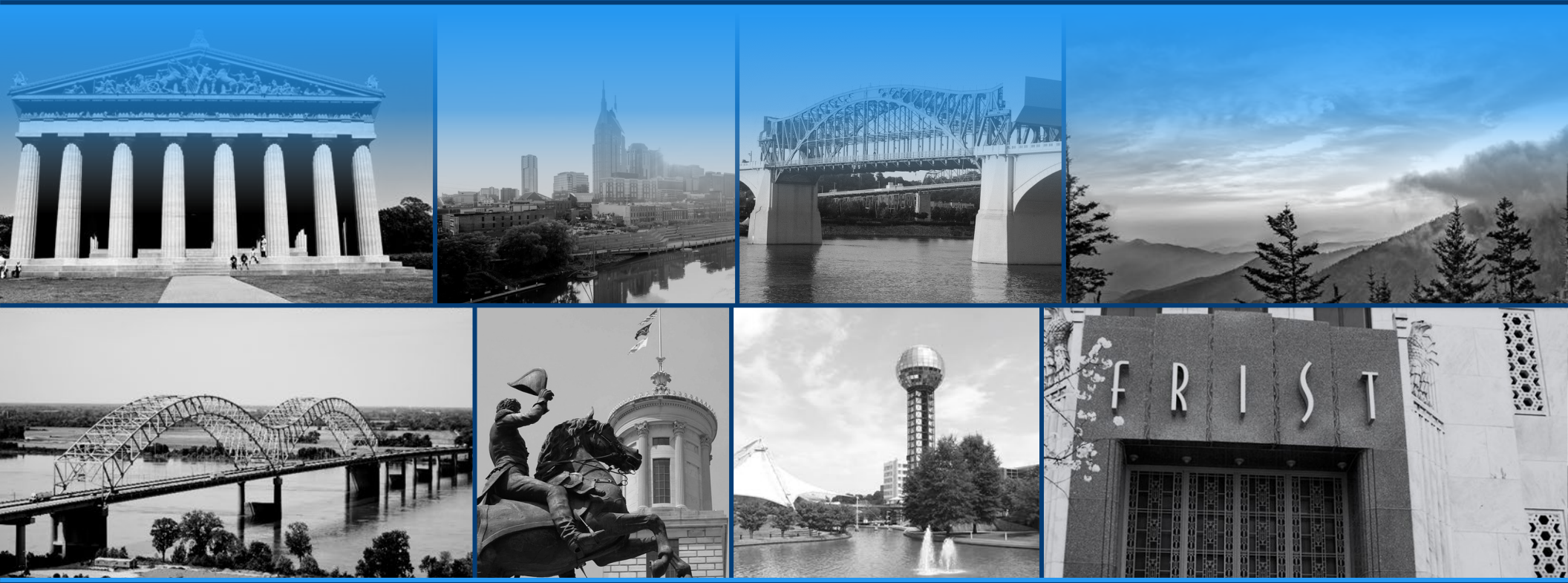
FB Financial Corporation



2022 Third Quarter Earnings Presentation

October 18, 2022

Forward–Looking Statements

Certain statements contained in this Presentation that are not historical in nature may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding the Company's future plans, results, strategies, and expectations, including expectations around changing economic markets. 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," "project," and other variations of such words and phrases and similar expressions. These forward-looking statements are not historical facts, and are based upon management's current expectations, estimates, and projections, many of which, by their nature, are inherently uncertain and beyond the Company's control. The inclusion of these forward-looking statements should not be regarded as a representation by the Company or any other person that such expectations, estimates, and projections will be achieved. Accordingly, the Company cautions 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 inflation, interest rate fluctuations, changes in the economy or global supply chain, supply-demand imbalances affecting local real estate prices, and high unemployment rates in the local or regional economies in which the Company operates and/or the US economy generally, (2) changes in government interest rate policies and its impact on the Company's business, net interest margin, and mortgage operations, (3) the Company's ability to effectively manage problem credits, (4) the Company's ability to identify potential candidates for, consummate, and achieve synergies from, potential future acquisitions, (5) difficulties and delays in integrating acquired businesses or fully realizing costs savings, revenue synergies and other benefits from future and prior acquisitions, (6) the Company's ability to successfully execute its various business strategies, (7) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, including legislative developments, (8) the potential impact of the proposed phase-out of the London Interbank Offered Rate ("LIBOR") or other changes involving LIBOR, (9) the effectiveness of the Company's cybersecurity controls and procedures to prevent and mitigate attempted intrusions, (10) the Company's dependence on information technology systems of third party service providers and the risk of systems failures, interruptions, or breaches of security, (11) the adverse effects of the ongoing global COVID-19 pandemic, including the effect of actions taken to mitigate its impact on individuals or the economy broadly; (12) natural disasters or acts of war or terrorism, (13) international or political instability, including the impacts related to or resulting from Russia's military action in Ukraine and additional sanctions and export controls, as well as the broader impacts to financial markets and the global macroeconomic and geopolitical environments, and (14) general competitive, economic, political, and market conditions. Further information regarding the Company and factors which could affect the forward-looking statements contained herein can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and in any of the Company's subsequent filings with the SEC. Many of these factors are beyond the Company's ability to control or predict. If one or more events related to these or other risks or uncertainties materialize, or if the 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 the Company 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 the Company to predict their occurrence or how they will affect the Company. The Company 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 may include, without limitation, adjusted net income, adjusted diluted earnings per common share, adjusted and unadjusted pre-tax pre-provision earnings, core revenue, core noninterest expense and core noninterest income, core efficiency ratio (tax equivalent basis), adjusted Banking segment pre-tax, pre-provision earnings, Banking segment core noninterest income, Mortgage segment core noninterest income, Banking segment core noninterest expense, Mortgage segment core noninterest expense, Banking segment core revenue, Mortgage segment core revenue, Banking segment core efficiency ratio (tax equivalent basis), Mortgage segment core efficiency ratio (tax equivalent basis), adjusted return on average assets and equity, and adjusted pre-tax pre-provision return on average assets and 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. Also, the Company presents tangible assets, tangible common equity, adjusted tangible common equity, tangible book value per common share, adjusted tangible book value per common share, tangible common equity to tangible assets, return on average tangible common equity, adjusted return on average tangible common equity, and adjusted pre-tax pre-provision return on average tangible common equity. Each of these non-GAAP metrics excludes the impact of goodwill and other intangibles. Adjusted tangible common equity and adjusted tangible book value also exclude the impact of net accumulated other comprehensive (loss) income.

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 demonstrate 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. Investors 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. See the corresponding non- GAAP reconciliation tables in this Presentation dated October 18, 2022, for additional discussion and reconciliation of these measures to the most directly comparable GAAP financial measures.

3Q 2022 highlights

Key highlights

- Noninterest-bearing deposits grew 9.73% annualized in 3Q 2022, or $71.0 million; year-over-year noninterest-bearing deposit growth of 16.8% (balances exclude mortgage escrow related deposits)
- Loans HFI grew 22.1% annualized in 3Q 2022, or $480.7 million. Year-over-year loan growth of 24.8%.
- Adjusted Banking segment PTPP earnings[1] of $56.2 million, compared to $55.6 million in 2Q 2022 and $42.4 million in 3Q 2021. Year-over-year increase of 32.5%.
- Tax-adjusted net interest income of $112.1 million, compared to $102.9 million in 2Q 2022 and $89.2 million in 3Q 2021. Contractual yield on loans HFI increased by 55 basis points from 2Q 2022 to 4.79%, while cost of total deposits increased by 27 basis points from 2Q 2022 to 0.52%.
- Maintained a strong ACL/loans HFI of 1.48% and a provision expense of $11.4 million. Nonperforming loans HFI as a percentage of total loans HFI decreased by 4 basis points from 2Q 2022 to 0.47%
- Only 3 relationships and $33.7 million of exposure remaining in Commercial Loans HFS portfolio
- Mortgage segment pre-tax net loss of $3.7 million in 3Q 2022
- Prepared for a range of economic scenarios with strong capital ratios: CET1/RWA of 10.9%, Tier 1/RWA of 11.2%, Total Capital/RWA of 13.2% and a Leverage ratio of 10.7%

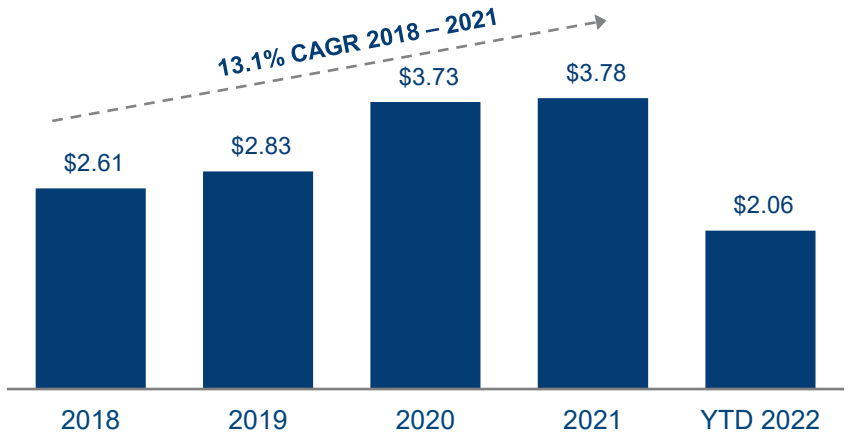
Financial results

	3Q 2022
Diluted earnings per share	$0.68
Adjusted diluted earnings per share[1]	*$0.68*
Net income ($mm)	$31.8
Adjusted net income[1] ($mm)	*$32.1*
Return on average assets	1.05%
Adjusted return on average assets[1]	*1.06%*
Return on average common equity	9.45%
Adjusted return on average common equity[1]	*9.54%*
Return on average tangible common equity[1]	11.7%
Adjusted return on average tangible common equity[1]	*11.8%*
Adjusted pre-tax, pre-provision earnings[1] ($mm)	$52.5
Adjusted pre-tax, pre-provision return on average assets[1]	1.73%
Net interest margin	3.93%
Impact of accretion and nonaccrual interest (bps)	*5*
Tangible common equity / tangible assets[1]	8.54%

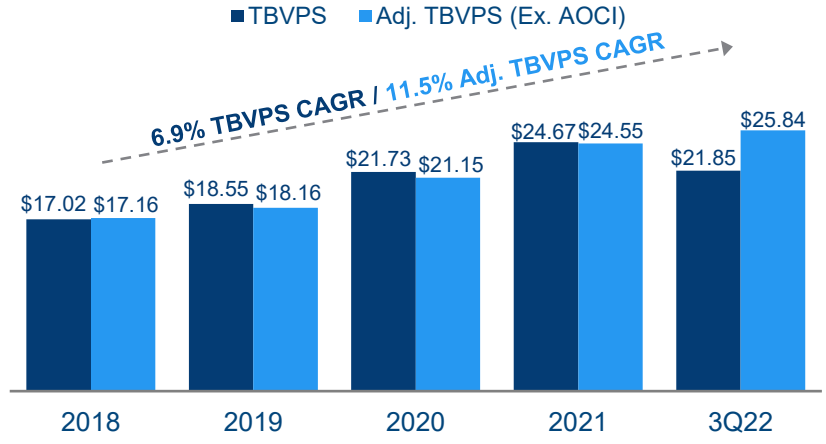
[1] Results are non-GAAP financial measures that adjust GAAP reported net income, total assets, equity and other metrics for certain intangibles, income and expense items as outlined in the non-GAAP reconciliation calculations, using a combined marginal income tax rate of 26.06% excluding one-time items.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

Driving shareholder value

Adjusted Earnings per Share[1]

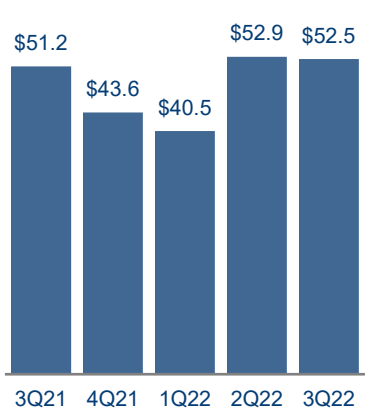


Tangible Book Value per Share[1]

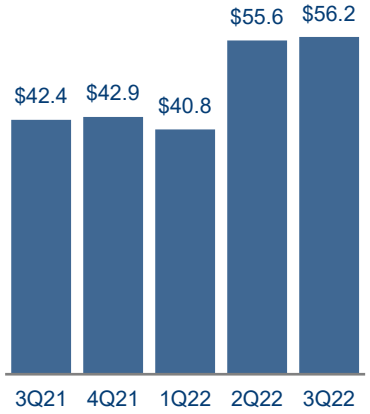


Short Term Performance Dashboard

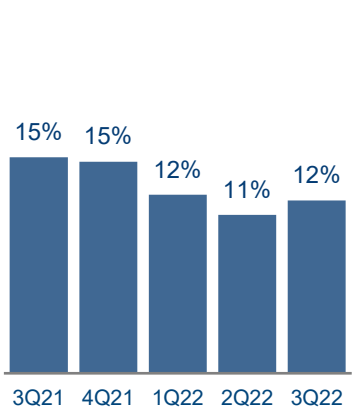
Adjusted PTPP[1,2]



Adjusted Banking Segment PTPP[1,2]

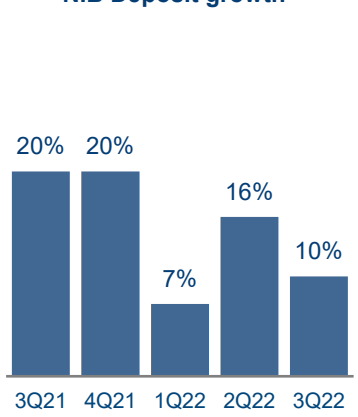


Adjusted ROATCE[1]



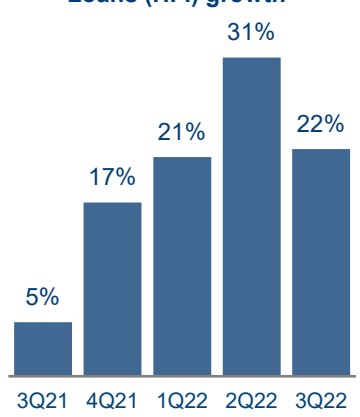
Annualized NIB Deposit Growth

13.7% year-over-year NIB Deposit growth



Annualized Loans (HFI) Growth

24.8% year-over-year Loans (HFI) growth

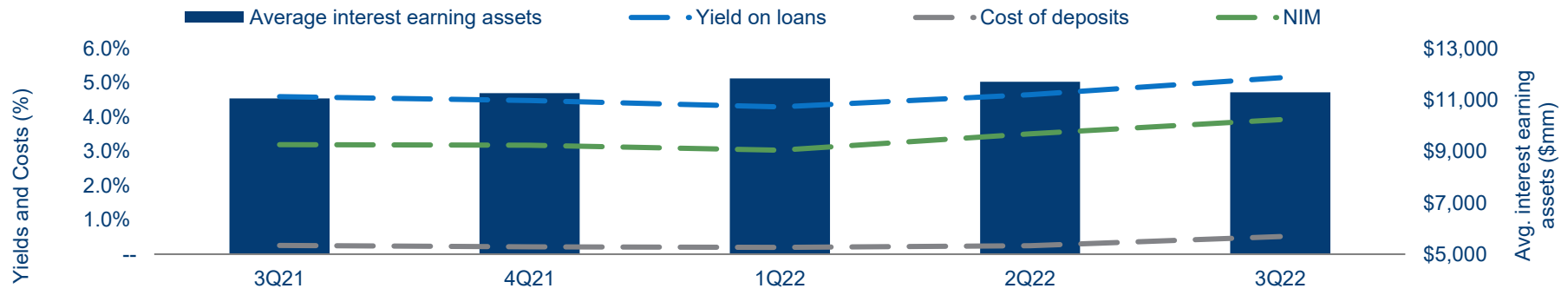


[1] See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures.

[2] Core Banking segment noninterest expense was impacted by tax credits that reduced noninterest expense by $1.4 million in the second quarter of 2022 compared to the third quarter of 2022 which reduced noninterest expense by $0.7 million and resulted in an increase in noninterest expense by $0.7 million in the third quarter of 2022.

Strong net interest margin

Historical yield and costs



NIM[1]	**3.20%**	**3.19%**	**3.04%**	**3.52%**	**3.93%**
Impact of accretion and nonaccrual interest (bps)	2	0	(7)	2	5
Impact of excess liquidity[2] (bps)	(28)	(22)	(29)	(14)	0
Deposit Cost:					
Cost of MMDA	0.31%	0.27%	0.21%	0.20%	0.73%
Cost of customer time	0.61%	0.53%	0.50%	0.64%	0.87%
Cost of interest-bearing	0.34%	0.30%	0.27%	0.33%	0.74%
Total deposit cost	**0.26%**	**0.22%**	**0.20%**	**0.25%**	**0.52%**
Loans HFI Yield:					
Contractual interest	4.23%	4.17%	4.12%	4.24%	4.79%
Origination and other loan fee income	0.35%	0.33%	0.26%	0.33%	0.30%
Nonaccrual interest	0.02%	0.03%	0.05%	0.03%	0.02%
Accretion on purchased loans	0.01%	(0.04%)	(0.12%)	0.00%	0.05%
Syndication fee income	0.00%	0.00%	0.00%	0.06%	0.00%
Total loan (HFI) yield	**4.61%**	**4.49%**	**4.31%**	**4.66%**	**5.16%**

[1] Includes tax-equivalent adjustment.

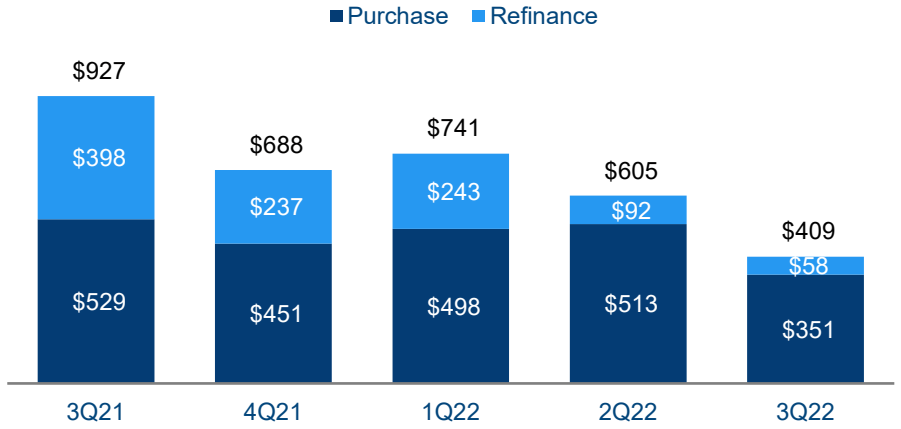
[2] Excess liquidity defined as interest-bearing deposits with other financial institutions in excess of 5% of average tangible assets. Assumes funded from all interest bearing liabilities.

Mortgage performance in 3Q 2022

Highlights

- Mortgage segment pre-tax net loss of $3.7 million in 3Q 2022
- Restructuring of Mortgage segment materially complete, segment was profitable latter half of quarter
- Interest rate lock commitments declined substantially in 3Q resulting in negative fair value change
- Do not expect contribution to earnings in 4Q 2022 due to seasonal impact on volume

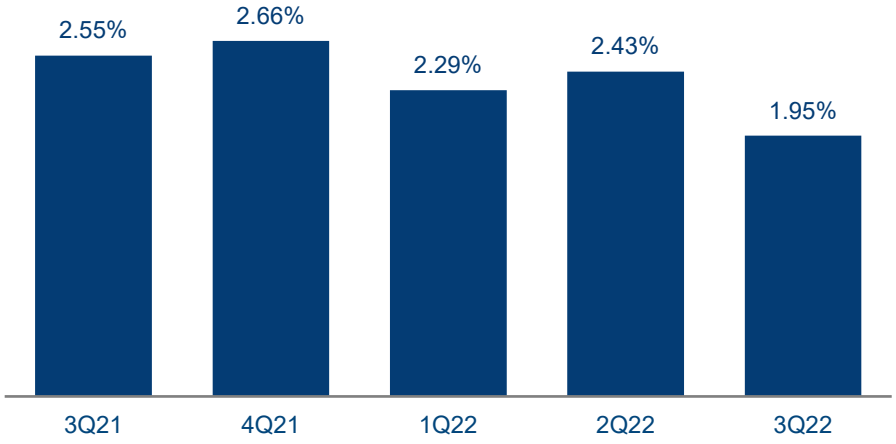
Retail channel interest rate lock commitments ($mm)



Mortgage banking income ($mm)

	3Q21	2Q22	3Q22
Gain on Sale	$39.2	$21.1	$11.1
Fair value changes	$1.0	($5.4)	($2.5)
Servicing Revenue	$7.6	$8.0	$8.1
Fair value MSR changes	($2.4)	($1.1)	($4.3)
Total Income	**$45.4**	**$22.6**	**$12.4**

Mortgage segment gain on sale margin

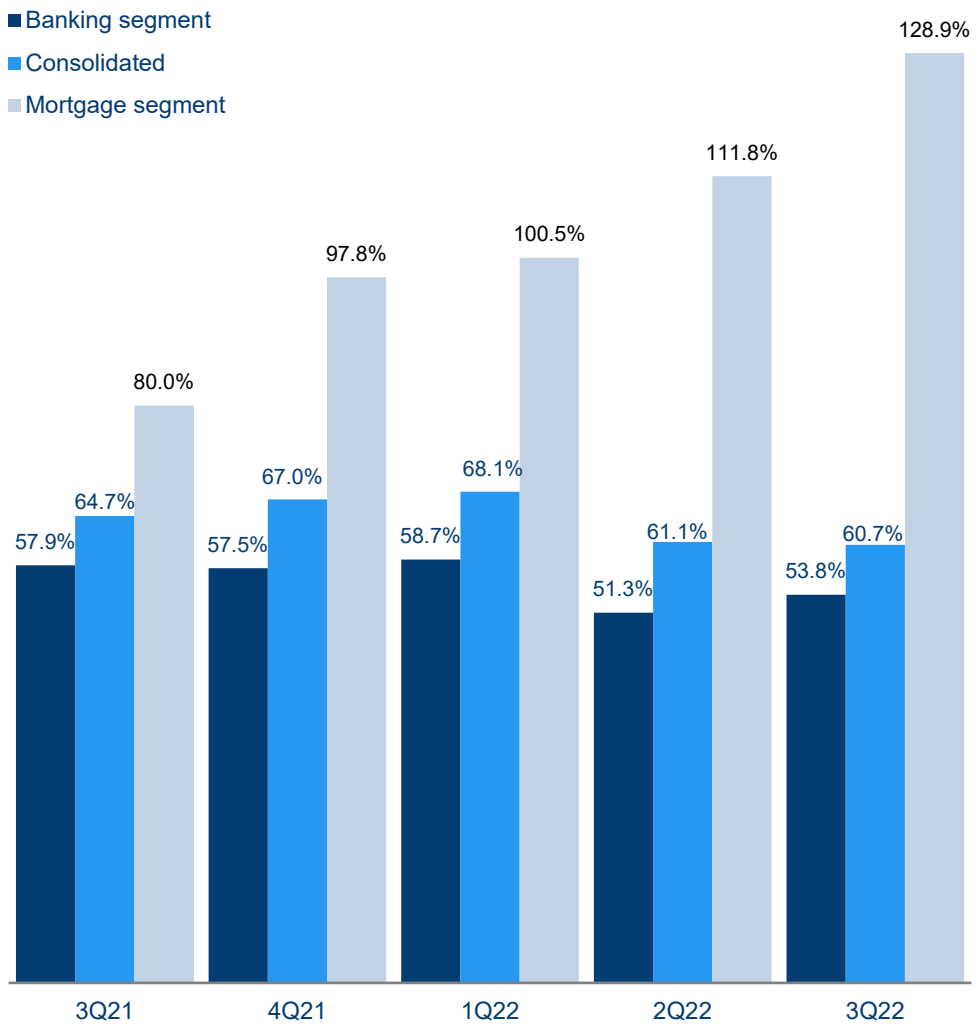


Managing expenses and investing to support growth

Highlights

- Consolidated 3Q 2022 core efficiency ratio[1] of 60.7%
- Banking segment realizing the benefits of an asset sensitive balance sheet
- Mortgage efficiency remains elevated; segment has adjusted for realities of the current origination environment
- Anticipate further investments in people with the opportunity resulting from recent merger disruption and additional investments in technology as Innovations Group is presented with further opportunities

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



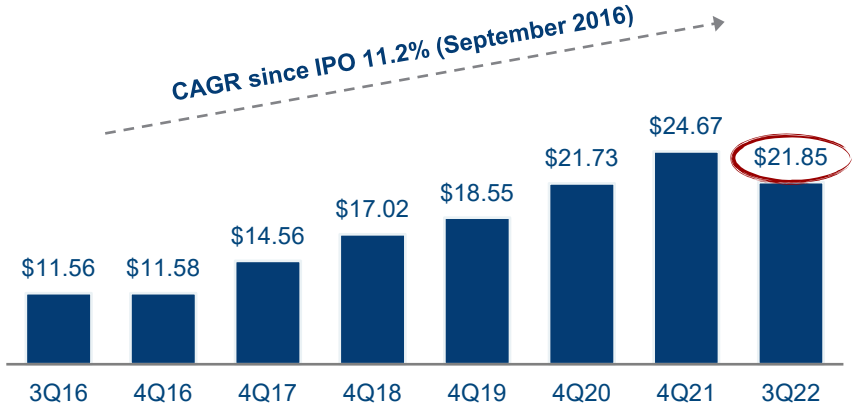
[1] See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures.

Well-capitalized for future opportunities

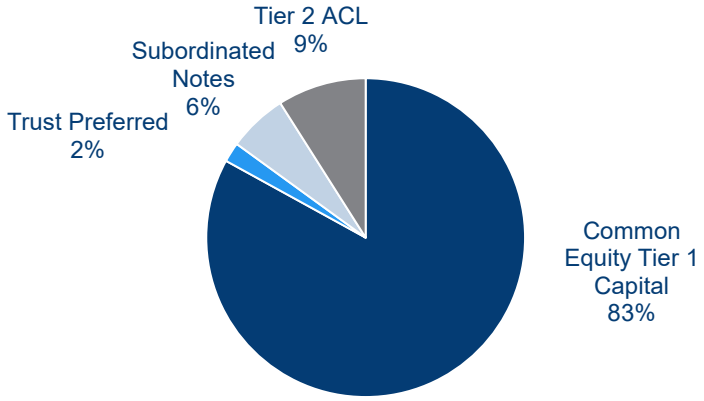
Capital position

	3Q21[1]	2Q22[1]	3Q22[1,2]
Shareholder's equity/Assets	11.9%	10.8%	10.5%
TCE/TA[3]	9.9%	8.9%	8.5%
Common equity tier 1/Risk-weighted assets	12.4%	11.5%	10.9%
Tier 1 capital/Risk-weighted assets	12.7%	11.8%	11.2%
Total capital/Risk-weighted assets	14.6%	13.6%	13.2%
Tier 1 capital /Average assets	10.4%	10.2%	10.7%
C&D loans subject to 100% tier 1 capital plus ACL[4]	91%	119%	121%
CRE loans subject to 300% tier 1 capital plus ACL[4]	247%	294%	292%

Tangible book value per share[3]



Simple capital structure

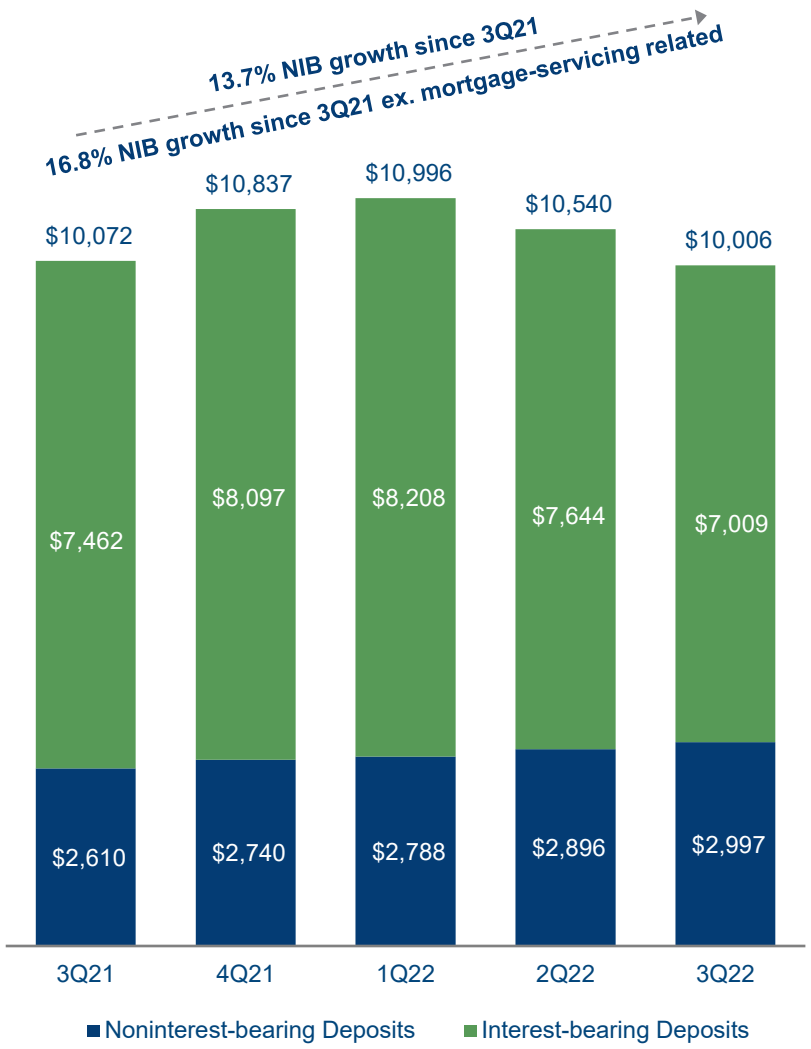


Total regulatory capital[2] $1,516 mm

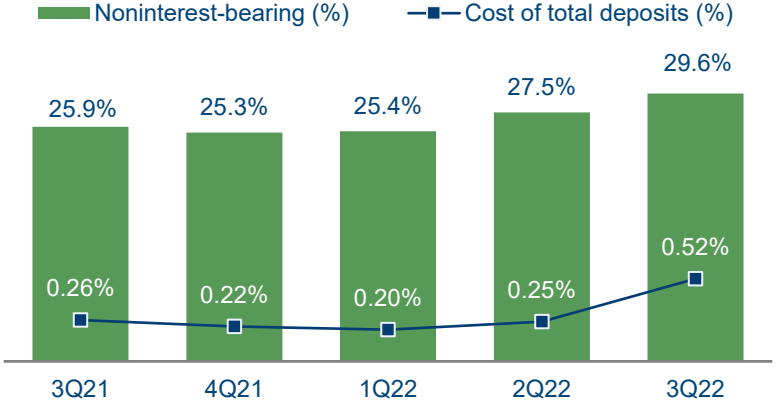
[1] For regulatory capital purposes, the CECL impact over 2021 and 2022 is gradually phased-in from Common Equity Tier 1 Capital to Tier 2 capital. As of 3Q21, 2Q22 and 3Q22, respectively, $44.4 million, $30.7 million and $30.7 million are being added back to CET 1 and Tier 1 Capital, and $50.2 million, $35.1 million and $35.1 million are being taken out of Tier 2 capital. [2] Total regulatory capital, FB Financial Corporation. 3Q22 calculation is preliminary and subject to change. [3] See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures. [4] Tier 1 capital at FirstBank as defined in Call Report. As of 3Q21, 2Q22 and 3Q22, respectively, $50.2 million, $35.1 million and $35.1 million are being disallowed from Tier 1 Capital for purposes of the calculation.

Valuable core deposit base

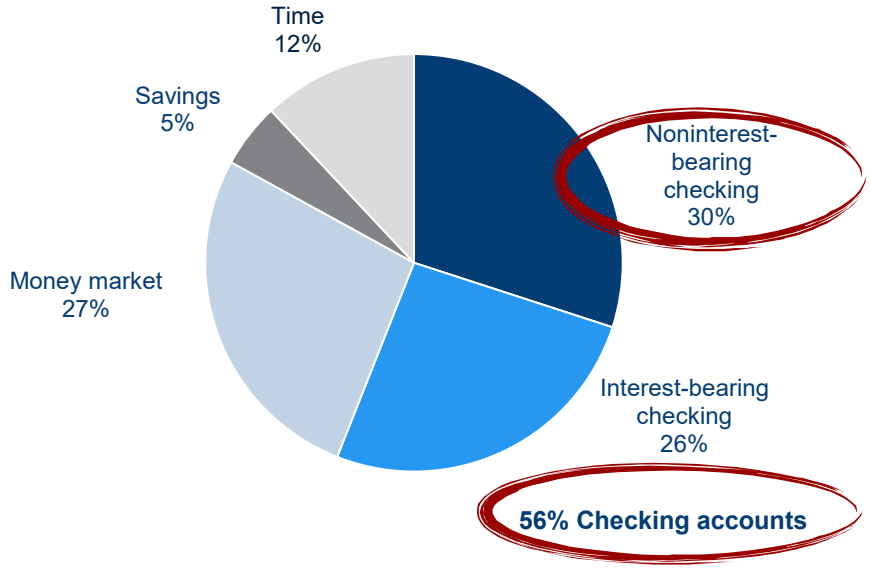
Total deposits ($mm)



Cost of deposits



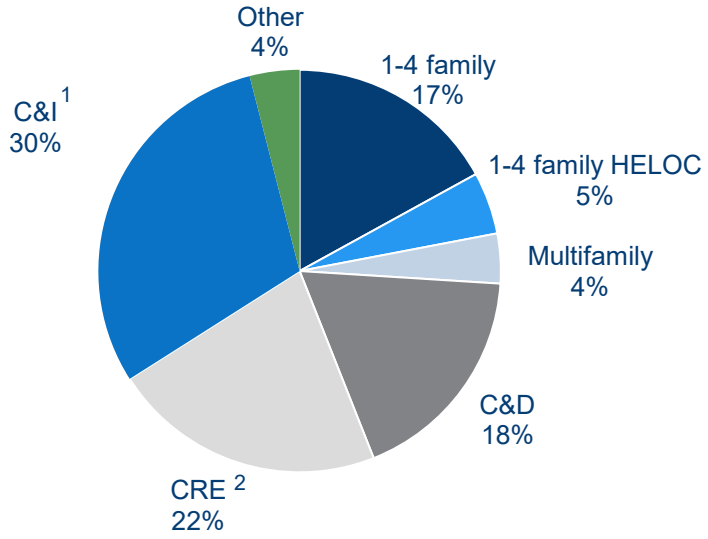
Deposit composition



[1] Includes mortgage servicing-related deposits of $190.6 million, $127.6 million,$131.1 million, $133.2 million, and $140.8 million for the quarters ended September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, and September 30, 2022 respectively.

Balanced loan portfolio

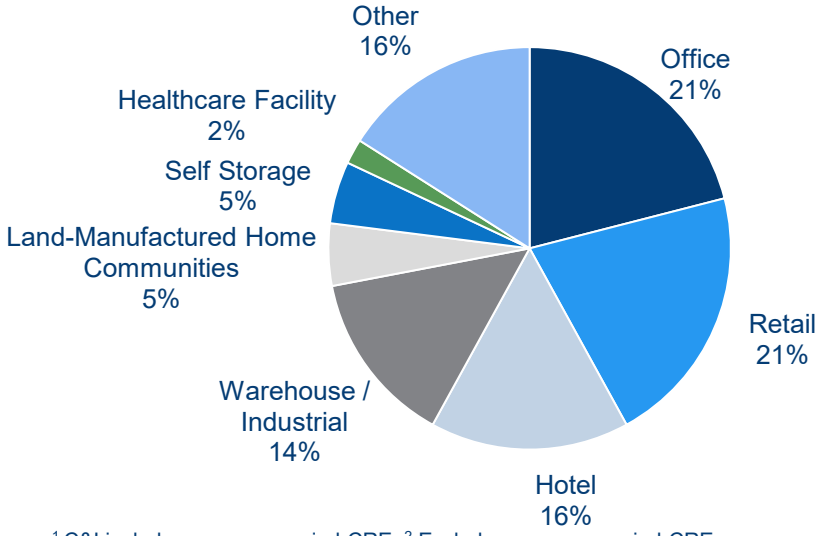
Portfolio mix



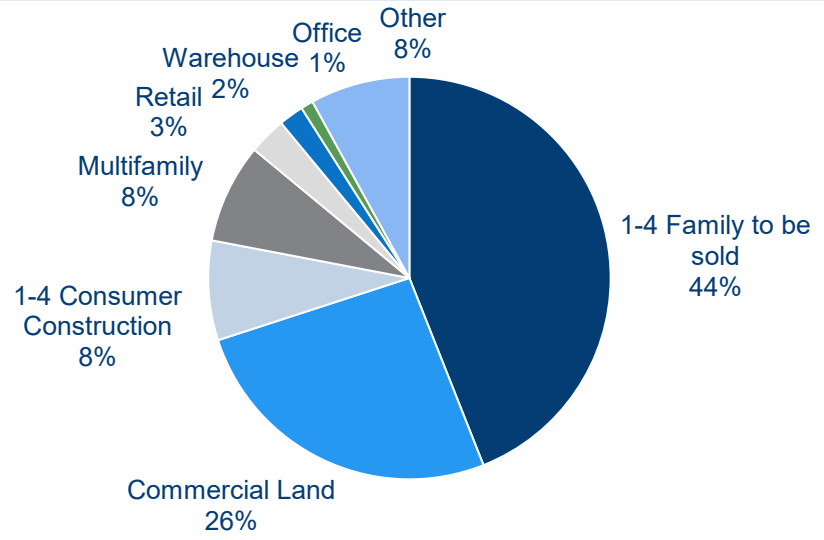
C&I[1] exposure by industry

	Balance as of 9/30/2022			
	C&I	CRE-OO	Total	% of Total
Real Estate Rental and Leasing	$ 355.4	$ 226.9	$ 582.3	21.6%
Finance and Insurance	260.9	13.5	274.4	10.2%
Retail Trade	119.2	136.4	255.6	9.5%
Manufacturing	169.0	71.7	240.7	8.9%
Other Services (except Public Administration)	26.7	161.2	187.9	7.0%
Wholesale Trade	103.2	71.1	174.3	6.5%
Health Care and Social Assistance	56.6	115.8	172.4	6.4%
Construction	108.1	61.7	169.8	6.3%
Accomodation and Food Services	27.8	130.7	158.5	5.9%
Transportation and Warehousing	93.3	16.7	110.0	4.1%
Professional, Scientific and Technical Services	64.4	30.4	94.8	3.5%
Arts, Entertainment and Recreation	31.6	27.2	58.8	2.2%
Information	7.8	14.2	22.0	0.8%
Other	110.2	80.8	191.0	7.1%
Total	**$ 1,534.2**	**$ 1,158.3**	**$ 2,692.5**	**100.0%**

CRE[2] exposure by type



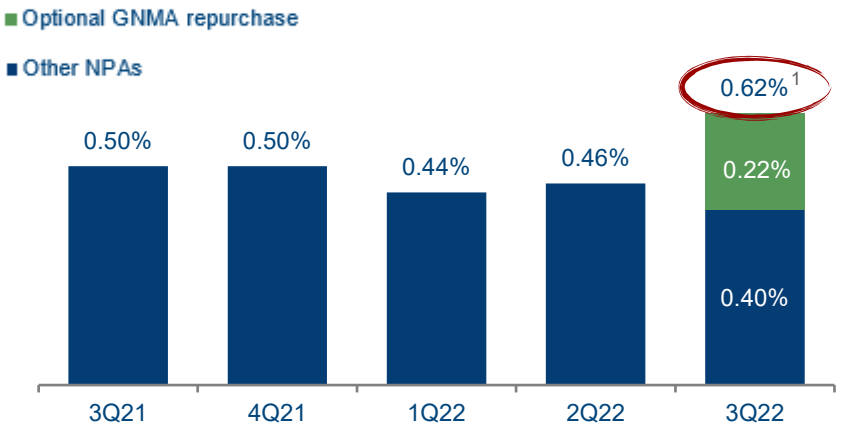
C&D exposure by type



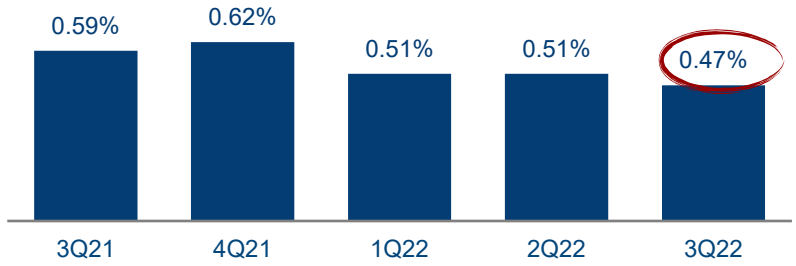
[1] C&I includes owner-occupied CRE. [2] Excludes owner-occupied CRE.

Asset quality remains solid

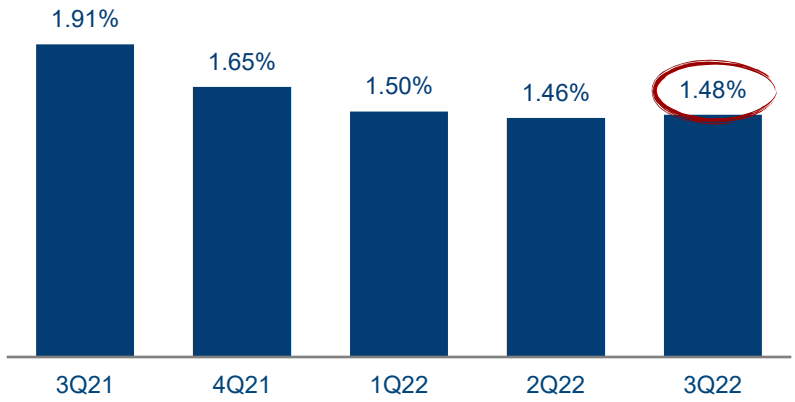
Nonperforming Assets[1] / Assets



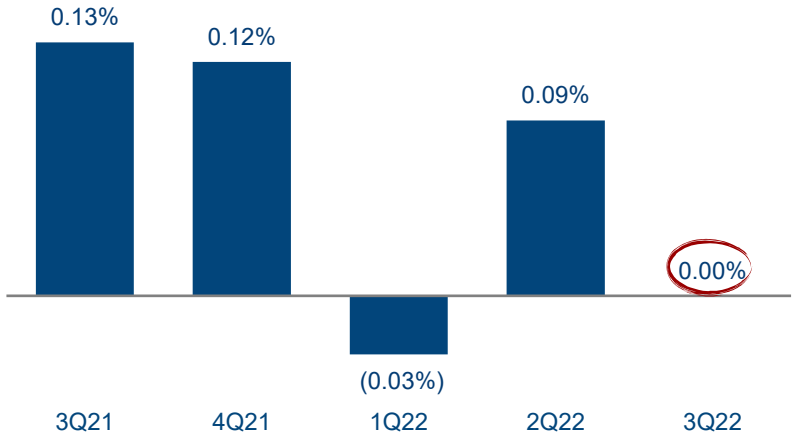
Nonperforming Loans (HFI) / Loans (HFI)



LLR/loans HFI



Net charge-offs (recoveries) / average loans



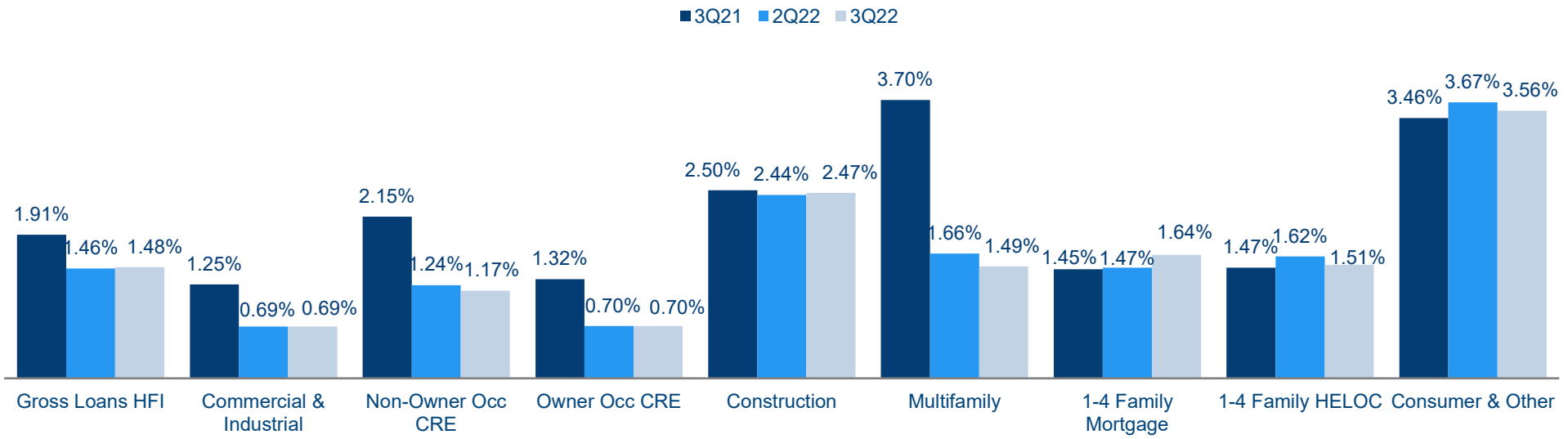
[1] Includes acquired excess land and facilities held for sale–see page 14 of the Quarterly Financial Supplement. 3Q22 includes optional right to repurchase seriously delinquent GNMA loans previously sold recorded as of September 30, 2022. This change in accounting policy had a 22 bp impact on the Company's nonperforming asset ratio in the third quarter of 2022.

Allowance for credit losses overview

- Current Expected Credit Loss (CECL) Allowance for Credit Losses (ACL) model utilizes Moody's model with key economic data summarized below:

	FQE,		FYE 12/31,				
	4Q 2022	1Q 2023	2022	2023	2024	2025	2026
GDP (bcw$)	$ 19,766.5	$ 19,684.5	$ 19,735.0	$ 19,735.8	$ 20,308.2	$ 20,962.3	$ 21,583.8
Annualized % Change	0.0%	(1.6%)	1.6%	0.0%	2.9%	3.3%	3.0%
Total Employment (millions)	151.1	149.9	151.5	149.6	152.5	154.6	155.2
Unemployment Rate	4.5%	5.2%	3.8%	5.6%	4.6%	3.9%	4.1%
CRE Price Index	374.3	368.8	374.3	359.3	392.6	418.4	446.7
NCREIF Property Index: Rate of Return	3.2%	1.4%	4.0%	1.2%	2.9%	3.0%	2.0%

ACL / Loans HFI by Category



[1]Source: Moody's "August 2022 U.S. Macroeconomic Outlook Baseline and Alternative Scenarios".

Appendix

GAAP reconciliation and use of non-GAAP financial measures

Adjusted net income and diluted earnings per share

(Dollars in thousands, except share data)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Income before income taxes	$ 40,762	$ 26,070	$ 44,549	$ 62,841	$ 55,006
Plus mortgage restructuring expense	—	12,458	—	—	—
Less other non-operating items[1]	(387)	(2,010)	(174)	8,499	1,235
Adjusted pre-tax net income	41,149	40,538	44,723	54,342	53,771
Adjusted income tax expense [2]	9,032	10,487	9,358	11,791	11,072
Adjusted net income	$ 32,117	$ 30,051	$ 35,365	$ 42,551	$ 42,699
Weighted average common shares outstanding - fully diluted	47,024,611	47,211,650	47,723,902	47,896,715	48,007,147
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 0.68	$ 0.41	$ 0.74	$ 1.02	$ 0.94
Plus mortgage restructuring expense	—	0.27	—	—	—
Less other non-operating items	—	(0.04)	—	0.18	0.02
Less tax effect	—	0.08	—	(0.05)	0.03
Adjusted diluted earnings per common share	$ 0.68	$ 0.64	$ 0.74	$ 0.89	$ 0.89

[1] 3Q22 includes a $387 loss from change in fair value of commercial loans held for sale acquired from Franklin; 2Q22 includes a $2,010 loss from change in fair value of commercial loans held for sale acquired from Franklin; 1Q22 includes a $174 loss from change in fair value of commercial loans held for sale acquired from Franklin; 4Q21 includes $9,921 gain from change in fair value of commercial loans held for sale acquired from Franklin and $1,422 related to certain nonrecurring charitable contributions; 3Q21 includes a $740 gain from change in fair value of commercial loans held for sale acquired from Franklin, a $1,510 loss on swap, and a gain of $2,005 from sales other real estate owned.

[2] 3Q21 includes a $1,678 tax benefit related to a change in the value of a net operating loss tax asset related to Franklin.

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pre-tax, pre-provision earnings

(Dollars in thousands, except share data)	2022			2021	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Income before income taxes	$ 40,762	$ 26,070	$ 44,549	$ 62,841	$ 55,006
Plus provisions for credit losses	11,367	12,318	(4,247)	(10,769)	(2,531)
Pre-tax pre-provision earnings	52,129	38,388	40,302	52,072	52,475
Plus mortgage restructuring expense	—	12,458	—	—	—
Less other non-operating items	(387)	(2,010)	(174)	8,499	1,235
Adjusted pre-tax pre-provision earnings	$ 52,516	$ 52,856	$ 40,476	$ 43,573	$ 51,240

GAAP reconciliation and use of non-GAAP financial measures

Adjusted earnings and diluted earnings per share

(Dollars in thousands, except share data)	YTD 2022	2021	2020	2019	2018
Income before income taxes	$ 111,381	$ 243,051	$ 82,461	$ 109,539	$ 105,854
Plus mortgage restructuring, offering, and merger and conversion expenses	12,458	605	34,879	7,380	2,265
Plus initial provision for credit losses on acquired loans and unfunded commitments	—	—	66,136	—	—
Less other non-operating items[(1)]	(2,571)	11,032	(4,400)	—	—
Adjusted pre-tax net income	126,410	232,624	187,876	116,919	108,119
Adjusted income tax expense[(2)]	28,878	51,553	45,944	27,648	26,034
Adjusted net income	$ 97,532	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Weighted average common shares outstanding - fully diluted	47,315,100	47,955,880	38,099,744	31,402,897	31,314,981
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 1.83	$ 3.97	$ 1.67	$ 2.65	$ 2.55
Plus mortgage restructuring, offering, and merger and conversion expenses	0.26	0.01	0.92	0.24	0.07
Plus initial provision for credit losses on acquired loans and unfunded commitments	—	—	1.74	—	—
Less other non-operating items	(0.05)	0.22	(0.11)	—	—
Less tax effect	0.08	(0.02)	0.71	0.06	0.01
Adjusted diluted earnings per common share	$ 2.06	$ 3.78	$ 3.73	$ 2.83	$ 2.61

(1) YTD2022 includes a $2,571 loss from change in fair value of commercial loans held for sale acquired from Franklin; 2021 includes a $11,172 gain from change in fair value on commercial loans held for sale acquired from Franklin, a loss on swap cancellation of $1,510, a $2,005 gain on other real estate owned, a $787 gain from lease terminations and $1,422 related to certain nonrecurring charitable contributions; 2020 includes $6,838 FHLB prepayment penalties, $1,505 losses on other real estate owned offset by $715 cash life insurance benefit and $3,228 gain from change in fair value on commercial loans held for sale acquired from Franklin.

(2) 2021 includes a $1,678 tax benefit related to a change in the value of a net operating loss tax asset related to Franklin.

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pre-tax, pre-provision earnings

(Dollars in thousands, except share data)	YTD 2022	2021	2020	2019	2018
Income before income taxes	$ 111,381	$ 243,051	$ 82,461	$ 109,539	$ 105,854
Plus provisions for credit losses	19,438	(40,993)	107,967	7,053	5,398
Pre-tax pre-provision earnings	130,819	202,058	190,428	116,592	111,252
Plus mortgage restructuring, offering, and merger and conversion expenses	12,458	605	34,879	7,380	2,265
Less other non-operating items	(2,571)	11,032	(4,400)	—	—
Adjusted pre-tax pre-provision earnings	$ 145,848	$ 191,631	$ 229,707	$ 123,972	$ 113,517

GAAP reconciliation and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)

(Dollars in thousands)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Total noninterest expense	$ 81,847	$ 96,997	$ 89,272	$ 90,902	$ 95,007
Less mortgage restructuring expenses	—	12,458	—	—	—
Less certain charitable contributions	—	—	—	1,422	—
Core noninterest expense	$ 81,847	$ 84,539	$ 89,272	$ 89,480	$ 95,007
Net interest income (tax-equivalent basis)	$ 112,145	$ 102,926	$ 88,932	$ 90,537	$ 89,230
Total noninterest income	22,592	33,214	41,392	53,219	59,006
Less (loss) gain on change in fair value on commercial loans held for sale	(387)	(2,010)	(174)	9,921	740
Less loss on swap cancellation	—	—	—	—	(1,510)
Less gain (loss) on sales or write-downs of other real estate owned and other assets	429	(8)	(434)	187	2,182
Less (loss) gain from securities, net	(140)	(109)	(152)	46	51
Core noninterest income	22,690	35,341	42,152	43,065	57,543
Core revenue	$ 134,835	$ 138,267	$ 131,084	$ 133,602	$ 146,773
Efficiency ratio (GAAP)[(a)]	61.1%	71.6%	68.9 %	63.6%	64.4%
Core efficiency ratio (tax-equivalent basis)	60.7%	61.1%	68.1 %	67.0%	64.7%

(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)

	2022			2021	
(Dollars in thousands)	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Banking segment core efficiency ratio (tax-equivalent basis)					
Core noninterest expense	$ 81,847	$ 84,539	$ 89,272	$ 89,480	$ 95,007
Less Mortgage segment core noninterest expense	15,961	25,219	29,688	30,798	36,230
Banking segment core noninterest expense	$ 65,886	$ 59,320	$ 59,584	$ 58,682	$ 58,777
Banking segment net interest income (tax-equivalent basis)	$ 112,145	$ 102,926	$ 88,934	$ 90,398	$ 89,330
Core noninterest income	22,690	35,341	42,152	43,065	57,543
Less Mortgage segment core noninterest income	12,384	22,559	29,531	31,350	45,384
Banking segment core noninterest income	10,306	12,782	12,621	11,715	12,159
Core revenue	134,835	138,267	131,084	133,602	146,773
Less Mortgage segment core total revenue	12,384	22,559	29,529	31,489	45,284
Banking segment core total revenue	$ 122,451	$ 115,708	$ 101,555	$ 102,113	$ 101,489
Banking segment core efficiency ratio (tax-equivalent basis)	53.8%	51.3%	58.7%	57.5%	57.9%
Mortgage segment core efficiency ratio (tax-equivalent basis)					
Mortgage segment noninterest expense	$ 15,961	$ 37,677	$ 29,688	$ 30,798	$ 36,230
Less mortgage restructuring expense	—	12,458	—	—	—
Mortgage segment core noninterest expense	$ 15,961	$ 25,219	$ 29,688	$ 30,798	$ 36,230
Mortgage segment net interest income	—	—	(2)	139	(100)
Mortgage segment noninterest income	12,299	22,515	29,409	31,369	45,183
Less (loss) gain on sales or write-downs of other real estate owned	(85)	(44)	(122)	19	(201)
Mortgage segment core noninterest income	12,384	22,559	29,531	31,350	45,384
Mortgage segment core total revenue	$ 12,384	$ 22,559	$ 29,529	$ 31,489	$ 45,284
Mortgage segment core efficiency ratio (tax-equivalent basis)	128.9%	111.8%	100.5%	97.8%	80.0%

GAAP reconciliation and use of non-GAAP financial measures

Adjusted Banking segment pre-tax pre-provision earnings

(Dollars in thousands, except share data)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Banking segment pre-tax net contribution	$ 44,424	$ 41,232	$ 44,830	$ 62,131	$ 46,153
Plus provisions for credit losses	11,367	12,318	(4,247)	(10,769)	(2,531)
Banking segment pre-tax pre-provision earnings	55,791	53,550	40,583	51,362	43,622
Less other non-operating items	(387)	(2,010)	(174)	8,499	1,235
Adjusted Banking segment pre-tax pre-provision earnings	$ 56,178	$ 55,560	$ 40,757	$ 42,863	$ 42,387

GAAP reconciliation and use of non-GAAP financial measures

Adjusted Mortgage segment pre-tax net (loss) contribution

(Dollars in thousands)	2022			2021	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter
Mortgage segment pre-tax net (loss) contribution	$ (3,662)	$ (15,162)	$ (281)	$ 710	$ 8,853
Plus mortgage restructuring expense	—	12,458	—	—	—
Adjusted Mortgage segment pre-tax net (loss) contribution	$ (3,662)	$ (2,704)	$ (281)	$ 710	$ 8,853
Pre-tax pre-provision earnings	$ 52,129	$ 38,388	$ 40,302	$ 52,072	$ 52,475
Mortgage segment pre-tax pre-provision net contribution to total pre-tax pre-provision earnings	N/A	N/A	N/A	1.36 %	16.9 %
Adjusted pre-tax pre-provision earnings	$ 52,516	$ 52,856	$ 40,476	$ 43,573	$ 51,240
Adjusted Mortgage segment pre-tax pre-provision net contribution to total adjusted pre-tax pre-provision earnings	N/A	N/A	N/A	1.63 %	17.3 %

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity, tangible book value per common share and tangible common equity to tangible assets

(Dollars in thousands, except share data)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Tangible assets					
Total assets	$ 12,258,082	$ 12,193,862	$ 12,674,191	$ 12,597,686	$ 11,810,290
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	13,407	14,515	15,709	16,953	18,248
Tangible assets	$ 12,002,114	$ 11,936,786	$ 12,415,921	$ 12,338,172	$ 11,549,481
Tangible common equity					
Total common shareholders' equity	$ 1,281,161	$ 1,319,852	$ 1,379,776	$ 1,432,602	$ 1,400,913
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	13,407	14,515	15,709	16,953	18,248
Tangible common equity	$ 1,025,193	$ 1,062,776	$ 1,121,506	$ 1,173,088	$ 1,140,104
Less accumulated other comprehensive (loss) income, net	(187,440)	(120,495)	(71,544)	5,858	12,637
Adjusted Tangible common equity	$ 1,212,633	$ 1,183,271	$ 1,193,050	$ 1,167,230	$ 1,127,467
Common shares outstanding	46,926,377	46,881,896	47,487,874	47,549,241	47,707,634
Book value per common share	$ 27.30	$ 28.15	$ 29.06	$ 30.13	$ 29.36
Tangible book value per common share	$ 21.85	$ 22.67	$ 23.62	$ 24.67	$ 23.90
Adjusted tangible book value per common share	$ 25.84	$ 25.24	$ 25.12	$ 24.55	$ 23.63
Total common shareholders' equity to total assets	10.5%	10.8%	10.9%	11.4%	11.9%
Tangible common equity to tangible assets	8.54%	8.90%	9.03%	9.51%	9.87%

GAAP reconciliation and use of non-GAAP financial measures

Tangible assets and equity, tangible book value per common share and tangible common equity to tangible assets

(Dollars in thousands)	YTD 2022	2021	2020	2019	2018
Tangible assets					
Total assets	$ 12,258,082	$ 12,597,686	$ 11,207,330	$ 6,124,921	$ 5,136,764
Less goodwill	242,561	242,561	242,561	169,051	137,190
Less intangibles, net	13,407	16,953	22,426	17,589	11,628
Tangible assets	$ 12,002,114	$ 12,338,172	$ 10,942,343	$ 5,938,281	$ 4,987,946
Tangible common equity					
Total common shareholders' equity	$ 1,281,161	$ 1,432,602	$ 1,291,289	$ 762,329	$ 671,857
Less goodwill	242,561	242,561	242,561	169,051	137,190
Less intangibles, net	13,407	16,953	22,426	17,589	11,628
Tangible common equity	$ 1,025,193	$ 1,173,088	$ 1,026,302	$ 575,689	$ 523,039
Less accumulated other comprehensive (loss) income, net	(187,440)	5,858	27,595	12,138	(4,227)
Adjusted Tangible common equity	$ 1,212,633	$ 1,167,230	$ 998,707	$ 563,551	$ 527,266
Common shares outstanding	46,926,377	47,549,241	47,220,743	31,034,315	30,724,532
Book value per common share	$ 27.30	$ 30.13	$ 27.35	$ 24.56	$ 21.87
Tangible book value per common share	$ 21.85	$ 24.67	$ 21.73	$ 18.55	$ 17.02
Adjusted tangible book value per common share	$ 25.84	$ 24.55	$ 21.15	$ 18.16	$ 17.16
Total common shareholders' equity to total assets	10.5%	11.4%	11.5%	12.4%	13.1%
Tangible common equity to tangible assets	8.54%	9.51%	9.38%	9.69%	10.5%

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible common equity

(Dollars in thousands)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Average common shareholders' equity	$ 1,336,143	$ 1,352,701	$ 1,415,985	$ 1,411,987	$ 1,389,201
Less average goodwill	242,561	242,561	242,561	242,561	242,561
Less average intangibles, net	13,953	15,144	16,376	17,580	18,950
Average tangible common equity	$ 1,079,629	$ 1,094,996	$ 1,157,048	$ 1,151,846	$ 1,127,690
Net income	$ 31,831	$ 19,345	$ 35,236	$ 48,827	$ 45,290
Return on average common equity	9.45%	5.74%	10.1%	13.7%	12.9%
Return on average tangible common equity	11.7%	7.09%	12.4%	16.8%	15.9%
Adjusted net income	$ 32,117	$ 30,051	$ 35,365	$ 42,551	$ 42,699
Adjusted return on average tangible common equity	11.8%	11.0%	12.4%	14.7%	15.0%
Adjusted pre-tax pre-provision earnings	$ 52,516	$ 52,856	$ 40,476	$ 43,573	$ 51,240
Adjusted pre-tax pre-provision return on average tangible common equity	19.3%	19.4%	14.2%	15.0%	18.0%

GAAP reconciliation and use of non-GAAP financial measures

Adjusted return on average assets and common equity

(Dollars in thousands)	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter	2021 Third Quarter
Net income	$ 31,831	$ 19,345	$ 35,236	$ 48,827	$ 45,290
Average assets	12,038,115	12,427,479	12,641,489	12,085,817	11,915,062
Average common equity	1,336,143	1,352,701	1,415,985	1,411,987	1,389,201
Return on average assets	1.05%	0.62%	1.13%	1.60%	1.51%
Return on average common equity	9.45%	5.74%	10.1%	13.7%	12.9%
Adjusted net income	$ 32,117	$ 30,051	$ 35,365	$ 42,551	$ 42,699
Adjusted return on average assets	1.06%	0.97%	1.13%	1.40%	1.42%
Adjusted return on average common equity	9.54%	8.91%	10.1%	12.0%	12.2%
Adjusted pre-tax pre-provision earnings	$ 52,516	$ 52,856	$ 40,476	$ 43,573	$ 51,240
Adjusted pre-tax pre-provision return on average assets	1.73%	1.71%	1.30%	1.43%	1.71%
Adjusted pre-tax pre-provision return on average common equity	15.6%	15.7%	11.6%	12.2%	14.6%

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible common equity

(Dollars in thousands)	YTD 2022	2021	2020	2019	2018
Average common shareholders' equity	$ 1,368,025	$ 1,361,637	$ 966,336	$ 723,494	$ 629,922
Less average goodwill	242,561	242,561	199,104	160,587	137,190
Less average intangibles, net	15,149	19,606	22,659	17,236	12,815
Average tangible common equity	$ 1,110,315	$ 1,099,470	$ 744,573	$ 545,671	$ 479,917
Net income	$ 86,412	$ 190,285	$ 63,621	$ 83,814	$ 80,236
Return on average common equity	8.45 %	14.0 %	6.58 %	11.6 %	12.7 %
Return on average tangible common equity	10.4 %	17.3 %	8.54 %	15.4 %	16.7 %
Adjusted net income	$ 97,532	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Adjusted return on average tangible common equity	11.7 %	16.5 %	19.1 %	16.4 %	17.1 %
Adjusted pre-tax pre-provision earnings	$ 145,848	$ 191,631	$ 229,707	$ 123,972	$ 113,517
Adjusted pre-tax pre-provision return on average tangible common equity	17.6 %	17.4 %	30.9 %	22.7 %	23.7 %

GAAP reconciliation and use of non-GAAP financial measures

Adjusted return on average assets and common equity

(Dollars in thousands)	YTD 2022	2021	2020	2019	2018
Net income	$ 86,412	$ 190,285	$ 63,621	$ 83,814	$ 80,236
Average assets	12,360,940	11,848,460	8,438,100	5,777,672	4,844,865
Average common equity	1,368,025	1,361,637	966,336	723,494	629,922
Return on average assets	0.93%	1.61%	0.75%	1.45%	1.66%
Return on average common equity	8.45%	14.0%	6.58%	11.6%	12.7%
Adjusted net income	$ 97,532	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Adjusted return on average assets	1.05%	1.53%	1.68%	1.55%	1.69%
Adjusted return on average common equity	9.53%	13.3%	14.7%	12.3%	13.0%
Adjusted pre-tax pre-provision earnings	$ 145,848	$ 191,631	$ 229,707	$ 123,972	$ 113,517
Adjusted pre-tax pre-provision return on average assets	1.58%	1.62%	2.72%	2.15%	2.34%
Adjusted pre-tax pre-provision return on average common equity	14.3%	14.1%	23.8%	17.1%	18.0%