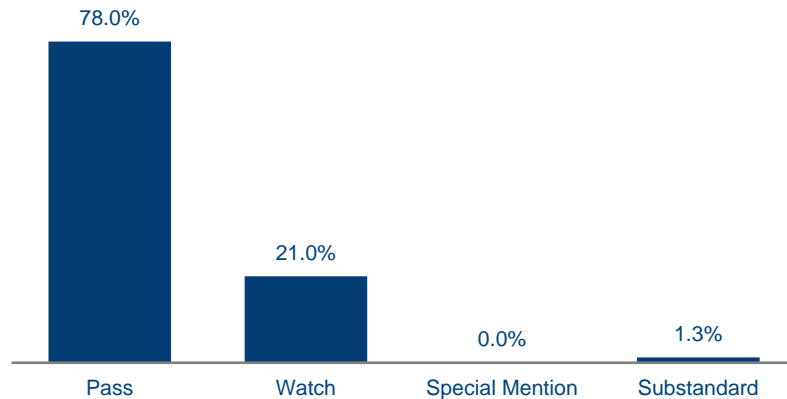
Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

- Overall satisfactory performance
- Larger operators are improving
- One small trucking operator with <\$1.5 million in outstandings filed for bankruptcy during the quarter
- Summary: Overall acceptable results, monitoring for potential impact to smaller operators

Portfolio overview



Credit quality



Deferral participants

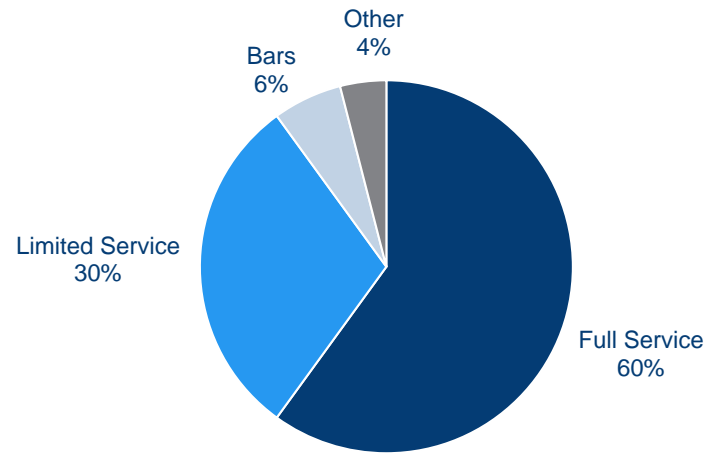
	First Deferral		Second Deferral	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
Trucking	97	\$ 9,606	-	\$ -
Air Travel and Support	-	-	-	-
Consumer Charter Transportation	5	832	5	832
Other	12	284	-	-
Total Transportation and Warehousing	114	\$ 10,722	5	\$ 832

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 due to inclusion of non-owner occupied and other balances as well as additional tangential exposures.

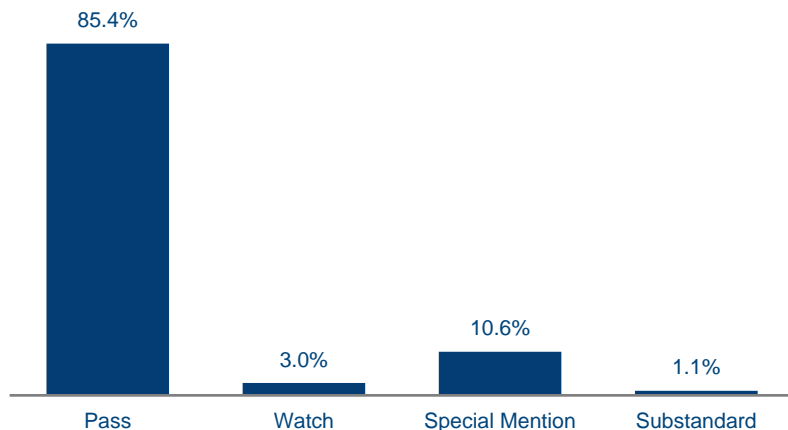
Restaurant – 1.3% of gross loans HFI (ex. PPP)

- Overall satisfactory performance
- Quick service seeing satisfactory results with drive through model
- Full service impacted more heavily given costs to re-open and concerns regarding potential further shut-downs. Portfolio in this category benefit from backing of guarantors
- Largest exposure (\$3.9 million) is to an operator currently benefitting from their model, which is a combination of fast casual and bar service
- Summary: Satisfactory performance to date; continue to be concerned about this space as operators face re-engineering their models long-term
- Not included in this exposure disclosure is a diversified food company which also has certain retail outlets, exposure ~\$25M; relationship accepted first deferral and not currently performing to par

Portfolio overview



Credit quality



Deferral participants

	First Deferral		Second Deferral	
	6/30/20 Participants	6/30/20 Balances	7/15/20 Participants	6/30/20 Balances
Full Service Restaurants	40	\$ 25,570	5	\$ 6,326
Limited-Service Restaurants	26	15,711	1	800
Bars	6	2,122	-	-
Other	3	379	-	-
Total Restaurants	75	\$ 43,782	6	\$ 7,126

Note: Exposures included will differ from "C&I Exposure by Industry" table on slide 11 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 a blend of Moody's economic scenarios from June 20, 2020, with resulting key economic data summarized below:

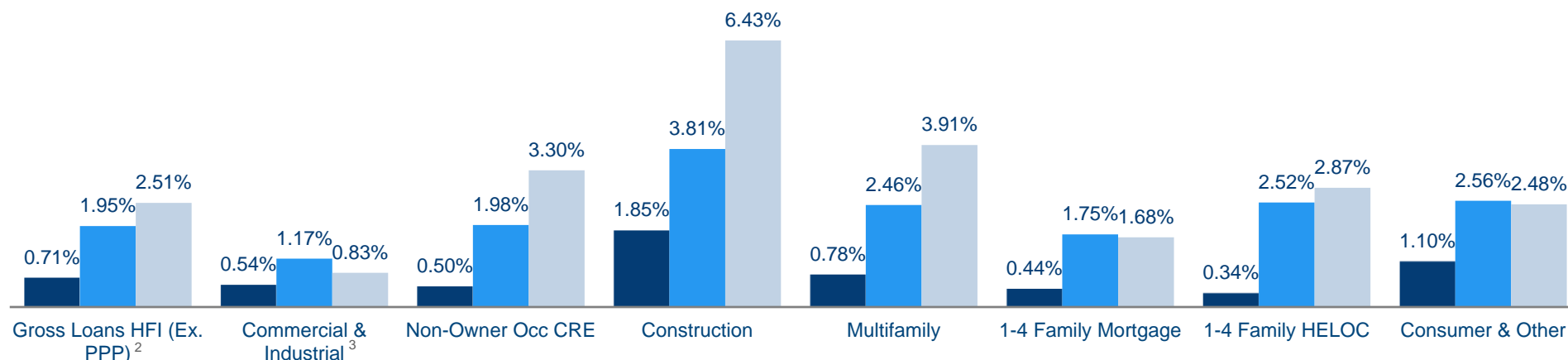
	FQE,			FYE 12/31,			
	3Q 2020	4Q 2020	1Q 2021	2020	2021	2022	2023
GDP (bcw\$)	\$ 18,243.7	\$ 18,387.1	\$ 18,533.1	\$ 18,260.8	\$ 18,919.8	\$ 20,040.0	\$ 20,830.4
Annualized % Change	19.8%	3.2%	3.2%	(4.3%)	3.6%	5.9%	4.0%
Total Employment (millions)	142.2	143.0	143.6	143.2	145.2	149.7	153.9
Unemployment Rate	9.0%	8.9%	8.7%	8.8%	8.0%	6.0%	4.4%
CRE Price Index	248.975	243.6	243.475	243.6	269.35	308.4	340.425
NCREIF Property Index: Rate of Return	(14.4%)	5.9%	1.2%	(3.7%)	3.2%	4.4%	3.2%

- Key changes to economic assumptions from the prior quarter include:

- CRE Price Index declining: Current 2021 estimate of 269.4 compares to 284.7 in 1Q 2020 CECL model
- Unemployment Rate increasing: Current 2021 estimate of 8.0% compares to 6.6% in 1Q 2020 CECL model

ACL / Loans HFI by Category

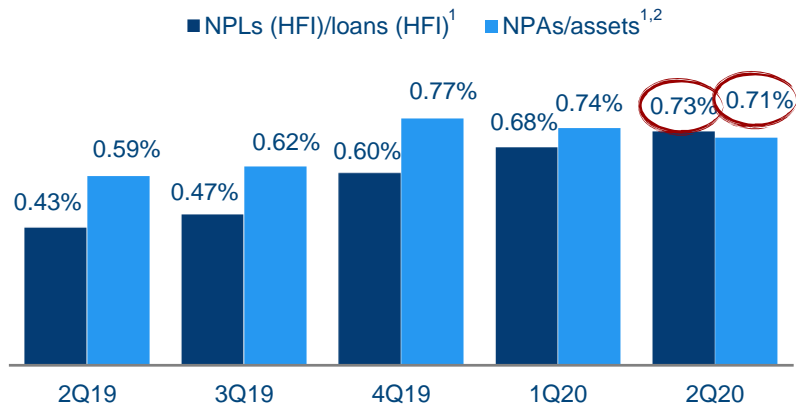
■ 4Q 2019 ■ 1Q 2020 ■ 2Q 2020



¹Source: Moody's "June 2020 U.S. Macroeconomic Outlook Baseline and Alternative Scenarios Updated". ² See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures. ³ Commercial and Industrial includes \$314.7 million in PPP loans, which has a 15 bps impact on June 30, 2020 ACL / Loans HFI.

Asset quality remains solid

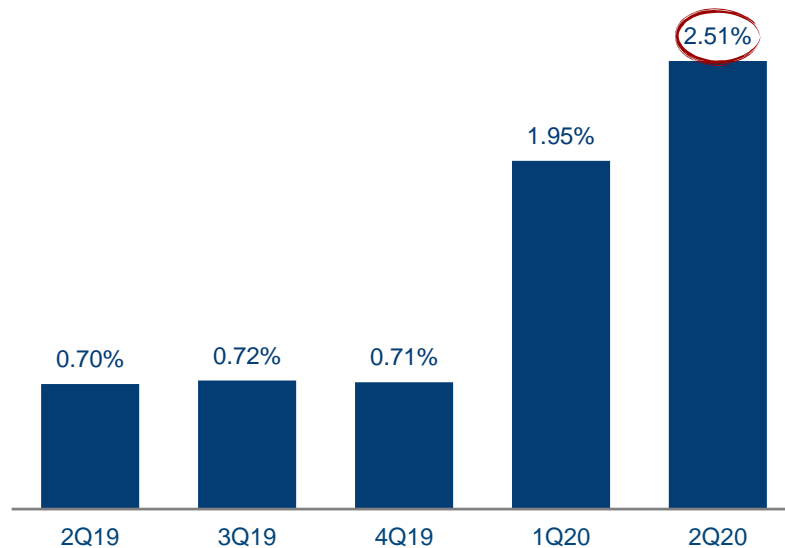
Nonperforming ratios



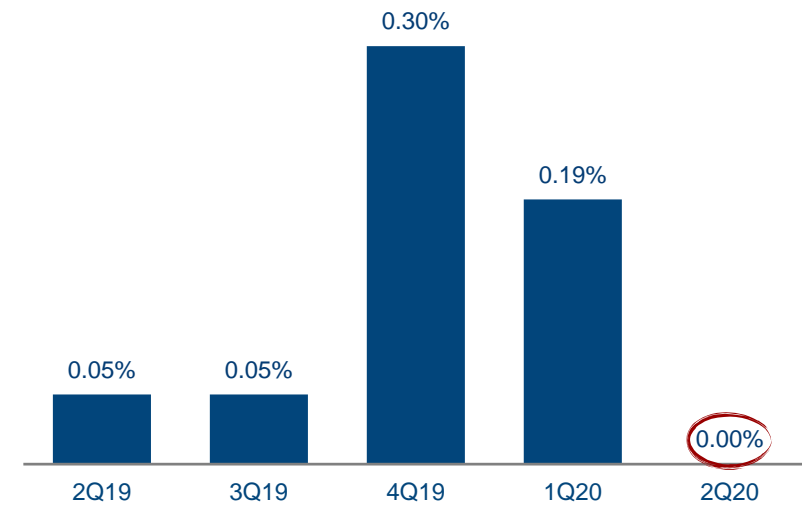
Classified loans (\$mm)



LLR/loans HFI (excluding PPP loans)³



Net charge-offs/average loans



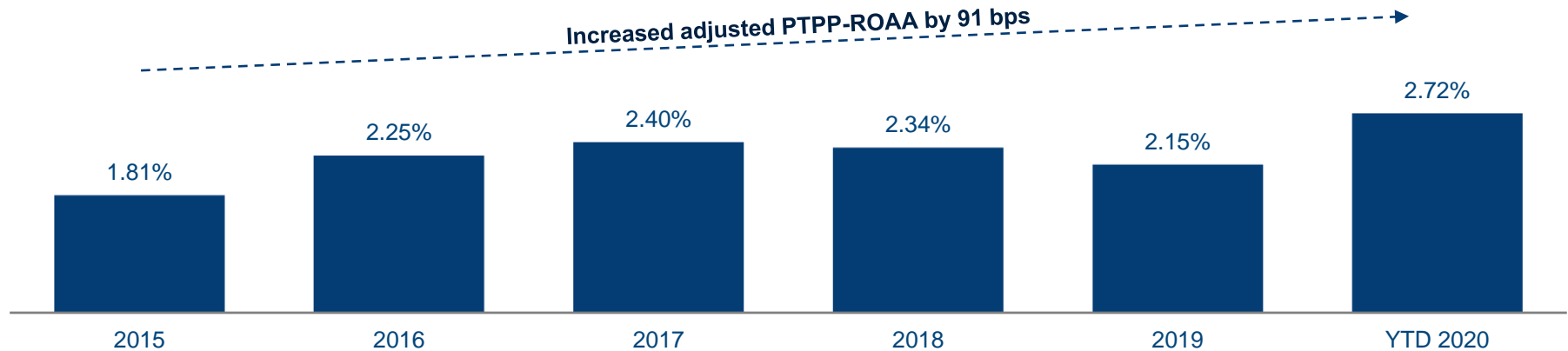
¹ Adoption of CECL resulted in approximately \$5.5 million of former PCI loans being reportable as nonperforming loans in 1Q 2020.

² Includes acquired excess land and facilities held for sale—see page 14 of the Quarterly Financial Supplement.

³ See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures.

Core earnings power remains intact

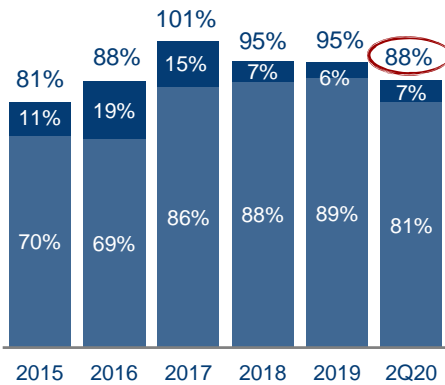
Adjusted pre-tax, pre-provision return on average assets¹



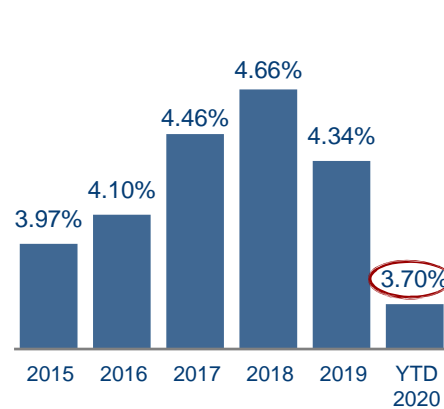
Drivers of profitability

Loans/deposits

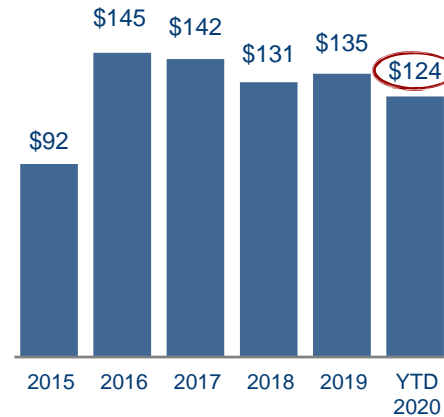
■ Loans excluding HFS ■ Loans HFS



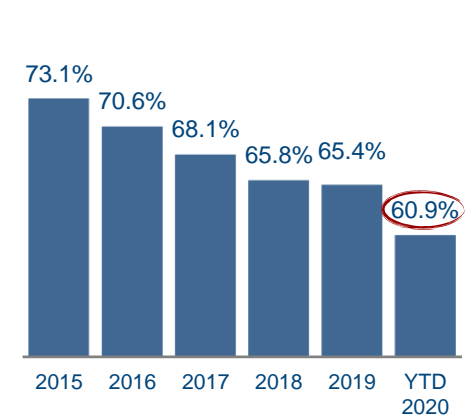
Net interest margin



Noninterest income (\$mm)

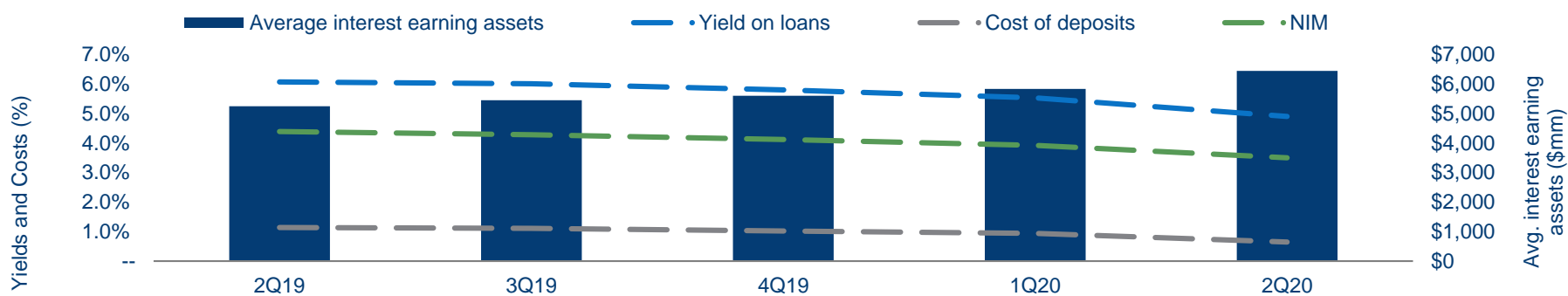


Core efficiency ratio¹



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

Historical yield and costs



NIM	4.39%	4.28%	4.12%	3.92%	3.50%
Impact of accretion and nonaccrual interest (bps)	17	16	21	13	7
<i>Deposit Cost:</i>					
Cost of MMDA	1.48%	1.45%	1.29%	1.15%	0.62%
Cost of customer time	2.13%	2.13%	2.07%	1.95%	1.78%
Cost of interest-bearing	1.49%	1.47%	1.36%	1.25%	0.92%
Total deposit cost	1.14%	1.11%	1.02%	0.94%	0.65%
<i>Loans HFI Yield:</i>					
Contractual interest	5.57%	5.50%	5.27%	5.14%	4.57%
Origination and other loan fee income	0.29%	0.30%	0.26%	0.23%	0.24%
Nonaccrual interest	0.01%	0.02%	0.04%	0.02%	0.01%
Accretion on purchased loans	0.20%	0.19%	0.23%	0.14%	0.08%
Total loan (HFI) yield	6.07%	6.01%	5.80%	5.53%	4.90%

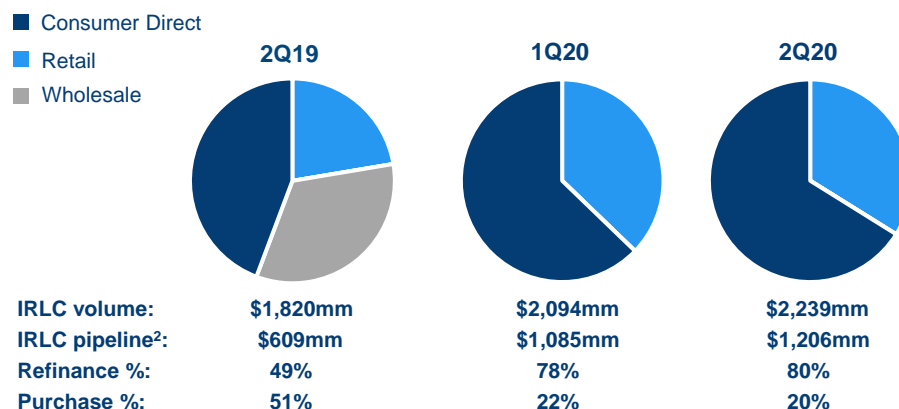
¹ Includes tax-equivalent adjustment

Mortgage operations overview

Highlights

- Record total Mortgage pre-tax contribution of \$33.6mm for 2Q 2020
- Mortgage sale margins continue to be elevated due to industry capacity constraints and low interest rates
- Mortgage pipeline at the end of 2Q 2020 remains robust at \$1.2 billion, as compared to \$0.6 billion at the end of 2Q 2019
- Mortgage banking income \$72.2mm, up 194.3% from 2Q 2019 and 120.4% from 1Q 2020
- Mortgage structure allows team to capitalize on attractive rate environments while weathering downturns

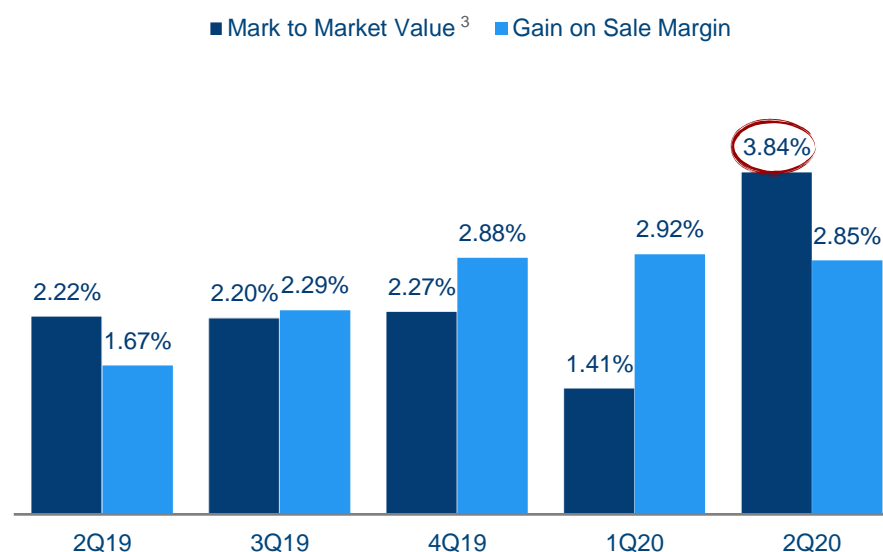
Quarterly mortgage production



Mortgage banking income (\$mm)

	2Q19	1Q20	2Q20
Gain on Sale	\$21.0	\$30.4	\$45.5
Fair value changes	\$3.3	\$3.2	\$34.8
Servicing Revenue	\$4.0	\$5.0	\$5.1
Fair value MSR changes	(\$3.8)	(\$5.9)	(\$13.2)
Total Income	\$24.5	\$32.7	\$72.2

Mark to Market Value and Gain on Sale Margin



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

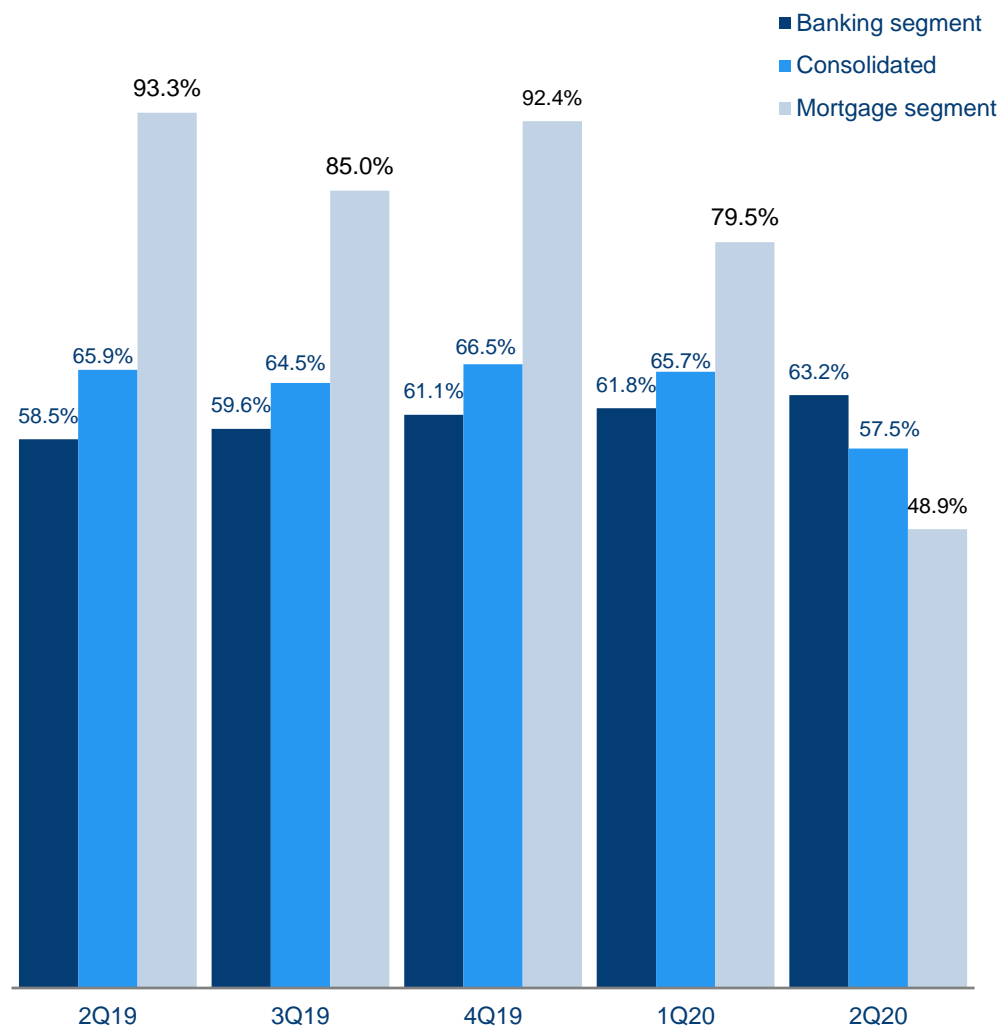
² As of the respective period-end

³ Defined as pipeline net of hedge plus best efforts divided by hedge weighted volume.

Highlights

- Consolidated 2Q 2020 core efficiency ratio¹ of 57.5% driven by record mortgage contribution
- Converted FNB Financial Corp in May 2020; cost savings in line with expectations
- Anticipate Franklin Synergy Bank conversion in 4Q 2020
- Record quarterly mortgage contribution in low rate environment
- Expense control remains 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

<i>(Dollars in thousands, except share data)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Pre-tax net income	\$ 30,328	\$ 825	\$ 27,290	\$ 31,684	\$ 25,002
Plus merger and mortgage restructuring expenses	1,586	3,050	686	407	4,612
Plus initial provision for credit losses on acquired loans	—	2,885	—	—	—
Adjusted pre-tax earnings	31,914	6,760	27,976	32,091	29,614
Income tax expense, adjusted	7,828	1,464	5,897	7,824	7,516
Adjusted earnings	\$ 24,086	\$ 5,296	\$ 22,079	\$ 24,267	\$ 22,098
Weighted average common shares outstanding - fully diluted	32,506,417	31,734,112	31,470,565	31,425,573	31,378,018
Adjusted diluted earnings per share					
Diluted earnings per common share	\$ 0.70	\$ 0.02	\$ 0.68	\$ 0.76	\$ 0.59
Plus merger and mortgage restructuring expenses	0.05	0.10	0.02	0.01	0.15
Plus initial provision for credit losses on acquired loans	—	0.09	—	—	—
Less tax effect	0.01	0.04	—	—	0.04
Adjusted diluted earnings per share	\$ 0.74	\$ 0.17	\$ 0.70	\$ 0.77	\$ 0.70

GAAP reconciliation and use of non-GAAP financial measures

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

<i>(Dollars in thousands, except share data)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Pre-tax net income	\$ 30,328	\$ 825	\$ 27,290	\$ 31,684	\$ 25,002
Plus provisions for credit losses	25,921	29,565	2,950	1,831	881
Pre-tax pre-provision earnings	56,249	\$ 30,390	30,240	33,515	25,883
Plus merger and mortgage restructuring expenses	1,586	3,050	686	407	4,612
Adjusted pre-tax pre-provision earnings	\$ 57,835	\$ 33,440	\$ 30,926	\$ 33,922	\$ 30,495
Weighted average common shares outstanding - fully diluted	32,506,417	31,734,112	31,470,565	31,425,573	31,378,018
Adjusted pre-tax pre-provision diluted earnings per share					
Diluted earnings per common share	\$ 0.70	\$ 0.02	\$ 0.68	\$ 0.76	\$ 0.59
Plus income tax expense	0.23	—	0.18	0.25	0.20
Plus provisions for credit losses	0.80	0.93	0.10	0.06	0.03
Pre-tax pre-provision earnings per share	\$ 1.73	\$ 0.95	\$ 0.96	\$ 1.07	\$ 0.82
Plus merger and mortgage restructuring expenses	0.05	0.10	0.02	0.01	0.15
Adjusted pre-tax pre-provision earnings per share	\$ 1.78	\$ 1.05	\$ 0.98	\$ 1.08	\$ 0.97

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pro forma net income and diluted earnings per share*

<i>(Dollars in thousands, except share data)</i>	YTD 2020	2019	2018	2017	2016
Pre-tax net income	\$ 31,153	\$ 109,539	\$ 105,854	\$ 73,485	\$ 62,324
Plus merger, conversion, offering, and mortgage restructuring expenses	4,636	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 earnings	38,674	116,919	108,119	92,519	69,131
Adjusted pro forma income tax expense	9,292	27,648	26,034	34,749	25,404
Adjusted pro forma earnings	\$ 29,382	\$ 89,271	\$ 82,085	\$ 57,770	\$ 43,727
Weighted average common shares outstanding - fully diluted	32,109,194	31,402,897	31,314,981	28,207,602	19,312,174
Adjusted pro forma diluted earnings per share*					
Diluted earning per common share	\$ 0.74	\$ 2.65	\$ 2.55	\$ 1.86	\$ 2.10
Plus merger, conversion, offering, and mortgage restructuring expenses	0.14	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	0.05	0.06	0.01	0.48	0.19
Adjusted pro forma diluted earnings per share	\$ 0.92	\$ 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

<i>(Dollars in thousands, except share data)</i>	YTD 2020	2019	2018	2017	2016
Pre-tax net income	\$ 31,153	\$ 109,539	\$ 105,854	\$ 73,485	\$ 62,324
Plus provisions for credit losses	55,486	7,053	5,398	(950)	(1,479)
Pre-tax pre-provision earnings	86,639	116,592	111,252	72,535	60,845
Plus merger, conversion, offering, and mortgage restructuring expenses	4,636	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	\$ 91,275	\$ 123,972	\$ 113,517	\$ 91,569	\$ 67,652
Weighted average common shares outstanding - fully diluted	32,109,194	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	\$ 0.74	\$ 2.65	\$ 2.55	\$ 1.86	\$ 2.10
Plus income tax expense	0.23	0.82	0.83	0.75	1.13
Plus provisions for credit losses	1.73	0.23	0.17	(0.03)	(0.08)
Pre-tax pre-provision earnings per share	2.70	3.70	3.55	2.58	3.15
Plus merger, conversion, offering, and mortgage restructuring expenses	0.14	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	\$ 2.84	\$ 3.94	\$ 3.62	\$ 3.25	\$ 3.50

GAAP reconciliation and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Total noninterest expense	\$ 80,579	\$ 68,559	\$ 62,686	\$ 62,935	\$ 64,119
Less merger and mortgage restructuring expenses	1,586	3,050	686	407	4,612
Core noninterest expense	\$ 78,993	\$ 65,509	\$ 62,000	\$ 62,528	\$ 59,507
Net interest income (tax-equivalent basis)	\$ 55,977	\$ 56,784	\$ 58,212	\$ 58,769	\$ 57,488
Total noninterest income	81,491	42,700	35,234	38,145	32,979
Less gain (loss) on sales or write-downs of other real estate owned and other assets	32	(277)	277	(82)	94
Less (loss) gain from securities, net	(28)	63	(18)	(20)	52
Core noninterest income	81,487	42,914	34,975	38,247	32,833
Core revenue	\$ 137,464	\$ 99,698	\$ 93,187	\$ 97,016	\$ 90,321
Efficiency ratio (GAAP) ^(a)	58.9 %	69.3 %	67.5 %	65.3 %	71.2 %
Core efficiency ratio (tax-equivalent basis)	57.5 %	65.7 %	66.5 %	64.5 %	65.9 %

(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)

<i>(Dollars in thousands)</i>	YTD 2020	2019	2018	2017	2016
Core efficiency ratio (tax-equivalent basis)					
Total noninterest expense	\$ 149,138	\$ 244,841	\$ 223,458	\$ 222,317	\$ 194,790
Less merger, offering, and mortgage restructuring-related expenses	4,636	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	\$ 144,502	\$ 237,461	\$ 221,193	\$ 202,399	\$ 178,183
Net interest income (tax-equivalent basis)	112,761	227,930	205,668	156,094	113,311
Total noninterest income	124,191	135,397	130,642	141,581	144,685
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(245)	441	229	110	1,179
Less gain from securities, net	35	57	(116)	285	4,407
Core noninterest income	124,401	134,899	130,529	141,186	139,099
Core revenue	\$ 237,162	\$ 362,829	\$ 336,197	\$ 297,280	\$ 252,410
Efficiency ratio (GAAP) ^(a)	63.3 %	67.7 %	66.8 %	75.4 %	76.2 %
Core efficiency ratio (tax-equivalent basis)	60.9 %	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)

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Banking segment core efficiency ratio (tax-equivalent basis)					
Core consolidated noninterest expense	\$ 78,993	\$ 65,509	\$ 62,000	\$ 62,528	\$ 59,507
Less Mortgage segment core noninterest expense	26,997	17,567	14,956	15,686	17,835
Core Banking segment noninterest expense	<u>\$ 51,996</u>	<u>\$ 47,942</u>	<u>\$ 47,044</u>	<u>\$ 46,842</u>	<u>\$ 41,672</u>
Core revenue	\$ 137,464	\$ 99,698	\$ 93,187	\$ 97,016	\$ 90,321
Less Mortgage segment total revenue	55,215	22,110	16,193	18,455	19,119
Core Banking segment total revenue	<u>\$ 82,249</u>	<u>\$ 77,588</u>	<u>\$ 76,994</u>	<u>\$ 78,561</u>	<u>\$ 71,202</u>
Banking segment core efficiency ratio (tax-equivalent basis)	63.2 %	61.8 %	61.1 %	59.6 %	58.5 %
Mortgage segment core efficiency ratio (tax-equivalent basis)					
Mortgage segment noninterest expense	\$ 26,997	\$ 17,567	\$ 14,956	\$ 15,798	\$ 18,664
Less mortgage restructuring expense	—	—	—	112	829
Core Mortgage segment noninterest expense	<u>\$ 26,997</u>	<u>\$ 17,567</u>	<u>\$ 14,956</u>	<u>\$ 15,686</u>	<u>\$ 17,835</u>
Mortgage segment total revenue	<u>\$ 55,215</u>	<u>\$ 22,110</u>	<u>\$ 16,193</u>	<u>\$ 18,455</u>	<u>\$ 19,119</u>
Mortgage segment core efficiency ratio (tax-equivalent basis)	48.9 %	79.5 %	92.4 %	85.0 %	93.3 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted mortgage contribution

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Mortgage segment pre-tax net contribution	\$ 28,218	\$ 4,543	\$ 1,237	\$ 2,657	\$ 455
Retail footprint:					
Mortgage banking income	16,940	10,651	9,899	10,693	5,451
Mortgage banking expenses	11,542	7,175	8,126	8,087	4,172
Retail footprint pre-tax net contribution	5,398	3,476	1,773	2,606	1,279
Total mortgage banking pre-tax net contribution	\$ 33,616	\$ 8,019	\$ 3,010	\$ 5,263	\$ 1,734
Plus mortgage restructuring expense	—	—	—	112	829
Total adjusted mortgage banking pre-tax net contribution	\$ 33,616	\$ 8,019	\$ 3,010	\$ 5,375	\$ 2,563
Pre-tax pre-provision earnings	\$ 56,249	\$ 30,390	\$ 30,240	\$ 33,515	\$ 25,883
% total mortgage banking pre-tax pre-provision net contribution	59.8 %	26.4 %	10.0 %	15.7 %	6.70 %
Adjusted pre-tax pre-provision earnings	\$ 57,835	\$ 33,440	\$ 30,926	\$ 33,922	\$ 30,495
% total adjusted mortgage banking pre-tax net contribution	58.1 %	24.0 %	9.73 %	15.8 %	8.40 %

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity

<i>(Dollars in thousands, except share data)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Tangible assets					
Total assets	\$ 7,255,536	\$ 6,655,687	\$ 6,124,921	\$ 6,088,895	\$ 5,940,402
Less goodwill	175,441	174,859	169,051	168,486	168,486
Less intangibles, net	17,671	18,876	17,589	18,748	19,945
Tangible assets	\$ 7,062,424	\$ 6,461,952	\$ 5,938,281	\$ 5,901,661	\$ 5,751,971
Tangible common equity					
Total shareholders' equity	\$ 805,216	\$ 782,330	\$ 762,329	\$ 744,835	\$ 718,759
Less goodwill	175,441	174,859	169,051	168,486	168,486
Less intangibles, net	17,671	18,876	17,589	18,748	19,945
Tangible common equity	\$ 612,104	\$ 588,595	\$ 575,689	\$ 557,601	\$ 530,328
Common shares outstanding	32,101,108	32,067,356	31,034,315	30,927,664	30,865,636
Book value per common share	\$ 25.08	\$ 24.40	\$ 24.56	\$ 24.08	\$ 23.29
Tangible book value per common share	\$ 19.07	\$ 18.35	\$ 18.55	\$ 18.03	\$ 17.18
Total shareholders' equity to total assets	11.1 %	11.8 %	12.4 %	12.2 %	12.1 %
Tangible common equity to tangible assets	8.67 %	9.11 %	9.69 %	9.45 %	9.22 %

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible common equity

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Total average shareholders' equity	\$ 795,705	\$ 768,929	\$ 761,949	\$ 731,701	\$ 708,557
Less average goodwill	175,150	171,532	168,492	168,486	167,781
Less average intangibles, net	18,209	18,152	18,242	19,523	20,214
Average tangible common equity	\$ 602,346	\$ 579,245	\$ 575,215	\$ 543,692	\$ 520,562
Net income	\$ 22,873	\$ 745	\$ 21,572	\$ 23,966	\$ 18,688
Return on average tangible common equity	15.3 %	0.52 %	14.9 %	17.5 %	14.4 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted return on average tangible common equity

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Average tangible common equity	\$ 602,346	\$ 579,245	\$ 575,215	\$ 543,692	\$ 520,562
Adjusted net income	24,086	5,296	22,079	24,267	22,098
Adjusted return on average tangible common equity	16.1 %	3.68 %	15.2 %	17.7 %	17.0 %

Adjusted return on average assets and equity

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Net income	\$ 22,873	\$ 745	\$ 21,572	\$ 23,966	\$ 18,688
Average assets	7,074,612	6,409,417	6,157,931	5,988,572	5,771,371
Average equity	795,705	768,929	761,949	731,701	708,557
Return on average assets	1.30 %	0.05 %	1.39 %	1.59 %	1.30 %
Return on average equity	11.6 %	0.39 %	11.2 %	13.0 %	10.6 %
Adjusted net income	\$ 24,086	5,296	\$ 22,079	\$ 24,267	\$ 22,098
Adjusted return on average assets	1.37 %	0.33 %	1.42 %	1.61 %	1.54 %
Adjusted return on average equity	12.2 %	2.77 %	11.5 %	13.2 %	12.5 %

GAAP reconciliation and use of non-GAAP financial measures

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

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Average tangible common equity	\$ 602,346	\$ 579,245	\$ 575,215	\$ 543,692	\$ 520,562
Adjusted pre-tax pre-provision earnings	57,835	33,440	30,926	33,922	30,495
Adjusted pre-tax pre-provision return on average tangible common equity	38.6 %	23.2 %	21.3 %	24.8 %	23.5 %

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

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Net income	\$ 22,873	\$ 745	\$ 21,572	\$ 23,966	\$ 18,688
Average assets	7,074,612	6,409,417	6,157,931	5,988,572	5,771,371
Average equity	795,705	768,929	761,949	731,701	708,557
Return on average assets	1.30 %	0.05 %	1.39 %	1.59 %	1.30 %
Return on average equity	11.6 %	0.39 %	11.2 %	13.0 %	10.6 %
Adjusted pre-tax pre-provision earnings	\$ 57,835	\$ 33,440	\$ 30,926	\$ 33,922	\$ 30,495
Adjusted pre-tax pre-provision return on average assets	3.29 %	2.10 %	1.99 %	2.25 %	2.12 %
Adjusted pre-tax pre-provision return on average equity	29.2 %	17.5 %	16.1 %	18.4 %	17.3 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pro forma return on average assets and equity

<i>(Dollars in thousands)</i>	YTD 2020	2019	2018	2017	2016
Pro forma net income	\$ 23,618	\$ 83,814	\$ 80,236	\$ 52,398	\$ 39,422
Average assets	6,738,023	5,777,672	4,844,865	3,811,158	3,001,275
Average equity	782,475	723,494	629,922	466,219	276,587
Pro forma return on average assets	0.70 %	1.45 %	1.66 %	1.37 %	1.31 %
Pro forma return on average equity	6.07 %	11.6 %	12.7 %	11.2 %	14.3 %
Adjusted pro forma net income	\$ 29,382	\$ 89,271	\$ 82,085	\$ 57,770	\$ 43,727
Adjusted pro forma return on average assets	0.88 %	1.55 %	1.69 %	1.52 %	1.46 %
Adjusted pro forma return on average equity	7.55 %	12.3 %	13.0 %	12.4 %	15.8 %

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

<i>(Dollars in thousands)</i>	YTD 2020	2019	2018	2017	2016
Pro forma net income	\$ 23,618	\$ 83,814	\$ 80,236	\$ 52,398	\$ 39,422
Average assets	6,738,023	5,777,672	4,844,865	3,811,158	3,001,275
Average equity	782,475	723,494	629,922	466,219	276,587
Pro forma return on average assets	0.70 %	1.45 %	1.66 %	1.37 %	1.31 %
Pro forma return on average equity	6.07 %	11.6 %	12.7 %	11.2 %	14.3 %
Adjusted pre-tax pre-provision earnings	\$ 91,275	\$ 123,972	\$ 113,517	\$ 91,569	\$ 67,652
Adjusted pre-tax pre-provision return on average assets	2.72 %	2.15 %	2.34 %	2.40 %	2.25 %
Adjusted pre-tax pre-provision return on average equity	23.5 %	17.1 %	18.0 %	19.6 %	24.5 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted Allowance for Credit Losses to Loans Held for Investment

<i>(Dollars in thousands)</i>	2020		2019		
	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter
Allowance for credit losses	\$ 113,129	\$ 89,141	\$ 31,139	\$ 31,464	\$ 30,138
Less allowance for credit losses attributed to PPP loans	51	—	—	—	—
Adjusted allowance for credit losses	113,078	89,141	31,139	31,464	30,138
Loans held for investment	4,827,023	4,568,038	4,409,642	4,345,344	4,289,516
Less PPP loans	314,678	—	—	—	—
Adjusted loans held for investment	<u>\$ 4,512,345</u>	<u>\$ 4,568,038</u>	<u>\$ 4,409,642</u>	<u>\$ 4,345,344</u>	<u>\$ 4,289,516</u>
Allowance for credit losses to loans held for investment	2.34 %	1.95 %	0.71 %	0.72 %	0.70 %
Adjusted allowance for credit losses to loans held for investment	2.51 %	1.95 %	0.71 %	0.72 %	0.70 %