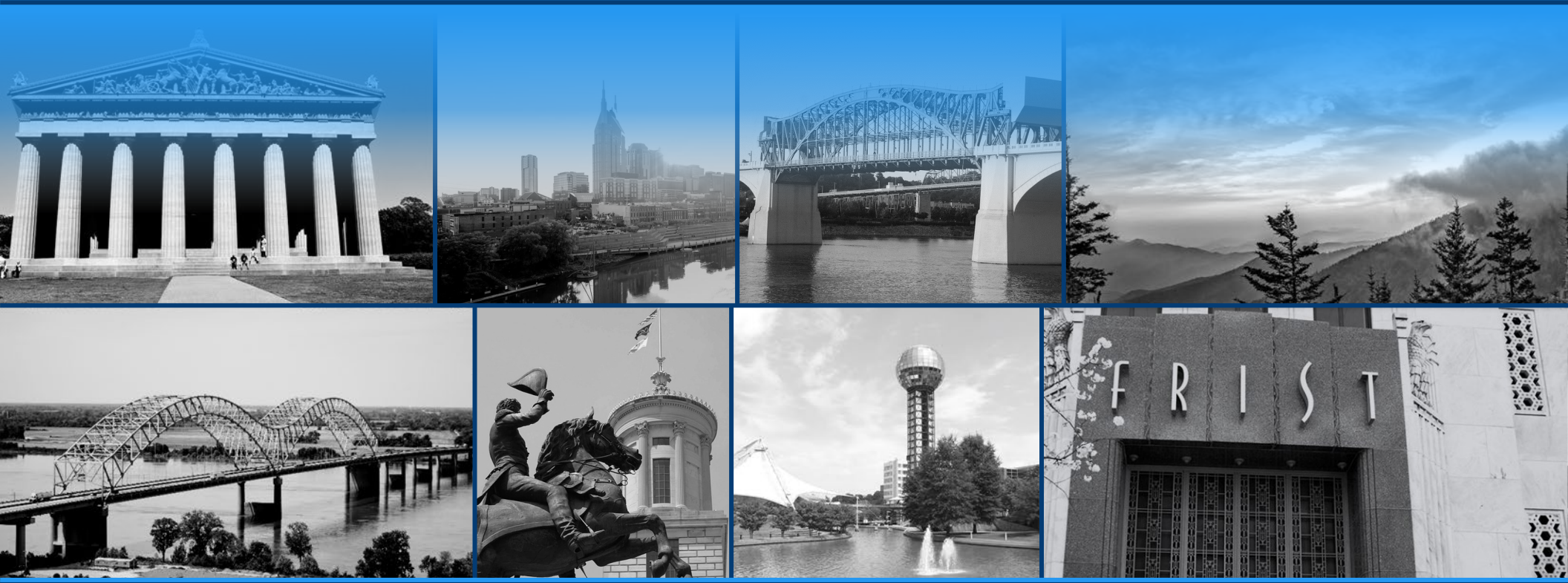
FB Financial Corporation



2022 Fourth Quarter Earnings Presentation

January 17, 2023

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 the other items excluded 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 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.

4Q 2022 and Annual highlights

Key highlights

- Total deposits grew 33.7% annualized in 4Q 2022 (36.8% annualized or $914.9 million excluding mortgage escrow related deposits); FY 2022 growth of $70.9 million (excluding mortgage escrow deposits)
- Loans HFI grew 8.42% annualized in 4Q 2022, or $193.2 million. Company originated $125.7 million in participations sold during the quarter, which if not sold would have equated to 13.9% annualized loan growth. FY 2022 loan growth of 22.3%.
- Paid down wholesale borrowings by $365.0 million in 4Q 2022. Strong liquidity profile with limited wholesale borrowings.
- Maintained a strong ACL/loans HFI to 1.44% and recorded a net reversal in provisions for credit losses of $0.5 million including provision expense related to loans held for investment of $0.2 million and a reduction of $0.6 million in the unfunded loan commitment reserve.
- Adjusted Banking segment 4Q 2022 PTPP earnings[1] of $54.5 million compared to $42.9 million in 4Q 2021. FY 2022 increase of 27.1%.
- Contractual yield on loans HFI increased by 66 basis points from 3Q 2022 to 5.45%.
- Mortgage segment pre-tax net loss of $4.2 million negatively impacted 4Q 2022 results. Continuing to reduce scale of mortgage operations for industry headwinds.
- Net charge-offs of .02% in 4Q 2022 and .02% FY 2022
- Commercial Loans HFS portfolio assumed with 2020 Franklin acquisition has been reduced to $30.5 million consisting of 3 relationships.
- Maintaining strong capital ratios: CET1 of 11.0%, Tier 1 of 11.3%, Total Capital of 13.1% and Leverage ratio of 10.5%

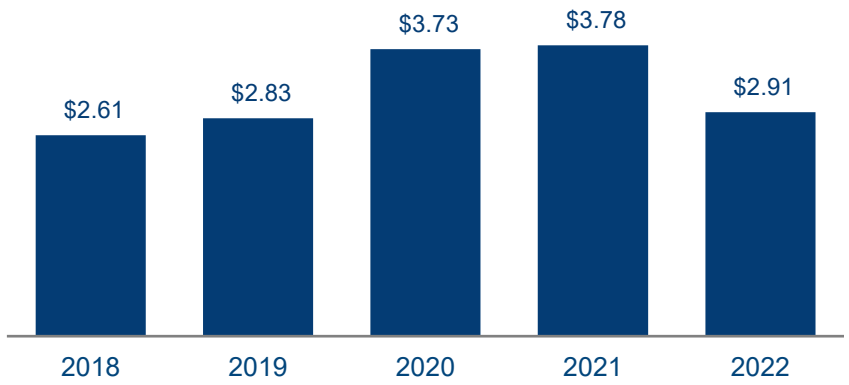
Financial results

	4Q 2022	FY 2022
Diluted earnings per share	$0.81	$2.64
Adjusted diluted earnings per share[1]	*$0.85*	*$2.91*
Net income ($mm)	$38.1	$124.6
Adjusted net income[1] ($mm)	*$40.0*	*$137.6*
Return on average assets	1.22%	1.01%
Adjusted return on average assets[1]	*1.28%*	*1.11%*
Return on average common equity	11.7%	9.23%
Adjusted return on average common equity[1]	*12.3%*	*10.2%*
Return on average tangible common equity[1]	14.6%	11.4%
Adjusted return on average tangible common equity[1]	*15.3%*	*12.6%*
Adjusted pre-tax, pre-provision earnings[1] ($mm)	$50.3	$196.1
Net interest margin	3.78%	3.57%
Positive impact of accretion and nonaccrual interest (bps)	*3*	*1*
Total common equity / total assets	10.3%	10.3%
Tangible common equity / tangible assets[1]	*8.50%*	*8.50%*

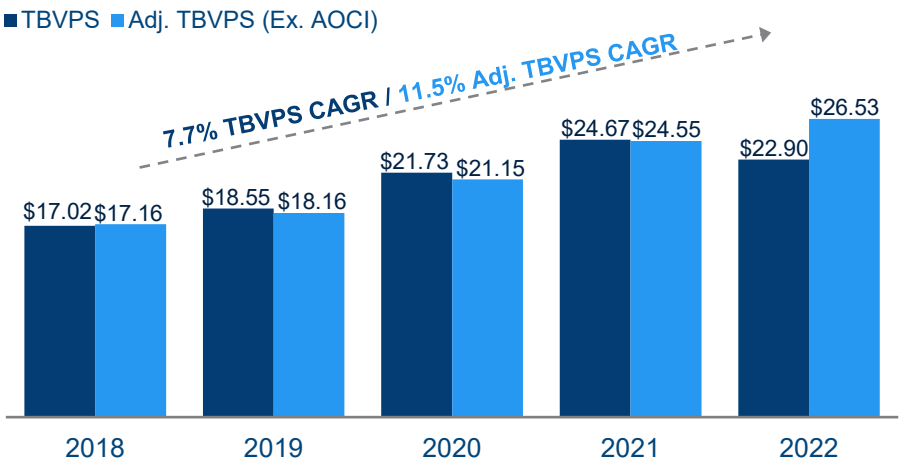
[1] Results are non-GAAP financial measures that adjust GAAP reported net income, total assets, equity and other metrics for certain intangibles, income and expense items as outlined in the non-GAAP reconciliation calculations, using a combined marginal income tax rate of 26.06% excluding one-time items.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

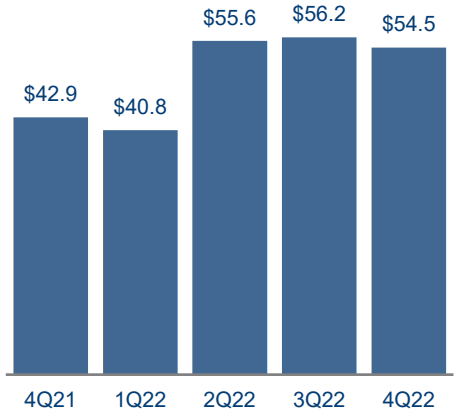


Tangible Book Value per Share[1]

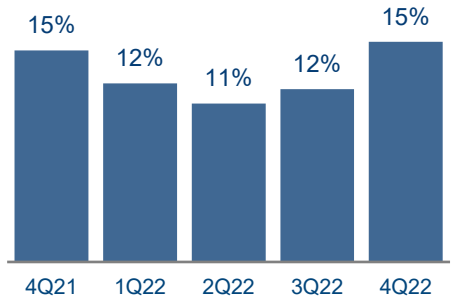


Short Term Performance Dashboard

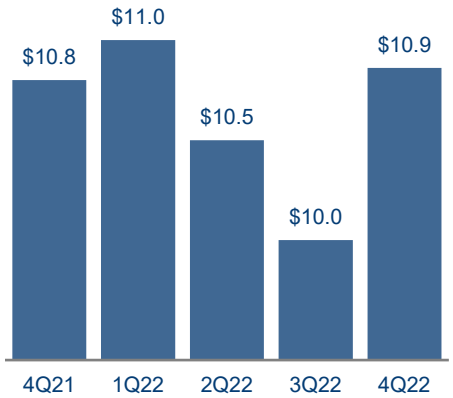
Adjusted Banking Segment PTPP[1,2]



Adjusted ROATCE[1]

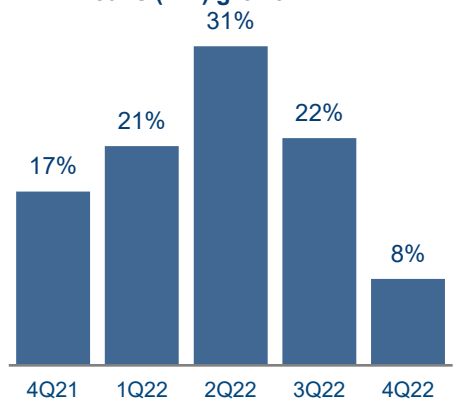


Total Deposits ($bn)



Annualized Loans (HFI) Growth

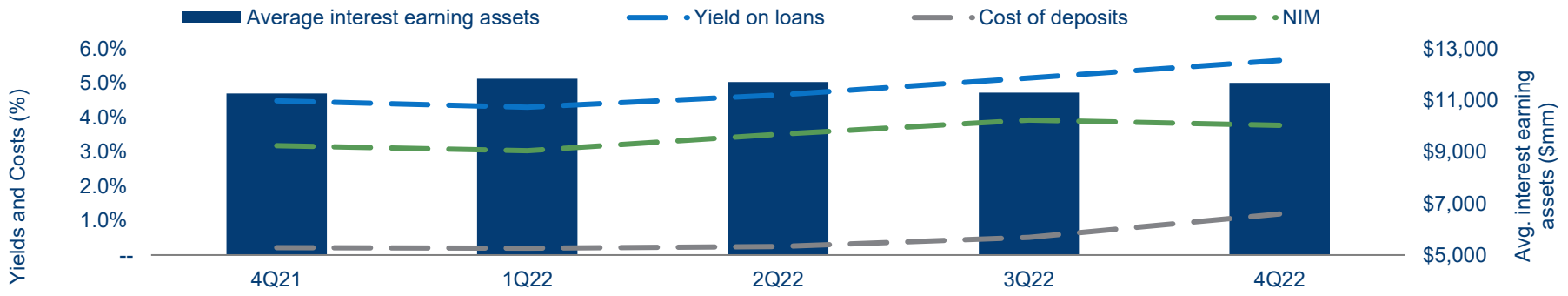
22.3% FY 2022 Loans (HFI) growth



[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 and $0.7 million in the second and third quarters of 2022, respectively.

Strong net interest margin

Historical yield and costs



	4Q21	1Q22	2Q22	3Q22	4Q22
NIM[1]	**3.19%**	**3.04%**	**3.52%**	**3.93%**	**3.78%**
Impact of accretion and nonaccrual interest (bps)	0	(7)	2	5	3
Impact of excess liquidity[2] (bps)	(22)	(29)	(14)	0	0
Deposit Cost:					
Cost of MMDA	0.27%	0.21%	0.20%	0.73%	2.03%
Cost of customer time	0.53%	0.50%	0.64%	0.87%	1.79%
Cost of interest-bearing	0.30%	0.27%	0.33%	0.74%	1.67%
Total deposit cost	**0.22%**	**0.20%**	**0.25%**	**0.52%**	**1.20%**
Loans HFI Yield:					
Contractual interest	4.17%	4.12%	4.24%	4.79%	5.45%
Origination and other loan fee income	0.33%	0.26%	0.33%	0.30%	0.18%
Nonaccrual interest	0.03%	0.05%	0.03%	0.02%	0.03%
(Amortization) accretion on purchased loans	(0.04%)	(0.12%)	0.00%	0.05%	0.01%
Syndication fee income	0.00%	0.00%	0.06%	0.00%	0.00%
Total loan (HFI) yield	**4.49%**	**4.31%**	**4.66%**	**5.16%**	**5.67%**

[1] Includes tax-equivalent adjustment.

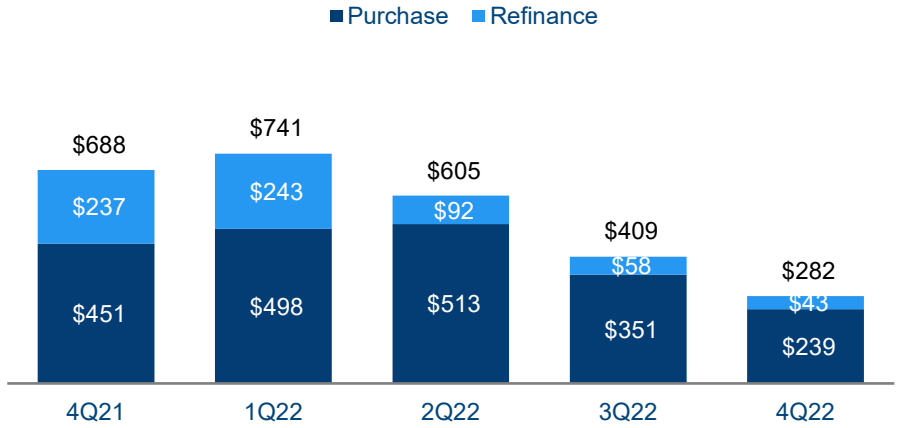
[2] Excess liquidity defined as interest-bearing deposits with other financial institutions in excess of 5% of average tangible assets. Assumes funded from all interest bearing liabilities.

Mortgage performance in 4Q 2022

Highlights

- Mortgage segment pre-tax net loss of $4.2 million in 4Q 2022
- Interest rate lock commitment volume declined 31% in 4Q resulting in negative fair value change
- Interest rate volatility led to MSR fair value changes, net of hedging losses of $4.9 million in 4Q
- A positive contribution to earnings is not expected in 1Q 2023 due to seasonal impact on volume; annual operating profitability is expected in 2023

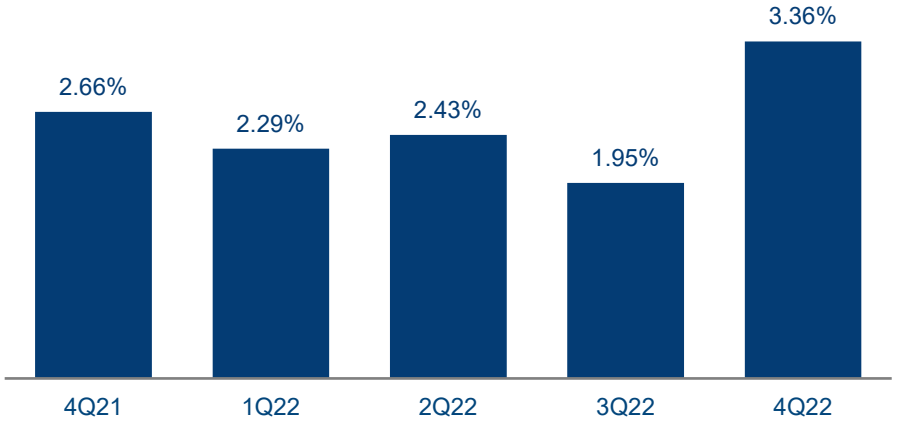
Retail channel interest rate lock commitments ($mm)



Mortgage banking income ($mm)

	4Q21	3Q22	4Q22
Gain on Sale	$37.5	$11.1	$9.0
Fair value changes	($12.5)	($2.5)	($2.3)
Servicing Revenue	$7.7	$8.1	$7.3
Fair value MSR changes	($1.3)	($4.3)	($4.9)
Total Income	**$31.4**	**$12.4**	**$9.1**

Mortgage segment gain on sale margin

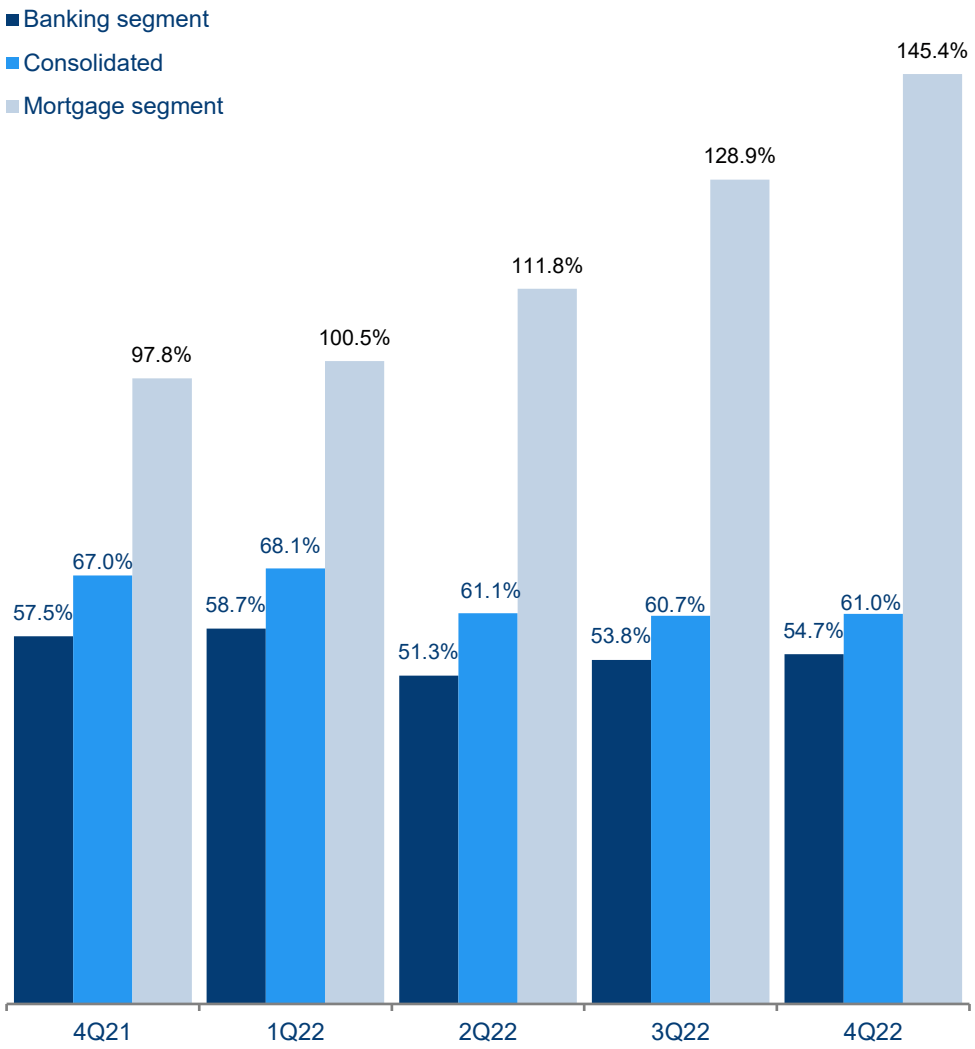


Managing expenses

Highlights

- Consolidated 4Q 2022 core efficiency ratio[1] of 61.0%
- Banking segment is realizing the benefit of an asset sensitive balance sheet; however, Q4 also saw an acceleration of increasing deposit cost resulting in NIM compression
- Mortgage efficiency ratio remains negative due to operating losses; segment has adjusted and continues adjusting for realities of the current origination environment

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



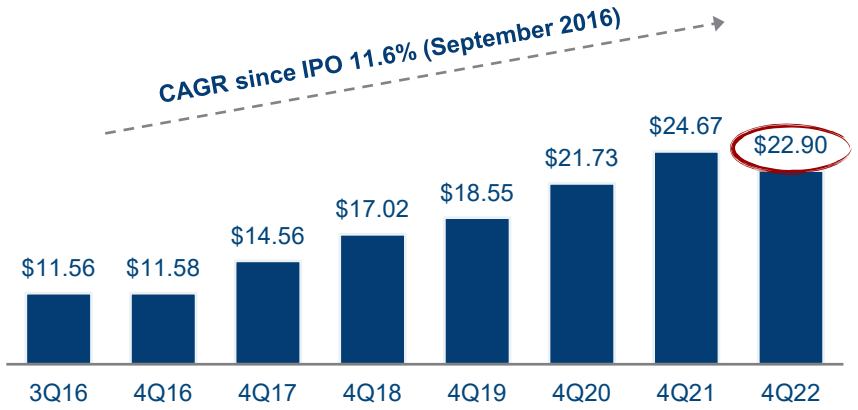
[1] See "Use of non-GAAP financial measures" and the Appendix hereto for a discussion and reconciliation of non-GAAP measures to the most directly comparable GAAP financial measures.

Well-capitalized for future opportunities

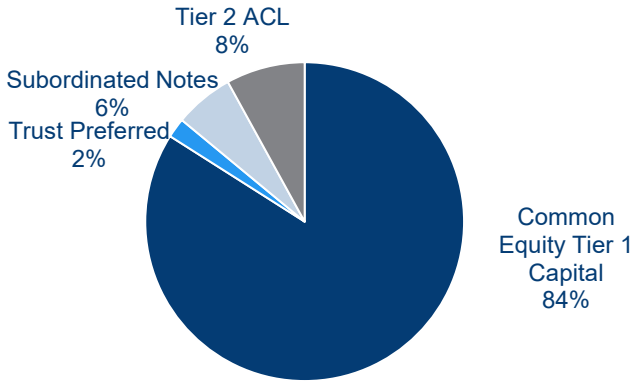
Capital position

	4Q21[1]	3Q22[1]	4Q22[1,2]
Shareholder's equity/Assets	11.4%	10.5%	10.3%
TCE/TA[3]	9.5%	8.5%	8.5%
Common equity tier 1/Risk-weighted assets	12.3%	10.9%	11.0%
Tier 1 capital/Risk-weighted assets	12.6%	11.2%	11.3%
Total capital/Risk-weighted assets	14.5%	13.0%	13.1%
Tier 1 capital /Average assets	10.5%	10.7%	10.5%
C&D loans subject to 100% tier 1 capital plus ACL[4]	103%	124%	119%
CRE loans subject to 300% tier 1 capital plus ACL[4]	264%	299 %	297%

Tangible book value per share[3]



Simple capital structure

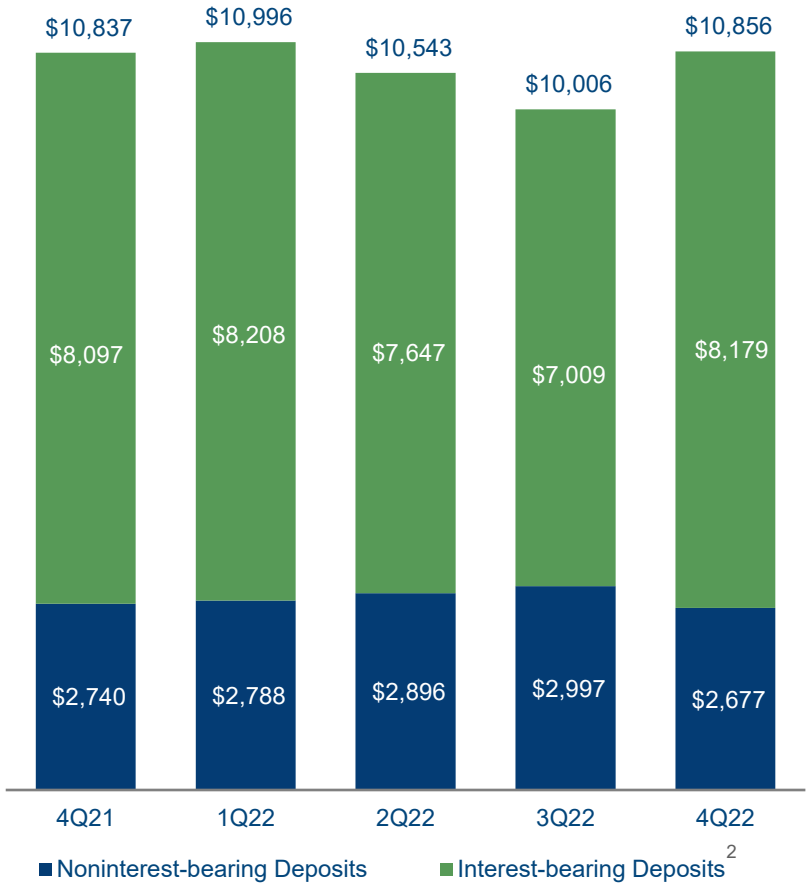


Total regulatory capital $1,528[2] mm

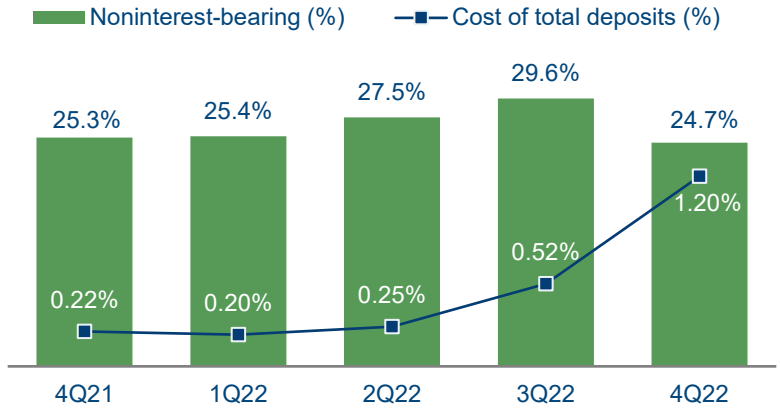
[1] For regulatory capital purposes, the CECL impact over 2021 and 2022 is gradually phased-in from Common Equity Tier 1 Capital to Tier 2 capital. As of 4Q21, 3Q22 and 4Q22, respectively, $40.9 million, $30.7 million and $30.7 million are being added back to CET 1 and Tier 1 Capital, and $46.8 million, $35.1 million and $35.1 million are being taken out of Tier 2 capital. [2] Total regulatory capital, FB Financial Corporation. 4Q22 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 4Q21, 3Q22 and 4Q22, respectively, $46.8 million, $35.1 million and $35.1 million are being disallowed from Tier 1 Capital for purposes of the calculation.

Valuable core deposit base

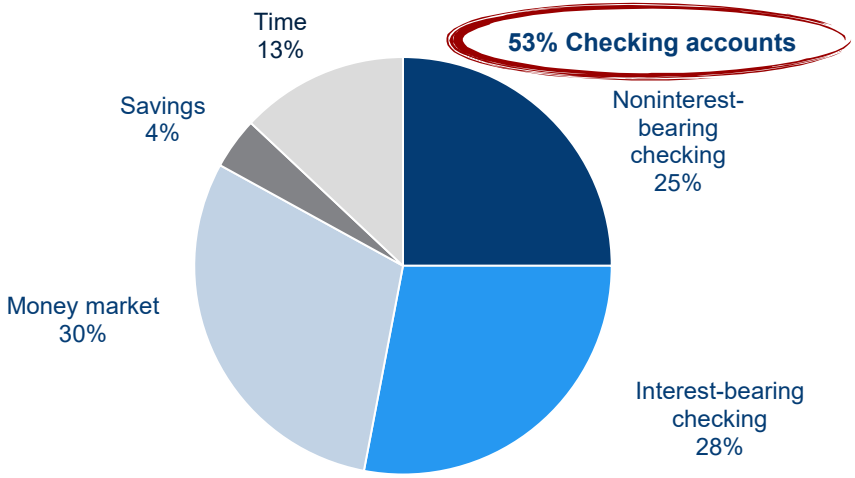
Total deposits[1] ($mm)



Cost of deposits



Deposit composition

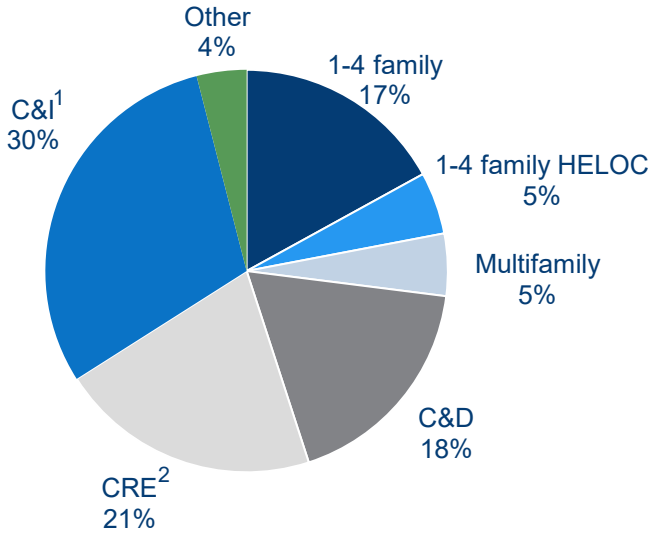


[1] Noninterest bearing deposits includes mortgage servicing-related deposits of $127.6 million, $131.1 million, $133.2 million, $140.8 million, and $75.6 million for the quarters ended December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022, respectively.

[2] Brokered and internet deposits made up less than 0.50% of total interest-bearing deposits for all periods shown.

Balanced loan portfolio

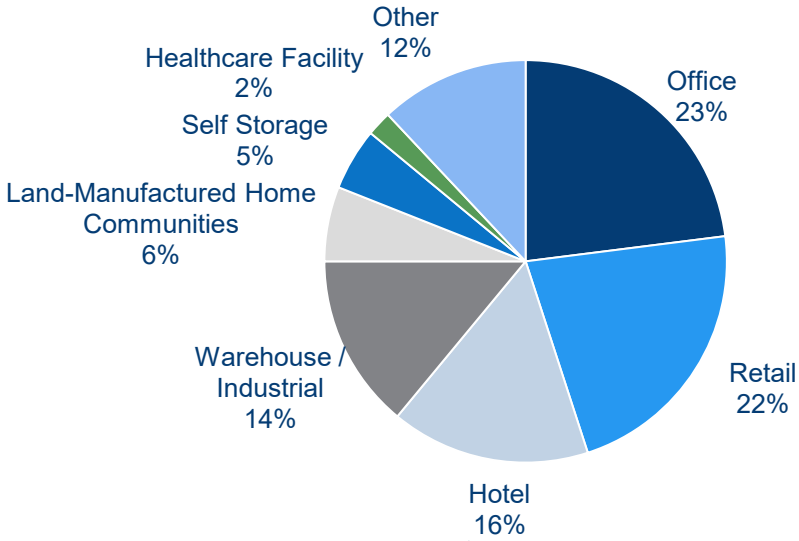
Portfolio mix



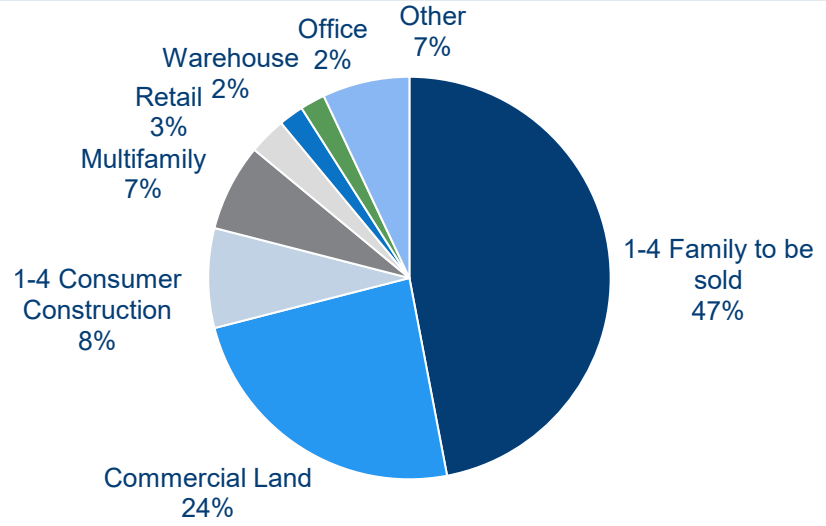
C&I[1] exposure by industry

	C&I	CRE-OO	Total	% of Total
Real Estate Rental and Leasing	$ 374.3	$ 203.0	$ 577.3	20.9%
Finance and Insurance	303.9	14.8	318.7	11.6%
Manufacturing	194.9	75.8	270.7	9.8%
Retail Trade	118.2	136.6	254.8	9.2%
Other Services (except Public Administration)	28.8	156.8	185.6	6.7%
Health Care and Social Assistance	63.3	118.2	181.5	6.6%
Construction	105.0	61.8	166.8	6.0%
Wholesale Trade	97.8	65.1	162.9	5.9%
Accomodation and Food Services	28.3	118.8	147.1	5.3%
Transportation and Warehousing	97.8	24.2	122.0	4.5%
Professional, Scientific and Technical Services	72.1	25.2	97.3	3.5%
Arts, Entertainment and Recreation	29.6	31.9	61.5	2.2%
Information	7.6	14.0	21.6	0.8%
Other	124.2	68.4	192.6	7.0%
Total	**$ 1,645.8**	**$ 1,114.6**	**$ 2,760.4**	**100.0%**

CRE[2] exposure by type



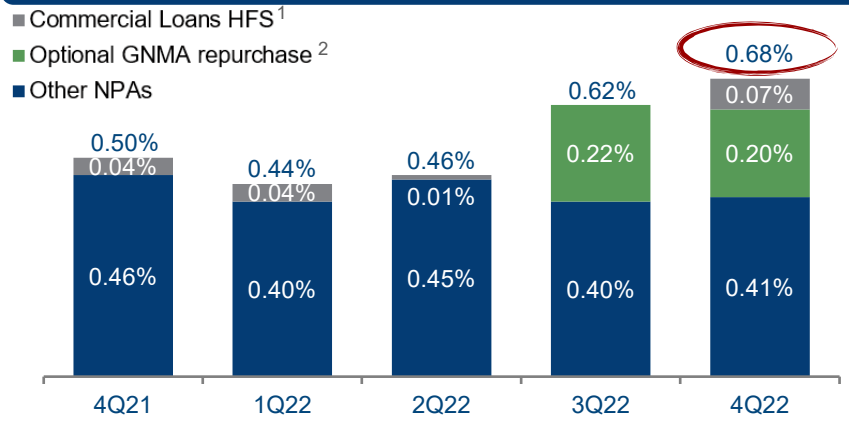
C&D exposure by type



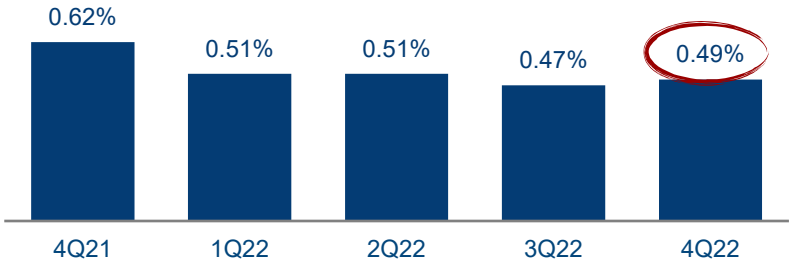
Note: Data as of December 31, 2022 [1] C&I includes owner-occupied CRE. [2] Excludes owner-occupied CRE.

Asset quality remains solid

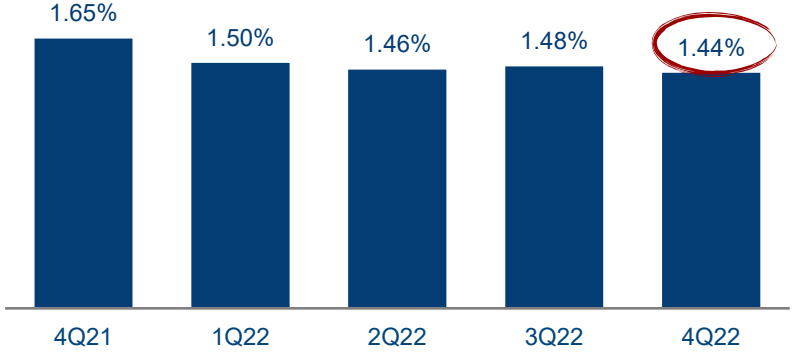
Nonperforming Assets[1] / Assets



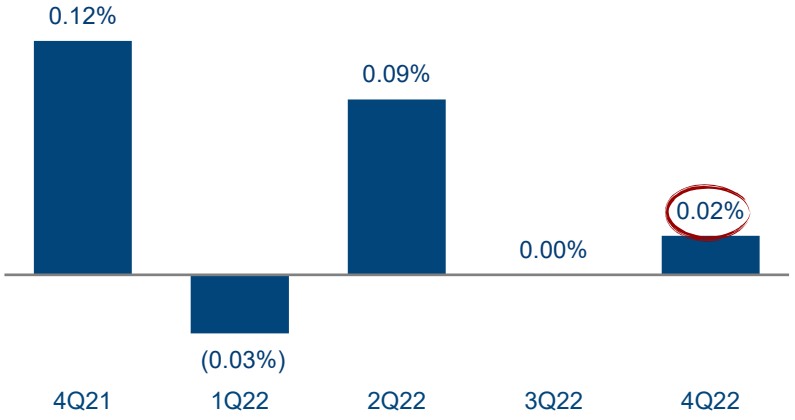
Nonperforming Loans (HFI) / Loans (HFI)



LLR/loans HFI



Net charge-offs (recoveries) / average loans



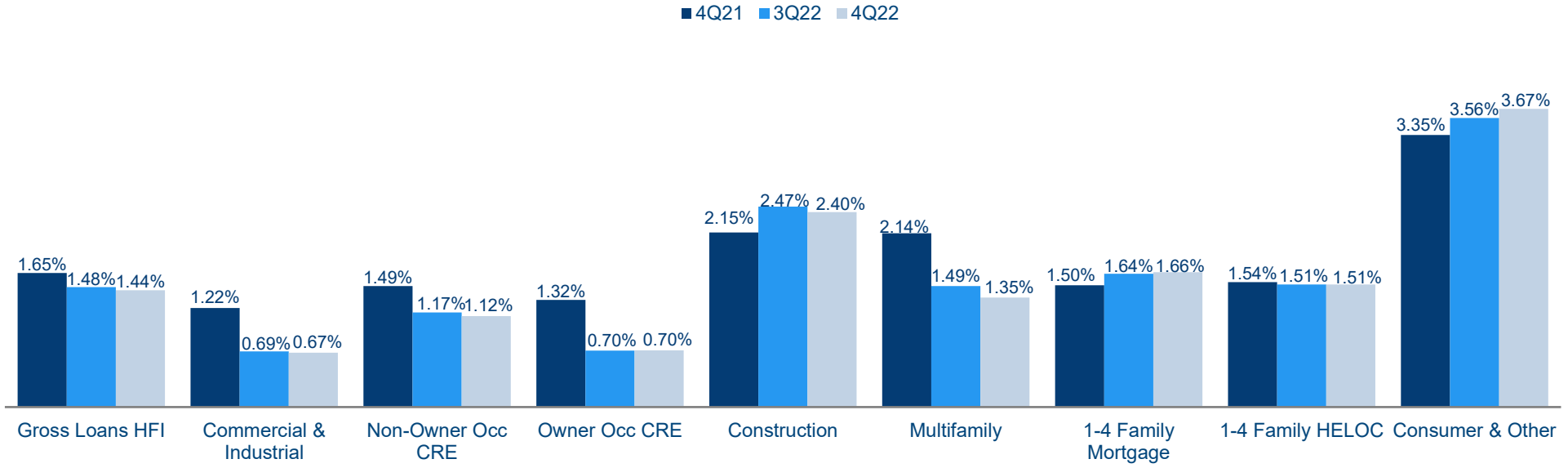
[1] Includes outstanding commercial loans held for sale acquired from Franklin.
[2] Includes acquired excess land and facilities held for sale–see page 14 of the Quarterly Financial Supplement.

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,			
	1Q 2023	2Q 2023	2023	2024	2025	2026
GDP(bcw$)	$ 20,011.7	$ 19,980.0	$ 20,036.4	$ 20,428.0	$ 21,030.4	$ 21,677.2
Annualized % Change	-0.1%	-0.7%	0.3%	1.9%	2.9%	3.1%
Total Employment (millions)	153.3	153.2	153.2	154.5	156.0	156.6
Unemployment Rate	4.0%	4.3%	4.4%	4.4%	3.8%	4.0%
CRE Price Index	358.2	353.6	345.5	362.7	386.7	409.6
NCREIF Property Index: Rate of Return	1.4%	1.2%	1.2%	2.5%	2.7%	2.0%

ACL / Loans HFI by Category



[1]Source: Moody's "November 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 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Income before income taxes	$ 48,193	$ 40,762	$ 26,070	$ 44,549	$ 62,841
Plus mortgage restructuring expense	—	—	12,458	—	—
Less other non-operating items[1]	(2,562)	(387)	(2,010)	(174)	8,499
Adjusted pre-tax net income	50,755	41,149	40,538	44,723	54,342
Adjusted income tax expense	10,710	9,032	10,487	9,358	11,791
Adjusted net income	$ 40,045	$ 32,117	$ 30,051	$ 35,365	$ 42,551
Weighted average common shares outstanding - fully diluted	47,036,742	47,024,611	47,211,650	47,723,902	47,896,715
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 0.81	$ 0.68	$ 0.41	$ 0.74	$ 1.02
Plus mortgage restructuring expense	—	—	0.27	—	—
Less other non-operating items	(0.05)	—	(0.04)	—	0.18
Less tax effect	0.01	—	0.08	—	(0.05)
Adjusted diluted earnings per common share	$ 0.85	$ 0.68	$ 0.64	$ 0.74	$ 0.89

[1] 4Q22 includes a $2,562 loss from change in fair value of commercial loans held for sale acquired from Franklin; 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;

GAAP reconciliation and use of non-GAAP financial measures

Adjusted pre-tax, pre-provision earnings

(Dollars in thousands, except share data)	2022 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Income before income taxes	$ 48,193	$ 40,762	$ 26,070	$ 44,549	$ 62,841
Plus provisions for credit losses	(456)	11,367	12,318	(4,247)	(10,769)
Pre-tax pre-provision earnings	47,737	52,129	38,388	40,302	52,072
Plus mortgage restructuring expense	—	—	12,458	—	—
Less other non-operating items	(2,562)	(387)	(2,010)	(174)	8,499
Adjusted pre-tax pre-provision earnings	$ 50,299	$ 52,516	$ 52,856	$ 40,476	$ 43,573

GAAP reconciliation and use of non-GAAP financial measures

Adjusted earnings and diluted earnings per share

(Dollars in thousands, except share data)	2022	2021	2020	2019	2018
Income before income taxes	$ 159,574	$ 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]	(5,133)	11,032	(4,400)	—	—
Adjusted pre-tax net income	177,165	232,624	187,876	116,919	108,119
Adjusted income tax expense[2]	39,587	51,553	45,944	27,648	26,034
Adjusted net income	$ 137,578	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Weighted average common shares outstanding - fully diluted	47,239,791	47,955,880	38,099,744	31,402,897	31,314,981
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 2.64	$ 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	(0.11)	0.22	(0.11)	—	—
Less tax effect	0.10	(0.02)	0.71	0.06	0.01
Adjusted diluted earnings per common share	$ 2.91	$ 3.78	$ 3.73	$ 2.83	$ 2.61

[1] 2022 includes a $5,133 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)	2022	2021	2020	2019	2018
Income before income taxes	$ 159,574	$ 243,051	$ 82,461	$ 109,539	$ 105,854
Plus provisions for credit losses	18,982	(40,993)	107,967	7,053	5,398
Pre-tax pre-provision earnings	178,556	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	(5,133)	11,032	(4,400)	—	—
Adjusted pre-tax pre-provision earnings	$ 196,147	$ 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 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Total noninterest expense	$ 80,230	$ 81,847	$ 96,997	$ 89,272	$ 90,902
Less mortgage restructuring expenses	—	—	12,458	—	—
Less certain charitable contributions	—	—	—	—	1,422
Core noninterest expense	$ 80,230	$ 81,847	$ 84,539	$ 89,272	$ 89,480
Net interest income (tax-equivalent basis)	$ 111,279	$ 112,145	$ 102,926	$ 88,932	$ 90,537
Total noninterest income	17,469	22,592	33,214	41,392	53,219
Less (loss) gain on change in fair value on commercial loans held for sale	(2,562)	(387)	(2,010)	(174)	9,921
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(252)	429	(8)	(434)	187
Less gain (loss) from securities, net	25	(140)	(109)	(152)	46
Core noninterest income	20,258	22,690	35,341	42,152	43,065
Core revenue	$ 131,537	$ 134,835	$ 138,267	$ 131,084	$ 133,602
Efficiency ratio (GAAP)[a]	62.7%	61.1%	71.6 %	68.9%	63.6%
Core efficiency ratio (tax-equivalent basis)	61.0%	60.7%	61.1 %	68.1%	67.0%

(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)

(Dollars in thousands)	2022 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Banking segment core efficiency ratio (tax-equivalent basis)					
Core noninterest expense	$ 80,230	$ 81,847	$ 84,539	$ 89,272	$ 89,480
Less Mortgage segment core noninterest expense	13,304	15,961	25,219	29,688	30,798
Banking segment core noninterest expense	$ 66,926	$ 65,886	$ 59,320	$ 59,584	$ 58,682
Banking segment net interest income (tax-equivalent basis)	$ 111,279	$ 112,145	$ 102,926	$ 88,934	$ 90,398
Core noninterest income	20,258	22,690	35,341	42,152	43,065
Less Mortgage segment core noninterest income	9,148	12,384	22,559	29,531	31,350
Banking segment core noninterest income	11,110	10,306	12,782	12,621	11,715
Core revenue	131,537	134,835	138,267	131,084	133,602
Less Mortgage segment core total revenue	9,148	12,384	22,559	29,529	31,489
Banking segment core total revenue	$ 122,389	$ 122,451	$ 115,708	$ 101,555	$ 102,113
Banking segment core efficiency ratio (tax-equivalent basis)	54.7%	53.8%	51.3%	58.7%	57.5%
Mortgage segment core efficiency ratio (tax-equivalent basis)					
Mortgage segment noninterest expense	$ 13,304	$ 15,961	$ 37,677	$ 29,688	$ 30,798
Less mortgage restructuring expense	—	—	12,458	—	—
Mortgage segment core noninterest expense	$ 13,304	$ 15,961	$ 25,219	$ 29,688	$ 30,798
Mortgage segment net interest income	—	—	—	(2)	139
Mortgage segment noninterest income	9,124	12,299	22,515	29,409	31,369
Less (loss) gain on sales or write-downs of other real estate owned	(24)	(85)	(44)	(122)	19
Mortgage segment core noninterest income	9,148	12,384	22,559	29,531	31,350
Mortgage segment core total revenue	$ 9,148	$ 12,384	$ 22,559	$ 29,529	$ 31,489
Mortgage segment core efficiency ratio (tax-equivalent basis)	145.4%	128.9%	111.8%	100.5%	97.8%

GAAP reconciliation and use of non-GAAP financial measures

Adjusted Banking segment pre-tax pre-provision earnings

(Dollars in thousands, except share data)	2022 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Banking segment pre-tax net contribution	$ 52,373	$ 44,424	$ 41,232	$ 44,830	$ 62,131
Plus provisions for credit losses	(456)	11,367	12,318	(4,247)	(10,769)
Banking segment pre-tax pre-provision earnings	51,917	55,791	53,550	40,583	51,362
Less other non-operating items	(2,562)	(387)	(2,010)	(174)	8,499
Adjusted Banking segment pre-tax pre-provision earnings	$ 54,479	$ 56,178	$ 55,560	$ 40,757	$ 42,863

Adjusted Mortgage segment pre-tax net (loss) contribution

(Dollars in thousands, except share data)	2022 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Mortgage segment pre-tax net (loss) contribution	$ (4,180)	$ (3,662)	$ (15,162)	$ (281)	$ 710
Plus mortgage restructuring expense	—	—	12,458	—	—
Adjusted Mortgage segment pre-tax net (loss) contribution	$ (4,180)	$ (3,662)	$ (2,704)	$ (281)	$ 710

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 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Tangible assets					
Total assets	$ 12,847,756	$ 12,258,082	$ 12,193,862	$ 12,674,191	$ 12,597,686
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	12,368	13,407	14,515	15,709	16,953
Tangible assets	$ 12,592,827	$ 12,002,114	$ 11,936,786	$ 12,415,921	$ 12,338,172
Tangible common equity					
Total common shareholders' equity	$ 1,325,425	$ 1,281,161	$ 1,319,852	$ 1,379,776	$ 1,432,602
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	12,368	13,407	14,515	15,709	16,953
Tangible common equity	$ 1,070,496	$ 1,025,193	$ 1,062,776	$ 1,121,506	$ 1,173,088
Less accumulated other comprehensive (loss) income, net	(169,433)	(187,440)	(120,495)	(71,544)	5,858
Adjusted Tangible common equity	$ 1,239,929	$ 1,212,633	$ 1,183,271	$ 1,193,050	$ 1,167,230
Common shares outstanding	46,737,912	46,926,377	46,881,896	47,487,874	47,549,241
Book value per common share	$ 28.36	$ 27.30	$ 28.15	$ 29.06	$ 30.13
Tangible book value per common share	$ 22.90	$ 21.85	$ 22.67	$ 23.62	$ 24.67
Adjusted tangible book value per common share	$ 26.53	$ 25.84	$ 25.24	$ 25.12	$ 24.55
Total common shareholders' equity to total assets	10.3%	10.5%	10.8%	10.9%	11.4%
Tangible common equity to tangible assets	8.50%	8.54%	8.90%	9.03%	9.51%

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)	2022	2021	2020	2019	2018
Tangible assets					
Total assets	$ 12,847,756	$ 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	12,368	16,953	22,426	17,589	11,628
Tangible assets	$ 12,592,827	$ 12,338,172	$ 10,942,343	$ 5,938,281	$ 4,987,946
Tangible common equity					
Total common shareholders' equity	$ 1,325,425	$ 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	12,368	16,953	22,426	17,589	11,628
Tangible common equity	$ 1,070,496	$ 1,173,088	$ 1,026,302	$ 575,689	$ 523,039
Less accumulated other comprehensive (loss) income, net	(169,433)	5,858	27,595	12,138	(4,227)
Adjusted Tangible common equity	$ 1,239,929	$ 1,167,230	$ 998,707	$ 563,551	$ 527,266
Common shares outstanding	46,737,912	47,549,241	47,220,743	31,034,315	30,724,532
Book value per common share	$ 28.36	$ 30.13	$ 27.35	$ 24.56	$ 21.87
Tangible book value per common share	$ 22.90	$ 24.67	$ 21.73	$ 18.55	$ 17.02
Adjusted tangible book value per common share	$ 26.53	$ 24.55	$ 21.15	$ 18.16	$ 17.16
Total common shareholders' equity to total assets	10.3%	11.4%	11.5%	12.4%	13.1%
Tangible common equity to tangible assets	8.50%	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 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Average common shareholders' equity	$ 1,294,758	$ 1,336,143	$ 1,352,701	$ 1,415,985	$ 1,411,987
Less average goodwill	242,561	242,561	242,561	242,561	242,561
Less average intangibles, net	12,865	13,953	15,144	16,376	17,580
Average tangible common equity	$ 1,039,332	$ 1,079,629	$ 1,094,996	$ 1,157,048	$ 1,151,846
Net income	$ 38,143	$ 31,831	$ 19,345	$ 35,236	$ 48,827
Return on average common equity	11.7%	9.45%	5.74%	10.1%	13.7%
Return on average tangible common equity	14.6%	11.7%	7.09%	12.4%	16.8%
Adjusted net income	$ 40,045	$ 32,117	$ 30,051	$ 35,365	$ 42,551
Adjusted return on average tangible common equity	15.3%	11.8%	11.0%	12.4%	14.7%
Adjusted pre-tax pre-provision earnings	$ 50,299	$ 52,516	$ 52,856	$ 40,476	$ 43,573
Adjusted pre-tax pre-provision return on average tangible common equity	19.2%	19.3%	19.4%	14.2%	15.0%

GAAP reconciliation and use of non-GAAP financial measures

Adjusted return on average assets and common equity

(Dollars in thousands)	2022 Fourth Quarter	2022 Third Quarter	2022 Second Quarter	2022 First Quarter	2021 Fourth Quarter
Net income	$ 38,143	$ 31,831	$ 19,345	$ 35,236	$ 48,827
Average assets	12,446,027	12,038,115	12,427,479	12,641,489	12,085,817
Average common equity	1,294,758	1,336,143	1,352,701	1,415,985	1,411,987
Return on average assets	1.22%	1.05%	0.62%	1.13%	1.60%
Return on average common equity	11.7%	9.45%	5.74%	10.1%	13.7%
Adjusted net income	$ 40,045	$ 32,117	$ 30,051	$ 35,365	$ 42,551
Adjusted return on average assets	1.28%	1.06%	0.97%	1.13%	1.40%
Adjusted return on average common equity	12.3%	9.54%	8.91%	10.1%	12.0%
Adjusted pre-tax pre-provision earnings	$ 50,299	$ 52,516	$ 52,856	$ 40,476	$ 43,573
Adjusted pre-tax pre-provision return on average assets	1.60%	1.73%	1.71%	1.30%	1.43%
Adjusted pre-tax pre-provision return on average common equity	15.4%	15.6%	15.7%	11.6%	12.2%

GAAP reconciliation and use of non-GAAP financial measures

Return on average tangible common equity

(Dollars in thousands)	2022	2021	2020	2019	2018
Average common shareholders' equity	$ 1,349,583	$ 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	14,573	19,606	22,659	17,236	12,815
Average tangible common equity	$ 1,092,449	$ 1,099,470	$ 744,573	$ 545,671	$ 479,917
Net income	$ 124,555	$ 190,285	$ 63,621	$ 83,814	$ 80,236
Return on average common equity	9.23 %	14.0 %	6.58 %	11.6 %	12.7 %
Return on average tangible common equity	11.4 %	17.3 %	8.54 %	15.4 %	16.7 %
Adjusted net income	$ 137,578	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Adjusted return on average tangible common equity	12.6 %	16.5 %	19.1 %	16.4 %	17.1 %
Adjusted pre-tax pre-provision earnings	$ 196,147	$ 191,631	$ 229,707	$ 123,972	$ 113,517
Adjusted pre-tax pre-provision return on average tangible common equity	18.0 %	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)	2022	2021	2020	2019	2018
Net income	$ 124,555	$ 190,285	$ 63,621	$ 83,814	$ 80,236
Average assets	12,377,850	11,848,460	8,438,100	5,777,672	4,844,865
Average common equity	1,349,583	1,361,637	966,336	723,494	629,922
Return on average assets	1.01%	1.61%	0.75%	1.45%	1.66%
Return on average common equity	9.23%	14.0%	6.58%	11.6%	12.7%
Adjusted net income	$ 137,578	$ 181,071	$ 141,932	$ 89,271	$ 82,085
Adjusted return on average assets	1.11%	1.53%	1.68%	1.55%	1.69%
Adjusted return on average common equity	10.2%	13.3%	14.7%	12.3%	13.0%
Adjusted pre-tax pre-provision earnings	$ 196,147	$ 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	14.5%	14.1%	23.8%	17.1%	18.0%