FB Financial Corporation



2023 Fourth Quarter Earnings Presentation

January 16, 2024

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) any continuation of the recent turmoil in the banking industry, including the associated impact to the Company and other financial institutions of any regulatory changes or other mitigation efforts taken by government agencies in response, (4) increased competition for deposits, (5) the Company's ability to effectively manage problem credits, (6) any deterioration in commercial real estate market fundamentals, (7) the Company's ability to identify potential candidates for, consummate, and achieve synergies from, potential future acquisitions, (8) the Company's ability to successfully execute its various business strategies, (9) changes in state and federal legislation, regulations or policies applicable to banks and other financial service providers, including legislative developments, (10) the effectiveness of the Company's cybersecurity controls and procedures to prevent and mitigate attempted intrusions, (11) the Company's dependence on information technology systems of third party service providers and the risk of systems failures, interruptions, or breaches of security, and (12) the impact of natural disasters, pandemics, and/or acts of war or terrorism, (13) events giving rise to international or regional political instability, including the broader impacts of such events on financial markets and/or global macroeconomic 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, 2022, 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, consolidated and segment core revenue, consolidated and segment core noninterest expense and core noninterest income, consolidated and segment core efficiency ratio (tax equivalent basis), adjusted return on average assets and equity, and adjusted pre-tax pre-provision return on average assets. 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, tangible book value per common share, tangible common equity to tangible assets, on-balance sheet liquidity to tangible assets, 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 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 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 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 below in this Presentation for additional discussion and reconciliation of these measures to the most directly comparable GAAP financial measures.

4Q 2023 and Annual Highlights

Key highlights

- Net interest income (tax-equivalent basis) and NIM increased in 4Q 2023 over 3Q 2023 to $101.9 million from $101.8 million and 3.46% from 3.42%, respectively
- Contractual yield on loans held for investment (HFI) yield increased by 11 bps to 6.43% in 4Q 2023 from 6.32% in 3Q 2023 while cost of interest-bearing deposits increased by 7 bps to 3.40% in 4Q 2023 from 3.33% in 3Q 2023
- Banking segment expenses were $69.6 million in 4Q 2023 compared to $71.0 million in 3Q 2023; Core banking segment expenses[1] were $63.7 million in 4Q 2023 as compared to $66.2 million in 3Q 2023
- Grew net loans HFI by $121.5 million, or 5.19% annualized, while intentionally decreasing construction and land development loan balances by $135.0 million
- Increased ACL to loans HFI by 3 basis points to 1.60% in 4Q 2023. Recorded net charge-offs of 0.01% for the year in 2023 and annualized net recoveries of 0.04% in 4Q 2023. Credit quality metrics remain solid
- Exited the final relationship in the commercial loans HFS portfolio; experienced a loss of $3.0 million in 4Q 2023 and a net gain of $7.2 million over the life of the portfolio
- Preliminary capital ratios reflect strength and optionality entering 2024:
  - Tangible Common Equity to Tangible Assets[1] 9.74%
  - Common Equity Tier 1 Ratio of 12.2%
  - Total Risk-Based Capital of 14.5%

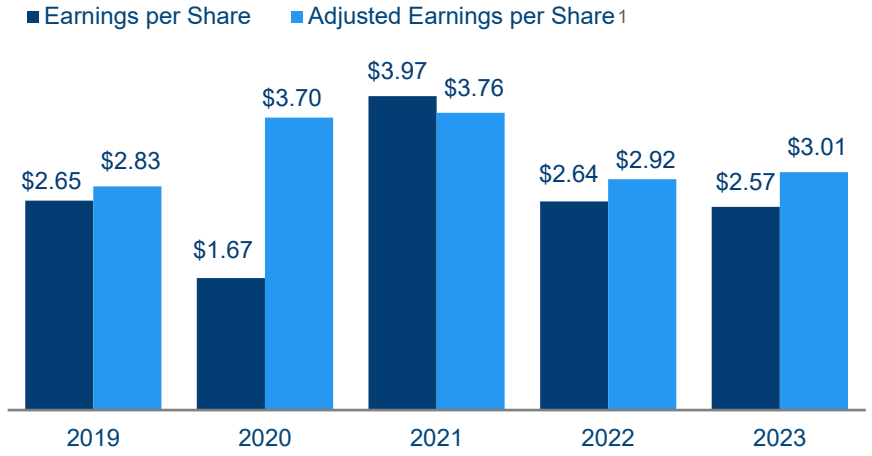
Financial results

	4Q 2023	FY 2023
Diluted earnings per common share	$0.63	$2.57
Adjusted diluted earnings per common share[1]	*$0.77*	*$3.01*
Net income ($mm)	$29.4	$120.2
Adjusted net income[1] ($mm)	*$36.2*	*$141.0*
Return on average assets	0.94%	0.95%
Adjusted return on average assets[1]	*1.15%*	*1.11%*
Return on average common equity	8.41%	8.74%
Adjusted return on average common equity[1]	*10.4%*	*10.3%*
Return on average tangible common equity[1]	10.3%	10.7%
Adjusted return on average tangible common equity[1]	*12.9%*	*12.8%*
Adjusted pre-tax, pre-provision earnings[1] ($mm)	$45.4	$181.0
Net interest margin	3.46%	3.44%
Total common equity / total assets	11.5%	11.5%
Tangible common equity / tangible assets[1]	*9.74%*	*9.74%*

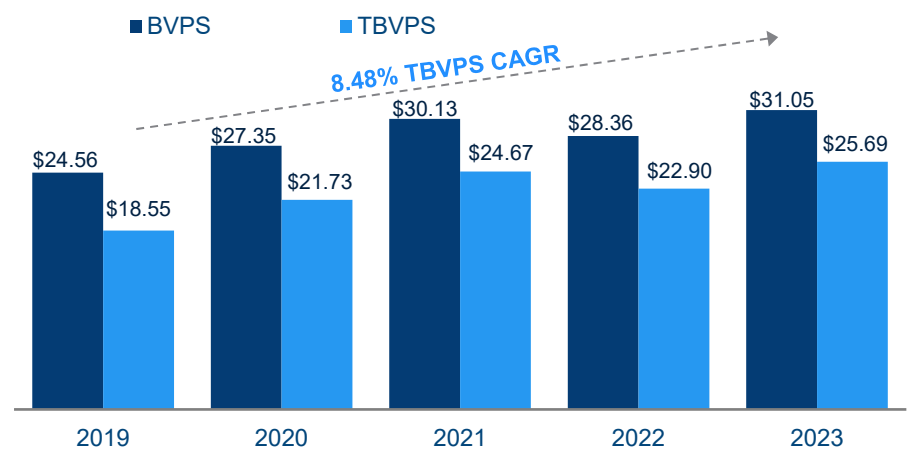
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] Concentration ratios for FirstBank.

Driving shareholder value

Earnings per Share

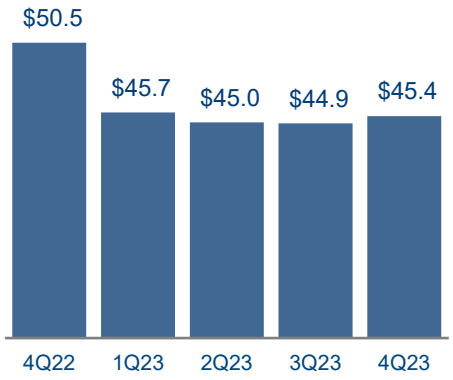


Tangible Book Value per Share[1]

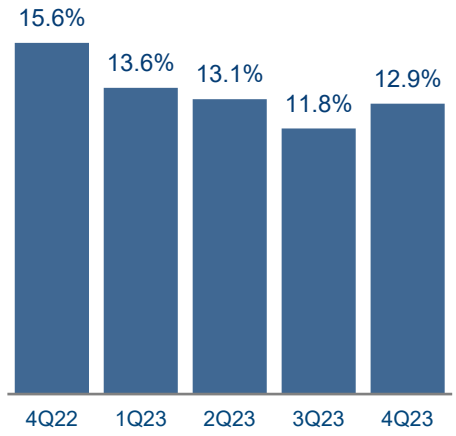


Dashboard

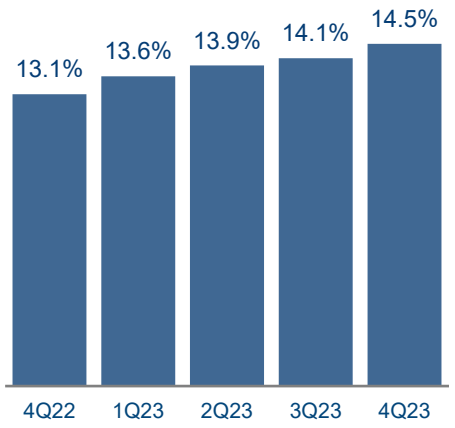
Adjusted PTPP[1]



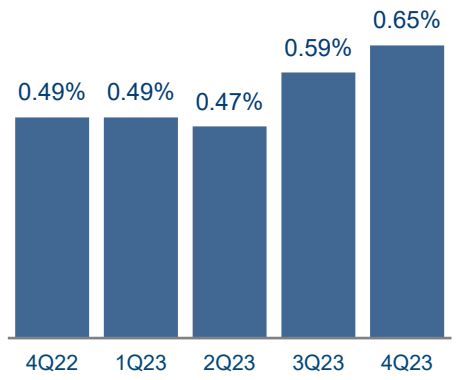
Adjusted ROATCE[1]



Total RBC Ratio[2]



NPLs / Loans HFI



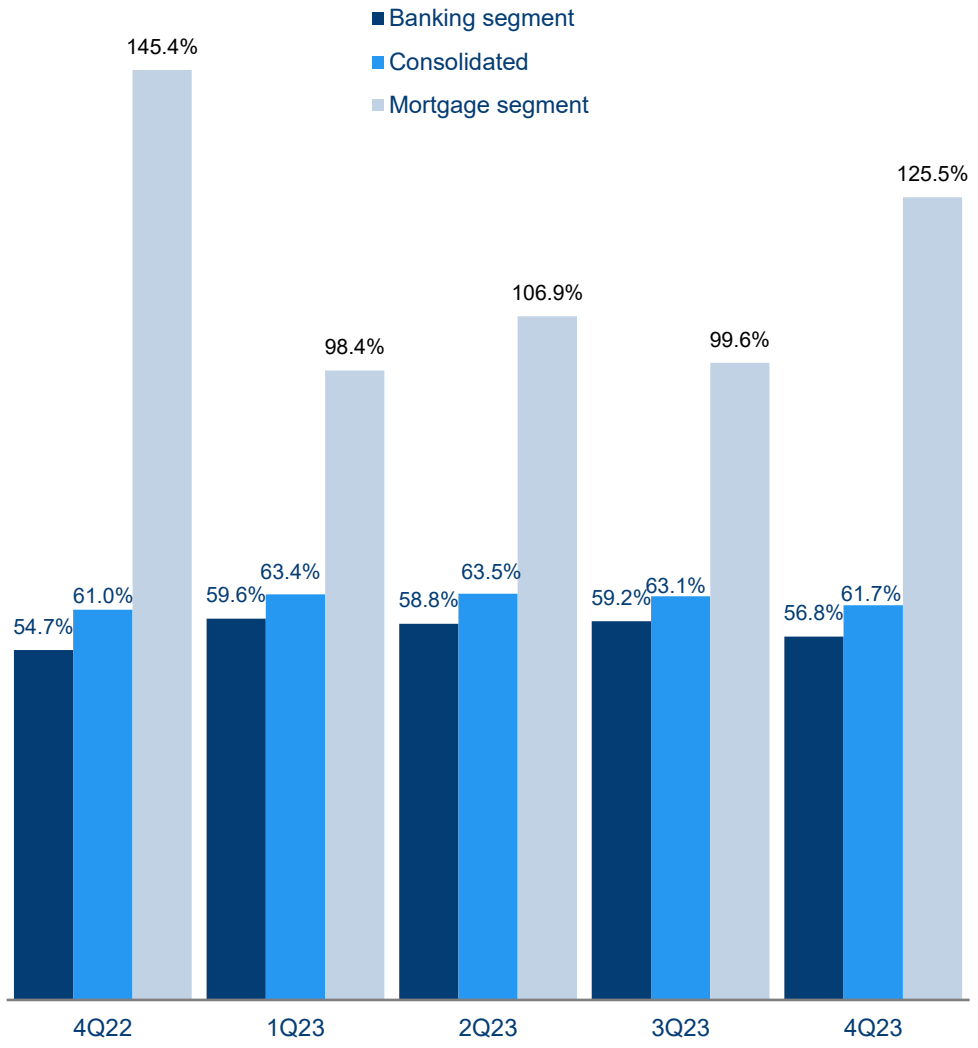
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] 4Q23 calculation is preliminary and subject to change.

Significant projected reduction in run-rate expenses

Highlights

- Consolidated 4Q 2023 efficiency ratio of 68.9%; core efficiency ratio[1] of 61.7%
- Reduced annual core expense projection by $20 million for 2024 vs. 2023
- Q4 charges resulting from expense reductions and FDIC assessment:
  - $2.2 million in early retirement, severance and other costs
  - $1.8 million of lease terminations and branch closure costs
  - $1.8 million of special FDIC assessment
- Mortgage core revenue[1] continues to decline; has been less than 10% of core total revenue[1] each of the past 5 quarters

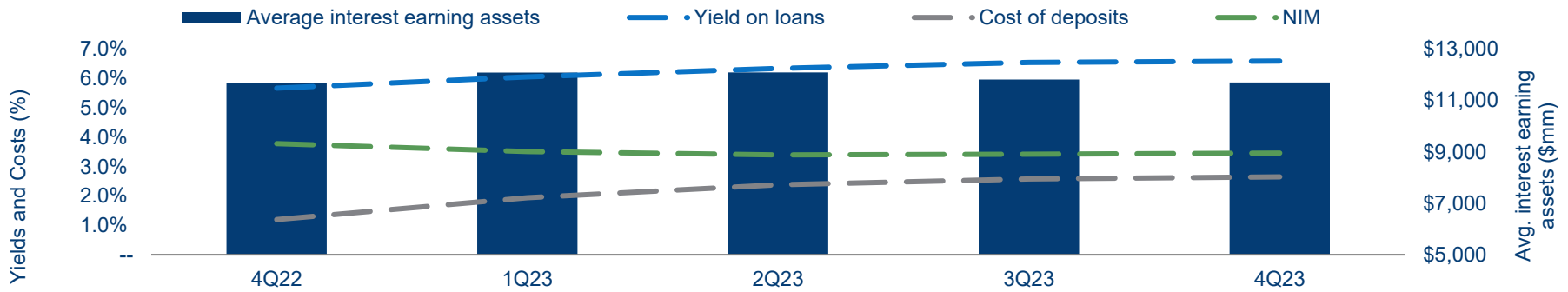
Core efficiency ratio (tax-equivalent basis)[1]



[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein.

Stabilizing net interest margin

Historical yield and costs



	4Q22	1Q23	2Q23	3Q23	4Q23
NIM[1]	**3.78%**	**3.51%**	**3.40%**	**3.42%**	**3.46%**
Impact of accretion and nonaccrual interest (bps)	4	2	1	3	2
Deposit Cost:					
Cost of MMDA	2.03%	2.95%	3.43%	3.78%	3.88%
Cost of customer time	1.79%	2.54%	3.00%	3.37%	3.69%
Cost of interest-bearing	1.67%	2.53%	3.06%	3.33%	3.40%
Total deposit cost	**1.20%**	**1.94%**	**2.38%**	**2.58%**	**2.65%**
Loans HFI Yield:					
Contractual interest[1]	5.45%	5.90%	6.16%	6.32%	6.43%
Origination and other loan fee income	0.18%	0.13%	0.17%	0.19%	0.14%
Nonaccrual interest	0.03%	0.01%	0.01%	0.02%	0.02%
Accretion on purchased loans	0.01%	0.01%	0.00%	0.01%	0.00%
Total loan (HFI) yield	**5.67%**	**6.05%**	**6.34%**	**6.54%**	**6.59%**
Securities yield[1]	**2.10%**	**2.15%**	**2.15%**	**2.14%**	**2.45%**

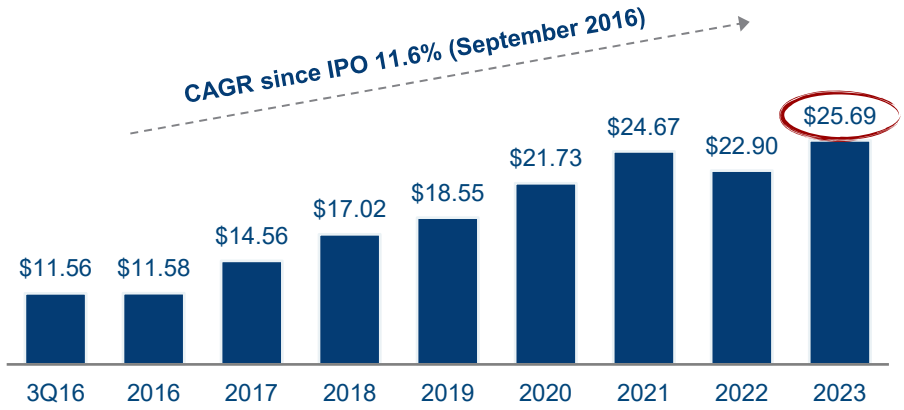
[1] Includes tax-equivalent adjustment.

Well-capitalized for future opportunities

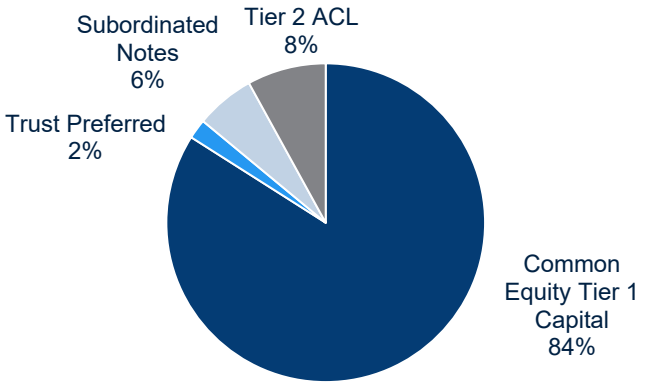
Capital Position

	4Q22	3Q23	4Q23[2]
Shareholder's Equity/Assets	10.3%	11.0%	11.5%
TCE/TA[1]	8.5%	9.2%	9.7%
Common Equity Tier 1	11.0%	11.8%	12.2%
Tier 1 Risk-Based	11.3%	12.1%	12.5%
Total Risk-Based	13.1%	14.1%	14.5%
Tier 1 Leverage	10.5%	11.0%	11.3%
C&D to 100% Tier 1 Capital plus ACL[3]	119%	104%	93%
CRE to 300% Tier 1 Capital plus ACL[3]	297%	270%	265%
AOCI Adjusted Ratios[1]			
Adj. Common Equity Tier 1			11.3%
Adjusted Total Risk-Based			13.7%

Tangible Book Value per Share[1]



Simple Capital Structure

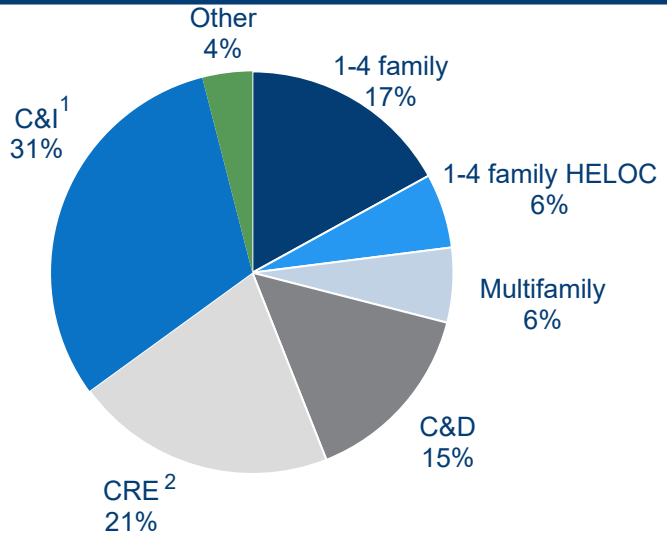


Total regulatory capital $1,636 mm

[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein. [2] 4Q23 calculation is preliminary and subject to change. [3] Concentration ratios for FirstBank.

Balanced loan portfolio

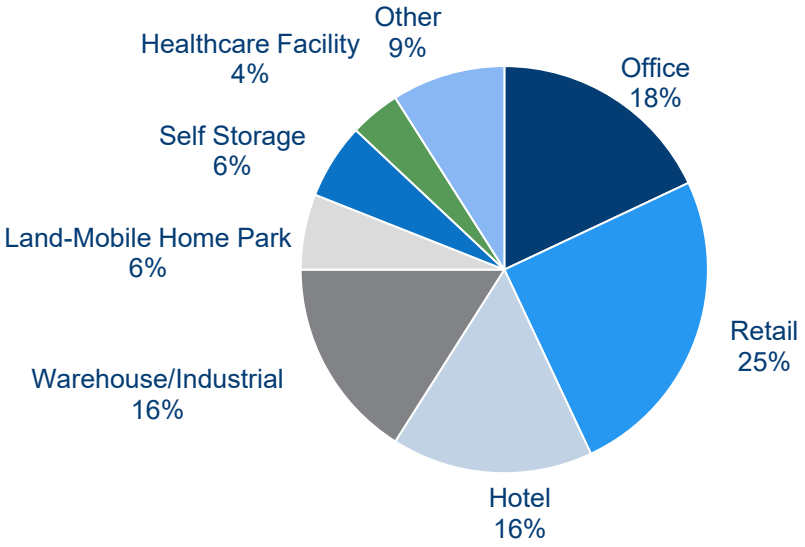
Portfolio mix



C&I[1] exposure by industry ($ millions)

	C&I	CRE-OO	Total	% of Total
Real estate rental and leasing	$ 336	$ 247	$ 583	20%
Finance and insurance	327	18	345	12%
Retail trade	117	151	268	9%
Manufacturing	173	85	258	9%
Other services (except public administration)	52	178	230	8%
Construction	146	61	207	7%
Health care and social assistance	57	126	183	6%
Wholesale trade	94	66	160	5%
Accomodation and food services	30	103	133	5%
Transportation and warehousing	81	25	106	4%
Professional, scientific and technical services	70	40	110	4%
Administrative and Support and Waste Management and Remediation Services	61	10	71	2%
Information	55	14	53	2%
Educational services	38	22	60	2%
Other	84	86	170	5%
Total	**$ 1,721**	**$ 1,232**	**$ 2,937**	**100%**

CRE[2] exposure by type

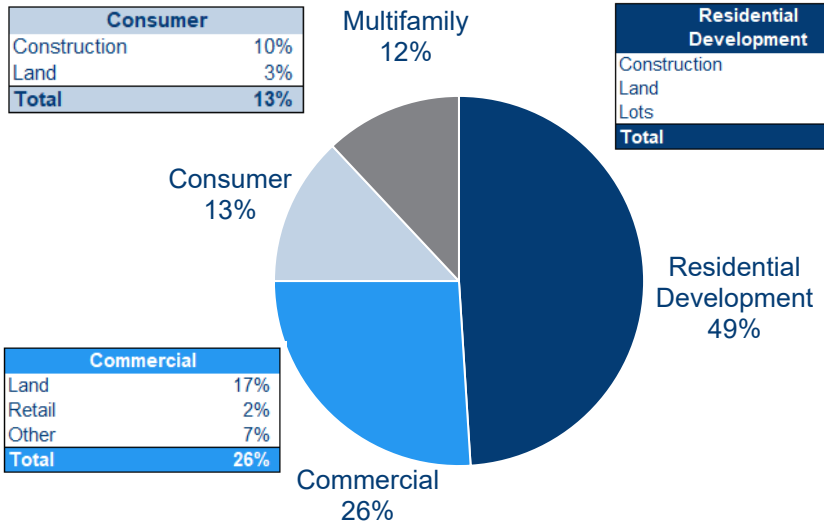


C&D exposure by type

Consumer	
Construction	10%
Land	3%
Total	**13%**

Residential Development	
Construction	38%
Land	8%
Lots	3%
Total	**49%**

Commercial	
Land	17%
Retail	2%
Other	7%
Total	**26%**



Note: Data as of December 31, 2023 [1] C&I includes owner-occupied CRE. [2] Excludes owner-occupied CRE.

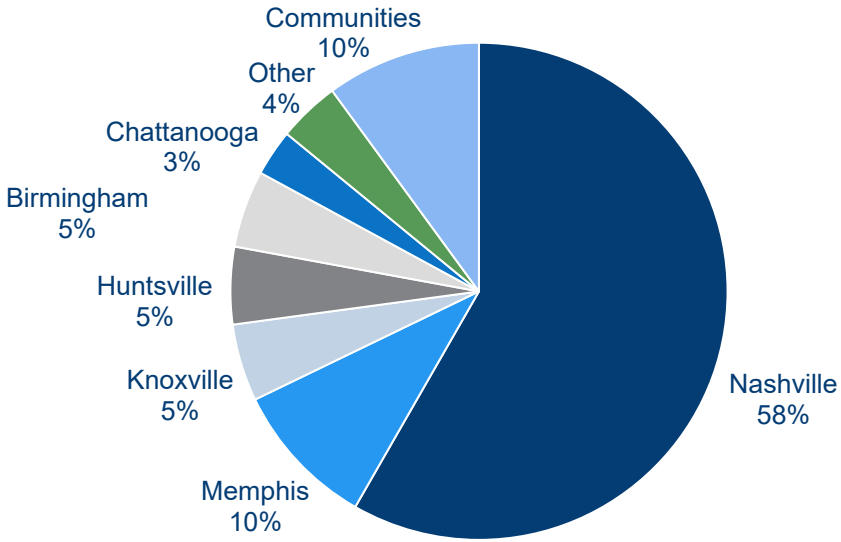
Office exposure (non-owner occupied CRE & C&D)

- Office loans represent only 3.8% of our total HFI loan portfolio as of the end of 4Q23
- Projects generally characterized by 25-30% cash equity requirement, loan to value maximums of 70%-75% at origination, and requests for guarantors
- Reviewed all office loans with commitments greater than $2 million ($267.6 million outstanding, or 75% of total office portfolio) with limited concerns uncovered
- 5.2% of the total office portfolio matures through 2024
- 56% of the total office portfolio is fixed rate vs. 44% floating rate
- As of 4Q23, 98% of the portfolio is pass rated and current

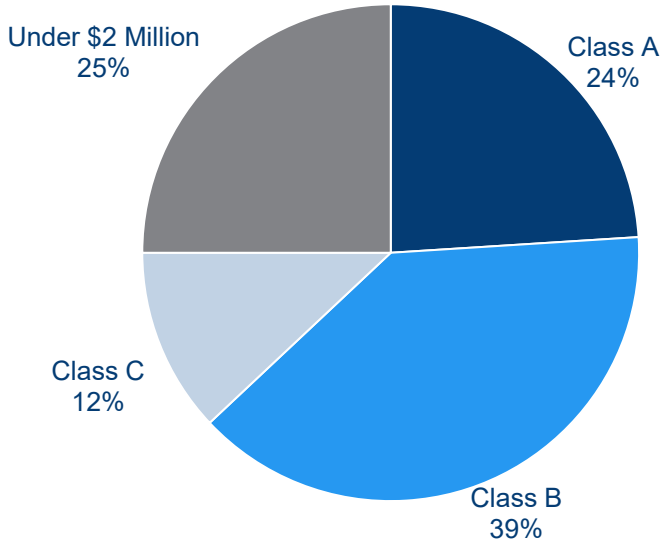
Credit detail by class

Class	Oustanding ($mm)	Average Balance ($mm)	Wtd. Avg. LTV	Wtd. Avg. Occupancy
Class A >$ 2 million	$ 85.3	$ 7.8	57.3%	87.2%
Class B > $ 2 million	140.7	5.7	64.6%	78.4%
Class C > $ 2 million	41.6	5.2	63.5%	77.5%
Total > $2 million	$ 267.6	$ 6.2	62.1%	81.1%
Total < $2 million	92.7	0.6	N/A	N/A
Total Office	**$ 360.3**	**$ 1.8**	**N/A**	**N/A**

Geographic exposure



Exposure by class



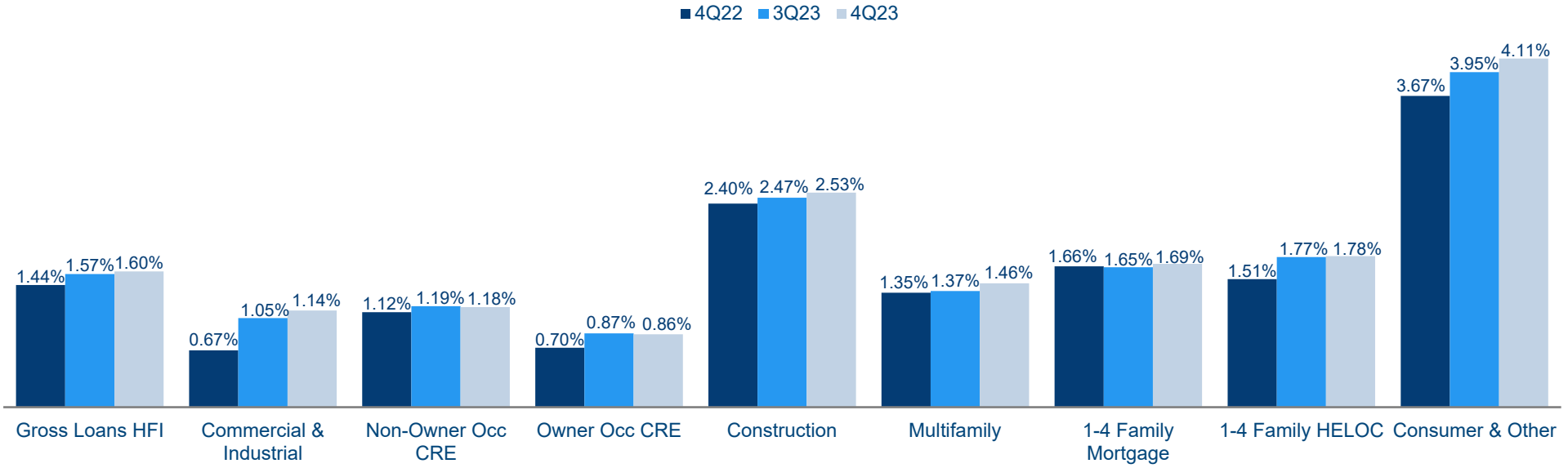
Note: Data as of December 31, 2023. Data excludes medical office buildings.

Allowance for credit losses overview

- Current Expected Credit Loss (CECL) Allowance for Credit Losses (ACL) model utilizes Moody's model[1] with key economic data summarized below:

	For the quarter ended		For the year ended December 31,			
	1Q24	2Q24	2024	2025	2026	2027
GDP(bcw$)	$22,599.3	$22,664.3	$22,710.7	$23,097.3	$23,620.1	$24,183.2
Annualized % Change	1.1%	1.2%	1.7%	1.7%	2.3%	2.4%
Total Employment (millions)	157.1	157.3	157.3	157.9	158.5	159.0
Unemployment Rate	3.9%	3.9%	4.0%	4.1%	4.0%	3.9%
CRE Price Index	336.2	328.9	321.8	344.6	372.8	398.6
NCREIF Property Index: Rate of Return	0.2%	0.2%	0.6%	2.1%	2.1%	2.1%

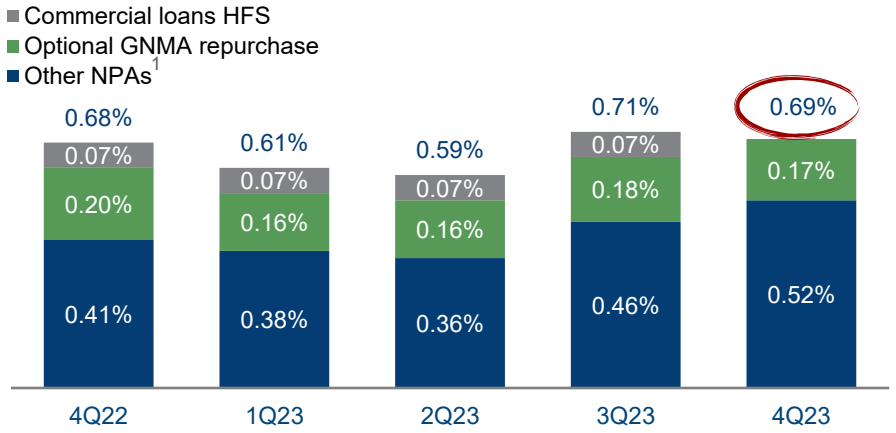
ACL on loans HFI / Loans HFI by category



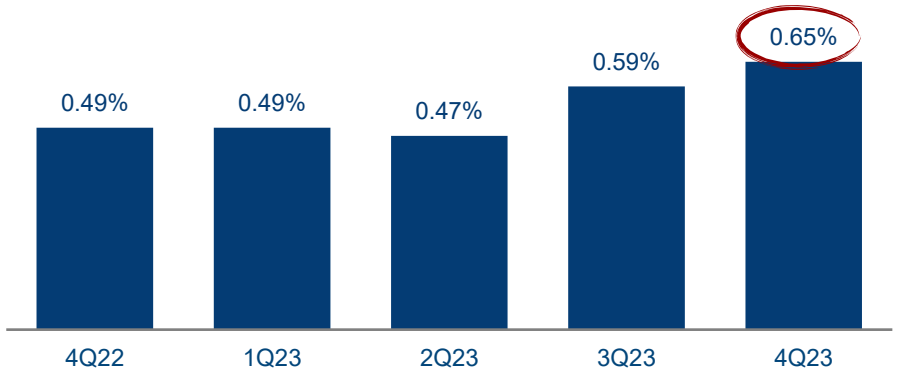
[1]Source: Moody's " December 2023 U.S. Macroeconomic Outlook Baseline and Alternative Scenarios".

Asset quality remains solid

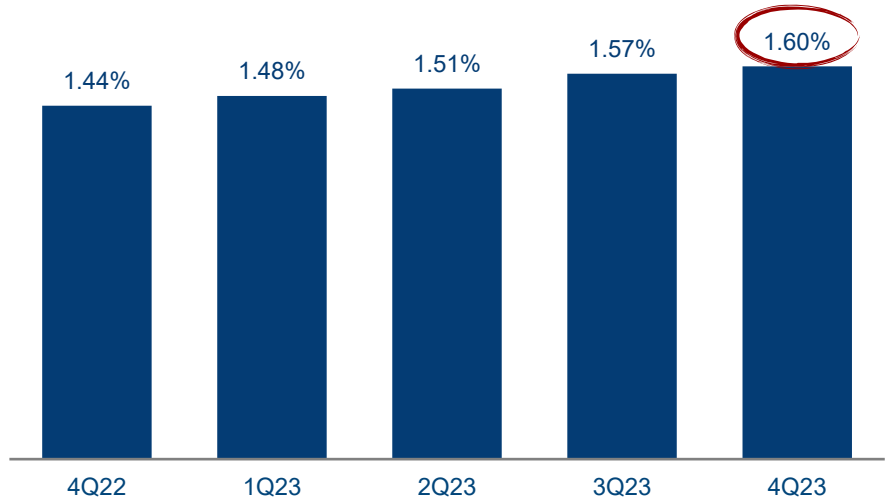
Nonperforming assets / assets



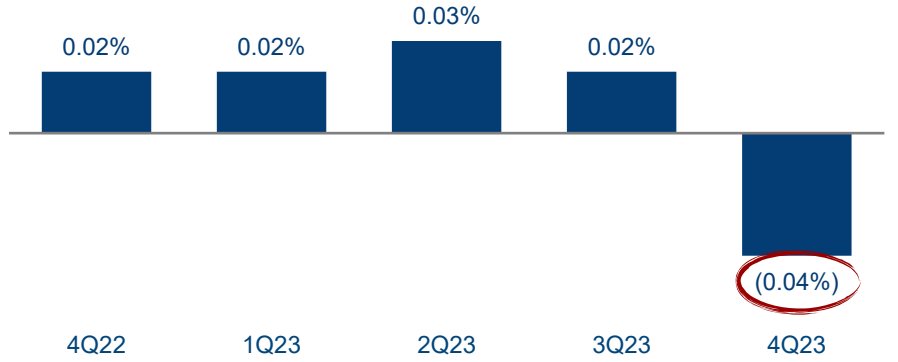
Nonperforming loans HFI / loans HFI



ACL on loans HFI / loans HFI



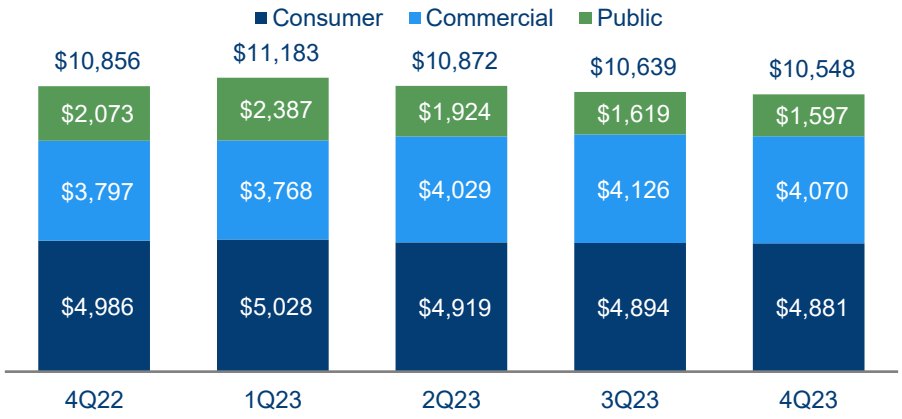
Net charge-offs (recoveries) / average loans HFI



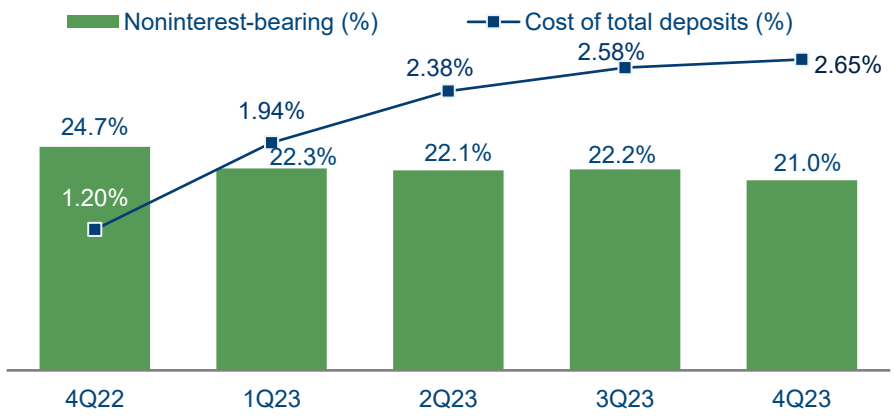
[1] Includes other real estate owned and repossessed assets–see page 13 of the Third Quarter 2023 Financial Supplement.

Valuable deposit base

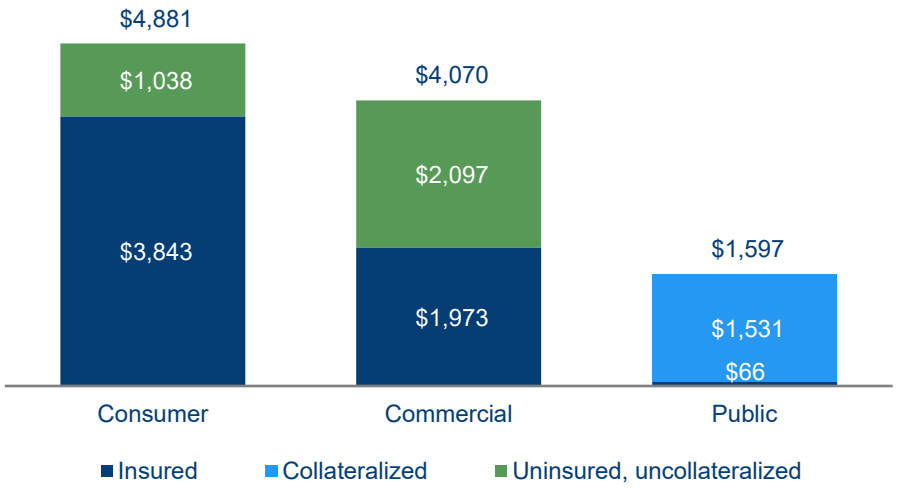
Deposits by customer segment ($mm)



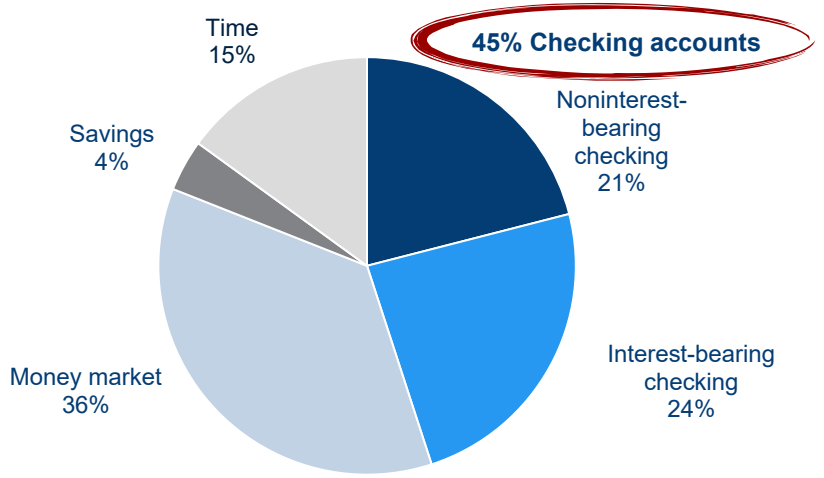
Cost of deposits



4Q23 Insured, collateralized or uninsured by segment ($mm)



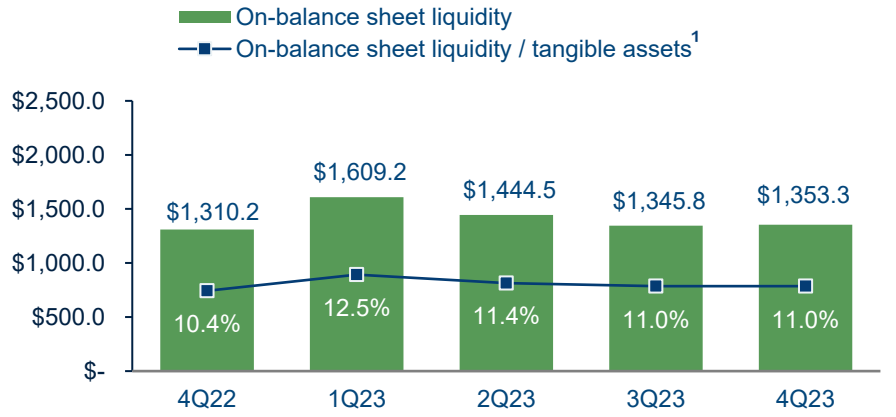
4Q23 Deposit composition



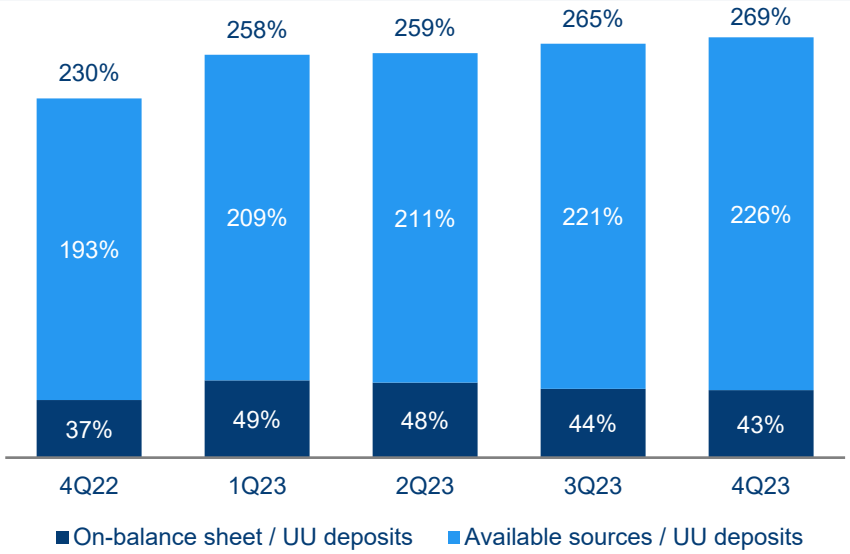
Strong liquidity position

- Well positioned for economic challenges created by the current volatile environment
- Securities portfolio makes up 11.7% of total assets and does not include any HTM securities
- On-balance sheet liquidity of $1.4 billion or 43% of estimated uninsured and uncollateralized deposits
- Increased available borrowing capacity at the FHLB and Federal Reserve discount window in the current quarter by $325.2 million or 9.55% by pledging additional collateral
- Cushion of an additional $2.2 billion of real estate loans held at REIT subsidiary available to the Company as additional borrowing capacity

On-balance sheet liquidity ($mm)



Liquidity / Uninsured and Uncollateralized (UU) Deposits



4Q23 Sources of liquidity ($mm)

Current on-balance sheet:	
Cash and equivalents	$810.9
Unpledged available-for-sale debt securities	542.4
Total on-balance sheet	**$1,353.3**
Available sources of liquidity:	
Unsecured borrowing capacity[2]	$3,350.0
FHLB remaining borrowing capacity[3]	1,297.7
Federal Reserve discount window	2,431.1
Total available sources	**$7,078.8**

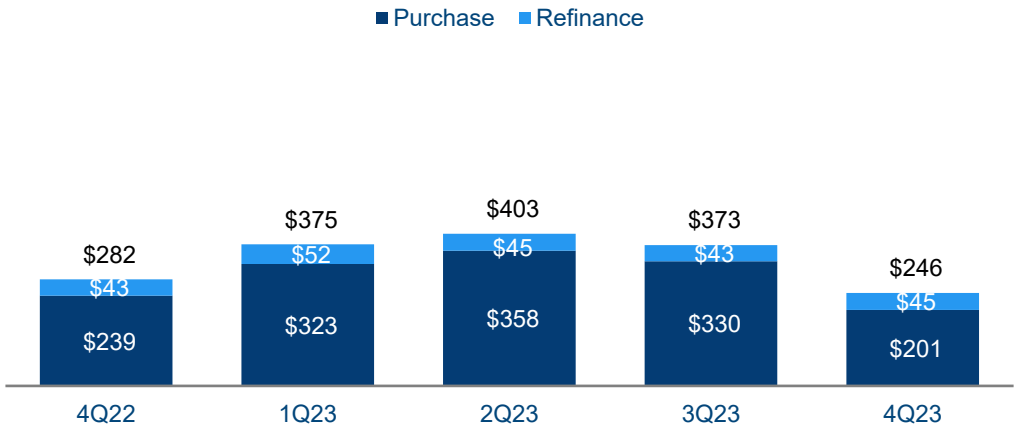
[1] Non-GAAP financial measure; See "Use of non-GAAP Financial Measures" and Non-GAAP reconciliations herein.
[2] Includes capacity from internal policy.
[3] FHLB borrowing capacity does not include loans held at REIT that could be pledged for additional capacity.

Mortgage performance in 4Q 2023

Highlights

- Mortgage segment pre-tax net loss of $2.2 million in 4Q 2023
- Interest rate lock commitment volume decreased 34.1% in 4Q 2023 compared to 3Q 2023
- Decay and interest rate volatility led to MSR fair value losses, net of hedging of $4.87 million in 4Q
- Mortgage volume and margins continue to be under pressure due to high-rate environment, excess industry capacity and home affordability challenges

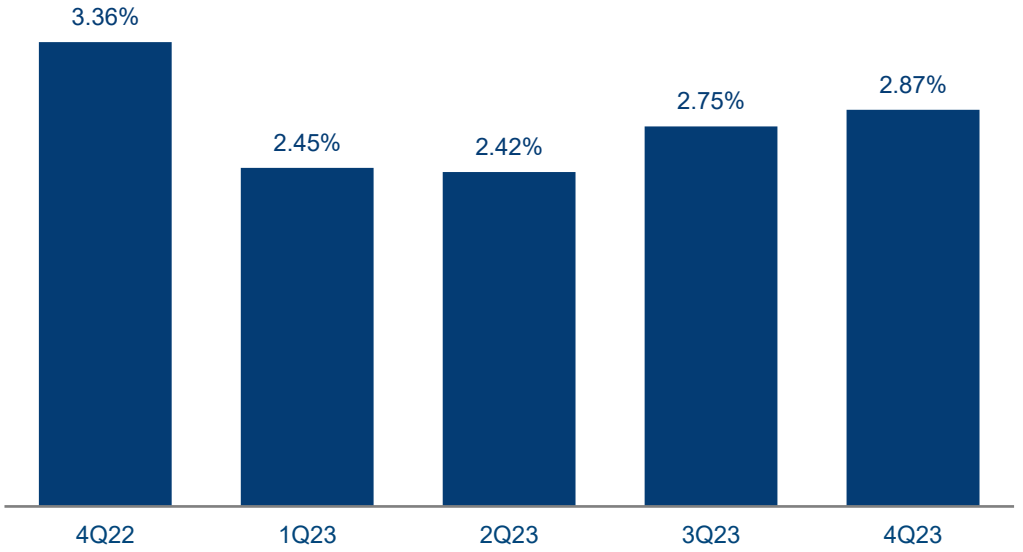
Interest rate lock commitment volume ($mm)



Mortgage banking income ($mm)

	4Q22	3Q23	4Q23
Gains and fees from originations and sale of loans HFS	$9.0	$8.9	$7.4
Fair value changes of loans HFS and derivatives	($2.3)	($0.6)	($1.7)
Servicing revenue	$7.3	$7.4	$7.5
Fair value MSR changes	($4.9)	($3.7)	($4.9)
Total Income	**$9.1**	**$12.0**	**$8.4**

Mortgage segment gain on sale margin



Appendix

GAAP reconciliations and use of non-GAAP financial measures

Adjusted net income and diluted earnings per share

(dollars in thousands, except for share data)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Income before income taxes	$ 35,922	$ 23,150	$ 45,142	$ 46,078	$ 48,193
Less gain (loss) from securities, net	183	(14,197)	(28)	69	25
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(492)	115	533	(183)	(252)
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(3,009)	(7)	(8)	910	(2,562)
Plus early retirement, severance and other costs	2,214	4,809	1,426	—	—
Plus loss (gain) on lease terminations	1,843	—	(1)	(72)	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring expense	—	—	—	—	—
Adjusted pre-tax net income	45,085	42,048	46,070	45,210	50,982
Income tax expense, adjusted for items above	8,933	8,900	10,077	9,471	10,769
Adjusted net income	$ 36,152	$ 33,148	$ 35,993	$ 35,739	$ 40,213
Weighted average common shares outstanding - fully diluted	46,916,939	46,856,422	46,814,854	46,765,154	47,036,742
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 0.63	$ 0.41	$ 0.75	$ 0.78	$ 0.81
Adjusted diluted earnings per common share	$ 0.77	$ 0.71	$ 0.77	$ 0.76	$ 0.85

GAAP reconciliations and use of non-GAAP financial measures

Adjusted pre-tax pre-provision earnings

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Income before income taxes	$ 35,922	$ 23,150	$ 45,142	$ 46,078	$ 48,193
Plus provisions for credit losses	305	2,821	(1,078)	491	(456)
Pre-tax pre-provision earnings	36,227	25,971	44,064	46,569	47,737
Less gain (loss) from securities, net	183	(14,197)	(28)	69	25
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(492)	115	533	(183)	(252)
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(3,009)	(7)	(8)	910	(2,562)
Plus early retirement, severance and other costs	2,214	4,809	1,426	—	—
Plus loss (gain) on lease terminations	1,843	—	(1)	(72)	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring expense	—	—	—	—	—
Adjusted pre-tax pre-provision earnings	$ 45,390	$ 44,869	$ 44,992	$ 45,701	$ 50,526

GAAP reconciliations and use of non-GAAP financial measures

Adjusted tangible net income

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Income before income taxes	$ 35,922	$ 23,150	$ 45,142	$ 46,078	$ 48,193
Plus amortization of core deposit and other intangibles	840	889	940	990	1,039
Less gain (loss) from securities, net	183	(14,197)	(28)	69	25
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(492)	115	533	(183)	(252)
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(3,009)	(7)	(8)	910	(2,562)
Plus early retirement, severance and other costs	2,214	4,809	1,426	—	—
Plus loss (gain) on lease terminations	1,843	—	(1)	(72)	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring expense	—	—	—	—	—
Less income tax expense, adjusted for items above	9,152	9,131	10,322	9,729	11,040
Adjusted tangible net income	$ 36,773	$ 33,806	$ 36,688	$ 36,471	$ 40,981

GAAP reconciliations and use of non-GAAP financial measures

Adjusted earnings and diluted earnings per share

(dollars in thousands, except for share data)	Year Ended 2023	2022	2021	2020	2019
Income before income taxes	$ 150,292	$ 159,574	$ 243,051	$ 82,461	$ 109,539
Less (loss) gain from securities, net	(13,973)	(376)	324	1,631	57
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(27)	(265)	2,827	(1,581)	441
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(2,114)	(5,133)	11,172	3,228	—
Less cash life insurance benefit	—	—	—	715	—
Less loss on swap cancellation	—	—	(1,510)	—	—
Plus early retirement, severance and other costs	8,449	—	—	—	—
Plus loss (gain) on lease terminations	1,770	18	(805)	—	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring, offering, and merger and conversion expense	—	12,458	605	34,879	7,380
Plus initial provision for credit losses on acquired loans and unfunded commitments	—	—	—	66,136	—
Plus FHLB prepayment penalties	—	—	—	6,838	—
Plus certain nonrecurring charitable contributions	—	—	1,422	—	—
Adjusted pre-tax net income	178,413	177,824	231,460	186,321	116,421
Income tax expense, adjusted for items above	37,380	39,759	51,249	45,539	27,518
Adjusted net income	$ 141,033	$ 138,065	$ 180,211	$ 140,782	$ 88,903
Weighted average common shares outstanding - fully diluted	46,822,792	47,239,791	47,955,880	38,099,744	31,402,897
Adjusted diluted earnings per common share					
Diluted earnings per common share	$ 2.57	$ 2.64	$ 3.97	$ 1.67	$ 2.65
Adjusted diluted earnings per common share	$ 3.01	$ 2.92	$ 3.76	$ 3.70	$ 2.83

GAAP reconciliations and use of non-GAAP financial measures

Adjusted pre-tax pre-provision earnings

(dollars in thousands)	Year Ended 2023	2022	2021	2020	2019
Income before income taxes	$ 150,292	$ 159,574	$ 243,051	$ 82,461	$ 109,539
Plus provisions for credit losses	2,539	18,982	(40,993)	107,967	7,053
Pre-tax pre-provision earnings	152,831	178,556	202,058	190,428	116,592
Less (loss) gain from securities, net	(13,973)	(376)	324	1,631	57
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(27)	(265)	2,827	(1,581)	441
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(2,114)	(5,133)	11,172	3,228	—
Less cash life insurance benefit	—	—	—	715	—
Less loss on swap cancellation	—	—	(1,510)	—	—
Plus early retirement, severance and other costs	8,449	—	—	—	—
Plus loss (gain) on lease terminations	1,770	18	(805)	—	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring, offering, and merger and	—	12,458	605	34,879	7,380
Plus FHLB prepayment penalties	—	—	—	6,838	—
Plus certain nonrecurring charitable contributions	—	—	1,422	—	—
Adjusted pre-tax pre-provision earnings	$ 180,952	$ 196,806	$ 190,467	$ 228,152	$ 123,474

GAAP reconciliations and use of non-GAAP financial measures

Adjusted tangible net income

(dollars in thousands)	Year Ended 2023	2022	2021	2020	2019
Income before income taxes	$ 150,292	$ 159,574	$ 243,051	$ 82,461	$ 109,539
Plus amortization of core deposit and other intangibles	3,659	4,585	5,473	5,323	4,339
Less (loss) gain from securities, net	(13,973)	(376)	324	1,631	57
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(27)	(265)	2,827	(1,581)	441
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(2,114)	(5,133)	11,172	3,228	—
Less cash life insurance benefit	—	—	—	715	—
Less loss on swap cancellation	—	—	(1,510)	—	—
Plus early retirement, severance and other costs	8,449	—	—	—	—
Plus loss (gain) on lease terminations	1,770	18	(805)	—	—
Plus FDIC special assessment	1,788	—	—	—	—
Plus mortgage restructuring, offering, and merger and conversion expense	—	12,458	605	34,879	7,380
Plus initial provision for credit losses on acquired loans and unfunded commitments	—	—	—	66,136	—
Plus FHLB prepayment penalties	—	—	—	6,838	—
Plus certain nonrecurring charitable contributions	—	—	1,422	—	—
Less income tax expense, adjusted for items above	38,334	40,954	52,676	46,926	28,649
Adjusted tangible net income	$ 143,738	$ 141,455	$ 185,679	$ 144,718	$ 92,111

GAAP Reconciliations and use of non-GAAP Financial Measures

Adjusted Common Equity Tier 1 and Total Risk-Based capital ratios

(dollars in thousands)		As of Dec 2023
Common stock, related surplus and retained earnings	$	1,609,970
Less goodwill and disallowed intangibles, net of deferred tax liabilities and deferred tax assets arising from net operating loss tax credit carryforwards		234,080
Common Equity Tier 1 capital	$	1,375,890
Plus accumulated other comprehensive loss on available-for-sale securities		(135,153)
Adjusted Common Equity Tier 1 capital	$	1,240,737
Total Risk-Based capital	$	1,635,848
Plus accumulated other comprehensive loss on available-for-sale securities		(135,153)
Adjusted Total Risk-Based capital	$	1,500,695
Total risk-weighted assets	$	11,257,346
Less risk-weighted impact of available-for-sale securities		306,967
Adjusted total risk-weighted assets	$	10,950,379
Common Equity Tier 1 ratio		12.2%
Adjusted Common Equity Tier 1 capital		11.3%
Total Risk-Based capital		14.5%
Adjusted Total Risk-Based capital		13.7%

Note: Capital ratios are at FB Financial Corporation.

GAAP reconciliations and use of non-GAAP financial measures

Core efficiency ratio (tax-equivalent basis)

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Total noninterest expense	$ 80,200	$ 82,997	$ 81,292	$ 80,440	$ 80,230
Less early retirement, severance and other costs	2,214	4,809	1,426	—	—
Less loss (gain) on lease terminations	1,843	—	(1)	(72)	—
Less FDIC special assessment	1,788	—	—	—	—
Less mortgage restructuring expense	—	—	—	—	—
Core noninterest expense	$ 74,355	$ 78,188	$ 79,867	$ 80,512	$ 80,230
Net interest income	$ 101,088	$ 100,926	$ 101,543	$ 103,660	$ 110,498
Net interest income (tax-equivalent basis)	$ 101,924	$ 101,762	$ 102,383	$ 104,493	$ 111,279
Total noninterest income	15,339	8,042	23,813	23,349	17,469
Less gain (loss) from securities, net	183	(14,197)	(28)	69	25
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(492)	115	533	(183)	(252)
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(3,009)	(7)	(8)	910	(2,562)
Core noninterest income	18,657	22,131	23,316	22,553	20,258
Total revenue	$ 116,427	$ 108,968	$ 125,356	$ 127,009	$ 127,967
Core revenue (tax-equivalent basis)	$ 120,581	$ 123,893	$ 125,699	$ 127,046	$ 131,537
Efficiency ratio	68.9%	76.2%	64.8%	63.3%	62.7%
Core efficiency ratio (tax-equivalent basis)	61.7%	63.1%	63.5%	63.4%	61.0%

GAAP reconciliations and use of non-GAAP financial measures

Banking segment core efficiency ratios (tax-equivalent basis)

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Banking segment noninterest expense	$ 69,559	$ 70,974	$ 67,653	$ 68,350	$ 66,926
Less early retirement, severance and other costs	2,214	4,809	1,001	—	—
Less loss (gain) on lease terminations	1,843	—	—	—	—
Less FDIC special assessment	$ 1,788	$ —	$ —	$ —	$ —
Banking segment core noninterest expense	$ 63,714	$ 66,165	$ 66,652	$ 68,350	$ 66,926
Banking segment net interest income	101,088	100,926	101,543	103,660	110,498
Banking segment net interest income (tax-equivalent basis)	101,924	101,762	102,383	104,493	111,279
Banking segment noninterest income (loss)	6,889	(4,031)	11,480	11,493	8,345
Less (loss) gain from changes in fair value of commercial loans held for sale acquired in previous business combination	(3,009)	(7)	(8)	910	(2,562)
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(460)	119	558	249	(228)
Less gain (loss) from securities, net	183	(14,197)	(28)	69	25
Banking segment core noninterest income	10,175	10,054	10,958	10,265	11,110
Banking segment total revenue	$ 107,977	$ 96,895	$ 113,023	$ 115,153	$ 118,843
Banking segment total core revenue (tax-equivalent basis)	$ 112,099	$ 111,816	$ 113,341	$ 114,758	$ 122,389
Banking segment efficiency ratio	64.4%	73.2%	59.9%	59.4%	56.3%
Banking segment core efficiency ratio (tax-equivalent basis)	56.8%	59.2%	58.8%	59.6%	54.7%

GAAP reconciliations and use of non-GAAP financial measures

Mortgage segment core efficiency (tax-equivalent basis) and core revenue ratios

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Mortgage segment noninterest expense	$ 10,641	$ 12,023	$ 13,639	$ 12,090	$ 13,304
Less severance costs	—	—	425	—	—
Less loss (gain) on lease terminations	—	—	(1)	(72)	—
Less mortgage restructuring expense	—	—	—	—	—
Mortgage segment core noninterest expense	$ 10,641	$ 12,023	$ 13,215	$ 12,162	$ 13,304
Mortgage segment net interest income	—	—	—	—	—
Mortgage segment noninterest income	8,450	12,073	12,333	11,856	9,124
Less (loss) gain on sales or write-downs of other real estate owned and other assets	(32)	(4)	(25)	(432)	(24)
Mortgage segment core noninterest income	8,482	12,077	12,358	12,288	9,148
Mortgage segment total revenue	$ 8,450	$ 12,073	$ 12,333	$ 11,856	$ 9,124
Mortgage segment core total revenue	$ 8,482	$ 12,077	$ 12,358	$ 12,288	$ 9,148
Mortgage segment efficiency ratio	125.9%	99.6%	110.6%	102.0%	145.8%
Mortgage segment core efficiency ratio (tax-equivalent basis)	125.5%	99.6%	106.9%	98.4%	145.4%
Total revenue	$ 116,427	$ 108,968	$ 125,356	$ 127,009	$ 127,967
Core revenue	$ 120,581	$ 123,893	$ 125,699	$ 127,046	$ 131,537
Mortgage segment total revenue as a percentage of total revenue	7.26%	11.1%	9.84%	9.33%	7.13%
Mortgage segment core revenue as a percentage of core total revenue	7.03%	9.75%	9.83%	9.67%	6.95%

GAAP reconciliations and use of non-GAAP financial measures

Tangible assets, common equity and related measures

(dollars in thousands, except share data)	As of Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Tangible assets					
Total assets	$ 12,604,403	$ 12,489,631	$ 12,887,395	$ 13,101,147	$ 12,847,756
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	8,709	9,549	10,438	11,378	12,368
Tangible assets	$ 12,353,133	$ 12,237,521	$ 12,634,396	$ 12,847,208	$ 12,592,827
Tangible common equity					
Total common shareholders' equity	$ 1,454,794	$ 1,372,901	$ 1,386,951	$ 1,369,696	$ 1,325,425
Less goodwill	242,561	242,561	242,561	242,561	242,561
Less intangibles, net	8,709	9,549	10,438	11,378	12,368
Tangible common equity	$ 1,203,524	$ 1,120,791	$ 1,133,952	$ 1,115,757	$ 1,070,496
Common shares outstanding	46,848,934	46,839,159	46,798,751	46,762,626	46,737,912
Book value per common share	$ 31.05	$ 29.31	$ 29.64	$ 29.29	$ 28.36
Tangible book value per common share	$ 25.69	$ 23.93	$ 24.23	$ 23.86	$ 22.90
Total common shareholders' equity to total assets	11.5%	11.0%	10.8%	10.5%	10.3%
Tangible common equity to tangible assets	9.74%	9.16%	8.98%	8.68%	8.50%
On-balance sheet liquidity:					
Cash and cash equivalents	$ 810,932	$ 848,318	$ 1,160,354	$ 1,319,951	$ 1,027,052
Unpledged securities	542,427	494,582	281,098	286,169	280,165
Equity securities, at fair value	—	2,934	3,031	3,059	2,990
Total on-balance sheet liquidity	$ 1,353,359	$ 1,345,834	$ 1,444,483	$ 1,609,179	$ 1,310,207
On-balance sheet liquidity as a percentage of total assets	10.7%	10.8%	11.2%	12.3%	10.2%
On-balance sheet liquidity as a percentage of total tangible assets	11.0%	11.0%	11.4%	12.5%	10.4%

GAAP reconciliations and use of non-GAAP financial measures

Tangible assets, common equity and related measures

(dollars in thousands, except share data)	As of the Year Ended 2023	2022	2021	2020	2019
Tangible assets					
Total assets	$ 12,604,403	$ 12,847,756	$ 12,597,686	$ 11,207,330	$ 6,124,921
Less goodwill	242,561	242,561	242,561	242,561	169,051
Less intangibles, net	8,709	12,368	16,953	22,426	17,589
Tangible assets	$ 12,353,133	$ 12,592,827	$ 12,338,172	$ 10,942,343	$ 5,938,281
Tangible common equity					
Total common shareholders' equity	$ 1,454,794	$ 1,325,425	$ 1,432,602	$ 1,291,289	$ 762,329
Less goodwill	242,561	242,561	242,561	242,561	169,051
Less intangibles, net	8,709	12,368	16,953	22,426	17,589
Tangible common equity	$ 1,203,524	$ 1,070,496	$ 1,173,088	$ 1,026,302	$ 575,689
Common shares outstanding	46,848,934	46,737,912	47,549,241	47,220,743	31,034,315
Book value per common share	$ 31.05	$ 28.36	$ 30.13	$ 27.35	$ 24.56
Tangible book value per common share	$ 25.69	$ 22.90	$ 24.67	$ 21.73	$ 18.55
Total common shareholders' equity to total assets	11.5%	10.3%	11.4%	11.5%	12.4%
Tangible common equity to tangible assets	9.74%	8.50%	9.51%	9.38%	9.69%

GAAP reconciliations and use of non-GAAP financial measures

Adjusted return on average tangible common equity and related measures

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Average common shareholders' equity	$1,385,373	$1,393,253	$1,376,818	$1,343,227	$1,294,758
Less average goodwill	242,561	242,561	242,561	242,561	242,561
Less average intangibles, net	9,138	10,011	10,913	11,862	12,865
Average tangible common equity	$1,133,674	$1,140,681	$1,123,344	$1,088,804	$1,039,332
Net income	$ 29,369	$ 19,175	$ 35,299	$ 36,381	$ 38,143
Return on average common equity	8.41%	5.46%	10.3%	11.0%	11.7%
Return on average tangible common equity	10.3%	6.67%	12.6%	13.6%	14.6%
Adjusted tangible net income	$ 36,773	$ 33,806	$ 36,688	$ 36,471	$ 40,981
Adjusted return on average tangible common equity	12.9%	11.8%	13.1%	13.6%	15.6%

GAAP reconciliations and use of non-GAAP financial measures

Adjusted return on average asset, common equity and related measures

(dollars in thousands)	Three Months Ended				
	Dec 2023	Sep 2023	Jun 2023	Mar 2023	Dec 2022
Net income	$ 29,369	$ 19,175	$ 35,299	$ 36,381	$ 38,143
Average assets	12,434,575	12,557,158	12,826,449	12,861,614	12,446,027
Average common equity	1,385,373	1,393,253	1,376,818	1,343,227	1,294,758
Return on average assets	0.94%	0.61%	1.10%	1.15%	1.22%
Return on average common equity	8.41%	5.46%	10.3%	11.0%	11.7%
Adjusted net income	$ 36,152	$ 33,148	$ 35,993	$ 35,739	$ 40,213
Adjusted return on average assets	1.15%	1.05%	1.13%	1.13%	1.28%
Adjusted return on average common equity	10.4%	9.44%	10.5%	10.8%	12.3%
Adjusted pre-tax pre-provision earnings	$ 45,390	$ 44,869	$ 44,992	$ 45,701	$ 50,526
Adjusted pre-tax pre-provision return on average assets	1.45%	1.42%	1.41%	1.44%	1.61%

GAAP reconciliations and use of non-GAAP financial measures

Adjusted return on average tangible common equity and related measures

(dollars in thousands)	Year Ended 2023	2022	2021	2020	2019
Average common shareholders' equity	$1,374,831	$1,349,583	$1,361,637	$ 966,336	$ 723,494
Less average goodwill	242,561	242,561	242,561	199,104	160,587
Less average intangibles, net	10,922	14,573	19,606	22,659	17,236
Average tangible common equity	$1,121,348	$1,092,449	$1,099,470	$ 744,573	$ 545,671
Net income	$ 120,224	$ 124,555	$ 190,285	$ 63,621	$ 83,814
Return on average common equity	8.74%	9.23%	14.0%	6.58%	11.6%
Return on average tangible common equity	10.7%	11.4%	17.3%	8.54%	15.4%
Adjusted tangible net income	$ 143,738	$ 141,455	$ 185,679	$ 144,718	$ 92,111
Adjusted return on average tangible common equity	12.8%	12.9%	16.9%	19.4%	16.9%

GAAP reconciliations and use of non-GAAP financial measures

Adjusted return on average asset, common equity and related measures

	Year Ended				
(dollars in thousands)	2023	2022	2021	2020	2019
Net income	$ 120,224	$ 124,555	$ 190,285	$ 63,621	$ 83,814
Average assets	12,668,834	12,377,850	11,848,460	8,438,100	5,777,672
Average common equity	1,374,831	1,349,583	1,361,637	966,336	723,494
Return on average assets	0.95%	1.01%	1.61%	0.75%	1.45%
Return on average common equity	8.74%	9.23%	14.0%	6.58%	11.6%
Adjusted net income	$ 141,033	$ 138,065	$ 180,211	$ 140,782	$ 88,903
Adjusted return on average assets	1.11%	1.12%	1.52%	1.67%	1.54%
Adjusted return on average common equity	10.3%	10.2%	13.2%	14.6%	12.3%
Adjusted pre-tax pre-provision earnings	$ 180,952	$ 196,806	$ 190,467	$ 228,152	$ 123,474
Adjusted pre-tax pre-provision return on average assets	1.43%	1.59%	1.61%	2.70%	2.14%